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## 93rd General Assembly Third Extraordinary Session August 10, 2022

### **INCOME TAX REDUCTIONS APPROVED**

The 93<sup>rd</sup> Arkansas General Assembly convened yesterday in its Third Extraordinary Session to consider accelerating income tax reductions adopted last fall. Yesterday, identical bills were filed in the House and Senate and were given Do Pass recommendations from the House and Senate tax committees.

The identical bills were [HB 1002](#) by Rep. Joe Jett, R-Success, chairman of the House Revenue and Tax committee with 52 Republican representatives as co-sponsors and [SB 1](#) by Sen. Jonathan Dismang, chairman of the Joint Budget Committee with 23 Republican senators as co-sponsors.

This morning the House passed [HB 1002](#) by a vote of 81 yea and 14 nay. The Senate passed [SB 1](#) by a vote of 29 yea and five nay. The bills were then sent to the opposite chamber where they were given Do Pass recommendation by the respective tax committees.

These bills will be considered on the House and Senate floors tomorrow morning at 9:00 a.m. This will conclude the special session's business.

### **TAX CUT MEASURE**

Today's bills:

- Lower the top personal income tax rate to 4.9% effective January 1, 2022
- Lower the top corporate tax rate to 5.3% effective January 1, 2023
- Conform Arkansas law to IRS Section 179 depreciation, which increases the state's cap from \$25,000 to match the federal law's cap of just over one million dollars.
- Establish a \$150 income tax credit for individuals with income up to \$87,000 and slides down for incomes up to \$101,000.

Today's bills accelerate top income tax rate reductions adopted in the Second Extraordinary Session last fall. The fall 2021 bills also reduced the individual tax tables from three to two by combining the lower and middle-income tables, effective January 1, 2022. The new table applies to those with net taxable income up to \$84,500 per year. The high-income table applies to those with taxable incomes above \$84,500.

The 2021 Acts scheduled reductions in the top individual rate to fall from 5.9% to 5.5% on January 1, 2022; then 5.3% on January 1, 2023; 5.1% on January 1, 2024, and 4.9% in January of 2025. The corporate income tax top rate was scheduled to reduce to 5.7% on January 1, 2023; 5.5% January 1, 2024, and 5.3% January 1, 2025. These reductions would only happen if no funds were transferred out of the Catastrophic Reserve Fund.

### **SCHOOL SAFETY**

[SB 2](#) by Sen. Missy Irvin, chair of the Senate Education Committee, appropriates \$50 million to the Department of Education for school safety grants for fiscal year 2022-2023. The details will be worked out through the Legislative Council following completion of a

study. **SB 2** was given a Do Pass recommendation by the Joint Budget Committee yesterday and passed the Senate this morning 30 to 1. It will be considered on the House floor tomorrow morning.

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### LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information, and legislator information, click [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

### Legislative Message Center

House of Representatives: 501-682-6211  
Senate: 501-682-2902

### Live Streaming from the Capitol

The House and Senate have links to live streaming of their committee meetings and floor session online.

- House: <https://www.arkansashouse.org/>
- Senate: <http://www.arkansas.gov/senate/>

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