

DAILY LEGISLATIVE UPDATE



Business matters.

Daily Legislative Update

94th Arkansas General Assembly
Thursday, April 6, 2023 | Day 88

REVENUE STABILIZATION – SESSION ENDING

The Arkansas balanced budget law is enacted as the Revenue Stabilization Act (RSA) and is one of the last items—if not the last item—passed in a legislative session. **SB 569** and **HB 1833** are the RSA bills from this session. They each passed in their originating chamber today and will be voted on in the opposite chamber tomorrow. This sets the stage for adjournment of the 94th Arkansas General Assembly tomorrow. Sine die adjournment is set for May 1. The legislature can be called back before May 1 to address errors.

BILLS WE SUPPORTED

Throwback Rule Repeal

HB 1045 by Rep. Howard Beaty and Sen. Ben Gilmore

This bill is part of our priority agenda and will phase out the throwback rule that is used to calculate certain corporate income taxes. According to the throwback rule, sales are considered to be "in this state" if the tangible personal property is shipped from an office, store, warehouse, factory or other place of storage in this state and: (1) the purchaser is the United States Government; or (2) the taxpayer is not taxable in the state of the purchaser.

As originally filed, this bill sought to fully repeal the throwback rule. The impact on state general revenue (savings to impacted Arkansas employers) was projected to be \$37 million in Fiscal Year 2024 and \$74M in Fiscal Year 2025. As amended, HB 1045 will phase out the throwback rule at just over 14 percent per year. The rule will be fully repealed in seven years.

This bill passed the Senate this morning 32 to 0. It now goes to the Governor's desk.

Income Tax Reduction

SB 549 by Sen. Jonathan Dismang and Rep. Les Eaves

This bill is part of our priority agenda and decreases the top state individual income tax rate from 4.9 percent to 4.7 percent and the corporate income tax rate from 5.3 percent to

5.1 percent, effective January 1, 2023. This will reduce individual state income taxes by \$100 million per year and corporate income taxes by \$24 million, effective January 1, 2023.

This bill passed the House yesterday 85 to 12. It now goes to the Governor's desk.

Criminal Justice – Public Safety

SB 495 by Sen. Ben Gilmore and Rep. Jimmy Gazaway

This is the Governor's comprehensive prison reform bill that mandates prisoners convicted of violent offenses such as capital murder, first-degree murder, rape (and a list of other violent offenses) to serve 100 percent of their sentences. It also provides \$470 million for 3,000 new prison beds and \$20 million to recruit new corrections officers.

This bill passed the House today 82 to 14 and has been returned to the Senate as amended.

Arkansas Adult Diploma Program

HB 1529 by Rep. David Ray and Sen. Breanne Davis

This bill establishes the Arkansas Adult Diploma Program.

This bill passed the Senate today 29 to 1 and now goes to the Governor's desk.

CONSTITUTIONAL AMENDMENTS

Lottery Scholarships for Technical Education

HJR1006 by Rep. Robin Lundstrum et. al. and Sen. Jane English

Each session the legislature can refer up to three measures to the next General Election ballot. This session, the General Assembly chose only one referral, **HJR 1006**. It proposes a Constitutional amendment to expand the uses of lottery proceeds to include scholarships and grants to a public or private vocational-technical school or a public or private technical institute.

This bill received a Do Pass from the Senate State Agencies Committee this morning and awaits consideration on the Senate floor.

BILL TRACKING

1434 Bills Filed | Senate bills: 585 filed | House bills: 849 filed

State Chamber Tracking Bills & Resolutions: 569

To view all tracked bills by category, click [State Chamber AIA Bill Tracking Categories](#)

2023 STATE CHAMBER AIA LEGISLATIVE AGENDA

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information, and legislator information, click 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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