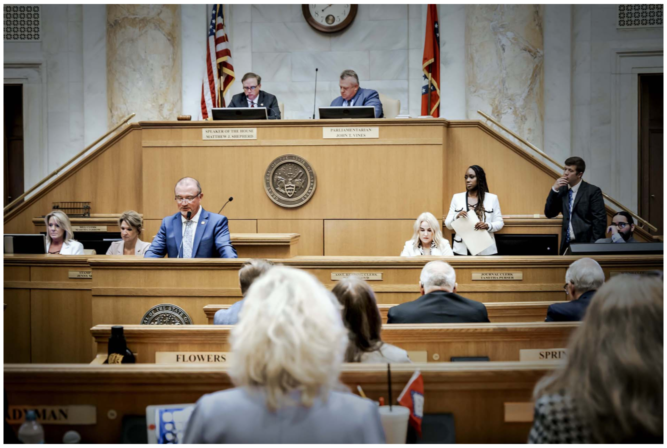
STATE OF ARKANSAS
House of Representatives

Arkansas House Newsletter

June 20, 2024

Second Extraordinary Session of the 94th General Assembly



This week, the General Assembly convened for an Extraordinary Session, during which the legislature passed significant tax legislation.

The new laws reduce the top individual income tax rate to 3.9%, the lowest since the tax was first enacted in the state in 1923. Among Southern states with an individual income tax, Arkansas now has the lowest rate. This reduction will benefit every Arkansan earning more than $25,000, an estimated 1.1 million people.

Identical Acts 1 and 4 lowered the top individual income tax rate from 4.4% to 3.9% and reduced the corporate income tax rate from 4.8% to 4.3%. These cuts will take effect on January 1, 2024.

Additionally, the acts direct the transfer of $290 million in surplus funds to the Arkansas Reserve Fund Set-Aside, with a projected general revenue surplus for Fiscal Year 2024 of $708.1 million.

Acts 3 and 5, also identical, increase the homestead property tax credit from $425 to $500, effective January 1, 2024.

The General Assembly also approved an appropriation to fund the Arkansas Game and Fish Commission for the 2024-2025 fiscal year. In addition to appropriating funds for personal services and operating expenses, the appropriation sets the maximum salary for the commission director at $170,437. It also prohibits increasing the director’s salary by more than 5% without prior legislative approval.

Copies of all the legislation passed in the session and recordings of all House proceedings are available at arkansashouse.org.