

## Income/Franchise:

### Arkansas: New Law Includes Corporate Income Tax Rate Reductions and State Conformity to IRC §179

S.B. 1, signed by gov. 8/11/22. Recently enacted legislation includes provisions that:

URL: <https://www.arkleg.state.ar.us/Bills/Detail?id=sb1&ddBienniumSession=2021%2F2022S3&Search=>

1. Lower Arkansas' top corporate income tax rate from 5.9% to 5.3%, applicable for tax years beginning on or after January 1, 2023 (previously, this tax rate reduction was scheduled to effect for tax years beginning on or after January 1, 2025), and
2. Fully adopt Internal Revenue Code section 179 expensing, as in effect on January 1, 2022, for purposes of computing Arkansas income tax liability for property purchased in tax years beginning on or after January 1, 2022.

The new law also includes some Arkansas personal income tax rate reductions for tax years beginning on or after January 1, 2022. Please contact us with any questions.

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