



EY Payroll NewsFlash Workforce Tax Services

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Arkansas law lowers top marginal personal income tax retroactive to January 1, 2023

On April 10, 2023, Arkansas Governor Sarah Huckabee Sanders signed into law [SB 549](#), which retroactive to January 1, 2023, lowers the top marginal personal income tax rate from 4.9% to 4.7%.

The supplemental rate of withholding is also reduced from 4.9% to 4.7%.

This is the second consecutive year that Arkansas has retroactively lowered the top marginal income tax rate. Under [SB.1 \(Act 2\)](#), enacted on August 11, 2022, the top marginal tax rate was lowered from 5.5% to 4.9% effective retroactive to January 1, 2022. The revised withholding formula reflecting the rate cut was effective for wages paid on and after October 1, 2022. The Department also revised its [Withholding Tax, Employer's Instructions](#). (See EY Tax Alert [2022-1487](#).)

The revised withholding tables and formula, once available, will be posted [here](#).

Contact us for more information

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