



This Week in State Tax (TWIST)

September 18, 2023



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Multistate: Recent Corporate Rate Reductions

In Kansas, the Secretary of the Department of Revenue filed a notice in the Kansas Register announcing that the normal corporate income tax rate will be reduced from 4 percent to 3.5 percent effective January 1, 2024. The rate reduction stems from the APEX legislation enacted in Kansas in 2022. Under this law, the corporate income tax rate will be reduced by 0.5 percent for all businesses upon the commencement of a qualifying APEX Project in the state.

Senate Bill 8, which further reduces Arkansas' individual and corporate income tax rates, has been enacted. Recall, in April, legislation was enacted that reduced Arkansas' highest corporate income tax rate that applies to net income exceeding \$25,000 from 5.3 percent to 5.1 percent effective for tax years beginning on or after January 1, 2023. Senate Bill 8 further reduces the highest rate to 4.8 percent for tax years beginning on or after January 1, 2024; the new rate applies to net income exceeding \$11,000. Please stay tuned to TWIST for future corporate rate updates.

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