



June 1, 2022

The Honorable Asa Hutchinson
Governor, State of Arkansas
500 Woodlane Street
Little Rock, AR 72201

Dear Governor Hutchinson:

Thank you for your ongoing interest in utilizing the strong fiscal condition of the State of Arkansas to provide additional tax relief to Arkansans. As you consider various options for providing relief in a special called legislative session, we write to recommend a specific proposal we feel merits inclusion in such a package.

We encourage you and the legislature to take this opportunity to amend state tax laws pertaining to depreciation schedules and bonus depreciation on qualifying machinery and equipment purchases in a manner consistent with federal tax law under the federal Tax Cuts and Jobs Act of 2017 (TCJA). This policy proposal, considered by the Arkansas Tax Reform and Relief Legislative Task Force in 2018, would bring our state in line with the TCJA and make Arkansas more competitive with other states that have already conformed their laws to the recent federal changes.

This change in tax policy would provide immediate relief to Arkansas farms and small to medium-sized businesses facing rapid increases in input costs. It would also provide economic stimulus to counter recessionary pressures from Federal Reserve policy and inflation.

We believe this change would simplify tax filings for Arkansas businesses and farms, provide meaningful relief, and have a stimulative effect on the economy. It would also bolster our competitiveness with other states on tax policy.

Thank you for considering this request. We are glad to provide further assistance as needed.

Sincerely,

Agricultural Council of Arkansas • Arkansas Cattlemen's Association • Arkansas Farm Bureau
Arkansas Forestry Association • Arkansas Rice Federation • AR Timber Producers
Farm Credit Associations of AR • Producers Rice Mill • Riceland Foods • The Poultry Federation