

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

SENATE BILL 331

5 By: Senators Miller, Wooldridge, Glover
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS LAW TO CLARIFY THE
10 CREDIT AVAILABLE FOR INCOME TAX PAID TO ANOTHER
11 STATE; AND FOR OTHER PURPOSES.
12

Subtitle

14 TO CLARIFY THE CREDIT FOR INCOME TAX
15 PAID TO ANOTHER STATE.
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code § 26-51-435, concerning the calculation of
21 income tax for nonresidents and part-year residents, is amended to add an
22 additional subsection to read as follows:

23 (f) For the purpose of ascertaining the income tax due by a
24 nonresident or part-year resident of Arkansas with income derived from two
25 (2) or more states, the credit available under § 26-51-504 for income tax
26 paid to other states shall be calculated in the following manner:

27 (1) The credit shall not exceed what the tax would be on the
28 outside income, if added to the Arkansas income, and calculated at Arkansas
29 income tax rates; and

30 (2) The credit is limited to the total income tax owed to other
31 states on income that has been:

32 (A) Reported as taxable income to both Arkansas and the
33 other states;

34 (B) Reported as income from all sources; and

35 (C) Included as Arkansas income.
36



1 SECTION 2. This act shall apply to tax years beginning on and after
2 January 1, 2003.

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36