

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

As Engrossed: H3/27/03

# A Bill

SENATE BILL 336

5 By: Senators Miller, Wooldridge, Glover  
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## For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE § 26-51-703 TO  
10 CLARIFY TAXPAYERS WHO ARE TAXABLE IN ANOTHER  
11 STATE FOR THE PURPOSES OF UNIFORM DIVISION OF  
12 INCOME FOR TAX PURPOSES ACT; AND FOR OTHER  
13 PURPOSES.  
14

## Subtitle

15 AN ACT TO CLARIFY TAXPAYERS WHO ARE  
16 TAXABLE IN ANOTHER STATE FOR THE  
17 PURPOSES OF ALLOCATION AND APPORTIONMENT  
18 OF INCOME PURSUANT TO THE UNIFORM  
19 DIVISION OF INCOME FOR TAX PURPOSES ACT.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 SECTION 1. Arkansas Code § 26-51-703 is amended to read as follows:

26 26-51-703. Taxpayer taxable in another state.

27 For purposes of allocation and apportionment of income under this  
28 subchapter, a taxpayer is taxable in another state if:

29 (1) In that state the taxpayer is subject to a net income tax, a  
30 franchise tax measured by net income, ~~a franchise tax for the privilege of~~  
31 ~~doing business, or a corporate stock tax~~ or any other tax measured by income  
32 or other measure of business activity in the state and the taxpayer files the  
33 requisite tax return in the other state; or

34 (2) ~~That state has jurisdiction to subject the taxpayer to a net~~  
35 ~~income tax regardless of whether, in fact, the state does or does not~~ The  
36 state has no net income tax, franchise tax measured by net income, or any



02192003JSE1154.RCK310

1 other tax measured by income or other measure of business activity in the  
2 state as provided in subdivision (1) of this section, and the taxpayer has  
3 activities in the other state that exceed those protected by Pub. L. No. 86-  
4 272, as codified under 15 U.S.C. §§ 381-385.

5 SECTION 2. This act applies to tax years beginning on or after January  
6 1, 2003.

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/s/ Miller, et al