1 State of Arkansas

2 84th General Assembly

A Bill

3 Regular Session, 2003   SENATE BILL 430

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5 By: Senator Capps

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For An Act To Be Entitled

9   AN ACT TO AMEND ARTICLE IV, SECTION 1 OF THE

10   MULTISTATE TAX COMPACT; TO AMEND THE DEFINITION

11   OF "BUSINESS INCOME"; AND FOR OTHER PURPOSES.

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Subtitle

14   TO AMEND THE DEFINITION OF "BUSINESS

15   INCOME".

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

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20   SECTION 1. Article IV, Section 1(a) of the Multistate Tax Compact,

21 Arkansas Code § 26-5-101, regarding the definition of "business income" for

22 income tax purposes, is amended to read as follows:

23   (a) "Business income" means <u>all</u> income ~~arising from transactions~~

24 ~~and activity in the regular course of the taxpayer's trade or business and~~

25 ~~includes income from tangible and intangible property if the acquisition,~~

26 ~~management, and disposition of the property constitute integral parts of the~~

27 ~~taxpayer's regular trade or business operation~~ <u>which is apportionable under</u>

28 <u>the Constitution of the United States</u>;

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30   SECTION 2. Arkansas Code § 26-51-701(a), regarding the definition of

31 "business income" for income tax purposes, is amended to read as follows:

32   (a) "Business income" means <u>all</u> income ~~arising from transactions and~~

33 ~~activity in the regular course of the taxpayer's trade or business and~~

34 ~~includes income from tangible and intangible property if the acquisition,~~

35 ~~management, and disposition of the property constitute integral parts of the~~

36 ~~taxpayer's regular trade or business operations~~ <u>which is apportionable under</u>

1   the Constitution of the United States;

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3   SECTION 3.   This act shall apply to tax years beginning on or after

4   January 1, 2003.

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