

Act 494 of the 1989 Regular Session.

Act 494

SB379

By: Senator Bradford

"AN ACT TO AMEND SECTION 26-51-702 OF THE ARKANSAS CODE OF 1987 ANNOTATED TO REQUIRE FINANCIAL ORGANIZATIONS HAVING BUSINESS INCOME FROM BUSINESS ACTIVITY BOTH WITHIN AND WITHOUT THE STATE OF ARKANSAS TO APPORTION THEIR NET INCOME; TO AMEND SECTION 26-5-101, ARTICLE IV, 2 OF THE ARKANSAS CODE OF 1987 ANNOTATED TO REQUIRE FINANCIAL ORGANIZATIONS HAVING BUSINESS INCOME FROM BUSINESS ACTIVITY BOTH WITHIN AND WITHOUT THE STATE OF ARKANSAS TO APPORTION THEIR NET INCOME; TO REPEAL SECTION 26-51-701(d) OF THE ARKANSAS CODE OF 1987 ANNOTATED TO STRIKE THE DEFINITION OF THE TERM 'FINANCIAL ORGANIZATION'; TO REPEAL SECTION 26-51-101, ARTICLE IV, 1(d) OF THE ARKANSAS CODE OF 1987 ANNOTATED TO STRIKE THE DEFINITION OF THE TERM 'FINANCIAL ORGANIZATION'; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 26-51-702 of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"26-51-702. Apportionment of net income authorized. Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a public utility or the rendering of purely personal services by an individual, shall allocate and apportion his net income as provided in this subchapter."

SECTION 2. Section 26-5-101, Article IV, 2 of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"2. Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a public utility or the rendering of purely personal services by an individual, shall allocate and apportion his net income as provided in this article. If a taxpayer has income from business activity as a public utility but derives the greater percentage of his income from activities subject to this article, the taxpayer may elect to allocate and apportion his entire net income as provided in this article."

SECTION 3. Section 26-51-701(d) of the Arkansas Code of 1987 Annotated is hereby repealed in its entirety.

SECTION 4. Section 26-5-101, Article IV, 1 (d) of the Arkansas Code of 1987 Annotated is hereby repealed in its entirety.

SECTION 5. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 6. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: March 13, 1989

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