

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

Act 662 of 2003
SENATE BILL 331

5 By: Senators Miller, Wooldridge, Glover
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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.
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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.
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1 SECTION 2. This act shall apply to tax years beginning on and after
2 January 1, 2003.

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5 **APPROVED: 3/26/2003**
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