

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 965 of 2003
HOUSE BILL 1959

5 By: Representative R. Smith
6
7

For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS LAW TO MAKE IT
9 CONSISTENT WITH FEDERAL LAW REGARDING THE INCOME
10 TAXATION OF LIMITED LIABILITY COMPANIES AND
11 PARTNERSHIPS; AND FOR OTHER PURPOSES.
12
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Subtitle

14 AN ACT TO MAKE ARKANSAS LAW CONSISTENT
15 WITH FEDERAL LAW REGARDING THE INCOME
16 TAX TREATMENT OF LIMITED LIABILITY
17 COMPANIES AND PARTNERSHIPS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 4-32-1313 is amended to read as follows:
24 4-32-1313. Tax status.

25 ~~Every limited liability company having two (2) or more members shall~~
26 ~~make a return for each taxable year as required for every partnership~~
27 ~~pursuant to § 26-51-802. The income and expenses of every limited liability~~
28 ~~company having only one (1) member shall be reported on the member's income~~
29 ~~tax return. A limited liability company and its member or members shall be~~
30 ~~classified and taxed for Arkansas income tax purposes in the same manner as~~
31 ~~the limited liability company and its member or members is classified and~~
32 ~~taxed for federal income tax purposes.~~
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34 SECTION 2. Arkansas Code § 26-51-802 is amended to read as follows:
35 26-51-802. Partnership returns.

36 (a) A partnership shall be classified and taxed for Arkansas income



1 tax purposes in the same manner as it is classified and taxed for federal
2 income tax purposes.

3 ~~(a)(b)(1)~~ Every partnership ~~shall make a return for each taxable year,~~
4 ~~stating~~ filing an Arkansas partnership return shall state specifically the
5 items of its gross income and the deductions allowed by this act and shall
6 include in the return the names and addresses of individuals who would be
7 entitled to share in the net income if distributed and the amount of the
8 distributive share of each individual.

9 (2) The returns shall be sworn to by one (1) of the partners.

10 ~~(b)(c)(1)~~ The provisions of § 26-51-702 are not applicable to
11 partnerships filing Arkansas partnership returns.

12 (2) Subject to the provisions of § 26-51-202(e), all partnership
13 income from activities within ~~the~~ this state that is reflected on a
14 partnership return shall be allocated to ~~the~~ this state.

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16 SECTION 3. This act shall apply to tax years beginning on and after
17 January 1, 2003.

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20 APPROVED: 3/31/2003
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