

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: S3/2/17
A Bill

HOUSE BILL 1562

5 By: Representative Jett
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7 **For An Act To Be Entitled**

8 AN ACT TO REQUIRE THAT PARTNERSHIP INCOME BE
9 DETERMINED FOR STATE INCOME TAX PURPOSES BY USING AN
10 APPORTIONMENT METHOD; AND FOR OTHER PURPOSES.
11

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13 **Subtitle**

14 TO REQUIRE THAT PARTNERSHIP INCOME BE
15 DETERMINED FOR STATE INCOME TAX PURPOSES
16 BY USING AN APPORTIONMENT METHOD.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 26-51-802(c), concerning partnership income
22 tax returns, is amended to read as follows:

23 (c)(1) ~~The provisions of § 26-51-702 are not applicable to~~
24 ~~partnerships filing Arkansas partnership returns.~~ A partnership that files an
25 Arkansas partnership return and has income from both within and without
26 Arkansas shall apportion income to Arkansas under the Uniform Division of
27 Income for Tax Purposes Act, § 26-51-701 et seq.

28 (2) Subject to the provisions of § 26-51-202(e), all partnership
29 income from activities within this state ~~that is reflected on a partnership~~
30 ~~return~~ shall be allocated to this state by each partner as determined and
31 reported on the Arkansas partnership return.

32 (3) If the apportionment of income by a partnership having
33 income from both within and without Arkansas does not fairly represent the
34 extent of the partnership's business activity in this state, the partnership
35 may petition for or the Director of the Department of Finance and
36 Administration may require, in respect to all or any part of the taxpayer's



