

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 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H2/16/01 S3/20/01

A Bill

Act 1227 of 2001
HOUSE BILL 1439

5 By: Representative Hausam
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For An Act To Be Entitled

9 AN ACT TO CLARIFY THAT CONSOLIDATED CORPORATE
10 INCOME TAX RETURN CONTRIBUTION DEDUCTIONS MUST BE
11 CALCULATED ON A SEPARATE COMPANY BASIS; TO
12 CLARIFY THAT EACH MEMBER OF A CONSOLIDATED
13 CORPORATE INCOME TAX RETURN MUST CALCULATE INCOME
14 SEPARATELY; AND FOR OTHER PURPOSES.

Subtitle

16 CLARIFICATION OF REQUIREMENTS FOR
17 ARKANSAS CONSOLIDATED CORPORATE INCOME
18 TAX RETURN FILERS.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code 26-51-419 is amended to read as follows:
25 26-51-419. Deductions - Charitable contributions.

26 (a) Section 170 of the Internal Revenue Code of 1986, as in effect on
27 January 1, ~~1999~~ 2001, regarding deductions for charitable contributions, is
28 hereby adopted for the purpose of computing Arkansas income tax liability.
29 This adoption is for taxable years beginning on or after January 1, ~~1999~~ 2001,
30 and will have no effect on years prior to its adoption. Provided, however,
31 with respect to contributions of qualified appreciated stock within the
32 meaning of IRC § 170(e)(5), made after May 31, 1997, the provisions of this
33 section shall apply after taking into account the extension of the provisions
34 of IRC § 170(e)(5) by § 602 of the Taxpayer Relief Act of 1997 and § 1004(a)
35 of the Tax Extension Act.

36 (b) The provisions of § 26-51-419(a) shall apply to a corporation that

1 files an Arkansas consolidated corporation income tax return pursuant to § 26-
2 51-805, provided that each member of the affiliated group shall follow the
3 provisions of § 26-51-805(f) and calculate its contribution limits separately.

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5 *SECTION 2. This act is intended to reverse the Supreme Court of*
6 *Arkansas decision in Central & Southern Companies v. Weiss, 339 Ark. 76*
7 *(1999), which provided that the excess charitable contributions of one member*
8 *of a consolidated group could be used to offset the taxable income of other*
9 *members of the consolidated group.*

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11 SECTION 3. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
12 CODIFY THIS SECTION.] The provisions of this act shall become effective for
13 tax years beginning on and after January 1, 2001.

14 /s/ Hausam

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17 APPROVED: 4/2/2001
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