Stricken language would be deleted from and underlined language would be added to present law. Act 482 of the Regular Session

1	State of Arkansas	As Engrossed: S3/2/17 $ m A~Bill$	
2	91st General Assembly	A BIII	
3	Regular Session, 2017		HOUSE BILL 1562
4			
5	By: Representative Jett		
6			
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	APPORTION	MENT METHOD; AND FOR OTHER PURPOS	ES.
11			
12			
13		Subtitle	
14		REQUIRE THAT PARTNERSHIP INCOME BE	
15	DETE	ERMINED FOR STATE INCOME TAX PURPO	OSES
16	BY U	USING AN APPORTIONMENT METHOD.	
17			
18			
19	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF	ARKANSAS:
20			
21		tansas Code § 26-51-802(c), concer	ning partnership income
22		led to read as follows:	
23	(c)(l) The pro	ovisions of § 26-51-702 are not ap	plicable to
24	partnerships filing Λ	rkansas partnership returns. A pa	rtnership that files an
25	<u>Arkansas partnership</u>	return and has income from both w	<u>ithin and without</u>
26	Arkansas shall apport	ion income to Arkansas under the	<u>Uniform Division of</u>
27	Income for Tax Purpos	ses Act, § 26-51-701 et seq.	
28	(2) Subj	ect to the provisions of § $26-51-$	202(e), all partnership
29	income from activitie	es within this state that is refle	cted on a partnership
30	return shall be alloc	ated to this state by each partne	r as determined and
31	reported on the Arkan	nsas partnership return.	
32	<u>(3) If t</u>	the apportionment of income by a p	artnership having
33	income from both with	nin 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 t	the Director of the Department of	Finance and
36	Administration may re	equire, in respect to all or any p	part of the taxpaver's

As Engrossed: S3/2/17 HB1562

1	business activity, if reasonable:		
2	(A) Separate accounting;		
3	(B) The exclusion of any one (1) or more factors;		
4	(C) The inclusion of one (1) or more additional factors		
5	that will fairly represent the taxpayer's business activity in this state; or		
6	(D) The employment of any other method to effectuate an		
7	equitable allocation and apportionment of the taxpayer's partnership income.		
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9	SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax		
10	years beginning on and after January 1, 2018.		
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12	/s/Jett		
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15	APPROVED: 03/14/2017		
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