

Hall of the House of Representatives
92nd General Assembly - Regular Session, 2019
Amendment Form

Subtitle of House Bill No. 1911

TO AMEND THE INCOME TAX ACT OF 1929 CONCERNING WHO SHALL BE TREATED AS THE
OWNER OF A PORTION OF A TRUST.

Amendment No. 1 to House Bill 1911

Amend House Bill No. 1911 as originally introduced:

Immediately following the enacting clause, add an additional section to read as follows:

"SECTION 1. DO NOT CODIFY. Legislative intent.

It is the intent of the General Assembly to:

(1) Adopt 26 U.S.C. §§ 671-679, as they existed on January 1, 2019, in recognition of the fact that the Income Tax Act of 1929, § 26-51-101 et seq., has not previously addressed the issue of the taxation of trusts and their beneficiaries that are grantor trusts for federal income tax purposes;

(2) For the purposes of Arkansas income taxes, conform the income tax treatment of trusts and beneficiaries that are grantor trusts for federal income tax purposes; and

(3) Provide for prospective application of the adoption of 26 U.S.C. §§ 671-679, as they existed on January 1, 2019, to provide Arkansas taxpayers adequate time to arrange their financial and tax affairs."

AND

Page 1, line 21, delete "SECTION 1" and substitute "SECTION 2"

AND

Page 1, line 24, delete "2018" and substitute "2019"

AND

Page 1, line 26, delete "trust" and substitute "trust for Arkansas income tax purposes"

AND

Page 1, line 28, delete "2018" and substitute "2019"



AND

Page 1, delete lines 31 and 32, and substitute the following:

"SECTION 3. DO NOT CODIFY. Income tax rules.

The Director of the Department of Finance and Administration shall repeal Comprehensive Individual Income Tax Regulation 4.26-51-102, as the director did not have the authority to adopt 26 U.S.C. §§ 671-679 and the related federal regulations and the Comprehensive Individual Income Tax Regulation 4.26-51-102 is inconsistent with 26 U.S.C. §§ 671-679 and the related federal regulations.

SECTION 4. EFFECTIVE DATE. Sections 2 and 3 of this act are effective for tax years beginning on or after January 1, 2020."

The Amendment was read _____

By: Representative M. Gray

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Chief Clerk