

**Hall of the House of Representatives**  
93rd General Assembly - Regular Session, 2021  
**Amendment Form**

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**Subtitle of House Bill No. 1209**

TO CREATE THE ELECTIVE PASS-THROUGH ENTITY TAX ACT; TO IMPOSE A TAX ON PASS-THROUGH ENTITIES; AND TO EXCLUDE CERTAIN INCOME FROM GROSS INCOME FOR PASS-THROUGH ENTITIES.

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**Amendment No. 2 to House Bill 1209**

Amend House Bill No. 1209 as engrossed H2/24/21 (version: 02/24/2021 11:13:59 AM):

Page 1, line 9, delete "CREATE" and substitute "ALLOW ARKANSAS BUSINESSES TO REDUCE THEIR FEDERAL TAX BURDEN BY ELECTING ENTITY-LEVEL TAXATION; TO CREATE"

AND

Page 3, line 5, delete "elect" and substitute "elect on an annual basis"

AND

Page 3, line 11, delete "profit;" and substitute "profit; and"

AND

Page 3, line 12, delete "and"

AND

Page 3, delete lines 13 and 14

AND

Page 3, line 22, delete "ownership" and substitute "allocation"

AND

Page 3, line 30, delete "(b)(1) A" and substitute "(b)(1)(A) Except as provided in subdivision (b)(1)(B) of this section, a"

AND



Page 3, line 32, delete "title," and substitute "title, including any applicable basis adjustments,"

AND

Page 3, delete line 33, and substitute the following:

"secretary as business income derived from the affected business entity.

(B) For an affected business entity that has a net capital gain, the rate of tax on the capital gain shall be fifty percent (50%) of the rate specified in subdivision (b)(1)(A) of this section."

AND

Page 4, delete line 17, and substitute the following:

"51-701 et seq.

(6) An affected business entity that receives or earns a tax credit to be applied against the income tax imposed under Chapter 51 of this title may instead elect to apply the tax credit to reduce the tax imposed under this chapter, subject to any limitations applicable to the tax credit."

The Amendment was read \_\_\_\_\_

By: Representative Jett

JLL/JLL - 02-25-2021 14:30:26

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Chief Clerk