

## SENATE AMENDMENT 1 TO hb1400.

deleting all of Section 3 and substituting therefor the following:

"SECTION 3. It is determined by the General Assembly that Arkansas income tax laws concerning the taxability of dividends received from a subsidiary are at variance with corresponding federal income tax laws, although the existence or non-existence of any such variance with respect to corporations filing an Arkansas consolidated tax return is subject to existing disputes. It is further determined that state income tax laws should have been the same as federal income tax laws and this Act is adopted to clarify that these dividends are to be treated for state income tax purposes in the same manner they would be treated for federal income tax purposes for all corporations to which the Act is applicable. It is further found that there are pending cases and controversies involving the taxability of dividends from subsidiaries for state income tax purposes and that this Act is not intended to affect any existing cases or controversies this issue or to have any effect upon the interpretation of prior law."