

ARKANSAS SENATE
85th General Assembly - Regular Session, 2005
Amendment Form

Subtitle of Senate Bill No. 509

"PROVIDES FOR THE WITHHOLDING OF INCOME TAX BY PASS-THROUGH ENTITIES
ON NONRESIDENT TAXPAYERS."

Amendment No. 2 to Senate Bill No. 509.

Amend Senate Bill No. 509 as engrossed, S3/29/05 (version: 03-29-2005 14:50):

Page 2, delete line 4, and substitute the following:
"domicile in Arkansas during any part of the tax year; or"

AND

Page 2, delete lines 26 through 36

AND

Page3, line 1, delete "(3)" and substitute "(2)"

AND

Page 3, delete lines 3 and 4, and substitute the following:
"with the director showing the total amount of income distributed or credited to its nonresident members and the amount of tax withheld and shall remit the amount of tax withheld."

AND

Page 3, line 7, delete "(4)" and substitute "(3)"

AND

Page 3, line 21, delete "or"

AND

Page 3, delete line 29, and substitute the following:
"(\$500) along with any other information requested by the director;
(5)(A) The entity has filed with the director on forms
prescribed by the director the nonresident member's signed agreement to



timely file an Arkansas nonresident individual income tax return, to pay any tax due on the return, and to be subject to the jurisdiction of the department in the courts of this state for the purpose of determining and collecting any Arkansas income tax together with interest and penalties owed by the nonresident member.

(B) The department may revoke the exception from the withholding requirement in subdivision (c)(5)(A) of this section if it is determined that the nonresident member is not abiding by the terms of the agreement. At the time of revocation, the department shall notify the entity that withholding is required for future distributions to the nonresident member whose exception is revoked; or

(6) The income received by the nonresident member is exempt from Arkansas income tax pursuant to § 26-51-202(e)."

AND

Page 4, delete lines 7 and 8

AND

Page 4, delete line 9, and substitute the following:

"(4) On or before the fifteenth day of the fourth month"

AND

Page 4, delete lines 12 and 13 and substitute the following:

"total amount of income distributed or credited to its nonresident members and the amount of tax withheld and shall remit the tax due on the composite income tax return."

AND

Page 4, delete lines 14 through 16

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Hill

KWH/KWH - 03-30-2005 09:31

KWH334

Secretary