

ARKANSAS SENATE
93rd General Assembly - Regular Session, 2021
Amendment Form

Subtitle of Senate Bill No. 484

TO CLARIFY THE ALLOCATION OF NONRESIDENT INCOME FOR ARKANSAS INCOME TAX PURPOSES; TO ADOPT THE MODEL MOBILE WORKFORCE STATE INCOME TAX SIMPLIFICATION ACT; AND TO DECLARE AN EMERGENCY.

Amendment No. 1 to Senate Bill 484

Amend Senate Bill No. 484 as originally introduced:

Page 1, line 11, delete "TO ADOPT THE MODEL"

AND

Page 1, delete line 12

AND

Delete the subtitle in its entirety, and substitute the following:

"TO CLARIFY THE ALLOCATION OF NONRESIDENT
INCOME FOR ARKANSAS INCOME TAX PURPOSES;
AND TO DECLARE AN EMERGENCY."

AND

Page 1, delete lines 27 through 32, and substitute the following:

"It is the intent of the General Assembly to clarify that nonresident income is allocated based on where the employee is located when performing the work associated with the income."

AND

Delete SECTION 3 in its entirety, and substitute the following:

"SECTION 3. Arkansas Code § 26-51-504(a)(1), concerning the income tax treatment of income from sources outside Arkansas, is amended to read as follows:

(a)(1)(A) For purpose of ascertaining the income tax due by an individual resident of Arkansas whose gross income includes income derived from property located outside the State of Arkansas, or from business



transacted outside the State of Arkansas, the tax shall first be computed as if all of the income of the resident were derived from sources within the State of Arkansas, but a credit shall then be given on the tax as so computed, for the amount of income tax actually owed by the resident for the year to any other state or territory on account of income from property owned or business transacted in the other state or territory. However, credit shall not exceed what the tax would be on the outside income, if added to the Arkansas income, and calculated at Arkansas income tax rates.

(B) Income from property located or business transacted in another state or territory does not include work performed in this state as provided in § 26-51-202(c)."

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

By: Senator J. Dismang

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Secretary