

2 State of Arkansas  
3 91st General Assembly  
4 Regular Session, 2017

# A Bill

HOUSE BILL 1790

5  
6 By: Representative Dotson

7 Filed with: House Committee on Revenue and Taxation  
8 pursuant to A.C.A. §10-3-217.

## For An Act To Be Entitled

9  
10 AN ACT CONCERNING THE APPORTIONMENT OF BUSINESS  
11 INCOME FOR INCOME TAX PURPOSES; TO REPEAL THE  
12 THROWBACK RULE; AND FOR OTHER PURPOSES.

## Subtitle

13  
14  
15 TO AMEND THE INCOME TAX PROVISIONS  
16 CONCERNING THE APPORTIONMENT OF BUSINESS  
17 INCOME; AND TO REPEAL THE THROWBACK RULE.  
18

19  
20  
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22  
23 SECTION 1. Arkansas Code § 26-51-703 is amended to read as follows:  
24 26-51-703. Taxpayer taxable in another state.

25 For purposes of allocation and apportionment of income under this Act,  
26 a taxpayer is taxable in another state if (1) in that state the taxpayer is  
27 subject to a net income tax, a franchise tax measured by net income, or any  
28 other tax measured by income or other measure of business activity in the  
29 state and the taxpayer files the requisite tax return in the other state, or  
30 (2) the state has no net income tax, franchise tax measured by net income, or  
31 any other tax measured by income or other measure of business activity in the  
32 state as provided in subdivision (1) of this section ~~and the taxpayer has~~  
33 ~~activities in the other state that exceed those protected by 15 U.S.C. §§ 381~~  
34 ~~—385.~~

35  
36 SECTION 2. Arkansas Code § 26-51-716 is amended to read as follows:

1           26-51-716. Sales of tangible personal property.

2           Sales of tangible personal property are in this state if+

3                   (a) the property is delivered or shipped to a purchaser, other  
4 than the United States government, within this state regardless of the f.o.b.  
5 point or other conditions of the sale; ~~or~~

6                   ~~(b) the property is shipped from an office, store, warehouse,  
7 factory, or other place of storage in this state and (1) the purchaser is the  
8 United States government or (2) the taxpayer is not taxable in the state of  
9 the purchaser.~~

10  
11           SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective  
12 for tax years beginning on or after January 1, 2017.

13  
14  
15 Referred by the Arkansas House of Representatives

16 Prepared by: VJF  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36