

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

A Bill

HOUSE BILL 1959

4
5 By: Representative R. Smith
6
7

For An Act To Be Entitled

8
9 AN ACT TO AMEND ARKANSAS LAW TO MAKE IT
10 CONSISTENT WITH FEDERAL LAW REGARDING THE INCOME
11 TAXATION OF LIMITED LIABILITY COMPANIES AND
12 PARTNERSHIPS; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 AN ACT TO MAKE ARKANSAS LAW CONSISTENT
16 WITH FEDERAL LAW REGARDING THE INCOME
17 TAX TREATMENT OF LIMITED LIABILITY
18 COMPANIES AND PARTNERSHIPS.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 4-32-1313 is amended to read as follows:
24 4-32-1313. Tax status.

25 ~~Every limited liability company having two (2) or more members shall~~
26 ~~make a return for each taxable year as required for every partnership~~
27 ~~pursuant to § 26-51-802. The income and expenses of every limited liability~~
28 ~~company having only one (1) member shall be reported on the member's income~~
29 ~~tax return. A limited liability company and its member or members shall be~~
30 ~~classified and taxed for Arkansas income tax purposes in the same manner as~~
31 ~~the limited liability company and its member or members is classified and~~
32 ~~taxed for federal income tax purposes.~~
33

34 SECTION 2. Arkansas Code § 26-51-802 is amended to read as follows:
35 26-51-802. Partnership returns.

36 (a) A partnership shall be classified and taxed for Arkansas income



1 tax purposes in the same manner as it is classified and taxed for federal
2 income tax purposes.

3 ~~(a)(b)(1)~~ Every partnership ~~shall make a return for each taxable year,~~
4 ~~stating~~ filing an Arkansas partnership return shall state specifically the
5 items of its gross income and the deductions allowed by this act and shall
6 include in the return the names and addresses of individuals who would be
7 entitled to share in the net income if distributed and the amount of the
8 distributive share of each individual.

9 (2) The returns shall be sworn to by one (1) of the partners.

10 ~~(b)(c)(1)~~ The provisions of § 26-51-702 are not applicable to
11 partnerships filing Arkansas partnership returns.

12 (2) Subject to the provisions of § 26-51-202(e), all partnership
13 income from activities within ~~the~~ this state that is reflected on a
14 partnership return shall be allocated to ~~the~~ this state.

15
16 SECTION 3. This act shall apply to tax years beginning on and after
17 January 1, 2003.

18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36