

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4
5 By: Representative Kerr
6

As Engrossed: H3/20/13

A Bill

HOUSE BILL 1866

For An Act To Be Entitled

8 AN ACT CONCERNING THE COMPUTATION OF INCOME TAX; TO
9 ADOPT CURRENT INTERNAL REVENUE CODE PROVISIONS
10 CONCERNING THE COMPUTATION OF INCOME TAX WHEN A
11 TAXPAYER RESTORES AN AMOUNT HELD UNDER A CLAIM OF
12 RIGHT; AND FOR OTHER PURPOSES.

Subtitle

16 TO ADOPT CURRENT INTERNAL REVENUE CODE
17 PROVISIONS CONCERNING THE COMPUTATION OF
18 INCOME TAX WHEN A TAXPAYER RESTORES AN
19 AMOUNT HELD UNDER A CLAIM OF RIGHT.

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

24 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 4, is
25 amended to add an additional section to read as follows:

26 26-51-457. Claim of right.

27 (a) Title 26 U.S.C. § 1341(a)(1)-(3) and (b)(2), as they existed on
28 January 1, 2013, regarding the computation of income tax when a taxpayer
29 restores a substantial amount held under a claim of right, is adopted for
30 purposes of computing income tax liability under this chapter.

31 (b)(1) Title 26 U.S.C. § 1341(a)(4) and (5), (b)(1), and (b)(3)-(5),
32 concerning the methods of calculating the deduction authorized under 26
33 U.S.C. § 1341 and special rules for net operating losses and capital losses,
34 are not adopted.

35 (2) For the purpose of computing income tax when a taxpayer
36 restores a substantial amount held under a claim of right under this section:



