

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013

A Bill

SENATE BILL 253

4
5 By: Senator Hester
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For An Act To Be Entitled

8 AN ACT TO REQUIRE PARTNERSHIPS TO APPORTION INCOME
9 FROM UNITARY BUSINESS ACTIVITIES BOTH WITHIN AND
10 WITHOUT ARKANSAS FOR THE PURPOSE OF DETERMINING THE
11 PROPER AMOUNT OF INCOME TO ALLOCATE TO ARKANSAS; TO
12 MAKE TECHNICAL CORRECTIONS; AND FOR OTHER PURPOSES.
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Subtitle

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15 TO REQUIRE THE USE OF APPORTIONMENT
16 FACTORS TO DETERMINE THE AMOUNT OF
17 PARTNERSHIP INCOME TO BE ALLOCATED TO
18 ARKANSAS.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-51-802 is amended to read as follows:
25 26-51-802. Partnership returns.

26 (a) A partnership shall be classified and taxed for Arkansas income
27 tax purposes in the same manner as ~~it~~ the partnership is classified and taxed
28 for federal income tax purposes.

29 (b)(1) ~~Every~~ A partnership filing an Arkansas partnership return shall
30 state specifically the items of ~~its~~ the partnership's gross income and the
31 deductions allowed by the Income Tax Act of 1929 and shall include in the
32 return the names and addresses of individuals who would be entitled to share
33 in the net income if distributed and the amount of the distributive share of
34 each individual.

35 (2) The ~~returns~~ return required under subdivision (b)(1) of this
36 section shall be sworn to by one (1) of the partners.



1 (c)(1) ~~The provisions of~~ Except as stated in subsection (d) of this
2 section, § 26-51-702 are not applicable does not apply to partnerships filing
3 Arkansas partnership returns.

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

7 (d)(1) A partnership that has income from business activities both
8 within and without this state shall use the apportionment method described in
9 §§ 26-51-702 – 26-51-717 to determine the amount of the income to be
10 allocated to this state for purposes of subdivision (c)(2) of this section.

11 (2) In accordance with § 26-51-718, the Director of the
12 Department of Finance and Administration may require or a taxpayer may
13 request a modification of the apportionment method applied in §§ 26-51-702 –
14 26-51-717 to accurately reflect the partnership’s income based on the
15 partnership’s business activity in this state.

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17 SECTION 2. EFFECTIVE DATE. This act is effective for tax years
18 beginning on or after January 1, 2013.

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