1	State of Arkansas	As Engrossed: S3/2/17 A Bill	
2	91st General Assembly	A DIII	
3	Regular Session, 2017		HOUSE BILL 1562
4			
5	By: Representative Jett		
6		East Art A of To Do Estfield	
7		For An Act To Be Entitled	
8		O REQUIRE THAT PARTNERSHIP INCOME BE	
9		ED FOR STATE INCOME TAX PURPOSES BY USIN	IG AN
10	APPORTIO.	NMENT METHOD; AND FOR OTHER PURPOSES.	
11			
12 13		Subtitle	
14	то	REQUIRE THAT PARTNERSHIP INCOME BE	
15		ERMINED FOR STATE INCOME TAX PURPOSES	
16	ВҮ	USING AN APPORTIONMENT METHOD.	
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19	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARKANS	SAS:
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21	SECTION 1. Ar	kansas Code § 26-51-802(c), concerning p	partnership income
22	tax returns, is amen	ded to read as follows:	
23	(c)(l) The pr	ovisions of § 26-51-702 are not applicat)le to
24	partnerships filing	Arkansas partnership returns. A partners	<u>ship that files an</u>
25	<u>Arkansas partnership</u>	return and has income from both within	and without
26	<u>Arkansas shall appor</u>	tion income to Arkansas under the Unifor	<u>rm Division of</u>
27	Income for Tax Purpo	<u>ses Act, § 26-51-701 et seq.</u>	
28	(2) Sub	ject to the provisions of § 26-51-202(e)	, all partnership
29	income from activiti	es within this state that is reflected c)n a partnership
30	return shall be allo	cated to this state <u>by each partner as c</u>	letermined and
31	reported on the Arka	nsas partnership return.	
32	<u>(3) If</u>	the apportionment of income by a partner	rship having
33	income from both wit	<u>hin and without Arkansas does not fairly</u>	v represent the
34	<u>extent of the partne</u>	rship's business activity in this state,	, the partnership
35	may petition for or	the Director of the Department of Financ	<u>ce and</u>
36	<u>Administration may r</u>	equire, in respect to all or any part of	f the taxpayer's



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1	business activity, if reasonable:
2	(A) Separate accounting;
3	(B) The exclusion of any one (1) or more factors;
4	(C) The inclusion of one (1) or more additional factors
5	that will fairly represent the taxpayer's business activity in this state; or
6	(D) The employment of any other method to effectuate an
7	equitable allocation and apportionment of the taxpayer's partnership income.
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9	SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
10	years beginning on and after January 1, 2018.
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12	/s/Jett
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