1   State of Arkansas

2   91st General Assembly

<h1 align="center">A Bill</h1>

3   Regular Session, 2017   HOUSE BILL 1790

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5   By: Representative Dotson

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<h2 align="center">For An Act To Be Entitled</h2>

8   AN ACT CONCERNING THE APPORTIONMENT OF BUSINESS

9   INCOME FOR INCOME TAX PURPOSES; TO REPEAL THE

10   THROWBACK RULE; AND FOR OTHER PURPOSES.

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<h2 align="center">Subtitle</h2>

14   TO AMEND THE INCOME TAX PROVISIONS

15   CONCERNING THE APPORTIONMENT OF BUSINESS

16   INCOME; AND TO REPEAL THE THROWBACK RULE.

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

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21   SECTION 1. Arkansas Code § 26-51-703 is amended to read as follows:

22   26-51-703. Taxpayer taxable in another state.

23   For purposes of allocation and apportionment of income under this Act,

24   a taxpayer is taxable in another state if (1) in that state the taxpayer is

25   subject to a net income tax, a franchise tax measured by net income, or any

26   other tax measured by income or other measure of business activity in the

27   state and the taxpayer files the requisite tax return in the other state, or

28   (2) the state has no net income tax, franchise tax measured by net income, or

29   any other tax measured by income or other measure of business activity in the

30   state as provided in subdivision (1) of this section ~~and the taxpayer has~~

31   ~~activities in the other state that exceed those protected by 15 U.S.C. §§ 381~~

32   ~~– 385~~.

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

35   26-51-716. Sales of tangible personal property.

36   Sales of tangible personal property are in this state if~~:~~

1   ~~(a)~~ the property is delivered or shipped to a purchaser, other

2 than the United States government, within this state regardless of the f.o.b.

3 point or other conditions of the sale~~; or~~

4   ~~(b) the property is shipped from an office, store, warehouse,~~

5 ~~factory, or other place of storage in this state and (1) the purchaser is the~~

6 ~~United States government or (2) the taxpayer is not taxable in the state of~~

7 ~~the purchaser.~~

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9   SECTION 3. <u>EFFECTIVE DATE. Sections 1 and 2 of this act are effective</u>

10 <u>for tax years beginning on or after January 1, 2017.</u>

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