

Stricken language would be deleted from and underlined language would be added to present law.
Act 1027 of the Regular Session

State of Arkansas
92nd General Assembly
Regular Session, 2019

As Engrossed: H4/3/19 S4/5/19
A Bill

HOUSE BILL 1911

By: Representative M. Gray

For An Act To Be Entitled

AN ACT TO AMEND THE INCOME TAX ACT OF 1929 CONCERNING
WHO SHALL BE TREATED AS THE OWNER OF A PORTION OF A
TRUST; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE INCOME TAX ACT OF 1929
CONCERNING WHO SHALL BE TREATED AS THE
OWNER OF A PORTION OF A TRUST.

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

SECTION 1. DO NOT CODIFY. Legislative intent.

It is the intent of the General Assembly to:

(1) Adopt 26 U.S.C. §§ 671-679, as they existed on January 1, 2019, in recognition of the fact that the Income Tax Act of 1929, § 26-51-101 et seq., has not previously addressed the issue of the taxation of trusts and their beneficiaries that are grantor trusts for federal income tax purposes;

(2) For the purposes of Arkansas income taxes, conform the income tax treatment of trusts and beneficiaries that are grantor trusts for federal income tax purposes; and

(3) Provide for prospective application of the adoption of 26 U.S.C. §§ 671-679, as they existed on January 1, 2019, to provide Arkansas taxpayers adequate time to arrange their financial and tax affairs.

SECTION 2. Arkansas Code § 26-51-201, concerning the income tax levied on individuals, trusts, and estates, is amended to add an additional subsection to read as follows:



(f)(1) Title 26 U.S.C. §§ 671-679, as in effect on January 1, 2019, are adopted for purposes of determining whether the grantor or another person shall be treated as the owner of a portion of a trust for Arkansas income tax purposes.

(2) A grantor or other person described in 26 U.S.C. §§ 671-679, as in effect on January 1, 2019, is subject to the filing and reporting requirements of § 26-51-806.

SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective for tax years beginning on or after January 1, 2020.

/s/M. Gray

APPROVED: 4/15/19