

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

SENATE BILL 483

By: Senator J. Dismang

## For An Act To Be Entitled

AN ACT TO ENHANCE ECONOMIC COMPETITIVENESS BY  
REPEALING THE THROWBACK RULE; TO AMEND THE INCOME TAX  
PROVISIONS CONCERNING THE APPORTIONMENT OF BUSINESS  
INCOME; AND FOR OTHER PURPOSES.

### Subtitle

TO ENHANCE ECONOMIC COMPETITIVENESS BY  
REPEALING THE THROWBACK RULE.

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

SECTION 1. DO NOT CODIFY. Legislative findings and intent.

(a) The General Assembly finds that:

(1) The income tax apportionment throwback rule causes the Arkansas income tax to unduly burden job creation and investment in the state, thus harming economic competitiveness, especially in comparison to states that do not have a throwback rule or that do not impose an income tax; and

(2) The Arkansas Tax Reform and Relief Legislative Task Force recommended repeal of the throwback rule.

(b) The General Assembly intends to repeal the throwback rule to encourage investment and job creation in Arkansas by multistate enterprises.

SECTION 2. Arkansas Code § 26-5-101, Article IV, paragraph 16, concerning the division of income under the Multistate Tax Compact, is amended to read as follows:

16. Sales of tangible personal property are in this state if+



~~(a) The the property is delivered or shipped to a purchaser, other than the United States Government, within this state regardless of the f.o.b. point or other conditions of the sale; or~~

~~(b) The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States Government or (2) the taxpayer is not taxable in the state of the purchaser.~~

SECTION 3. Arkansas Code § 26-51-716 is amended to read as follows:

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

Sales of tangible personal property are in this state if+

~~(a) the property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale; or~~

~~(b) the property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States government or (2) the taxpayer is not taxable in the state of the purchaser.~~

SECTION 4. EFFECTIVE DATE. Sections 2 and 3 of this act are effective for tax years beginning on or after January 1, 2022.