

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4
5 By: Senator J. Dismang
6

A Bill

SENATE BILL 482

For An Act To Be Entitled

8 AN ACT TO PROVIDE FOR DESTINATION SOURCING OF SALES
9 TO THE UNITED STATES GOVERNMENT FOR PURPOSES OF
10 ARKANSAS INCOME TAX APPORTIONMENT; AND FOR OTHER
11 PURPOSES.
12
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Subtitle

14 TO PROVIDE FOR DESTINATION SOURCING OF
15 SALES TO THE UNITED STATES GOVERNMENT FOR
16 PURPOSES OF ARKANSAS INCOME TAX
17 APPORTIONMENT.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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23 SECTION 1. DO NOT CODIFY. Legislative finding and intent.

24 (a) The General Assembly finds that requiring origin-based sourcing
25 for sales to the United States Government hurts federal contractors with
26 locations in Arkansas, including sometimes resulting in actual double
27 taxation.

28 (b) The General Assembly intends to change Arkansas income tax
29 apportionment of sales to the United States Government to be destination-
30 based, as is the case for sales to other customers.
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32 SECTION 2. Arkansas Code § 26-5-101, Article IV, paragraph 16,
33 concerning the division of income under the Multistate Tax Compact, is
34 amended to read as follows:

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

36 (a) The property is delivered or shipped to a purchaser,



1 ~~other than the United States Government~~, within this state regardless of the
2 f.o.b. point or other conditions of the sale; or

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

7
8 SECTION 3. Arkansas Code § 26-51-716 is amended to read as follows:
9 26-51-716. Sales of tangible personal property.

10 Sales of tangible personal property are in this state if:

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

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

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