1	State of Arkansas	*As Engrossed: H4/3/19 S4/5/19*
2	92nd General Assembly	A Bill
3	Regular Session, 2019	HOUSE BILL 1911

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5   By: Representative M. Gray

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7   **For An Act To Be Entitled**

8   AN ACT TO AMEND THE INCOME TAX ACT OF 1929 CONCERNING

9   WHO SHALL BE TREATED AS THE OWNER OF A PORTION OF A

10   TRUST; AND FOR OTHER PURPOSES.

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13   **Subtitle**

14   TO AMEND THE INCOME TAX ACT OF 1929

15   CONCERNING WHO SHALL BE TREATED AS THE

16   OWNER OF A PORTION OF A TRUST.

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

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21   *SECTION 1. DO NOT CODIFY. Legislative intent.*

22   *It is the intent of the General Assembly to:*

23   *(1) Adopt 26 U.S.C. §§ 671-679, as they existed on January 1,*

24 *2019, in recognition of the fact that the Income Tax Act of 1929, § 26-51-101*

25 *et seq., has not previously addressed the issue of the taxation of trusts and*

26 *their beneficiaries that are grantor trusts for federal income tax purposes;*

27   *(2) For the purposes of Arkansas income taxes, conform the*

28 *income tax treatment of trusts and beneficiaries that are grantor trusts for*

29 *federal income tax purposes; and*

30   *(3) Provide for prospective application of the adoption of 26*

31 *U.S.C. §§ 671-679, as they existed on January 1, 2019, to provide Arkansas*

32 *taxpayers adequate time to arrange their financial and tax affairs.*

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34   *SECTION 2.* Arkansas Code § 26-51-201, concerning the income tax levied

35 on individuals, trusts, and estates, is amended to add an additional

36 subsection to read as follows:

1   (f)(1) Title 26 U.S.C. §§ 671-679, as in effect on January 1, *2019*,

2   are adopted for purposes of determining whether the grantor or another person

3   shall be treated as the owner of a portion of a *trust for Arkansas income tax*

4   *purposes.*

5   (2) A grantor or other person described in 26 U.S.C. §§ 671-679,

6   as in effect on January 1, *2019*, is subject to the filing and reporting

7   requirements of § 26-51-806.

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9   *SECTION 3.   EFFECTIVE DATE. Section 2 of this act is effective for tax*

10   *years beginning on or after January 1, 2020.*

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13   */s/M. Gray*

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16   **APPROVED: 4/15/19**

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