



## GENERAL INSTRUCTIONS FOR AR K-1

Use this form to report the partnership/member and shareholder's share of income, deductions, credits, etc. from a partnership or corporation. Attach this form to your AR1050, AR1100S, or AR1100PET. Generally, you must report items shown on your Arkansas Schedule AR K-1 the same way that the corporation or partnership treated the items on its returns.

### Return Type

Choose your return type from the three listed on this form. If you choose the Pass-Through Entity Tax, please back out your income and deductions on the AR-OI Lines 7 & 14. Your capital gains will be backed out on the AR1000D. For more information, reference page 12 of the AR1000F and AR1000NR instructions.

## PART I

Complete Arkansas Schedule AR K-1 for each Corporation, Partnership or Pass-Through Entity Tax.

### ITEM A

Enter the identification number of the corporation or partnership.

### ITEM B

Enter the name and address of the corporation or partnership.

## PART II

Complete Arkansas Schedule AR K-1 for each shareholder or partner.

### ITEM C

Enter the identification number of the shareholder or partner.

### ITEM D

Enter the name and address of the shareholder or partner.

### ITEM E

Check the box "Yes" indicating the shareholder or partnership is an Arkansas resident. Otherwise, check "No" and provide state of legal residence. **Do not leave blank.**

### ITEM F

If applicable, enter the shareholder's percentage of stock ownership for the tax year.

### ITEM G

Enter the pass-through entity owner's beginning and ending percentage of profit, loss and capital.

### ITEM H

Enter the Arkansas apportionment percentage.

## PART III

A pass-through entity owner who is a resident of Arkansas must report income from sources within and without Arkansas. Nonresidents only report their Arkansas apportioned share of income. The AR K-1 has two columns for most boxes in Part III. The

first column is income allocated and apportioned to Arkansas. This column should be completed by both resident and nonresident partners and shareholders. The second column should be completed by resident owners only. The column should include the residents share of income (loss) from all sources, including income (loss) earned from other states.

For example, a multistate entity has \$100,000.00 of income and 30% is apportioned to Arkansas. The entity has a nonresident and resident owner each receiving 50% of income (loss). On AR K-1, the entity would report \$15,000.00 in Column 1, Box 1a, for both the nonresident and resident owner. The entity would report \$50,000.00, income from all sources, in Column 2, Box 1b, for the resident owner.

The instructions for each line pertain to the first column (A) with the understanding that Arkansas residents will complete both columns and report income from **all sources as adjusted by applicable Arkansas law** in the second column (B).

### Box 1a. Ordinary Income (Loss)

Enter the pass-through entity owner's pro rata share of the ordinary income (loss) apportioned to Arkansas (Schedule K, Line 1, for Form AR1050).

### Box 2a. Net Rental Real Estate Income (Loss)

Enter the pass-through entity owner's pro rata share of net rental real estate income (loss) apportioned to Arkansas (Schedule K, Line 2, for Form AR1050).

### Box 3a. Other Net Rental Income (Loss)

Enter the pass-through entity owner's pro rata share of other net rental real estate income (loss) apportioned to Arkansas (Schedule K, Line 3c, for Form AR1050).

### Box 4a. Interest Income

Enter the pass-through entity owner's pro rata share of interest income apportioned to Arkansas (Schedule K, Line 4, for Form AR1050).

### Box 5a. Dividends

Enter the pass-through entity owner's pro rata share of dividend income apportioned to Arkansas (Schedule K, Line 5, for Form AR1050).

### Box 6a. Royalties

Enter the pass-through entity owner's pro rata share of royalties apportioned to Arkansas (Schedule K, Line 6, for Form AR1050).

### Box 7a. Net Short-Term Capital Gain (Loss)

Enter the pass-through entity owner's pro rata share of net short-term capital gain (loss) apportioned to Arkansas (Schedule K, Line 7, for Form AR1050).

### Box 8a. Net Long-Term Capital Gain (Loss)

Enter the pass-through entity owner's pro rata share of net long-term capital gain (loss) apportioned to Arkansas (Schedule K, Line 8 for Form AR1050).

### Box 9a. Unrecaptured Section 1250 Gain

Enter the pass-through entity owner's pro rata share of unrecaptured 1250 gain apportioned to Arkansas (Schedule K, Line 9, for Form AR1050). There are three types of unrecaptured section 1250 gain. Report your share of this unrecaptured gain on the

Unrecaptured Section 1250 Gain Worksheet, Line 18b in the instructions for federal Schedule D.

### Box 10a. Net Section 1231 Gain (Loss)

Enter the pass-through entity owner's pro rata share of net section 1231 gain (loss) apportioned to Arkansas (Schedule K, Line 10, for Form AR1050).

### Box 11a. Other Income (Loss)

Enter the pass-through entity owner's pro rata share of other income (loss) apportioned to Arkansas (Schedule K, Line 11, for Form AR1050). If the partner or shareholder had other income (loss) not included in Boxes 1 through 10, enter the total and attach a statement to specify other income (loss).

### Box 12a. Guaranteed Payments

Enter the pass-through entity owner's pro rata share of guaranteed payments apportioned to Arkansas (Schedule K, Line 12, for Form AR1050).

### Box 13a. Section 179 Deduction

Enter the pass-through entity owner's pro rata share of the section 179 expense apportioned to Arkansas (Schedule K, Line 13, for Form AR1050).

### Box 14a. Contributions and Other Deductions

Enter the pass-through entity owner's pro rata share of cash/non-cash charitable contributions and other deductions apportioned to Arkansas (Schedule K, Line 14-16, for Form AR1050). Attach Schedule.

### Box 15a. Credits

Enter the pass-through entity owner's pro rata share of credits apportioned to Arkansas.

### Box 16a. Items Affecting Shareholder Basis

Specify items and enter amounts that affected shareholder basis. Attach schedule.

### Box 17a. Tax-Exempt Income and Nondeductible Expenses

Enter the pass-through entity owner's pro rata share of tax-exempt income and nondeductible expenses apportioned to Arkansas (Schedule K, Lines 17a-c, for Form AR1050).

### Box 18a. Distributions

Enter the pass-through entity owner's pro rata share of distributions apportioned to Arkansas (Schedule K, Lines 18a-b, for Form AR1050).

### Box 19a. Investments and Other Items

Enter the pass-through entity owner's pro-rata share of investments, expenses and other items apportioned to Arkansas. Specify the investments, expenses and other items and enter the amounts.

### Box 20a. Arkansas Withholding or Other Payments

If tax was withheld or other payments made on behalf of the pass-through entity's owner, enter the amount here. Attach 1099-PT to verify withholding.

**NOTE:** Arkansas has adopted IRC Section 179 in its entirety as in effect on January 1, 2022.