

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**

**A BILL ACT 882 OF 1991**  
**HOUSE BILL 1589**

4 **By: Representatives Barclay, Bryan, Cunningham,**  
5 **Hawkins, Hinshaw, McCuiston, J. Miller, Mullenix,**  
6 **Stewart, Teague, Turner, Wingfield, and B. Wood**

7  
8 **For An Act To Be Entitled**

9 "AN ACT TO PROVIDE FOR A MAXIMUM CAPITAL GAINS RATE; TO  
10 REPEAL THE PERCENTAGE NET CAPITAL GAINS DEDUCTION; AND FOR  
11 OTHER PURPOSES."

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

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15 SECTION 1. Arkansas Code 26-51-815 is hereby amended to read as  
16 follows:

17 "26-51-815. Computing capital gains and losses.

18 (a) To the extent they apply to capital gains and losses, realized or  
19 incurred during income years beginning after December 31, 1990, §§ 1211-1257  
20 of Title 26 of the United States Code as in effect on January 1, 1991, and the  
21 regulations of the Secretary of the Treasury promulgated thereunder and in  
22 effect on January 1, 1991, are adopted for the purpose of computing tax  
23 liability under the Arkansas Income Tax Act, as amended, § 26-51-101 et seq.  
24 However, the provisions of this section shall not apply to C corporations as  
25 defined in 26 U.S.C. § 1361 as in effect on January 1, 1991. Furthermore, any  
26 other provisions of the federal income tax law and regulations necessary for  
27 interpreting and implementing 26 U.S.C. §§ 1211-1257 are adopted to that  
28 extent and as in effect on January 1, 1991.

29 (b) If a taxpayer has a net capital gain for any taxable year, then the  
30 tax imposed by this section shall not exceed the sum of:

31 (1) A tax computed at the rates and in the same manner as if this  
32 subsection had not been enacted on the greater of:

33 (A) Taxable income reduced by the amount of the net capital  
34 gain, or

35 (B) the amount of taxable income taxed at a rate below six  
36 percent (6%); plus

1           (2) A tax of six percent (6%) of the amount of taxable income in  
2 excess of the amount determined under subdivision (1) of this subsection."

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4           SECTION 2. This act shall be effective for income years beginning on or  
5 after January 1, 1991.

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7           SECTION 3. All provisions of this act of a general and permanent nature  
8 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
9 Revision Commission shall incorporate the same in the Code.

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11           SECTION 4. If any provision of this act or the application thereof to  
12 any person or circumstance is held invalid, such invalidity shall not affect  
13 other provisions or applications of the act which can be given effect without  
14 the invalid provision or application, and to this end the provisions of this  
15 act are declared to be severable.

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17           SECTION 5. All laws and parts of laws in conflict with this act are  
18 hereby repealed.

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APPROVED: 3/29/91

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