

HOUSE AMENDMENT 1 TO hb2115.

deleting all of Section 1 and substituting therefor the following:

"SECTION 1. Arkansas Code § 26-53-401(b) is amended to read as follows:

_(b) _Adjusted gross income_ means, in the case of an individual, gross income minus the following deductions:

(1) Trade and business deductions otherwise allowable as deductions under this chapter which are attributable to a trade or business carried on by the taxpayer, if such trade or business does not consist of the performance of services by the taxpayer as an employee;

(2)(A) Trade and business deductions of employees otherwise allowable as deductions under this chapter;

(B) The deductions which consist of expenses paid or incurred by the taxpayer, in connection with the performance by him of services as an employee under a reimbursement or other expense allowance arrangement with his employer;

(3) Losses from the sale or exchange of property;

(4) Deductions attributable to property held for the production of rents and royalties;

(5) Certain deductions of life tenants and income beneficiaries of property: In the case of life tenant of property, or an income beneficiary of property held in trust, or an heir, legatee, or devisee of an estate, the deduction for depreciation allowed by the Internal Revenue Code, § 167, as provided in § 26-51-428, and the deduction allowed by the Internal Revenue Code, § 611, as provided in § 26-51-429;

(6) Deductions for certain portions of lump-sum distributions from pension plans taxed under the Internal Revenue Code, § 402(e), as set forth in § 26-51-414;

(7) Deductions for moving expenses, as set forth in § 26-51-423(a)(4);

(8) Deductions for alimony payments;

(9) Deductions for separate maintenance payments;

(10) Deductions for interest forfeited to a bank, savings association, etc., on premature withdrawals from time savings accounts or deposits;

(11) Deductions allowed for cash payments to individual retirement accounts and deductions allowed for cash payments to retirement savings plans of certain married individuals to cover a nonworking spouse;

(12) Deductions for contributions by self-employed persons to pension, profit-sharing, and annuity plans;

(13) The border city exemption as provided by § 26-52-602; and

(14) Deductions for the health insurance costs of self-employed persons as computed in accordance with § 26-51-423(c).

(15) Deductions for contributions to a long-term intergenerational trust

created pursuant to Arkansas Code § 28-72-501 et seq, . "