

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

HOUSE BILL 1575

4
5 By: Representatives Hogue and Courtway

For An Act To Be Entitled

9 "AN ACT TO EXEMPT FROM GROSS INCOME THE GAIN ON THE SALE
10 OF A PRINCIPAL RESIDENCE IF THE TAXPAYER RESIDED IN THE
11 HOME FOR THREE (3) OF THE LAST FIVE (5) YEARS."

Subtitle

14 "EXCLUDES FROM INCOME THE GAIN ON THE
15 SALE OF A HOME IN WHICH A TAXPAYER HAS
16 RESIDED IN THE HOME FOR THREE (3) OF THE
17 LAST FIVE (5) YEARS."

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

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21 SECTION 1. Ark. Code Ann. § 26-51-404(b)(2) is amended to read as
22 follows:

23 "(b) The term gross income does not include the following items, which
24 shall be exempt from taxation under this act:

25 (2)(A) So much of the gain, if any, resulting from the sale or exchange
26 of property which is located within the State of Arkansas, used by the
27 taxpayer as his principal residence, which shall, within a period beginning
28 two (2) years prior to the date of sale or exchange and ending two (2) years
29 after that date, be applied by the taxpayer to purchase, acquire, construct,
30 or reconstruct other property which is thereafter used or to be used by the
31 taxpayer as his principal residence if the new residence is within the State
32 of Arkansas;

33 (B) Gain from the sale or exchange of property if, during the five
34 (5) year period ending on the date of the sale or exchange, such property has
35 been owned and used by the taxpayer as the taxpayer's principal residence for
36 periods aggregating three (3) years or more. In the case of an unmarried

1 individual whose spouse is deceased on the date of sale or exchange of the
 2 property, if the deceased spouse (during the five (5) year period ending on
 3 the date of the sale or exchange) satisfied the holding and use requirements
 4 of the preceding sentence with respect to such property, then such individual
 5 shall be treated as satisfying the holding and use requirements of the
 6 preceding sentence with respect to such property;"

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8 SECTION 2. The provision of this act shall be effective on and
 9 after January 1, 1998.

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11 SECTION 3. All provisions of this act of a general and permanent
 12 nature are amendatory to the Arkansas Code of 1987 Annotated and the
 13 Arkansas Code Revision Commission shall incorporate the same in the
 14 Code.

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16 SECTION 4. If any provision of this act or the application
 17 thereof to any person or circumstance is held invalid, such invalidity
 18 shall not affect other provisions or applications of the act which can
 19 be given effect without the invalid provision or application, and to
 20 this end the provisions of this act are declared to be severable.

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

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