

1 INTERIM STUDY PROPOSAL 2019-124

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3 REQUESTING THAT THE ARKANSAS LEGISLATIVE COUNCIL REFER TO THE  
4 HOUSE COMMITTEE ON REVENUE AND TAXATION A STUDY OF TAX ISSUES  
5 RELATED TO GAMBLING AND THE USE OF POTENTIAL REVENUE SAVINGS  
6 REALIZED BY THE REFORM OF TAX POLICIES RELATING TO GAMBLING.

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8 WHEREAS, Arkansas provides an income tax deduction for gambling losses;  
9 and

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11 WHEREAS, Arkansas does not levy a tax on all lottery, gambling, and  
12 racing winnings at the point at which the winnings are claimed; and

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14 WHEREAS, changes in the law concerning the taxation of lottery,  
15 gambling, and racing winnings could provide revenue savings that could be  
16 used for other purposes, including without limitation reducing the number of  
17 people on the developmental disabilities waiting list,

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19 NOW THEREFORE,

20 BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETY-SECOND  
21 GENERAL ASSEMBLY:

22 THAT the House Committee on Revenue and Taxation study:

23 (1) The gambling winnings that are reportable under Arkansas  
24 law;

25 (2) The rate of withholding for lottery, gambling, and racing  
26 winnings;

27 (3) The processes and procedures of the Department of Finance  
28 and Administration for auditing and enforcing the laws concerning the  
29 taxation of lottery, gambling, and racing winnings and losses;

30 (4) How other states treat lottery, gambling, and racing  
31 winnings and losses for tax purposes;

32 (5) How other states audit and enforce the laws concerning the  
33 taxation of lottery, gambling, and racing winnings and losses; and

34 (6) Potential uses for any savings from changes to the tax  
35 policies relating to gambling, including without limitation the reduction of  
36 the number of people on the developmental disabilities waiting list.

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Respectfully submitted,

Representative Julie Mayberry

District 27

Prepared by: JLL/JLL