

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

**A BILL ACT 687 OF 1991**  
**SENATE BILL 615**

4 **By: Senators Canada, Scott, Gibson,**  
5 **Yates, Cassady, and Fitch**

6  
7 **For An Act To Be Entitled**

8 "AN ACT TO PROVIDE THAT GAIN OR LOSS WILL BE RECOGNIZED IF  
9 SECURITIES ARE RECEIVED IN EXCHANGE FOR PROPERTY IN THE  
10 ORGANIZATION OF A CORPORATION; AND FOR OTHER PURPOSES."

11

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

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14 SECTION 1. Arkansas Code 26-51-412(b) is hereby amended to read as  
15 follows:

16 "(b) In the case of the organization of a corporation, the stock  
17 received shall be considered to take the place of property transferred  
18 therefor, and no gain or loss shall be deemed to arise therefrom."

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20 SECTION 2. The provisions of this act shall be in full force and effect  
21 for all income years beginning on and after January 1, 1991.

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

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27 SECTION 4. If any provision of this act or the application thereof to  
28 any person or circumstance is held invalid, such invalidity shall not affect  
29 other provisions or applications of the act which can be given effect without  
30 the invalid provision or application, and to this end the provisions of this  
31 act are declared to be severable.

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34 hereby repealed.

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APPROVED: 3-21-91

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