

"AN ACT TO AMEND ARKANSAS STATUTE 84-2048.2 TO POSTPONE IMPLEMENTING THE CAPITAL GAINS LAW FOR TWO YEARS; AND FOR OTHER PURPOSES."

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

SECTION 1. Intent - Whereas the Federal Internal Revenue Code provisions giving preferential treatment to capital gains income have been amended to phase out such preferential treatment. Whereas, Act 848 of 1985 was enacted to bring the Arkansas income tax law into compliance with the capital gains provisions of the Internal Revenue Code that are now being phased out. Whereas, further changes in the Federal Internal Revenue Code capital gains provisions are anticipated. Therefore, the implementation of the provisions of Act 848 should be delayed for a period of two years in anticipation of further congressional action.

SECTION 2. Section 46 of Act 118 of 1929 as added by Section 1 of Act 848 of 1985 is hereby amended to read as follows:

"Section 46. The percentage of net capital gains deductible from gross income is as follows:

(a) Ten percent (10%) for the income year beginning during calendar year 1989;

(b) Thirty percent (30%) for the income year beginning during calendar year 1990; and

(c) Sixty percent (60%) for all income years beginning after December 31, 1990."

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. Emergency. It is hereby found and determined by the General Assembly that the Arkansas Capital Gains Law becomes effective during calendar year 1987; that due to the present economic conditions the implementation should be postponed for two years; that this Act delays that implementation; and that this Act should go into effect immediately in order to prevent taxpayers from relying upon its becoming effective during calendar year 1987. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: February 13, 1987

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