

Act 933 of the 1989 Regular Session.

Act 933

SB75

By: Senator Allen

"AN ACT TO PROVIDE FOR THE IMPLEMENTATION OF A CAPITAL GAINS LAW FOR ARKANSAS; AND FOR OTHER PURPOSES."

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

SECTION 1. It is hereby found and determined by the General Assembly that the United States Congress is anticipated to adopt special treatment for capital gains income for federal income tax purposes, and that it is in the best interest of this State for the General Assembly to enact a capital gains law to parallel the federal capital gains law as soon as the United States Congress takes such action. Therefore, in order to timely implement a capital gains law to synchronize with the federal capital gains law, the Governor is hereby requested to include a capital gains proposal in his call for the first Special Session of the Arkansas General Assembly which occurs after the United States Congress enacts a law addressing capital gains treatment under the federal Internal Revenue Code.

SECTION 2. Arkansas Code 26-51-815(b) is hereby amended to read as follows:

"(b) The percentage of net capital gains deductible from gross income is as follows:

(1) Ten percent (10%) for the income year beginning during calendar year 1991;

(2) Thirty percent (30%) for the income year beginning during calendar year 1992; and

(3) Sixty percent (60%) for all income years beginning after December 31, 1992."

(4) If a lower tax on capital gains income is adopted for Federal Income Tax purposes for any income year beginning before January 1, 1991, then the capital gains deduction in paragraph (b)(1) of this Section shall be available for the first income year the deduction is available for Federal Income Tax purposes, the deduction in paragraph (b)(2) of this Section shall be available for the second income year the deduction is available for Federal Income Tax purposes, and the deduction in paragraph (b)(3) of this Section shall be available for all income years beginning after the second income year the deduction is available for Federal Income Tax purposes.

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

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. Emergency. It is hereby found and determined by the General Assembly that the Arkansas Capital Gains Law becomes effective during calendar year 1989; that due to the present economic conditions the implementation should be postponed for two years; that this Act delays the implementation; and that this Act should go into effect immediately in order to prevent

taxpayers from relying upon its becoming effective during calendar year 1989. 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: March 24, 1989

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