

Hall of the House of Representatives

87th General Assembly - Regular Session, 2009

Amendment Form

Subtitle of House Bill No. 1947

"TO CREATE THE ARKANSAS CAPITAL GAINS REDUCTION ACT OF 2009."

Amendment No. 1 to House Bill No. 1947.

Amend House Bill No. 1947 as originally introduced:

Delete everything after the enacting clause and substitute the following:

"SECTION 1. This act shall be known as the "Arkansas Capital Gains Reduction Act of 2009".

SECTION 2. Arkansas Code § 26-51-815, concerning the computation of capital gains, is amended to add an additional subsection to read as follows:

(e)(1) As used in subdivision (e)(2) of this section:

(A) "Arkansas property" means:

(i) Real property located entirely within this state;

(ii) Tangible property located entirely within this state for at least one (1) uninterrupted year prior to the date of the sale from which the net capital gain arose;

(iii) Intangible property and stock or ownership in a corporation, limited liability company, partnership, or other legal entity that has its primary headquarters located in this state for at least one (1) uninterrupted year prior to the date of the sale from which the net capital gain arose;

(B) "Directly" means the taxpayer has direct ownership of the asset; and

(C) "Indirectly" means the taxpayer owns an interest in a pass-through entity or chain of pass-through entities that sells the asset that gives rise to the net capital gain.

(2) If a taxpayer has a net capital gain from the sale of Arkansas property, one hundred percent (100%) of the net capital gain shall be exempt from the Income Tax Act of 1929, § 26-51-101 et seq., if the Arkansas property from which the net capital gain arose was:

(A) Acquired by the taxpayer after July 1, 2009; and

(B) Owned directly or indirectly by the taxpayer for more than one (1) uninterrupted year prior to the sale.

(3) The Director of the Department of Finance and Administration shall promulgate rules to implement this subsection.



SECTION 2. Effective date. This act is effective for tax years beginning on or after January 1, 2010."

The Amendment was read _____
By: Representative Garner
MMC/MAJ - 03-19-2009 12:59
MMC273 _____ Chief Clerk