

ARKANSAS SENATE
90th General Assembly - Regular Session, 2015
Amendment Form

Subtitle of Senate Bill No. 6

TO CREATE THE MIDDLE CLASS TAX RELIEF ACT OF 2015; AND TO AMEND THE INCOME TAX
RATES AND BRACKETS FOR INDIVIDUALS, TRUSTS, AND ESTATES.

Amendment No. 3 to Senate Bill No. 6

Amend Senate Bill No. 6 as engrossed, S1/15/15 (version: 01/15/2015 9:54:33 AM):

Add Senators Bledsoe, Burnett, Caldwell, E. Cheatham, L. Chesterfield, A. Clark, Collins-Smith, J. Cooper, J. English, Files, Flippo, S. Flowers, J. Hendren, Hester, Hickey, J. Hutchinson, Irvin, B. Johnson, U. Lindsey, Maloch, B. Pierce, Rapert, Rice, B. Sample, D. Sanders, G. Stubblefield, Teague, E. Williams, J. Woods as cosponsors of the bill

AND

Delete lines 9 through 13, and substitute the following:

"AN ACT TO CREATE THE MIDDLE CLASS TAX RELIEF ACT OF 2015; TO AMEND THE INCOME TAX RATES FOR INDIVIDUALS, TRUSTS, AND ESTATES; TO ADJUST THE MINIMUM AND MAXIMUM DOLLAR AMOUNTS IN CERTAIN INCOME BRACKETS FOR INDIVIDUALS, TRUSTS, AND ESTATES; TO AMEND THE INCOME TAX APPLICABLE TO CAPITAL GAINS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

AND

Delete the subtitle in its entirety and substitute the following:

"TO CREATE THE MIDDLE CLASS TAX RELIEF ACT OF 2015; TO AMEND THE INCOME TAX RATES AND BRACKETS FOR INDIVIDUALS, TRUSTS, AND ESTATES; TO AMEND THE INCOME TAX ON CAPITAL GAINS; AND TO DECLARE AN EMERGENCY."

AND

Immediately following the enacting clause, add a new section to read as follows:

"SECTION 1. DO NOT CODIFY. This act shall be known as the "Middle Class Tax Relief Act of 2015"."



AND

Page 1, line 25, delete "SECTION 1", and substitute "SECTION 2"

AND

Page 4, delete line 15, and substitute the following:
"subsection (d) of this section.

SECTION 3. Effective for tax years beginning on and after January 1, 2015, Arkansas Code § 26-51-815(b), concerning the computation of capital gains and losses, is amended to read as follows:

~~(b)(1) Except as otherwise provided in this subsection, if~~ If a taxpayer has a net capital gain for tax years beginning on and after January 1, 1999, thirty percent (30%) of the gain is exempt from state income tax.

~~(2) If a taxpayer has a net capital gain for tax years beginning on and after January 1, 2015, fifty percent (50%) of the gain is exempt from state income tax.~~

~~(3) The amount of net capital gain in excess of ten million dollars (\$10,000,000) from a gain realized on or after January 1, 2014, is exempt from the state income tax.~~

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that income tax rates for Arkansas residents are too high in comparison to the income tax rates in surrounding states; that these burdensome income tax rates prevent Arkansas from being competitive with surrounding states in the region; that amending the exclusion from tax for a portion of capital gains income will increase the state's ability to provide additional tax relief to middle class taxpayers without overburdening the state's resources; and that this act is immediately necessary because it is in the best interests of the state to increase Arkansas's ability to compete in the region by dedicating as much funding as is economically possible and prudent to relieve the income tax burden suffered by middle class taxpayers in the state. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator B. Sample
JLL/JLL - 01-20-2015 19:59:33
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Secretary