

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: H3/14/97 H3/19/97

A Bill

HOUSE BILL 2115

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5 By: Representative Johnson
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For An Act To Be Entitled

9 "AN ACT TO AMEND THE LONG TERM INTERGENERATIONAL TRUST TO
10 EXCLUDE A TAXPAYER S CONTRIBUTION TO THE TRUST FROM GROSS
11 INCOME; AND FOR OTHER PURPOSES."

Subtitle

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14 "TO AMEND THE LONG TERM
15 INTERGENERATIONAL TRUST TO EXCLUDE A
16 TAXPAYER S CONTRIBUTION TO THE TRUST FROM
17 GROSS INCOME."
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 26-51-403(b) is amended to read as follows:

22 "(b) Adjusted gross income means, in the case of an individual, gross
23 income minus the following deductions:

24 (1) Trade and business deductions otherwise allowable as
25 deductions under this chapter which are attributable to a trade or business
26 carried on by the taxpayer, if such trade or business does not consist of the
27 performance of services by the taxpayer as an employee;

28 (2)(A) Trade and business deductions of employees otherwise
29 allowable as deductions under this chapter;

30 (B) The deductions which consist of expenses paid or incurred
31 by the taxpayer, in connection with the performance by him of services as an
32 employee under a reimbursement or other expense allowance arrangement with his
33 employer;

34 (3) Losses from the sale or exchange of property;

35 (4) Deductions attributable to property held for the production
36 of rents and royalties;

1 (5) Certain deductions of life tenants and income beneficiaries
2 of property: In the case of life tenant of property, or an income beneficiary
3 of property held in trust, or an heir, legatee, or devisee of an estate, the
4 deduction for depreciation allowed by the Internal Revenue Code, § 167, as
5 provided in § 26-51-428, and the deduction allowed by the Internal Revenue
6 Code, § 611, as provided in § 26-51-429;

7 (6) Deductions for certain portions of lump-sum distributions
8 from pension plans taxed under the Internal Revenue Code, § 402(e), as set
9 forth in § 26-51-414;

10 (7) Deductions for moving expenses, as set forth in § 26-51-
11 423(a)(4);

12 (8) Deductions for alimony payments;

13 (9) Deductions for separate maintenance payments;

14 (10) Deductions for interest forfeited to a bank, savings
15 association, etc., on premature withdrawals from time savings accounts or
16 deposits;

17 (11) Deductions allowed for cash payments to individual retirement
18 accounts and deductions allowed for cash payments to retirement savings plans
19 of certain married individuals to cover a nonworking spouse;

20 (12) Deductions for contributions by self-employed persons to
21 pension, profit-sharing, and annuity plans;

22 (13) The border city exemption as provided by § 26-52-602; and

23 (14) Deductions for the health insurance costs of self-employed
24 persons as computed in accordance with § 26-51-423(c).

25 (15) Deductions for contributions to a long-term intergenerational
26 trust created pursuant to Arkansas Code § 28-72-501 et seq.,."

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28 SECTION 2. Arkansas Code § 28-72-505(a) is amended to read as follows:

29 "(a)(1) All distributions of funds ~~other than principal~~ from the long-
30 term intergenerational security trust shall be taxable as provided in the
31 Arkansas Income Tax Act, § 26-51-101 et seq.

32 (2) All distributions from the trust shall be deemed principal until
33 all contributions of principal have been withdrawn."

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35 SECTION 3. All provisions of this act of a general and permanent nature
36 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code

1 Revision Commission shall incorporate the same in the Code.

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

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

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/s/Rep. Johnson

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