

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 2269

4
5 By: Representative Madison
6
7

For An Act To Be Entitled

8
9 "AN ACT TO PROVIDE ARKANSAS RESIDENTS OVER AGE FIFTY-
10 FIVE (55) A SPECIAL ONE-TIME EXCLUSION OF UP TO ONE
11 HUNDRED THOUSAND DOLLAR (\$100,000) OF CAPITAL GAINS IN
12 DETERMINING GROSS INCOME UNDER THE ARKANSAS INCOME TAX
13 ACT; AND FOR OTHER PURPOSES. "
14

Subtitle

15
16 "TO PROVIDE ARKANSAS RESIDENTS OVER AGE
17 55 A SPECIAL ONE-TIME EXCLUSION OF UP TO
18 \$100,000 OF CAPITAL GAINS FOR INCOME TAX
19 PURPOSES. "
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Title 26, Chapter 51, Subchapter 3 of the Arkansas Code is
25 amended to add the following new section to the end thereof to be numbered by
26 the Arkansas Code Revision Commission:

27 "(a) Beginning with taxable years commencing on January 1, 2000, at the
28 election of the taxpayer, gross income does not include capital gains from the
29 sale or exchange of property if the taxpayer has attained age fifty-five (55)
30 before the date of the sale or exchange.

31 (b) The amount of gain excluded from gross income under subsection (a)
32 of this section shall not exceed one hundred thousand dollars (\$100,000) or,
33 in the case of a separate return by a married individual, fifty thousand
34 dollars (\$50,000);

35 (c) For purposes of this section, both the husband and the wife shall
36 be treated as satisfying the age requirements of subsection (a) of this

1 section with respect to the property if:

2 (1) Property is held by a husband and wife as joint tenants, or
 3 tenants by the entirety;

4 (2) The husband and wife make a joint return for the taxable year
 5 of the sale or exchange; and

6 (3) One (1) spouse satisfies the age requirements of subsection
 7 (a) of this section with respect to the property.

8 (d) For purposes of this section:

9 (1) The determination of whether an individual is married shall
 10 be made as of the date of the sale or exchange; and

11 (2) An individual legally separated from his spouse under a
 12 decree of divorce or of separate maintenance shall not be considered as
 13 married.

14 (e) The provisions of this section are intended to provide Arkansas
 15 residents over age fifty-five (55) a special one-time exclusion of up to one
 16 hundred thousand dollars (\$100,000) of capital gains in determining gross
 17 income for the purpose of computing state income tax liability under the
 18 Arkansas Income Tax Act, beginning at § 26-51-101.

19
 20 SECTION 2. All provisions of this act of a general and permanent nature
 21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 22 Revision Commission shall incorporate the same in the Code.

23
 24 SECTION 3. If any provision of this act or the application thereof to
 25 any person or circumstance is held invalid, such invalidity shall not affect
 26 other provisions or applications of the act which can be given effect without
 27 the invalid provision or application, and to this end the provisions of this
 28 act are declared to be severable.

29
 30 SECTION 4. All laws and parts of laws in conflict with this act are
 31 hereby repealed.