

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007

A Bill

HOUSE BILL 2690

4
5 By: Representative M. Martin
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For An Act To Be Entitled

8 AN ACT TO REDUCE A TAXPAYER'S NET CAPITAL GAIN;
9 AND FOR OTHER PURPOSES.
10

Subtitle

11 TO REDUCE A TAXPAYER'S NET CAPITAL GAIN.
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16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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18 SECTION 1. Arkansas Code § 26-51-815(b), concerning the computing of
19 capital gains and losses, is amended to read as follows:

20 (b)(1) If a taxpayer has a net capital gain for tax years beginning on
21 and after January 1, 1999, a tax year that begins in calendar year 1999,
22 2000, 2001, 2002, 2003, 2004, 2005, or 2006, thirty percent (30%) of the net
23 capital gain shall be is exempt from state income tax the tax imposed by the
24 Income Tax Act of 1929, § 26-51-101 et seq.

25 (2)(A)(i) If a taxpayer has a net capital gain for a tax year
26 beginning on or after January 1, 2007, thirty percent (30%) of the net
27 capital gain plus an additional three percent (3%) for each year over ten
28 (10) years that the asset was owned by the taxpayer up to a maximum of one
29 hundred percent (100%) of the net capital gain, is exempt from the tax
30 imposed by the Income Tax Act of 1929, § 26-51-101 et seq.

31 (ii) If the taxpayer received the asset as a gift,
32 the three percent (3%) exemption for the years exceeding ten (10) years as
33 provided for in subdivision (b)(2)(A)(i) of this section shall include all
34 the years for which the basis for the asset was attributable to the taxpayer.

35 (B) The Department of Finance and Administration shall
36 promulgate rules to implement this subsection.

