

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

HOUSE BILL 2248

By: Representative Carter

For An Act To Be Entitled

AN ACT TO CREATE JOBS AND SMALL BUSINESS
DEVELOPMENT IN ARKANSAS BY ELIMINATING CAPITAL
GAINS IN CERTAIN CIRCUMSTANCES; AND FOR OTHER
PURPOSES.

Subtitle

TO CREATE JOBS AND SMALL BUSINESS
DEVELOPMENT BY ELIMINATING CAPITAL GAINS
IN CERTAIN CIRCUMSTANCES.

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

SECTION 1. Arkansas Code § 26-51-815, concerning computing capital gains and losses, is amended to add an additional subsection that reads as follows:

(e)(1) If a taxpayer has a net capital gain from the sale of a new business start-up, one hundred percent (100%) of the net capital gain is exempt from the Income Tax Act of 1929, § 26-51-101 et seq., if the new business start-up:

(A) Employed three (3) or more people for a period of not less than six (6) continuous months; and

(B) Was sold for a net capital gain within the first three (3) years of its existence.

(2) As used in this subsection, "new business start-up" means a new organization or new business venture that was not an existing business that was sold to a new owner.

(3) The capital gains exemption in subdivision (e)(1) is



1 effective for tax years beginning on or after January 1, 2009, and ending on
2 or before December 31, 2013.

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4 SECTION 2. Effective Date. Section 1 of this act is effective for tax
5 years beginning on or after January 1, 2009, and ending on or before December
6 31, 2013.