

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

HOUSE BILL 1300

5 By: Representative J. Mayberry  
6 By: Senator K. Hammer  
7

## For An Act To Be Entitled

9 AN ACT TO DEDICATE SAVINGS FROM THE ELIMINATION OF  
10 CERTAIN TAX INCENTIVES TO BE USED FOR STATE HIGHWAYS;  
11 TO ELIMINATE THE INCOME TAX DEDUCTION FOR GAMBLING  
12 LOSSES; TO AMEND THE STATE HIGHWAY AND TRANSPORTATION  
13 DEPARTMENT FUND; TO DIRECT GENERAL REVENUES TO BE  
14 USED TO FUND STATE HIGHWAY PROJECTS; AND FOR OTHER  
15 PURPOSES.  
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## Subtitle

18 TO ELIMINATE THE INCOME TAX DEDUCTION FOR  
19 GAMBLING LOSSES; AND TO DEDICATE THE  
20 SAVINGS FROM THE ELIMINATION OF THE  
21 INCOME TAX DEDUCTION FOR GAMBLING LOSSES  
22 TO BE USED FOR STATE HIGHWAYS.  
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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28 SECTION 1. Arkansas Code § 19-6-405 is amended to read as follows:

29 19-6-405. State Highway and Transportation Department Fund.

30 The State Highway and Transportation Department Fund shall consist of:

31 (1) That part of the special revenues as specified in § 19-6-  
32 301(2)-(4), (22), (81), (105)-(107), (182), and (256), known as "highway  
33 revenue", as distributed under the Arkansas Highway Revenue Distribution Law,  
34 § 27-70-201 et seq., and § 27-70-103 and § 27-72-301 et seq.;

35 (2) Those special revenues specified in § 19-6-301(10), (152),  
36 (187), (239), and (241);



- 1 (3) Fifty percent (50%) of § 19-6-301(26);
- 2 (4) That portion of § 19-6-301(2) as set out in § 27-14-
- 3 601(a)(3)(H)(ii)(f);
- 4 (5) That portion of § 19-6-301(222);
- 5 (6) Those designated revenues as set out in § 26-56-201(e)(1),
- 6 which consist of the additional total of four cents (4¢) distillate special
- 7 fuel taxes to be distributed as provided in the Arkansas Highway Financing
- 8 Act of 1999, § 27-64-201 et seq.;
- 9 (7) Federal revenue sharing funds as set out in § 19-5-1005; ~~and~~
- 10 (8) Those general revenues deducted from the General Revenue
- 11 Fund Account of the State Apportionment Fund under § 26-51-424; and
- 12 (9) Any federal funds that may become available,
- 13 there to be used for the maintenance, operation, and improvement required by
- 14 the Arkansas Department of Transportation in carrying out the functions,
- 15 powers, and duties as set out in Arkansas Constitution, Amendment 42, and §§
- 16 27-65-102 – 27-65-107, 27-65-110, 27-65-122, and 27-65-124, and the other
- 17 laws of this state prescribing the powers and duties of the department and
- 18 the State Highway Commission.

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 20 SECTION 2. Arkansas Code § 26-51-424(a)(2), concerning the income tax  
 21 deduction for losses, is amended to read as follows:

- 22 (2) In the case of an individual, the deduction under
- 23 subdivision (a)(1) of this section shall be limited to:
- 24 (A) Losses incurred in a trade or business; or
- 25 (B)(i) Losses incurred in any transaction entered into for
- 26 profit, though not connected with the trade or business, ~~including without~~
- 27 ~~limitation gambling losses, which are:~~
- 28 ~~(i) Deductible to the extent of gambling winnings;~~
- 29 ~~and~~
- 30 ~~(ii) Not subject to the two percent (2%) limitation~~
- 31 ~~on miscellaneous itemized deductions.~~
- 32 (ii)(a) However, gambling losses are not eligible
- 33 for the deduction allowed under subdivision (a)(1) of this section.
- 34 (b) To capture the savings realized under
- 35 subdivision (a)(2)(B)(ii)(a) of this section, the Treasurer of State, before
- 36 making the percentage distributions of general revenues on the last day of

1 each month as provided by law, shall deduct from the General Revenue Fund  
2 Account of the State Apportionment Fund an amount equal to one-twelfth (1/12)  
3 of ten million dollars (\$10,000,000) each month for transfer to the State  
4 Highway and Transportation Department Fund.

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6 SECTION 3. EFFECTIVE DATE. This act is effective for tax years  
7 beginning on or after January 1, 2019.

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