

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

# A Bill

HOUSE BILL 1653

By: Representatives J. Mayberry, Miller  
By: Senator K. Hammer

## For An Act To Be Entitled

AN ACT TO DEDICATE SAVINGS FROM THE ELIMINATION OF  
CERTAIN TAX INCENTIVES TO BE USED FOR REDUCING THE  
DEVELOPMENTAL DISABILITIES WAITING LIST; TO ELIMINATE  
THE INCOME TAX DEDUCTION FOR GAMBLING LOSSES; TO  
DIRECT GENERAL REVENUES TO BE USED TO FUND THE  
ALTERNATIVE COMMUNITY SERVICES WAIVER PROGRAM; AND  
FOR OTHER PURPOSES.

## Subtitle

TO ELIMINATE THE INCOME TAX DEDUCTION FOR  
GAMBLING LOSSES; AND TO DEDICATE THE  
SAVINGS FROM THE ELIMINATION OF THE  
INCOME TAX DEDUCTION FOR GAMBLING LOSSES  
TO BE USED FOR REDUCING THE DEVELOPMENTAL  
DISABILITIES WAITING LIST.

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

SECTION 1. Arkansas Code § 26-51-424(a)(2), concerning the income tax deduction for losses, is amended to read as follows:

(2) In the case of an individual, the deduction under subdivision (a)(1) of this section shall be limited to:

(A) Losses incurred in a trade or business; or

(B) (i) Losses incurred in any transaction entered into for profit, though not connected with the trade or business, ~~including without limitation gambling losses, which are:~~



1                   ~~(i) Deductible to the extent of gambling winnings,~~  
2     and

3                   ~~(ii) Not subject to the two percent (2%) limitation~~  
4     ~~on miscellaneous itemized deductions.~~

5                   (ii)(a) However, gambling losses are not eligible  
6     for the deduction allowed under subdivision (a)(1) of this section.

7                   (b) To capture the savings realized under  
8     subdivision (a)(2)(B)(ii)(a) of this section, beginning January 1, 2020, the  
9     Treasurer of State, before making the percentage distributions of general  
10    revenues on the last day of each month as provided by law, shall deduct from  
11    the General Revenue Fund Account of the State Apportionment Fund an amount  
12    equal to one-twelfth (1/12) of eleven million dollars (\$11,000,000) each  
13    month for transfer to a designated account within the Arkansas Medicaid  
14    Program Trust Fund to be used exclusively for the Alternative Community  
15    Services Waiver Program.

16  
17       SECTION 2. EFFECTIVE DATE. This act is effective for tax years  
18     beginning on or after January 1, 2019.