1	State of Arkansas	As Engrossed: H3/6/19	
2	92nd General Assembly	A Bill	
3	Regular Session, 2019		HOUSE BILL 1653
4			
5	By: Representatives J. Mayberry, Mi	ller	
6	By: Senator K. Hammer		
7			
8	F	For An Act To Be Entitled	
9	AN ACT TO DEDICATE SAVINGS FROM THE ELIMINATION OF		
10	CERTAIN TAX INCENTIVES TO BE USED FOR REDUCING THE		
11	DEVELOPMENTAL DISABILITIES WAITING LIST; TO ELIMINATE		
12	THE INCOME TAX	DEDUCTION FOR GAMBLING LOSSES;	TO
13	DIRECT GENERAL	REVENUES TO BE USED TO FUND THE	
14	ALTERNATIVE COM	MUNITY SERVICES WAIVER PROGRAM;	AND
15	FOR OTHER PURPO	SES.	
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18		Subtitle	
19	TO ELIMINA	ATE THE INCOME TAX DEDUCTION FOR	
20	GAMBLING I	LOSSES; AND TO DEDICATE THE	
21	SAVINGS FF	ROM THE ELIMINATION OF THE	
22	INCOME TAX	X DEDUCTION FOR GAMBLING LOSSES	
23	TO BE USEI	O FOR REDUCING THE DEVELOPMENTAL	
24	DISABILITI	IES WAITING LIST.	
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27	BE IT ENACTED BY THE GENERA	L ASSEMBLY OF THE STATE OF ARKA	NSAS:
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29	SECTION 1. Arkansas	Code § 26-51-424(a)(2), concern	ing the income tax
30	deduction for losses, is am	ended to read as follows:	
31	(2) In the cas	e of an individual, the deduction	on under
32	subdivision (a)(l) of this	section shall be limited to:	
33	(A) Loss	es incurred in a trade or busine	ess; or
34	(B) <u>(i)</u> L	osses incurred in any transaction	on entered into for
35	profit, though not connecte	ed with the trade or business , i	ncluding without
36	limitation gambling losses,	-which are:	

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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 Community and Employment
15	Supports Waiver Program.
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17	SECTION 2. EFFECTIVE DATE. This act is effective for tax years
18	beginning on or after January 1, 2019.
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20	/s/J. Mayberry
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