

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

As Engrossed: H3/6/19  
**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:~~



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

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

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

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

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

*/s/J. Mayberry*