

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 640

By: Senators B. Davis, K. Hammer
By: Representatives J. Mayberry, Miller

For An Act To Be Entitled

AN ACT TO DEDICATE SAVINGS FROM THE ELIMINATION OF CERTAIN TAX INCENTIVES TO BE USED FOR REDUCING THE NUMBER OF PEOPLE ON THE DEVELOPMENTAL DISABILITIES WAITING LIST; TO ELIMINATE THE INCOME TAX DEDUCTION FOR GAMBLING LOSSES; TO DIRECT GENERAL REVENUES TO BE USED TO FUND THE COMMUNITY AND EMPLOYMENT SUPPORTS 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.