

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

State of Arkansas  
94th General Assembly  
Regular Session, 2023

# A Bill

HOUSE BILL 1221

By: Representative Vaught  
By: Senator Hill

## For An Act To Be Entitled

AN ACT TO AMEND THE DEFINITION OF "GROSS INCOME"  
UNDER THE INCOME TAX ACT OF 1929; TO EXCLUDE CERTAIN  
INVOLUNTARY SALES OF LIVESTOCK FROM GROSS INCOME  
UNDER THE INCOME TAX ACT OF 1929; AND FOR OTHER  
PURPOSES.

## Subtitle

TO EXCLUDE CERTAIN INVOLUNTARY SALES OF  
LIVESTOCK FROM GROSS INCOME UNDER THE  
INCOME TAX ACT OF 1929.

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

SECTION 1. Arkansas Code § 26-51-404(b)(1), concerning exclusions from the definition of "gross income" under the Income Tax Act of 1929, is amended to read as follows:

(1)(A) Title 26 U.S.C. § 1033, as in effect on January 1, 2009, relating to the exclusion from gross income of gain resulting from the involuntary conversion of a taxpayer's property, is adopted for the purpose of computing Arkansas income tax liability.

(B) A gain resulting from the involuntary conversion of livestock due to drought, flood, or other weather-related conditions is excluded from gross income if:

(i) The income obtained from the involuntary conversion of the livestock is used to purchase replacement livestock within five (5) years of the involuntary conversion; and



(ii) The taxpayer is located in a county in which the Governor has declared a state of disaster emergency as the result of a natural disaster;

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2022.