

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1630

By: Representative Long

For An Act To Be Entitled

AN ACT TO ENCOURAGE THE VOLUNTARY USE OF CERTAIN PRECIOUS METALS AS CONSIDERATION IN CONTRACTS; TO REQUIRE SPECIFIC PERFORMANCE AS THE REMEDY FOR THE BREACH OF CONTRACTS THAT INCLUDE CERTAIN PRECIOUS METALS AS CONSIDERATION; TO EXCLUDE FROM GROSS INCOME ANY GAIN REALIZED FROM THE SALE OF CERTAIN PRECIOUS METALS; AND FOR OTHER PURPOSES.

Subtitle

TO REQUIRE SPECIFIC PERFORMANCE AS THE REMEDY FOR THE BREACH OF CONTRACTS THAT INCLUDE CERTAIN PRECIOUS METALS AS CONSIDERATION; AND TO EXCLUDE FROM GROSS INCOME ANY GAIN REALIZED FROM THE SALE OF CERTAIN PRECIOUS METALS.

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

SECTION 1. Arkansas Code Title 4, Chapter 56, Subchapter 1, is amended to add an additional section to read as follows:

4-56-106. Specific performance required for certain contracts.

(a) As used in this section,

(1) "Bullion" means a bar or ingot:

(A) Manufactured in whole or in part of gold or silver;

(B) That was or is used solely as a medium of exchange,

security, or commodity by any state, the United States Government, or a foreign nation; and



(C) Sold based on the intrinsic value of the bar, ingot, or coin as a precious metal or collectible item rather than its form or representative value as a medium of exchange; and

(2) "Coin" means a coin:

(A) Manufactured in whole or in part of gold or silver;

(B) That was or is used solely as a medium of exchange, security, or commodity by any state, the United States Government, or a foreign nation; and

(C) Sold based on its intrinsic value as a precious metal or collectible item rather than its form or representative value as a medium of exchange.

(b) Unless specifically provided by law or by contract, no person may compel another person to tender coins or bullion or to accept coins or bullion as legal tender.

(c) If a valid contract expressly provides for a type or form of coins or bullion as at least partial consideration for the contract, then an Arkansas court asked to adjudicate the breach of a such a contract shall require, as a remedy for the breach, the specific performance of tendering the type or form of coins or bullion specified in the contract.

SECTION 2. Arkansas Code § 26-51-815, concerning the computation of capital gains and losses for purposes of income tax, is amended to add an additional subsection to read as follows:

(e)(1) A gain from the sale of coins or bullion is exempt from the income tax levied under this chapter.

(2) As used in this section:

(A) "Bullion" means a bar or ingot:

(i) Manufactured in whole or in part of gold or silver;

(ii) That was or is used solely as a medium of exchange, security, or commodity by any state, the United States Government, or a foreign nation; and

(iii) Sold based on the intrinsic value of the bar, ingot, or coin as a precious metal or collectible item rather than its form or representative value as a medium of exchange; and

(B) "Coin" means a coin:

(i) Manufactured in whole or in part of gold or silver;

(ii) That was or is used solely as a medium of exchange, security, or commodity by any state, the United States Government, or a foreign nation; and

(iii) Sold based on its intrinsic value as a precious metal or collectible item rather than its form or representative value as a medium of exchange.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2023.