1	State of Arkansas
2	92nd General Assembly A Bill
3	Regular Session, 2019SENATE BILL 640
4	
5	By: Senators B. Davis, K. Hammer
6	By: Representatives J. Mayberry, Miller
7	
8	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	NUMBER OF PEOPLE ON THE DEVELOPMENTAL DISABILITIES
12	WAITING LIST; TO ELIMINATE THE INCOME TAX DEDUCTION
13	FOR GAMBLING LOSSES; TO DIRECT GENERAL REVENUES TO BE
14	USED TO FUND THE COMMUNITY AND EMPLOYMENT SUPPORTS
15	WAIVER PROGRAM; AND FOR OTHER PURPOSES.
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18	Subtitle
19	TO ELIMINATE THE INCOME TAX DEDUCTION FOR
20	GAMBLING LOSSES; AND TO DEDICATE THE
21	SAVINGS FROM THE ELIMINATION OF THE
22	INCOME TAX DEDUCTION FOR GAMBLING LOSSES
23	TO BE USED FOR REDUCING THE DEVELOPMENTAL
24	DISABILITIES WAITING LIST.
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27	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29	SECTION 1. Arkansas Code § 26-51-424(a)(2), concerning the income tax
30	deduction for losses, is amended to read as follows:
31	(2) In the case of an individual, the deduction under
32	subdivision (a)(1) of this section shall be limited to:
33	(A) Losses incurred in a trade or business; or
34	(B)(i) Losses incurred in any transaction entered into for
35	profit, though not connected with the trade or business, including 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)(l) 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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