

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1221

5 By: Representative Vaught
6 By: Senator Hill
7

For An Act To Be Entitled

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

16 TO EXCLUDE CERTAIN INVOLUNTARY SALES OF
17 LIVESTOCK FROM GROSS INCOME UNDER THE
18 INCOME TAX ACT OF 1929.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-51-404(b)(1), concerning exclusions from
25 the definition of "gross income" under the Income Tax Act of 1929, is amended
26 to read as follows:

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

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

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



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

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

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