

STATE OF ARKANSAS CAPITAL GAINS SCHEDULE INDIVIDUAL INCOME TAX RETURN

Name	Social Security Number
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STATE TAX DEPRECIATION PROVISION UNAFFECTED BY NEW FEDERAL LAW

Arkansas has not adopted the depreciation provisions contained in the Job Creation Workers Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003.

While the new depreciation provisions may be used for federal returns, Arkansas operates under a different tax code. On Arkansas income tax returns, taxpayers must file following the rules in sections 167, 168, 179, and 179A under the Internal Revenue Code of 1986, enacted January 1, 1999.

Arkansas does not recognize the 50% bonus depreciation or the increased Section 179 expense provisions, therefore there may be differences in the Arkansas and the federal basis of assets that you dispose of during the year. These differences should be reconciled using the adjustment lines in the worksheet below.

You can find more information about Arkansas tax code, or file your income tax electronically, by visiting the Department of Finance and Administration web site at www.arkansas.gov/dfa

Complete this worksheet if you have a **CAPITAL GAIN OR LOSS** reported on Federal Schedule D, or if Sch. D is not required, a gain reported on Federal Form 1040, Line 13.

Adjust your gains and losses for any federal and Arkansas differences in depreciation treatment. Arkansas has not adopted federal bonus depreciation or the increased Internal Revenue Code §179 provisions.

Attach this schedule to your return.

	(A) Per Federal Sch D		(B) You		(C) Your Spouse
1. Enter Federal Long-Term Capital Gain or Loss reported on Line 16, Federal Schedule D or Form 1040, Line 13. 1	00		00		00
2. Enter adjustment, if any, for federal/state depreciation differences. 2			00		00
3. Arkansas Long-Term Capital Gain or Loss, add (or subtract) Line 1 and Line 2. 3			00		00
4. Enter Federal Net Short-Term Capital Loss, if any, reported on Line 7, Federal Schedule D. 4	00		00		00
5. Enter adjustment, if any, for federal/state depreciation differences. 5			00		00
6. Arkansas Net Short-Term Capital Loss, add (or subtract) Line 4 and Line 5. 6			00		00
7. Arkansas Net Capital Gain or Loss (If gain, subtract Line 6 from 3. If loss add Lines 6 and 3) .. 7			00		00
8. Arkansas Taxable Amount, if a Gain multiply Line 7 by 70 percent (.70), otherwise enter Loss. 8			00		00
9. Enter Federal Short-Term Capital Gain, if any, reported on Line 7, Federal Schedule D. 9	00		00		00
10. Enter adjustment, if any, for federal/state depreciation differences. 10			00		00
11. Arkansas Short-Term Capital Gain, add (or subtract) Line 9 and Line 10. 11			00		00
12. Total taxable Arkansas Capital Gain or Loss, add Lines 8 and 11, enter here and on Line 15, AR1000/AR1000NR. 12			00		00