

ARKANSAS TAXPAYERS & CAPITAL GAINS

"There is significant evidence that reductions in marginal state tax rates encourage state economic growth ...Rates on productive behavior should be reduced." "Arkansas Policy Foundation, Murphy Commission project, 1998

(June 2019) Arkansas policymakers have reduced the state capital gains tax. Opponents claim the reduction only benefits a small group but public records show nearly one in eight Arkansas taxpayers pay annual capital gains taxes.

Year	Individual Returns with Capital Gains	Total Returns¹	Percentage
2011	137,952	1,222,515	11.3%
2012	142,174	1,235,118	11.5%
2013	148,430	1,235,203	12.0%
2014	149,255	1,300,038	11.5%
2015	147,181	1,321,406	11.1%
2016	146,627	1,308,744	11.2%
2017	152,914	1,306,534	11.7%

Capital Gains Revenue Impact²

Year	Capital Gains Revenue
2011	\$60,195,441
2012	\$115,981,695
2013	\$66,978,306
2014	\$89,827,722
2015	\$63,988,361
2016	\$54,771,993
2017	\$66,284,006

--Greg Kaza

¹ *Selected Statistical Financial Data For Arkansas*, Arkansas Bureau of Legislative Research (October 2018), "Gross Income Tax Collections As Paid By Corporations And Individuals, Individual Income Tax, No. of Returns"

² Arkansas Department of Finance and Administration. Revenue calculated using the effective rate net capital gains on a per taxpayer basis.