

Subject 502

Capital Gains Tax

A portion of net long-term capital gains is excluded from income with the remaining amount treated as regular income. Please complete the Capital Gains Schedule **AR1000D** on the specific tax year that you are filing to calculate the amount of income to be reported.

The gain on the sale of a personal residence is excluded up to \$250,000 (\$500,000 for status 2 or 4 filers). During the five-year period ending on the day of the sale, the property must have been owned and used by the taxpayers as their principle residence for two or more years.

Per Act 1488 of 2013, the amount of net capital gain in excess of ten million dollars (\$10,000,000) from a gain realized on or after January 1, 2014, is exempt from state tax.