

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.