



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1698

Amendment Number: H2

Bill Subtitle: TO AMEND THE LAW CONCERNING THE INCOME TAX TREATMENT OF EMPLOYER CONTRIBUTIONS FOR AN EMPLOYEE'S MEMBERSHIP IN A HEALTHCARE SHARING MINISTRY OR OTHER MEDICAL COST-SHARING PROGRAM.

Fiscal Impact:

FY2026 - \$365,000 General Revenue Reduction

FY2027 - \$730,000 General Revenue Reduction

Taxpayer Impact:

The contributions of an employer or a self-employed person made for an employee's membership in a healthcare sharing ministry or other medical cost-sharing program may be excluded from the employee's gross income. A deduction may also be taken for contributions to a healthcare sharing ministry or other medical cost-sharing program.

Resources Required:

Computer programs, tax forms, and instructions will need to be updated. The Arkansas Integrated Revenue System (AIRS) will require programming at an estimated cost of \$8,000.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

Department employees will need to be educated as well as the tax community.

Other Comments:

None.

Legal Analysis:

None.