

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 2214

4
5 By: Representative Kidd
6
7

For An Act To Be Entitled

8
9 "AN ACT TO AMEND ARKANSAS CODE 26-57-604(a) TO PLACE A
10 LIMIT ON THE TAX CREDIT ALLOWED AGAINST PREMIUM TAXES
11 FOR WAGES AND SALARIES OF ARKANSAS EMPLOYEES OF
12 CERTAIN TYPES OF INSURANCE COMPANIES; AND FOR OTHER
13 PURPOSES. "

Subtitle

14
15 "TO PLACE A LIMIT ON THE TAX CREDIT
16 ALLOWED AGAINST PREMIUM TAXES FOR WAGES
17 AND SALARIES OF ARKANSAS EMPLOYEES OF
18 CERTAIN TYPES OF INSURANCE COMPANIES. "

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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code 26-57-604(a) is amended to read as follows:

25 "(a) Coincident with the filing of the tax report, each authorized life
26 or disability insurer, including licensed health maintenance organizations,
27 may apply for a credit for the noncommissioned salaries and wages of the
28 insurer's Arkansas employees which are paid in connection with its insurance
29 operations. The credit for which disability insurers, including licensed
30 health maintenance organizations may apply, shall be limited to and computed
31 as follows: Divide the total annual payroll of the insurer by the average
32 number of Arkansas employees throughout the year to arrive at an average
33 annual salary per Arkansas employee of the insurer for the year and multiply
34 the average annual salary by the number of Arkansas employees of the insurer
35 up to two hundred (200). The credit may be applied as an offset against the
36 premium tax imposed in § 26-57-603(d) on life and disability insurance.

1 (1) In no event shall the offset reduce the disability premium
 2 tax due by more than eighty percent (80%). In no event shall the offset reduce
 3 the life premium tax due by more than seventy percent (70%). The taxes shall
 4 be reported and paid on a quarterly estimated basis as prescribed by the
 5 commissioner and shall be reconciled annually at the time of filing the annual
 6 report required in § 26-57-603(a)-(c).

7 (2) Further, an employee must be employed for six (6) months in
 8 the facilities for the salary or wages to be eligible to qualify for the life
 9 or disability premium tax credit.

10 (3) On or before March 1 of each year, any such authorized life
 11 or disability insurer, including health maintenance organizations, desiring to
 12 qualify under this provision shall furnish the appropriate data and request on
 13 forms prescribed by the commissioner. For purposes of calculating the taxes
 14 under §§ 23-63-101 - 23-63-104, an insurer qualifying for a credit under this
 15 section shall compute the tax due under §§ 23-63-101 - 23-63-104, if any, by
 16 using an Arkansas premium tax rate of two and one-half percent (2 1/2%)."
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18 SECTION 2. All provisions of this act of a general and permanent nature
 19 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 20 Revision Commission shall incorporate the same in the Code.
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22 SECTION 3. If any provision of this act or the application thereof to
 23 any person or circumstance is held invalid, such invalidity shall not affect
 24 other provisions or applications of the act which can be given effect without
 25 the invalid provision or application, and to this end the provisions of this
 26 act are declared to be severable.
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28 SECTION 4. All laws and parts of laws in conflict with this act are
 29 hereby repealed.
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