

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005

# A Bill

HOUSE BILL 2900

4  
5 By: Representative Maloch  
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## For An Act To Be Entitled

9 AN ACT TO PROVIDE FOREIGN AND ALIEN INSURERS A  
10 RETALIATORY CREDIT UNDER ARKANSAS INSURANCE LAW;  
11 TO CLARIFY THAT RETALIATORY TAXES DO NOT INCLUDE  
12 ANY FEES, ASSESSMENTS, MATERIAL OBLIGATIONS, OR  
13 LICENSE FEES OF INSURANCE AGENTS AND PRODUCERS;  
14 AND FOR OTHER PURPOSES.

## Subtitle

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17 TO PROVIDE A RETALIATORY CREDIT FOR  
18 PREMIUM TAX PAYMENTS OF FOREIGN AND  
19 ALIEN INSURERS AND THAT RETALIATORY  
20 TAXES DO NOT APPLY TO INSURANCE AGENT OR  
21 PRODUCER FEES.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 23-63-102 is amended to read as follows:

27 23-63-102. Retaliation for foreign taxes, ~~fees, and~~ and restrictions, etc.

28 (a) When by or pursuant to the laws of any other state or foreign  
29 country any taxes, ~~licenses, and other fees,~~ in the aggregate, and any fines,  
30 penalties, ~~deposit or other~~ requirements, or other material obligations,  
31 ~~prohibitions, or restrictions~~ on taxes are or would be imposed upon Arkansas  
32 insurers or upon the agents or representatives of the insurers, which are in  
33 excess of the taxes, ~~licenses, and other fees,~~ in the aggregate, or which are  
34 in excess of the fines, penalties, ~~deposit or other~~ taxation requirements, ~~or~~  
35 ~~other obligations, prohibitions, or restrictions~~ directly imposed upon  
36 similar insurers, or upon the agents or representatives of those insurers, of



1 the other state or country under the statutes of this state, so long as the  
 2 laws of the state or country continue in force or are so applied, the same  
 3 taxes, ~~licenses, and other fees,~~ in the aggregate, or fines, penalties, or  
 4 ~~deposit other taxation requirements, or other material obligations,~~  
 5 ~~prohibitions, or restrictions of whatever kind~~ shall be imposed by the  
 6 Insurance Commissioner upon those insurers, or upon the agents or  
 7 representatives of those insurers, of the other state or country doing  
 8 business or seeking to do business in Arkansas.

9 (b) Any tax, ~~license, or other fee or other obligation~~ imposed by any  
 10 city, county, or other political subdivision or agency of another state or  
 11 country on Arkansas insurers or their agents or representatives shall be  
 12 deemed to be imposed by that state or country within the meaning of this  
 13 section.

14 (c) This section shall not apply ~~as~~ to personal income taxes, ~~nor as~~  
 15 ~~or~~ to ad valorem taxes on real or personal property, ~~nor as to special~~  
 16 ~~purpose obligations or assessments imposed by another state in connection~~  
 17 ~~with particular kinds of insurance, other than property insurance.~~ However,  
 18 deductions, from premium taxes or other taxes otherwise payable, allowed on  
 19 account of real estate or personal property taxes paid, shall be taken into  
 20 consideration by the commissioner in determining the propriety and extent of  
 21 retaliatory action under this section.

22 (d) In addition to the funds now appropriated and set aside for the  
 23 use and benefit of firemen's relief and pension funds by §§ 24-11-809 and 24-  
 24 11-810, there is appropriated and set aside for the use and benefit of the  
 25 firemen's relief and pension funds the additional taxes, authorized by  
 26 subsections (a)-(c) of this section, on all premiums collected by all fire,  
 27 tornado, and marine insurance companies, corporations, or associations  
 28 incorporated under the laws of any state or nation other than the State of  
 29 Arkansas, in all cities and towns in the State of Arkansas, coming within the  
 30 provisions of §§ 24-11-809 and 24-11-810.

31 (e) For reporting years beginning on and after January 1, 2005, § 23-  
 32 63-103 and § 23-63-104 shall not apply to any foreign insurer if more than  
 33 fifteen percent (15%) of its capital stock is owned by a corporation  
 34 organized under the laws of this state and domiciled within this state.

35 (f) For reporting years beginning on and after January 1, 2005, § 23-  
 36 63-103 and § 23-63-104 shall not apply to or include insurance agent or

1 producer license fees.

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3 SECTION 2. Section 1 of this act shall first apply to the annual  
4 premium tax reports of foreign and alien insurers doing business under an  
5 existing Arkansas certificate of authority for the reporting years beginning  
6 on and after January 1, 2005.

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