

1 State of Arkansas
2 91st General Assembly
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4

A Bill

HOUSE BILL 2009

5 By: Representative Sturch
6

For An Act To Be Entitled

8 AN ACT CONCERNING THE REMITTANCE OF INSURANCE PREMIUM
9 TAXES; AND FOR OTHER PURPOSES.
10

Subtitle

11 CONCERNING THE REMITTANCE OF INSURANCE
12 PREMIUM TAXES.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code § 26-57-604 is amended to read as follows:
20 26-57-604. Remittance of tax.

21 (a)(1)(A) Coincident with the filing of the tax report, each
22 authorized life insurer, ~~or~~ accident and health insurer, including a licensed
23 health maintenance ~~organizations~~ organization, property insurer, or casualty
24 insurer may apply for a credit for the noncommissioned salaries and wages of
25 the insurer's Arkansas employees that are paid in connection with its
26 insurance operations.

27 (B)(i) The credit may be applied as an offset against the
28 premium tax imposed in § 26-57-603(d) on life insurance, ~~and~~ accident and
29 health insurance, property insurance, and casualty insurance.

30 (ii) However, the credit shall not be applied as an
31 offset against the premium tax on collections resulting from an eligible
32 individual insured under the Health Care Independence Act of 2013, § 20-77-
33 2401 et seq., the Arkansas Works Act of 2016, § 23-61-1001 et seq., the
34 Arkansas Health Insurance Marketplace Act, § 23-61-801 et seq., or individual
35 qualified health insurance plans, including without limitation stand-alone
36 dental plans, issued through the health insurance marketplace as defined by §



1 23-61-1003.

2 (2)(A) In no event shall the offset reduce the accident and
3 health insurance premium tax due by more than the lessor of:

4 (i) Two million five hundred thousand dollars
5 (\$2,500,000); or

6 (ii) ~~eighty~~ Eighty percent (80%) of the accident and
7 health premium tax due.

8 (B) In no event shall the offset reduce the life
9 insurance, property insurance, or casualty insurance premium tax due by more
10 than the lessor of:

11 (i) Two million five hundred thousand dollars
12 (\$2,500,000); or

13 (ii) ~~seventy~~ Seventy percent (70%) of the life
14 insurance, property insurance, or casualty insurance premium tax due.

15 (C) The taxes shall be reported and paid on a quarterly
16 estimated basis as prescribed by the Insurance Commissioner and shall be
17 reconciled annually at the time of filing the annual report required in § 26-
18 57-603(a)-(c).

19 (3) An employee shall be employed for six (6) months for the
20 employee's salary or wages to be eligible to qualify for the life insurance,
21 ~~or~~ accident and health insurance, property insurance, or casualty insurance
22 premium tax credit.

23 (4)(A)(i) Except as provided in subdivision (a)(4)(B) of this
24 section, on or before March 1 of each year, any ~~such~~ authorized life insurer,
25 ~~or~~ accident and health insurer, including a health maintenance ~~organizations~~
26 organization, property insurer, or casualty insurer desiring to qualify under
27 this ~~provision~~ section shall furnish the appropriate data and request on
28 forms prescribed by the commissioner.

29 (ii) For purposes of calculating the taxes under §§
30 23-63-102 – 23-63-104, an insurer qualifying for a credit under this section
31 shall compute the tax due under §§ 23-63-102 – 23-63-104, if any, by using an
32 Arkansas premium tax rate of two and one-half percent (2½%).

33 (B)(i) Subdivision (a)(4)(A) of this section shall only
34 apply for tax years beginning prior to January 1, 2000.

35 (ii) By March 1 of each year, an authorized life
36 insurer, or accident and health insurer, including a health maintenance

1 ~~organizations~~ organization, property insurer, or casualty insurer desiring to
2 qualify under this ~~provision~~ section shall furnish the appropriate data and
3 request on forms prescribed by the commissioner.

4 (iii) However, for purposes of calculating the taxes
5 under §§ 23-63-102 – 23-63-104, an insurer qualifying for a credit under this
6 section shall compute the tax due under §§ 23-63-102 – 23-63-104, if any, by
7 using an Arkansas premium tax rate of two and one-half percent (2½%) without
8 regard to the credit specified in this section.

9 (b)(1) Each insurer other than those in § 26-57-603(d) and subsection
10 (a) of this section shall pay to the Treasurer of State through the
11 commissioner, as a tax imposed for the privilege of transacting business in
12 this state, a tax at the rate of two and one-half percent (2½%) upon the net
13 premiums and net considerations on all kinds of insurance, except as provided
14 in § 26-57-605.

15 (2) The taxes shall be paid on a quarterly estimate basis as
16 prescribed by the commissioner and shall be reconciled annually at the time
17 of filing the annual report required in § 26-57-603(a)-(c).

18 (c)(1) In addition to any premium tax credit not related to the same
19 eligible property for which an insurer qualifies under subsection (a) of this
20 section, there is allowed a premium tax credit for the amount of the Arkansas
21 historic rehabilitation income tax credit allowed by the certification of
22 completion issued by the Department of Arkansas Heritage under the Arkansas
23 Historic Rehabilitation Income Tax Credit Act, § 26-51-2201 et seq.

24 (2) The premium tax credit under this subsection may be used to
25 offset the premium tax imposed by §§ 26-57-603 – 26-57-605.

26 (3) The amount of the premium tax credit under this section that
27 may be claimed by the taxpayer in a tax year shall not exceed the amount of
28 premium tax due by the taxpayer.

29 (4) Any unused premium tax credit may be carried forward for a
30 maximum of five (5) consecutive taxable years for credit against the premium
31 tax.

32 (5) The commissioner shall promulgate rules to implement this
33 section.

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