

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: H3/17/25

A Bill

HOUSE BILL 1665

5 By: Representative Wardlaw
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For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE INSURANCE
10 PREMIUM TAX; TO REPEAL THE CREDIT ALLOWED AGAINST THE
11 INSURANCE PREMIUM TAX FOR ACCIDENT AND HEALTH
12 COVERAGE BASED ON THE SALARY AND WAGES OF THE
13 EMPLOYEES OF THE INSURER; AND FOR OTHER PURPOSES.
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Subtitle

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17 TO AMEND THE LAW CONCERNING THE
18 INSURANCE PREMIUM TAX; AND TO REPEAL THE
19 CREDIT ALLOWED AGAINST THE INSURANCE
20 PREMIUM TAX FOR ACCIDENT AND HEALTH
21 COVERAGE BASED ON THE SALARY AND WAGES
22 OF THE EMPLOYEES OF THE INSURER.
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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 § 26-57-604(a), concerning the remittance of
27 the premium tax, is amended to read as follows:

28 (a)(1)(A) Coincident with the filing of the tax report, each
29 authorized life ~~or accident and health insurer, including licensed health~~
30 ~~maintenance organizations,~~ may apply for a credit for the noncommissioned
31 salaries and wages of the insurer's Arkansas employees that are paid in
32 connection with its insurance operations.

33 (B)~~(i)~~ The credit may be applied as an offset against the
34 premium tax imposed in § 26-57-603(d) on life ~~and accident and health~~
35 insurance.

36 ~~(ii) However, the credit shall not be applied as an~~



1 ~~offset against the premium tax on collections resulting from an eligible~~
 2 ~~individual insured under the Arkansas Health and Opportunity for Me Act of~~
 3 ~~2021, § 23-61-1001 et seq., the Arkansas Health Insurance Marketplace Act, §~~
 4 ~~23-61-801 et seq., or individual qualified health insurance plans, including~~
 5 ~~without limitation stand-alone dental plans, issued through the health~~
 6 ~~insurance marketplace as defined by § 23-61-1003.~~

7 ~~(iii) The credit shall not be applied as an offset~~
 8 ~~against the premium tax on collections resulting from an eligible individual~~
 9 ~~insured under the Arkansas Medicaid Program as administered by a risk-based~~
 10 ~~provider organization.~~

11 (2)(A) ~~The offset shall not reduce the accident and health~~
 12 ~~premium tax due by more than the following amounts:~~

13 ~~(i) For tax years beginning before January 1, 2021,~~
 14 ~~eighty percent (80%);~~

15 ~~(ii) For the tax year beginning January 1, 2021,~~
 16 ~~seventy percent (70%);~~

17 ~~(iii) For the tax year beginning January 1, 2022,~~
 18 ~~sixty percent (60%); and~~

19 ~~(iv) For tax years beginning on and after January 1,~~
 20 ~~2023, fifty percent (50%).~~

21 ~~(B) Beginning January 1, 2020, an authorized accident or~~
 22 ~~health insurer shall not receive a credit under this subsection that exceeds~~
 23 ~~an annual total of eighteen million dollars (\$18,000,000).~~

24 ~~(C) The offset shall not reduce the life premium tax due~~
 25 ~~by more than seventy percent (70%).~~

26 ~~(D)(B) The taxes shall be reported and paid on a quarterly~~
 27 ~~estimated basis as prescribed by the Insurance Commissioner and shall be~~
 28 ~~reconciled annually at the time of filing the annual report required in § 26-~~
 29 ~~57-603(a)-(c).~~

30 (3) An employee shall be employed for six (6) months for the
 31 salary or wages to be eligible to qualify for the life ~~or accident and health~~
 32 premium tax credit.

33 (4)(A)(i) ~~Except as provided in subdivision (a)(4)(B) of this~~
 34 ~~section, on or before March 1 of each year, any such authorized life or~~
 35 ~~accident and health insurer, including health maintenance organizations,~~
 36 ~~desiring to qualify under this provision shall furnish the appropriate data~~

1 ~~and request on forms prescribed by the commissioner.~~

2 ~~(ii) For purposes of calculating the taxes under §§~~
3 ~~23-63-102 — 23-63-104, an insurer qualifying for a credit under this section~~
4 ~~shall compute the tax due under §§ 23-63-102 — 23-63-104, if any, by using an~~
5 ~~Arkansas premium tax rate of two and one half percent (2½%).~~

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

8 ~~(ii) By On or before March 1 of each year, an~~
9 ~~authorized life or accident and health insurer, including health maintenance~~
10 ~~organizations, desiring to qualify under this provision shall furnish the~~
11 ~~appropriate data and request on forms prescribed by the commissioner.~~

12 ~~(iii)(B) However, for purposes of calculating the~~
13 ~~taxes under §§ 23-63-102 – 23-63-104, an insurer qualifying for a credit~~
14 ~~under this section shall compute the tax due under §§ 23-63-102 – 23-63-104,~~
15 ~~if any, by using an Arkansas premium tax rate of two and one-half percent~~
16 ~~(2½%) without regard to the credit specified in this section.~~

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18 /s/Wardlaw
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