T	State of Arkansas As Engrossed: H3/17/23 H3/31/23
2	95th General Assembly A Bill
3	Regular Session, 2025 HOUSE BILL 1698
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5	By: Representative Torres
6	By: Senator J. Petty
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8	For An Act To Be Entitled
9	AN ACT TO AMEND THE LAW CONCERNING THE INCOME TAX
10	TREATMENT OF EMPLOYER CONTRIBUTIONS FOR AN EMPLOYEE'S
11	MEMBERSHIP IN A HEALTHCARE SHARING MINISTRY OR OTHER
12	MEDICAL COST-SHARING PROGRAM; TO EXCLUDE EMPLOYER
13	CONTRIBUTIONS FOR AN EMPLOYEE'S MEMBERSHIP IN A
14	HEALTHCARE SHARING MINISTRY OR OTHER MEDICAL COST-
15	SHARING PROGRAM FROM INCOME TAX; TO ALLOW AN INCOME
16	TAX DEDUCTION FOR AN EMPLOYER'S CONTRIBUTION FOR AN
17	EMPLOYEE'S MEMBERSHIP IN A HEALTHCARE SHARING
18	MINISTRY OR OTHER MEDICAL COST-SHARING PROGRAM; AND
19	FOR OTHER PURPOSES.
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22	Subtitle
23	TO AMEND THE LAW CONCERNING THE INCOME
24	TAX TREATMENT OF EMPLOYER CONTRIBUTIONS
25	FOR AN EMPLOYEE'S MEMBERSHIP IN A
26	HEALTHCARE SHARING MINISTRY OR OTHER
27	MEDICAL COST-SHARING PROGRAM.
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29	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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31	SECTION 1. Arkansas Code § 26-51-404(b), concerning exclusions from
32	"gross income" under the Income Tax Act of 1929, is amended to add an
33	additional subdivision to read as follows:
34	(36)(A) Contributions by an employer for an employee's
35	membership in a healthcare sharing ministry as defined in § 23-60-104 or
36	other medical cost-sharing program.

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1	(B) A self-employed person may claim the exclusion
2	provided under subdivision (b)(36)(A) of this section for contributions for
3	his or her own membership in a healthcare sharing ministry as defined in §
4	23-60-104 or other medical cost-sharing program.
5	(C) As used in this subdivision (b)(36), "medical cost-
6	sharing program" means a healthcare funding arrangement in which members
7	contribute money to help cover each other's medical expenses.
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9	SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 4, is
10	amended to add an additional section to read as follows:
11	26-51-462. Deduction — Employer contributions for employee's
12	membership in healthcare sharing ministry or other medical cost-sharing
13	program.
14	(a) In computing net income for the purposes of this chapter, there is
15	allowed as a deduction in addition to all other deductions allowed by law for
16	an employer's contribution for an employee's membership in a health care
17	sharing ministry as defined in § 23-60-104 or other medical cost-sharing
18	program.
19	(b) A self-employed person may claim the deduction provided under this
20	section for contributions for his or her own membership in a healthcare
21	sharing ministry as defined in § 23-60-104 or other medical cost-sharing
22	program.
23	(c) As used in this section, "medical cost-sharing program" means a
24	healthcare funding arrangement in which members contribute money to help
25	cover each other's medical expenses.
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27	SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
28	for tax years beginning on or after January 1, 2026.
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30	/s/Torres
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