

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 345

By: Senator J. Hendren

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING INSURANCE PREMIUM TAXES; TO AMEND THE CREDIT AVAILABLE TO OFFSET THE ACCIDENT AND HEALTH INSURANCE PREMIUM TAX; TO REDUCE THE CREDIT AVAILABLE TO OFFSET THE ACCIDENT AND HEALTH INSURANCE PREMIUM TAX; TO PROVIDE FOR A CAP ON THE CREDIT AVAILABLE TO OFFSET THE ACCIDENT AND HEALTH INSURANCE PREMIUM TAX; AND FOR OTHER PURPOSES.

Subtitle

TO REDUCE THE CREDIT AVAILABLE TO OFFSET THE ACCIDENT AND HEALTH INSURANCE PREMIUM TAX; AND TO PROVIDE FOR A CAP ON THE CREDIT AVAILABLE TO OFFSET THE ACCIDENT AND HEALTH INSURANCE PREMIUM TAX.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-57-604(a)(2), concerning the credit against the insurance premium tax for noncommissioned salaries and wages of the insurer's employees, is amended to read as follows:

(2)(A) ~~In no event shall the~~ The offset shall not reduce the accident and health premium tax due by more than the following amounts:

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

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

(iii) For the tax year beginning January 1, 2022,



sixty percent (60%); and

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

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

(C) In no event shall the The offset shall not reduce the life premium tax due by more than seventy percent (70%).

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