

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
95th General Assembly  
Regular Session, 2025

As Engrossed: H3/17/25 H4/2/25

## A Bill

HOUSE BILL 1665

By: Representative Wardlaw

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE INSURANCE PREMIUM TAX; TO REPEAL THE CREDIT ALLOWED AGAINST THE INSURANCE PREMIUM TAX FOR ACCIDENT AND HEALTH COMPREHENSIVE HOSPITAL AND MEDICAL COVERAGE BASED ON THE SALARY AND WAGES OF THE EMPLOYEES OF THE INSURER; AND FOR OTHER PURPOSES.

### Subtitle

TO REPEAL THE CREDIT ALLOWED AGAINST THE INSURANCE PREMIUM TAX FOR ACCIDENT AND HEALTH COMPREHENSIVE HOSPITAL AND MEDICAL COVERAGE BASED ON THE SALARY AND WAGES OF THE EMPLOYEES OF THE INSURER.

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

*SECTION 1. Arkansas Code § 26-57-604(a)(1)(B), concerning the credit allowed against the premium tax based on the salary and wages of the employees of the insurer, is amended to add an additional subdivision to read as follows:*

*(iv) The credit shall not be applied as an offset against the premium tax on collections reported as individual or group comprehensive medical or hospital coverage.*

*SECTION 2. Arkansas Code § 26-57-604(a)(2)(A) and (B), concerning the credit allowed against the premium tax based on the salary and wages of the employees of the insurer, are amended to read as follows:*



(2)(A) 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~~ 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).

SECTION 3. Arkansas Code § 26-57-604(a)(4), concerning the credit allowed against the premium tax based on the salary and wages of the employees of the insurer, is amended to read as follows:

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

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

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

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

~~(iii)~~ (B) However, for purposes of calculating the taxes under §§ 23-63-102 – 23-63-104, an insurer qualifying for a credit under this section shall compute the tax due under §§ 23-63-102 – 23-63-104, if any, by using an Arkansas premium tax rate of two and one-half percent

*(2½%) without regard to the credit specified in this section.*

*/s/Wardlaw*