1	State of Arkansas As Engrossed: H3/11/25	
2	95th General Assembly A Bill	
3	Regular Session, 2025 HOUSE BI	LL 1698
4		
5	By: Representative Torres	
6	By: Senator J. Petty	
7		
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 f	îrom
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 of	<u>or</u>
36	other medical cost-sharing program.	

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1	(B) A self-employed person may claim the exemption
2	provided under subdivision (b)(36)(A) of this section.
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4	SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 4, is
5	amended to add an additional section to read as follows:
6	26-51-462. Deduction — Employer contributions for employee's
7	membership in healthcare sharing ministry or other medical cost-sharing
8	program.
9	(a) In computing net income for the purposes of this chapter, there is
10	allowed as a deduction in addition to all other deductions allowed by law for
11	an employer's contribution for an employee's membership in a health care
12	sharing ministry or as defined in § 23-60-104 or other medical cost-sharing
13	program.
14	(b) A self-employed person may claim the deduction provided under this
15	section.
16	SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
17	for tax years beginning on or after January 1, 2026.
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19	/s/Torres
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