

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

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

# A Bill

HOUSE BILL 1665

5 By: Representative Wardlaw  
6  
7

## 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 COMPREHENSIVE HOSPITAL AND MEDICAL COVERAGE BASED ON  
13 THE SALARY AND WAGES OF THE EMPLOYEES OF THE INSURER;  
14 AND FOR OTHER PURPOSES.

### Subtitle

15  
16  
17  
18 TO REPEAL THE CREDIT ALLOWED AGAINST THE  
19 INSURANCE PREMIUM TAX FOR ACCIDENT AND  
20 HEALTH COMPREHENSIVE HOSPITAL AND  
21 MEDICAL COVERAGE BASED ON THE SALARY AND  
22 WAGES OF THE EMPLOYEES OF THE INSURER.  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

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

30 *(iv) The credit shall not be applied as an offset*  
31 *against the premium tax on collections reported as individual or group*  
32 *comprehensive medical or hospital coverage.*  
33

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



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

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

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

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

9                           ~~(iv) For tax years beginning on and after January 1,~~  
10 ~~2023, fifty percent (50%).~~

11                           (B) ~~Beginning January 1, 2020, an~~ An authorized accident  
12 or health insurer shall not receive a credit under this subsection that  
13 exceeds an annual total of eighteen million dollars (\$18,000,000).  
14

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

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

23   ~~(ii) For purposes of calculating the taxes under §§~~  
24 ~~23-63-102 – 23-63-104, an insurer qualifying for a credit under this section~~  
25 ~~shall compute the tax due under §§ 23-63-102 – 23-63-104, if any, by using an~~  
26 ~~Arkansas premium tax rate of two and one-half percent (2½%).~~

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

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

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

1 (2½%) without regard to the credit specified in this section.

2

3

*/s/Wardlaw*

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36