

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

A Bill

HOUSE BILL 1698

5 By: Representative Torres
6 By: Senator J. Petty
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE INCOME TAX
10 TREATMENT OF EMPLOYER CONTRIBUTIONS TO A HEALTHCARE
11 SHARING MINISTRY OR OTHER MEDICAL COST-SHARING
12 PROGRAM; TO EXCLUDE EMPLOYER CONTRIBUTIONS TO AN
13 EMPLOYEE'S HEALTHCARE SHARING MINISTRY OR OTHER
14 MEDICAL COST-SHARING PROGRAM FROM INCOME TAX; TO
15 ALLOW AN INCOME TAX DEDUCTION FOR AN EMPLOYER'S
16 CONTRIBUTION TO AN EMPLOYEE'S HEALTHCARE SHARING
17 MINISTRY OR OTHER MEDICAL COST-SHARING PROGRAM; AND
18 FOR OTHER PURPOSES.
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Subtitle

21 TO AMEND THE LAW CONCERNING THE INCOME
22 TAX TREATMENT OF EMPLOYER CONTRIBUTIONS
23 TO A HEALTHCARE SHARING MINISTRY OR
24 OTHER MEDICAL COST-SHARING PROGRAM.
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. Arkansas Code § 26-51-404(b), concerning exclusions from
30 "gross income" under the Income Tax Act of 1929, is amended to add an
31 additional subdivision to read as follows:

32 (36) Contributions by an employer to an employee's healthcare
33 sharing ministry as defined in § 23-60-104 or other medical cost-sharing
34 program.
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36 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 4, is



1 amended to add an additional section to read as follows:

2 26-51-462. Deduction – Employer contributions to healthcare sharing
3 ministry or other medical cost-sharing program.

4 In computing net income for the purposes of this chapter, there is
5 allowed as a deduction in addition to all other deductions allowed by law for
6 an employer’s contribution to an employee’s health care sharing ministry or
7 as defined in § 23-60-104 or other medical cost-sharing program.

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9 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
10 for tax years beginning on or after January 1, 2026.

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