

[Ark. Code § 26-57-603.]

§ 26-57-603. Tax reports generally: Insurance Premium Taxes

(a) Each authorized, each formerly authorized, and each unauthorized insurer as defined in § 23-60-102(12) shall file with the Insurance Commissioner on or before March 1 of each year a report in form as prescribed by the commissioner showing, except as to wet marine and foreign trade insurance as defined in § 26-57-605(d), total direct premium income including policy, membership, and other fees, and all other considerations for insurance, from all kinds and classes of insurance, whether designated as premium or otherwise, written by it during the preceding calendar year on account of policies and contracts covering property, subjects, or risks located, resident, or to be performed in this state, with proper proportionate allocation of premium as to the persons, property, subjects, or risks in this state insured under policies or contracts covering persons, property, subjects, or risks located or resident in more than one (1) state, after deducting from the total direct premium income dividends and similar returns paid or credited to policyholders other than as to life insurance, applicable cancellations, returned premiums, the unabsorbed portion of any deposit premium, and the amount of reduction in, or refund of, premiums allowed to industrial life policyholders for payment of premiums directly to an office of the insurer.

(b) No deduction shall be made of the cash surrender values of policies.

(c) Considerations received on annuity contracts shall not be included in total direct premium income and shall not be subject to tax.

(d) Each authorized, unauthorized, or formerly authorized domestic, foreign, and alien insurer shall pay to the Treasurer of State through the commissioner, as a tax imposed for the privilege of transacting business in this state, a tax upon the net premiums and net considerations, except as provided in § 26-57-605. The tax shall be computed thereon at a rate of two and one-half percent (2 1/2%). The premiums written shall be reported at such times and in such form and context as prescribed by the commissioner, and the taxes shall be paid on a quarterly estimate basis as prescribed by the commissioner and shall be reconciled annually at the time of filing the annual report required in subsections (a)-(c) of this section.

(e) That portion of the tax paid by an insurer in accordance with § 24-11-809 shall be separately specified in the report in such manner as may be prescribed by the commissioner to enable the commissioner to make a proper apportionment of the funds.

(f)

(1) A risk-based provider organization that is licensed under the Medicaid Provider-Led Organized Care Act, § 20-77-2701 et seq., and § 23-61-117 and participates in the Medicaid provider-led organized care system offered by the Arkansas Medicaid Program for enrollable Medicaid beneficiary populations as defined in § 20-77-2703 shall pay to the Treasurer of State through the commissioner a tax imposed for the privilege of transacting business in this state.

(2) The tax shall be computed at a rate of two and one-half percent (2 1/2%) on the total amount of funds received in global payments as defined under § 20-77-2703 to a risk-based provider organization participating in the Medicaid provider-led organized care system.

(3) The tax shall be:

(A) Reported at such times and in such form and context as prescribed by the commissioner; and

(B) Paid on a quarterly basis as prescribed by the commissioner.

