

2025 Regular Session

HOUSE BILL NO. 594

BY REPRESENTATIVE HENRY

TAX/INSURANCE PREMIUM: Establishes a flat rate of insurance premium tax and repeals certain insurance premium tax credits and exemptions

1 AN ACT

2 To amend and reenact R.S. 22:831(A)(1), 833(B)(2), 836(Section heading), 842(A)(1),
3 855(A)(2), 2058(A)(3)(a)(iv), and 2092(B), to enact R.S. 22:833(F), and to repeal
4 R.S. 22:601.16(4), 832, and 836(B) and Chapter 26 of Title 51 of the Louisiana
5 Revised Statutes of 1950, comprised of R.S. 51:1921 through 1935, relative to
6 insurance premium taxes; to provide for insurance premium tax rates; to provide for
7 credits and other tax preferences applicable to insurance premium tax liability; to
8 repeal the insurance premium tax credit; to repeal the tax credit for retaliatory taxes
9 paid by certain domestic insurers; to repeal the Louisiana Capital Companies Tax
10 Credit Program; to provide for applicability; to provide for effectiveness; and to
11 provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 22:831(A)(1), 833(B)(2), 836(Section heading), 842(A)(1),
14 855(A)(2), 2058(A)(3)(a)(iv), and 2092(B) are hereby amended and reenacted and R.S.
15 22:833(F) is hereby enacted to read as follows:

16 §831. Fire, marine, transportation, casualty, surety, or other insurance
17 A.(1) Upon the business of issuing policies, contracts, or other forms of
18 obligations covering the risk of fire, marine, transportation, surety, fidelity,
19 indemnity, guaranty, workers' compensation, employers' liability, property damages,
20 livestock, vehicle, automatic sprinkler, burglary, or insurance of any other kind

1 savings and loan association, or savings bank with a main office or branch in
2 Louisiana.

3 (b) Cash on deposit in an account in Louisiana in any bank, savings and loan
4 association, or savings bank, or a trust company holding such funds in trust, any of
5 which has a main office or branch in Louisiana.

6 (2) Investments shall be considered as qualifying Louisiana investments only
7 when made by a health maintenance organization that meets all of the following
8 criteria:

9 (a) Offers fully insured commercial or Medicare Advantage products.

10 (b) Is domiciled, licensed, and operating in this state.

11 (c) Maintains its primary corporate office and at least seventy percent of its
12 employees in this state.

13 (d) Maintains its core business functions in this state which may include
14 utilization review services, claim payment processes, customer processes, customer
15 service call centers, enrollment services, information technology services, and
16 provider relations.

17 (3)(a) For purposes of businesses issuing life insurance policies subject to the
18 tax in R.S. 22:842(A), for taxable years beginning on or after January 1, 2024, "a
19 qualifying Louisiana investment" is defined as any of the following:

20 (i) Certificates of deposit issued in Louisiana by any bank, savings and loan
21 association, or savings bank, any of which has a main office or branch in Louisiana,
22 or by a trust company with a main office or branch in Louisiana if the trust company
23 holds funds in trust and invests them in certificates of deposit issued by a bank,
24 savings and loan association, or savings bank with a main office or branch in
25 Louisiana.

26 (ii) Cash on deposit in an account in Louisiana with any bank, savings and
27 loan association, or savings bank, or a trust company holding funds in trust, any of
28 which has a main office or branch in Louisiana.

1 (b) An investment shall be considered a qualifying Louisiana investment
2 pursuant to the provisions of this Paragraph only when made by a business that meets
3 all of the following criteria:

4 (i) Issues life insurance policies.

5 (ii) Has total admitted assets under three million dollars.

6 (iii) Is domiciled, licensed, and operating in Louisiana.

7 (iv) Maintains its primary corporate office in Louisiana and has at least
8 seventy percent of its employees in Louisiana.

9 (v) Maintains its core business functions in Louisiana, which include but are
10 not limited to the utilization of review services, claim payment processes, customer
11 processes, customer service call centers, enrollment services, information technology
12 services, and provider relations.

13 * * *

14 ~~§836. Retaliatory taxes and fees; insurance premium tax credits for retaliatory taxes~~
15 ~~paid by certain domestic insurers~~

16 * * *

17 §842. Life, accident, health, or service insurance; health maintenance organizations;
18 Medicaid-enrolled managed care organizations

19 A.(1) Upon the business of issuing life, accident, health, or service insurance
20 policies, or other forms of contracts or obligations covering such risks, or issuing
21 endowment policies on contracts, or other similar forms of contract obligations, the
22 annual tax shall be ~~one hundred forty dollars when the gross annual premiums are~~
23 ~~seven thousand dollars or less. When the gross annual premiums are more than seven~~
24 ~~thousand dollars, the amount of tax payable shall be increased to two hundred~~
25 ~~twenty-five dollars for each additional ten thousand dollars, or fraction thereof, of~~
26 ~~gross annual premiums~~ one and sixth tenths percent of gross annual written
27 premiums. The business of issuing each of the kinds of insurance or contracts
28 mentioned in this Section may be combined under one tax, and the amount of the tax
29 shall be based on the combined gross annual premiums of all such businesses.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 * * *

2 §855. Quoted premium shall include all charges; dollar amount required

3 A. The premium quoted by the insurer shall be a specific dollar amount
4 which shall be inclusive of all fees, charges, premiums, or other consideration
5 charged for the insurance or for the procurement thereof, except that:

6 * * *

7 (2) The premium and premium tax on ~~a surplus lines policy~~ each policy shall
8 be separately stated on the declaration page, except for policies or contracts of
9 insurance written by health maintenance organizations subject to the tax in R.S.
10 22:842(B).

11 * * *

12 §2058. Powers and duties of the association

13 A. The association shall do all of the following:

14 * * *

15 (3)(a)

16 * * *

17 (iv) Up to one-half of the amount of the maximum assessment shall be offset
18 in the same manner that an offset is provided against the premium tax liability in
19 Item (b)(ii) of this Paragraph, against the assessment levied by R.S. 22:1476, if the
20 offset shall not be applied against any portion of the assessments to be deposited to
21 the credit of the Municipal Police Employees' Retirement System, the Sheriffs'
22 Pension and Relief Fund, and the Firefighters' Retirement System. To qualify for this
23 offset, the payer shall file a sworn statement with the annual report required by R.S.
24 22:791 et seq., 821 et seq., and 831 et seq., showing as of December thirty-first of
25 the reporting period that at least the following amounts of the total admitted assets
26 of the payer, less assets in an amount equal to the reserves on its policies issued in
27 foreign countries in which it is authorized to do business and which countries require
28 an investment therein as a condition of doing business, are invested and maintained
29 in qualifying Louisiana investments as defined in ~~R.S. 22:832(C)~~ R.S. 22:833(F). If

1 one-sixth of the total admitted assets of the payer are in qualifying Louisiana
 2 investments, then the offset shall be sixty-six and two-thirds percent of the amount
 3 otherwise assessed; if at least one-fifth of the total admitted assets of the payer are
 4 in qualifying Louisiana investments, then the offset shall be seventy-five percent of
 5 the amount otherwise assessed; if at least one-fourth of the total admitted assets of
 6 the payer are in qualifying Louisiana investments, the offset shall be eighty-five
 7 percent of the amount otherwise assessed; and if at least one-third of the total
 8 admitted assets of the payer are in qualifying Louisiana investments, then the offset
 9 shall be ninety-five percent of the amount otherwise assessed.

* * *

§2092. Offsets for assessments paid

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13 B. The amount of the assessment payable shall be reduced from the amount
 14 otherwise fixed in this Part if the insurer shall file a sworn statement with the annual
 15 report required by R.S. 22:131 through 135 as of December thirty-first for the
 16 reporting period that at least the following amounts of the total admitted assets of the
 17 insurer, less assets in an amount equal to the reserves on its policies issued in foreign
 18 countries in which it is authorized to do business and which countries require an
 19 investment therein as a condition of doing business, are invested and maintained in
 20 qualifying Louisiana investments as defined in ~~R.S. 22:832(C)~~ R.S. 22:833(F). If
 21 one-sixth of the total admitted assets of the insurer are in qualifying Louisiana
 22 investments, then the offset shall be sixty-six and two-thirds percent of the amount
 23 otherwise assessed. If at least one-fifth of the total admitted assets of the insurer are
 24 in qualifying Louisiana investments, then the offset shall be seventy-five percent of
 25 the amount otherwise assessed. If at least one-fourth of the total admitted assets of
 26 the insurer are in qualifying Louisiana investments, then the offset shall be
 27 eighty-five percent of the amount otherwise assessed. If at least one-third of the total
 28 admitted assets of the insurer are in qualifying Louisiana investments, then the offset
 29 shall be ninety-five percent of the amount otherwise assessed.

(Amends R.S. 22:831(A)(1), 833(B)(2), 836(Section heading), 842(A)(1), 855(A)(2), 2058(A)(3)(a)(iv), and 2092(B); Adds R.S. 22:833(F); Repeals R.S. 22:601.16(4), 832, and 836(B) and R.S. 51:1921-1935)