

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 475** HLS 25RS 478

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

**REVISED**

<b>Date:</b> April 24, 2025	6:51 PM	<b>Author:</b> FIRMENT
<b>Dept./Agy.:</b> Insurance		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Expands and extends the retaliatory premium tax credit		

TAX CREDITS OR -\$16,000,000 GF RV See Note Page 1 of 1  
Increases the maximum amount of insurance premium tax credits for retaliatory taxes paid by certain domestic insurers that may be claimed in a fiscal year and extends the sunset date of the credit

Current law authorizes a refundable, transferable (within a holding company) 100% premium tax credit for any retaliatory taxes paid to other states by insurance companies domiciled in Louisiana and authorized to write insurance (and do write at least one policy) in at least one other state as of July 1, 2023. The credit is capped at \$9 M per year with a 10-year carryforward for credits in excess of the cap. The credit was first available for taxes paid on CY 2025 premiums and sunsets on December 31, 2029.

Proposed law increases the retaliatory premium tax credit cap from \$9M per year to \$25M per year, repeals the date before which a Louisiana insurance company must write policy(ies) in other states to become eligible for the credit and extends the sunset for an additional 5 years to December 31, 2034.

Effective upon signature, presumably with tax year 2026, but possibly tax year 2025.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$80,000,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$16,000,000)</b>	<b>(\$80,000,000)</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The first year of retaliatory tax credits is finalizing now with claims reaching the \$9 M cap. It is expected that the bill's increase in the retaliatory credit cap by \$16 M will reduce SGF by that amount beginning in FY 26 through FY 30 as noted in the table above and by \$25 M between FY 31 and FY 35, the years in which the credit is extended in the bill. The effective date of the bill (upon signature) may increase the credit against tax year 2025 taxes, which could have a current year (FY 25) revenue impact.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*

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**Legislative Fiscal Officer**