

2025 Regular Session

HOUSE BILL NO. 594

BY REPRESENTATIVE HENRY

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

1 AN ACT

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

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 22:831(A)(1), 832(A)(3) and (C), 833(B)(2), 842(A)(1), 855(A)(2),  
14 2058(A)(3)(a)(iv), and 2092(B) are hereby amended and reenacted and R.S. 22:831(A)(3),  
15 833(F), and 842(A)(3) are hereby enacted to read as follows:

16 §831. Fire, marine, transportation, casualty, surety, or other insurance; premium tax

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 (a) Certificates of deposit issued in Louisiana by any bank, savings and loan  
2 association, or savings bank any of which has a main office or branch in Louisiana  
3 or by a trust company with a main office or branch in Louisiana if such trust  
4 company holds such funds in trust and invests them in certificates of deposit issued  
5 by a bank, savings and loan association, or savings bank with a main office or branch  
6 in Louisiana.

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

10 (c) Such investments shall be considered as qualifying Louisiana investments  
11 only when made by a health maintenance organization that ~~meets all of the following~~  
12 ~~criteria:~~

13 ~~(i) Offers~~ offers fully insured commercial or Medicare Advantage products.

14 ~~(ii) Is domiciled, licensed, and operating in this state.~~

15 ~~(iii) Maintains its primary corporate office and at least seventy percent of its~~  
16 ~~employees in this state.~~

17 ~~(iv) Maintains in this state its core business functions which may include~~  
18 ~~utilization review services, claim payment processes, customer processes, customer~~  
19 ~~service call centers, enrollment services, information technology services, and~~  
20 ~~provider relations.~~

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

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

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

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

7 ~~(i) Issues issues life insurance policies and has total admitted assets under~~  
8 ~~three million dollars.~~

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

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

11 ~~(iv) Maintains its primary corporate office in Louisiana and has at least~~  
12 ~~seventy percent of its employees in Louisiana.~~

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

17 \* \* \*

18 §833. Authorization of local taxes; penalties for nonpayment

19 \* \* \*

20 B. The maximum tax on such businesses, payable to such municipality or  
21 parochial corporation by any insurer, shall not exceed nine thousand dollars.

22 Provided, that:

23 \* \* \*

24 (2) The amount of tax payable to any municipal or parochial corporation as  
25 fixed in this Section shall be one-third of the amount so fixed if the payer shall file  
26 a sworn statement with the annual report required by this Part, showing that at least  
27 one-sixth of the total admitted assets of the payer, are invested and maintained in







1 (3)(a)

2 \* \* \*

3 (iv) Up to one-half of the amount of the maximum assessment shall be offset  
4 in the same manner that an offset is provided against the premium tax liability in  
5 Item (b)(ii) of this Paragraph, against the assessment levied by R.S. 22:1476, if the  
6 offset shall not be applied against any portion of the assessments to be deposited to  
7 the credit of the Municipal Police Employees' Retirement System, the Sheriffs'  
8 Pension and Relief Fund, and the Firefighters' Retirement System. To qualify for this  
9 offset, the payer shall file a sworn statement with the annual report required by R.S.  
10 22:791 et seq., 821 et seq., and 831 et seq., showing as of December thirty-first of  
11 the reporting period that at least the following amounts of the total admitted assets  
12 of the payer, less assets in an amount equal to the reserves on its policies issued in  
13 foreign countries in which it is authorized to do business and which countries require  
14 an investment therein as a condition of doing business, are invested and maintained  
15 in qualifying Louisiana investments as defined in ~~R.S. 22:832(C)~~ R.S. 22:833(F). If  
16 one-sixth of the total admitted assets of the payer are in qualifying Louisiana  
17 investments, then the offset shall be sixty-six and two-thirds percent of the amount  
18 otherwise assessed; if at least one-fifth of the total admitted assets of the payer are  
19 in qualifying Louisiana investments, then the offset shall be seventy-five percent of  
20 the amount otherwise assessed; if at least one-fourth of the total admitted assets of  
21 the payer are in qualifying Louisiana investments, the offset shall be eighty-five  
22 percent of the amount otherwise assessed; and if at least one-third of the total  
23 admitted assets of the payer are in qualifying Louisiana investments, then the offset  
24 shall be ninety-five percent of the amount otherwise assessed.

25 \* \* \*

26 §2092. Offsets for assessments paid

27 \* \* \*

28 B. The amount of the assessment payable shall be reduced from the amount  
29 otherwise fixed in this Part if the insurer shall file a sworn statement with the annual



Present law imposes an insurance premium tax on fire, marine, transportation, surety, fidelity, indemnity, guaranty, workers' compensation, employers' liability, property damages, livestock, vehicle, automatic sprinkler, and burglary insurance policies and on any other non health-related insurance policies. Provides that the minimum annual tax is \$185 dollars if annual premiums are \$6,000 or less; and if annual premiums are more than \$6,000, the amount of tax payable shall be increased to \$300 for each additional \$10,000, or fraction thereof, of gross annual premiums.

Proposed law changes the graduated system of premium tax impositions on non health-related insurance policies provided in present law to a flat rate of 1.6% on gross annual premiums.

Proposed law provides that, beginning Jan. 1, 2027, and each Jan. 1 thereafter, if the sum of the prior year's actual premium tax collections and actual retaliatory tax collections exceeds that of the 2024 calendar year, the insurance premium tax rates provided in present law and proposed law for the following types of insurance issuers, respectively, shall be reduced by 0.2%:

- (1) Fire, marine, transportation, surety, fidelity, indemnity, guaranty, workers' compensation, employers' liability, property damages, livestock, vehicle, automatic sprinkler, or burglary insurance or any other non health-related insurance.
- (2) Life, accident, health, or service insurers; health maintenance organizations; Medicaid-enrolled managed care organizations.

Present law provides for tax credits based on qualifying La. investments, as defined in present law and proposed law, by insurers. Proposed law limits the availability of these credits to health maintenance organizations subject to a premium tax imposed by present law and to businesses that make qualifying La. investments, as defined in present law and proposed law, and meet all of the following criteria:

- (1) Are domiciled, licensed, and operating in La.
- (2) Maintain their primary offices in La. and have at least 60% of the combined total of their employees and corporate officers in La.
- (3) Maintain in La. their core business functions as defined in proposed law.

Proposed law requires insurers to separately state premium taxes on their declaration pages, extending a requirement of present law applicable only to surplus lines.

Proposed law repeals the La. Capital Companies Tax Credit Program. (R.S. 51:1921 et seq.)

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective January 1, 2026.

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

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Reduce certain insurance premium tax rates by 0.2% beginning Jan. 1, 2027, and each Jan. 1 thereafter, if the sum of the prior year's actual premium tax

collections and actual retaliatory tax collections exceeds that of the 2024 calendar year.

2. Require the commissioner of insurance to publish on the Dept. of Insurance website notice of any reduced insurance premium tax rate implemented pursuant to proposed law.
3. Restore present law authorizing exemptions from premium taxes due from insurers based on qualifying La. investments that those companies make.
4. Restore present law authorizing a refundable insurance premium tax credit for retaliatory taxes paid by certain domestic insurers.
5. Restore present law providing for an insurance premium investment tax credit.
6. Limit the availability of the insurance premium investment tax credit to health maintenance organizations subject to a premium tax imposed by present law and to businesses that make qualifying La. investments, as defined in present law and proposed law, and meet specific criteria in proposed law.