

GREEN SHEET REDIGEST

HB 361

2019 Regular Session

Jordan

TAX/INSURANCE PREMIUM: Provides for the disposition of the taxes collected on certain surplus lines of insurance

DIGEST

Present law requires a tax of 4.85% of the gross premium for all surplus lines of insurance when La. is the home state of the policy holder and requires the avails of the tax to be credited to the state general fund.

Proposed law changes present law by requiring the avails of the tax to be credited to the following funds:

- (1) 3.85% of the 4.85% tax to the state general fund.
- (2) .6% of the 4.85% tax to the Fire Marshal Fund.
- (3) .4% of the 4.85% tax to the Two Percent Fire Insurance Fund.

Effective Aug. 1, 2020.

(Amends R.S. 22:439(A)(1))

Summary of Amendments Adopted by House

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

1. Remove the 2% fire insurance premium tax and the fire marshal tax on surplus lines insurance coverage that includes fire loss or damage from proposed law.
2. Change the disposition of the avails of the surplus line insurance tax from deposit into the state general fund to 3.85% of the avails of the tax to be deposited into the state general fund, .6% of the avails of the tax to be deposited into the Fire Marshal Fund, and .4% of the avails of the tax be deposited into the Two Percent Fire Insurance Fund.
3. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Change the percentage of the avails of the surplus line insurance tax to be deposited into the state general fund from 3.85% to 4.15% and the percentage of the avails of the tax to be deposited into the Fire Marshal Fund from .6% to .3%.
2. Add effective date of Aug. 1, 2020.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Change the disposition of the avails of the surplus line insurance tax from deposit into the state general fund to 3.85% of the avails of the tax to be deposited into the state general fund, .6% of the avails of the tax to be deposited into the Fire Marshal Fund, and .4% of the avails of the tax be deposited into the Two Percent Fire Insurance Fund.
2. Make technical corrections.