

RÉSUMÉ DIGEST

ACT 310 (HB 411)

2023 Regular Session

Glover

Existing law authorizes a credit against the insurance premium tax for insurers who invest a portion of their total admitted assets in La. financial institutions and investment products. The amount of the credit is graduated, with the amount increasing as the percentage of an insurer's assets invested in La. increases, as follows:

- (1) A 66% tax credit for investment of 16% of assets.
- (2) A 75% tax credit for investment of 20% of assets.
- (3) An 85% tax credit for investment of 25% of assets.
- (4) A 95% tax credit for investment of at least 33% of assets.

Existing law defines "qualified La. investment" for purposes of claiming the insurance premium tax credit as any of the following:

- (1) State Bonds, bonds of political subdivisions, or bond issuances approved by the State Bond Commission.
- (2) Mortgages on property located in La.
- (3) Real property located in La.
- (4) Policy loans to state residents, or other loans to residents of La., or to corporations domiciled in La.
- (5) Common or preferred stock in corporations domiciled in this state.

New law adds, for taxable years beginning on or after Jan. 1, 2024, the following investments by businesses issuing life insurance policies to the list of qualified La. investments eligible for the insurance premium tax credit:

- (1) Certificates of deposits issued by certain La. banks which have a main office in La. or by certain trust companies which have a main office in La.
- (2) Cash on deposit in an account with a La. bank which has a main office in La.
- (3) Funds held by a trust company which has a main office in La.

New law provides that the investments provided for in new law qualify as La. investments only when made by a business that:

- (1) Issues life insurance policies.
- (2) Has total admitted assets under \$3 million.
- (3) Is domiciled, licensed, and is operating in La.
- (4) Maintains its primary corporate office in La. and has at least 70% of its employees in La.
- (5) Maintains its core business functions in La.

Effective January 1, 2024.

(Adds R.S. 22:832(C)(7))