

2015 Regular Session

HOUSE BILL NO. 649

BY REPRESENTATIVE THIBAUT

TAX CREDITS: Reduces the amount of the insurance premium tax credit for insurers who invest their assets in certain La. investments through July 1, 2017

1 AN ACT

2 To amend and reenact R.S. 22:832(B), relative to tax credits; to provide with respect to the  
3 insurance premium tax; to provide for the amount of the tax credit for investing in  
4 certain Louisiana based investments; to provide for applicability; to provide for  
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:832(B) is hereby amended and reenacted to read as follows:

8 §832. Reduction of tax when certain investments are made in Louisiana

9 \* \* \*

10 B. If one-sixth of the total admitted assets of the payer are in qualifying  
11 Louisiana investments, then the tax payable shall be ~~thirty-three and one-third~~ thirty-  
12 five percent of the amount otherwise fixed in this Part; if at least one-fifth of the total  
13 admitted assets of the payer are in qualifying Louisiana investments, then the tax  
14 payable shall be ~~twenty-five~~ twenty-six percent of the amount otherwise fixed in this  
15 Part; if at least one-fourth of the total admitted assets of the payer are in qualifying  
16 Louisiana investments, the tax payable shall be ~~fifteen~~ sixteen percent of the amount  
17 otherwise fixed in this Part; and if at least one-third of the total admitted assets of the  
18 payer are in qualifying Louisiana investments, then the tax payable shall be ~~five~~ six  
19 percent of the amount otherwise fixed in this Part.

20 \* \* \*

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



- (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 33% of assets.

Present law defines "qualified La. investment" as:

- (1) Certificates of deposit issued by a La. bank, savings and loan association, or savings bank; or, investments in such instruments by a trust company with a main office or one or more branches in La.
- (2) Bonded debt issued with approval by the Louisiana State Bond Commission.
- (3) Mortgages on property located in this state.
- (4) Real property located in this state.
- (5) Policy loans and other loans to residents and corporations domiciled in La.
- (6) Common or preferred stock in corporations domiciled in this state.
- (7) Cash on deposit in a La. bank, savings and loan association, or savings bank, or a trust company holding such funds in trust, operating in the state with a main office or one or more branches.

Proposed law retains present law with respect to eligible investments.

Proposed law as provided in Section 1 is effective July 1, 2015, is applicable beginning July 1, 2015, and ending July 1, 2017, and changes present law by changing the amount of the credit as follows:

- (1) From a 66% to a 65% tax credit for investment of 16% of assets.
- (2) From a 75% to a 74% tax credit for investment of 20% of assets.
- (3) From an 85% to a 84% tax credit for investment of 25% of assets.
- (4) From a 95% to a 94% tax credit for investment of 33% of assets.

Proposed law provided in Section 2 is effective July 1, 2017, is applicable beginning July 1, 2017, and changes present law by changing the amount of the credit as follows:

- (1) From a 65% to a 66% tax credit for investment of 16% of assets.
- (2) From a 74% to a 75% tax credit for investment of 20% of assets.
- (3) From an 84% to a 85% tax credit for investment of 25% of assets.
- (4) From a 94% to a 95% tax credit for investment of 33% of assets.

Provisions of Section 1, 3, and 4, are effective on July 1, 2015, and applicable for taxable periods on and after that date and on before July 1, 2017.

Provisions of Section 2 are effective July 1, 2017, and applicable for taxable periods beginning on and after that date.

(Amends R.S. 22:832(B))