
DIGEST

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HB 35 Reengrossed

2016 Second Extraordinary Session

Anders

Abstract: Establishes the rate of the annual tax on health maintenance organizations.

Present law requires, in lieu of the state income tax and the corporate franchise tax, every health maintenance organization authorized and certified to engage in the business of issuing contracts or other evidences or similar forms of coverage to enrollees for healthcare services or prepaid medical services in this state to pay an annual license tax on the gross amount of its receipts from contracts and other evidences of coverage at the same rate as the license tax on life insurance companies provided for in present law, with the exception that the rate for health maintenance organizations with enrollment in coverage in the individual market in La. greater than 55,000 individuals as of Dec. 31, 2015, is \$600 for every \$10,000 of gross annual premiums collected.

Proposed law repeals present law and establishes the annual tax rate for all health maintenance organizations at \$550 for every \$10,000 of gross annual premiums collected.

No provision of proposed law shall be construed as relieving any insurer from paying to the commissioner of insurance the fees otherwise required for qualifying to do business, or for the renewal thereof.

Proposed law requires the commissioner of insurance to comply with the provisions of present law regarding the maintenance of books and records and the disposition of collections.

Proposed law applies to any taxable periods beginning on and after Jan. 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:842; Repeals R.S. 22:270)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Clarify that the tax rate is not a minimum rate.
2. Provide for scope of application.
3. Make technical changes.

