

ACT No. 7

2016 Second Extraordinary Session

HOUSE BILL NO. 24

BY REPRESENTATIVE ANDERS

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AN ACT

To amend and reenact R.S. 22:832(A)(3) and to enact R.S. 22:832(C)(6) and (F), relative to the insurance premium tax; to exempt health maintenance organizations from the reduction of the tax due made in Act No. 10 of the 2016 First Extraordinary Session; to provide for qualifying Louisiana investments of health maintenance organizations; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:832(A)(3) is hereby amended and reenacted and R.S. 22:832(C)(6) and (F) are hereby enacted to read as follows:

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

A.

* * *

(3) However, Paragraph (1) of this Subsection notwithstanding, for any taxable year beginning on or after January 1, 2016, and before January 1, 2018, for all payers, except for life insurance companies writing life insurance premiums with total admitted assets of fifteen million dollars or less and health maintenance organizations subject to the tax in R.S. 22:842(B), the amount of the tax credit granted shall not exceed ninety-five percent of the tax credit for the average percentage of qualifying Louisiana investments as provided in Subsection B of this Section.

* * *

C. For the purposes of this Part, beginning January 1, 2017, "a qualifying Louisiana investment" is hereby defined as:

* * *

1 (6) In addition to the investments provided for in Paragraphs (1) through (5)
2 of this Subsection, for purposes of health maintenance organizations subject to the
3 tax in R.S. 22:842(B), for taxable years beginning on or after January 1, 2017, and
4 before January 1, 2019, "a qualifying Louisiana investment" is hereby defined as:

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

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

14 * * *

15 F.(1) For purposes of a domestic health maintenance organization with no
16 fewer than five hundred employees residing in Louisiana during the 2016 calendar
17 year, when such health maintenance organization invests at least twenty-five million
18 dollars in bonds of this state or bonds of municipal, school, road, or levee districts,
19 or other political subdivisions of this state or bonds approved for issue by the
20 Louisiana State Bond Commission as provided for in Paragraph (C)(2) of this
21 Section for the last two calendar quarters in the 2016 calendar year, then the tax
22 payable for the calendar year 2016 shall be fifty percent of the amount otherwise
23 levied in R.S. 22:842(B). For purposes of determining the number of employees
24 residing in Louisiana and the dollar amount of the investment in the bonds,
25 "domestic health maintenance organization" shall include the domestic health
26 maintenance organization and its affiliates.

27 (2) This provision shall not be applicable to a health maintenance
28 organization that is eligible for a tax reduction under any other provision of this
29 Section.

1 (3) The reduction authorized in this Subsection shall not be applicable to
 2 premiums collected or received pursuant to Title XIX of the Social Security Act,
 3 Subchapter XIX, Chapter 7, of Title 42 of the United States Code.

4 Section 2. This Act shall become effective upon signature by the governor or, if not
 5 signed by the governor, upon expiration of the time for bills to become law without signature
 6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 7 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 8 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____