

RÉSUMÉ DIGEST**ACT 1 (HB 35)****2016 Second Extraordinary Session****Anders**

Existing 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 existing law.

Prior law provided an exception in the amount of the tax 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. The amount of the tax rate for these organizations was \$600 for every \$10,000 of gross annual premiums collected.

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

Prohibits any provision of new law from being 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.

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

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

Effective upon signature of governor (June 22, 2016).

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