

2017 Regular Session

HOUSE BILL NO. 664

BY REPRESENTATIVE HOFFMANN

TAX/INSURANCE PREMIUM: Provides relative to the insurance premium tax credit

1 AN ACT

2 To amend and reenact R.S. 22:832(C)(6)(introductory paragraph) and to enact R.S.
3 22:832(C)(6)(c), relative to the insurance premium tax credit; to provide criteria for
4 a health maintenance organization to be eligible for a premium tax credit for a
5 qualifying Louisiana investment; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:832(C)(6)(introductory paragraph) is hereby amended and
8 reenacted and R.S. 22:832(C)(6)(c) is hereby enacted to read as follows::

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

10 * * *

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

13 * * *

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

18 * * *

1 (c) Such investments shall only be considered as a qualifying Louisiana
 2 investment when made by a health maintenance organization that meets all of the
 3 following criteria:

4 (i) Offers fully insured commercial or Medicare Advantage products.

5 (ii) Is domiciled, licensed, and operating in this state.

6 (iii) Maintains its primary corporate office and at least seventy percent of its
 7 employees in this state.

8 (iv) Maintains in this state its core business functions which may include
 9 utilization review services, claim payment processes, customer processes, customer
 10 service call centers, enrollment services, information technology services, and
 11 provider relations.

12 * * *

13 Section 2. This Act shall become effective on January 1, 2018.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 664 Engrossed

2017 Regular Session

Hoffmann

Abstract: Establishes criteria to determine when a health maintenance organization is eligible for the insurance premium tax credit for a qualifying Louisiana investment.

Present law authorizes a credit against the insurance premium tax credit 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.

Present law authorizes, for taxable years beginning on or after Jan. 1, 2017, and before Jan. 1, 2019, the following as "qualified La. investments" for health maintenance organizations to claim the insurance premium tax credit:

- (1) Certificates of deposit issued by a La. ban or investments in such instruments by a trust company with a main office or one or more branches in La.

- (2) Cash on deposit in a La. 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 removes the sunset date of Jan. 1, 2019.

Proposed law adds the following criteria that must be met for a health maintenance organization to qualify for the premium tax credit for a qualifying Louisiana investment:

- (1) Offers fully insured commercial or Medicare Advantage products.
- (2) Is domiciled, licensed, and operating in this state.
- (3) Maintains its primary corporate office and at least seventy percent of its employees in this state.
- (4) Maintains its core business functions in this state.

Effective January 1, 2018.

(Amends R.S. 22:832(C)(6)(intro. para.); Adds R.S. 22:832(C)(6)(c))