

RÉSUMÉ DIGEST

ACT 313 (HB 664)

2017 Regular Session

Hoffmann

Existing 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.

Existing law authorizes 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. bank 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.

Prior law authorized the credit for taxable years beginning on or after Jan. 1, 2017, and before Jan. 1, 2019.

New law removes the sunset date of Jan. 1, 2019.

New law adds the following criteria that must be met for a health maintenance organization to qualify for the premium tax credit for a qualifying 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))