
SENATE FLOOR AMENDMENTS

2023 Regular Session

Amendments proposed by Senator Talbot to Reengrossed House Bill No. 513 by Representative Magee

AMENDMENT NO. 1

On page 1, line 4, after "amount of the credit;" delete the remainder of the line and insert "to provide for a carry forward period for the credit; to provide for a fiscal year cap for the credit; to authorize the transfer of"

AMENDMENT NO. 2

On page 2, delete lines 4 through 26 and insert the following:

"B. A Louisiana domestic insurer that is authorized to write and does write insurance in Louisiana on an admitted basis and in at least one other state on an admitted basis as of July 1, 2023, shall be allowed a refundable credit, subject to the limitation set forth in Paragraph (6) of this Subsection. The refundable credit shall offset insurance premiums taxes due on the Annual Premium Tax Return due March first each year.

(1) The amount of the credit shall be equal to the amount of any retaliatory tax paid to any other state as a result of the laws of such state, for the period in which the retaliatory tax was paid.

(2) The credit shall be applied against the domestic insurer's state premium tax liability as defined in R.S. 47:6016.1(B)(12), and any credit amount in excess of its premium tax liability shall be refunded to the domestic admitted insurer, subject to the limitations of Paragraph (6) of this Subsection.

(3) Any unused amounts of the credit that are unused because the total amount of refundable credits for retaliatory tax paid claimed by all domestic admitted insurers exceeds the limitation set forth in Paragraph (6) of this Subsection may be carried forward for a period not to exceed ten years.

(4) Any credits not previously claimed by a domestic admitted insurer against premium tax liability may also be transferred to a domestic admitted insurer within the same insurance holding company subject to the following limitations:

(a) A single transfer may involve one or more transferees.

(b) Transferors and transferees shall submit to the Department of Insurance, in writing, a notification of any transfer of tax credits within thirty days after the transfer of such tax credits. The notice shall contain the amount of the remaining tax credit balance after transfer, all tax identification numbers for both transferor and transferee, the date of the transfer, the amount transferred, the price paid by the transferee to the transferor, and any other information required by the Department of Insurance. Failure to comply with the provisions of this Subparagraph will result in the disallowance of the refundable tax credit until the taxpayers are in full compliance.

(c) The transfer of the credit shall not extend the time in which the credit may be used.

(d) To the extent that the transferor did not have rights to claim or use the refundable credit at the time of the transfer, the Department of Insurance shall either disallow the credit claimed by the transferee or recapture the credit from the transferee.

(5) The refundable credit for the payment of retaliatory taxes established pursuant to the provisions of this Subsection shall be administered by the commissioner of insurance.

(a) Domestic admitted insurers who have paid retaliatory tax in the preceding year shall provide evidence of the payment of same by the date and in such form as prescribed by the commissioner by rule.

(b) Domestic admitted insurers claiming a credit for retaliatory taxes paid that have provided evidence of the payment of retaliatory taxes shall be issued a refund

1 by the commissioner for the amounts of retaliatory tax paid within sixty days of the
2 filing of the evidence of the payment of retaliatory taxes for the applicable period.

3 (c) The commissioner of insurance shall promulgate rules in accordance with
4 the Administrative Procedure Act as are necessary to implement the provisions of
5 this Subsection subject to oversight by the House Committee on Ways and Means
6 and the Senate Committee on Revenue and Fiscal Affairs.

7 (6) The maximum amount of credits authorized by this Subsection shall not
8 exceed nine million dollars in any fiscal year.

9 (7) In the event that there are credits claimed for retaliatory taxes paid by
10 domestic admitted insurers that are in excess of nine million dollars in any fiscal
11 year, the commissioner shall make refunds on a pro rata basis to the eligible
12 domestic admitted insurers, based upon the proportion of the total amount of
13 retaliatory tax paid by each domestic admitted insurer for the relevant time period.

14 (8) A domestic admitted insurer which receives a credit for premium taxes
15 paid shall certify to the commissioner that it will utilize such monies exclusively for
16 Louisiana-specific purposes including:

17 (a) Investments within Louisiana which are otherwise permissible
18 investments for a domestic insurer.

19 (b) Community activities or grants to Louisiana non-profit enterprises or
20 Louisiana charitable foundations.

21 (c) Personnel expense for employees based in Louisiana.

22 (d) Ownership and leasehold expenses and improvements to or for its
23 facilities and equipment utilized in the domestic insurer's Louisiana operations.

24 (e) Any other Louisiana-specific purpose that is an otherwise lawful
25 expenditure for a domestic insurer.

26 (9) No credit authorized pursuant to the provisions of this Subsection shall
27 be granted for retaliatory taxes based upon insurance premiums written in other
28 states after December 31, 2029.

29 Section 2.(A) This Act shall become effective if Senate Concurrent Resolution No.
30 3 of the 2023 Regular Session of the Legislature is adopted and concurred in by a favorable
31 vote of at least two-thirds of the elected members of each house.

32 (B) The provisions of this Act shall be applicable to retaliatory taxes based upon
33 insurance premiums written in other states on or after January 1, 2024."