HLS 25RS-478 ORIGINAL

2025 Regular Session

HOUSE BILL NO. 475

1

BY REPRESENTATIVE FIRMENT

TAX CREDITS: Increases the maximum amount of insurance premium tax credits for retaliatory taxes paid by certain domestic insurers that may be claimed in a fiscal year and extends the sunset date of the credit

AN ACT

2	To amend and reenact R.S. 22:836(B)(introductory paragraph), (6), (7), and (9), relative to
3	insurance premium tax credits; to provide for the maximum amount of credits
4	authorized in a fiscal year for certain domestic insurers; to provide for the payment
5	and administration of the credit; to extend the termination date of the credit; to
6	provide for an effective date; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 22:836(B)(introductory paragraph), (6), (7), and (9) are hereby
9	amended and reenacted to read as follows:
10	§836. Retaliatory taxes and fees; insurance premium tax credits for retaliatory taxes
11	paid by certain domestic insurers
12	* * *
13	B. A Louisiana domestic insurer that is authorized to write and does write
14	insurance in Louisiana on an admitted basis and in at least one other state on an
15	admitted basis as of July 1, 2023, shall be allowed a refundable credit, subject to the
16	limitation set forth in Paragraph (6) of this Subsection. The refundable credit shall
17	offset insurance premiums taxes due on the Annual Premium Tax Return due March
18	first each year.
19	* * *

1 (6) The maximum amount of credits authorized by this Subsection shall not 2 exceed nine twenty-five million dollars in any fiscal year. (7) In the event that there are credits claimed for retaliatory taxes paid by 3 4 domestic admitted insurers that are in excess of nine twenty-five million dollars in any fiscal year, the commissioner shall make refunds on a pro rata basis to the 5 6 eligible domestic admitted insurers, based upon the proportion of the total amount 7 of retaliatory tax paid by each domestic admitted insurer for the relevant time period. 8 9 (9) No credit authorized pursuant to the provisions of this Subsection shall 10 be granted for retaliatory taxes based upon insurance premiums written in other 11 states after December 31, 2029 December 31, 2034. 12 Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature 13 14 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 15 vetoed by the governor and subsequently approved by the legislature, this Act shall become 16 effective on the day following such approval.

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 475 Original

2025 Regular Session

Firment

Abstract: Increases the maximum amount of insurance premium tax credits authorized to be claimed in a fiscal year for retaliatory taxes paid by domestic insurers <u>from</u> \$9M <u>to</u> \$25M and extends the termination date of the credit <u>from</u> Dec. 31, 2029 <u>to</u> Dec. 31, 2034.

<u>Present law</u> with regard to retaliatory fees, requires that when any other state imposes additional fees, taxes, or penalties on La. insurers doing business in another state, La. is required to impose the same additional fees, taxes, and penalties on the other states' insurers doing business in La. <u>Present law</u> further requires insurers organized under other state's laws that are admitted to transact business in La. to pay the same fees to the commissioner of insurance as the insurer would pay in the state in which the insurer is organized.

<u>Present law</u> provides for a refundable insurance premium tax credit for any La. domestic insurer (domestic insurer) that is authorized to write and does write insurance in this state and writes insurance in at least one other state. The amount of the credit is equal to the amount of any retaliatory tax paid to any other state for the period in which the retaliatory tax was paid. The credit shall be applied against the domestic insurer's state premium tax

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

liability and any credit amount in excess of its premium tax liability shall be refunded to the domestic insurer.

<u>Present law</u> limits the maximum amount of credits that may be claimed by domestic insurers in any fiscal year to \$9M. However, if credits claimed exceed \$9M in any fiscal year, the commissioner shall make refunds on a pro rata basis to eligible domestic insurers based on the proportion of the total amount of retaliatory tax paid by each insurer for the relevant time period.

<u>Proposed law</u> retains <u>present law</u> but increases the maximum amount of credits that may be claimed by domestic insurers in any fiscal year <u>from</u> \$9M to \$25M.

<u>Present law</u> prohibits a credit from being allowed for retaliatory taxes incurred or paid after Dec. 31, 2029.

<u>Proposed law</u> extends the date for which a credit shall be allowed for retaliatory taxes incurred or paid <u>from</u> Dec. 31, 2029, <u>to</u> Dec. 31, 2034.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:836(B)(intro. para.), (6), (7), and (9))