

2016 First Extraordinary Session

SENATE BILL NO. 17

BY SENATOR MORRELL

TAX/TAXATION. Provides for the reduction to the amount of the insurance premium tax for certain Louisiana investments. (gov sig)

1 AN ACT  
2 To amend and reenact R.S. 22:832(A), (B), and (C), relative to the insurance premium tax  
3 credit for qualifying Louisiana investments; to provide for a reduction of the tax due  
4 in certain circumstances; to provide for the definition of a qualifying Louisiana  
5 investment; to provide for an effective date; and to provide for related matters.  
6 Be it enacted by the Legislature of Louisiana:  
7 Section 1. R.S. 22:832(A), (B), and (C) are hereby amended and reenacted to read  
8 as follows:  
9 §832. Reduction of tax when certain investments are made in Louisiana  
10 A. The amount of the tax payable shall be reduced from the amount otherwise  
11 fixed in this Part if the payer files a sworn statement with the annual report required  
12 by this Part showing as of the end of each fiscal quarter reporting period that at least  
13 the following amounts of the total admitted assets of the payer, less assets in an  
14 amount equal to the reserves on its policies issued in foreign countries in which it is  
15 authorized to do business and which countries require an investment therein as a  
16 condition of doing business, are invested and maintained in qualifying Louisiana  
17 investments as hereinafter defined in Subsection C of this Section. The amount of tax

1 credit granted **in Subsection B of this Section** shall be **based on** the average of the  
2 percentage of qualifying Louisiana ~~securities~~ **investments** held at the end of each  
3 fiscal quarter for the fiscal year.

4 B.**(1)** If one-sixth of the total admitted assets of the payer are in qualifying  
5 Louisiana investments, then the tax payable shall be thirty-three and one-third  
6 percent of the amount otherwise fixed in this Part; if at least one-fifth of the total  
7 admitted assets of the payer are in qualifying Louisiana investments, then the tax  
8 payable shall be twenty-five percent of the amount otherwise fixed in this Part; if at  
9 least one-fourth of the total admitted assets of the payer are in qualifying Louisiana  
10 investments, the tax payable shall be fifteen percent of the amount otherwise fixed  
11 in this Part; and if at least one-third of the total admitted assets of the payer are in  
12 qualifying Louisiana investments, then the tax payable shall be five percent of the  
13 amount otherwise fixed in this Part.

14 **(2) Notwithstanding any other provision of law to the contrary, for any**  
15 **taxable year beginning on or after January 1, 2016, and before January 1, 2018,**  
16 **the amount of the tax credit as determined by Paragraph (1) of this Subsection**  
17 **shall be reduced by ten percent.**

18 C. For **Beginning January 1, 2016, for** the purposes of this Part, "a  
19 qualifying Louisiana investment" is hereby defined as:

20 ~~(1) Certificates of deposit issued in Louisiana by any bank or savings and~~  
21 ~~loan association or savings bank, any of which are operating in the state of Louisiana~~  
22 ~~or a trust company operating in the state of Louisiana with a main office or one or~~  
23 ~~more branches where the trust company holds such funds in trust and invests them~~  
24 ~~in certificates of deposit issued by a bank, savings and loan association or savings~~  
25 ~~bank operating in the state of Louisiana with a main office or one or more branches.~~

26 ~~(2)~~ Bonds of this state or bonds of municipal, school, road, or levee districts,  
27 or other political subdivisions of this state or bonds approved for issue by the  
28 Louisiana State Bond Commission;

29 ~~(3)~~**(2)** Mortgages on property located in this state;

