

ACT No. 10

2016 First Extraordinary Session

HOUSE BILL NO. 87

BY REPRESENTATIVE ANDERS

1 AN ACT

2 To amend and reenact R.S. 22:270(A) and 832(A) and (C), relative to insurance premium
3 tax; to provide for a reduction of the tax due in certain circumstances; to provide for
4 the definition of a qualifying Louisiana investment; to provide rates for health
5 maintenance organizations; to provide for an effective date; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:270(A) and 832(A) and (C) are hereby amended and reenacted
9 to read as follows:

10 §270. Taxes and tax base

11 A. In lieu of the state income tax and the corporate franchise tax levied in
12 Title 47 of the Louisiana Revised Statutes of 1950, every health maintenance
13 organization authorized and certified to engage in the business of issuing contracts
14 or other evidences or similar forms of coverage to enrollees for health care services
15 or prepaid medical services in this state, including Louisiana partnerships authorized
16 under R.S. 22:244(B), shall pay an annual license tax on the gross amount of its

1 receipts from contracts and other evidences of coverage at the same rate as the
 2 license tax on life insurance companies provided in R.S. 22:842 and R.S. 22:844,
 3 except that the rate for health maintenance organizations with enrollment in coverage
 4 in the individual market in Louisiana greater than fifty-five thousand individuals as
 5 of December 31, 2015 shall be six hundred dollars for every ten thousand dollars of
 6 gross annual premiums collected. For purposes of this Subsection, "individual
 7 market" means the market for health coverage offered to individuals other than in
 8 connection with a group plan. The Commissioner of Insurance, in consultation with
 9 the Secretary of the Department of Health and Hospitals, shall have the authority, by
 10 rule-making pursuant to the Administrative Procedure Act, to prescribe rules in order
 11 to implement this provision or to meet the requirements of federal law or regulations,
 12 obtain approval from the Centers for Medicare and Medicaid Services, or to ensure
 13 federal financial participation. The commissioner shall not adjust the enrollment
 14 numbers described in this Subsection. This Subsection shall become effective upon
 15 the issuance of any required approval by the Centers for Medicare and Medicaid
 16 Services.

17 * * *

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

19 A.(1) The amount of the tax payable shall be reduced from the amount
 20 otherwise fixed in this Part if the payer files a sworn statement with the annual report
 21 required by this Part showing as of the end of each fiscal quarter reporting period
 22 that at least the following amounts of the total admitted assets of the payer, less
 23 assets in an amount equal to the reserves on its policies issued in foreign countries
 24 in which it is authorized to do business and which countries require an investment
 25 therein as a condition of doing business, are invested and maintained in qualifying
 26 Louisiana investments as hereinafter defined in Subsection C of this Section.

27 (2) The amount of tax credit granted shall be as provided in Subsection B of
 28 this Section and based on the average of the percentage of qualifying Louisiana
 29 ~~securities~~ investments held at the end of each fiscal quarter for the fiscal year.

1 (3) However, Paragraph (1) of this Subsection notwithstanding, for any
2 taxable year beginning on or after January 1, 2016 and before January 1, 2018, for
3 all payers, except for life insurance companies writing life insurance premiums with
4 total admitted assets of fifteen million dollars or less, the amount of the tax credit
5 granted shall not exceed ninety-five percent of the tax credit for the average
6 percentage of qualifying Louisiana investments as provided in Subsection B of this
7 Section.

8 * * *

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

11 ~~(1) Certificates of deposit issued in Louisiana by any bank or savings and~~
12 ~~loan association or savings bank, any of which are operating in the state of Louisiana~~
13 ~~or a trust company operating in the state of Louisiana with a main office or one or~~
14 ~~more branches where the trust company holds such funds in trust and invests them~~
15 ~~in certificates of deposit issued by a bank, savings and loan association or savings~~
16 ~~bank operating in the state of Louisiana with a main office or one or more branches.~~

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

20 ~~(3)(2) Mortgages on property located in this state;~~

21 ~~(4)(3) Real property located in this state;~~

22 ~~(5)(4) Policy loans to residents of Louisiana, or other loans to residents of~~
23 ~~this state, or to corporations domiciled in this state;~~

24 ~~(6)(5) Common or preferred stock in corporations domiciled in this state;~~
25 ~~and;~~

26 ~~(7) Cash on deposit in an account in Louisiana in any bank or savings and~~
27 ~~loan association, or savings bank, or trust company holding such funds in trust,~~
28 ~~operating in the state of Louisiana with a main office or one or more branches.~~

29 * * *

1 Section 2. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____