
DIGEST

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HB 594 Original

2025 Regular Session

Henry

Abstract: Institutes a flat rate of insurance premium tax on fire, marine, transportation, casualty, and surety insurance policies and repeals certain insurance premium tax credits and other incentives.

Present law imposes an insurance premium tax on fire, marine, transportation, casualty, and surety insurance policies. Provides that the minimum annual tax is \$185 dollars if annual premiums are \$6,000 or less; and if annual premiums are more than \$6,000, the amount of tax payable shall be increased to \$300 for each additional \$10,000, or fraction thereof, of gross annual premiums.

Proposed law replaces the system of premium tax impositions provided in present law with a flat rate of 1.6% on gross annual premiums.

Present law authorizes exemptions from state and local premium taxes due from insurers based on qualifying La. investments that those companies make. Proposed law repeals present law authorizing these state tax exemptions. Retains present law relative to local tax exemptions and makes the "qualifying Louisiana investments" definition applicable to those local exemptions.

Proposed law requires insurers to separately state the premium taxes on their declaration pages, extending a requirement of present law applicable only to surplus lines.

Proposed law repeals the following tax credits:

- (1) Insurance premium investment tax credit. (R.S. 22:832)
- (2) Insurance premium tax credit for retaliatory taxes paid by certain domestic insurers. (R.S. 22:836(B))
- (3) La. Capital Companies Tax Credit Program. (R.S. 51:1921 et seq.)

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 22:831(A)(1), 833(B)(2), 836(Section heading), 842(A)(1), 855(A)(2), 2058(A)(3)(a)(iv), and 2092(B); Adds R.S. 22:833(F); Repeals R.S. 22:601.16(4), 832, and 836(B) and R.S. 51:1921-1935)