

2025 Regular Session

HOUSE RESOLUTION NO. 336

BY REPRESENTATIVE HENRY

A RESOLUTION

To create a special study group to examine and make policy recommendations regarding insurance premium taxes and associated credits, deductions, and exemptions, and to report its findings and recommendations to the House of Representatives of the Legislature of Louisiana.

WHEREAS, through legislation enacted in its 2024 Third Extraordinary Session, the Legislature of Louisiana implemented historic, long-sought reforms in the tax system of this state; and

WHEREAS, in that special session, the legislature successfully reformed nearly all of Louisiana's major tax types with the intention of simplifying the state's tax structure, lowering tax rates, and broadening the tax base by eliminating scores of credits, deductions, exemptions, and other tax preferences that had proliferated in our tax code over many decades; and

WHEREAS, while the recent tax reform session resulted in significant reforms to most tax types, it did not address insurance premium taxes; and

WHEREAS, insurance premium taxes are imposed primarily by the provisions of Part IV of Chapter 3 of the state's Insurance Code (Title 22 of the Louisiana Revised Statutes of 1950) and collected by the Department of Insurance; and

WHEREAS, the annual total of all state taxes and fees imposed on the insurance industry and collected by the Department of Insurance has grown to approximately one billion five hundred million dollars; and

WHEREAS, differing amounts of premium taxes are levied, respectively, upon property and casualty insurance policies and upon life, health, and accident insurance policies; and

WHEREAS, most premium taxes are not computed according to simple rates, but instead are calculated through formulas involving fixed amounts of tax imposed upon different ranges of insurers' gross annual written premium amounts; and

WHEREAS, as was typical of Louisiana's tax system overall prior to the 2024 tax reform session, insurance premium taxes are characterized by high nominal impositions coupled with a complicated structure of credits, deductions, and exemptions, collectively creating an environment of administrative complexity; and

WHEREAS, Louisiana's taxpayers, policymakers, and insurance industry all have an interest in improving this state's insurance premium tax system; and

WHEREAS, the formation of a special study group represents a careful and deliberate approach to developing responsible insurance premium tax reforms.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby create a special study group to examine and make policy recommendations regarding insurance premium taxes and associated credits, deductions, and exemptions.

BE IT FURTHER RESOLVED that the study committee shall be composed of the following members:

(1) A member of the House Committee on Insurance appointed by the speaker of the House of Representatives.

(2) A member of the House Committee on Ways and Means appointed by the speaker of the House of Representatives.

(3) The commissioner of insurance or his designee.

(4) The secretary of the Department of Revenue or his designee.

(5) The state fire marshal or his designee.

(6) The president of the Louisiana Municipal Association or his designee.

(7) The president of the board of directors of the Louisiana Insurers' Conference or his designee.

(8) The president and chief executive officer of Independent Insurance Agents and Brokers of Louisiana or his designee.

(9) A member representing the American Property Casualty Insurance Association selected by the commissioner of insurance.

(10) The president of the board of directors of Professional Insurance Agents of Louisiana or his designee.

(11) The chairperson of the board of directors of the Louisiana Life and Health Insurance Guaranty Association or his designee.

(12) The chief executive officer of Leaders for a Better Louisiana or his designee.

(13) The president of PAR Louisiana or his designee.

(14) A member of the American Council of Life Insurers.

BE IT FURTHER RESOLVED that the members of the study group shall serve without compensation, except per diem or expense reimbursement to which they may be individually entitled as members of the organizations they respectively represent.

BE IT FURTHER RESOLVED that the member representing the House Committee on Ways and Means shall convene the initial meeting of the study group.

BE IT FURTHER RESOLVED that, at its initial meeting, the study group shall elect a chairperson from among its members.

BE IT FURTHER RESOLVED that the study group shall evaluate the state's overall insurance premium tax structure and develop recommendations for reforms to premium tax impositions and for reforms to credits, deductions, and exemptions applicable to premium taxes, including but not limited to credits for retaliatory taxes paid and tax reductions based on qualifying Louisiana investments.

BE IT FURTHER RESOLVED that the study group shall submit a report of its findings and recommendations to the House of Representatives of the Legislature of Louisiana and to the David R. Poynter Legislative Research Library, as required by R.S. 24:772, on or before December 31, 2026.

BE IT FURTHER RESOLVED that legislative authority for the study group shall terminate on January 1, 2027.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of insurance, the secretary of the Department of Revenue, the state fire marshal, the president of the Louisiana Municipal Association, the president of the board of directors of the Louisiana Insurers' Conference, the president and chief executive officer of Independent Insurance Agents and Brokers of Louisiana, the president and chief executive officer of the American Property Casualty Insurance Association, the president of the board of directors of Professional Insurance Agents of Louisiana, the chairperson of the board of directors of the Louisiana Life and Health Insurance Guaranty Association, the chief executive officer of Leaders for a Better Louisiana, and the president of PAR Louisiana.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES