

2020 Regular Session

HOUSE BILL NO. 174

BY REPRESENTATIVE JORDAN

FUNDS/FUNDING: Re-dedicates a portion of the taxes collected on certain surplus lines of insurance

1 AN ACT

2 To amend and reenact R.S. 22:439(A)(1), relative to premium tax on insurance coverage;
3 to provide for disposition of the avails of the premium tax on surplus lines insurance
4 coverage; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:439(A)(1) is hereby amended and reenacted to read as follows:

7 §439. Tax on surplus lines

8 A.(1) There shall be a tax of four and eighty-five one-hundredths of one
9 percent per annum on the gross premium for all surplus lines of insurance for which
10 Louisiana is the home state of the policyholder as defined in R.S. 22:46(8.1). The
11 commissioner shall collect the tax and deposit it with the state treasurer who shall
12 credit it to ~~the state general fund.~~ as follows:

13 (a) An amount equal to eighty-six percent of the tax collected shall be
14 credited to the state general fund.

15 (b) An amount equal to six percent of the tax collected shall be credited to
16 the Louisiana Fire Marshal Fund as provided in R.S. 22:835.

17 (c) An amount equal to eight percent of the tax collected shall be credited to
18 the Two Percent Fire Insurance Fund as provided in R.S. 22:347.

19 * * *

20 Section 2. This Act shall become effective July 1, 2020.

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 174 Original

2020 Regular Session

Jordan

Abstract: Re-dedicates a portion of tax revenues collected on the gross premiums on certain surplus lines of insurance.

Present law requires the commissioner of insurance to collect a tax equal to 4.85% of the gross premium for each surplus line of insurance issued when Louisiana is the home state of the policyholder.

Proposed law retains present law.

Present law requires 100% of the proceeds collected to be credited to the state general fund.

Proposed law decreases from 100% to 86% the amount of proceeds credited to the state general fund.

Proposed law further splits the remaining fourteen percent of collected revenues as follows: 6% is to be credited to the Louisiana Fire Marshal Fund (R.S. 22:835) and 8% is to be credited to the Two Percent Fire Insurance Fund (R.S. 22:347).

Effective July 1, 2020.

(Amends R.S. 22:439(A)(1))