
DIGEST

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HB 594 Engrossed

2025 Regular Session

Henry

Abstract: Changes the rate of insurance premium tax on fire, marine, transportation, casualty, and surety insurance policies to a flat rate; provides for automatic reductions in insurance premium tax rates if certain conditions are met; and provides relative to eligibility for insurance premium investment tax credits.

Present law imposes an insurance premium tax on fire, marine, transportation, surety, fidelity, indemnity, guaranty, workers' compensation, employers' liability, property damages, livestock, vehicle, automatic sprinkler, and burglary insurance policies and on any other non health-related 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 changes the graduated system of premium tax impositions on non health-related insurance policies provided in present law to a flat rate of 1.6% on gross annual premiums.

Proposed law provides that, beginning Jan. 1, 2027, and each Jan. 1 thereafter, if the sum of the prior year's actual premium tax collections and actual retaliatory tax collections exceeds that of the 2024 calendar year, the insurance premium tax rates provided in present law and proposed law for the following types of insurance issuers, respectively, shall be reduced by 0.2%:

- (1) Fire, marine, transportation, surety, fidelity, indemnity, guaranty, workers' compensation, employers' liability, property damages, livestock, vehicle, automatic sprinkler, or burglary insurance or any other non health-related insurance.
- (2) Life, accident, health, or service insurers; health maintenance organizations; Medicaid-enrolled managed care organizations.

Present law provides for tax credits based on qualifying La. investments, as defined in present law and proposed law, by insurers. Proposed law limits the availability of these credits to health maintenance organizations subject to a premium tax imposed by present law and to businesses that make qualifying La. investments, as defined in present law and proposed law, and meet all of the following criteria:

- (1) Are domiciled, licensed, and operating in La.
- (2) Maintain their primary offices in La. and have at least 60% of the combined total of their

employees and corporate officers in La.

- (3) Maintain in La. their core business functions as defined in proposed law.

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

Proposed law repeals the 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 January 1, 2026.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Reduce certain insurance premium tax rates by 0.2% beginning Jan. 1, 2027, and each Jan. 1 thereafter, if the sum of the prior year's actual premium tax collections and actual retaliatory tax collections exceeds that of the 2024 calendar year.
2. Require the commissioner of insurance to publish on the Dept. of Insurance website notice of any reduced insurance premium tax rate implemented pursuant to proposed law.
3. Restore present law authorizing exemptions from premium taxes due from insurers based on qualifying La. investments that those companies make.
4. Restore present law authorizing a refundable insurance premium tax credit for retaliatory taxes paid by certain domestic insurers.
5. Restore present law providing for an insurance premium investment tax credit.
6. Limit the availability of the insurance premium investment tax credit to health maintenance organizations subject to a premium tax imposed by present law and to businesses that make qualifying La. investments, as defined in present law and proposed law, and meet specific criteria in proposed law.