

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 475

2025 Regular Session

Firment

TAX CREDITS: Extends the sunset date of the tax credit for retaliatory taxes paid by certain domestic insurers

Synopsis of Senate Amendments

1.

Retains provisions in present law relative to the date that an insurer must write insurance in another state on an admitted basis in order to be eligible for the insurance premium tax credit.

2.

Changes the date for which a tax credit shall be allowed for retaliatory taxes incurred or paid from Dec. 31, 2034, to Dec. 31, 2031.

3.

Makes technical changes.

Digest of Bill as Finally Passed by Senate

Present law with regard to retaliatory fees, requires that when any other state imposes additional fees, taxes, or penalties on La. insurers doing business in another state, La. is required to impose the same additional fees, taxes, and penalties on the other states' insurers doing business in La. Present law further requires insurers organized under other state's laws that are admitted to transact business in La. to pay the same fees to the commissioner of insurance as the insurer would pay in the state in which the insurer is organized.

Present law provides for a refundable insurance premium tax credit for any La. domestic insurer (domestic insurer) that is authorized to write and does write insurance in this state and writes insurance in at least one other state. The amount of the credit is equal to the amount of any retaliatory tax paid to any other state for the period in which the retaliatory tax was paid. The credit shall be applied against the domestic insurer's state premium tax liability and any credit amount in excess of its premium tax liability shall be refunded to the domestic insurer.

Present law limits the maximum amount of credits that may be claimed by domestic insurers in any fiscal year to \$9M. However, if credits claimed exceed \$9M in any fiscal year, the commissioner shall make refunds on a pro rata basis to eligible domestic insurers based on the proportion of the total amount of retaliatory tax paid by each insurer for the relevant time period.

Present law prohibits a credit from being allowed for retaliatory taxes incurred or paid after Dec. 31, 2029.

Proposed law retains present law but extends the date for which a credit shall be allowed for retaliatory taxes incurred or paid from Dec. 31, 2029, to Dec. 31, 2031.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:836(B)(9))