
DIGEST

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HB 124 Original

2016 First Extraordinary Session

Hunter

Abstract: Suspends the insurance premium tax reduction for certain Louisiana investments during periods of financial exigency.

Present law authorizes a credit against the insurance premium tax credit for insurers who invest a portion of their total admitted assets in La. financial institutions and investment products. The amount of the credit is graduated, with the amount increasing as the percentage of an insurer's assets invested in La. increases as follows:

- (1) A 66% tax credit for investment of 16% of assets.
- (2) A 75% tax credit for investment of 20% of assets.
- (3) An 85% tax credit for investment of 25% of assets.
- (4) A 95% tax credit for investment of 33% of assets.

Proposed law defines "financial exigency" as the period of time during which the state is operating in a budget deficit. Further directs the commissioner of the Dept. of Insurance to suspend present law during period of financial exigency and prohibits a taxpayer from claiming a disallowed reduction on a late or amended return after the period of suspension is terminated.

Effective April 1, 2016.

(Adds R.S. 22:832(F))