

2015 Regular Session

HOUSE BILL NO. 482

BY REPRESENTATIVE JAY MORRIS

TAX CREDITS: Reduces the amount of the insurance premium tax credit for insurers who invest their assets in certain La. investments

1 AN ACT

2 To amend and reenact R.S. 22:832(B), relative to tax credits; to provide with respect to the  
3 insurance premium tax; to provide for the amount of the tax credit for investing in  
4 certain Louisiana based investments; to provide for applicability; to provide for  
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:832(B) is hereby amended and reenacted to read as follows:

8 §832. Reduction of tax when certain investments are made in Louisiana

9 \* \* \*

10 B. If one-sixth of the total admitted assets of the payer are in qualifying  
11 Louisiana investments, then the tax payable shall be ~~thirty-three and one-third~~ sixty-  
12 six percent of the amount otherwise fixed in this Part; if at least one-fifth of the total  
13 admitted assets of the payer are in qualifying Louisiana investments, then the tax  
14 payable shall be ~~twenty-five~~ fifty percent of the amount otherwise fixed in this Part;  
15 if at least one-fourth of the total admitted assets of the payer are in qualifying  
16 Louisiana investments, the tax payable shall be ~~fifteen~~ thirty percent of the amount  
17 otherwise fixed in this Part; and if at least one-third of the total admitted assets of the  
18 payer are in qualifying Louisiana investments, then the tax payable shall be ~~five~~ ten  
19 percent of the amount otherwise fixed in this Part.

20 \* \* \*

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 Section 2. The provisions of this Act shall become effective on July 1, 2015, and be  
2 applicable for taxable periods beginning on and after July 1, 2015.

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## 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)]

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HB 482 Original

2015 Regular Session

Jay Morris

**Abstract:** Reduces the amount of the insurance premium tax credit for insurers who invest in "qualified La. investments".

Present law authorizes a credit against the insurance premium tax 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.

Present law defines "qualified La. investment" as:

- (1) Certificates of deposit issued by a La. bank, savings and loan association, or savings bank; or, investments in such instruments by a trust company with a main office or one or more branches in La.
- (2) Bonded debt issued with approval by the Louisiana State Bond Commission.
- (3) Mortgages on property located in this state.
- (4) Real property located in this state.
- (5) Policy loans and other loans to residents and corporations domiciled in La.
- (6) Common or preferred stock in corporations domiciled in this state.
- (7) Cash on deposit in a La. bank, savings and loan association, or savings bank, or a trust company holding such funds in trust, operating in the state with a main office or one or more branches.

Proposed law changes present law by changing the amount of the credit as follows:

- (1) From a 66% to a 33% tax credit for investment of 16% of assets.
- (2) From a 75% to a 50% tax credit for investment of 20% of assets.
- (3) From an 85% to a 70% tax credit for investment of 25% of assets.

(4) From a 95% to a 90% tax credit for investment of 33% of assets.

Effective July 1, 2015, and applicable to for taxable periods beginning on and after that date.

(Amends R.S. 22:832(B))