

SENATE BILL 120

By Watson

AN ACT to amend Tennessee Code Annotated, Title 56,  
Chapter 4, Part 2, relative to a premium tax credit  
for examination charges, fees, and expenses.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-4-211, is amended by deleting the section and substituting instead the following:

(a) The charges, expenses, and fees for examinations under §§ 56-1-408 and 56-1-409 incurred and paid by insurance companies authorized to do business in this state pursuant to § 56-1-413 are allowed as a credit against the premium taxes collected under this part whenever the charges, expenses, and fees are paid to the department as provided by § 56-1-413.

(b) A credit is not allowed for examination charges, expenses, and fees paid prior to January 1, 2023. For all tax years beginning on or after January 1, 2023, charges, expenses, and fees that exceed an insurance company's premium tax liability for the same tax year are not refundable, but instead may be carried forward to a subsequent tax year, not to exceed five (5) years, until the full excess is claimed. In a subsequent carryforward year, the excess carryforward amount must be allowed as a credit for that year before the charges, expenses, and fees, if any, that are paid in that year are allowed.

(c) A credit is not allowed for fines and penalties imposed and paid in accordance with §§ 56-1-411 and 56-1-802.

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it.