

1 **SENATE FLOOR VERSION**

2 February 16, 2012

3 As Amended

4 SENATE BILL NO. 1715

5 By: Mazzei of the Senate

6 and

7 Dank of the House

8 **[insurance premium tax - tax credits - - effective**
9 **date - emergency]**

10
11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 36 O.S. 2011, Section 625.2, is
14 amended to read as follows:

15 Section 625.2 A. The tax credits set forth in ~~Section 1 of~~
16 ~~this act~~ Section 625.1 of this title shall apply be available to an
17 insurer if:

18 1. The credits apply to insurers who take action after November
19 1, 1987, to:

20 ~~1. Establish~~

21 a. establish new regional home offices~~;~~ or

22 ~~2. Expand~~

23 b. expand existing regional home offices, and hire new
24 employees; and

1 ~~B. An~~ 2. The insurer in either category of the requirements of
2 ~~paragraph A of this section must also meet~~ 1 of this subsection
3 meets the hiring minimum requirements for the applicable tax credit
4 bracket in ~~Section 1 of this act~~ Section 625.1 of this title.

5 B. The total credits allowed to all insurers for each fiscal
6 year shall be limited to Ten Million Dollars (\$10,000,000.00). For
7 any fiscal year when the total credits claimed exceeds Ten Million
8 Dollars (\$10,000,000.00), the Oklahoma Department of Insurance shall
9 determine the percentage of the premium taxes paid which establishes
10 the proportionate share of the total credit which may be claimed by
11 any taxpayer so that the maximum credits authorized by this
12 paragraph are not exceeded.

13 SECTION 2. AMENDATORY 36 O.S. 2011, Section 625.4, is
14 amended to read as follows:

15 Section 625.4 A. ~~One~~ Except as provided in subsection C of
16 this section, one hundred percent (100%) of any assessment paid by
17 an insurer under the Oklahoma Property and Casualty Insurance
18 Guaranty Association Act shall be allowed to that insurer as a
19 credit against its premium tax levied under Section 624 of ~~Title 36~~
20 ~~of the Oklahoma Statutes~~ this title. The tax credit referred to in
21 this section shall be allowed at a rate of ten percent (10%) per
22 year for ten (10) successive years following the date of assessment
23 and, at the option of the insurer, may be taken over an additional
24 number of years. The balance of any tax credit not claimed in a

1 particular year may be reflected in the books and records of the
2 insurer as an admitted asset of the insurer for all purposes.

3 B. Available credit against premium tax allowed under
4 subsection A of this section may be transferred or assigned among or
5 between insurers if:

6 1. A merger, acquisition, or total assumption of reinsurance
7 among or between the insurers occurs; or

8 2. The Insurance Commissioner by order approves the transfer or
9 assignment.

10 C. Total credits allowed to all insurers for each fiscal year
11 pursuant to subsection A of this section shall be limited to Ten
12 Million Dollars (\$10,000,000.00). For any fiscal year when the
13 total credits claimed exceeds Ten Million Dollars (\$10,000,000.00),
14 the Oklahoma Department of Insurance shall determine the percentage
15 of the premium taxes paid which establishes the proportionate share
16 of the total credit which may be claimed by any taxpayer so that the
17 maximum credits authorized by this paragraph are not exceeded.

18 SECTION 3. This act shall become effective July 1, 2012.

19 SECTION 4. It being immediately necessary for the preservation
20 of the public peace, health and safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

23 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-14-12 - DO PASS,
24 As Amended and Coauthored.