

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1715

By: Mazzei

4  
5 AS INTRODUCED

6 An Act relating to insurance premium tax; amending 36  
7 O.S. 2011, Sections 625.2 and 625.4, which relate to  
8 credits against premium tax liability; limiting total  
9 credits which may be claimed for establishment of  
home office and for assessment paid by members of  
certain guaranty association; providing an effective  
date; and declaring an emergency.

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

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

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

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

19 ~~1. Establish~~

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

21 ~~2. Expand~~

22 b. expand existing regional home offices, and hire new  
23 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.

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