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## DIGEST

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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))