

Ways and Means  
Craft, Chairperson  
Hultman  
Heiden  
Jenkins  
Rush

FILED FEB 13 1981

SENATE FILE 248  
BY DeKOSTER

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

### A BILL FOR

1 An Act providing that fraternal life insurance associations  
2 and nonprofit hospital and medical service corporations  
3 are subject to the insurance premium tax.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 432.1, unnumbered paragraph 1, Code  
2 1981, is amended to read as follows:

3 Every insurance company or association ~~of whatever kind~~  
4 ~~or character, not~~ including fraternal beneficiary associations,  
5 organized under chapter 512 and nonprofit hospital and medical  
6 service corporations organized under chapter 514, shall, at  
7 the time of making the annual statement as required by law,  
8 pay to the director of the department of revenue, or to a  
9 depository designated by the director, as taxes, an amount  
10 equal to the following, except that the premium tax applicable  
11 to county mutual associations ~~shall be~~ is governed by section  
12 518.18:

13 Sec. 2. Section 512.12, Code 1981, is amended to read  
14 as follows:

15 512.12 STATUTES APPLICABLE. ~~Such associations (dealt~~  
16 ~~with in this chapter) shall be~~ Associations governed by this  
17 chapter, ~~and shall be~~ are exempt from ~~the provisions of~~ the  
18 statutes ~~of this state~~ relating to life insurance companies,  
19 except as ~~hereinafter~~ otherwise provided in this chapter.  
20 Associations governed by this chapter are subject to the  
21 premium tax imposed in section 432.1.

22 EXPLANATION

23 This bill makes the two percent premium tax assessed under  
24 section 432.1 applicable to fraternal life insurance companies  
25 and nonprofit hospital and medical service corporations (Blue  
26 Cross and Blue Shield). Under current law, these insurers  
27 are exempt from the premium tax. This bill takes effect July  
28 1 following its enactment.

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