

Ho Bill 4/20 (p 1591)

SENATE FILE 2288

FILED MAR 16 1982

BY COMMITTEE ON WAYS AND MEANS
(FORMERLY SSB 2239)
Approved (p 773)

Passed Senate, Date 4-14-82 (p 1191) Passed House, Date 4-22-82 (p 1653)

Vote: Ayes 42 Nays 1 Vote: Ayes 87 Nays 5

Approved May 13, 1982

A BILL FOR

1 An Act relating to the prepayment of premium taxes by insurance
2 companies.

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

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SENATE FILE 2288
FISCAL NOTE

REQUESTED BY SENATOR CRAFT

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 2288 pursuant to Joint Rule 16.

Legislation enacted in 1981 provided for the prepayment of insurance premium taxes for liabilities arising in the calendar years 1982 and 1983 by requiring semiannual payments rather than annual payments. This bill makes permanent the provisions requiring the prepayment of insurance premium taxes. The bill takes effect July 1 following enactment.

The fiscal effect of this bill is a savings to the general fund of approximately \$26 million which represents the one-time loss in FY 1984 resulting from legislation enacted in 1981.

FILED:
MARCH 16, 1982

BY GERRY RANKIN, FISCAL DIRECTOR

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1 Section 1. Section 432.1, Code 1981, as amended by Acts
2 of the Sixty-ninth General Assembly, 1981 Session, chapter
3 142, section 1, is amended by striking subsection 4 and
4 inserting in lieu thereof the following:

5 4. Each insurance company and association transacting
6 business in this state whose Iowa premium tax liability for
7 the preceding calendar year was one thousand dollars or more
8 shall remit on or before June 1, on a prepayment basis, an
9 amount equal to one-half of the premium tax liability for
10 the preceding calendar year. The sums prepaid by a company
11 or association under this subsection shall be allowed as
12 credits against its premium tax liability for the calendar
13 year during which the payments are made. If a prepayment
14 made under this subsection exceeds the annual premium tax
15 liability, the excess shall be allowed as a credit against
16 subsequent prepayment or tax liabilities. The commissioner
17 may suspend or revoke the license of a company or association
18 that fails to make a prepayment on or before the due date.

19 EXPLANATION

20 Legislation enacted in 1981 provided for the prepayment
21 of insurance premium taxes only for taxes payable for calendar
22 years 1982 and 1983. This bill makes permanent the provisions
23 requiring the prepayment of insurance premium taxes. The
24 bill takes effect July 1 following enactment.

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may suspend or revoke the license of a company or association that fails to make a prepayment on or before the due date.

SENATE FILE 2288

AN ACT

RELATING TO THE PREPAYMENT OF PREMIUM TAXES BY INSURANCE COMPANIES.

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

Section 1. Section 432.1, Code 1981, as amended by Acts of the Sixty-ninth General Assembly, 1981 Session, chapter 142, section 1, is amended by striking subsection 4 and inserting in lieu thereof the following:

4. Each insurance company and association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was one thousand dollars or more shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the premium tax liability for the preceding calendar year. The sums prepaid by a company or association under this subsection shall be allowed as credits against its premium tax liability for the calendar year during which the payments are made. If a prepayment made under this subsection exceeds the annual premium tax liability, the excess shall be allowed as a credit against subsequent prepayment or tax liabilities. The commissioner

TERRY E. BRANSTAD
President of the Senate

DELWYN STROMER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2288, Sixty-ninth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 12, 1982

ROBERT D. RAY
Governor

S.F. 2288