

Sen. Rep. House 4/23/87 (p. 1723) Sen. File 5/5/87 (p. 1723)

APR 15 1987

WAYS & MEANS CALENDAR

HOUSE FILE 673

BY COMMITTEE ON WAYS AND MEANS

(Formerly House File 376)

Passed House, Date 4/23/87 (p. 1560) Passed Senate, Date 5/5/87 (p. 1723)

Vote: Ayes 93 Nays 2 Vote: Ayes 46 Nays 0

Approved May 22, 1987

A BILL FOR

1 An Act to impose the premium tax on risk retention groups.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 673

1 Section 1. NEW SECTION. 432.5 RISK RETENTION GROUPS.

2 A risk retention group organized and operating pursuant to
3 Pub. L. No. 99-563, also known as the risk retention
4 amendments of 1986, shall pay as taxes to the director of
5 revenue and finance an amount equal to two percent of the
6 gross amount of the premiums received during the previous
7 calendar year for risks placed in this state. A resident or
8 nonresident agent shall report and pay the taxes on the
9 premiums for risks that the agent has placed in this state
10 with or on behalf of a risk retention group. The failure of a
11 risk retention group to pay the tax imposed in this section
12 shall result in the risk retention group being considered an
13 unauthorized insurer under chapter 507A.

14 EXPLANATION

15 This bill imposes a two percent premium tax on risk
16 retention groups similar to that imposed on other insurers.

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shall result in the risk retention group being considered an unauthorized insurer under chapter 507A.

HOUSE FILE 673

AN ACT

TO IMPOSE THE PREMIUM TAX ON RISK RETENTION GROUPS.

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

Section 1. NEW SECTION. 432.5 RISK RETENTION GROUPS.

A risk retention group organized and operating pursuant to Sub. L. No. 99-563, also known as the risk retention amendments of 1986, shall pay as taxes to the director of revenue and finance an amount equal to two percent of the gross amount of the premiums received during the previous calendar year for risks placed in this state. A resident or nonresident agent shall report and pay the taxes on the premiums for risks that the agent has placed in this state with or on behalf of a risk retention group. The failure of a risk retention group to pay the tax imposed in this section

DONALD D. ATENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 673, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 20, 1987

TERRY E. BRANSTAD
Governor

HF 673