

## CHAPTER 1086

### TAXATION OF REINSURANCE PREMIUMS ON CAPTIVE INSURANCE COMPANIES

H.F. 2636

**AN ACT** relating to the taxation of captive companies, and including effective date provisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. [Section 432.1A, subsection 2](#), paragraph c, Code 2024, is amended to read as follows:

c. The amount of reinsurance tax due from a captive company under paragraph “a” shall be calculated as follows:

(1) ~~Two-tenths~~ Two hundred thousandths of one percent on the first twenty million dollars of assumed reinsurance premiums written.

(2) ~~One-eighth~~ One hundred twenty-five thousandths of one percent on the twenty million dollars of assumed reinsurance premiums collected written after the first twenty million dollars of assumed reinsurance premiums collected written under subparagraph (1).

(3) ~~Five~~ Forty-five thousandths of one percent on ~~each dollar~~ the twenty million dollars of assumed reinsurance premiums collected written after the twenty million dollars collected written under subparagraph (1) and the twenty million dollars collected written under subparagraph (2).

(4) Twenty thousandths of one percent of each dollar of assumed reinsurance premiums written after the twenty million dollars written under subparagraph (1), the twenty million dollars written under subparagraph (2), and the twenty million dollars written under subparagraph (3).

Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 19, 2024