

CHAPTER 3. DEPOSITS, ASSESSMENTS, FEES AND TAXES
PART I. GENERAL PROVISIONS

§791. Exemption from franchise or capital stock tax

No insurer paying the ~~license~~ taxes levied under this Part shall be liable for any franchise or capital stock tax.

Comment [a1]: The word license has been removed from Chapter 3 where it refers to a tax. This term is no longer used.

§792. Annual reports

Each insurer issuing such contracts, shall, on or before the first day of March of each year, render to the commissioner of insurance, a report signed by an officer of the insurer, or if an alien insurer, by its United States resident manager, or other officer in charge of its affairs in the United States, which shall certify to the amount of gross annual premiums on risks located in this state for the preceding year. The report shall also contain a statement of the portion of the total gross annual premiums reported which arose on risks actually located within the boundaries of any parish, city, town, or village in the state, which levies a ~~license~~ tax under the provisions of this Part. No credit shall be taken for reinsurance. The blanks for making such report shall be furnished by the commissioner of insurance.

§793. Investigation and enforcement by ~~Commissioner~~ commissioner of ~~Insurance~~ insurance

The commissioner of insurance shall have authority to review and examine any sworn statements or accounts that may be rendered or furnished in pursuance of the provisions of this Part; and he shall have authority to demand and examine the books, statements, or accounts of any insurer from whom a ~~license~~ tax may be due and to take such proceedings before any court of competent jurisdiction by rule or otherwise, against any insurer from whom a ~~license~~ tax may be due as may be necessary to enforce a full and fair compliance with the provisions of this Part.

§794. Cost of collection and supervision

The commissioner of insurance is authorized to withhold from the funds collected under this Part, ~~the a sum of~~ not to exceed ninety thousand dollars per annum to defray the expense of collecting taxes imposed by, and of enforcing this Part, and for the operation of the insurance department.

§795. Disposition of collections

A. Except as provided in R.S. 22:794 and R.S. 22:821, the commissioner of insurance shall keep complete books and records to show the amount of ~~license~~ taxes collected by him, and shall deposit all collections made by him under this Part ~~into the State Treasury in one of the fiscal agency banks having custody of other state funds,~~

Comment [a2]: The Department of Insurance now makes all deposits into the State Treasury.

under a separate account to be kept under the title of "Insurance License Taxes."

B. Except as provided in R.S. 22:794 and R.S. 22:821, all license taxes imposed by this Part, when collected by the commissioner of insurance as herein provided, shall be paid by him into the state treasury not later than ten days after the end of the calendar month in which the collections are made. The annual collections not in excess of one million dollars shall be used exclusively for the maintenance, support, and improvement of Louisiana State University and Agricultural and Mechanical College; but if the collections in any one year exceed one million dollars, the excess shall be paid into the state general fund.

§796. Collection of delinquent taxes and fees; additional amounts to be collected

The commissioner is authorized to collect any delinquent taxes and fees under this Part Chapter, or to represent the department in any proceeding under this Part Chapter. If any delinquent taxes or fees due under this Part Chapter require institution of legal proceedings to collect such tax or fee, a penalty in an amount not to exceed twenty percent of the delinquent fee or tax shall be paid by the delinquent person to cover the cost of investigation, administration, and collection. At the sole discretion of the commissioner of insurance, the commissioner may refer the collection of delinquent taxes and fees to the attorney general for collection by the staff of the attorney general. If the collection is referred to the attorney general for collection by the staff of the attorney general, the additional penalty provided for in this Section is to be divided equally between the Department of Insurance and the Department of Justice.

PART II. DEPOSITS

§802. Condition of deposit

The above deposit required by R.S. 22:801 shall be conditioned only for, and dedicated exclusively to, the prompt payment of all claims arising and accruing to any person by virtue of any policy issued by any such insurer upon the life or person of any citizen of the state of Louisiana, or upon any property or other risk situated in this state. Under no circumstances shall such deposit be used for the payment of any fee whatsoever to any attorney, agent, or other person appointed for any services rendered in connection with any ancillary conservation, ancillary receivership, or any other supervisory proceeding or mode involving the company making such deposit.

§809. Registered policies; deposit

A. Any domestic life insurer and any foreign or alien life insurer doing business in this state, may annually deposit with the commissioner of insurance for the common benefit of its life, annuity, and endowment policies or any separate class or special kind thereof, securities including evidence of ownership of real estate of the kinds in which, by the laws of this state, it is permitted to invest or loan its funds, equal to the legal reserve

on all such outstanding policies in force, including also all funds held in trust for deferred or installment payments, as shown by its last annual statement to the commissioner of insurance, as required by law, which securities shall be held by the commissioner of insurance in trust for the purposes and objects herein specified. For the **purpose purposes** of this Section, the securities **hereinabove**-referred to **in this Subsection** shall include trust receipts or certificates of deposit, with right to substitution, issued by any depository bank in this state or any savings and loan association chartered to do business in this state which has been selected by the insurer with the approval of the commissioner of insurance, as trustee of the kinds of securities in which the insurer may invest in accordance with R.S. 22:581 through R.S. 22:596. The commissioner of insurance may cause any such securities to be appraised and valued prior to their being deposited with, or conveyed to, the commissioner of insurance in trust as aforesaid, the reasonable expense of such appraisal or valuation to be paid by the insurer. Insofar as any depository bank, which issues such trust receipts or certificates of the deposit of such securities shall be concerned, the certificates of the insurer as to the value and validity of such securities shall be conclusive.

B. After making said deposit any insurer may thereafter issue life, annuity or endowment policies, of the class designated, which shall have upon their face a certificate substantially in the following words:

"STATE OF LOUISIANA . . . I, the undersigned Commissioner of Insurance of Louisiana, do hereby certify that the . . . Company invests and maintains in stipulated securities as required by the law of the State of Louisiana its fully paid up capital, together with the net cash value of every outstanding policy; and said company has on deposit with the commissioner of insurance of Louisiana such stipulated securities equal in amount to such net cash value of all outstanding policies as shown by its last annual statement, which fund the law requires the company to maintain during the continuance of this policy."

C. Any insurer making deposits under the provisions of this Section, may at its option, withdraw from the provisions of this Section by ceasing to issue such certified policies. Any insurer withdrawing from the depository requirement after accepting the terms of this Section, shall be required to continue to maintain the deposits herein required on all funds held in trust for deferred or installment payments on policies certified by the commissioner of insurance, and likewise to maintain the deposits on all policies certified by the commissioner of insurance. Whenever any insurer shall cease to issue certified policies it shall notify the commissioner of insurance in writing; and at the same time it shall report under oath by its president and secretary to the commissioner of insurance the amount or value of outstanding certified policies and the amount on deposit with the commissioner of insurance, and such amount on deposit shall be made to equal the said value of said outstanding policies; and annually thereafter said insurer shall keep on deposit with the commissioner of insurance an amount sufficient to equal the value of said outstanding policies as shown by the annual statement of the insurer, and shall report such fact to the commissioner of insurance under oath in such form as the commissioner may require. As such certified policies are commuted or terminated the amount on deposit with the commissioner of insurance may be reduced and withdrawn by the insurer semiannually upon presentation of proof under oath of its officers of the amount of

commutations or terminations, upon approval of the commissioner of insurance.

D. The securities deposited under this Section by each insurer shall be placed with a bank in this state or a savings and loan association chartered to do business in this state and the safekeeping or trust receipt kept by the commissioner of insurance in some secure safe deposit, fireproof box or vault, and no officer or employee of the insurer shall have access thereto. The state of Louisiana obligates itself to safely keep all safekeeping or trust receipts or other securities held in trust by the commissioner of insurance under this Section. The bank in this state or the savings and loan association chartered to do business in this state, which has issued a safekeeping or trust receipt, shall detach and deliver to the insurer all interest coupons as they accrue. The insurer shall have the right to collect such interest as it shall accrue.

E. The certificate of the commissioner of insurance herein provided for may be printed on the face of policies issued but only when such certificate has been annually renewed and issued to any insurer by the commissioner of insurance, and is on file in the home office of the insurer.

PART III. FEES

§821. Fees

The following fees and licenses shall be collected in advance:

A. ~~By the secretary of state, the~~ The fee for filing the power of attorney shall be collected in advance by the Secretary of State.

B. ~~By~~ The following fees and licenses shall be collected in advance by the commissioner of insurance:

- (1) Fee to accompany application for initial certificate of authority, insurer, and rating organization\$ 2,500.00
- (2) An annual financial regulation fee from every health maintenance organization and domestic and foreign company for examination and analysis of its financial condition.....\$ 1,000.00
- (3) For producers' licenses:
 - (a) Life, health, and accident producer; variable annuity producer
 - First time applicant.....\$ 75.00
 - Additional or renewal company appointment (yearly)\$ 20.00
 - Producer renewal fee (every ~~2~~ two years).....\$ 50.00
 - (b) Property and casualty producer:
 - First time applicant.....\$ 75.00
 - Additional or renewal company appointment (yearly) \$ 20.00
 - Producer renewal fee

	(every 2 two years)	\$ 50.00
(c)	Limited lines producer	
	First time applicant	\$ 75.00
	Each additional line of authority	\$ 35.00
	Additional or renewal company appointment (yearly)	\$ 20.00
	Renewal fee (every 2 two years)	\$ 50.00
(d)	Limited lines credit insurance producer	
	First time applicant	\$ 75.00
	Additional or renewal company appointment (yearly)	\$ 20.00
	Renewal fee (every two 2 years)	\$ 50.00
(e)	Surplus lines broker	
	First time applicant	\$ 250.00
	Renewal fee (yearly)	\$ 175.00
(f)	Fee for failure to file producer license renewal timely (per license)	\$ 50.00
(g)	Fee for duplicate producer license	\$ 15.00
(4)	For certified copies of any documents, per page	\$.25
(5)	Repealed by Acts 2007, No. 404, §2.	
(6)	For Securities Fees securities fees	
	Registration of Securities Minimum securities-minimum	\$ 25.00
	Registration of Securities Maximum securities-maximum	\$ 200.00
	(1/20 of 1% percent of the aggregate price)	
	Registration of Dealer dealer	\$ 50.00
	Registration of Salesman salesman	\$ 10.00
(7)	Repealed by Acts 2001, No. 460, §2, eff. Jan. 1, 2002.	
(8)	For filing a charter, other documents, and amendments thereto	\$ 25.00
(9)	For each company filing of self-insured health and accident insurance policy forms, per product	\$ 100.00
(10)	(a) For each company filing of property and casualty insurance policy forms, per product	\$ 100.00
	(b) For each company filing to adopt a reference or item filing of advisory organization's form reference filing (not applicable to service purchasers, who must file the actual forms as shown above)	\$ 20.00
	(c) For each company filing of property and casualty insurance policy endorsements, amendments, or riders	\$ 25.00
(11)	(a) For each company filing of life,	

	health, and accident insurance policy forms or health maintenance organization subscriber agreements, per product	\$ 100.00
(b)	For each company filing of Medicare supplement insurance premium rates, rating schedule, and supporting documentation, per type of standard benefit plan	\$ 100.00
(c)	For each company filing of Medicare supplement insurance advertisements, per submission	\$ 100.00
(12)	For certification of a self-insured worker's compensation insurance program, an initial certification fee	\$ 1,500.00
(13)	For review of a self-insured worker's compensation insurance program, an annual review fee	\$ 300.00
(14)	Managing general agents	
	(a) Initial registration	\$ 300.00
	(b) Annual registration	\$ 300.00
	(c) Insurer's initial notice of appointment	\$ 300.00
	(d) Insurer's annual notice of appointment	\$ 300.00
(15)	Third party administrators	
	(a) Licensing fee	\$ 500.00
	(b) Annual report filing fee	\$ 300.00
(16)	Fee to accompany the statement required in an acquisition of control or merger with a domestic insurer	\$ 2,500.00
(17)	Approval Fee to accompany application for approval of foreign or alien surplus lines insurers	\$ 1,050.00
(18)	(a) Registration of a risk purchasing group	\$ 100.00
	(b) Annual renewal of registration for a risk purchasing group	\$ 50.00
(19)	For viatical settlement licenses:	
	(a) Viatical settlement broker:	
	First time applicant	\$ 50.00
	Annual renewal	\$ 50.00
	(b) Viatical settlement investment agent:	
	First time applicant	\$ 50.00
	Annual renewal	\$ 50.00
	(c) Viatical settlement provider	
	First time applicant	\$ 1,000.00
(20)	For filing viatical settlement contracts,	

	disclosure notices, and advertising materials, per filing:	\$	100.00
(21)	For the initial registration of a risk retention group	\$	1,000.00
(22)	For acceptance of service of process when the commissioner is appointed as agent for a nonresident licensee or a foreign or alien entity	\$	25.00
(23)	For claims adjuster licenses and registrations:		
(a)	Business entity		
	First time applicant	\$	55.00
	Renewal fee (every two years)	\$	50.00
(b)	Resident and nonresident		
	First time applicant	\$	55.00
	Renewal fee (every two years)	\$	50.00
(c)	Catastrophe and emergency claims adjuster	\$	25.00
(24)	For public adjuster licenses:		
(a)	Business entity		
	First time applicant	\$	55.00
	Renewal fee (every two years)	\$	50.00
(b)	Resident and nonresident		
	First time applicant	\$	55.00
	Renewal fee (every two years)	\$	50.00
(25)	For a certificate of compliance	\$	10.00
(26)	For each filing of vehicle mechanical breakdown insurance policies, per submission	\$	25.00
(27)	For each filing of property residual value insurance policies, per submission	\$	25.00

C. The commissioner of insurance is authorized to withhold the funds collected under Paragraph (6) of Subsection 3 of this Section.

D. The commissioner of insurance is authorized to withhold the funds collected under Paragraphs (1) and (2) of Subsection B of this Section to defray the cost of printing and mailing examination of insurers pursuant to Chapter 8 of this title and processing the annual reports and premium tax forms as required by R.S. 22:571 and R.S. 22:792 subject to all annual budgetary requirements of the state of Louisiana.

E. The fees stated herein shall supersede any statement of fees in any individual section of the Code.

F. However, any Louisiana domestic insurer owned exclusively by Louisiana residents or by a corporation that is owned exclusively by Louisiana residents shall be exempt from paying fees provided for under ~~Subparagraphs Paragraph (B)(3)(a) and (b)(i)~~ of this Section, only as it relates to additional or renewal company appointment (yearly). Each insurer applying for exemption of fees, under this Section, shall file with the Louisiana Department of Insurance a notarized affidavit certifying the ownership of the insurer as being owned exclusively by Louisiana residents or by a corporation that is owned exclusively by Louisiana residents.

G. The commissioner may, after notice and hearing, promulgate such rules and regulations as may be necessary and proper to carry out the provisions of this Section. Such rules and regulations shall be promulgated and adopted in accordance with the Administrative Procedure Act.

PART IV. TAXES AND EXEMPTIONS

§831. Fire, marine, transportation, casualty, surety, or other insurance

A. ~~(1)~~ Upon the business of issuing policies, contracts, or other forms of obligations covering the risk of fire, marine, transportation, surety, fidelity, indemnity, guaranty, workers' compensation, employers' liability, property damages, livestock, vehicle, automatic sprinkler, burglary, or insurance of any other kind whatsoever in this state not otherwise provided for in this Part, the minimum annual **license** tax shall be one hundred eighty-five dollars when the gross annual premiums shall be six thousand dollars or less; and when the gross annual premiums shall be more than six thousand dollars, the amount of **license** tax payable shall be increased to three hundred dollars for each additional ten thousand dollars, or fraction thereof, of gross annual premiums. The business of issuing each of the kinds of insurance or contracts mentioned in this Section may be combined under one **license** tax, and the amount of the **license** tax shall be based on the combined gross annual premiums of all such businesses. This tax shall be paid on a quarterly basis.

~~(2)(a) After June 30, 2002, this tax shall be paid on a quarterly basis; however, the first payment shall include the amount which would have been paid in previous quarters of 2002 had the increase provided by Acts 2002, No. 83, been in effect as of January 1, 2002.~~

Comment [a3]: This section is no longer relevant.

~~(b) There is hereby created in the state treasury the Risk Management Insurance Premium Payment Fund. The treasurer shall deposit into the Risk Management Insurance Premium Payment Fund, five million seven hundred fifty thousand dollars from taxes collected under the provisions of this Section in Fiscal Year 2001-2002 that are in excess of actual collections under the provisions of this Section in Fiscal Year 2000-2001, after first having credited such tax collections to the Bond Security and Redemption Fund as required by Article VII, Section 9(B) of the Louisiana Constitution. Monies in the Risk Management Insurance Premium Payment Fund shall be used solely for the purpose of paying premiums to the Office of Risk Management as determined by the legislature through appropriation.~~

~~(c)(i) There is hereby created in the state treasury the Excess Revenue Collection Fund. The treasurer shall deposit into the Excess Revenue Collection Fund any taxes collected under the provisions of this Section in Fiscal Year 2001-2002, in excess of actual collections under the provisions of this Section in Fiscal Year 2000-2001, after first having been credited to the Bond Security and Redemption Fund as required by Article VII, Section 9(B) of the Louisiana Constitution, amounts as provided in Items (ii) and (iii) of this Subparagraph. Monies in the Excess Revenue Collection Fund shall be used in amounts appropriated by the legislature solely for the purpose of meeting any~~

increase in employer contributions required over and above the statutory minimum set forth in R.S. 11:103(C)(2)(b)(i) for the fiscal year beginning July 1, 2002, for employer contributions of the Firefighters' Retirement System notwithstanding the rate as established by the Public Retirement Systems Actuarial Committee for Fiscal Year 2002-2003. These funds shall be applied on a monthly basis until such appropriation is exhausted, after which direct employer contributions shall be made at the rate set by the Public Retirement Systems Actuarial Committee.

(ii) Four million five hundred thousand dollars shall be deposited in the Excess Revenue Collection Fund after satisfying the requirements of Subparagraph (b) of this Paragraph.

(iii) An amount not to exceed four million five hundred thirty six thousand dollars shall be deposited in the Excess Revenue Collection Fund after satisfying the requirements of Item (ii) of this Subparagraph; provided that this allocation shall only be made if actual collections from taxes, licenses, and fees from all sources comprising the Official Forecast for Fiscal Year 2001-2002 exceed the Official Forecast for Fiscal Year 2001-2002 adopted by the Revenue Estimating Conference on April 30, 2002, and only if actual collections exceed the forecast by the amount deposited as required by this Item.

(d) **B.** There is hereby created in the state treasury the Louisiana State Police Salary Fund. Monies in the Louisiana State Police Salary Fund shall be used in amounts appropriated by the legislature to cover the cost of salary increases and related benefits for members of the state police service. Taxes collected under the provisions of this Section in Fiscal Year 2002-2003 and ensuing fiscal years that are in excess of total collections under the provisions of this Section in Fiscal Year 2000-2001, after first having been credited to the Bond Security and Redemption Fund as required by Article VII, Section 9(B) of the Louisiana Constitution, shall be deposited into the Louisiana State Police Salary Fund until the amount deposited in each fiscal year is equal to fifteen million six hundred thousand dollars.

(e) ~~The provisions of Subparagraphs (b) and (c) of this Paragraph shall be null, void, and of no effect after July 1, 2003.~~

Comment [a4]: This section is no longer relevant.

B. For the year 1984 the amount of the license tax payable pursuant to this Section shall be based on the rate in effect at the time the premiums were collected; that is, for 1984 the minimum annual license tax shall be one hundred eighty dollars when the gross annual premiums are six thousand dollars or less; when the gross annual premiums are more than six thousand dollars, the amount of license tax payable shall be increased to one hundred eighty five dollars for each additional ten thousand dollars, or fraction thereof, of gross premiums collected before July 1, 1984 and shall be increased to three hundred dollars for each additional ten thousand dollars, or fraction thereof, of gross premiums collected on or after July 1, 1984.

§832. Reduction of tax when certain investments are made in Louisiana

A. The amount of the license tax payable shall be reduced from the amount otherwise fixed in this Part if the payer files a sworn statement with the annual report required by this Part showing as of December thirty-first of the reporting period that at least the following amounts of the total admitted assets of the payer, less assets in an

amount equal to the reserves on its policies issued in foreign countries in which it is authorized to do business and which countries require an investment therein as a condition of doing business, are invested and maintained in qualifying Louisiana investments as hereinafter defined in Subsection C of this Section.

B. If one-sixth of the total admitted assets of the payer are in qualifying Louisiana investments, then the **license tax** payable shall be thirty-three and one-third percent of the amount otherwise fixed in this Part; if at least one-fifth of the total admitted assets of the payer are in qualifying Louisiana investments, then the **license tax** payable shall be twenty-five percent of the amount otherwise fixed in this Part; if at least one-fourth of the total admitted assets of the payer are in qualifying Louisiana investments, the **license tax** payable shall be fifteen percent of the amount otherwise fixed in this Part; and if at least one-third of the total admitted assets of the payer are in qualifying Louisiana investments, then the **license tax** payable shall be five percent of the amount otherwise fixed in this Part.

C. For the purposes of this Part, "a qualifying Louisiana investment" is hereby defined as:

(1) Certificates of deposit issued by any bank or savings and loan association or savings bank, any of which are operating in the state of Louisiana or a trust company operating in the state of Louisiana with a main office or one or more branches where the trust company holds such funds in trust and invests them in certificates of deposit issued by a bank, savings and loan association or savings bank operating in the state of Louisiana with a main office or one or more branches.

(2) Bonds of this state or bonds of municipal, school, road, or levee districts, or other political subdivisions of this state or bonds approved for issue by the Louisiana State Bond Commission;

(3) Mortgages on property located in this state;

(4) Real property located in this state;

(5) Policy loans to residents of Louisiana, or other loans to residents of this state, or to corporations domiciled in this state;

(6) Common or preferred stock in corporations domiciled in this state; and

(7) Cash on deposit in any bank or savings and loan association, or savings bank, or trust company holding such funds in trust, operating in the state of Louisiana with a main office or one or more branches.

D. Recognizing that it is in the public interest to create an incentive for environmentally clean industry to locate in this state and to broaden the economic base; to encourage investment in this state; and to enhance the economic and financial climate of the state, the legislature finds that a premium tax reduction for insurers investing in certain qualified Louisiana assets promotes the public interest.

E.(1)(a) Recognizing that it is also in the public interest to ensure sufficient availability of venture capital for purposes of technological development and job creation, the premium tax reduction for insurers investing in certified capital companies as defined in R.S. 51:1921 et seq., or in industrial or economic development corporations as defined in R.S. 12:951 et seq., shall be computed as one hundred percent of the amount of the investment at the time the investment is made. The premium tax reduction shall be available for, but not limited to, taxes charged on insurance premiums under R.S. 22:439,

831, 836, 838, and 842. Notwithstanding any provision of law to the contrary, the premium tax reduction shall not be available for taxes charged on insurance premiums under R.S. 22:345, 833, 834, 835, 837, and 1476. The investment shall be in the form of cash or debt instruments that are obligations of the investing insurance company to the certified capital company or the industrial or economic development corporation. Such debt instruments shall be converted into cash at a rate of not less than ten percent per year from the date of the investment.

(b) For purposes of this Subsection, the term "investment" shall include the investment of cash or a note by an insurance company in exchange for either (i) equity in a certified Louisiana capital company or (ii) a loan receivable from a certified Louisiana capital company which has a stated final maturity date of not less than five years from the origination date of the loan and shall not be repaid in a manner which results in the loan receivable being repaid faster than if the loan receivable were repaid by level debt service payments.

(2) The premium tax reduction determined as provided in Paragraph (1) of this Subsection shall be subject to the following limitations:

(a) For investments made during any taxable year beginning on or after January 1, 1989 and before January 1, 1990, the tax reduction shall not exceed forty percent of the tax liability for that taxable year.

(b) For investments made during any taxable year beginning on or after January 1, 1990 and before January 1, 1991, the tax reduction shall not exceed thirty percent of the tax liability for the respective taxable year.

(c) For investments made on or after January 1, 1991 and before January 1, 1999, the tax reduction utilized in any year for any group of affiliates shall not exceed twenty-five percent of the gross premium tax liability for such group, before any credits, for the year in which the investment was made.

(d) For investments made after December 31, 2003, no tax reduction shall be allowed.

(3) The tax reduction as determined by Paragraph (1) of this Subsection and as limited in Paragraph (2) of this Subsection shall be applied as follows: (a) for tax reduction credits granted to investors prior to January 1, 2001, the tax reduction shall be applied to the premium tax liability not to exceed ten percent of the premium tax reduction in any one year until one hundred percent of the premium tax reduction has been claimed by the insurer; or (b) for tax reduction credits granted to investors after January 1, 2001, the tax reduction shall not be applied to any premium tax liability generated within two years from the date of investment and shall be applied to the premium tax liability not to exceed twelve and one-half percent of the premium tax reduction in any one year until one hundred percent of the premium tax reduction has been claimed by the insurer; provided, the reduction in any taxable year shall not exceed the premium tax liability for such taxable year. Notwithstanding the provisions of this Paragraph to the contrary, if a holder of premium tax reduction credits authorized under this Subsection does not use credits that are generated after December 31, 1999, and which are eligible to be used in a given calendar year, those premium tax reduction credits may be carried forward and used in any subsequent year until such credits are exhausted; provided, the reduction in any taxable year shall not exceed the premium tax

liability for such taxable year.

(4) The premium tax reductions described in Paragraphs (1), (2), and (3) of this Subsection shall have the same rights with respect to transferability accorded to income tax credits, as described in R.S. 51:1924(F) and be subject to the same forfeiture and repayment provisions as income tax credits, as described in R.S. 51:1927(C) and 1928(A).

§833. Authorization of local license taxes; penalties for nonpayment

A. Any municipal or parochial corporation in the state shall have the right to impose a license tax on any insurer engaged in the business of issuing any form of insurance policy or contract, which may now or hereafter be subject to the payment of any license tax for state purposes, as provided in this Part, as follows:

(1) On any insurer engaged in the business of issuing life or accident or health insurance policies, other than programs of benefits authorized or provided pursuant to the provisions of Parts I and II of Chapter 12 of Title 42 of the Louisiana Revised Statutes of 1950, or other forms of contracts or obligations covering such risks, or issuing endowment or annuity policies, or contracts, or other similar forms of contract obligations in consideration of the payment of a premium or other consideration for the issuance of such policies, contracts, or obligations, whether such insurer is operating in this state through an agent or other representative or otherwise, not more than ten dollars on gross annual premiums up to two thousand dollars, and the additional license tax hereafter shall not be more than seventy dollars on each ten thousand dollars, or fraction thereof, of gross annual premiums in excess of two thousand dollars. ~~Provided that~~ ~~However,~~ the maximum license tax on such businesses, payable to such municipal or parochial corporation by any one insurer, shall not exceed twenty-one thousand dollars.

(2) On any insurer, engaged in the business of issuing policies, contracts, or other forms of obligations covering the risk of fire, marine, transportation, surety, fidelity, indemnity, guaranty, worker's compensation, employers' liability, property damage, live stock livestock, vehicle, automatic sprinkler, burglary, or insurance business of any other kind whatsoever in this state, whether such insurer is operating in this state through agents producers or other representatives or otherwise, not more than the following:

(a) 1st Class: When the gross receipts are not more than two thousand dollars, the license tax shall not exceed forty dollars;

(b) 2nd Class: When the gross receipts are more than two thousand dollars, and not more than four thousand dollars, the license tax shall not exceed sixty dollars;

(c) 3rd Class: When the gross receipts are more than four thousand dollars, and not more than six thousand dollars, the license tax shall not exceed eighty dollars;

(d) 4th Class: When the gross receipts exceed six thousand dollars, the additional license tax thereafter shall not be more than seventy dollars for each ten thousand dollars, or fraction thereof, in excess of six thousand dollars.

B. The maximum license tax on such businesses, payable to such municipality or parochial corporation by any insurer, shall not exceed nine thousand dollars. Provided, that:

(1) Plate glass and steam boiler inspection insurers shall pay only one-third of the

above rates provided in Paragraph (A)(2) of this ~~Subsection~~ **Section**.

(2) The amount of **license tax** payable to any municipal or parochial corporation as fixed in this Section shall be one-third of the amount so fixed if the payer shall file a sworn statement with the annual report required by this Part, showing that at least one-sixth of the total admitted assets of the payer, are invested and maintained in qualifying Louisiana investments as defined in R.S. 22:832(C).

(3) The total **license** tax payable by an insurer to a parish shall be calculated on the total direct premiums written by such insurer for risks located within unincorporated areas of such parish. The total **license** tax payable by an insurer to a municipality shall be calculated on the total direct premiums written by such insurer for risks located within such municipality. Such premiums shall not be subject to taxation by both the parish and the municipality. Such premiums shall not be subject to taxation by more than one parish or municipality.

C.(1) In case of any failure to make a report or to make payment of **license** tax as required by this Section, before June first of any year in which it is due, a penalty of five percent per month shall be added to the amount of tax due and payable to the municipal or parochial corporation along with the tax due. The municipal or parochial corporation may waive the payment of the penalty if it finds that failure to pay was due to some unforeseen or unavoidable reason, other than mere neglect.

(2) The amount of any monetary penalty assessed pursuant to this Section shall not be greater than twenty-five percent of the total amount of the tax due.

(3) When a payment is more than six months delinquent, the municipal or parochial corporation may send a written recommendation to the commissioner of insurance requesting the commissioner to revoke the authority of the delinquent taxpayer and all of the taxpayer's agents to do business in this state. Upon receiving such a recommendation and finding that the local tax assessment is correct and the insurer was duly notified of the assessment after the payment thereof is delinquent, the commissioner, after due notice to all affected parties and hearing, may revoke the authority of the taxpayer and all the taxpayer's agents to do business in this state.

§834. Local **license taxes; contracts for collection; confidentiality of records**

A. The taxes authorized by the provisions of R.S. 22:833 and imposed by local ordinance may be collected by the Louisiana Municipal Advisory and Technical Services Bureau (LaMATS) if an agreement upon the terms of the collection procedure is executed between LaMATS and the municipality or parish imposing the taxes. Once such an agreement is executed, LaMATS is hereby endowed with all the rights, responsibilities, duties, and privileges of the municipality or parish in regard to the collection of the tax for the duration of the agreement.

B.(1) In accordance with the duty as collector, LaMATS shall have access to any information regarding local **license** taxes deemed necessary by the commissioner of insurance or the Department of Insurance if such access is necessary or proper for the enforcement of the laws of this state or of a political subdivision of this state.

(2) Except as otherwise provided by law, the records and files of LaMATS, as the contractually authorized collector of local **license** taxes, which are maintained pursuant to

the local tax ordinances are confidential and privileged, and no person shall divulge or disclose any information obtained from such records and files except in the administration and enforcement of the tax laws of this state or of a political subdivision of this state.

(3) Neither the collector nor any employee engaged in the administration or charged with the custody of any such records or files shall be required to produce any of them for inspection or use in any action or proceeding, except in an action or proceeding in the administration or enforcement of the tax laws of this state or of a political subdivision.

(4) Nothing contained in this Section shall be construed to prevent such persons from disclosing a return of a taxpayer or the records or files maintained pursuant to the local tax ordinances by which LaMATS is contracted to collect as authorized by law in any judicial proceeding in which the state or any political subdivision thereof is a party.

§835. Fire marshal tax; Louisiana Fire Marshal Fund

A. There is hereby levied an additional tax of one and one-fourth percent of the gross annual premium receipts from any business which insures property of any nature or description against loss or damage by fire, less return premiums on all insurers doing business in the state which insure property of any nature or description against loss or damage by fire. This tax shall be paid by all such insurers to the commissioner of insurance when paying their annual **license** taxes under this Part, and the commissioner of insurance shall refuse to issue a license to any insurer failing or refusing to pay this additional tax.

B. All funds received by the commissioner of insurance pursuant to Subsection A of this Section shall be deposited immediately upon receipt into the state treasury.

C. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana, relative to the Bond Security and Redemption Fund, and prior to monies being placed in the state general fund, an amount equal to that deposited as required by Subsection B **hereof of this section** shall be credited to a special fund hereby created in the state treasury to be known as the "Louisiana Fire Marshal Fund". The monies in this fund shall be used solely as provided by Subsection D of this Section and only in the amounts appropriated by the legislature. All unexpended and unencumbered monies in the fund at the end of the fiscal year shall revert to the state general fund. The monies in the fund shall be invested by the treasurer in the same manner as monies in the state general fund, and interest earned on the investment of these monies shall be credited to the state general fund, again, following compliance with the requirement of Article VII, Section 9(B) relative to the Bond Security and Redemption Fund.

D. The monies in the fund shall be used solely for the activities of the office of state fire marshal and only in the amount appropriated by the legislature. The fund shall be administered by the assistant secretary of the office of fire marshal of public safety services.

E. Except as otherwise specifically provided in R.S. 40:1563.5, there shall be no fees charged for inspections by the state fire marshal.

§838. Imposition of tax; exceptions

A. There is hereby levied an annual **license tax** ~~for the year 1982, and for each subsequent year,~~ on each ~~domestic, foreign, and alien~~ **admitted** insurer engaged in the business of issuing insurance policies, contracts, or obligations; issuing endowment policies; or similar forms of contract obligations in consideration of the payment of a premium or other consideration for the issuance of such policies, contracts, or obligations, whether such insurer be operating in this state through an agent, other representative, or otherwise. Such **license tax** shall be fixed and graded according to the rates and classifications set forth in this Part and shall be based on the gross amount of annual premiums on all risks, except annuity contracts, located in this state and, in the case of insurance and endowment policies, contracts, or obligations, upon the gross amount of annual premiums on such policies issued to persons located in Louisiana, without deduction for dividends paid or credited to policyholders.

B. The life insurance programs administered by the Office of Group Benefits as authorized and provided for pursuant to the provisions of Part II of Chapter 12 of Title 42 of the Louisiana Revised Statutes of 1950, R.S. 42:821 et seq., shall be exempt and excepted from the payment of the annual **license tax** levied by the provisions of this Section.

§839. Certain ~~non-profit~~ **nonprofit mutual associations declared charitable institutions**

Any domestic ~~non-profit~~ **nonprofit** mutual association, the net earnings of which do not inure to the benefit of any individual, which is engaged exclusively in the business of furnishing hospital service, medical, or surgical benefits, so that such services or benefits are furnished to those of the public who become subscribers of the plan, and at least a majority of whose directors or managing officers are administrators, trustees, or members of the clinical staffs or advisory boards of ~~non-profit~~ **nonprofit** hospitals having contracts with the association, or are licensed doctors of medicine who are members of their parish medical society and of the Louisiana State Medical Society is declared to be a charitable and beneficial institution. As such, its receipts, surplus and reserves are exempt from all forms of taxation by the state or any of its political ~~sub-divisions~~ **subdivisions**, except taxes on the real estate and the office equipment owned by the association, and the **license fee** provided for in R.S. 22:840. This exemption from taxation applies to any form of taxation, licenses, fees, or assessments which has heretofore or which may hereafter become due the state or any of its political subdivisions.

Comment [a5]: All of the hyphens in this section will be removed.

§840. ~~License fee~~ **Fee; filing of charter and ~~by-laws~~ **bylaws** and annual affidavit; certificate**

Any association of the type described in R.S. 22:839 which desires to take advantage of the tax exemption granted therein shall pay an annual **license fee** of two hundred ~~and~~ fifty dollars to the commissioner of insurance and shall furnish him with a certified copy of its charter and ~~by-laws~~ **bylaws** and, annually, on or before the first day

Comment [a6]: All of the hyphens in this section will be removed.

of March, an affidavit signed by its president and secretary, showing the names and addresses of all of its directors or managing officers and the ~~non-profit~~ ~~nonprofit~~ hospitals or medical societies which a majority of the directors represent. Upon payment of the ~~license~~ fee by the association and approval of the affidavit by the commissioner of insurance, the latter official shall furnish the association with a certificate under seal of his office, certifying that the association is exempt from all taxes, ~~licenses~~, fees, or assessments due to the state or to any of its political subdivisions, except the payment of the annual ~~license fee~~ of two hundred ~~and~~ fifty dollars.

§842. Life, accident, health, or service insurance

~~A.~~ Upon the business of issuing life, accident, health, or service insurance policies, or other forms of contracts or obligations covering such risks, or issuing endowment policies on contracts, or other similar forms of contract obligations, the minimum annual ~~license~~ tax shall be one hundred forty dollars when the gross annual premiums are seven thousand dollars or less. When the gross annual premiums are more than seven thousand dollars, the amount of ~~license~~ tax payable shall be increased to two hundred twenty-five dollars for each additional ten thousand dollars, or fraction thereof, of gross annual premiums. The business of issuing each of the kinds of insurance or contracts mentioned in this Section may be combined under one ~~license~~ tax, and the amount of the ~~license~~ tax shall be based on the combined gross annual premiums of all such businesses.

~~B.~~ For the year 1984 the amount of license tax payable pursuant to this Section shall be based on the rate in effect at the time the premiums were collected; that is, for 1984 the minimum annual license tax shall be one hundred forty dollars when the gross annual premiums are seven thousand dollars or less; when the gross annual premiums are more than seven thousand dollars, the amount of the license tax payable shall be increased to one hundred seventy dollars for each additional ten thousand dollars, or fraction thereof, of gross premiums collected prior to July 1, 1984 and shall be increased to two hundred twenty five dollars for each additional ten thousand dollars, or fraction thereof, of gross premiums collected on or after July 1, 1984.

Comment [a7]: The language is no longer relevant. It applied to the license tax for the year 1984.

§844. Tax for insurer commencing business after first of January; tax for insurer withdrawing

A. Any insurer commencing business after the first of January of any year shall pay the minimum ~~license~~ tax as provided in the preceding ~~sections~~ ~~Sections~~ of this Part for the privilege of doing business until its annual statement for that year is filed. In the event it collected premiums taxable under the provisions of this Part during the preceding calendar year, the tax shall be based upon such premiums, but shall never be less than the minimum.

B. On or before March ~~1st~~ ~~first~~ of the following year, the tax for the preceding year shall be computed as provided in this Part, except that upon the filing of the annual statement for the year in which it commenced business a new insurer shall be permitted to take credit for the minimum tax paid by it under Subsection A of this Section if the tax

is in excess of the minimum. In no event, however, shall the tax be less than the minimum.

C. In the event of withdrawal of a foreign or alien insurer, as provided in R.S. 22:341, at year end, the **license** tax for the preceding year shall be due and payable within sixty days. In the event of withdrawal of a foreign or alien insurer at other than year end, the **license** tax based on premiums collected for that portion of the year in which it transacted business up to the date of withdrawal shall be due and payable within sixty days, but in no event shall the tax for the withdrawing insurer be less than the minimum **license** tax as provided in this Part.

§845. Payment of tax

A. The **license** taxes levied under the provisions of this Part shall be paid to the commissioner of insurance at Baton Rouge and shall be remitted on a quarterly basis. The amount of the **license** taxes due on or before the fifteenth day of the month following the end of the quarter shall be equal to one-fourth of the total previous year's tax. At the end of the calendar year, the fourth quarter's report shall be adjusted to compensate for overpayments or underpayments of the tax based on that current year's gross receipts of taxable premiums and shall be due on or before March first of the following year and each year thereafter. Nothing herein contained shall be construed as relieving any insurer from paying to the commissioner of insurance the fees otherwise required or levied by law for qualifying to do business, or for the renewal thereof annually, or for agents' certificates of authority required by law. The legislative auditor may review any report submitted by an insurer for the payment of **license** taxes levied under the provisions of this Part.

~~B. Notwithstanding the provisions of Subsection A of this Section, for the period July 1, 1984 through December 31, 1984 and the payment due on or before October 15, 1984, the amount of the license taxes due at the end of each quarter shall be equal to one-fourth of the total previous year's tax plus an amount equal to one-fourth of the additional amount which would have been due had the premiums collected during calendar year 1983 been taxed at the rates as provided in R.S. 22:842 and 831 as amended in 1984. Notwithstanding the provisions of Subsection A of this Section, for the period January 1, 1985 through December 31, 1985 and commencing with the payment due on or before April 15, 1985, the amount of license taxes due at the end of each quarter shall be equal to one-fourth of the amount which would have been payable for the previous year had the provisions of R.S. 22:842 and 831 as amended in 1984 been effective for the entirety of 1984. At the end of the 1984 calendar year, the report for the fourth quarter shall be adjusted to compensate for overpayments or underpayments of the tax based on the gross receipts of taxable premiums for 1984 and based upon rates as provided in R.S. 22:842(B) and R.S. 22:831(B).~~

Comment [a8]: The language is no longer relevant. It applied to the license tax for the year 1984.

§846. Penalty on delinquent tax; revocation of authority to do business after thirty days' delinquency

A. In case of any failure to make a report or to make payment of **license** tax as

required by this Chapter, a penalty of five percent if one to thirty days late, of ten percent if thirty-one to sixty days late, of fifteen percent if sixty-one to ninety days late, of twenty percent if ninety-one to one hundred twenty days late, or of twenty-five percent if more than one hundred twenty days late, shall be added to the amount of tax due and payable to the commissioner of insurance along with the tax due, unless evidence to his satisfaction is submitted to the commissioner to show that the failure was due to some unforeseen or unavoidable reason, other than mere neglect.

B. If the delinquency is for more than thirty days after the due date of the report or after the due date for payment of license taxes hereunder, neglect will be presumed and the penalty shall be added without any discretion on the part of the commissioner of insurance. After the lapse of thirty days, until the report is filed and the delinquent license tax paid, the commissioner of insurance shall revoke the authority of the delinquent taxpayer, and of all of said taxpayer's agents producers to do business in this state.

C. In no event shall the penalty exceed twenty-five percent of the total amount of the tax due nor be less than twenty-five dollars.