



General Assembly

January Session, 2013

Amendment

LCO No. 6958

SB0103006958SR0

Offered by:
SEN. KELLY, 21st Dist.

To: Senate Bill No. 1030

File No. 200

Cal. No. 189

"AN ACT CONCERNING SERVICE OF PROCESS ON THE INSURANCE COMMISSIONER."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 12-202 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2013, and*
5 *applicable to income years commencing on or after January 1, 2013*):

6 (a) Each domestic insurance company shall, annually, pay a tax on
7 the total net direct premiums received by such company during the
8 calendar year next preceding from policies written on property or risks
9 located or resident in this state. The rate of tax on all net direct
10 insurance premiums received on and after January 1, 1995, shall be one
11 and three-quarters per cent. The franchise tax imposed under this
12 section on premium income for the privilege of doing business in the
13 state is in addition to the tax imposed under chapter 208. In the case of
14 any local domestic insurance company the admitted assets of which as
15 of the end of an income year do not exceed ninety-five million dollars,
16 eighty per cent of the tax paid by such company under chapter 208

17 during such income year reduced by any refunds of taxes paid by such
18 company and granted under said chapter within such income year and
19 eighty per cent of the assessment paid by such company under section
20 38a-48 during such income year shall be allowed as a credit in the
21 determination of the tax under this chapter payable with respect to
22 total net direct premiums received during such income year, provided
23 that these two credits shall not reduce the tax under this chapter to less
24 than zero, and provided further in the case of a local domestic
25 insurance company which is a member of an insurance holding
26 company system, as defined in section 38a-129, these credits shall
27 apply if the total admitted assets of the local domestic insurance
28 company and its affiliates, as defined in said section, do not exceed
29 two hundred fifty million dollars or, in the alternative, in the case of a
30 local domestic insurance company which is a member of an insurance
31 holding company system, as defined in section 38a-129, these credits
32 shall apply only if total direct written premiums are derived from
33 policies issued or delivered in Connecticut, on risk located in
34 Connecticut and, as of the end of the income year the company and its
35 affiliates have admitted assets minus unpaid losses and loss
36 adjustment expenses that are also discounted for federal and state tax
37 purposes and which for said local domestic insurance company and its
38 affiliates, as defined in said section do not exceed two hundred fifty
39 million dollars.

40 (b) Notwithstanding the provisions of subsection (a) of this section,
41 the tax shall not apply to any new or renewal contract or policy
42 entered into with a municipality on or after July 1, 2013, to provide
43 health care coverage to employees of a municipality, retired employees
44 of a municipality and dependents of such employees or retirees.

45 Sec. 2. Section 12-202a of the general statutes is repealed and the
46 following is substituted in lieu thereof (*Effective July 1, 2013, and*
47 *applicable to income years commencing on or after January 1, 2013*):

48 (a) Each health care center, as defined in section 38a-175, that is
49 governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to

50 the Commissioner of Revenue Services for the calendar year
51 commencing on January 1, 1995, and annually thereafter, at the rate of
52 one and three-quarters per cent of the total net direct subscriber
53 charges received by such health care center during each such calendar
54 year on any new or renewal contract or policy approved by the
55 Insurance Commissioner under section 38a-183. Such payment shall be
56 in addition to any other payment required under section 38a-48.

57 (b) Notwithstanding the provisions of subsection (a) of this section,
58 the tax shall not apply to:

59 (1) Any new or renewal contract or policy entered into with the state
60 on or after July 1, 1997, to provide health care coverage to state
61 employees, retirees and their dependents;

62 (2) Any subscriber charges received from the federal government to
63 provide coverage for Medicare patients;

64 (3) Any subscriber charges received under a contract or policy
65 entered into with the state to provide health care coverage to Medicaid
66 recipients which charges are attributable to a period on or after
67 January 1, 1998;

68 (4) Any new or renewal contract or policy entered into with the state
69 on or after April 1, 1998, to provide health care coverage to eligible
70 beneficiaries under the HUSKY Plan, Part A, HUSKY Plan, Part B, or
71 HUSKY Plus programs, each as defined in section 17b-290;

72 (5) Any new or renewal contract or policy entered into with the state
73 on or after February 1, 2000, to provide health care coverage to retired
74 teachers, spouses or surviving spouses covered by plans offered by the
75 state teachers' retirement system;

76 (6) Any new or renewal contract or policy entered into on or after
77 July 1, [2001] 2013, to provide health care coverage to employees of a
78 municipality, retired employees of a municipality and [their]
79 dependents [under a plan procured pursuant to section 5-259] of such

80 employees or retirees;

81 (7) Any new or renewal contract or policy entered into on or after
82 July 1, 2001, to provide health care coverage to employees of nonprofit
83 organizations and their dependents under a plan procured pursuant to
84 section 5-259;

85 (8) Any new or renewal contract or policy entered into on or after
86 July 1, 2003, to provide health care coverage to individuals eligible for
87 a health coverage tax credit and their dependents under a plan
88 procured pursuant to section 5-259;

89 (9) Any new or renewal contract or policy entered into on or after
90 July 1, 2005, to provide health care coverage to employees of
91 community action agencies and their dependents under a plan
92 procured pursuant to section 5-259; or

93 (10) Any new or renewal contract or policy entered into on or after
94 July 1, 2005, to provide health care coverage to retired members and
95 their dependents under a plan procured pursuant to section 5-259.

96 (c) The provisions of this chapter pertaining to the filing of returns,
97 declarations, installment payments, assessments and collection of
98 taxes, penalties, administrative hearings and appeals imposed on
99 domestic insurance companies shall apply with respect to the charge
100 imposed under this section."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013, and applicable to income years commencing on or after January 1, 2013</i>	12-202
Sec. 2	<i>July 1, 2013, and applicable to income years commencing on or after January 1, 2013</i>	12-202a