

CHAPTER 77

Original Senate File No. 89

INSURANCE PREMIUM TAX CREDIT OPTION

AN ACT to amend W.S. 15-5-202(b), 26-4-104 by creating a new subsection (c) and 35-9-604 relating to insurance premium tax; revising the method of deducting that portion of the premium tax distributed to firemen's pension funds; authorizing insurer credit against the premium tax based on investments in Wyoming; prohibiting duplicate credits for the same investment; specifying investment conditions; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 15-5-202(b), 26-4-104 by creating a new subsection (c) and 35-9-604 are amended to read:

15-5-202. Pension account; creation; purpose; administration; appropriation; gifts, etc.; investment; firemen's contingency account abolished; monies to be transferred.

(b) Fifty percent (50%) of the gross annual tax levied upon the fire insurance premiums paid to insurance companies for fire insurance within the state as provided by W.S. 26-4-103 is appropriated for the use and benefit of the account. The sum specified shall be calculated before giving effect to any premium tax credits which may otherwise be provided by law. The state treasurer, upon payment to him of the amount as calculated under this subsection by the insurance commissioner, shall credit that amount to the account.

26-4-104. Premium tax; reduced tax based on Wyoming investments.

(c) Any insurer may receive a credit against the tax liability under W.S. 26-4-103(b), subject to the following conditions:

(i) Any insurer may receive a credit of one dollar (\$1.00) for every five dollars (\$5.00) invested in Wyoming investments meeting the requirements of subsection (b) of this section and which shall first be approved as allowable investments for purposes of credit under this subsection by the economic development and stabilization board in accordance with rules and regulations the board adopts;

(ii) Investments shall be made not later than December 31 in any year in order for credit to be allowed against taxes due because of premiums written during that calendar year;

(iii) The maximum annual credit allowable for an insurer under this subsection shall not exceed twenty-five percent (25%) of its net tax otherwise due under this code;

(iv) Credit shall be allowed only once on any investment in any given security and only on the original issue of the security;

(v) No credit shall be allowed for any investment under this subsection if credit is allowed for that same investment under subsection (a) of this section, and if credit is allowed for an investment under this subsection, no other credit shall be allowed under this section for that same investment; and

(vi) The retaliatory provisions of W.S. 26-3-130 do not apply to investments and credits authorized under this subsection.

35-9-604. Transfer of tax on fire insurance premiums into account. On or about the first day of June of each year, the state treasurer shall transfer from the general fund a sum equal to the amount of forty percent (40%) of the gross annual tax levied upon the fire insurance premiums paid to insurance companies for fire insurance in the state of Wyoming for the then current fiscal year, as provided by W.S. 26-4-103. The sum specified shall be calculated before giving effect to any premium tax credits which may otherwise be provided by law.

Section 2. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

Approved March 18, 1986.