

1 A bill to be entitled
 2 An act relating to the tax on insurance premiums;
 3 amending s. 624.509, F.S.; providing that amounts
 4 collected by certain mutual property and casualty
 5 insurance companies as contributions to surplus are
 6 not subject to the insurance premium tax under
 7 specified circumstances; providing an effective date.

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 9 Be It Enacted by the Legislature of the State of Florida:

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 11 Section 1. Subsection (1) of section 624.509, Florida
 12 Statutes, is amended to read:

13 624.509 Premium tax; rate and computation.—

14 (1) In addition to the license taxes provided for in this
 15 chapter, each insurer shall also annually, and on or before
 16 March 1 in each year, except as to wet marine and transportation
 17 insurance taxed under s. 624.510, pay to the Department of
 18 Revenue a tax on insurance premiums, premiums for title
 19 insurance, or assessments, including membership fees and policy
 20 fees and gross deposits received from subscribers to reciprocal
 21 or interinsurance agreements, and on annuity premiums or
 22 considerations, received during the preceding calendar year.7

23 (a) The amounts due under this subsection are ~~thereof to~~
 24 ~~be determined as set forth in this section, to wit:~~

25 1.(a) An amount equal to 1.75 percent of the gross amount
 26 of such receipts on account of life and health insurance
 27 policies covering persons resident in this state and on account
 28 of all other types of policies and contracts (except annuity

29 policies or contracts taxable under subparagraph 2. and
 30 contributions to surplus that are not subject to taxation as
 31 provided under paragraph (b)) covering property, subjects, or
 32 risks located, resident, or to be performed in this state,
 33 omitting premiums on reinsurance accepted, and less return
 34 premiums or assessments, but without deductions:

35 ~~a.1.~~ For reinsurance ceded to other insurers;

36 ~~b.2.~~ For moneys paid upon surrender of policies or
 37 certificates for cash surrender value;

38 ~~c.3.~~ For discounts or refunds for direct or prompt payment
 39 of premiums or assessments; and

40 ~~d.4.~~ On account of dividends of any nature or amount paid
 41 and credited or allowed to holders of insurance policies;
 42 certificates; or surety, indemnity, reciprocal, or
 43 interinsurance contracts or agreements; and

44 ~~2.(b)~~ An amount equal to 1 percent of the gross receipts
 45 on annuity policies or contracts paid by holders thereof in this
 46 state.

47 (b) The amount collected by a mutual property and casualty
 48 insurance company domiciled in this state from its policyholders
 49 as a contribution to surplus is not subject to the tax on
 50 premiums required by this subsection if:

51 1. The contribution to surplus is authorized by the
 52 insurer's bylaws approved by the office.

53 2. The contribution to surplus is identified by the
 54 insurer as a contribution to surplus on the declarations page
 55 attached to each policy issued or renewed by the insurer.

56 3. The contribution to surplus is described in the

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57 insurer's underwriting manual approved by the office as not
58 being part of the insurer's rate filing filed with and approved
59 by the office.

60 4. The amount of the insurer's premium subject to the tax
61 on premiums and the amount of the contribution to surplus not
62 subject to the tax on premiums are separately stated in the
63 notes to the annual and quarterly financial statements filed by
64 the insurer with the office.

65 Section 2. This act shall take effect July 1, 2012.