



LAWS OF ALASKA

1998

Source
CSHB 490(RLS) am

Chapter No.
131

AN ACT

Relating to insurance premium taxes and to insurance taxes, licenses, or fees imposed on certain health care insurance; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 25, 1998
Actual Effective Date: June 26, 1998

AN ACT

1 Relating to insurance premium taxes and to insurance taxes, licenses, or fees imposed on
2 certain health care insurance; and providing for an effective date.

3

4 * Section 1. AS 21.09.210(b) is amended to read:

5 (b) Each insurer, and each formerly authorized insurer with respect to
6 premiums received while an authorized insurer in this state, shall pay a tax on the total
7 direct premium income received during the year ending on the preceding December 31
8 and paid for the insurance of property or risks resident or located in the state, other
9 than wet marine and transportation insurance, after deducting from the total direct
10 premium income the applicable cancellations, returned premiums, the unabsorbed
11 portion of any deposit premium, all policy dividends, unabsorbed premiums refunded
12 to policyholders, refunds, savings, savings coupons, and other similar returns paid or
13 credited to policyholders with respect to their policies. Deductions [NO

Chapter 131

1 DEDUCTIONS] may not be made of cash surrender value of policies. Considerations
2 received on annuity contracts are not included in the direct premium income and are
3 not subject to tax. The tax shall be paid to the director at least annually but not more
4 often than once each quarter on the dates specified by the director. The method of
5 payment must be by the electronic or other payment method specified by the director.
6 Except as provided under (n) of this section, the [THE] tax is computed at the rate
7 of

8 (1) for domestic and foreign insurers, except hospital and medical
9 service corporations, 2.7 percent;

10 (2) for hospital and medical service corporations, six percent of their
11 gross premiums less claims paid.

12 * Sec. 2. AS 21.09.210 is amended by adding a new subsection to read:

13 (n) The tax imposed under this section shall be computed at the rate of

14 (1) 2.7 percent for a policy of life insurance with a policy year
15 premium up to \$100,000; and

16 (2) one-tenth of a percent for a policy of life insurance for the policy
17 year premium exceeding \$100,000.

18 * Sec. 3. AS 21.09.270(b) is amended to read:

19 (b) This section does not apply to

20 (1) personal income taxes, or to ad valorem taxes on real or personal
21 property or to special purpose obligations or assessments imposed by another state in
22 connection with particular kinds of insurance other than property insurance; except that
23 deductions from premium taxes or other taxes otherwise payable allowed on accounts
24 of real estate or personal property taxes paid shall be taken into consideration by the
25 director in determining the propriety and extent of retaliatory action under this section;
26 or

27 (2) a health care insurer who issues health care insurance to the
28 state, a municipality, a city or borough school district, a regional educational
29 attendance area, the University of Alaska, or a community college operated by the
30 University of Alaska; in this paragraph, "health care insurer" has the meaning
31 given in AS 21.54.500.

1 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).