

Introduced: 2/12/80
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 717

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the taxation of insurers; and
7 providing for an effective date."

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

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

10 (b) Each insurer, and each formerly authorized insurer with re-
11 spect to premiums received while an authorized insurer in this state,
12 shall pay a tax on the total direct premium income received during the
13 year ending on the preceding December 31 and paid for the insurance of
14 property or risks resident or located in the state other than wet marine
15 and transportation insurance, after deducting from the total direct
16 premium income the applicable cancellations, returned premiums, the
17 unabsorbed portion of any deposit premium, all policy dividends, un-
18 absorbed premiums refunded to policyholders, refunds, savings, savings
19 coupons and other similar returns paid or credited to policyholders with
20 respect to their policies. No deductions may be made of cash surrender
21 value of policies. Considerations received on annuity contracts shall
22 not be included in the direct premium income and shall not be subject to
23 tax. The tax shall be paid to the director annually before April 1,
24 and, except as provided in AS 21.69.390(c), is computed at the rate of

25 (1) one and one-half percent for a domestic company which,
26 during the calendar year for which the tax is paid, maintained at least
27 50 percent of its investments in assets located in the state [DOMESTIC
28 COMPANIES, 1 1/2 PER CENT];

29 (2) six percent of gross premiums less claims paid for a

1 hospital and medical service corporation [CORPORATIONS, 6 PER CENT OF
2 THEIR GROSS PREMIUMS LESS CLAIMS PAID];

3 (3) three percent for a corporation other than a corpora-
4 tion which qualifies under (1) of this subsection [COMPANIES OTHER THAN
5 DOMESTIC AND HOSPITAL AND MEDICAL SERVICE CORPORATIONS, 3 PER CENT].

6 * Sec. 2. The tax levied under AS 21.09.210(b), amended by sec. 1 of this
7 Act, is retroactive to January 1, 1980, and applies to the tax payable by a
8 domestic insurance company after December 31, 1979.

9 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
10 070(c).