

CS SB 379 (L40)

Introduced: 1/31/86
Referred: Labor and Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE
2

SENATE BILL NO. 379

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

6 For an Act entitled: "An Act relating to the premium tax for domestic
7 insurers."

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

- 26 (1) [FOR DOMESTIC COMPANIES, 1 PER CENT;]
- 27 (2) for hospital and medical service corporations, 6 per-
28 cent of their gross premiums, less claims paid;
- 29 (3) for companies other than [DOMESTIC AND] hospital and

1 medical service corporations, 3 percent.

2 * Sec. 2. This Act applies to the tax due by April 1, 1987 for the tax
3 year beginning January 1, 1986 and to the tax due for subsequent tax years.