

Offered: 3/13/86
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 379 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the premium tax for domestic
7 insurers; and identifying the tax years to which the
8 Act applies."

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

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

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(b) Each insurer, and each formerly authorized insurer with

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respect to premiums received while an authorized insurer in this

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state, shall pay a tax on the total direct premium income received

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during the year ending on the preceding December 31 and paid for the

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insurance of property or risks resident or located in the state other

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than wet marine and transportation insurance, after deducting from the

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total direct premium income the applicable cancellations, returned

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premiums, the unabsorbed portion of any deposit premium, all policy

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dividends, unabsorbed premiums refunded to policyholders, refunds,

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savings, savings coupons and other similar returns paid or credited to

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policyholders with respect to their policies. No deductions may be

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made of cash surrender value of policies. Considerations received on

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annuity contracts are [SHALL] not [BE] included in the direct premium

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income and are [SHALL] not [BE] subject to tax. The tax shall be paid

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to the director annually before April 1, and, except as provided in

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AS 21.69.390(c), is computed at the rate of

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(1) for domestic and foreign insurers, except hospital and

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medical service corporations, three [COMPANIES, 1 1/2] percent;

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(2) for hospital and medical service corporations, six [6]

1 percent of their gross premiums less claims paid [;

2 (3) FOR COMPANIES OTHER THAN DOMESTIC AND HOSPITAL AND
3 MEDICAL SERVICE CORPORATIONS, 3 PERCENT].

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