

Offered: 5/2/86
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 379 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 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."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 21.09.210(b) is amended to read:
11 (b) Each insurer, and each formerly authorized insurer with
12 respect to premiums received while an authorized insurer in this
13 state, shall pay a tax on the total direct premium income received
14 during the year ending on the preceding December 31 and paid for the
15 insurance of property or risks resident or located in the state other
16 than wet marine and transportation insurance, after deducting from the
17 total direct premium income the applicable cancellations, returned
18 premiums, the unabsorbed portion of any deposit premium, all policy
19 dividends, unabsorbed premiums refunded to policyholders, refunds,
20 savings, savings coupons and other similar returns paid or credited to
21 policyholders with respect to their policies. No deductions may be
22 made of cash surrender value of policies. Considerations received on
23 annuity contracts are [SHALL] not [BE] included in the direct premium
24 income and are [SHALL] not [BE] subject to tax. The tax shall be paid
25 to the director annually before April 1, and, except as provided in
26 AS 21.69.390(c), is computed at the rate of
27 (1) for domestic and foreign insurers, except hospital and
28 medical service corporations, 2.7 [COMPANIES, 1 1/2] percent;
29 (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.