

By: Thompson of Brazoria

H.B. No. 202

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an exemption for policies issued to school districts
3 and open-enrollment charter schools from certain insurance premium
4 taxes.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Chapter 203, Insurance Code, is amended by
7 adding Section 203.003 to read as follows:

8 Sec. 203.003. EXEMPTION FROM CERTAIN PREMIUM TAXES FOR
9 PUBLIC SCHOOL POLICIES. (a) Notwithstanding any other law, an
10 insurer is not liable for premium taxes imposed under Chapters 221,
11 222, 224, 225, and 226 on a policy issued to a school district or
12 open-enrollment charter school.

13 (b) To qualify for an exemption under this section, the
14 insurer must keep on file a form, signed and dated by an authorized
15 representative of the school district or open-enrollment charter
16 school, affirming that the policy is for a school district or
17 open-enrollment charter school that is eligible to receive funding
18 from the Foundation School Program under Chapter 48, Education
19 Code.

20 (c) The comptroller and the commissioner may adopt rules
21 necessary to implement this section.

22 SECTION 2. Section 281.005, Insurance Code, is amended to
23 read as follows:

24 Sec. 281.005. EXCLUSION OF CERTAIN TAXES OR CHARGES. (a)

1 In determining an insurer's taxes or other charges under this
2 subchapter, the comptroller may not consider:

- 3 (1) an ad valorem tax on property;
- 4 (2) a personal income tax;
- 5 (3) a sales tax;
- 6 (4) a surcharge that an insurer may recover directly
7 from policyholders; or
- 8 (5) an assessment for a special purpose, such as an
9 assessment for a guaranty association, high risk health pool, joint
10 underwriting association, or windstorm association, under the law
11 of this or another state.

12 (b) Notwithstanding Section 203.003, in determining an
13 insurer's taxes or other charges under this subchapter, the
14 comptroller shall consider the insurer to be liable for premium
15 taxes for which an exemption is provided under that section as if
16 that section did not exist.

17 SECTION 3. The changes in law made by this Act apply only to
18 tax liability for a tax year that begins on or after the effective
19 date of this Act.

20 SECTION 4. This Act takes effect on the 91st day after the
21 last day of the legislative session.