

Amend CSHB 2425 by inserting the following new SECTIONS, appropriately numbered, and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Articles 4.51(2) and (13), Insurance Code, are amended to read as follows:

(2) "Allocation date" means the date on which the certified investors of a certified capital company are allocated premium tax credits [~~certified capital~~] by the comptroller under this subchapter.

(13) "State premium tax liability" means:

(A) any liability incurred by any person under Subchapter A of this chapter; or

(B) if the tax liability imposed under Subchapter A of this chapter on January 1, 2003 [~~2001~~], is eliminated or reduced, any tax liability imposed on an insurance company or other person that had premium tax liability under Subchapter A of this chapter on that date.

SECTION _____. Article 4.52, Insurance Code, is amended to read as follows:

Art. 4.52. DUTIES OF COMPTROLLER; RULES; IMPLEMENTATION. The comptroller shall administer this subchapter and shall [~~may~~] adopt rules and forms as necessary to implement this subchapter. The rules must provide that:

(1) the comptroller shall begin accepting applications for certification as a certified capital company not later than the 30th day after the date the rules are adopted; and

(2) the comptroller shall accept premium tax credit allocation claims on behalf of certified investors on a date not later than the 120th day after the date the rules are adopted.

SECTION _____. Article 4.65(a), Insurance Code, is amended to read as follows:

(a) A certified investor who makes an investment of certified capital shall in the year of investment earn a vested credit against state premium tax liability equal to 100 percent of the certified investor's investment of certified capital, subject to the limits imposed by this subchapter. Beginning with the tax report due March 1, 2009, for the 2008 tax year, a [~~A~~] certified

investor may take up to 25 [~~10~~] percent of the vested premium tax credit in any taxable year of the certified investor. The credit may not be applied to estimated payments due in 2008.

SECTION _____. Article 4.66(a), Insurance Code, is amended to read as follows:

(a) A premium tax credit allocation claim must be prepared and executed by a certified investor on a form provided by the comptroller. The certified capital company must file the claim with the comptroller on the date on which the comptroller accepts premium tax credit allocation claims on behalf of certified investors under rules adopted under Article 4.52(2) of this code [~~not later than February 15, 2002~~]. The premium tax credit allocation claim form must include an affidavit of the certified investor under which the certified investor becomes legally bound and irrevocably committed to make an investment of certified capital in a certified capital company in the amount allocated even if the amount allocated is less than the amount of the claim, subject only to the receipt of an allocation under Article 4.68 of this code.

SECTION _____. Section 4.67(b), Insurance Code, is amended to read as follows:

(b) The total amount of certified capital for which premium tax credits may be allowed for all certified investors under this subchapter may not exceed the amount that would entitle all certified investors in certified capital companies to take total credits of \$50 [~~\$20~~] million in a year.

SECTION _____. Article 4.68(c), Insurance Code, is amended to read as follows:

(c) Not later than the 15th day after the date on which the comptroller accepts premium tax credit allocation claims on behalf of certified investors under rules adopted under Article 4.52(2) of this code [~~March 1, 2002~~], the comptroller shall notify each certified capital company of the amount of tax credits allocated to each certified investor. Each certified capital company shall notify each certified investor of their premium tax credit allocation.

SECTION _____. Article 4.73(a), Insurance Code, is amended

to read as follows:

(a) The comptroller shall prepare a biennial report with respect to results of the implementation of this subchapter. The report must include:

(1) the number of certified capital companies holding certified capital;

(2) the amount of certified capital invested in each certified capital company;

(3) the amount of certified capital the certified capital company has invested in qualified businesses as of January 1, 2006 [~~2004~~], and the cumulative total for each subsequent year;

(4) the total amount of tax credits granted under this subchapter for each year that credits have been granted;

(5) the performance of each certified capital company with respect to renewal and reporting requirements imposed under this subchapter;

(6) with respect to the qualified businesses in which certified capital companies have invested:

(A) the classification of the qualified businesses according to the industrial sector and the size of the business;

(B) the total number of jobs created by the investment and the average wages paid for the jobs; and

(C) the total number of jobs retained as a result of the investment and the average wages paid for the jobs; and

(7) the certified capital companies that have been decertified or that have failed to renew the certification and the reason for any decertification.

SECTION _____. Article 4.74, Insurance Code, is repealed.

SECTION _____. The comptroller shall adopt rules and forms as necessary to implement Subchapter B, Chapter 4, Insurance Code, as amended by this Act, not later than the 90th day after the effective date of this Act.