

By: Taylor

H.B. No. 1754

A BILL TO BE ENTITLED

AN ACT

relating to a premium tax credit for assessments paid for the Texas Health Insurance Risk Pool.

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

SECTION 1. Subchapter F, Chapter 1506, Insurance Code, is amended by adding Section 1506.259 to read as follows:

Sec. 1506.259. TAX CREDIT. (a) A health benefit plan issuer is entitled to a credit against the issuer's premium tax under Chapter 222 for the total amount of an assessment paid by the issuer under Section 1506.253.

(b) The tax credit applies to the premium tax due in the calendar year following the calendar year in which the assessment is paid. An unused credit may be carried over to apply to the premium tax due in the five consecutive calendar years that follow the calendar year in which the credit may first be applied.

(c) The balance of a tax credit not claimed in a particular calendar year may be reflected in the books and records of the issuer as an admitted asset of the issuer.

(d) Available credit against premium tax allowed under this section may be transferred or assigned among health benefit plan issuers if:

(1) a merger, acquisition, or total assumption of reinsurance among the issuers occurs; or

(2) the commissioner by order approves the transfer or

1 assignment.

2 SECTION 2. A health benefit plan issuer may apply a tax
3 credit under Section 1506.259, Insurance Code, as added by this
4 Act, beginning with the first premium tax payment that is due on or
5 after January 1, 2008.

6 SECTION 3. This Act takes effect January 1, 2008.