

By: Averitt

S.B. No. 2585

A BILL TO BE ENTITLED

AN ACT

relating to reauthorization of small business incentive program.

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

SECTION 1. (a) Section 228.001, Insurance Code, as added by Chapter 730, Acts of the 80th Legislature, Regular Session, 2007, is amended to conform to the amendment of Article 4.51, Insurance Code, by Section 1, Chapter 303 (H.B. 1741), Acts of the 80th Legislature, Regular Session, 2007, by adding Subdivisions (5-a), (7-a), and (7-b), and further amended by amending added Subdivision (7-b) and by adding Subdivision (7-c) to read as follows:

(5-a) "Low-income community" has the meaning assigned by Section 45D(e), Internal Revenue Code of 1986.

(7-a) "Program One" means the program for allocation and investment of certified capital under this chapter before January 1, 2007.

(7-b) "Program Two" means the program for allocation and investment of certified capital under this chapter on or after January 1, 2007, and before January 1, 2010.

(7-c) "Program Three" means the program for allocation and investment of certified capital under this chapter on or after January 1, 2010.

(b) Section 1, Chapter 303 (H.B. 1741), Acts of the 80th Legislature, Regular Session, 2007, which amended former Article

1 4.51, Insurance Code, by adding Subdivisions (16), (17), and (18),
2 is repealed.

3 SECTION 2. Subchapter A, Chapter 228, Insurance Code, is
4 amended by adding Section 228.0525 to read as follows:

5 Sec. 228.0525. ACCEPTANCE OF PREMIUM TAX ALLOCATION CLAIMS.

6 (a) The rules adopted under Section 228.052 must provide that the
7 comptroller shall accept premium tax credit allocation claims on
8 behalf of certified investors with respect to Program Three not
9 later than January 1, 2010.

10 (b) This section expires January 15, 2010.

11 SECTION 3. Section 228.251, Insurance Code, is amended by
12 adding Subsection (d) to read as follows:

13 (d) With respect to credits earned as a result of
14 investments made under Program Three, beginning with the tax report
15 due March 1, 2015, for the 2014 tax year, a certified investor may
16 take up to 25 percent of the vested premium tax credit in any
17 taxable year of the certified investor. The credit may not be
18 applied to estimated payments due in 2014.

19 SECTION 4. (a) Section 228.253(b), Insurance Code, is
20 amended to conform to the amendment of Article 4.66(a), Insurance
21 Code, by Section 6, Chapter 303 (H.B. 1741), Acts of the 80th
22 Legislature, Regular Session, 2007, and further amended to read as
23 follows:

24 (b) The certified capital company must have filed the claim
25 with the comptroller on the date on which the comptroller accepted
26 premium tax credit allocation claims on behalf of certified
27 investors with respect to Program One, Program Two, or Program

1 Three, as applicable, under the comptroller's rules.

2 (b) Section 6, Chapter 303 (H.B. 1741), Acts of the 80th
3 Legislature, Regular Session, 2007, which amended former Article
4 4.66(a), Insurance Code, is repealed.

5 SECTION 5. (a) Section 228.254, Insurance Code, is amended
6 to conform to the amendment of Article 4.67, Insurance Code, by
7 Section 7, Chapter 303 (H.B. 1741), Acts of the 80th Legislature,
8 Regular Session, 2007, and further amended to read as follows:

9 Sec. 228.254. TOTAL LIMIT ON PREMIUM TAX CREDITS. (a) The
10 total amount of certified capital for which premium tax credits may
11 be allowed under this chapter for all years in which premium tax
12 credits are allowed is:

- 13 (1) \$200 million for Program One;
14 (2) \$200 million for Program Two; and
15 (3) \$200 million for Program Three.

16 (b) The total amount of certified capital for which premium
17 tax credits may be allowed for all certified investors under this
18 chapter may not exceed the amount that would entitle all certified
19 investors in certified capital companies to take total credits of
20 \$50 million in a year with respect to Program One, \$50 million in a
21 year with respect to Program Two, and \$50 million in a year with
22 respect to Program Three.

23 (c) A certified capital company and the company's
24 affiliates may not file premium tax credit allocation claims with
25 respect to Program One, Program Two, or Program Three, as
26 applicable, in excess of the maximum amount of certified capital
27 for which premium tax credits may be allowed for that program as

1 provided by this section.

2 (b) Section 7, Chapter 303 (H.B. 1741), Acts of the 80th
3 Legislature, Regular Session, 2007, which amended former Article
4 4.67, Insurance Code, is repealed.

5 SECTION 6. (a) Section 228.255, Insurance Code, is amended
6 to conform to the amendment of Article 4.68, Insurance Code, by
7 Section 8, Chapter 303 (H.B. 1741), Acts of the 80th Legislature,
8 Regular Session, 2007, and further amended to read as follows:

9 Sec. 228.255. ALLOCATION OF PREMIUM TAX CREDIT. (a) If
10 the total premium tax credits claimed by all certified investors
11 with respect to Program One, Program Two, or Program Three, as
12 applicable, exceeds the total limits on premium tax credits
13 established for that program by Section 228.254(a), the comptroller
14 shall allocate the total amount of premium tax credits allowed
15 under this chapter to certified investors in certified capital
16 companies on a pro rata basis in accordance with this section.

17 (b) The pro rata allocation for each certified investor
18 shall be the product of:

19 (1) a fraction, the numerator of which is the amount of
20 the premium tax credit allocation claim filed on behalf of the
21 investor with respect to Program One, Program Two, or Program
22 Three, as applicable, and the denominator of which is the total
23 amount of all premium tax credit allocation claims filed on behalf
24 of all certified investors with respect to that program; and

25 (2) the total amount of certified capital for which
26 premium tax credits may be allowed with respect to that program
27 under this chapter.

1 (c) The maximum amount of certified capital for which
2 premium tax credit allocation may be allowed on behalf of a single
3 certified investor and the investor's affiliates with respect to
4 Program One, Program Two, or Program Three, as applicable, whether
5 by one or more certified capital companies, may not exceed the
6 greater of:

- 7 (1) \$10 million; or
8 (2) 15 percent of the maximum aggregate amount
9 available with respect to that program under Section 228.254(a).

10 (b) Section 8, Chapter 303 (H.B. 1741), Acts of the 80th
11 Legislature, Regular Session, 2007, which amended former Articles
12 4.68(a), (b), (c), and (e), Insurance Code, is repealed.

13 SECTION 7. (a) In accordance with Section 311.031(c),
14 Government Code, which gives effect to a substantive amendment
15 enacted by the same legislature that codifies the amended statute,
16 the text of Sections 228.001, 228.253, 228.254, and 228.255,
17 Insurance Code, as set out in Sections 1, 4, 5, and 6 of this Act,
18 respectively, gives effect to changes made by Chapter 303 (H.B.
19 1741), Acts of the 80th Legislature, Regular Session, 2007.

20 (b) To the extent of any conflict, this Act prevails over
21 another Act of the 81st Legislature, Regular Session, 2009,
22 relating to nonsubstantive additions and corrections in enacted
23 codes.

24 SECTION 8. This Act takes effect September 1, 2009.