

By: Murphy

H.B. No. 2580

Substitute the following for H.B. No. 2580:

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C.S.H.B. No. 2580

A BILL TO BE ENTITLED

AN ACT

relating to certain investments by insurance companies and related organizations.

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

SECTION 1. Section 228.001, Insurance Code, is amended by amending Subdivision (7-b) and adding Subdivision (7-c) to read as follows:

(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, 2011.

(7-c) "Program Three" means the program for allocation and investment of certified capital under this chapter on or after January 1, 2011.

SECTION 2. Section 228.251, Insurance Code, is amended by adding Subsection (d) to read as follows:

(d) With respect to credits earned as a result of investments made under Program Three, beginning with the tax report due March 1, 2017, for the 2016 tax year, a certified investor may take up to 25 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 2016.

SECTION 3. Section 228.253(b), Insurance Code, is amended to read as follows:

(b) The certified capital company must have filed the claim

1 with the comptroller on the date on which the comptroller accepted
2 premium tax credit allocation claims on behalf of certified
3 investors with respect to Program One, ~~or~~ Program Two, or Program
4 Three, as applicable, under the comptroller's rules.

5 SECTION 4. Section 228.254, Insurance Code, is amended to
6 read as follows:

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

- 11 (1) \$200 million for Program One; ~~and~~
- 12 (2) \$200 million for Program Two; and
- 13 (3) \$200 million for Program Three.

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

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

27 SECTION 5. Section 228.255, Insurance Code, is amended to

1 read as follows:

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

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

12 (1) a fraction, the numerator of which is the amount of
13 the premium tax credit allocation claim filed on behalf of the
14 investor with respect to Program One, ~~or~~ Program Two, or Program
15 Three, as applicable, and the denominator of which is the total
16 amount of all premium tax credit allocation claims filed on behalf
17 of all certified investors with respect to that program; and

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

21 (c) The maximum amount of certified capital for which
22 premium tax credit allocation may be allowed on behalf of a single
23 certified investor and the investor's affiliates with respect to
24 Program One, ~~or~~ Program Two, or Program Three, as applicable,
25 whether by one or more certified capital companies, may not exceed
26 the greater of:

27 (1) \$10 million; or

1 (2) 15 percent of the maximum aggregate amount
2 available with respect to that program under Section 228.254(a).

3 SECTION 6. This Act takes effect September 1, 2011.