

By: Carona

S.B. No. 891

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, 2012.

(7-c) "Program Three" means the program for allocation and investment of certified capital under this chapter on or after January 1, 2012.

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

Sec. 228.0525. ACCEPTANCE OF PREMIUM TAX ALLOCATION CLAIMS.

(a) The rules adopted under Section 228.052 must provide that the comptroller shall accept premium tax credit allocation claims on behalf of certified investors with respect to Program Three not later than January 1, 2012.

(b) This section expires January 15, 2012.

SECTION 3. 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

1 investments made under Program Three, beginning with the tax report  
2 due March 1, 2017, for the 2016 tax year, a certified investor may  
3 take up to 25 percent of the vested premium tax credit in any  
4 taxable year of the certified investor. The credit may not be  
5 applied to estimated payments due in 2016.

6 SECTION 4. Section 228.253(b), Insurance Code, is amended  
7 to read as follows:

8 (b) The certified capital company must have filed the claim  
9 with the comptroller on the date on which the comptroller accepted  
10 premium tax credit allocation claims on behalf of certified  
11 investors with respect to Program One, [~~or~~] Program Two, or Program  
12 Three, as applicable, under the comptroller's rules.

13 SECTION 5. Section 228.254, Insurance Code, is amended to  
14 read as follows:

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

- 19 (1) \$200 million for Program One; [~~and~~]  
20 (2) \$200 million for Program Two; and  
21 (3) \$200 million for Program Three.

22 (b) The total amount of certified capital for which premium  
23 tax credits may be allowed for all certified investors under this  
24 chapter may not exceed the amount that would entitle all certified  
25 investors in certified capital companies to take total credits of  
26 \$50 million in a year with respect to Program One, [~~and~~] \$50 million  
27 in a year with respect to Program Two, and \$50 million in a year with

1 respect to Program Three.

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

8 SECTION 6. Section 228.255, Insurance Code, is amended to  
9 read as follows:

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

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

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

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

1 under this chapter.

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

8 (1) \$10 million; or

9 (2) 15 percent of the maximum aggregate amount  
10 available with respect to that program under Section 228.254(a).

11 SECTION 7. This Act takes effect September 1, 2011.