

By: King of Parker, Flynn, Parker

H.B. No. 2036

Substitute the following for H.B. No. 2036:

By: Phillips

C.S.H.B. No. 2036

A BILL TO BE ENTITLED

AN ACT

relating to premium tax credits related to certain fees paid under the Patient Protection and Affordable Care Act.

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

SECTION 1. Chapter 222, Insurance Code, is amended by adding Section 222.0071 to read as follows:

Sec. 222.0071. CREDIT FOR CERTAIN FEDERAL FEES PAID. (a)

In this section:

(1) "Affordable Care Act" means the Patient Protection and Affordable Care Act (Pub. L. No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

(2) "Nationwide health premium or revenue amount" means the amount of gross premium and revenue aggregated on a nationwide basis attributable to lines of business, other than the business of life insurance, identified by the commissioner under Subsection (c) on which tax is imposed under this chapter.

(3) "Provider fee amount" means the amount of health insurer provider fees, which may be recouped through adjustments to the insurer's premium rate or the health maintenance organization's formula or method for computing its schedule of charges, paid by an insurer or health maintenance organization under Section 9010, Affordable Care Act.

(b) An insurer or health maintenance organization is

1 entitled to a credit on the amount of tax due under this chapter in a
2 taxable year in an amount equal to the product of the insurer's or
3 health maintenance organization's provider fee amount multiplied
4 by the percentage of the insurer's or health maintenance
5 organization's nationwide health premium or revenue amount that the
6 insurer or health maintenance organization allocates to this state
7 multiplied by the rate of the tax imposed under this chapter.

8 (c) The commissioner by rule shall:

9 (1) establish formulas to calculate the amount of the
10 credit authorized by Subsection (b), including a formula to
11 calculate:

12 (A) an insurer's or health maintenance
13 organization's provider fee amount; and

14 (B) the provider fee amount attributable to an
15 insurer or health maintenance organization if the fees are imposed
16 on a controlled group, as defined by Section 9010(c)(3), Affordable
17 Care Act; and

18 (2) identify the lines of business, other than the
19 business of life insurance, included in the calculation of the
20 nationwide health premium or revenue amount.

21 SECTION 2. The changes in law made by this Act apply only to
22 a tax liability accruing on or after January 1, 2020.

23 SECTION 3. The comptroller of public accounts and
24 commissioner of insurance shall adopt rules necessary to implement
25 the changes in law made by this Act.

26 SECTION 4. This Act takes effect September 1, 2017.