

By: King of Parker

H.B. No. 2036

A BILL TO BE ENTITLED

AN ACT

relating to premium and maintenance 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) "Recoupment amount" means the amount of health insurer provider fees under Section 9010, Affordable Care Act, that the insurer or health maintenance organization recoups, including amounts recouped through adjustments to the insurer's premium rate or the health maintenance organization's formula or method for computing its schedule of charges, as applicable.

(b) An insurer or health maintenance organization is entitled to a credit on the amount of tax due under this chapter in a taxable year equal to the amount of the premium tax imposed in that year on the insurer's or organization's recoupment amount for that year.

(c) The commissioner by rule shall establish formulas to

1 calculate the amount of the credit authorized by Subsection (b),
2 including a formula to calculate:

3 (1) an insurer's or health maintenance organization's
4 recoupment amount; and

5 (2) the recoupment amount attributable to an insurer
6 or health maintenance organization if the fees are imposed on a
7 controlled group, as defined by Section 9010(c)(3), Affordable Care
8 Act.

9 SECTION 2. Chapter 257, Insurance Code, is amended by
10 adding Section 257.005 to read as follows:

11 Sec. 257.005. CREDIT FOR CERTAIN FEDERAL FEES PAID. (a) In
12 this section:

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

17 (2) "Recoupment amount" means the amount of health
18 insurer provider fees under Section 9010, Affordable Care Act, that
19 the insurer recoups, including amounts recouped through
20 adjustments to the insurer's premium rate.

21 (b) An insurer is entitled to a credit on the amount of tax
22 due under this chapter in a taxable year equal to the amount of the
23 premium tax imposed in that year on the insurer's recoupment amount
24 for that year.

25 (c) The commissioner by rule shall establish formulas to
26 calculate the amount of the credit authorized by Subsection (b),
27 including a formula to calculate:

- 1 (1) an insurer's recoupment amount; and
2 (2) the recoupment amount attributable to an insurer
3 if the fees are imposed on a controlled group, as defined by Section
4 9010(c)(3), Affordable Care Act.

5 SECTION 3. The changes in law made by this Act apply only to
6 a tax liability accruing on or after January 1, 2014.

7 SECTION 4. The comptroller of public accounts and
8 commissioner of insurance shall adopt rules necessary to implement
9 the changes in law made by this Act.

10 SECTION 5. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2017.