

SECOND REGULAR SESSION

# HOUSE BILL NO. 967

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE RICHARD.

Read 1<sup>st</sup> time January 7, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3495L.011

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### AN ACT

To repeal sections 148.320, 148.340, 148.370, and 148.376, RSMo, and to enact in lieu thereof four new sections relating to insurance company premium taxes.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 148.320, 148.340, 148.370, and 148.376, RSMo, are repealed and  
2 four new sections enacted in lieu thereof, to be known as sections 148.320, 148.340, 148.370,  
3 and 148.376, to read as follows:

148.320. **1. For all calendar years ending on or before December 31, 2004,** every  
2 stock insurance company organized under the provisions of sections 379.010 to 379.203, RSMo,  
3 shall quarterly pay a tax upon the direct premiums received during the calendar year, whether in  
4 cash or notes, in this state and on account of business done in this state at a rate of two percent  
5 per annum in lieu of all other taxes except taxes on real and tangible personal property, taxes on  
6 incomes and on franchises and license taxes; provided, that such insurance companies shall be  
7 credited with canceled or returned premiums, actually paid during the year in this state.

8 **2. For all calendar years beginning on or after January 1, 2005, the tax rate at**  
9 **which insurance companies shall be assessed under this section and sections 148.340,**  
10 **148.370, and 148.376 shall be as follows:**

11 **(1) For the calendar year beginning on January 1, 2005, one and three-fourths**  
12 **percent per annum;**

13 **(2) For the calendar year beginning on January 1, 2006, one and one-half percent**  
14 **per annum;**

15 **(3) For the calendar year beginning on January 1, 2007, one and one-fourth percent**

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.**

16 **per annum; and**

17 **(4) For all calendar years beginning on or after January 1, 2008, one percent per**  
18 **annum.**

148.340. **For all calendar years ending on or before December 31, 2004,** every  
2 insurance company or association not organized under the laws of this state, shall, as provided  
3 in section 148.350, quarterly pay tax upon the direct premiums received, whether in cash or in  
4 notes, in this state or on account of business done in this state, for insurance of life, property or  
5 interest in this state at the rate of two percent per annum in lieu of all other taxes, except as in  
6 sections 148.310 to 148.461 otherwise provided, which amount of taxes shall be assessed and  
7 collected as herein provided; provided, that fire and casualty insurance companies or associations  
8 shall be credited with canceled or return premiums actually paid during the year in this state, and  
9 that life insurance companies shall be credited with dividends actually declared to policyholders  
10 in this state, but held by the company and applied to the reduction of premiums payable by the  
11 policyholder. **For all calendar years beginning on or after January 1, 2005, the tax rate at**  
12 **which insurance companies shall be assessed under this section shall be the amount**  
13 **prescribed in subsection 2 of section 148.320.**

148.370. **For all calendar years ending on or before December 31, 2004,** every  
2 insurance company or association organized under the laws of the state of Missouri and doing  
3 business under the provisions of sections 376.010 to 376.670, 379.205 to [379.310] **379.300,**  
4 **379.650 to 379.790** and chapter 381, RSMo, and every mutual fire insurance company organized  
5 under the provisions of sections 379.010 to 379.190, RSMo, shall, as hereinafter provided,  
6 quarterly pay, beginning with the year 1983, a tax upon the direct premiums received by it from  
7 policyholders in this state, whether in cash or in notes, or on account of business done in this  
8 state, for insurance of life, property or interest in this state, at the rate of two percent per annum,  
9 which amount of taxes shall be assessed and collected as hereinafter provided; provided, that fire  
10 and casualty insurance companies or associations shall be credited with canceled or returned  
11 premiums actually paid during the year in this state, and that life insurance companies shall be  
12 credited with dividends actually declared to policyholders in this state but held by the company  
13 and applied to the reduction of premiums payable by the policyholder. **For all calendar years**  
14 **beginning on or after January 1, 2005, the tax rate at which insurance companies shall be**  
15 **assessed under this section shall be the amount prescribed in subsection 2 of section**  
16 **148.320.**

148.376. 1. **For all calendar years ending on or before December 31, 2004,** every  
2 company operating under the provisions of sections 380.201 to 380.591, RSMo, shall quarterly  
3 pay a tax upon the direct premiums or assessments received during the calendar year, whether  
4 in cash or notes, on account of insurance business done in this state at a rate of one percent per

5 annum for the amount of direct premiums or assessments received in excess of one million  
6 dollars. Direct premiums or assessments received by such companies in excess of five million  
7 dollars shall be taxed at the rate of two percent per annum. This taxation plan shall be in lieu of  
8 all other taxes except taxes on real and tangible personal property, taxes on franchises and license  
9 taxes, and those insurance companies shall be credited with canceled or returned premiums,  
10 actually paid during the year in this state. **For all calendar years beginning on or after**  
11 **January 1, 2005, the tax rate at which insurance companies shall be assessed under this**  
12 **section shall be the amount prescribed in subsection 2 of section 148.320.**

13         2. The taxes imposed by the provisions of this section shall be payable on an estimated  
14 quarterly basis in the same manner that domestic insurance companies pay tax under the  
15 provisions of this chapter, and shall be subject to the same provisions concerning delinquency.  
16 Calendar year 1985 will be the first year that companies operating under sections 380.201 to  
17 380.591, RSMo, are required to pay tax under this section and sections 380.011 to 380.611,  
18 RSMo. The estimated quarterly tax payments for 1985 will be based on the amount of tax that  
19 the company would have paid based on their 1984 premiums or assessments. The tax collected  
20 under the provisions of this section shall be distributed and apportioned in the same manner as  
21 provided in section 148.380.