

By: Senator(s) Kirby

To: Finance

SENATE BILL NO. 2696

1 AN ACT TO CREATE A NEW CODE SECTION TO BE CODIFIED AS SECTION
2 83-23-116, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A MEMBER
3 INSURER OF THE MISSISSIPPI INSURANCE GUARANTY ASSOCIATION MAY
4 OFFSET ITS ASSESSMENT AGAINST ITS PREMIUM, FRANCHISE OR INCOME TAX
5 LIABILITY; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** The following shall be codified as Section

8 83-23-116, Mississippi Code of 1972:

9 83-23-116. (1) From and after July 1, 2002, a member
10 insurer may offset against its (premiums, franchise or income) tax
11 liability (or liabilities) to this state an assessment described
12 in Section 83-23-115(1)(c) to the extent of twenty percent (20%)
13 of the amount of such assessment, if any, for each year over the
14 next five (5) succeeding years. However, if the offset is less
15 than twenty percent (20%), any unused balance may be carried over
16 to any succeeding year until such time as the offset provided
17 herein is fully used. In the event a member insured ceases doing
18 business, any uncredited assessment may be credited against its
19 (premium, franchise or income) tax liability (or liabilities) for
20 the year it ceases doing business.

21 (2) Any sums which are acquired by refund pursuant to
22 Section 83-23-115(2)(f) from the association to member insurers,
23 and which have theretofore been offset against (premium, franchise
24 or income) taxes as provided in subsection (1) of this section,
25 shall be paid by such insurers to this State in such manner as the
26 tax authorities may require. The association shall notify the
27 commissioner that the refunds have been made.



28 (3) The association shall issue to each insurer paying an
29 assessment under this article a certificate of contribution, in a
30 form prescribed by the commissioner, for the amount of the
31 assessment so paid. All outstanding certificates shall be of
32 equal dignity and priority without reference to amounts or dates
33 of issue. A certificate of contribution may be shown by the
34 insurer in its financial statement as an asset in such form or for
35 such amount, if any, and period of time as the commissioner may
36 approve.

37 **SECTION 2.** This act shall take effect and be in force from
38 and after July 1, 2002.

