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

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

SECTION 1. The following shall be codified as Section 83-23-116, Mississippi Code of 1972:

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

(2) Any sums which are acquired by refund pursuant to Section 83-23-115(2)(f) from the association to member insurers, and which have theretofore been offset against (premium, franchise or income) taxes as provided in subsection (1) of this section, shall be paid by such insurers to this State in such manner as the tax authorities may require. The association shall notify the commissioner that the refunds have been made.
(3) The association shall issue to each insurer paying an assessment under this article a certificate of contribution, in a form prescribed by the commissioner, for the amount of the assessment so paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts of dates of issue. A certificate of contribution may be shown by the insurer in its financial statement as an asset in such form or for such amount, if any, and period of time as the commissioner may approve.

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