

By: Representatives Hines, Fleming, Mayo

To: Insurance; Ways and Means

HOUSE BILL NO. 678

1 AN ACT TO IMPOSE UPON INSURANCE COMPANIES DOING BUSINESS IN
2 THE STATE AN ANNUAL TAX ON THE PREMIUMS COLLECTED ON HEALTH
3 INSURANCE POLICIES AND CONTRACTS OF THE COMPANY WRITTEN IN OR
4 COVERING RISKS LOCATED IN THIS STATE; TO PROVIDE THAT THE TAX
5 SHALL BE AT A RATE DETERMINED BY THE COMMISSIONER OF INSURANCE
6 THAT WILL GENERATE PROCEEDS EQUAL TO \$5,000,000.00 ANNUALLY; TO
7 PROVIDE THAT THE PROCEEDS GENERATED BY THE TAX SHALL BE DEPOSITED
8 INTO THE MISSISSIPPI BURN CARE FUND; TO AUTHORIZE INSURANCE
9 COMPANIES THAT ARE SUBJECT TO THE TAX TO COLLECT A PORTION OF THE
10 AMOUNT OF THE TAX FROM THE HEALTH INSURANCE POLICYHOLDERS; AND FOR
11 RELATED PURPOSES.

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

13 **SECTION 1.** In addition to any other taxes imposed by law,
14 there is levied and imposed upon each domestic insurance company
15 and foreign insurance company doing business in the state an
16 annual tax on the gross amount of premiums collected on health
17 insurance policies and contracts of the company written in or
18 covering risks located in this state. The tax imposed by this
19 section shall be at a rate determined by the Commissioner of
20 Insurance that will generate proceeds equal to Five Million
21 Dollars (\$5,000,000.00) annually. The tax rate shall be uniform
22 on all insurance companies that are subject to the tax, and shall
23 be adjusted annually by the Commissioner of Insurance as necessary
24 to generate the amount of proceeds as required by this section.
25 All of the proceeds generated by the tax imposed by this section
26 shall be deposited into the Mississippi Burn Care Fund created in
27 Section 7-9-70.

28 Insurance companies that are subject to the tax under this
29 section may collect a portion of the amount of the tax from the
30 health insurance policyholders, but not more than Three Dollars
31 (\$3.00) for each person who is insured under the policy.

32 **SECTION 2.** This act shall take effect and be in force from
33 and after July 1, 2007.