

[Second Reprint]

SENATE, No. 2096

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED JUNE 21, 2010

Sponsored by:

Senator GERALD CARDINALE

District 39 (Bergen)

SYNOPSIS

Concerns certain taxes and assessments dedicated to the administrative costs of the DOBI.

CURRENT VERSION OF TEXT

As amended by the Senate on June 28, 2010.



1 AN ACT concerning certain taxes and assessments dedicated to the
2 administrative costs of the Department of Banking and Insurance
3 and amending P.L.1945, c.132 and P.L.1995, c.156.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 13 of P.L.1995, c.156 (C.17:1C-31) is amended to
9 read as follows:

10 13. Commencing with fiscal year 1999 and in each fiscal year
11 thereafter, the total amount assessable to companies in any fiscal
12 year for all special purpose assessments made pursuant to
13 applicable law as of the effective date of this act, including the
14 special purpose apportionment established by this act, shall not
15 exceed **[0.20]** 0.25 percent of the combined net written premiums
16 received, as defined in subsection b. of section 2 of this act, by all
17 companies for the previous year.

18 (cf: P.L.1999, c.143, s.2)

19

20 2. Section 2 of P.L.1945, c.132 (C.54:18A-2) is amended to
21 read as follows:

22 2. (a) The tax specified in subsection (a) of section 1 of this
23 act, except as to life insurance companies and except as to marine
24 insurance as described by chapter 16 of Title 54 of the Revised
25 Statutes, shall, except as hereinafter provided, be 2% upon the
26 taxable premiums collected by such company during the year
27 ending December 31 next preceding on all business of the company
28 in this State, less the amount of taxes on its property, exclusive of
29 taxes on real estate and of taxes payable pursuant to this section,
30 paid in this State by the company pursuant to any law of this State
31 during the said year. Any taxes paid to the treasurer of any
32 firemen's relief association of this State pursuant to R.S.54:18-1
33 shall be considered a part of the tax payable under this act. An
34 additional tax of 0.1% upon such taxable premiums of such insurers
35 shall also be paid **[**, which amount shall be dedicated to the
36 Department of Banking and Insurance for payment of
37 administrative costs related to its statutory duties**]**.

38 (b) Taxable premiums, collected after December 31, 1965 by an
39 insurance company subject to the provisions of subsection (a)
40 hereof under group accident and health insurance policies on
41 residents of this State, and taxable premiums collected under legal

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 24, 2010.

²Senate floor amendments adopted June 28, 2010.

1 insurance policies as defined in section 3 of P.L.1981, c.160
 2 (C.17:46C-3) on residents of this State, shall be subject to tax at the
 3 following rates:

4	As to taxes payable in 1967	1 3/4 %
5	As to taxes payable in 1968	1 1/2 %
6	As to taxes payable in 1969	1 1/4 %
7	As to taxes payable in 1970 through 2008	1%
8	As to taxes payable in 2009	1.35%
9	As to taxes payable in 2010 and thereafter	1%

10 An additional tax of 0.05% upon such taxable premiums of such
 11 insurers shall also be paid **[**, which amount shall be dedicated to the
 12 Department of Banking and Insurance for payment of
 13 administrative costs related to its statutory duties**]**.

14 ²(c) For the filing pursuant to subsection (a) of section 1 of
 15 P.L.1945, c.132 (C.54:18A-1) due on or before March 1, 2014 and
 16 each filing thereafter, every domestic insurance company subject to
 17 this section shall be allowed to reduce the amount owed pursuant to
 18 this section by 5% of any retaliatory tax liability incurred by that
 19 insurance company for the same filing period pursuant to the laws
 20 of any other state in which the insurance company transacts
 21 business. Such percentage reduction shall increase 1% per annual
 22 filing, until reaching 15% of any retaliatory tax liability for the
 23 filing due on or before March 1, 2024 and each year thereafter.²

24 (cf: P.L.2009, c.75, s.1)

25

26 3. Section 3 of P.L.1945, c.132 (C.54:18A-3) is amended to
 27 read as follows:

28 3. Amount of tax, life insurance companies; additional tax. (a)
 29 The tax specified in subsection (a) of section 1 of this act as to life
 30 insurance companies, shall, except as hereinafter provided, be 2%
 31 upon the taxable premiums collected by the company during the
 32 year ending December 31 next preceding under all policies or
 33 contracts of insurance on residents of this State, less the amount of
 34 taxes on its property, exclusive of taxes on real estate and of taxes
 35 payable pursuant to this section, paid in this State by the company
 36 pursuant to any law of this State during the said year. An additional
 37 tax of 0.1% upon such taxable premiums of such insurers shall also
 38 be paid **[**, which amount shall be dedicated to the Department of
 39 Banking and Insurance for payment of administrative costs related
 40 to its statutory duties**]**.

41 (b) Taxable premiums, collected after December 31, 1965 by an
 42 insurance company subject to the provisions of subsection (a)
 43 hereof under group accident and health insurance policies on
 44 residents of this State, and taxable premiums collected under legal
 45 insurance policies as defined in section 3 of P.L.1981, c.160
 46 (C.17:46C-3) on residents of this State, shall be subject to tax at the
 47 following rates:

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1	As to taxes payable in 1967	1 3/4%
2	As to taxes payable in 1968	1 1/2%
3	As to taxes payable in 1969	1 1/4%
4	As to taxes payable in 1970 through 2008	1%
5	As to taxes payable in 2009	1.35%
6	As to taxes payable in 2010 and thereafter	1%

7 An additional tax of 0.05% upon such taxable premiums of such
8 insurers shall also be paid **■**, which amount shall be dedicated to the
9 Department of Banking and Insurance for payment of
10 administrative costs related to its statutory duties **■**.

11 ¹(c) For the filing pursuant to subsection (a) of section 1 of
12 P.L.1945, c.132 (C.54:18A-1) due on or before March 1, 2014 and
13 each filing thereafter, every domestic insurance company subject to
14 this section shall be allowed to reduce the amount owed pursuant to
15 this section by 5% of any retaliatory tax liability incurred by that
16 insurance company for the same filing period pursuant to the laws
17 of any other state in which the insurance company transacts
18 business. Such percentage reduction shall increase 1% per annual
19 filing, until reaching 15% of any retaliatory tax liability for the
20 filing due on or before March 1, 2024 and each year thereafter.¹

21 (cf: P.L.2009, c.75, s.2)

22

23 4. This act shall take effect immediately.