



General Assembly

Amendment

January Session, 2009

LCO No. 8366

HB0658208366SRO

Offered by:

SEN. MCKINNEY, 28th Dist.

SEN. FASANO, 34th Dist.

SEN. RORABACK, 30th Dist.

To: Subst. House Bill No. 6582

File No. 995

Cal. No. 675

"AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 12-202 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2009, and*
5 *applicable to income years commencing on or after January 1, 2009*):

6 (a) Each domestic insurance company shall, annually, pay a tax on
7 the total net direct premiums received by such company during the
8 calendar year next preceding from policies written on property or risks
9 located or resident in this state. The rate of tax on all net direct
10 insurance premiums received on and after January 1, 1995, shall be one
11 and three-quarters per cent. The franchise tax imposed under this
12 section on premium income for the privilege of doing business in the
13 state is in addition to the tax imposed under chapter 208. In the case of

14 any local domestic insurance company the admitted assets of which as
15 of the end of an income year do not exceed ninety-five million dollars,
16 eighty per cent of the tax paid by such company under chapter 208
17 during such income year reduced by any refunds of taxes paid by such
18 company and granted under said chapter within such income year and
19 eighty per cent of the assessment paid by such company under section
20 38a-48 during such income year shall be allowed as a credit in the
21 determination of the tax under this chapter payable with respect to
22 total net direct premiums received during such income year, provided
23 that these two credits shall not reduce the tax under this chapter to less
24 than zero, and provided further in the case of a local domestic
25 insurance company which is a member of an insurance holding
26 company system, as defined in section 38a-129, these credits shall
27 apply if the total admitted assets of the local domestic insurance
28 company and its affiliates, as defined in said section, do not exceed
29 two hundred fifty million dollars or, in the alternative, in the case of a
30 local domestic insurance company which is a member of an insurance
31 holding company system, as defined in section 38a-129, these credits
32 shall apply only if total direct written premiums are derived from
33 policies issued or delivered in Connecticut, on risk located in
34 Connecticut and, as of the end of the income year the company and its
35 affiliates have admitted assets minus unpaid losses and loss
36 adjustment expenses that are also discounted for federal and state tax
37 purposes and which for said local domestic insurance company and its
38 affiliates, as defined in said section do not exceed two hundred fifty
39 million dollars.

40 (b) Notwithstanding the provisions of subsection (a) of this section,
41 the tax shall not apply to any new or renewal contract or policy
42 entered into with a municipality on or after July 1, 2009, to provide
43 health care coverage to municipal employees, municipal retirees and
44 dependents of such employees or retirees.

45 Sec. 502. Section 12-202a of the general statutes is repealed and the
46 following is substituted in lieu thereof (*Effective July 1, 2009, and*

47 *applicable to income years commencing on or after January 1, 2009):*

48 (a) Each health care center, as defined in section 38a-175, that is
49 governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to
50 the Commissioner of Revenue Services for the calendar year
51 commencing on January 1, 1995, and annually thereafter, at the rate of
52 one and three-quarters per cent of the total net direct subscriber
53 charges received by such health care center during each such calendar
54 year on any new or renewal contract or policy approved by the
55 Insurance Commissioner under section 38a-183. Such payment shall be
56 in addition to any other payment required under section 38a-48.

57 (b) Notwithstanding the provisions of subsection (a) of this section,
58 the tax shall not apply to:

59 (1) Any new or renewal contract or policy entered into with the state
60 on or after July 1, 1997, to provide health care coverage to state
61 employees, retirees and their dependents;

62 (2) Any subscriber charges received from the federal government to
63 provide coverage for Medicare patients;

64 (3) Any subscriber charges received under a contract or policy
65 entered into with the state to provide health care coverage to Medicaid
66 recipients under the Medicaid managed care program established
67 pursuant to section 17b-28, which charges are attributable to a period
68 on or after January 1, 1998;

69 (4) Any new or renewal contract or policy entered into with the state
70 on or after April 1, 1998, to provide health care coverage to eligible
71 beneficiaries under the HUSKY Medicaid Plan Part A, HUSKY Part B,
72 or the HUSKY Plus programs, each as defined in section 17b-290;

73 (5) Any new or renewal contract or policy entered into with the state
74 on or after April 1, 1998, to provide health care coverage to recipients
75 of state-administered general assistance pursuant to section 17b-192;

76 (6) Any new or renewal contract or policy entered into with the state
77 on or after February 1, 2000, to provide health care coverage to retired
78 teachers, spouses or surviving spouses covered by plans offered by the
79 state teachers' retirement system;

80 (7) Any new or renewal contract or policy entered into with a
81 municipality on or after [July 1, 2001, to provide health care coverage
82 to employees of a municipality and their dependents under a plan
83 procured pursuant to section 5-259] July 1, 2009, to provide health care
84 coverage to municipal employees, municipal retirees and dependents
85 of such employees or retirees;

86 (8) Any new or renewal contract or policy entered into on or after
87 July 1, 2001, to provide health care coverage to employees of nonprofit
88 organizations and their dependents under a plan procured pursuant to
89 section 5-259;

90 (9) Any new or renewal contract or policy entered into on or after
91 July 1, 2003, to provide health care coverage to individuals eligible for
92 a health coverage tax credit and their dependents under a plan
93 procured pursuant to section 5-259;

94 (10) Any new or renewal contract or policy entered into on or after
95 July 1, 2005, to provide health care coverage to employees of
96 community action agencies and their dependents under a plan
97 procured pursuant to section 5-259; or

98 (11) Any new or renewal contract or policy entered into on or after
99 July 1, 2005, to provide health care coverage to retired members and
100 their dependents under a plan procured pursuant to section 5-259.

101 (c) The provisions of this chapter pertaining to the filing of returns,
102 declarations, installment payments, assessments and collection of
103 taxes, penalties, administrative hearings and appeals imposed on
104 domestic insurance companies shall apply with respect to the charge
105 imposed under this section."