



General Assembly

January Session, 2011

**Amendment**

LCO No. 8452

**\*HB0630808452SR0\***

Offered by:  
SEN. KELLY, 21<sup>st</sup> Dist.

To: Subst. House Bill No. 6308      File No. 868      Cal. No. 592

**"AN ACT CONCERNING HEALTHCARE REFORM."**

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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 Section 12-202 of the general statutes is repealed and the  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, 2011, and*  
5      *applicable to income years commencing on or after January 1, 2011*):

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, 2011, 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, 2011, and*  
47 *applicable to income years commencing on or after January 1, 2011*):

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 which charges are attributable to a period on or after  
67 January 1, 1998;

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

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

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

79 (7) Any new or renewal contract or policy entered into on or after  
80 July 1, 2001, to provide health care coverage to employees of a  
81 municipality and their dependents under a plan procured pursuant to  
82 section 5-259;

83 (8) Any new or renewal contract or policy entered into with a  
84 municipality on or after [July 1, 2001, to provide health care coverage  
85 to employees of nonprofit organizations and their dependents under a  
86 plan procured pursuant to section 5-259] July 1, 2011, to provide health  
87 care coverage to municipal employees, municipal retirees and  
88 dependents of such employees or retirees;

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

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

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

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