

Bill No. SB 2118

Barcode 155586

CHAMBER ACTION

Senate

House

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The Committee on Judiciary (Aronberg) recommended the following amendment:

Senate Amendment (with title amendment)

On page 6, line 13, delete that line

and insert:

Section 2. Effective retroactively to January 1, 2004, paragraph (e) is added to subsection (5) of section 624.509, Florida Statutes, to read:

624.509 Premium tax; rate and computation.--

(5) There shall be allowed a credit against the net tax imposed by this section equal to 15 percent of the amount paid by the insurer in salaries to employees located or based within this state and who are covered by the provisions of chapter 443. For purposes of this subsection:

(e) Effective January 1, 2004, a service company that is a subsidiary of a mutual insurance holding company that was in existence on or before January 1, 2000, shall allocate the salary of each service company employee covered by a contract with a member of the mutual insurance holding company system

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1 to the company for which the employee performs services, based
 2 on the time during the tax year that the employee performs
 3 services or works for that company over the total time the
 4 employee performs services or works for all companies in the
 5 system. The total salary allocated to a company within the
 6 system shall be included as employee salaries for that insurer
 7 for purposes of this section.

8 1. As used in this paragraph, the term:

9 a. "Mutual insurance holding company system" means two
 10 or more corporations that are subsidiaries of a mutual
 11 insurance holding company in compliance with part IV of
 12 chapter 628.

13 b. "Service company" means a separate corporation
 14 within a mutual insurance holding company system whose
 15 employees provide services to other members of the system and
 16 are treated as service company employees for unemployment
 17 compensation and common law purposes. The mutual insurance
 18 holding company is not a service company for purposes of this
 19 paragraph.

20 2. If an insurance company fails to substantiate,
 21 whether by means of adequate records or otherwise, its
 22 eligibility to claim the service company exception under this
 23 section or its salary allocation under this section, credit is
 24 not allowed.

25 Section 3. Except as otherwise expressly provided in
 26 this act, this act shall take effect July 1, 2005.

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29 ===== T I T L E A M E N D M E N T =====

30 And the title is amended as follows:

31 On page 1, lines 6 and 7, delete the words "providing

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1 an effective date"

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3 and insert:

4 amending s. 624.509, F.S.; providing an
5 alternative procedure for workers' compensation
6 insurers to obtain premium tax credits for
7 salaries paid to certain employees; providing
8 for retroactive application; providing
9 effective dates.

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