

1                                   A bill to be entitled  
 2           An act relating to the insurance premium tax; amending s.  
 3           624.509, F.S.; providing for separate taxation of certain  
 4           title insurance gross receipts; providing limitations;  
 5           amending s. 627.7711, F.S.; revising the definition of the  
 6           term "premium"; providing an effective date.

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 8   Be It Enacted by the Legislature of the State of Florida:

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 10           Section 1. Subsection (1) of section 624.509, Florida  
 11   Statutes, is amended to read:

12           624.509 Premium tax; rate and computation.--

13           (1) In addition to the license taxes provided for in this  
 14   chapter, each insurer shall also annually, and on or before  
 15   March 1 in each year, except as to wet marine and transportation  
 16   insurance taxed under s. 624.510, pay to the Department of  
 17   Revenue a tax on insurance premiums, premiums for title  
 18   insurance, or assessments, including membership fees and policy  
 19   fees and gross deposits received from subscribers to reciprocal  
 20   or interinsurance agreements, and on annuity premiums or  
 21   considerations, received during the preceding calendar year, the  
 22   amounts thereof to be determined as set forth in this section,  
 23   to wit:

24           (a) An amount equal to 1.75 percent of the gross amount of  
 25   such receipts on account of life and health insurance policies  
 26   covering persons resident in this state and on account of all  
 27   other types of policies and contracts, ~~except annuity policies~~  
 28   or contracts taxable under paragraph (b) and title insurance

29 policies or contracts written through affiliated and  
 30 nonaffiliated agencies taxable under paragraph (c), covering  
 31 property, subjects, or risks located, resident, or to be  
 32 performed in this state, omitting premiums on reinsurance  
 33 accepted, and less return premiums or assessments, but without  
 34 deductions:

- 35 1. For reinsurance ceded to other insurers;
- 36 2. For moneys paid upon surrender of policies or  
 37 certificates for cash surrender value;
- 38 3. For discounts or refunds for direct or prompt payment  
 39 of premiums or assessments; and
- 40 4. On account of dividends of any nature or amount paid  
 41 and credited or allowed to holders of insurance policies;  
 42 certificates; or surety, indemnity, reciprocal, or  
 43 interinsurance contracts or agreements ~~and~~

44 (b) An amount equal to 1 percent of the gross receipts on  
 45 annuity policies or contracts paid by holders thereof in this  
 46 state.

47 (c) An amount equal to 1.75 percent of the gross receipts  
 48 on title insurance written through affiliated and nonaffiliated  
 49 agencies, less the portion of the gross receipts retained by or  
 50 paid under contract to the affiliated and nonaffiliated title  
 51 insurance agents. The reduction in the insurer's total amount of  
 52 title insurance premium gross receipts received through  
 53 affiliated and nonaffiliated agencies may not exceed the  
 54 following percentages of the total title insurance premium gross  
 55 receipts received by the insurer through affiliated and  
 56 nonaffiliated agencies:

57           1. For 2007, 20 percent.

58           2. For 2008, 45 percent.

59           3. For 2009 and subsequent years, 70 percent.

60           Section 2. Subsection (2) of section 627.7711, Florida  
61 Statutes, is amended to read:

62           627.7711 Definitions.--As used in this part, the term:

63           (2) "Premium" means the charge, as specified by rule of  
64 the commission, that is made by a title insurer for a title  
65 insurance policy, including the charge for performance of  
66 primary title services by a title insurer or title insurance  
67 agent or agency, and incurring the risks incident to such  
68 policy, under the several classifications of title insurance  
69 contracts and forms, ~~and upon which charge a premium tax is paid~~  
70 ~~under s. 624.509.~~ As used in this part or in any other law, with  
71 respect to title insurance, the word "premium" does not include  
72 a commission.

73           Section 3. This act shall take effect January 1, 2007.