

BILL ANALYSIS

Senate Research Center
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S.B. 1690
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Finance
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DIGEST AND PURPOSE

The comptroller of public accounts has encountered legal challenges involving the construction of tax statutes in several areas, including insurance tax and its effect on other taxes. As proposed, S.B. 1690 clarifies the existing laws in this area and attempts to eliminate perceived vulnerabilities in the statutes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 4.01, Insurance Code, to delete text prohibiting domestic insurance companies from being required to pay any occupation or gross receipts tax.

SECTION 2. Amends Article 4.06, Insurance Code, to provide that this chapter applies to certain insurance organizations. Prohibits an insurance organization subject to a tax levied by this chapter from being required to pay any additional tax in proportion to its gross premium receipts levied by this state or any county or municipality, except as otherwise provided by this code or the Labor Code. Prohibits this exemption from being construed to limit the applicability of other taxes, fees, and assessments that are imposed by other chapters of this code. Prohibits this exemption from being construed to prohibit the levy and collection of certain state, county, and municipal taxes except under certain conditions. Deletes text regarding occupational taxes.

SECTION 3. Amends Section 8, Article 9.59, Insurance Code, to make conforming changes regarding title insurance companies and title insurance agents. Deletes text regarding occupational taxes. Deletes text providing that the taxes in this article constitute all taxes collectible under the laws of the state against title insurance companies or agents. Deletes text prohibiting other taxes from being levied or collected from any title insurance company or agent and text prohibiting this law from being construed for certain purposes.

SECTION 4. Repeals the following portions of the Insurance Code:

Section 14 (No Other Taxes to be Levied or Collected; Exceptions), Article 4.10; and

Section 9 (Limitation of Taxes Collectible), Article 4.11.

SECTION 5. Effective date: September 1, 2001.
Makes application of this Act prospective.