**South Carolina General Assembly**

121st Session, 2015-2016

**H. 4525**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Simrill, Loftis, Hosey, Southard, Duckworth, Mitchell, White, Hill, Gambrell, Gagnon and Williams

Document Path: l:\council\bills\nbd\11165sa16.docx

Companion/Similar bill(s): 973

Introduced in the House on January 12, 2016

Introduced in the Senate on April 26, 2016

Last Amended on April 21, 2016

Currently residing in the Senate Committee on **Banking and Insurance**

Summary: Insurance premium tax

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/3/2015 House Prefiled

12/3/2015 House Referred to Committee on **Ways and Means**

1/12/2016 House Introduced and read first time ([House Journal‑page 93](file:///h:\HJ%20Archive\2016\01-12-16.docx))

1/12/2016 House Referred to Committee on **Ways and Means** ([House Journal‑page 93](file:///h:\HJ%20Archive\2016\01-12-16.docx))

1/27/2016 House Member(s) request name added as sponsor: Southard

4/20/2016 House Committee report: Favorable with amendment **Ways and Means** ([House Journal‑page 350](file:///h:\HJ%20Archive\2016\04-20-16.docx))

4/21/2016 House Member(s) request name added as sponsor: Duckworth, Mitchell, White, Hill, Gambrell, Gagnon, Williams

4/21/2016 House Amended ([House Journal‑page 28](file:///h:\HJ%20Archive\2016\04-21-16.docx))

4/21/2016 House Read second time ([House Journal‑page 28](file:///h:\HJ%20Archive\2016\04-21-16.docx))

4/21/2016 House Roll call Yeas‑104 Nays‑0 ([House Journal‑page 29](file:///h:\HJ%20Archive\2016\04-21-16.docx))

4/21/2016 House Unanimous consent for third reading on next legislative day ([House Journal‑page 30](file:///h:\HJ%20Archive\2016\04-21-16.docx))

4/22/2016 House Read third time and sent to Senate ([House Journal‑page 2](file:///h:\HJ%20Archive\2016\04-22-16.docx))

4/26/2016 Senate Introduced and read first time ([Senate Journal‑page 9](file:///h:\SJ%20Archive\2016\04-26-16.docx))

4/26/2016 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 9](file:///h:\SJ%20Archive\2016\04-26-16.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=4525&session=121&summary=B) at the website

**VERSIONS OF THIS BILL**

[12/3/2015](file:///p:\pprever\2015-16\4525_20151203.docx)

[4/20/2016](file:///p:\pprever\2015-16\4525_20160420.docx)

[4/21/2016](file:///p:\pprever\2015-16\4525_20160421.docx)

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AMENDED

April 21, 2016

**H. 4525**

Introduced by Reps. Simrill, Loftis, Hosey, Southard, Duckworth, Mitchell, White, Hill, Gambrell, Gagnon and Williams

S. Printed 4/21/16--H.

Read the first time January 21, 2016.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill is not expected to affect general fund insurance premium tax revenue in FY2016-17 or any fiscal year through FY2026-27. Since the BEA has already incorporated the revenue transfer into its annual revenue estimate and will continue to do so in the future, this bill will not affect general fund insurance tax revenue estimates.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill would continue to be administered by the South Carolina Department of Insurance. The Department of Insurance would continue to administer revenue transfers to the South Carolina Forestry Commission pursuant to Act 155 of 2013. There will be no impact on the general fund, federal funds, or other funds. The department can administer the legislative changes with existing resources.

**State Reve**n**ue**

Currently, pursuant to Act 155 of 2013, Section 38-7-20(B) permits the transfer of two and one-quarter percent of general fund insurance premium tax revenue to the South Carolina Forestry Commission. The transferred funds are used by the Forestry Commission for firefighting, firefighting replacement equipment, and forest industry economic enhancement. The remaining insurance premium tax revenue remains in the general fund. Additionally, this transfer does not affect the amount of revenue to be allocated to local fire departments.

Since the passage of Act 155 of 2013, the Board of Economic Advisors (BEA) has recognized the transfer of a portion of general fund insurance premium tax revenue to the S.C. Forestry Commission in its official general fund revenue forecast each year. The transfer will amount to an estimated $3,304,679 in FY2016-17. This revenue transfer is scheduled to cease July 1, 2017. This bill would extend the sunset date of the revenue transfer from through June 30, 2017 to June 30, 2027. The current transfer of revenues would remain in effect for an additional ten fiscal years through June 30, 2027. Since the BEA has already incorporated the revenue transfer into its revenue estimate and will continue to do so in the future, this bill would not affect the BEA’s general fund insurance premium tax revenue forecast in future fiscal years.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 38‑7‑20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE IMPOSITION OF THE INSURANCE PREMIUM TAX, SO AS TO EXTEND THE DATE THAT CERTAIN REVENUE MUST BE SENT TO THE SOUTH CAROLINA FORESTRY COMMISSION TO 2027.

Amend Title To Conform

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 38‑7‑20 of the 1976 Code is amended to read:

“Section 38‑7‑20. (A) In addition to all license fees and taxes otherwise provided by law, there is levied upon each insurance company licensed by the director or his designee an insurance premium tax based upon total premiums, other than workers’ compensation insurance premiums, and annuity considerations, written by the company in the State during each calendar year ending on the thirty‑first day of December. For life insurance, the insurance premium tax levied herein is equal to three‑fourths of one percent of the total premiums written. For all other types of insurance, the insurance premium tax levied in this section is equal to one and one‑fourth percent of the total premiums written. In computing total premiums, return premiums on risks and dividends paid or credited to policyholders are excluded.

(B) Effective July 1, 2013, through June 30, ~~2017~~ 2030, ~~two and one‑quarter percent~~ of the revenue of the premium taxes collected pursuant to this section:

(1) one percent must be transferred to the South Carolina Forestry Commission and used by that agency for firefighting and firefighting equipment replacement;

(2) one percent must be transferred to the aid to fire districts account within the State Treasury and distributed for firefighting equipment replacement in the same manner as described in Section 23‑9‑410;

(3) one quarter of one percent must be transferred to the aid to emergency medical services regional councils within the Department of Health and Environmental Control and used for grants to fund emergency medical technician and paramedic training; and

(4) ~~The~~ the remaining insurance premium taxes collected pursuant to this section must be deposited to the credit of the general fund of the State.

SECTION 2. This act takes effect on July 1, 2017, and first applies to Fiscal Year 2017‑2018.

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