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COMMITTEE REPORT

April 25, 2018

**H. 4962**

Introduced by Reps. Sandifer and Spires

S. Printed 4/25/18--S.

Read the first time March 21, 2018.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (H. 4962) to amend Section 38‑7‑90, Code of Laws of South Carolina, 1976, relating to retaliatory taxes by other states against insurance companies chartered in this State, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

RONNIE W. CROMER for Committee.

**A** **BILL**

TO AMEND SECTION 38‑7‑90, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO RETALIATORY TAXES BY OTHER STATES AGAINST INSURANCE COMPANIES CHARTERED IN THIS STATE, SO AS TO PROVIDE TITLE INSURERS ONLY MAY INCLUDE THEIR PORTION OF THE PREMIUM IN THE RETALIATORY TAX COMPUTATIONS AND ARE PROHIBITED FROM INCLUDING THESE AMOUNTS IN THE SOUTH CAROLINA COLUMN OF RETALIATORY TAX WORKSHEETS.

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

SECTION 1. Section 38‑7‑90 of the 1976 Code is amended to read:

“Section 38‑7‑90. (A) When the laws of any other state or the regulations or actions of any public official of another state subject, or would subject, insurance companies chartered by this State, or their agents or representatives, to fees, taxes, obligations, conditions, restrictions, or penalties for the privilege of doing business in that state which are greater than those required by this State of similar insurers organized or domiciled in the other state by or in this State for the privilege of doing business herein, then all similar insurers organized or domiciled in that state are subjected to the greater requirements which are or would be imposed by or in that state upon similar insurers of this State.

(B) This section must be applied, regardless of whether an insurer chartered by this State is doing business in the other state. The application of this section is based upon a comparison of the aggregate requirements imposed by this State with the aggregate requirements imposed by the other state. Taxes, fees, or other obligations imposed by municipalities are considered in the application of this section.

(C) This section is effective for all insurance premiums collected after December 31, 1989, and to all insurance premium tax returns filed beginning with the quarterly return due September 1, 1990, and all quarterly and annual returns filed after that time.

(D) Title insurers only may include the title insurers’ portion of the premium in the retaliatory tax computation for this State. Since the title insurer collects the agent’s portion of the premium tax, the title insurer is prohibited from including these amounts in the South Carolina column of retaliatory tax worksheets. This subsection is effective for all premiums collected after the effective date of this act.”

SECTION 2. This act takes effect upon approval by the Governor.

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