

SENATE BILL No. 32

By Committee on Assessment and Taxation

1-16

AN ACT concerning insurance; relating to taxation; reducing insurance company premium tax rates; discontinuing remittance and crediting of a portion of the premium tax to the insurance department service regulation fund; amending K.S.A. 40-112 and 40-252 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 40-112 is hereby amended to read as follows: 40-112. (a) For the purpose of maintaining the insurance department and the payment of expenses incident thereto, there is hereby established the insurance department service regulation fund in the state treasury, which shall be administered by the commissioner of insurance. All expenditures from the insurance department service regulation fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the commissioner of insurance or by a person or persons designated by the commissioner.

(b) ~~On and after the effective date of this act January 1, 2026, all fees received by the commissioner of insurance pursuant to any statute and 1% of taxes received pursuant to K.S.A. 40-252, and amendments thereto, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the insurance department service regulation fund.~~

(c) Except as otherwise provided by this section, the commissioner of insurance shall make an annual assessment on each group of affiliated insurers whose certificates of authority to do business in this state are in good standing at the time of the assessment. The total amount of all such assessments for a fiscal year shall be equal to the amount sufficient ~~with~~ *when* combined with the total amount to be credited to the insurance department service regulation fund pursuant to subsection (b) is equal to the amount approved by the legislature to fund the insurance company regulation program. With respect to each group of affiliated insurers, such assessment shall be in proportion to the amount of total assets of the group of affiliated insurers as reported to the commissioner of insurance pursuant to K.S.A. 40-225, and amendments thereto, for the

Proposed Amendment to SB 32
For House Committee on Insurance
By Eileen Ma
Office of Revisor of Statutes

1 the year ending on the December 31 next preceding.

2 Commencing in 1985 and annually thereafter the estimated taxes shall
3 be paid as follows: On or before June 15 and December 15 of such year an
4 amount equal to 50% of the full amount of the prior year's taxes as
5 reported by the company shall be remitted to the commissioner of
6 insurance. As used in this paragraph, "prior year's taxes" includes: (1)
7 Taxes assessed pursuant to this section for the prior calendar year; (2) fees
8 and taxes assessed pursuant to K.S.A. 40-253, and amendments thereto,
9 for the prior calendar year; and (3) taxes paid for maintenance of the
10 department of the state fire marshal pursuant to K.S.A. 75-1508, and
11 amendments thereto, for the prior calendar year.

12 Upon the receipt of such returns the commissioner of insurance shall
13 verify the same and assess the taxes upon such companies, corporations or
14 associations on the basis and at the rate provided herein and the balance of
15 such taxes shall thereupon become due and payable giving credit for
16 amounts paid pursuant to the preceding paragraph, or the commissioner
17 shall make a refund if the taxes paid in the prior June and December are in
18 excess of the taxes assessed.

19 *All reports and returns required by this act and rules and regulations*
20 *adopted pursuant thereto shall be preserved for three years and thereafter*
21 *until the commissioner orders them to be destroyed.*

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23 The fee prescribed for the examination of charters and other documents
24 shall apply to each company's initial application for admission and shall
25 not be refundable for any reason.

26 Sec. 3. K.S.A. 40-112 and 40-252 are hereby repealed.

27 Sec. 4. This act shall take effect and be in force from and after
28 January 1, 2026, and its publication in the ~~statute book~~

Kansas register