S T A T E O F N E W Y O R K

S. 7561 A. 10531

S E N A T E - A S S E M B L Y

June 4, 2012

IN SENATE -- Introduced by Sen. McDONALD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of M. of A. Canestrari) -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to obligations for certain taxes

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The insurance law is amended by adding a new section 7013 to read as follows:

S 7013. OBLIGATIONS FOR CERTAIN TAXES. CAPTIVE INSURANCE COMPANIES, NOT INCLUDING OVERCAPITALIZED CAPTIVE INSURANCE COMPANIES AS DEFINED IN SUBDIVISION ELEVEN OF SECTION TWO OF THE TAX LAW, LICENSED PURSUANT TO THE PROVISIONS OF THIS ARTICLE AND OPERATING UNDER THIS ARTICLE OR THE APPLICABLE PROVISIONS OF THIS CHAPTER ON OR AFTER THE EFFECTIVE DATE OF THIS ARTICLE AND CEASING TO OPERATE UNDER SUCH LICENSE AS OF DECEMBER THIRTY-FIRST, TWO THOUSAND ELEVEN SHALL BE CONSIDERED AND TREATED FOR TAX PURPOSES AS AN ADMITTED LICENSED INSURER AND ALL PREMIUMS PAID TO SUCH CAPTIVE INSURANCE COMPANIES SHALL BE DEDUCTIBLE IN FULL BY AFFILIATED ENTITIES SUBJECT TO TAX UNDER ARTICLE NINE-A OF THE TAX LAW. THE SUPERINTENDENT SHALL CERTIFY TO THE COMMISSIONER OF TAXATION AND FINANCE THAT EACH CAPTIVE INSURER WHICH HAS BEEN SO LICENSED AND UNDER THE JURISDICTION OF THE DEPARTMENT OF FINANCIAL SERVICES WAS OPERATING AS A DULY LICENSED INSURER DURING THIS PERIOD, INCLUDING HAVING PAID ALL ASSESSMENTS AND EXAMINATION FEES, AND ALL PREMIUM AND FRANCHISE TAXES.

S 2. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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