SENATE BILL NO. 462–COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF DEPARTMENT OF TAXATION)

MARCH 17, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Changes date by which insurer must furnish proof of its entitlement to credit against insurance premium tax for maintaining home office or regional home office in this state. (BDR 57-626)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets **[**~~omitted material~~**]** is material to be omitted.

AN ACT relating to insurance; changing the date by which an insurer must furnish proof of its entitlement to the credit against the insurance premium tax for maintaining a home office or regional home office in this state; and providing other matters properly relating thereto.

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

Section 1. NRS 680B.050 is hereby amended to read as follows:

680B.050 1. Except as otherwise provided in this section, a domestic or foreign insurer which owns and substantially occupies and uses any building in this state as its home office or as a regional home office **[**~~, as defined in subsection 2,~~**]** is entitled to the following credits against the tax otherwise imposed by NRS 680B.027:

(a) An amount equal to 50 percent of the aggregate amount of the tax as determined under NRS 680B.025 to 680B.039, inclusive; and

(b) An amount equal to the full amount of ad valorem taxes paid by the insurer during the calendar year next preceding the filing of the report required by NRS 680B.030, upon the home office or regional home office together with the land, as reasonably required for the convenient use of the office, upon which the home office or regional home office is situated.

These credits must not reduce the amount of tax payable to less than 20 percent of the tax otherwise payable by the insurer under NRS 680B.027.

2. ~~[For the purposes of]~~ ***As used in*** this section, a “regional home office” means an office of the insurer performing for an area covering two or more states, with a minimum of 25 employees on its office staff, the supervision, underwriting, issuing and servicing of the insurance business of the insurer.

3. The insurer shall ***,*** on or before March ~~[1]~~ ***15*** of each year ***,*** furnish proof to the satisfaction of the executive director of the department of taxation, on forms furnished by or acceptable to the executive director, as to its entitlement to the tax reduction provided for in this section. A determination of the executive director of the department of taxation pursuant to this section is not binding upon the commissioner for the purposes of NRS 682A.240.

4. An insurer is not entitled to the credits provided in this section unless:

(a) The insurer owned the property upon which the reduction is based for the entire year for which the reduction is claimed; and

(b) The insurer occupied at least 70 percent of the usable space in the building to transact insurance or the insurer is a general or limited partner and occupies 100 percent of its ownership interest in the building.

5. If two or more insurers under common ownership or management and control jointly own in equal interest, and jointly occupy and use such a home office or regional home office in this state for the conduct and administration of their respective insurance businesses as provided in this section, each of the insurers is entitled to the credits provided for by this section if otherwise qualified therefor under this section.

Sec. 2. This act becomes effective upon passage and approval.

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