MISSISSIPPI LEGISLATURE REGULAR SESSION 2014

By: Representative Chism

To: Insurance; Ways and Means

HOUSE BILL NO. 607

AN ACT TO AMEND SECTION 45-11-5, MISSISSIPPI CODE OF 1972, TO INCREASE THE TAX ON GROSS PREMIUM RECEIPTS OF FIRE POLICIES TO DEFRAY EXPENSES OF THE OFFICE OF STATE CHIEF DEPUTY FIRE MARSHAL AND STATE FIRE ACADEMY; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 45-11-5, Mississippi Code of 1972, is amended as follows:

45-11-5. (1) Any expense, including office supplies, counsel fees, expenses of deputy, detective and officers, incurred by the Commissioner of Insurance in the performance of the duties imposed upon him by Sections 45-11-1 and 45-11-3, and the operation of the State Fire Academy, as provided in Section 45-11-7, shall be defrayed by all insurance companies, including stock, mutuals and reciprocals writing fire insurance, including the fire insurance components of automobile insurance, dwelling multiple peril insurance, farm multiple peril insurance and commercial multiple peril insurance, doing business in this state; and a tax of *** * *** <u>one percent (1%)</u> of the gross premium receipts of these fire insurance policies is hereby levied for this purpose

to be collected by the * * * Department of Revenue in the same manner as the general tax on premiums is collected as provided in Section 25-15-107. In the case of indivisible multiple peril insurance policies when the fire portion of the policy is not specified, a tax of * * * one percent (1%) is hereby levied on forty-five percent (45%) of the gross premium receipts of these policies.

(2) There is created a separate account known as the "State Fire Academy Fund" for support of the State Fire Academy. Not later than the fifteenth of the month succeeding the month in which taxes under subsection (1) are collected, the State Treasurer shall transfer into this account all taxes collected under subsection (1) for the operation of the State Fire Academy. The annual expenditure for the operation of the academy shall not exceed the amount in the account; however, any unexpended funds remaining in the account at the close of the fiscal year may be carried over for use in the ensuing years.

(3) (a) A tax of * * * one percent (1%) is hereby levied on the gross premium receipts of all insurance policies taxed in subsection (1).

(b) Not later than the fifteenth day of each month, the State Treasurer shall disburse the revenue from the tax levied in this subsection as follows:

(i) Fifty percent (50%) shall be transferred into the Municipal Fire Protection Fund in Section 83-1-37; and

(ii) Fifty percent (50%) shall be transferred to the County Volunteer Fire Department Fund in Section 83-1-39.

(4) All taxes shall be deposited into the treasury as provided in Section 7-7-21. The tax commission shall keep separate accounts of all taxes collected under this section and shall include these accounts in its annual report.

SECTION 2. This act shall take effect and be in force from and after July 1, 2014.

ST: Fire insurance policies; increase tax on gross premium receipts for fire marshal and academy expenses.