

SENATE BILL No. 25

By Committee on Financial Institutions and Insurance

1-11

1 AN ACT concerning insurance; relating to premium tax; decreasing such
2 tax rate imposed from 6% to 3% on surplus lines insurance; amending
3 K.S.A. 40-246c and repealing the existing section.

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

6 Section 1. K.S.A. 40-246c is hereby amended to read as follows: 40-
7 246c. (a) (1) On March 1 of each year, each licensed agent shall collect
8 and pay to the commissioner a tax of 6% - on the total gross premiums
9 charged, less any return premiums, *for the preceding calendar year* for
10 surplus lines insurance transacted by the licensee pursuant to the license
11 for insureds whose home state is this state.

12 (2) *On March 1 of each year, each licensed agent shall collect and*
13 *pay to the commissioner a tax of 3% on the total gross premiums charged,*
14 *less any returned premiums, for the preceding calendar year for surplus*
15 *lines insurance transacted by the licensee for insureds whose home state is*
16 *this state. The provisions of this paragraph shall commence with the*
17 *taxable year beginning January 1, 2024.*

18 (b) The tax on any portion of the premium unearned at termination of
19 insurance, if any, having been credited by the state to the licensee shall be
20 returned to the policyholder directly by the surplus lines licensee or
21 through the producing broker. The surplus lines licensee is prohibited from
22 rebating any part of the tax for any reason.

23 (c) The individual responsible for filing the statement shall be the
24 agent who signs the policy or the agent of record with the company. The
25 commissioner of insurance may assess a penalty up to double the amount
26 of tax prescribed in subsection (a) from any licensee or other individual
27 responsible for filing the statement as described in this subsection who
28 fails, refuses or neglects to transmit the required affidavit or statement or
29 fails to pay the tax imposed by this section to the commissioner within the
30 period specified.

31 Sec. 2. K.S.A. 40-246c is hereby repealed.

32 Sec. 3. This act shall take effect and be in force from and after its
33 publication in the statute book.