
SUBSTITUTE HOUSE BILL 1833

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on Revenue (originally sponsored by Representatives Wang and H. Sommers).

Read first time March 4, 1991.

1 AN ACT Relating to eliminating insurance premium tax credits;
2 amending RCW 48.32A.090 and 48.32.145; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.32A.090 and 1990 c 51 s 6 are each amended to read
5 as follows:

6 (1) The association shall issue to each insurer paying an
7 assessment under this chapter certificates of contribution, in
8 appropriate form and terms as prescribed or approved by the
9 commissioner, for the amounts so paid into the respective funds. All
10 outstanding certificates against a particular fund shall be of equal
11 dignity and priority without reference to amounts or dates of issue.

12 (2) An outstanding certificate of contribution shall be shown by
13 the insurer in its financial statements as an admitted asset for such
14 amount and period of time as the commissioner may approve: PROVIDED,
15 That unless a longer period has been allowed by the commissioner the

1 insurer shall in any event at its option have the right to so show a
2 certificate of contribution as an admitted asset at percentages of
3 original face amount for calendar years as follows:

4 100% for the calendar year of issuance;
5 80% for the first calendar year after the year of issuance;
6 60% for the second calendar year after the year of issuance;
7 40% for the third calendar year after the year of issuance;
8 20% for the fourth calendar year after the year of issuance; and
9 0% for the fifth and subsequent calendar years after the year of
10 issuance.

11 Notwithstanding the foregoing, if the value of a certificate of
12 contribution is or becomes less than one thousand dollars, the entire
13 amount may be written off by the insurer in that year.

14 (3) The insurer shall offset the amount written off by it in a
15 calendar year under subsection (2) of this section in respect to a
16 certificate issued before the effective date of this act against its
17 premium tax liability to this state accrued with respect to business
18 transacted in such year.

19 (4) Any sums recovered by the association representing sums which
20 have theretofore been written off by contributing insurers and offset
21 against premium taxes as provided in subsection (3) of this section,
22 shall be paid by the association to the commissioner and ~~((by him))~~
23 then deposited with the state treasurer for credit to the general fund
24 of the state of Washington.

25 (5) No distribution to stockholders, if any, of a liquidating
26 insurer shall be made unless and until the total amount of assessments
27 levied by the association with respect to such insurer have been fully
28 recovered by the association.

1 **Sec. 2.** RCW 48.32.145 and 1977 ex.s. c 183 s 1 are each amended to
2 read as follows:

3 Every member insurer which during any calendar year shall have paid
4 one or more assessments levied pursuant to RCW 48.32.060(1)(c) (~~as now~~
5 ~~or hereafter amended~~) before the effective date of this act shall be
6 entitled to take, as a credit against any premium tax falling due under
7 RCW 48.14.020, one-fifth of the aggregate amount of such aggregate
8 assessments during such calendar year for each of the five consecutive
9 calendar years beginning with the calendar year following the calendar
10 year in which such assessments are paid: PROVIDED, That whenever an
11 assessment or uncredited portion thereof is or becomes less than one
12 thousand dollars, the entire amount may be credited against the premium
13 tax at the next time the premium tax is paid.

14 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and shall take
17 effect immediately.