

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 77

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE INDUSTRIAL COMMISSION; AMENDING SECTION 72-523, IDAHO CODE,
2 TO REVISE PROVISIONS RELATING TO THE DEDUCTION OF A CERTAIN PREMIUM TAX
3 AND TO PROVIDE THE COMMISSIONERS OF THE INDUSTRIAL COMMISSION WITH THE
4 AUTHORITY TO WAIVE A CERTAIN PREMIUM TAX.
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 72-523, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 72-523. SOURCE OF FUND -- PREMIUM TAX. The state insurance fund, ev-
10 ery authorized self-insurer and every surety authorized under the Idaho in-
11 surance code or by the director of the department of insurance to transact
12 worker's compensation insurance in Idaho, in addition to all other payments
13 required by statute, shall semiannually, within thirty (30) days after Feb-
14 ruary 1 and July 1 of each year, pay into the state treasury to be deposited in
15 the industrial administration fund a premium tax as follows:

16 (1) Commencing July 1, 1993, every surety, other than self-insurers au-
17 thorized to transact worker's compensation insurance, a sum equal to two and
18 one-half percent (2.5%) of the net premiums written by each respectively on
19 worker's compensation insurance in this state during the preceding six (6)
20 months' period, but in no case less than seventy-five dollars (\$75.00); and

21 (2) Each self-insurer, a sum equal to two and one-half percent (2.5%) of
22 the amount of premium such employer who is a self-insurer would be required
23 to pay as premium to the state insurance fund, but in no case less than sev-
24 enty-five dollars (\$75.00).

25 (3) Any insurer making any payment into the industrial administration
26 fund under the provisions of subsection (1) of this section shall be enti-
27 tled to deduct ~~one and three-tenths~~ fifty percent (50%) of the ~~net premi-~~
28 ~~ums written as computed above~~ premium tax paid pursuant to this section from
29 any sum that it is required to pay into the department of insurance as a tax on
30 worker's compensation premiums.

31 (4) In arriving at net premiums written, dividends paid, declared or
32 payable shall not be deducted.

33 (5) For the purposes of this section and section 72-524, Idaho Code,
34 net premiums written shall mean the amount of gross direct premiums written,
35 less returned premiums and premiums on policies not taken.

36 (6) Notwithstanding the requirement to pay a premium tax pursuant to
37 the provisions of subsections (1) and (2) of this section, when in their sole
38 discretion the commissioners of the industrial commission determine that
39 the current balance of the industrial administration fund is sufficient to
40 fully fund the operations of the industrial commission, the commissioners
41 may waive, in whole or in part, the premium tax due to be paid into the state

1 treasury for deposit in the industrial administration fund by all insurers
2 and self-insurers in the calendar year following such determination.