

INSURANCE CODE

TITLE 3. DEPARTMENT FUNDS, FEES, AND TAXES

SUBTITLE B. INSURANCE PREMIUM TAXES

CHAPTER 223A. CAPTIVE INSURANCE PREMIUM TAX

Sec. 223A.001. DEFINITION. In this chapter, "captive insurance company" means a captive insurance company holding a certificate of authority under Chapter 964.

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. 734), Sec. 1, eff. June 14, 2013.

Sec. 223A.002. APPLICABILITY OF CHAPTER. This chapter applies to a captive insurance company holding a certificate of authority under Chapter 964.

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. 734), Sec. 1, eff. June 14, 2013.

Sec. 223A.003. TAX IMPOSED; RATE. (a) An annual tax is imposed on each captive insurance company that receives gross premiums subject to taxation under this chapter. The rate of the tax is one-half percent of the company's taxable premium receipts for a calendar year.

(b) Except as provided by Subsection (c), in determining a captive insurance company's taxable premium receipts, the captive insurance company shall include the total gross amounts of premiums, membership fees, assessments, dues, revenues, and other considerations for insurance written by the captive insurance company in a calendar year from any kind of insurance written by the company on each kind of property or risk without regard to the location of the property or risk.

(c) The following premium receipts are not included in determining a captive insurance company's taxable premium receipts:

(1) premium receipts received from another authorized insurer for reinsurance;

(2) returned premiums and dividends paid to policyholders; and

(3) premiums excluded by another law of this state.

(d) In determining a captive insurance company's taxable premium receipts, a company is not entitled to a deduction for premiums paid for reinsurance.

(e) The annual minimum aggregate tax to be paid by a captive insurance company under this chapter is \$7,500 and the annual maximum aggregate tax to be paid by a company under this chapter is \$200,000. Gross premiums subject to taxation under this chapter are not subject to taxes, surcharges, or other regulatory assessments or fees under this code other than insurance maintenance taxes as provided by Section 964.068.

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. 734), Sec. 1, eff. June 14, 2013.

Sec. 223A.004. TAX DUE DATES. (a) The total tax imposed by this chapter is due and payable not later than March 1 after the end of the calendar year for which the tax is due.

(b) A captive insurance company that had a net tax liability for the previous calendar year of more than \$1,000 shall make semiannual prepayments of tax on March 1 and August 1. The tax paid on each date must be equal to 50 percent of the total amount of tax the company paid under this chapter for the previous calendar year. If the company did not pay a tax under this chapter during the previous calendar year, the tax paid on each date must be equal to the tax that would be owed on the aggregate of the gross premiums for the two previous calendar quarters.

(c) The comptroller may refund any overpayment of taxes that results from the semiannual prepayment system prescribed by this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. 734), Sec. 1, eff. June 14, 2013.

Sec. 223A.005. TAX REPORT. (a) A captive insurance company liable for the tax imposed by this chapter must file annually with the comptroller a tax report on a form prescribed by the comptroller.

(b) The tax report is due on the date the tax is due under

Section [223A.004](#)(a).

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. [734](#)), Sec. 1, eff. June 14, 2013.

Sec. 223A.006. CHANGE IN DUE DATES. (a) The comptroller by rule may change the dates for reporting and paying taxes under this chapter to improve operating efficiencies within the agency.

(b) A change by the comptroller in a reporting or payment date must retain the system of semiannual prepayments prescribed by Section [223A.004](#).

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. [734](#)), Sec. 1, eff. June 14, 2013.

Sec. 223A.007. CREDIT FOR FEES PAID. (a) A captive insurance company is entitled to a credit on the amount of tax due under this chapter for all examination and evaluation fees paid to this state during the calendar year for which the tax is due. The limitations provided by Sections [803.007](#)(1) and (2)(B) for a domestic insurance company apply to a captive insurance company.

(b) The credit provided by this section is in addition to any other credit authorized by statute.

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. [734](#)), Sec. 1, eff. June 14, 2013.

Sec. 223A.008. FAILURE TO PAY TAXES. A captive insurance company that fails to pay all taxes imposed by this chapter is subject to Section [203.002](#) of this code and Subtitles A and B, Title 2, Tax Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 569 (S.B. [734](#)), Sec. 1, eff. June 14, 2013.