OVERVIEW: Section 42.8 of S.L. 2021-180 limits the gross premiums tax base for premiums paid to a surety bondsman to the amount paid by the surety bondsman to the insurer of the bail bonds. This section is effective for taxable years beginning on or after January 1, 2022.

CURRENT LAW: The amount paid to a surety bondsman consists of two parts, the amount paid to the insurer of the bail bonds and the amount retained by the surety bondsman for its services.

The gross premiums tax levied on insurers is imposed on the gross premiums from business done in this State, which includes all gross premiums received in this State, unless the statute provides otherwise. The tax rate applied to the taxable gross premiums is 1.9%.

BILL ANALYSIS: Section 42.8 of S.L. 2021-180 limits the gross premiums tax base for premiums paid to a surety bondsman to only the amount paid by the surety bondsman to the insurer of the bail bonds and not including the amount retained by the surety bondsman for its services. The limitation of the tax base applies only to transactions related to the insuring of bail bonds and not to any other line of insurance.

EFFECTIVE DATE: This section is effective for taxable years beginning on or after January 1, 2022.