

AN ACT

ENTITLED, An Act to revise certain provisions regarding principal and home office credits against the insurance premium tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 10-44-4 be amended to read as follows:

10-44-4. Any insurer subject to payment of tax provided for in § 10-44-2, and which has in this state its principal office, or a regional home office as defined in § 10-44-5, for over one-half the tax year is entitled to the following credits and deductions against such tax:

- (1) An amount equal to fifty percent of the tax as determined under § 10-44-2; and
- (2) An amount equal to ad valorem taxes or payments made in lieu of taxes paid by such insurer, whether direct or in the form of rent, on that proportion of the premises occupied as a principal or regional home office during the year next preceding the filing of its annual tax return.

However, in no event shall such credits and deductions reduce the amount of tax to less than thirty percent of the amount of the tax otherwise payable without the application of the credit provided by this section. Any insurer who qualifies for a credit pursuant to this section shall meet the requirements provided for in § 58-5-93.

Section 2. That § 10-44-5 be amended to read as follows:

10-44-5. A regional home office, for the purposes of § 10-44-4, means an office performing, for an area covering one or more states, the following functions: the marketing, claims, underwriting, and policyholder servicing. A regional home office may also perform the following functions: actuarial; medical (where required); law; advertising and publications; public relations; and supervision and training of sales and service forces. A principal office shall perform the same functions in addition to decision making and corporate activities. The director may promulgate rules

pursuant to chapter 1-26 to define the functions that qualify for the regional home office credit.

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I certify that the attached Act
originated in the

SENATE as Bill No. 39

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 39
File No. _____
Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor
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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State