

MAR 23 2001

WAYS AND MEANS

HOUSE FILE 700

BY BRUNKHORST

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the gross premiums tax on certain exchanges of
2 insurance policies and including an applicability provision.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 432.1, subsection 1, paragraph a, Code
2 2001, is amended to read as follows:

3 a. Two percent of the gross amount of premiums received
4 during the preceding calendar year by every life insurance
5 company or association, not including fraternal beneficiary
6 associations, or the gross payments or deposits collected from
7 holders of fraternal beneficiary association certificates, on
8 contracts of insurance covering risks resident in this state
9 during the preceding year, including contracts for group
10 insurance and annuities and without including or deducting any
11 amounts received or paid for reinsurance or received or paid
12 with respect to an exchange of insurance policies exempt from
13 taxation under section 1035 of the federal Internal Revenue
14 Code.

15 Sec. 2. APPLICABILITY. This Act applies to exchanges made
16 on or after the effective date of this Act.

17 EXPLANATION

18 This bill exempts from the state gross premiums tax any
19 amounts received or paid with respect to an exchange of
20 insurance policies which is exempt from taxation under the
21 federal Internal Revenue Code. The types of insurance
22 policies that may be exchanged are a life insurance contract
23 for another life insurance, an endowment, or annuity contract;
24 an endowment contract for another endowment or annuity
25 contract; and an annuity contract for another annuity
26 contract.

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