GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

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HOUSE DRH10431-RBxz-30 (02/23)

Short Title:	Clarify Additional Gross Premiums Tax.			
Sponsors:	Representatives Wainwright; Carney, Church, Hill, Luebke, and Wilkins			
Referred to:				

1			A BILL TO BE ENTITLED		
2	AN ACT TO CLARIFY THE APPLICATION OF THE ADDITIONAL GROSS				
3	PREM	MIUMS	S TAXES ON FIRE AND LIGHTNING C	OVERAGE AND TO	
4	APPI	LY TH	E ADDITIONAL TAX TO ALL POLICIES 7	THAT PROVIDE FIRE	
5	AND	LIGH	TNING COVERAGE.		
6	The Gen	eral As	sembly of North Carolina enacts:		
7		SEC	FION 1. G.S. 105-228.5(d)(3) reads as rewritten	1:	
8	"(d)				
9		•••			
10		(3)	Additional Statewide Fire and Lightning Rat	te. – An additional tax	
11			shall be applied to gross premiums on		
12			applicable to fire and lightning coverage, exce	A	
13			and automobile policies, at the rate of one and	•	
14			percent (1.33%).(1.33%) applies to gross p		
15			contracts that provide fire and lightning covera		
16			marine and automobile policies. The tax is a		
17			premiums from the contracts, determined in ac		
18			in this subdivision. Twenty-five percent (25%	· •	
19			this additional tax shall be deposited in the Vo	-	
20			Fund established in Article 87 of Chapter 58		
21			The remaining net proceeds shall be credited to		
22				axable Percentage	
23			Fire Loss	<u>100%</u>	
24			Commercial Multiple Peril		
25			Nonliability portion	<u>100%</u>	
26			Liability portion	0%	
27			Homeowner's	<u> 50% </u>	

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General Assembly of North Carolina

1		Farm Owner's	<u>35%</u> ."		
2		SECTION 2. G.S. 105-228.5(d)(4) reads as rewritten:			
3	"(d)	Tax Rates; Disposition. –			
4		•			
5		(4) Additional Local Fire and Lightning Rate. – An additiona	l tax shall be		
6		applied to gross premiums on contracts of insurance appl			
7		and lightning coverage within fire districts at the rate of			
8		one percent (1/2 of 1%).(0.5%) applies to gross premiums			
9		contracts that provide fire and lightning coverage within a			
10		The tax is a percentage of the gross premiums from the			
11		determined in accordance with the table in subdivisior			
12		subsection. The net proceeds shall be credited to the De			
13		Insurance for disbursement pursuant to G.S. 58-84-25."	1		
14		SECTION 3. G.S. $105-228.5(d)(3)$, as amended by Section 1	of this act,		
15	· · · · · · · · · · · · · · · · · · ·				
16	"(d)	Tax Rates; Disposition. –			
17		•			
18		(3) Additional Statewide Fire and Lightning Rate. – An add	itional tax at		
19		the rate of one and thirty-three hundredths percent (1.339	%) applies to		
20		gross premiums on insurance contracts that provide fire a	and lightning		
21		coverage, except in the case of marine and automot	vile policies.		
22		coverage. The tax is a percentage of the gross premiu	-		
23		contracts, determined in accordance with the table in this	subdivision.		
24		Twenty-five percent (25%) of the net proceeds of this a	dditional tax		
25		shall be deposited in the Volunteer Fire Department Fund	d established		
26		in Article 87 of Chapter 58 of the General Statutes. The r	emaining net		
27		proceeds shall be credited to the General Fund.	-		
28		Type of Insurance Contract Taxable Pero	<u>centage</u>		
29		Fire Loss	100%		
30		Commercial Multiple Peril			
31		Nonliability portion	100%		
32		Liability portion	0%		
33		Homeowner's	50%		
34		Farm Owner's	35%		
35		Marine	20%		
36		Automobile	10%		
37		Other	10%."		
38		SECTION 4. Sections 1 and 2 of this act are effective for t	axable years		
39	beginnin	g on or after January 1, 2006. Section 3 of this act is effective for	taxable years		

beginning on or after January 1, 2006. Section 3 of this act is effective for taxable years 39 beginning on or after January 1, 2007. The remainder of this act is effective when it 40 41 becomes law.