

2018 Kansas Statutes

40-4314. Taxation. (a) Each captive insurance company shall, at the time it files the report required by K.S.A. 40-4307, and amendments thereto, pay a tax on all premiums received on risks located in this state.

(b) Each captive insurance company shall pay the commissioner a tax at the rate of 2/10 of 1% on each dollar of direct premiums collected or contracted for, during the year ending December 31 next preceding, on policies or contracts of insurance written by the captive insurance company, after deducting from the direct premiums subject to the tax amounts paid to policyholders as return premiums with respect to such preceding year only, which amounts shall include only dividends or distributions of unabsorbed premiums or premium deposits returned or credited to policyholders, up to a maximum tax for such year of \$500,000, except that no tax shall be due or payable as a consideration received for annuity contracts.

(c) Each captive insurance company shall pay to the commissioner no later than March 1 of each year a tax at the rate of 1/10 of 1% on each dollar assumed reinsurance premiums collected or contracted for, during the year end December 31 next preceding, on policies or contracts of insurance written by the captive insurance company, up to a maximum tax for such year of \$300,000. However, no such tax applies to premiums for risks or portion of risks that are subject to taxation on a direct basis pursuant to subsection (b), and no such tax shall be payable in connection with the receipt of assets in exchange for the assumption of loss reserves and other liabilities of another insurer under common ownership and control if such transaction is part of a plan to discontinue the operations of such other insurer and if the intent of the company by the state or any county, city or municipality within Kansas, except ad valorem taxes on real and personal property used in the production of income.

(d) The tax provided in this section shall be calculated on an annual basis, notwithstanding that policies or contracts of insurance or contracts of reinsurance are issued on a multi-year basis. In the case of multi-year policies or contracts, the premium shall be prorated for purposes of determining the tax under this section.

History: L. 1988, ch. 156, § 14; L. 2018, ch. 50, § 47; July 1.