



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

## Legislative Fiscal Note

**Short Title:** Captive Insurance Amendments.  
**Bill Number:** Senate Bill 347 (Second Edition)  
**Sponsor(s):** Senators Johnson, McInnis, and Edwards

### SUMMARY TABLE

#### FISCAL IMPACT OF S.B.347, V.2

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
<b>State Impact</b>					
General Fund Revenue		No estimate available - minimal impact.			
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>		-	-	-	-

### FISCAL IMPACT SUMMARY

Section 5.(b) provides that if a licensed captive insurance company that was formed and licensed in another jurisdiction re-domesticates to North Carolina prior to December 31, 2022, it is exempted from premium taxes otherwise due for the remainder of the year and for the calendar year following its re-domestication. This provision would expire for taxable years beginning on or after January 1, 2024.

### FISCAL ANALYSIS

Because the number of captive insurance companies re-domesticating to North Carolina during the exemption timeframe is unknown, no estimate is available; however, the fiscal impact is expected to be minimal. The amount of gross premiums tax attributable to captive insurance companies for FY 2019-20 was \$2.8 million.

### TECHNICAL CONSIDERATIONS

N/A.

### DATA SOURCES

NC Department of Revenue

### LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected

direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

**CONTACT INFORMATION**

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Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

**ESTIMATE PREPARED BY**

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**ESTIMATE APPROVED BY**

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August 5, 2021



**Signed copy located in the NCGA Principal Clerk's Offices**