
KANSAS OFFICE *of*
REVISOR *of* STATUTES
LEGISLATURE *of* THE STATE *of* KANSAS
Legislative Attorneys transforming ideas into legislation.

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

To: Chairman Sutton and the House Committee on Insurance

From: Office of Revisor of Statutes

Date: February 26, 2025

Subject: **SB 32 - Reducing insurance company premium tax rates and discontinuing remittance and crediting of a portion of the premium tax to the insurance department service regulation fund.**

SB 32 would reduce the insurance company premium tax rate from 2% to 1.98% and would also discontinue the remittance of 1% of taxes received to the insurance department service regulation fund.

Section 1 amends K.S.A. 40-112, pertaining to the insurance department service regulation fund. The amendment appears in subsection (b) and strikes the requirement that the 1% of taxes received pursuant to K.S.A. 40-252 be transferred to the treasurer and ultimately be credited to the insurance department service regulation fund.

Section 2 amends K.S.A. 40-252, pertaining to taxes and fees paid by insurance companies and fraternal benefit societies. Under current law, insurance companies pay a 2% tax the total of all premiums, subscription charges and other charges. SB 32 would essentially lower the tax rate on those entities by 1%, decreasing the tax rate from 2% to 1.98%.

The bill also adds language to K.S.A. 40-252 requiring that all reports and returns required by SB 32 and rules and regulations adopted pursuant thereto shall be preserved for three years and thereafter until the commissioner orders them destroyed.

Lastly, there was some cleanup to fix some grammatical issues in the bill.

The Senate Committee on Financial Institutions and Insurance passed the bill out of committee with no amendments and the bill passed the Senate Committee of the Whole unanimously on February 11, 2025.