TAXATION, REGULATION AND SUPERVISION

NRS 694C.450  Taxes on premiums; deposit of portion of taxes in Account for Regulation and Supervision of Captive Insurers; deposit of remainder of taxes in State General Fund.

     1.  Except as otherwise provided in this section, a captive insurer shall pay to the Division, not later than March 1 of each year, a tax at the rate of:

     (a) Two-fifths of 1 percent on the first $20,000,000 of its net direct premiums;

     (b) One-fifth of 1 percent on the next $20,000,000 of its net direct premiums; and

     (c) Seventy-five thousandths of 1 percent on each additional dollar of its net direct premiums.

     2.  Except as otherwise provided in this section, a captive insurer shall pay to the Division, not later than March 1 of each year, a tax at a rate of:

     (a) Two hundred twenty-five thousandths of 1 percent on the first $20,000,000 of revenue from assumed reinsurance premiums;

     (b) One hundred fifty thousandths of 1 percent on the next $20,000,000 of revenue from assumed reinsurance premiums; and

     (c) Twenty-five thousandths of 1 percent on each additional dollar of revenue from assumed reinsurance premiums.

 The tax on reinsurance premiums pursuant to this subsection must not be levied on premiums for risks or portions of risks which are subject to taxation on a direct basis pursuant to subsection 1. A captive insurer is not required to pay any reinsurance premium tax pursuant to this subsection on revenue related to the receipt of assets by the captive insurer in exchange for the assumption of loss reserves and other liabilities of another insurer that is under common ownership and control with the captive insurer, if the transaction is part of a plan to discontinue the operation of the other insurer and the intent of the parties to the transaction is to renew or maintain such business with the captive insurer.

     3.  If the sum of the taxes to be paid by a captive insurer calculated pursuant to subsections 1 and 2 is less than $5,000 in any given year, the captive insurer shall pay a tax of $5,000 for that year. The maximum aggregate tax for any year must not exceed $175,000. The maximum aggregate tax to be paid by a sponsored captive insurer applies only to each protected cell and does not apply to the sponsored captive insurer as a whole.

     4.  Two or more captive insurers under common ownership and control must be taxed as if they were a single captive insurer.

     5.  Notwithstanding any specific statute to the contrary and except as otherwise provided in this subsection, the tax provided for by this section constitutes all the taxes collectible pursuant to the laws of this State from a captive insurer, and no occupation tax or other taxes may be levied or collected from a captive insurer by this State or by any county, city or municipality within this State, except for taxes imposed pursuant to [chapter 363A](http://www.leg.state.nv.us/NRS/NRS-363A.html#NRS363A) or [363B](http://www.leg.state.nv.us/NRS/NRS-363B.html#NRS363B) of NRS and ad valorem taxes on real or personal property located in this State used in the production of income by the captive insurer.

     6.  Twenty-five percent of the revenues collected from the tax imposed pursuant to this section must be deposited with the State Treasurer for credit to the Account for the Regulation and Supervision of Captive Insurers created pursuant to [NRS 694C.460](http://www.leg.state.nv.us/NRS/NRS-694C.html#NRS694CSec460). The remaining 75 percent of the revenues collected must be deposited with the State Treasurer for credit to the State General Fund.

     7.  A captive insurer that is issued a license pursuant to this chapter after July 1, 2003, is entitled to receive a nonrefundable credit of $5,000 applied against the aggregate taxes owed by the captive insurer for the first year in which the captive insurer incurs any liability for the payment of taxes pursuant to this section. A captive insurer is entitled to a nonrefundable credit pursuant to this section not more than once after the captive insurer is initially licensed pursuant to this chapter.

     8.  As used in this section, unless the context otherwise requires:

     (a) “Common ownership and control” means:

           (1) In the case of a stock insurer, the direct or indirect ownership of 80 percent or more of the outstanding voting stock of two or more corporations by the same member or members.

           (2) In the case of a mutual insurer, the direct or indirect ownership of 80 percent or more of the surplus and the voting power of two or more corporations by the same member or members.

     (b) “Net direct premiums” means the direct premiums collected or contracted for on policies or contracts of insurance written by a captive insurer during the preceding calendar year, less the amounts paid to policyholders as return premiums, including dividends on unabsorbed premiums or premium deposits returned or credited to policyholders.

     (Added to NRS by [1999, 3215](http://www.leg.state.nv.us/Statutes/70th/Stats199920.html#Stats199920page3215); A [2003, 3332](http://www.leg.state.nv.us/Statutes/72nd/Stats200326.html#Stats200326page3332); [2003, 20th Special Session, 228](http://www.leg.state.nv.us/Statutes/20thSS/Stats2003SS2001.html#Stats2003SS2001page228); [2005, 2156](http://www.leg.state.nv.us/Statutes/73rd/Stats200521.html#Stats200521page2156))