

**PLEASE SUPPORT SB16-165**  
**Clarifications to regional home office standards**  
**Senator Grantham and Representative Young**

- Colorado has a 2% premium tax on insurance companies, section 10-3-209 (1), C.R.S.
- In 1913, the Colorado General Assembly enacted the premium tax requirements. They have remained consistent for years. The reasoning for creating the tax credit was to encourage insurance companies to establish a physical and employee presence in Colorado, companies who were domiciled in Colorado or had a regional home office in Colorado receive a 1% tax premium tax credit.
- This bill does not change the standard that is currently applied by the Division of Insurance to determine whether an insurer qualifies for a regional home office tax credit, but rather clarifies the standard to ensure that the statutory standard is consistent with the regulatory standard that has been taken by the Division of Insurance when reviewing a company's operations to determine if it is entitled to a regional home office tax credit.
- It is important to the industry that a consistent and predictable standard is used from year to year to determine Regional Home Office status.
- This bill does not change who will qualify for the regional home office tax credit, but rather ensures that a consistent standard will be used in future years to determine regional home office status.
- The change in language still supports the legislative intent behind the regional home office tax credit by encouraging insurance companies to establish and maintain a physical and employee presence in Colorado.

Supported by: C3, Colorado Association of Health Plans (CAHP), State Farm Insurance Companies, Farmers Insurance, Property Casualty Insurance Association of America (PCIAA), and the National Association of Mutual Insurance Companies (NAMIC).

For additional information, please contact Julie Hoerner Mowry, 303-870-0302