



129th MAINE LEGISLATURE

LD 625

LR 612(02)

An Act To Phase Out the Insurance Premium Tax on Annuities

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$303,000	\$800,000	\$1,380,000	\$1,970,000
Appropriations/Allocations				
General Fund	\$33,000	\$0	\$0	\$0
Revenue				
General Fund	(\$270,000)	(\$800,000)	(\$1,380,000)	(\$1,970,000)

Fiscal Detail and Notes

This bill phases out the insurance premium tax on annuity considerations over a 10 year period with the tax eliminated in year 10 and thereafter. This would result in a loss of General Fund revenue of \$270,000 in fiscal year 2019-20 and \$800,000 in fiscal year 2020-21. When fully phased out the loss of General Fund revenue will have grown to \$5,600,000 annually. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services of \$33,000 in fiscal year 2019-20 for computer programming costs.