



131st MAINE LEGISLATURE

LD 1720

LR 973(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 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$515,000	\$1,623,000	\$2,860,000	\$4,210,000
Appropriations/Allocations				
General Fund	\$0	\$33,000	\$0	\$0
Revenue				
General Fund	(\$515,000)	(\$1,590,000)	(\$2,860,000)	(\$4,210,000)

Fiscal Detail and Notes

This bill reduces the rate of tax on annuity considerations by .2 percentage points per year beginning in 2024 until the tax is eliminated in 2033 and restricts deductions related to annuity premiums. It will reduce General Fund revenue by \$515,000 in fiscal year 2023-24 and by \$1,590,000 in fiscal year 2024-25.

The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$33,000 in fiscal year 2024-25 for programming costs to adjust the tax rate for annuity premiums.