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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 223, L.D. 290, Bill, “An Act To Phase Out the Insurance Premium Tax on Annuities”

Amend the bill by striking out all of section 2 and inserting the following:

Sec. 2. 36 MRSA §2513-C is enacted to read:

§2513-C. Tax on annuity considerations

1. Phase-out of tax. Notwithstanding the other provisions of this chapter, the rate of tax under this chapter for annuity considerations is 1.5% in 2018, 1% in 2019 and 0.5% in 2020. Beginning in 2021, annuity considerations are not subject to tax under this chapter, but taxes due for previous years may be collected.

2. Application of reduced rate on annuities. The reduced rates specified in subsection 1 for 2018, 2019 and 2020 apply to premiums on an annuity paid by annuity holders in this State only if the tax savings from the reduced rate are credited to the annuity holders. Upon request of the bureau, an insurer shall submit evidence that establishes that the tax savings derived from the reduced rate under this section have been credited to the annuity holders.

Sec. 3. 36 MRSA §2515, as amended by PL 2013, c. 331, Pt. C, §11, is further amended to read:

§2515. Amount of tax

In determining the amount of tax due under sections 2513 and 2531, each company shall deduct from the full amount of gross direct premiums the amount of all direct return premiums on the gross direct premiums and all dividends paid to policyholders on direct premiums, and the tax must be computed by those companies or their agents. Except when direct return premiums are returned in the same tax year that the premium was paid, the deduction allowed in this section may be taken only if the tax under this Part has been paid. The deductions under this section related to annuity considerations may be deducted only from annuity considerations.

