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LD 1720

I am asking for your support on LD 1720, An Act to Phase Out the Insurance Premium Tax on Annuities. Annuities are financial tools used by savers and investors in all economic classes, not just the wealthy and the premium tax imposed by the State takes money directly from the accounts of hard working Mainers. As an example, I am currently working with a married couple, both are teachers in the public school who are within 2 years of retirement. They have saved approximately \$243,000, 56% of which is non-tax-qualified money in a bank savings account or CD to supplement their Maine State Retirement Plan. An annuity makes sense for some of this non-tax-qualified money as they work to achieve their retirement goals. If they choose to put \$100,000 in an annuity, unfortunately \$2000 will be owed for the premium tax. Maine is one of only 7 states that impose this tax and advice from advisers in other states is often, "If you are considering moving to a state that doesn't charge the tax, hold off buying an annuity until after the move is completed". This means the customer may need to find another advisor and it takes the money out of Maine. Phasing out the insurance premium tax on annuities is good for the consumers in our state, I respectfully ask for your support.