1	L.D. 290			
2	Date: (Filing No. H-)			
3	TAXATION			
4	Reproduced and distributed under the direction of the Clerk of the House.			
5	STATE OF MAINE			
6	HOUSE OF REPRESENTATIVES			
7	128TH LEGISLATURE			
8	FIRST REGULAR SESSION			
9 10	COMMITTEE AMENDMENT " "to H.P. 223, L.D. 290, Bill, "An Act To Phase Out the Insurance Premium Tax on Annuities"			
11	Amend the bill by striking out all of section 2 and inserting the following:			
12	'Sec. 2. 36 MRSA §2513-C is enacted to read:			
13	§2513-C. Tax on annuity considerations			
14 15 16 17	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.			
18 19 20 21 22 23	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.			
24 25	Sec. 3. 36 MRSA §2515, as amended by PL 2013, c. 331, Pt. C, §11, is further amended to read:			
26	§2515. Amount of tax			
27 28 29 30 31 32 33 34	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.			

1 2 3	Sec. 4. Application. That section of this Act that amends the Maine Revised Statutes, Title 36, section 2515 applies to tax periods beginning on or after January 1, 2018.			
4 5	Sec. 5. Appropriations and allocat allocations are made.	tions. The following appropriate to the following approximate to the follo	riations and	
6	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF			
7	Revenue Services, Bureau of 0002			
8 9	Initiative: Provides one-time funding to adjust the premium tax return to reflect updated rates for annuity premiums.			
10	GENERAL FUND	2017-18	2018-19	
11	All Other	\$33,000	\$0	
12 13	GENERAL FUND TOTAL	\$33,000	\$0	
14 '	GENERAL FUND TOTAL	\$33,000	φU	
15	SUMMARY			
16 17 18 19 20	This amendment provides that premiums on annuities are subject to premium tax during the phase-out period proposed in the bill at the prescribed rate only if the insurer credits the savings from the rate reduction to annuity holders. The amendment clarifies that certain deductions related to annuities may be deducted only from annuity considerations for tax periods beginning on or after January 1, 2018.			
21 22	This amendment also provides one-time funding to the Department of Administrative and Financial Services to adjust the premium tax return.			
23	FISCAL NOTE REQUIRED			
24	(See attached)			