

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

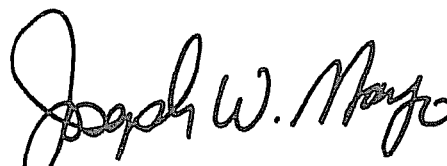
No. 300

H.P. 232

House of Representatives, February 4, 1993

An Act to Increase Insurance Tax Premiums.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative DORE of Auburn.

Be it enacted by the People of the State of Maine as follows:

2
4 **Sec. 1. 36 MRSA §2513**, as amended by PL 1989, c. 556, Pt. B, §5, is further amended to read:

6 **§2513. Tax on premiums and annuity considerations**

8 Every insurance company or association which ~~that~~ does
10 business or collects premiums or assessments including annuity
12 considerations in the State, except those mentioned in section
14 2517, including surety companies and companies engaged in the
16 business of credit insurance or title insurance, shall, for the
18 privilege of doing business in this State, and in addition to any
other taxes imposed for such privilege pay a tax upon all gross
direct premiums including annuity considerations, whether in cash
or otherwise, on contracts written on risks located or resident
in the State for insurance of life, annuity, fire, casualty and
other risks at the rate of 2% 2.5% a year.

20 Notwithstanding this section, for income tax years
22 commencing on or after January 1, 1989, the tax imposed by this
24 section upon all gross direct premiums collected or contracted
for on long-term care policies, as certified by the
superintendent pursuant to Title 24-A, section 5054, shall ~~be~~ is
at the rate of 1% 1.25% a year.

26 **Sec. 2. 36 MRSA §2517**, as amended by PL 1973, c. 727, §7, is
28 further amended to read:

30 **§2517. Mutual fire companies doing mill business; returns**

32 Mutual fire insurance companies incorporated under the laws
34 of other states, ~~which~~ that insure only factories or mills, or
property connected with ~~sueh~~ those factories or mills, admitted
36 to do business in this State, shall comply with all the
requirements of law except that, in lieu of all other taxation
38 upon premiums in this State, ~~sueh~~ those companies shall pay a tax
at the rate of 2% 2.5% on gross premiums in force on risks in
40 this State, after deducting the unabsorbed portion of ~~sueh~~
~~premium~~ the premiums, computed at the rate of return actually
42 made on annual policies expiring during the year by ~~said~~ those
insurance companies.

44 **Sec. 3. 36 MRSA §2520**, as repealed and replaced by PL 1973,
c. 727, §10, is amended to read:

46 **§2520. Reciprocal contracts of indemnity**

48 Every attorney-in-fact of a reciprocal insurer by or through
50 whom are issued policies or contracts of indemnity by a
reciprocal insurer as identified in Title 24-A, chapter 5, in
52 lieu of all other taxation, state, county or municipal, in this

2 State, shall pay a tax at the rate of 2% 2.5% on gross premiums
4 or deposits actually received during the year after deducting
6 amounts actually returned to policyholders as the unused part of
such-~~premium~~ the premiums or ~~deposit~~ deposits, or such part as
may be credited on the renewal or extension of the indemnity.

8 **Sec. 4. Application.** This Act applies to any tax year
beginning on or after January 1, 1994.

10 **STATEMENT OF FACT**

12 This bill increases the insurance premium tax by 2.5%.
14