

# MAINE STATE LEGISLATURE

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Date 6/14/23

(Filing No S-316)

MAJORITY

TAXATION

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STATE OF MAINE  
SENATE  
131ST LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S P 683, L D 1720, "An Act to Phase Out the Insurance Premium Tax on Annuities"

Amend the bill by inserting after section 3 the following

'Sec. 4. Appropriations and allocations. The following appropriations and allocations are made

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative Provides one-time funding for programming costs to adjust the tax rate for annuity premiums

|                           |                |                 |
|---------------------------|----------------|-----------------|
| <b>GENERAL FUND</b>       | <b>2023-24</b> | <b>2024-25</b>  |
| All Other                 | \$0            | \$33,000        |
| <b>GENERAL FUND TOTAL</b> | <b>\$0</b>     | <b>\$33,000</b> |

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively

SUMMARY

This amendment adds an appropriations and allocations section

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



# 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 "A" (S-316)  
Committee: Taxation  
Fiscal Note Required: Yes

## Fiscal Note

|                                   | FY 2023-24  | FY 2024-25    | Projections<br>FY 2025-26 | Projections<br>FY 2026-27 |
|-----------------------------------|-------------|---------------|---------------------------|---------------------------|
| <b>Net Cost (Savings)</b>         |             |               |                           |                           |
| General Fund                      | \$515,000   | \$1,623,000   | \$2,860,000               | \$4,210,000               |
| <b>Appropriations/Allocations</b> |             |               |                           |                           |
| General Fund                      | \$0         | \$33,000      | \$0                       | \$0                       |
| <b>Revenue</b>                    |             |               |                           |                           |
| 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.