

MAINE STATE LEGISLATURE

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E I G H T Y - N I N T H L E G I S L A T U R E

Legislative Document

No. 886

H. P. 1680

House of Representatives, February 14, 1939.

Referred to Committee on Mercantile Affairs and Insurance and sent up for concurrence. 500 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Young of Old Orchard Beach.

S T A T E O F M A I N E

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-NINE

AN ACT Relating to Taxation of Insurance Companies.

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

Sec. 1. R. S., c. 12, § 50, amended. Section 50 of chapter 12 of the revised statutes is hereby amended to read as follows:

'Sec. 50. Domestic insurance companies to be taxed on real estate and premiums. Every life insurance company or association, organized under the laws of this state, in lieu of all other taxation, shall be taxed as follows: First, its real estate shall be taxed by the municipality in which such real estate is situated, in the same manner as other real estate is taxed therein. Second, it shall pay a tax of ~~two per cent~~ 1% upon all premiums, whether in cash or notes absolutely payable received from residents of this state, during the year preceding the assessment, as hereinafter provided, first deducting therefrom ~~all dividends paid to policyholders in this state on account of said premiums.~~ Third, it shall pay a tax of ~~one-half of one per cent a year on its surplus, computed according to the laws of this state, after deducting the value of its real estate in this state, as fixed in determining such surplus;~~ said surplus shall be determined by the insurance commissioner, and his certificate thereof to the treasurer of state shall be final the amount of all cancellation and return premiums and the amount of premiums received for re-insurance of risks in this state and

all dividends paid to policyholders in this state on account of said premiums.'

Sec. 2. R. S., c. 12, § 51, amended. Section 51 of chapter 12 of the revised statutes is hereby amended to read as follows:

'Sec. 51. To return to insurance commissioner statement of premiums liable to taxation. Every such domestic life insurance company shall include in its annual return to the insurance commissioner a statement of the amount of premiums liable to taxation as provided in the preceding section, ~~and of the real estate held by it on the 31st day of the previous December~~ showing in detail the amount of all premiums whether in cash or notes absolutely payable, received by said company from residents of this state **and all premiums received for re-insurance of risks in this state**, during the year preceding the assessment, and all dividends paid to policyholders in this state on account of said premiums as required by blanks furnished by the commissioner. The ~~tax~~ **taxes** provided by the preceding section shall be assessed and paid as provided in section 59, and said section and section 56 shall be applicable thereto.'

Sec. 3. R. S., c. 12, § 52, amended. Section 52 of chapter 12 of the revised statutes, as amended by chapter 170 of the public laws of 1933, is hereby further amended to read as follows:

'Every insurance company or association which does business or collects premiums or assessments in the state except those mentioned in sections 50 and 55, including surety companies and companies engaged in the business of credit ~~insurance~~ or title insurance, shall, as hereinafter provided, annually pay a tax upon all premiums received ~~whether in cash or in notes absolutely payable, on contracts made~~ **covering property or risks in the this state for insurance of life, fire and casualty risks at the rate of one and one half per cent a year**; provided, however, that no tax shall be required on account of any premium paid or assessment levied on policies of insurance ~~issued~~ on farm property. **The rate for insurance companies or associations organized under the law of this state shall be 1% per year. The rate for all others shall be 2% per year.'**

Sec. 4. R. S., c. 12, § 53, amended. Section 53 of chapter 12 of the revised statutes is hereby repealed and the following is enacted in place thereof:

'Sec. 53. Amount of tax; how determined. In determining the amount of tax due under the preceding section, there shall be deducted from the gross amount of such premiums, the amount of cancellation and return

premiums and the amount of premiums received for re-insurance of such property or risks, and the amount of dividends paid to policyholders during the year, and the tax shall be computed on the amount thus actually received by such companies or their agents as aforesaid.'

Sec. 5. R. S., c. 12, § 54, amended. Section 54 of chapter 12 of the revised statutes is hereby amended to read as follows:

'Every company or association which, by the 2 preceding sections, is required to pay a tax, shall, on or before the 31st day of ~~each~~ January, make a return under oath to the insurance commissioner, stating the amount of all premiums received by said company, either in cash or notes absolutely payable, **on risks located or resident in this state**, during the year ending on the 31st day of December previous, the amount of **cancellation and return premiums on policies canceled during the year**, ~~the amount of all premiums paid to or~~ **the amount of all premiums** received from other companies during the year for ~~insurance or~~ re-insurance of risks in this state, the names of the companies with which ~~such insurance or~~ said re-insurance was effected; the amount of the policies and the premiums on the same **and the amount of dividends paid to policyholders during said year.**'