

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: SB 15  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB015-DCCED-DOI-02-20-15  
Title: LIFE INSURANCE POLICY PREMIUM TAX  
Sponsor: COGHILL  
Requester: (S) Labor and Commerce

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Insurance Operations  
Allocation: Insurance Operations  
OMB Component Number: 354

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2016) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Not applicable, initial version.

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Agency: Division of Administrative Services  
Phone: (907)465-2560  
Date: 02/20/2015 09:00 AM  
Date: 02/20/15

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. SB015

### Analysis

SB15 would reduce the premium taxes collected by the Division on individual insurance policies with a written premium exceeding \$100,000.00 from 0.1% to 0.08%. The reduction in tax is expected to increase competition, potentially resulting in additional policies issued in the state.

The reduction in tax is expected to have a negligible fiscal impact on the Division, as the amount of premium that is subject to this tax is very small. The potential increase as a result of additional premium sales is expected to negate any reduction in revenues, if not increase the tax revenues beyond what they previously.