

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version:	SSSB 15
Fiscal Note Number:	1
(S) Publish Date:	3/4/2015

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							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
---------------------------	--	--	--	--	--	--	--

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If yes, by what date are the regulations to be adopted, amended or repealed?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.

Prepared By: Lori Wing-Heier, Director
Division: Division of Insurance
Approved By: Catherine Reardon, Director
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****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.