

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

Introduced

House Bill 4266

**FISCAL
NOTE**

BY DELEGATES WESTFALL, BOGGS, STATLER, WHITE AND
FRICH

[Introduced January 23, 2018; Referred
to the Committee on Banking and Insurance then
Finance.]

1 A BILL to amend and reenact §33-3-15 of the Code of West Virginia, 1931, as amended, relating
2 to eliminating taxation on annuity considerations collected and received by a life insurer.

Be it enacted by the Legislature of West Virginia:

ARTICLE 3. LICENSING, FEES AND TAXATION OF INSURERS.

§33-3-15. Annuity tax.

1 (a) The tax imposed by this section is discontinued for the taxable years beginning on or
2 after January 1, 2018.

3 ~~(a)~~ (b) Every life insurer transacting insurance in West Virginia shall make a return to the
4 commissioner annually on a form prescribed by the commissioner, on or before March 1, under
5 the oath of its president or secretary, of the gross amount of annuity considerations collected and
6 received by it during the previous calendar year on its annuity business transacted in this state
7 and stating the amount of tax due under this section, together with payment in full for the tax due.
8 The tax is the sum equal to one per centum of the gross amount of the annuity considerations,
9 less annuity considerations returned and less termination allowances on group annuity contracts.
10 All the taxes received by the commissioner shall be paid into the Insurance Tax Fund created in
11 §33-3-14(b) of this code. In the case of funds accepted by a life insurer under an agreement which
12 provides for an accumulation of money to purchase annuities at future dates, annuity
13 considerations may be either considered by the life insurer to be collected and received upon
14 receipt or upon actual application to the purchase of annuities. Any earnings credited to money
15 accumulated while under the latter alternative will also be considered annuity considerations. For
16 purposes of this election, the alternative which the life insurer elected to file its tax return for the
17 2001 tax year or which it elects when it enters the state, whichever is later, shall be considered
18 the life insurer's election between these alternatives. A life insurer filing a year 2001 tax return
19 shall provide written notice to the commissioner of its election within ninety days of the effective
20 date of this enactment. Otherwise, a life insurer shall provide written notice to the commissioner
21 of its election within ninety days after it enters the state. Thereafter, a life insurer may not change

22 its election without the consent of the Insurance Commissioner. The Insurance Commissioner
23 may develop forms to assure compliance with this subsection.

24 ~~(b) The amendment to this section enacted during the regular session of the Legislature~~
25 ~~in the year 1998 is effective on July 1, 1998.~~

NOTE: The purpose of this bill is to eliminate taxation on annuity considerations collected and received by a life insurer.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.