

Tax Rates

Current tax rate: 2.75% of net premiums on policies sold by most for-profit companies and Blue Cross Blue Shield

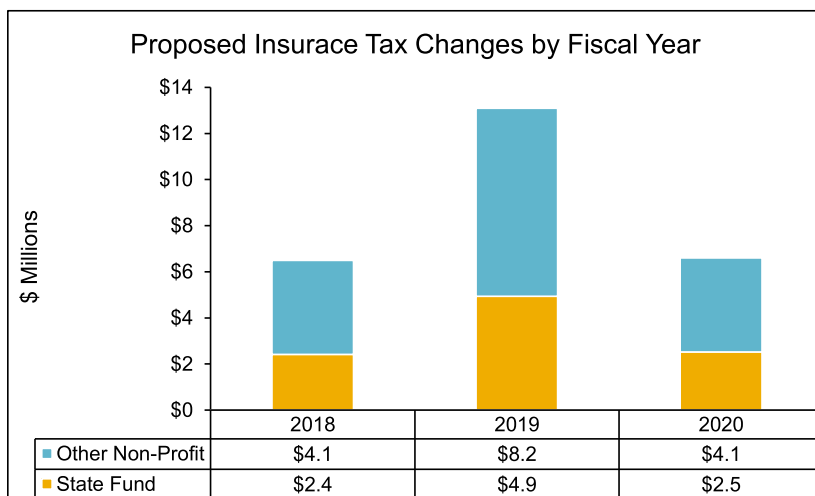
Proposed tax rate: 2.75% of net premiums on policies sold by all companies, including Montana State Fund

Potential Consumer Impact

Increased taxes for non-profit insurance companies and State Fund, with potential for higher costs to consumers.

Potential Fiscal Impact

| Revenue Impact if Implemented January 1, 2018 | | | | | |
|-----------------------------------------------|---------------|----------------|-----------------|----------------|---------------|
| (\$ Millions) | | | | | |
| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| General Fund | | | | | |
| Proposed Law | \$75.558 | \$82.034 | \$91.521 | \$92.334 | \$91.585 |
| Current Law | <u>75.558</u> | <u>77.681</u> | <u>82.748</u> | <u>87.914</u> | <u>91.585</u> |
| GF Impact | - | 4.353 | 8.773 | 4.421 | - |
| State Special Revenue | | | | | |
| Proposed Law | 36.567 | 40.591 | 45.154 | 45.444 | 44.965 |
| Current Law | <u>36.567</u> | <u>38.447</u> | <u>40.833</u> | <u>43.266</u> | <u>44.965</u> |
| SSR Impact | - | 2.144 | 4.321 | 2.177 | - |
| Total Impact | | \$6.497 | \$13.094 | \$6.598 | - |



*A tax rate of 2.45% would attain revenue neutrality while taxing all companies at the same rate following FY 2020.

Statutory Reference

Tax Rate – [33-2-705\(2\), MCA](#)

Tax Distribution – [33-2-708\(3\), MCA](#)

Date Due – March 1st each year ([33-2-705\(1\), MCA](#)); quarterly payments due the 15th of April, June, September and December (Administrative Rules [6.6.2704](#) and [6.6.2705](#))