STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

NED McWHERTER
GOVERNOR

ALLAN S. CURTIS
COMMISSIONER

B U L L E T I N

TO: Domestic and Foreign Insurance Companies

FROM: Allan S. Curtis
Commissioner

RE: Premium Tax Changes

DATE: June 20, 1994

Public Chapter 770 which was passed during the 1994 legislative session requires certain changes in the premium tax rates. The effect of this law is to adjust the premium tax paid by foreign life insurance companies for five (5) calendar years subsequent to 1995 by decreasing rates to 1.75% from the present 2% on gross premium receipts. For the 1994 and 1995 calendar years, foreign life insurance companies shall pay a tax equal to two percent (2%) of gross premiums received from citizens of and residents of the state during those years, the final payment of such tax being due on March 1, 1995 for the 1994 calendar year, and on March 1, 1996 for the 1995 calendar year. For the same period of time the domestic life insurance companies shall pay a tax equal to one and three-fourths percent (1.75%) of gross premiums received from citizens and residents of this state. For the five (5) subsequent calendar years, foreign life insurance companies shall pay a tax equal to the following percentages of gross premiums received from citizens and residents of this state during each calendar year, the final payment of such tax being due on March 1 of each year following the year during which the premiums are received:

CALENDAR YEAR	TAX RATE	FINAL PAYMENT DUE
1996	1.95%	March 1, 1997
1997	1.90%	March 1, 1998
1998	1.85%	March 1, 1999
1999	1.80%	March 1, 2000
2000	1.75%	March 1, 2001

For all succeeding calendar years, foreign life insurance companies shall pay a tax equal to one and three-fourths percent (1.75%) of gross premiums received from citizens and residents of

this state.

If you have any questions regarding this matter, please do not hesitate to contact Sharon K. Roberson, Assistant Commissioner, at (615) 741-2176.

ASC:SKR:MC