

SB 171 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Chris Allanach, Senior Economist
Sub-Referral To: Joint Committee On Tax Credits
Meeting Dates: 2/8

WHAT THE MEASURE DOES:

Moves the sunset date for the Fire Insurance tax credit from January 1, 2018 to January 1, 2024.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

Corporations are allowed a tax credit against their corporate income tax for the amount of fire insurance premium tax paid. Roughly 250 to 300 taxpayers claim the credit each year. The total cost averages just under \$4 million per year; however, this estimate does not include the interaction with the retaliatory tax. If such interaction is considered, the annual cost to the General Fund is roughly \$1 to \$1.5 million annually.