

HOUSE No. 765

By Mr. Waitses of Melrose, petition of Henry F. Long (Commissioner of Corporations and Taxation) relative to the taxation of life insurance companies. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Two.

AN ACT RELATIVE TO THE TAXATION OF LIFE INSURANCE COMPANIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 20 of chapter 63 of the General Laws, as
2 most recently amended by section 1 of chapter 531
3 of the acts of 1943, is hereby further amended by
4 striking out the last sentence of the second paragraph
5 and inserting in place thereof the following sentence:—
6 In determining the amount of the excise payable here-
7 under there shall be deducted, to the extent that they
8 are properly allocable to premiums taxable hereunder,
9 (a) return premiums paid to policyholders during said
10 preceding calendar year on policies written but not
11 taken, cancelled, rescinded, reduced in amount, or
12 changed to a lower premium plan, and return of ad-
13 vance premiums paid beyond the date of death of the
14 insured; but there shall not be deducted amounts paid
15 as cash values or cash surrender values; as suicide,

16 war, aviation or other policy settlements; as settle-
17 ments under the terms of annuity contracts in cases of
18 cancellation or death prior to the effective date of the
19 annuity; as termination allowances under group an-
20 nuity contracts; nor amounts paid in consideration of
21 direct payments of industrial premiums; and (b) divi-
22 dends which during said year have been paid or
23 credited to policyholders or applied to purchase addi-
24 tional insurance or to shorten the premium paying
25 period, but not including dividends paid or credited
26 to policyholders on reinsurance assumed, nor dividends
27 on policies the premiums for which are being waived
28 on account of disability.