



The Commonwealth of Massachusetts

Department of Revenue

Levee Hall Building,

100 Cambridge Street, Boston 02204

L. JOYCE HAMPERS
COMMISSIONER

May 3, 1982

You ask whether insurance companies may deduct the Medical Malpractice Commission assessment in determining the amount of premiums subject to taxation under Massachusetts General Laws Chapter 63.

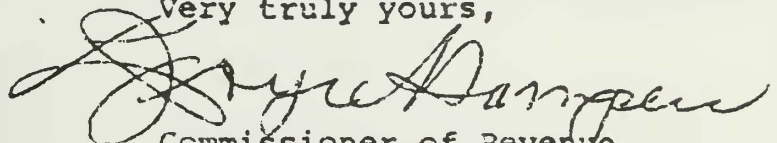
Section 12 of Chapter 362 of the Acts of 1975 established the Medical Malpractice Commission to study medical professional liability insurance and medical malpractice. Section 12 authorizes the Commissioner of Insurance to apportion and assess the expenses of operating the Commission against, inter alia, companies licensed by the Commonwealth to provide liability insurance.

General Laws Chapter 63, Sections 22 and 23 provide that every domestic and foreign insurance company, except life insurance companies with respect to amounts received as consideration for annuity contracts and business taxable under Sections twenty and twenty-one of Chapter 63, and marine or fire and marine insurance companies with respect to business taxable under Section twenty-nine A of Chapter 63, must pay an excise measured by gross premiums. In determining the premiums subject to taxation deductions are allowed for premiums on policies written but not taken, or cancelled through default of payment and for premiums returned to policyholders (G.L. c. 63, s. 24).

May 3, 1982

The Medical Malpractice Commission assessment is not deductible from gross premiums in determining the amount of the insurance excise.

Very truly yours,



Commissioner of Revenue

LJH:RSF:mf

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