

(3) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization on a predetermined periodic rate basis by a person other than a person subject to the tax under this subtitle as compensation for providing health care services to members;

(4) dividends on life insurance policies that have been applied to buy additional insurance or to shorten the period during which a premium is payable; and

(5) the part of the gross receipts of a title insurer that is derived from insurance business or guaranty business.

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The tax rate is:

(1) 0% for premiums for annuities; and

(2) 2% for all other premiums, including:

(i) gross receipts received as a result of capitation payments made to a managed care organization, supplemental payments, and bonus payments; and

(ii) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization.

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(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "NONPROFIT HEALTH MAINTENANCE ORGANIZATION" MEANS A HEALTH MAINTENANCE ORGANIZATION AUTHORIZED BY TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

(3) "PREMIUM TAX EXEMPTION VALUE" MEANS THE AMOUNT OF PREMIUM TAXES THAT A NONPROFIT HEALTH MAINTENANCE ORGANIZATION WOULD HAVE BEEN REQUIRED TO PAY IF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION WERE NOT EXEMPT FROM TAXATION UNDER § 6-101(B)(7) OF THIS SUBTITLE.

(B) (1) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL TRANSFER FUNDS IN AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT ESTABLISHED UNDER TITLE 19, SUBTITLE 8 OF THIS ARTICLE TO BE USED TO SUPPORT THE PROVISION OF HEALTH CARE TO ELIGIBLE INDIVIDUALS.

(2) NOTWITHSTANDING THE ALLOCATION PROVIDED UNDER § 19-803(B) OF THIS ARTICLE, THE AMOUNT TRANSFERRED TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT BY A NONPROFIT HEALTH MAINTENANCE ORGANIZATION UNDER PARAGRAPH (1) OF THIS SUBSECTION: