

(5) A LIFE INSURER MAY NOT CHANGE AN ELECTION BETWEEN ALTERNATIVES IN PARAGRAPH (1) OF THIS SUBSECTION WITHOUT THE CONSENT OF THE COMMISSIONER.

(6) IF FUNDS THAT HAVE BEEN TAXED AS GROSS PREMIUMS ARE WITHDRAWN BEFORE ACTUALLY APPLIED TO BUY ANNUITIES, THE FUNDS ARE ELIGIBLE TO BE INCLUDED AS RETURNED PREMIUMS IF OTHERWISE ELIGIBLE UNDER § 6-104(A)(1) OF THIS TITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 631(c) and 632(a)(1), (c), and (d).

In subsections (a) and (d)(2) of this section, the reference to a "person subject to taxation under this title" is substituted for the former reference to an "insurance compan[y]" to conform to § 6-101 of this title.

Subsections (b) and (c) of this section are revised to state which premiums are and are not subject to taxation under this section. The Insurance Article Review Committee decided that former Art. 48A, § 631(c) was more properly revised as a scope provision rather than a definition of "premiums" because the purpose of the former definition seemed to be to delineate what types of premiums or other consideration are subject to taxation.

In subsection (e)(3) of this section, the phrase "that are not taxed on receipt", which modifies "funds", is substituted for the former phrase "accumulated while under the latter alternative" for clarity.

In subsection (e)(4) of this section, the former reference to a life insurer signifying an alternative "on its premium tax return covering premiums for the calendar year 1964" is deleted as obsolete.

Defined terms: "Annuity" § 1-101

"Annuity contract" § 1-101

"Commissioner" § 1-101

"Insurance" § 1-101

"Insurance business" § 1-101

"Life insurance" § 1-101

"Life insurer" § 1-101

"Person" § 1-101

"Policy" § 1-101

"Premium" § 1-101

6-103. TAX RATE.

THE TAX RATE IS:

- (1) 0% FOR PREMIUMS FOR ANNUITIES; AND
- (2) 2% FOR ALL OTHER PREMIUMS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 632(a)(2).