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# ***Financial Services - Insurance Tax Bulletin***

**June 29, 2012**

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## *Insurance revenue proposals in President Obama's FY 2013 Budget*

The Joint Committee on Taxation (JCT) staff recently release an 824-page description and analysis of the revenue provisions contained in President Obama's fiscal year 2013 budget proposal, which was submitted to Congress on February 13, 2012.

Among the insurance related revenue-raising provisions discussed in the JCT explanations are proposals to:

- Disallow the deduction for non-taxed reinsurance premiums paid to affiliates
- Impose a financial crisis responsibility fee
- Modify rules that apply to sales of life insurance contracts, including transfer for value rules
- Modify dividends received deduction for life insurance company separate accounts
- Expand pro rata interest expense disallowance for company-owned life insurance ("COLI")

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- Require information reporting for private separate accounts of life insurance companies
  - Repeal special estimated tax payment provision for insurance companies under section 847 of the Code

The report contains over 120 provisions, many of which are non-insurance specific provisions that may be of interest to the insurance industry and should be reviewed for potential application to your company.

***PwC Observations***

These insurance provisions were all previously included in the President's fiscal year 2012 budget proposal.

***Click here to access a complete copy of the report: [JCS-2-12: Description Of Revenue Provisions Contained In The President's Fiscal Year 2013 Budget Proposal](#).***

*For further information, please feel free to contact Anthony DiGilio at (703) 918-4812 or contact your local insurance tax professional.*

*Please visit us at: <http://www.pwc.com/us/insurance/tax>*

Solicitation.

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