

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
80th Oregon Legislative Assembly  
2019 Regular Session  
Legislative Revenue Office**

**Bill Number: HB 2787 - A4**

**Date: 5/24/2019**

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**This office has reviewed the proposed legislation and determined that it has**

## **Minimal Revenue Impact**

Under current law, all wet marine and transportation insurers are required to pay a tax based their profits from underwriting wet marine and transportation insurance. Based on information from the industry, taxing unauthorized insurers on profits from wet marine and transportation insurance premiums is inconsistent with the taxation of unauthorized insurers on other lines of business, where insurance brokers remit a tax based on a percentage of their gross premiums. Currently, unauthorized insurers issuing wet marine and transportation insurance pay a tax on their profits from writing this type of insurance, and this tax is remitted directly by the carrier, and not the insurance broker. This bill changes the current profits tax to a gross premiums tax of 0.75% for unauthorized insurers writing these policies in Oregon. Industry estimates that \$2.5 million of unauthorized wet marine and transportation insurance premiums are written annually in Oregon. The estimated revenue impact for the bill is thus \$18,750, a minimal revenue impact for the state.

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