

## INSTRUCTIONS FOR COMPLETING AND FILING STATEMENT OF PREMIUM TAXES AND FEES LIFE, ACCIDENT AND HEALTH

1. Read these instructions carefully before completing the *Statement of Premium Taxes and Fees*. If there are any questions regarding this filing, contact the Premium Tax Section at (208) 334-4281 or [premiumtax@doi.idaho.gov](mailto:premiumtax@doi.idaho.gov).
2. All Non-Idaho Exhibits, Schedules, and Supplements referred to within the *Statement of Premium Taxes and Fees* and these instructions may be found in the *NAIC Annual Statement*.
3. The Idaho Department of Insurance has adopted a mandatory e-file policy. All tax and fee filings must be submitted electronically. Idaho Code §41-402. Electronic filings must be submitted by one of the following methods:
  - ❖ Directly through TriTech Premium Pro software, or
  - ❖ Idaho Department of Insurance Electronic Filing System located [here](https://tritechsoft.com/efilenetid/efilenet/efiledefault.aspx). Or visit <https://tritechsoft.com/efilenetid/efilenet/efiledefault.aspx>

Payments must be made by one of the following methods:

- ❖ Check with TriTech payment voucher, or
- ❖ Electronic Fund Transfer (EFT). **ACH Credit or Wire Transfers are acceptable.** Idaho does NOT accept ACH Debit or OPTins. Payment CANNOT be made through TriTech. **MUST BE ENROLLED.**

To enroll in the Electronic Fund Transfer payment system, please complete the EFT Enrollment Form located on the Idaho Department of Insurance website at [https://doi.idaho.gov/wp-content/uploads/Company/EFT\\_Enrollment.pdf](https://doi.idaho.gov/wp-content/uploads/Company/EFT_Enrollment.pdf), and submit it to the Premium Tax Section at [premiumtax@doi.idaho.gov](mailto:premiumtax@doi.idaho.gov). Enrollments are not processed from February 14 to July 31 due to tax filing volume.

4. Each authorized insurance company shall file a *Statement of Premium Taxes and Fees* regardless of whether any insurance business was transacted in Idaho during the year. Each formerly authorized insurer, with respect to insurance transacted while an authorized insurer, shall file a statement for any renewal premiums received during the calendar year. Enclose a written notice if transferring policies from one insurer to another insurer because it also transfers the tax obligation with respect to those policies. Idaho Code § 41-402.
5. Late filing of the statement and remittance will result in a penalty of \$25.00 for each day of delinquency, commencing March 2<sup>nd</sup>, through the date of submission of a complete filing (mandatory electronic tax filing AND payment). Idaho Code § 41-404, 41-3427 (2), and 41-3922 (2). Late filing penalties will be assessed for the following:
  - Late filing (electronic submission date) of the *Statement of Taxes and Fees* or any required schedule or exhibit.
  - Incomplete submission of the *Statement of Taxes and Fees* (missing signature).
  - Unpaid/underpaid tax (electronic settlement date or official postmark).
  - **Electronic Fund Transfer (EFT) payment not in the correct bank account on the due date.**

If paying by check, only an official U.S. Postal Service cancellation postmark on the envelope, rather than private postage meter stamp, shall qualify as proof of timely mailing. If a carrier service is used, the mailing date will be determined by the package pick-up date, not the delivery date.

Any tax payment in the amount of \$100,000.00 or more MUST be made electronically. Idaho Code §67-2026.

6. **If paying by check, attach a check for the balance due to the TriTech payment voucher.** Unidentifiable payments will be returned. When transmitting payment by EFT, it is **CRITICAL** the addenda instructions are followed, and the payment is sent to the correct **premium tax type code (07170)** for the Department of Insurance. Late penalties will be assessed if payment is not in the correct bank account on the due date. An EFT Enrollment Acceptance **MUST** be acquired prior to using this method. If you need an EFT Enrollment Form, see Item #3 above.
7. Requests for 30-day extensions or exemptions for filing the *Annual Statement* beyond the regular due date will not be required providing approval was granted by the domiciliary state and NAIC has been notified. Extensions beyond 30 days will require a written request for extension and domiciliary approval. However, the Annual Continuation Fee **MUST** be submitted with the *Statement of Premium Taxes and Fees* on or before March 1<sup>st</sup>, regardless of extensions. Idaho Code §41-402 (1), 41-324.
8. For all electronic filings, the typed name of the officer signing under oath is acceptable. If you need additional instructions, contact this office as listed in Item 1. Idaho Code § 41-402 (1).
9. The Tax Statement and Continuation Fee must be filed and paid regardless of negative premiums or if no business was written. **ZERO FILINGS ARE REQUIRED.**
10. **PAGE 1 – STATEMENT OF PREMIUM TAXES AND FEES**

#### **RECAP OF TAXES AND FEES**

- A. Enter the company information. Enter your company's NAIC Number in the box provided. The company name, address, and state of domicile must be completed on all tax forms as refunds and correspondence will be sent to this address.
- B. Line 1. Tax Due. Calculated total from *Schedule E*.
- C. Line 2. Less Premium Guaranty Association Tax Credit. **THERE IS NO CREDIT AVAILABLE IN 2023.** Calculated total from *Schedule 8 – Tax Credit*.
- D. Line 3. Total Tax. Calculated total. Cannot be less than zero.
- E. Line 4. Prepayments. Enter the amounts of quarterly prepayments paid.
- F. Line 5. Total Tax. Calculated total. If the estimated quarterly prepayments paid toward your tax obligation exceed the total premium tax amount due for the calendar year, **you must still submit payment of the required Continuation Fee.** If the amount on Line 5 is negative (overpayment), this same amount must be carried forward to Line 8 Refund Due for Tax Overpayment. Any refund due for the overpayment of premium taxes will be mailed to the company address indicated on the tax statement after the company's statement has been audited. Tax overpayments cannot be applied toward continuation fees or future quarterly tax prepayment obligations. Idaho Code § 41-402(10).
- G. Line 6. Annual Continuation Fee. Idaho Code § 41-324, Idaho Insurance Rule 44 (IDAPA 18.01.02). To determine the correct fee amount, use surplus amount reported on *NAIC Annual Statement, Liabilities, Surplus and Other Funds*, Line 37. Payment of the required fee **MUST** be included. If the required fee is not being paid, you must attach a written explanation.

- H. Line 7. Amount Enclosed. Overpayment of tax may not be used to offset fees or penalties. **Do not apply tax overpayment to payment of fee. Payment of the required fee must be enclosed.**
- If a refund of premium tax is due on Line 8 (also negative amount of Line 5), submit payment for Lines 6 (continuation fee).
  - If there is premium tax due on Line 5 (positive amount on Line 5), submit payment for the total of Lines 5 and 6 (tax due and continuation fee).
- I. Line 8. Refund Due. This is the overpayment of tax (negative amount) calculated on Line 5, Idaho Code 41-402A. Refunds. “Where there has been an overpayment of any taxes, fines, or penalties due under this chapter, the director is authorized to refund all such taxes, fines or penalties erroneously or illegally collected or paid. No such refund shall be paid after one (1) year from the due date of the statement required in section 41-402(4), Idaho Code, unless before the expiration of such period a written claim is filed therefore by the insurer on such forms and in such manner as is prescribed by the director.”
- J. PENALTIES – Penalties accrue, and will be assessed separately, at the rate of \$25 for each day of delinquency commencing March 2<sup>nd</sup>, though the date of submission of a complete filing (mandatory electronic tax filing and payment). Idaho Code § 41-3928 and 41-3427.
- K. The tax statement must be signed and dated by an Officer of the company. A typed signature is acceptable on electronically filed forms. By the appropriate signature, being duly sworn upon oath, it is declared that the premium tax report is a complete, true, and correct statement of all premiums and fees on business written by said company for the reporting year on insurance, property, or risks resident, or located, in Idaho. **Unsigned forms will be considered incomplete.** Please also see item # 8 in these instructions.
- L. All questions concerning the tax statement will be directed to the contact person stated on Page 1 of the tax statement. Include a **direct telephone number with extension and an e-mail address**. If the contact person changes after the submission of the *Statement of Premium Taxes and Fees*, please contact the Premium Tax Section as indicated in item #1.

11. **PAGE 2 - SCHEDULE A - COMPUTATION OF PREMIUM TAX - LIFE**

- A. Total Annuity Premiums. Enter the amount of Annuity premiums written.
- B. Line 1. Total Life Premiums Received. Should agree with premium as reported on the *Idaho Business Page*, Line 11, Column 1 PLUS Line 19, Column 1. A complete explanation of any differences between the tax statement and *NAIC Annual Statement* schedules must be submitted and signed by the person authorized by the company to prepare the tax statement.
- Line 1A. Dividends allocated as premium payments. Report dividends allocated as premium payments. Should match the *Idaho Business Page*, **Line 11, Column 4 PLUS Line 19, Column 4. If dividends applied to renewal (Column 4) are included in Direct Premiums Written on Schedule T and NOT included on line 1A, attach an explanation.**
- Line 1B. Dividends allocated as Paid-Up Additions. Report dividends allocated as Paid-Up Additions. Should match the *Idaho Business Page*, **Line 11, Column 5 PLUS Line 19, Column 5.**
- Line 1C. Total Premiums Written Through Associations. Report total premiums written through Associations, Trusts, or Groups located in a state other than Idaho but are for residents or risks located in Idaho and have been reported on *Schedule T* as premiums written in a state other than Idaho. **Must enter an amount even if zero. Idaho Tax Law does not allow the Rule of 500 to apply to tax obligation.**
- Line 1D. Total premiums. Calculated total (Line 1, plus Line 1A, plus Line 1B, plus Line 1C).
- C. Line 2. Idaho Domestic Insurers. Must be completed only by Idaho domestic insurers. Enter total premiums minus dividends for Life premiums written in jurisdictions where insurer is not licensed.

- D. Line 3. Less Policy Dividends and Return Coupons. Report dividends. The amount should match the *Idaho Business Page*, Column 5. Do not include dividends derived from exempt premiums. **Attach a detailed explanation of any amounts of dividends derived from exempt premiums.**
- E. Line 4. Premiums Exempt and/or Preempted by Federal Law. Itemize premiums exempt from state taxes under federal law and identify applicable preemption.
- F. Line 5. Net Taxable Life Premiums. Calculated Total. (Line 1C, plus Line 2, minus Line 3, minus Line 4).
- G. Line 6. Premium Tax. Calculated total (Multiply amount on Line 5 by 1.5% and enter total on Line 6). **If less than zero, enter zero.**

13. **PAGE 3 - SCHEDULE B - COMPUTATION OF PREMIUM TAX - ACCIDENT AND HEALTH**

- H. Line 1. Total Accident and Health Premiums Received. Enter the amount of premiums written. Amount should agree with premium as reported on the *Idaho Business Page*, **Line 46, Column 1**. A complete explanation of any differences between the tax statement and NAIC *Annual Statement* schedules must be submitted and signed by the person authorized by the company to prepare the tax statement.

Line 1A. Total premiums written through Associations. Report total premiums written through Associations, Trusts, Groups located in a state other than Idaho but are for residents or risks located in Idaho and have been reported on *Schedule T* as premiums written in a state other than Idaho. Must enter an amount even if zero. **Idaho Tax Law does not allow the Rule of 500 to apply to tax obligation.**

Line 1B. Total premiums. Calculated total. (Line 1, plus Line 1A).

- I. Line 2. Idaho Domestic Insurers. Must be completed only by Idaho domestic insurers. Enter total premiums minus dividends for Accident and Health premiums written in jurisdictions where insurer is not licensed.
- J. Line 3. Less Policy Dividends and Return Coupons. Report dividends. Should match the *Idaho Business Page*, Line 46, Column 7. Do not include dividends derived from exempt premiums. **Attach a detailed explanation of any amounts of dividends derived from exempt premiums.**
- K. Line 4. Premiums Exempt and/or Preempted by Federal Law. Itemize premiums exempt from state taxes under federal law and identify applicable preemption.
- L. Line 5. Net Taxable Accident and Health Premiums. Calculated total. (Line 1B plus Line 2, minus Line 3, minus Line 4.)
- M. Line 6. Premium Tax. Calculated total. (Multiply amount on Line 5 by 1.5% and enter total on Line 6. If less than zero, enter zero.)

14. **PAGE 4 - SCHEDULE C – SELF-FUNDED PLANS**

Each self-funded plan that is not preempted by ERISA and is not exempt from registration under Idaho Code § 41-4003(2) is required to pay a four cent (\$.04) per month per beneficiary tax for all beneficiaries working or residing in this state, per Idaho Code § 41-4012(1).

If the administrator is collecting this tax on behalf of the employer plan, then the administrator should submit a *Schedule C* form for **each** administered self-funded plan, along with the correct tax payment. If the administrator is not collecting this tax, please forward the *Schedule C* form to each self-funded plan's Trustee.

Examples of self-funded plans not preempted by ERISA and that are required to pay the tax unless exempted by Idaho Code § 41-4003(2) are:

- A plan for a governmental entity (29 U.S.C. 1003(b)(1)).
- A church plan (29 U.S.C. 1003(b)(2)).
- An unfunded excess benefit plan (29 U.S.C. 1003(b)(5)).
- A self-funded Multiple Employer Welfare Arrangement.

Examples of self-funded plans exempt from registration pursuant to Idaho Code § 41-4003(2) and therefore not liable for the tax include:

- Any plan established and maintained for the purpose of complying with any workers' compensation law or unemployment compensation disability law.
- Plans administered by or for the federal government or any agency thereof, or by or for any county in this state.

- A. File a separate Schedule C for each self-funded plan.
- B. Enter the name of the Plan, complete address, contact name, telephone number and email address.
- C. Enter the number of beneficiaries covered by month.
- D. Total the number of beneficiaries for the year.
- E. Multiply total annual beneficiaries by \$0.04 and enter in Total Tax Due.
- F. Bring the total tax of each self-funded plan forward to Page 7, Line 5.

15. **PAGE 5 - SCHEDULE D – DENTAL PLANS**

- A. Total Premiums for the Year. Premium should agree with *NAIC Annual Statement Schedules*.
- B. The dental tax rate is \$.04 per subscriber, per month. Idaho Code §41-402(9).
- C. Enter the number of contracts for each month for individual insured, group certificate holder, or blanket policy participant.
- D. Total Contracts. Calculated total. (The number of contracts for the calendar year).
- E. Total Tax Due. Calculated total (Multiply the total contracts by \$.04 to calculate the total tax due).

16. **PAGE 6 - SCHEDULE 8 TAX CREDIT– CLASS B ASSESSMENTS *THERE IS NO CREDIT AVAILABLE IN 2023***

- A. Read these instructions carefully before completing *Schedule 8*. If you have any questions, contact the Premium Tax Section at (208) 334-4281 or [premiumtax@doi.idaho.gov](mailto:premiumtax@doi.idaho.gov).
- B. Each authorized insurance company filing a *Statement of Premium Taxes and Fees* and requesting Tax Credits on Page 1 must complete schedules where tax credits are being requested. Total tax credits cannot exceed the calculated premium tax liability.
- C. Each formerly authorized insurer, with respect to insurance transacted while an authorized insurer, must enclose a written notice if transferring policies from one insurer to another. The effect of transferring policies from one insurer to another insurer is to transfer the tax obligation or credit with respect to the policies. Before credit can be taken for a company other than the company shown on the original Certificate of Contribution, an explanation must be attached. Idaho Code § 41-402 (1) (5).
- D. Enter only the actual tax credit amount being requested for each individual company assessment. Do not report the actual amounts paid to the Guaranty Association. The Guaranty Association provides the Department of Insurance with the amount and date each assessment is paid. Credits can only be taken for Class B assessments paid. Idaho Code §41-3616.

- E. Do not confuse calendar year paid with tax year. For example:
  - ❖ If a *Notice of Assessment* dated November 2000 was paid before the end of calendar year (Portion Paid in 2000), 20% can be included as a credit for 2000 on the Tax Statement due March 2001.
  - ❖ If any portion of the assessment was not paid until 2001 (Portion paid in 2001), then only that portion would be included as a credit for 2001 on the Tax Statement due March 2002.
- F. A credit of twenty percent (20%) of the assessment is allowed for each of the five (5) calendar years beginning with the calendar year in which the assessment was paid. (If an assessment was paid in 2000, the first credit may be taken for the calendar year ending 12/31/2000, due the following year on 3/1/2001) The 20% credit or portion thereof not used in any calendar year cannot be carried forward or back to another year. Idaho Code § 41-4313
- G. An assessment expires five (5) calendar years following the calendar year in which the assessment was paid. Refer to the expiration dates listed on each assessment.
- H. Line 1. Informational purposes only. Assessment title and year assessed. No data entry required.
- I. Line 1A. Maximum of 20% portion paid in the tax year. Enter the maximum allowable credit of 20% of the amount paid in the tax year.

17. **PAGE 7 - SCHEDULE E - COMPUTATION OF RETALIATORY TAXES.**

**MUST BE INCLUDED WITH RETURN**

Idaho Code § 41-340(2) and (3)

**Attach Retaliatory Calculation Worksheet**

- A. This schedule determines the higher aggregate of taxes due. For audit verification, we may be contacting the various state insurance departments, using copies of the domicile state tax statements, retaliatory calculation worksheets, *NAIC Retaliatory Guide*, and domiciliary code.
- B. Column A – Idaho Basis – is calculated from other schedules.
- C. Column B – Retaliatory Taxes. All foreign insurers must complete Column B. Entries should be calculated on the retaliatory basis of what an Idaho company, doing the identical volume of business, would be required to pay to your state of domicile. **Attach an explanation of calculations on taxes.**
- D. Column B line 1. Life Premiums. Enter the net taxable life premium for domiciliary state. **Attach an explanation if different from the Idaho basis.**
- E. Column B Line 1A. Premium Tax Rate. Enter the domiciliary tax rate for life.
- F. Column B Line 1B. Premium Tax. Calculated total (Multiply Column B, Line 1 by the rate reported on Line 1A).
- G. Column B, Line 2. Accident and Health Premiums. Enter the net taxable Accident and Health premium for the domiciliary state. **Attach an explanation if different from the Idaho basis.**
- H. Column B, Line 2A. Premium Tax Rate. Enter the domiciliary tax rate for Accident and Health.
- I. Column B, Line 2B. Premium Tax. Calculated total. (Multiply Column B, Line 2 by the rate in Column B, Line 2A).
- J. Column B, Line 3. Annuity Premiums. Enter the net taxable Annuity premium for the domiciliary state. **Attach an explanation if different than the Idaho basis.**

- K. Column B, Line 3A. Premium Tax Rate. Enter the domiciliary tax rate for Annuities.
- L. Column B, Line 3B. Premium Tax. Calculated total. (Multiply Column B, Line 3 by the rate entered in Column B, Line 3A).
- M. Column B, Line 4. Municipal, City or County Premiums. Enter Municipal, City or County Premiums for the domiciliary state. **Attach an explanation.**
- N. Column B, Line 4A. Premium Tax Rate. Enter domiciliary taxes for municipal, city and county.
- O. Column B, Line 4B. Premium Tax. Calculated total. (Multiply Column B, Line 4 by the rate in Column B, Line 4A).
- P. Line 5, Column B - Other Taxes. **Corporate/Income/Excise tax must be stated, even if zero.** All other taxes imposed by your state of domicile on foreign insurers, including state-imposed income/excise/corporate/minimum tax must be reported, and attach an explanation of all other taxes imposed by your state of domicile on foreign insurers **except:**
1. Ad valorem taxes on real or personal property.
  2. Personal income, capital, or surplus taxes.
  3. Taxes imposed for a special purpose on a particular type of insurance.
- O. Line 6. Total Taxes. Precalculated total. (Add lines 1B, 2B, 3B, 4B and 5. Carry the greater of Line 6, Column A or Column B to page 1, line 1).

**An explanation of retaliatory calculations will be requested for any discrepancies. Any discrepancies will be verified.**