

## INSTRUCTIONS FOR COMPLETING AND FILING STATEMENT OF PREMIUM TAXES AND FEES PROPERTY AND CASUALTY COMPANIES

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](#). Or visit <https://tritechsoft.com/efilenetid/efilenet/efiledefault.aspx>

Payments must be submitted 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. The tax statement and remittance are due on or before March 1st. Late filing of the statement or 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 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 enrollment form, see Item #3.
7. Requests for 30 day extensions or exemptions for filling 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 STATEMENTS ARE REQUIRED.**

10. **PAGE 1 - STATEMENT OF PREMIUM TAXES AND FEES**

**RECAP OF TAXES AND FEES**

- A. Enter the company information. Enter the 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 Guaranty Association Premium Tax Credit. Calculated total from *Schedule 8- Tax Credit*.
- D. Line 3. Less Total Worker's Compensation Premium Tax Credit. Calculated total from *Schedule 7*, Line 6. Tax Credit cannot exceed the premium tax liability.
- E. Line 4. Total Tax Liability. Calculated total. Total credits cannot exceed the total tax on Line 1.
- F. Line 5. Less Prepayments. Enter the amounts of quarterly prepayments made.
- G. Line 6. Tax Due. Calculated total. If the estimated quarterly prepayments paid toward the 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 6 is negative (an overpayment), the overpayment amount should be carried forward to Line 9 - 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).
- H. Line 7. Annual Continuation Fee. Idaho Code § 41-324, Idaho Insurance Rule 44 (IDAPA 18.01.02). To determine correct fee amount, use surplus amount reported on the *NAIC Annual Statement, Liabilities, Surplus and Other Amounts*, Line 37. Payment of the required fee **MUST** be included. If the required fee is not being paid, you must attach a written explanation.
- I. Line 8. Amount Enclosed. Overpayment of tax may not be used to offset fees or penalties. **Do not apply tax overpayment to payment of continuation fee. Payment of required continuation fee must be enclosed.**

- a. If a refund of premium tax is due on Line 9 (also negative amount on Line 6), submit payment for Lines 7 (continuation fee).
  - b. If there is premium tax due on Line 6 (positive amount on Line 6), submit payment for the total of Lines 6 and 7 (tax due and continuation fee).
- J. Line 9. Refund Due. This is the overpayment of tax (negative amount calculated on Line 6). Per Idaho 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."
- K. PENALTIES – Penalties accrue, and will be assessed separately, at the rate of \$25 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
- L. The tax statement must be signed and dated by an officer of the company. A typed signature is acceptable for electronically filed forms. By the appropriate signature, being duly sworn upon oath, it is declared that the premium tax statement 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 instructions.
- M. All questions concerning the tax statement will be directed to the contact person as stated on page 1 of the tax statement. Include a **direct telephone number with extension and 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.

12. **PAGE 2 - SCHEDULE A - COMPUTATION OF PREMIUM TAX – PROPERTY AND CASUALTY (EXCLUDING ACCIDENT AND HEALTH)**

Report Direct Premiums Written for Purchasing Groups. Premiums written for Federal Purchasing Groups MUST be reported for amounts equal to the premiums written for all Purchasing Group members located in the state. This number will be verified with Premium Volume Reports submitted by each Purchasing Group. You will be contacted if totals do not agree.

- A. Enter the amount of premiums written for purchasing groups on the line *Reporting Information Only* in the top portion of the schedule.
- B. Enter the name, email address and telephone number for the purchasing group contact person.
- C. Line 1. Total Direct Premiums. Enter direct premiums. Should agree with premium as reported on the *Idaho Exhibit of Premiums and Losses*, excluding health & accident premiums, and *Schedule T*. A complete explanation of any differences between the tax statement and the *NAIC Annual Statement* schedules must be submitted and signed by the person authorized by the company to prepare the tax statement.

Line 1A. 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 that have been reported on *Schedule T* as premiums written in a state other than Idaho. **Must enter an amount even if zero. Idaho law does not permit an exemption based on the Rule of 500 or any other allocation method.**

Line 1B. Bail Bond Premiums. Report Bail Bond Premiums that are reported net on *Schedule T* and/or *State Business Page* per your domicile state permitted practice SSAP No 053 Bail Bond reporting. **ADD the difference between net reported and gross written for bail bond premium in the state of Idaho.**

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

- D. Line 2. Idaho Domestic Insurers. Must be completed only by Idaho domestic insurers. Enter total property & casualty premiums minus dividends for premiums written in jurisdictions where insurer is not licensed.
- E. Line 3. Dividends Paid or Credited to the Account of Policyholders. Enter dividends from the *Exhibit of Premiums and Losses*, Column 3, less dividends on health and accident and exempt premiums. **Include an explanation of reduced amounts for exempt premiums.**
- F. Line 4. Premiums Exempt by State Law and/or Preempted by Federal Law. Itemize and identify premiums exempt under state law and/or preempted by federal law.
- G. Line 5. Net Taxable Property and Casualty Premiums. Calculated total. (Lines D, plus line 2, less, Line 3, less Line 4).
- H. Line 6. Premium Tax. Calculated total. (Total of Line 5 multiplied by the Idaho tax rate of 1.5%) If less than zero, enter zero.

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

- A. Line 1. Total Direct Premiums Written. Enter direct premiums written. Should agree with premium as reported on the *Idaho Exhibit of Premiums and Losses*, Column 1, accident and health only. A complete explanation of any differences between the tax statement and the *NAIC Annual Statement* schedules must be submitted and signed by the person authorized by the company to prepare the tax statement.

Line 1A. 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 law does not permit an exemption based on the Rule of 500 or any other allocation method.**

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

- B. 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.
- C. Line 3. Dividends Paid or Credited to the Account of Policyholders. Enter dividends paid or credited to the account of policy holders for accident and health. Should match dividends for Accident and Health from the *Exhibit of Premiums and Losses*, Column 3, less dividends on exempt premiums. **Include an explanation of reduced amounts for exempt premiums.**
- D. Line 4. Premiums Exempt by State Law and/or Federal Law. Itemize and identify premiums exempt under state law and/or preempted by federal law.
  - a. Enter Federal Employers Health Care Premiums.
  - b. Enter Federal Medicare Title XVIII Premiums.
  - c. Enter Dental Premiums from Page 5, Schedule D.
  - d. Enter and identify any other exempt premiums.
- E. Line 5. Net Taxable Accident and Health Premiums. Calculated total. (Line 1B plus Line 2, minus Line 3, minus Line 4)
- F. Line 6. Premium Tax. Calculated total. (Total of Line 5 multiplied by Idaho tax rate of 1.5%)

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. A separate Schedule C must be filed 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 8, Line 5.

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

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

16. **PAGE 6 – SCHEDULE 7 - WORKER'S COMPENSATION TAX CREDIT**

- A. All worker's compensation insurers must pay 2.00% premium tax on Idaho worker's compensation premiums written to the Idaho Industrial Commission. Insurers are allowed to offset 50% of the tax paid to the Industrial Commission against the worker's compensation premium tax liability to the Department of Insurance. Do not confuse the 2.0% premium taxes paid to the Industrial Commission with the additional 1.5% premium taxes due to the Department of Insurance. The worker's compensation tax credit can only offset the worker's compensation premium tax liability to the Idaho Department of Insurance and cannot be allowed against any other lines of insurance. Idaho Code § 72-523.

- B. Line 1 and 2. Net Premiums Written. Report SEMI-ANNUAL Industrial Commission Net Premiums Written. Enter the same amounts as reported on the June and December *Semi-Annual Report of Premiums* filed with the Idaho Industrial Commission.
- C. Line 1A and 2A. Report Tax Amount Paid to the Industrial Commission. Enter the amount paid to the Industrial Commission for each of the June and December period. If minimum payments were made, enter the minimum amount paid of \$75.00.
- D. Lines 1B and 2B. 50% Deduction. Calculated total. (Multiply each line, 1A and 2A, by 50%). Only 50% of the worker's compensation premium tax paid to the Industrial Commission is allowed for deduction against the additional 1.5% premium tax imposed by the Idaho Department of Insurance.
- E. Line 3. Maximum Credit. Calculated total. (Total Lines 1B and 2B).

**IDAHO DEPARTMENT OF INSURANCE PREMIUM TAX LIABILITY**

The worker's compensation tax credit can NEVER exceed the worker's compensation premium tax liability at the Idaho rate of 1.50%. The lesser amount of the maximum allowable credit (50% of fees paid to the Idaho Industrial Commission) or the Idaho Premium Tax Liability for worker's compensation premium must be used as the credit. **If no worker's compensation premiums were written, no credit can be taken.**

- F. Line 4A. Worker's Compensation Premiums. Enter Worker's Compensation premiums. *Should agree with the Exhibit of Premiums & Losses, Line 16, Column 1.*
- G. Line 4B. Worker's Compensation Dividends. Enter Worker's Compensation dividends. *Should agree with the Exhibit of Premiums & Losses, Line 16, Column 3.*
- H. Line 4C. Taxable Worker's Compensation Premiums. Calculated Total. (Subtract Line 4B from Line 4A).
- I. Line 5. Total Worker's Compensation Tax. Calculated total. (Multiply Line 4C by 1.50%).
- J. Line 6. Allowable Credit. Calculated total. (Enter the smaller of Line 3 or Line 5).
- K. The sum of the Idaho Industrial Commission Worker's Compensation Credits cannot exceed the total worker's compensation premium tax liability.

**17. PAGE 7 - SCHEDULE 8 TAX CREDIT – CLASS B ASSESSMENTS**

- 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 those 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. Do not attach a copy of checks or *Certificate of Contributions*. They will be requested only if a discrepancy is discovered.
- E. 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.

- F. Do not confuse calendar year paid with tax year. For example:
- If a *Notice of Assessment* dated November 2000 was paid before December 31, 2000, it can be included as a credit for tax year 2000 on the Tax Statement due March 1, 2001.
  - If the assessment was not paid until 2001, the first credit would not be available until tax year 2001 on the Tax Statement due March 1, 2002
- G. A credit of twenty percent (20%) of the assessment is allowed for each of the five (5) calendar years beginning the tax year in which the assessment was paid (See F above). 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.
- H. An assessment expires five (5) calendar years following the calendar year in which the assessment was paid.
- I. If an assessment is not listed, please enter the information on the lines provided.
- J. Total Credits. Calculated total.

18. **PAGE 8 - SCHEDULE E - COMPUTATION OF RETALIATORY TAXES**

**MUST BE INCLUDED WITH RETURN**

Idaho Code § 41-340(2) and (3)

- 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's 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 the state of domicile. **Attach an explanation of calculations on taxes.**
- D. Column B Line 1. Property and Casualty Premiums. Enter the net taxable property and casualty premium for the domiciliary state. **Attach an explanation if different from the Idaho basis.**
- E. Column B Line 1A. Tax Rate. Enter the domiciliary tax rate for property and casualty.
- 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. 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 entered in Column B, Line 2A).
- J. Column B, Line 3. Municipal, City or County Premiums. Enter premiums for municipal, county or city.
- K. Column B, Line 3A. Tax Rate. Enter domiciliary taxes for municipal, city and county.
- L. Column B, Line 3B. Premium Tax. Multiply total in Column B, Line 3 by the rate in Column B, Line 3A.

- M. Line 4, 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 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 5. Total Taxes. Calculated total. (Add Lines 1B, 2B, 3B, and 4. Carry the greater of Line 5, 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.**