

**2015 LD-T INSTRUCTIONS
ACCOUNTING DIVISION**

**STATE OF ARKANSAS
DEPARTMENT OF INSURANCE
FOREIGN LIFE, ACCIDENT AND HEALTH COMPANIES**

IMPORTANT INFORMATION*****

****NEW**** Arkansas New Market Jobs Credit has been added to our 2015 tax form. You will notice that Page 1 of Form LD-T appears different with the split in Accident and Health now in separate sections.

It is necessary to include your 5-digit NAIC number in the spaces provided. Do not use the federal identification number in place of your NAIC number. *If you are expecting a refund, please mark "REFUND DUE" on top of page 1.* **You are required to file a copy of: 1) the Jurat's Page 2) Annual Statement Direct Business Page** reflecting Arkansas premiums **3) Schedule T** from the annual statement and **4) Proof of credits taken on filing.**

GENERAL FILING INFORMATION & CHECKLIST

Completing the return: The return must be completed on our website. **No Exceptions, we do not accept software company forms or substitutions. NO AUTHORITY EXISTS FOR GRANTING ANY EXTENSION OF TIME FOR FILING OR PAYMENT.** Forms print on 8 ½ x 11 sheet of paper.

Sending in the return: Mail your return and check to:
Arkansas Insurance Department
Attn: Accounting Division
1200 West Third Street
Little Rock, AR 72201-1904

If you overnight your return, use the same address. **Do not include the instructions with your return and remittance.**

**Contact Information: Phone: 501-371-2605
Website: www.insurance.arkansas.gov/Accounting/divpage.htm**

Filing Period: For calendar year ending 12/31/15 the Annual tax forms, related premium taxes and filing fees are due on or before **March 1, 2016.**

Postmark Dates:
The Arkansas Insurance Department does not accept the postmark date for filing requirements. All tax forms must be received in our department on or before 03/01/16. If your company uses a carrier other than the U.S. Postal Service, the Department still expects the filing on or before 03/01/16. All tax forms are subject to penalty **(\$100 a day)** in accordance with ACA. 26-57-607.

DO NOT INCLUDE WITH THE PREMIUM TAX FILINGS:

CORPORATE FRANCHISE TAX Remit to the Office of the Secretary of State, Attention: Lisa Bruno,
1401 Capitol Ave., Victory Bldg., Suite 250, Little Rock AR 72201.
MAIL TO ADDRESS ON THE FORM

MANDATORY L&H GUARANTY
FUND INFORMATION SHEET If you have any questions, direct inquiries to (501) 371-2776 or
www.insurance.arkansas.gov, click on Divisions, then Liquidation.
MAIL TO ADDRESS ON THE FORM

MANDATORY ARKANSAS
COMPREHENSIVE HEALTH INS
POOL (CHIP) If you have any questions, direct inquiries to (501) 370-2659 or
<http://www.chiparkansas.org/>
MAIL TO ADDRESS ON THE FORM

ARKANSAS FOREIGN LIFE & DISABILITY

PREMIUM TAX RETURN INSTRUCTIONS

Instructions for Page 1 of the return.

NAIC Codes

Please enter your 5-digit NAIC Company Code in the space provided and complete all lines in the company information section. Complete Column 1 – Arkansas Tax and Column 2 – State of Domicile. Provide the **Correct Tax Rate** for the Domiciliary State.

Section A

Line 1(a) - **Life Insurance Direct Written Premiums** – Use amount from Annual Statement, Direct Business for Arkansas, Line 1, Life Insurance: Column 5-Total. **No deduction from this amount may be made on the Arkansas side (Col 1).**

Line 1(b) - Less Army/Air Force Federal Premiums.

Line 1(c) - Arkansas tax rate is 2.5%. Multiply Line 1(a) less (b) by this rate and enter the result on Line 1(c).

Section B

Line 2(a) – Accident Insurance premiums must be listed separately from Health premiums. When listed on the tax form, keep in mind that when added to the Health premium, if shown separately, **they must add back to amount shown on AR Direct Business Page and Schedule T.**

Line 2(b) – Line 2(c) – Dividends Paid or Credited on Direct Business – Enter amount from Annual Statement, Direct Business Page for Arkansas, Line 26 (Total), Column 3 in Accident and Health Insurance Section (bottom).

Line 2(c) – Subtract line 2(b) from Line 2(a). Enter result on Line 2(d), Columns 1 & 2.

Line 2(d) – Multiply Line 2(c) by 2.5% tax rate and enter the result in Column 1. Multiply Column 2 by State of Domicile tax rate and enter.

Section C

Line 3(a) – **Health**-Enter amount from Annual Statement, Direct Business Page for Arkansas, Line 26(Total), and Column 1.

Line 3(b) – Less Federal Employees Health Benefits Program (Line 24.1)

Line 3(c) – **Dividends Paid or Credited On Direct Business** – Enter amount from Annual Statement, Direct Business Page for Arkansas, Line 26(Total), Column 3 in Accident and Health Insurance Section (bottom).

Line 3(d) – Less Medicare Title XVIII, tax exempt (Line 24.4)

Line 3(e) – Subtract Line 3(b-d) from Line 3(a). Enter result on Line 3(e), Columns 1 & 2.

Line 3(f) – Multiply Line 3(e) by 2.5% tax rate and enter the result in Column 1 & 2, Line 2(f).

Line 3(g) – **Additional Taxes and Fees from State of Domicile.** Include any/all fees or taxes that would be required of an insurance company doing business in your state. If your state of domicile imposes a minimum tax, enter that amount here. **Do not include special purpose Assessments.** You *must* attach an explanation with computations for multiple items on this line. **Use this line for fees not shown in Section D.** New York Domiciled Companies: The CT-33 and CT-33-M, New York Franchise Tax forms, prepared on the Arkansas basis, are to be filed in Arkansas immediately upon filing the franchise information in New York.

Line 4 – **Total premium tax due Line 1(c) plus Line 2(d)+3(f)+3(g), enter result on line; Column 2 use Line 1(c) plus Line 2(d)+3(f)+3(g).**

Section D

Line 5(a) - Enter the annual statement-filing fee from your state of domicile in Col 2. The Arkansas side is completed. FOR FEES OTHER THAN SHOWN HERE, LIST IN SECTION 3(g).

Line 5(b) - Enter the Certificate of Authority/annual renewal fee from your state of domicile in Col 2. The Arkansas side is completed. All other fees associated with the filing are to be shown in Section C, 3(g).

Line 5(C) - Add together Lines 5a and 5b then enter result here in Col 2.

Section E

Line 6 - Total of all Premium Taxes and Fees Due - Add together Lines 4 plus 5c then enter result here. Figure cannot be less than zero.

Instructions for Page 3 of return.

Section F

Follow instructions at the top of page 2, this is your tax liability. Use amount from SECTION C, LINE 4.

Section G

- Line 7 – **Guaranty Fund Assessment Credit** as calculated by the Life and Health Guaranty Association. **Each company receiving a credit will receive a form from the Life and Health Guaranty Association stating the total available premium tax credit for the year. SOFTWARE FORMS ARE NOT ALLOWED. If you feel there is an error in this computation, please do not change this amount. You will need to contact the Life and Guaranty Association directly at (501) 371-2776.** They will make all corrections and notify the Arkansas Insurance Department. **Attach form to verify amount taken and enter here. PROOF OF CREDIT REQUIRED WITH FILING.**
- Line 8 – **Arkansas Comprehensive Health Insurance Pool (CHIP)** credit Form #CHIP ST.SP (04). You will receive an annual assessment fee payable to the CHIP office if you are a participating insurer in the pool. If you do not receive your CHIP form prior to filing your annual return telling you what your credit is, contact the CHIP office at (501) 370-2659. **Attach form to verify amount taken and enter result here. PROOF OF CREDIT REQUIRED WITH FILING. SOFTWARE FORMS ARE NOT ALLOWED.**
- Line 9 – **Affordable Neighborhood Housing Credit** (Act 1331-1997) - Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by **Arkansas Development Finance Authority**. **Attach form to verify amount taken and enter result here.**
- Line 10 - **Low Income Housing Tax Credit** - Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the **Arkansas Development Finance Authority** has issued an eligibility statement. **Eligibility statement must be attached to verify amount taken and enter result here.**
- Line 11 - **Credits for Arkansas Salaries-Life** You must complete the **SCHEDULE IC-PT, page 5** before taking this credit; otherwise it will be disallowed. Multiply the amount on Line 1(c) by 70%, this amount cannot exceed Line 1(c), Page 1, Col 1 and enter the result here.
- Line 12 - **Credits for Arkansas Salaries-A&H** You must complete the **SCHEDULE IC-PT, page 5** before taking this credit; otherwise it will be disallowed. Multiply the amount on Line 2(d)+3(f) by 80%, this amount cannot exceed Line 2(d)+3(f), Page 1, Col 1 and enter the result here.
- **Note**The sum of 11 & 12 cannot exceed Line 2 of SCHEDULE IC-PT.**
- Line 13 - **Delta Geotourism Incentive Credit** (Act 349 of 2009) – This Act provides for a tax credit for a person or entity investing \$25,000 or more in a geotourism-supporting business in the Lower Mississippi River Delta and complies with the requirements of Section 4(a) of the Act. Geotourism is defined as tourism that sustains or enhances the geographical character of an area. **Attach form to verify amount taken and enter result here.**

Line 14 - **AR Historic Rehab Income Tax Credit** § 26-51-2201, et seq. – The tax credits are available to a person or entity that invests in the revitalization and rehabilitation of historic structures throughout Arkansas. The credit is available in the amount of 25% of the first \$500,000 in qualified rehabilitation expenses on income producing property or the first \$100,000 in qualified rehabilitation expenses on non-income producing property. The evidence to support a claim for the tax credit should be presented to the Arkansas Insurance Department. **Attach "Certificate of Income Tax Credit" issued by Department of Arkansas Heritage to verify amount taken and enter result here.**

Line 15 – **New Market Jobs Tax Credit** §15-4-3501

Insurers may take a premium tax credit against state premium tax liabilities under §23-63-102 and §26-57-601 through 26-57-605 *excluding any liability for taxes on health insurance premiums*, earned by entities making qualified equity investments as certified by the AEDC. **Attach Certificate of Insurance Premium Tax Credit form issued by the Arkansas Economic Development Commission to verify amount taken and enter result here.**

Line 16 - **Subtotal** is the sum of the amount in Section F less credits listed in Section G on lines 7-15. Enter the result here. *If you only owe for fees, you cannot apply credits against fees.*

Line 17 - **Capitol Development Corporation Tax Credit** § 15-4-1026,15-4-1029(f)(1) Person who purchases an equity interest in a capital development company between 2004 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third (33 1/3) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019. Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in §15-4-1016 or for operation expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds.

Line 18 - **Equity Investment Incentive Tax Credit** § 15-4-3301, et seq. Insurers are allowed a state income or premium tax credit for certain qualified equity investments up to 50% of net income or premium tax liability. The certified statement of the insurer, described in § 15-4-3305, and a tax credit certificate issued by the Arkansas Economic Development Commission must be submitted with the premium tax return.

Section H

To derive at your **Net Payment Due**, follow instructions below:

Line 19 - **Total Premium Tax Due** - Enter the amount from above in Sec. G, Line 16 less credit on Line 17-18, if any.

Line 20 - Enter the amount of **Total Fees** from Page 1, Sect D, Col 1 or Col 2, Line 5c. *Remember to base your fees on your choice in Section F- Arkansas/State of Domicile side . Enter the chosen column's fee amount here.*
DO NOT LEAVE BLANK.

Line 21 - Add the amounts listed on Lines 21a through c and enter result here. Fill in appropriate columns with **pre-payment information** for 1st, 2nd and 3rd quarter payment, if any. **The amount must agree with the ACTUAL prepayments paid each quarter. DO NOT ROUND AMOUNTS.** Do not include penalty fees, only prepayments.

Line 22 - Add Lines 19 through 21 and enter result here. Attach check payable to **State Treasurer of Arkansas** for the amount shown on Line 22. *All overpayments will be refunded after audit.* Be sure to **mark "Refund Due"** on the top of Page 1, if you are expecting a refund this year.

Instructions for Page 5 of return

Section I

Life and/or Health Insurers and Health Maintenance Organization Salary Offset §26-57-604

This section must be completed in order to take the Salary Credit (Lines 11-12), or it will be disallowed.

Each authorized life or accident & health insurer, including an HMO, may take a credit for **noncommissioned salaries and wages** of the insurer's Arkansas employees as an offset against the 2.5% tax on life and /or accident and health insurance. The offset may not reduce tax due on health premiums by more than 80%, or due on life premiums by more than 70%. The employee must be a non-commissioned hire and have been employed 6 months for the wages to qualify.

Line 1 – Enter the number of **non-commissioned** Arkansas employees that were employed for at least 6 months by your company.

Line 2 – Enter the total of wages and salaries paid to these individuals on this line. Be sure to deduct commissions. You will need to send a worksheet or wage report from AR Department of Workforce Services that matches amount on this line. Payroll area will be able to provide this information.

Line 3 – You must list the complete address of all offices in Arkansas. If additional space is needed, please attach a listing to return.

PENALTY

Any insurer or health maintenance organization that fails to report or pay the tax when due shall be subject to a **penalty of one hundred dollars (\$100) for each day of the delinquency.**

Sending in the return

Mail your return and check along with proper attachments to:

**Arkansas Insurance Department
Attn: Accounting Division
1200 West Third Street
Little Rock, AR 72201-1904**

For other questions or
comments: Phone number:
501-371-2605
Fax number: 501-682-6679

Website: www.insurance.arkansas.gov/Accounting/divpage.htm

Email: insurance.Accounting@arkansas.gov



ACCOUNTING DIVISION
 1200 WEST THIRD STREET LITTLE ROCK, AR 72201-1904
 PHONE: (501) 371-2605
 www.insurance.arkansas.gov

ACCOUNTING DIVISION
DUE MARCH 1, 2016
 _____ ORIGINAL FILING
 _____ AMENDED FILING
 _____ REFUND DUE

ANNUAL REPORT OF PREMIUMS, TAXES AND FEES OF FOREIGN LIFE AND ACCIDENT & HEALTH INSURANCE COMPANIES

STATE OF DOMICILE	NAIC COMPANY CODE (5 digit code)	
COMPANY NAME		
MAILING ADDRESS		
CONTACT PERSON	TITLE	
TELEPHONE NUMBER	EXT	FAX NUMBER
EMAIL ADDRESS		

***The Arkansas tax sections impose 2 1/2% tax on the total direct written premium, less applicable deductions under ACA 26-57-601 et. seq. Considerations received on annuity contracts are not subject to premium taxes.**

Total on Line 1a below must be equal to premium reported on the Annual Statement Schedule T and State Page for Life Insurance.

Direct written premium of said Company in Arkansas for the calendar year ending December 31, 2015.	Column 1 Arkansas Tax	Column 2 State of Domicile Tax on Arkansas Insurer Tax Rate _____
--	--	--

A. LIFE INSURANCE PREMIUMS

- | | | |
|--|-------------|-------------|
| 1. a. Life Insurance Premiums | \$ _____ | \$ _____ |
| b. Less Army/Air Force Federal Premium | \$(_____) | \$(_____) |
| c. Tax Thereon at 2.5% | \$ _____ | \$ _____ |

B. ACCIDENT INSURANCE PREMIUMS

- | | | |
|-------------------------------|-------------|-------------|
| 2. a. Accident Premiums | \$ _____ | \$ _____ |
| b. Dividends Paid or Credited | \$(_____) | \$(_____) |
| c. Net Accident Premiums | \$ _____ | \$ _____ |
| d. Tax Thereon at 2.5% | \$ _____ | \$ _____ |

C. HEALTH INSURANCE PREMIUMS

3. a. Health Premiums	\$ _____	\$ _____
b. Federal Employees Health Benefits Program	\$ (_____)	\$ (_____)
c. Dividends Paid or Credited	\$ (_____)	\$ (_____)
d. Medicare Title XVIII, Tax Exempt	\$ (_____)	\$ (_____)
e. Net Health Premiums	\$ _____	\$ _____
f. Tax Thereon at 2.5%	\$ _____	\$ _____
g. Additional Taxes/Fees from State of Domicile (Attach Explanation)	\$XXXXXXXXXXXX	\$ _____
4. Total Premium Tax Due [Col. 1,1(c), 2(d),3(f)][Col. 2, 1(c), 2(d),3(f)&(g)]	\$ _____ *	\$ _____ *

D. FEES

5. a. Filing Annual Statement	\$ <u>50.00</u>	\$ _____
b. Certificate of Authority	\$ <u>100.00</u>	\$ _____
c. TOTAL FEES	\$ <u>150.00</u>	\$ _____

E. GRAND TOTAL OF ALL TAXES & FEES

6. Total Taxes & Fees (C4 + D5c)	\$ _____	\$ _____
----------------------------------	----------	----------

BASED ON SECTION E, LINE 6, MARK THE BOX WITH THE GREATER AMOUNT BELOW:

COLUMN 1 – ARKANSAS

COLUMN 2 - STATE OF DOMICILE

USING THE AMOUNT FROM THE COLUMN MARKED ABOVE, COMPLETE THE FOLLOWING:

F. SECTION C LINE 4, Enter the amount here

\$ _____ *

G. CREDITS CANNOT BE TAKEN AGAINST FEES

- 7. Arkansas Guaranty Fund Assessment Credit \$ (_____)
- 8. Arkansas Comprehensive Health Ins Pool (CHIP) Credit \$ (_____)
- 9. Affordable Neighborhood Housing Credit \$ (_____)
- 10. Low Income Housing Tax Credit \$ (_____)
- 11. Credit for Arkansas Salaries not to exceed 70% of Line 1c. \$ (_____)
- 12. Credit for Arkansas Salaries not to exceed 80% of Line 2d+3f. \$ (_____)
- 13. Delta Geotourism Incentive Credit \$ (_____)
- 14. AR Historic Rehab Income Tax Credit \$ (_____)
- 15. AR New Market Jobs Credit (Life & Accident Premiums Only)
Cannot exceed lines A1c+B2d \$ (_____)
- 16. **SUBTOTAL (F LESS 7-15)** **\$ _____**
- 17. Capital Development Corporation Tax Credit \$ (_____)
- 18. Equity Investment Incentive Tax Credit \$ (_____)

H. NET PAYMENT DUE

- 19. Total Premium Tax Due (Figure cannot be less than zero)
(G16 less 17-18) \$ _____
- 20. Total amount of Fees from Section D, based on Section F \$ _____
- 21. Deduct Prepayments, if any, from below then enter here. \$(_____)

Quarters	Check #	Show Actual Amounts Paid
21.a. First		\$
21.b. Second		\$
21.c. Third		\$

- 22. Net Payment Calendar Year 2015 (H19+20-21)
(CHECK MADE PAYABLE TO THE STATE TREASURER OF ARKANSAS) \$ _____

SCHEDULE IC-PT**LIFE AND /OR ACCIDENT AND HEALTH INSURERS AND HEALTH MAINTENANCE ORGANIZATION SALARY ANNUAL OFFSET**

Each authorized life or accident and health insurer, including an HMO, may take an annual credit for **non-commissioned** salaries and wages of the insurer's Arkansas employees that are paid in connection with its insurance operations as an offset against the premium tax imposed on life and accident and health insurance. The offset may not reduce tax due on accident & health premiums by more than 80%: or due on life premiums by more than 70%. The employee must have been employed 6 months in Arkansas for the wages to qualify.

The Company **MUST** report as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: _____.
2. Amount of **non-commissioned** salaries and wages paid to individuals listed in item 1 above:
_____.
3. Complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1.
 - a.
 - b.
 - c.

Attach additional sheets if necessary.

CHECKLIST

- Copy of Schedule T of Annual Statement attached?..... YES NO
- Copy of AR Direct Business from Annual Statement attached?..... YES NO
- Copy of Jurat page from Annual Statement attached?..... YES NO
- Completed Schedule ICPT for Salary Credit?..... YES NO
- Attached check payable to **State Treasurer of Arkansas**?..... YES NO
- Signed in **BLUE** ink and Notarized return?..... YES NO

AFFIDAVIT

State of _____ County of _____

Comes _____ and states on oath that he/she is the

_____ of _____
(Title) (Name of Company)

and that the foregoing statements are true and correct as shown by the records of said Company.

(ORIGINAL SIGNATURE OF OFFICER)

Subscribed and sworn to or affirmed before me, the undersigned Notary Public, on this the ___ day of _____, 20____

NOTARY PUBLIC

My Commission Expires _____

FOR Insurance Department Use Only:

Verified by: _____ RT Slip # _____ Check# _____ Amount _____