



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

PREMIUM TAX INSTRUCTIONS & CHECKLIST DOMESTIC PROPERTY & CASUALTY INSURERS ONLY

All tax filings and payments must be received on or before March 1, 2016; the Department does not accept the postmark date or software company forms. No authority exists for granting any extension of time for filing or payment. Any insurer that fails to report or pay tax will be subject to penalty in accordance with ACA 26-57-607.

The Department does not accept software forms. The forms must be completed and printed on our website. www.insurance.arkansas.gov/accounting/divpage.htm

If you are filing by EFT send the additional documents from the checklist to the address below with the name of the company and NAIC number clearly identified.

Mail the return, documentation, and check to: **Arkansas Insurance Department
Accounting Division
1200 West Third Street
Little Rock AR 72201-1904**

For questions concerning the completion of tax forms, contact the Accounting Division at (501) 371-2605 or email us at insurance.accounting@arkansas.gov

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 P&C 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

SCHEDULE WC If you have any questions, contact Leah Campbell at (501) 682-3737 or <http://www.awcc.state.ar.us/premiumtax.html>
MAIL TO ADDRESS ON THE FORM

**PREMIUM TAX RETURN CHECKLIST
PROPERTY & CASUALTY INSURERS**

Please verify that the following items have been completed and submitted with the Premium Tax Returns due on or before March 1, 2016:

The 2015 PC-T(D) premium tax form with original signatures in the affidavit including:

- A copy of the Arkansas State Business Page
- A copy of the Schedule T
- Documentation for the credits taken in Section F as described on page 4 of these instructions. **IF THE PROPER DOCUMENTATION IS NOT SUBMITTED, THE CREDITS WILL NOT BE ALLOWED.**
- A check made payable to the **STATE TREASURER OF ARKANSAS.**
Attach the check to the PC-T(D) tax form.

The 2015 FPRF form with original signatures in the affidavit including:

- A check made payable to the **FPRF PREMIUM TAX FUND.**
Attach the check to the FPRF tax form.

IMPORTANT: BE SURE ALL LINES OF THE COMPANY INFORMATION SECTION ARE COMPLETE FOR ALL FORMS.

INSTRUCTIONS FOR AID AC PC-T(D) ANNUAL REPORT OF PREMIUMS, TAXES, AND FEES

SECTION C(11):

All entries on this line must be itemized on a separate schedule.

INFORMATION REGARDING THE ARKANSAS CREDITS

Arkansas Salary Credits § 26-57-604

Companies licensed to write accident and health insurance may take a credit for noncommissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% tax on accident and health premiums. The offset may not reduce tax due on accident and health premiums by more than 80%. The criteria for the credit are in Schedule IC-PT, (page 5 of AID AC PC-T(D) annual report of premiums, taxes, and fees).

Arkansas Property & Casualty Guaranty Fund Assessment Credit § 23-90-119

The Property & Casualty Guaranty Fund Association will issue a notice of the available credit. **ATTACH COPY OF 2015 CREDIT.** Questions regarding the credit should be directed to the PCFG office at (501) 371-2776.

Arkansas Life and Health Guaranty Fund Assessment Credit § 23-96-115

The Life and Health Guaranty Fund Association will issue a notice of the available credit. **ATTACH COPY OF 2015 CREDIT.** Questions regarding the credit should be directed to the LHGF office at (501) 371-2776.

Arkansas Comprehensive Health Insurance Pool § 23-79-507

The CHIP administrator will issue a notice of the available credit. **ATTACH COPY OF 2015 CREDIT.** Questions regarding the credit should be directed to the CHIP office at (501) 370-2659.

Domiciled Insurers' Credit for Fees Payable to Other Jurisdictions § 23-62-703, 26-57-615, Rule 56

Arkansas Insurers may take a credit for the difference between the home state amount and the Arkansas amount for any retaliatory fee assessed because of the financial regulatory fee contained in the State Insurance Department Trust Fund Act of 1993. The maximum tax credit is 90% of the premium tax. The criteria for the credit is in Section B of the annual report of premiums, taxes, and fees.

Retaliatory Tax Credit Act 1223 of 2015 § 23-63-116

Applicable on premiums written after July 21, 2015. This Act provides a tax credit for any domestic property and casualty insurer that pays any other state or country a retaliatory tax. If money paid to the other state or country suffices as a retaliatory tax, then the insurer is entitled to a credit upon its gross premiums tax in that same amount. **Must include proof of payment of retaliatory tax with filing.**

Affordable Neighborhood Housing Tax Credit § 15-5-1303 to 15-5-1304

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 ELIGIBILITY STATEMENT.**

Low-Income Housing Tax Credit § 26-51-1702

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. **ATTACH ELIGIBILITY STATEMENT.**

Arkansas Historic Rehabilitation 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. **Attach the Certificate of Income Tax Credit issued by the Department of Arkansas Heritage.**

Delta Geotourism Incentive Tax 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 ELIGIBILITY STATEMENT.**

New Market Job Tax Credit § 15-4-3051

Insurers may take a premium tax credit against state premium tax liabilities under §23-63-102 and 26-57-601 thru 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.**

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. **Attach the certified statement of the insurer, described in § 15-4-3305, and a tax credit certificate issued by the Arkansas Economic Development Commission.**

Capital Development Corporation Tax Credit § 15-4-1026, 15-4-1029(f)(1)

Person who purchases an equity interest in capital development company between 2003 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 operating 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. **ATTACH ELIGIBILITY STATEMENT.**

SECTION I:

The amount of quarterly prepayments must agree with the ACTUAL prepayment amounts paid each quarter. **DO NOT ROUND AMOUNTS.**

Make one check payable to the State Treasurer of Arkansas and attach to the form. Checks for groups are not acceptable. Payment must be made for each individual company. **EST-Q PREPAYMENT BOX MUST INCLUDE CHECK NUMBERS.**

REFUNDS:

If a negative amount results, it cannot be carried forward. A refund will be processed after the audit is completed. **If a refund is due for either AID AC PC-T(D) annual report of premiums, taxes, and fees or AID AC FPRF (Fire Protection Premium Tax Fund), check the line on page 1, in the upper right hand corner of the appropriate form.**



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ACCOUNTING DIVISION
DUE MARCH 1, 2016

ORIGINAL FILING
AMENDED FILING
REFUND DUE

ARKANSAS DOMESTICS ONLY

ANNUAL REPORT OF PREMIUMS, TAXES AND FEES OF
PROPERTY & CASUALTY INSURANCE COMPANIES

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

READ INSTRUCTIONS: www.insurance.arkansas.gov/accounting/divpage.htm

2015 ARKANSAS STATE PAGE:

A. ACCIDENT:

- 1. DIRECT WRITTEN PREMIUMS \$
2. LESS DIVIDENDS PAID OR CREDITED \$()
3. NET TAXABLE PREMIUMS \$
4. TAX THEREON 2 1/2% \$

B. HEALTH:

- 5. DIRECT WRITTEN PREMIUMS \$
6. LESS DIVIDENDS PAID OR CREDITED \$()
7. NET TAXABLE PREMIUMS \$
8. TAX THEREON 2 1/2% \$

C. ALL OTHER CLASSES:

EXCLUDING LINES 13-15.8

9. DIRECT WRITTEN PREMIUMS \$ _____

10. PLUS FINANCE AND SERVICE CHARGES \$ _____

11. PLUS POLICY MEMBERSHIP AND OTHER FEES \$ _____

12. LESS DIVIDENDS PAID OR CREDITED \$(_____)

13. LESS FEDERALLY REINSURED CROP INS. \$(_____)

14. LESS FEDERAL FLOOD INSURANCE PREMIUMS \$(_____)

15. LESS WET MARINE AND FOREIGN TRADE \$(_____)

16. NET TAXABLE PREMIUMS \$ _____

17. TAX THEREON 2 1/2% \$ _____

D. WET MARINE AND FOREIGN TRADE:

- 18. NET PREMIUM WRITTEN DURING CALENDAR YEAR 2015 \$ _____
- 19. DEDUCT NET LOSSES PAID (GROSS LOSSES PAID LESS SALVAGE & RECOVERIES ON REINSURANCE CEDED) \$(_____)
- 20. GROSS UNDERWRITING PROFIT \$ _____
- 21. TAX THEREON 3/4 OF 1% \$ _____

E. TOTAL OF PREMIUM TAX:

- 22. LINES A(4) + B(8) + C(17)+D(21) \$ _____
- AMOUNT CANNOT BE LESS THAN ZERO**

F. CREDITS:

- 23. AR PROPERTY & CASUALTY GUARANTY FUND ASSESSMENT CREDIT \$(_____)
- 24. AR LIFE & HEALTH GUARANTY FUND ASSESSMENT CREDIT \$(_____)
- 25. AR COMPREHENSIVE HEALTH INS POOL (CHIP) CREDIT \$(_____)
- 26. AR REGULATORY FEE CREDIT (SCHEDULE B) \$(_____)
- 27. RETALIATORY TAX CREDIT \$(_____)
- 28. AFFORDABLE NEIGHBORHOOD HOUSING CREDIT \$(_____)
- 29. LOW-INCOME HOUSING TAX CREDIT \$(_____)
- 30. AR HISTORIC REHAB INCOME TAX CREDIT \$(_____)
- 31. DELTA GEOTOURISM INCENTIVE TAX CREDIT \$(_____)
- 32. NEW MARKET JOBS CREDIT \$(_____)
- 33. **SUBTOTAL** E(22) LESS F(23 THRU 32) \$ _____
- 34. CAPITAL DEVELOPMENT CORPORATION CREDIT \$(_____)
- 35. EQUITY INVESTMENT INCENTIVE TAX CREDIT \$(_____)

G. NET PREMIUM TAX:

- 36. F(33) LESS F(34 THRU 35) \$ _____
- AMOUNT CANNOT BE LESS THAN ZERO**

H. FEES:

- 37. FILING ANNUAL STATEMENT \$ 50.00
- 38. CERTIFICATE OF AUTHORITY RENEWAL \$ 100.00
- 39. TOTAL FEES \$ 150.00

I. PREMIUM TAXES AND FEES DUE:

- 40. LINES G(36) PLUS H(34) \$ _____
- 41. LESS QUARTERLY PREPAYMENTS FROM BELOW \$(_____)
- 42. NET PAYMENT \$ _____

MAKE CHECK PAYABLE TO THE STATE TREASURER OF ARKANSAS AND ATTACH TO THIS FORM.

2015 FORM AID AC EST-Q PREPAYMENTS

First Quarter	check #	\$
Second Quarter	check #	\$
Third Quarter	check #	\$

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 connections with its insurance operations as an offset against the premium tax imposed on life and or 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.

SCHEDULE B

PREFATORY NOTE:

ACA 26-57-615 provides that insurers organized or domiciled under the laws of the State of Arkansas may have a credit against premium tax otherwise due and payable pursuant to ACA 26-57-603(d) based upon the effect, if any, that Arkansas' "administrative and financial regulation fee" may have in increasing the "comparable fee" or retaliatory fees that must be paid by that Arkansas domestic in any other state in which it may do business.

CALCULATION OF CREDIT:

1. Amount by which **comparable** administrative and financial regulation fee in other states of licensure was legally increased by reason of the Arkansas fee [attach state-by-state three column breakdown displaying what fee would have been paid, what fee was assessed and paid because of the Arkansas fee, and the amount of the difference (**between this fee only**)]: \$ _____
2. The administrative and financial regulation fee paid in other states of licensure required by retaliatory laws of such state to be paid even though such state imposes "**no comparable fee**" (attach state-by-state columnar breakdown displaying amounts paid and reference other states' retaliatory laws: \$ _____
3. Total of Items 1 and 2 \$ _____
4. Total Arkansas Taxes D(18) \$ _____
5. 90% of Line 4 (not to exceed Line 3) ENTER AMOUNT IN SECTION E(22) \$(_____)

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 _____