



ARKANSAS INSURANCE DEPARTMENT

2015 Insurance Premiums, Taxes, and Fees for Title and Aviation Title Insurance Companies

Includes instructions for FORM AID AC TI-T

For insurance tax laws, see Arkansas Code Annotated, Title 26, Subtitle 5 at www.arkleg.state.ar.us.

Due Date. All tax filings, with all required attachments, and payments must be received by the Department on or before March 1, 2016. The Department does not accept nor consider the U.S. postmark date as a proof of timely filing.

Penalty. Any insurer that fails to report or pay premium taxes will be penalized in accordance with Ark. Code Ann. § 26-57-607, including a penalty of one hundred dollars (\$100) for each day of the delinquency.

Forms and fees may be filed by:

- A. Paper submission of Forms and Check through the Mail; OR
B. Electronic submission of Forms by EFT requires Payment by EFT

Filing forms. The Department does not accept software company forms. You are required to file the Department forms. Complete form AID AC TI-T on the Accounting Division page on our website:

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

Paper Filing Address

- Make check payable to State Treasure of Arkansas and mail complete return with payment to:



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

2015 Filing Required Documentation Checklist:

- A Completed Form AID AC TI-T (2015 Annual Report Of Premiums, Taxes and Fees)
Affidavit signed by an authorized Company Officer in BLUE INK
Notarized
Attach Supporting Document for Sections B and G
Attach Copy of Schedule T
Attach Check if Mailing Filing

DO NOT INCLUDE CORPORATE FRANCHISE TAXES WITH PREMIUM TAX FILINGS:

Obtain form and filing information from www.sos.arkansas.gov, Arkansas Secretary of State, Business and Commercial Services Office. Contact Lisa Bruno, Office of Secretary of State, 1401 Capitol Ave., Victory Bldg., Suite 250, Little Rock AR 72201

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

## INSTRUCTIONS

All Title and Aviation Title Insurance Companies must complete this Tax Return, whether or not business was transacted during the reporting year.

### Completing Form AID AC TI-T

#### Check Boxes

At the top of the form, check the appropriate boxes.

#### Columns 1 and 2

All domestic, foreign, and alien insurers must complete Column 1 (Arkansas basis).

Foreign and alien insurers must also complete Column 2 (for purposes of applying Arkansas retaliatory laws). All premiums, deductions, and resulting taxes listed in Column 2 must be in accordance with the laws of the state or country of incorporation as they would apply to an Arkansas insurer licensed and doing business in that state or country. If the taxing authority of the state or country of incorporation (State of Domicile) requires a supplemental schedule to support tax computations, the same type of schedule (applying to business in Arkansas) must be attached to Form AID AC TI-T.

#### **SECTION A: TITLE INSURANCE PREMIUMS** (Ark. Code Ann. § 26-57-603)

A complete explanation of any differences between the tax form and Schedule T must be attached.

##### **Line 1 Calculation of Title Insurance Premiums:**

- For the purpose of determining the correct amount of premium tax due, "Title insurance premium" means the funds paid to the insurer and to an appointed title insurance agency as consideration for the amount of liability assumed by a title insurer under a title insurance policy, including all amounts retained by the title insurance agency pursuant to the title insurance agency's contract with the title insurer. Ark. Code Ann. § 23-103-402(14)(A).
- Includes premiums or fees for closing protection letters (CPLs).
- Excluded are charges for: title search, abstracting, or examination of title; obtaining a title opinion; document preparation fees; escrow or closing fees; notary fees; fees incurred to cure defects in title; tax report or tax certification fees; title report fees; processing fees; courier fees; and fees incident to the issuance of a title insurance report or policy. Ark. Code Ann. § 23-103-402(14)(B).

##### **Line 2 Tax Rate**

- Column 1: AR Tax Rate is 2.5% in accordance with Ark. Code Ann. § 26-57-603(d)
- Column 2: If premiums are taxed at more than one rate in State of Domicile, enclose a schedule showing rates and premiums.

#### **SECTION B: STATE OF DOMICILE TAXES/FEES** (Ark. Code Ann. § 23-63-102)

All entries in this section must be itemized with **DETAILED** supporting documentation and computations, if applicable. Attach forms from the State of Domicile used for computations. All fees must be specifically identified; an entry of "other fees" or "other taxes" is not acceptable.

##### **Line 3 Retaliatory Taxes**

- Any premium taxes that would be required of an insurance company doing business in your state of domicile not included in Section A, Line 1, Column 2.
- Any additional fees pertaining to the renewal of your Certificate of Authority or filing Statements not included in Section D, Column 2. **Do not include special purpose assessments.**

#### **SECTION C: TOTAL PREMIUM TAX**

##### **Line 4** Sum of Lines A(2) and B(3)

- Column 2: If your State of Domicile imposes a minimum tax, enter the amount here.

**SECTION D: FEES** (Ark. Code Ann. § 23-61-401)

**Lines 5 – 7**

- Column 1: The Arkansas fees are already provided.
- Column 2: State of Domicile fees.

**SECTION G: AVAILABLE ARKANSAS BUSINESS INCENTIVES AND TAX CREDITS**

<http://www.dfa.arkansas.gov/offices/exciseTax/TaxCredits/Pages/default.aspx>

**Line 10 Affordable Housing Tax Credit (Ark. Code Ann. § 15-5-1301, et seq.)**

Insurers that provide affordable housing assistance may take a premium tax credit for up to 30% of the total amount invested, not to exceed \$750,000 in any taxable year. Assistance Program must be approved by the Arkansas Development Finance Authority. **Attach Eligibility Statement.**

**Line 11 Low Income Housing Tax Credit (Ark. Code Ann. § 26-51-1702)**

Insurers owning an interest in a qualified low income building are allowed a premium tax credit equal to 20% of the Federal Low Income Housing Tax Credit. The Arkansas Development Finance Authority must issue an eligibility statement to qualify. **Attach Eligibility Statement.**

**Line 12 Historic Rehabilitation Income Tax Credit (Ark. Code Ann. § 26-51-2201, et. seq.)**

Insurers that invest at least \$25,000 in the revitalization and rehabilitation of historic structures throughout Arkansas can qualify for a premium tax credit. The credit is equal to 25% of total qualified rehabilitation expenses on the first \$500,000 on income-producing property or the first \$100,000 on non-income producing property. The Department of Arkansas Heritage must issue a certificate of completion. **Attach the Certificate of Tax Credit issued by the Department of Arkansas Heritage.**

**Line 13 New Market Job Tax Credit (Ark. Code Ann. § 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.**

**Line 14 Delta Geotourism Incentive Tax Credit (Act 518 of 2007, as amended by Acts 349 and 1192 of 2009, and Act 738 of 2011)**

This incentive provides a premium tax credit to persons and entities investing a minimum of \$25,000 in a geotourism-supporting business in the Lower Mississippi River Delta. The business and investment must be approved by DFA. Geotourism means tourism that sustains or enhances the geographical character of an area. **Attach the Certificate of Tax Credit issued by DFA Revenue Tax Credits/Special Refunds Section.**

**Line 15 Capital Development Company Tax Credit (Ark. Code Ann. § 15-4-1001, et seq.)**

Act 566 of 2007 amended this tax credit by providing that no capital development company shall enter into an agreement or commitment for the purchase of equity interest in the company on or after July 31, 2007. However, all agreements and commitments of the capital development company related to the purchase of equity interests in exists before July 1, 2007, and certified to the Department of Economic Development shall remain valid and enforceable, shall be entitled to this premium tax credit as set forth in Ark. Code Ann. § 23-4-1026. **Attach the Certification Statement from the capital development company.**

**Line 16 Equity Investment Incentive Tax Credit (Ark. Code Ann. § 15-4-3301)**

Insurers are allowed a premium tax credit for certain qualified equity investments, up to 50% of net income or premium tax liability. Award of this credit shall be at the discretion of the Director of the Arkansas Economic Development Commission. **Attach the Certificate of Tax Credit issued by the Arkansas Economic Development Commission.**

**SECTION H: NET PREMIUM TAX**

The amount of quarterly prepayments must agree with the ACTUAL prepayment amounts paid each quarter.

**DO NOT ROUND AMOUNTS.**

**Payments: If Paper Filing, make check payable to State Treasurer of Arkansas and Attach to this Form.**

- Checks for groups are not acceptable. Payment must be made for each individual company.

**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, check the "REFUND DUE" line on page 1, in the upper right-hand corner of the form.



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

ACCOUNTING DIVISION  
 DUE MARCH 1, 2016

- ORIGINAL FILING
- AMENDED FILING
- REFUND DUE

**ANNUAL REPORT OF PREMIUMS, TAXES, AND FEES OF  
 TITLE AND AVIATION TITLE INSURANCE COMPANIES**

<b>Print or Type</b>	Company Name	State of Domicile	NAIC Number (5 digits)
	Mailing Address (No. & Street) <span style="float: right;">Check if new address <input type="checkbox"/></span>	Contact Person	Title
	City <span style="margin-left: 100px;">State</span> <span style="margin-left: 100px;">Zip Code</span>	E-Mail Address	
	Company Website Address	Phone Number and Ext.	Fax Number

**A. TITLE INSURANCE PREMIUMS:**

PAGE 38, LINE 4, COLUMNS 3, 4, & 5 (INCLUDING PREMIUM OR FEES FOR CLOSING PROTECTIONS LETTERS) (EXCLUDING CHARGES FOR: TITLE SEARCH, ABSTRACTING, OR EXAMINATION OF TITLE; OBTAINING A TITLE OPINION; DOCUMENT PREPARATION FEES; ESCROW OR CLOSING FEES; NOTARY FEES; FEES INCURRED TO CURE DEFECTS IN TITLE; TAX REPORT OR TAX CERTIFICATION FEES; TITLE REPORT FEES; PROCESSING FEES; COURIER FEES; AND FEES INCIDENT TO THE ISSUANCE OF A TITLE INSURANCE REPORT OR POLICY):

- 1. NET DIRECT WRITTEN PREMIUMS
- 2. TAX THEREON 2 ½%

\$ _____	\$ _____
\$ _____	\$ _____

**B. STATE OF DOMICILE: READ INSTRUCTIONS**

- 3. ADDITIONAL TAXES AND FEES

\$XXXXXXXXXXXX	\$ _____
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**C. TOTAL PREMIUM TAX:**

- 4. A (2) + B (3)  
**AMOUNT CANNOT BE LESS THAN ZERO**

\$ _____	\$ _____
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**D. FEES:**

- 5. FILING ANNUAL STATEMENT
- 6. CERTIFICATE OF AUTHORITY RENEWAL
- 7. TOTAL FEES

\$ 50.00	\$ _____
\$ 100.00	\$ _____
\$ 150.00	\$ _____

**E. AGGREGATE LIABILITY OF TAXES AND FEES:**

- 8. LINES C (4) + D (7)

\$ _____	\$ _____
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**SECTION B, LINE 3:** All entries in column 2 must include **DETAILED** supporting documentation. Use forms from the State of Domicile for computations. Documentation such as "other fees" or "other taxes" is not acceptable. If the State of Domicile imposes a minimum tax, enter the amount on this line.

Column 1  
Arkansas Tax

Column 2  
State of Domicile Tax  
on Arkansas Insurer  
Tax Rate \_\_\_\_\_\*

**F. BASED ON SECTION E, LINE 8, MARK THE COLUMN WITH THE GREATER AMOUNT:**

COLUMN 1 - ARKANSAS

COLUMN 2 - STATE OF DOMICILE

**USING THE AMOUNTS FROM THE COLUMN MARKED ABOVE, COMPLETE THE FOLLOWING:**

9. PREMIUM TAX FROM SECTION C (4) \$ \_\_\_\_\_

**G. CREDITS:**

10. AFFORDABLE NEIGHBORHOOD HOUSING CREDIT \$(\_\_\_\_\_)

11. LOW-INCOME HOUSING TAX CREDIT \$(\_\_\_\_\_)

12. AR HISTORIC REHAB INCOME TAX CREDIT \$(\_\_\_\_\_)

13. ~~MISSISSIPPI HISTORIC REHAB INCOME TAX CREDIT~~ ~~\$(\_\_\_\_\_)~~

14. DELTA GEOTOURISM INCENTIVE TAX CREDIT \$(\_\_\_\_\_)

15. **SUBTOTAL** F (9) LESS G (10 - 14) \$ \_\_\_\_\_

16. CAPITAL DEVELOPMENT CORPORATION CREDIT \$(\_\_\_\_\_)

17. EQUITY INVESTMENT INCENTIVE CREDIT \$(\_\_\_\_\_)

**H. NET PREMIUM TAX:**

18. G (15) LESS G (16-17) \$ \_\_\_\_\_

19. FEES FROM SECTION D (7) \$ \_\_\_\_\_

20. PREMIUM TAX AND FEES DUE \$ \_\_\_\_\_

21. LESS QUARTERLY PREPAYMENTS BELOW \$(\_\_\_\_\_)

22. **NET PAYMENT DUE** \$ \_\_\_\_\_

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

2015 Form AID AC EST-Q Quarterly Prepayments

First Quarter	Check #	\$
Second Quarter	Check #	\$
Third Quarter	Check #	\$

**ATTACH THE FOLLOWING TO THIS FORM:**

1.  SUPPORTING DOCUMENTATION FOR SECTIONS B AND G
2.  COPY OF SCHEDULE T
3.  ONE CHECK FOR THE NET PAYMENT DUE

**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