



Instructions For Preparing Form DR-908, Florida Insurance Premium Taxes and Fees

DR-908N
R. 01/00

For Taxable Year Beginning on or After January 1, 1999

General Instructions

Part One

Taxpayers Required to File Form DR-908

Under Chapter 624, Florida Statutes (F.S.), every authorized domestic, foreign and alien insurer engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance or of annuity in Florida shall annually remit a tax on insurance premiums, premiums for title insurance, or assessments, including membership fees and policy fees and gross deposits received from subscribers to reciprocal or interinsurance agreements, and on annuity premiums or considerations issued in the State of Florida. Additionally, every authorized domestic, foreign and alien insurer shall report its gross underwriting profit on wet marine and transportation insurance, as defined in § 624.607(2), F.S., written in the State of Florida during the preceding calendar year. In addition to the premium/underwriting profit taxes imposed under Chapter 624, F.S., an excise tax is levied by each municipality described and classified in § 175.041 and 185.03, F.S., on every authorized insurer engaged in the business of property insurance and casualty insurance, respectively, in the State of Florida. Every domestic, foreign and alien insurer authorized to engage in the State of Florida in the business of fire insurance shall be subject to a regulatory assessment on policies of fire insurance issued and insuring property in the State of Florida. The premium/underwriting profit taxes, excise taxes and regulatory assessment must be reported and filed on Florida Form DR-908. **The DR-908 should NOT be filed for each Florida location of an insurer unless the location has its own Federal Employer's Identification Number (FEIN).** Should you need additional assistance in completing Form DR-908, please call 1-800-352-3671 (in Florida only) or 850-488-6800. Hearing or speech impaired persons may call our TDD line at 1-800-367-8331 or 850-922-1115.

Important: Surplus lines insurers and risk retention groups not certified in Florida, are only required to complete Schedule XVI and Page 1, Lines 10 through 17. These insurers must continue to remit the surplus lines tax to the Department of Insurance.

When and Where to File

Form DR-908 is due on or before March 1 each year. Returns shall be filed with the Florida Department of Revenue, 5050 W. Tennessee St., Tallahassee, Florida 32399-0100. A return will be considered timely filed if it is postmarked by the U.S. Postal Service on or before the applicable due date. Returns due on a Saturday, Sunday or legal holiday will be considered timely filed if postmarked the next work day.

Payment of Tax

The balance of tax shown to be due on the return must be paid in full with the return. Failure to pay the tax on time will subject the taxpayer to assessment of penalties and interest.

Electronic Funds Transfer

Any taxpayer who remitted \$50,000 or more in the previous state fiscal year (7/1/98 - 6/30/99) will be required to remit the tax by electronic funds transfer. Please contact the Department of Revenue at 850-487-7972 for further details.

Important: To assist in eliminating posting errors, please verify that the Federal Employer's Identification Number (FEIN) is correct on your tax return and that it exactly matches the FEIN under which your funds are electronically transmitted. If you are transmitting funds for more than one account, ensure accurate credit by making separate transmissions for each account.

Attachments and Statements

A copy of the Florida Business Page from the Annual Statement must be attached to Florida Form DR-908 when it is filed. If you are claiming the salary tax credit you must also submit copies of the DLES Form UCT-6 for each quarter of credit claimed and the UCT-40 if applicable. The Florida Department of Labor Assessment Form AFSU-13 must be attached if you wrote workers' compensation insurance. In addition, for retaliatory tax calculation purposes, a copy of the State of Incorporation's Insurance Premium Tax Return, Corporate Income/Emergency Excise Tax Return, Intangible Tax Return and any other applicable returns or schedules calculated using Florida premium volume, personnel and property, should be affixed for any insurer required to compute retaliatory tax.

To Request a Form or More Information

If you need additional forms: call 1-800-352-3671 (in Florida only) or 850-488-6800; use FAX on Demand by calling 850-922-3676 from your fax machine telephone and follow the instructions; or visit our website at: <http://sun6.dms.state.fl.us/dor/>

Signature and Verification

All returns must bear the original signature of an authorized officer or fiduciary. **Fax copies, rubber stamps or photocopies of signatures are not considered original signatures.**

To Amend a Return

Amended returns must include all schedules and attachments, even those not affected by the amendment. Be sure to check the "Amended Return" box on page 1 of the DR-908 and list the reason(s) for amending the return. **All amended returns must bear an original signature as described above.**

Interest and Penalty

A penalty of ten (10) percent is imposed on any underpayment of taxes or delinquent taxes. Effective January 1, 2000, a floating rate of interest applies to underpayments and late payments of tax. The rate will be updated January 1 and July 1 of each year by using the formula established in § 213.235, F.S. To obtain interest rates:

- Visit the Department's Web site at <http://sun6.dms.state.fl.us/dor/>;
- Call FAX On Demand, the Department's document retrieval system, at 850-922-3676; or,
- Call Tax Information Services, Monday – Friday, 8:00 a.m. to 5:00 p.m., ET 1-800-352-3671 (in Florida only) or 850-488-6800. Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

Declaration of Estimated Tax

Taxpayers are required to make quarterly installment payments based on prior year tax due or current premium taxes due. See the instructions for "Line 12. Installment Payments," on page 3.

Taxable Year

The taxable year for Insurance Premium Taxes (Form DR-908) is based on a calendar year ending December 31.

General Information Questions

Your name, address, FEIN and Florida code must be entered on the front page of the return. Check the appropriate block: "Original" or "Amended." List the reason(s) for amending the return. Provide your state of domicile, the location of your corporate books, and the phone number, fax number, e-mail address, and name of the individual to be contacted if the Department requires additional information.

Part Two Specific Instructions

Chapter 624, F.S., provides that a tax on insurance premiums, premiums for title insurance, or assessments, including membership fees, policy fees and gross deposits received from subscribers to reciprocal or interinsurance agreements, annuity premiums or considerations, and the gross underwriting profit on wet marine and transportation insurance be paid to the Department of Revenue for the following:

- a) Life and health insurance policies covering persons resident in the State of Florida and all other types of policies and contracts (except annuity policies or contracts) covering property, subjects, or risks located, resident, or to be performed in the State of Florida, omitting premiums on reinsurance assumed and deducting return premiums or assessments. No deductions shall be allowed for reinsurance ceded to

other insurers, for moneys paid upon surrender of policies or certificates for cash surrender value, for discounts or refunds for direct or prompt payment of premiums or assessments, for dividends of any nature or amount paid and credited or allowed to holders of insurance policies, certificates, or surety, indemnity, reciprocal, or interinsurance contracts or agreements.

- b) Gross receipts on annuity policies or contracts paid by holders in the State of Florida. The premium tax authorized by § 624.509 (1)(b) F.S., shall not be imposed upon receipts of annuity premiums or considerations paid by holders in the State of Florida if the tax savings derived are credited to annuity holders.
- c) Gross underwriting profit on wet marine and transportation insurance written in the State of Florida. Such gross underwriting profit shall be ascertained by deducting from the net premiums (gross premiums less all return premiums and premiums for reinsurance) the net losses paid (gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts.

Computation of Insurance Premium Taxes and Fees Line-By-Line Instructions

Line 1. Total Premium Tax Due

Compute your total premium tax due from Schedule I on the basis of the applicable tax rates imposed by or subject to § 624.509 (1) and (2), F.S.

This calculation does not include wet marine and transportation tax. (See Line 5 and Schedule XI instructions). Enter the total from Schedule I, Line 10.

Line 2. Credits Against the Tax

Enter the total credits against the tax from Line 11, Schedule III. However, in no event shall the total credits against the tax entered here exceed the total tax due.

Line 3. Net Premium Tax Due

Subtract Line 2 from Line 1 to arrive at net premium tax due. This line cannot be less than zero.

Line 4. State Fire Marshal Regulatory Assessment and Surcharge on Commercial Properties

Compute your regulatory assessment under the provisions of § 624.515, F.S., using Schedule X. Compute the amount due for the surcharge under the provisions of § 624.515(2), F.S., using Schedule X. Enter total from Schedule X.

Line 5. Wet Marine and Transportation Tax

Compute the tax imposed by § 624.510 (1), F.S., on wet marine and transportation insurance using Schedule XI and enter the total.

Lines 6 and 7. Firefighters' and Municipal Police Officers' Retirement Trust Funds

Compute the total excise tax due imposed under § 175.101, F.S., and § 185.08, F.S., for the Firefighters' Pension Trust Fund and the Municipal Police Officers' Retirement Trust Fund, respectively, using Schedules XII and XIII and enter the totals on Lines 6 and 7, respectively.

Line 8. Retaliatory Tax

Compute any applicable retaliatory tax pursuant to § 624.5091, F.S., using Schedule XIV, and enter the retaliatory tax due. A copy of the State of Incorporation's Insurance Premium Tax Return, Corporate Income/Emergency Excise Return and any other applicable returns or schedules calculated using Florida premium volume, personnel and property should be affixed for any insurer required to compute retaliatory tax.

Line 9. Filing Fee

Per § 624.501(4), F.S., a quarterly/annual filing fee is imposed for those insurers required to file the annual statement. Enter the amount from Schedule XV (Total Filing Fees for the Year).

Line 10. Insurance Policy Surcharge

Chapter 252, F.S., imposes a \$2 and \$4 surcharge on policies issued or renewed covering Florida commercial or residential real property. Enter the total surcharge due from Schedule XVI.

Line 11. Total Tax Due

Enter the total of Lines 3 through 10 on Line 11 as total tax due.

Line 12. Installment Payments

Installments of tax are due on April 15, June 15, and October 15 in each year, based upon the estimated gross amount of receipts of insurance premiums or assessments received during the immediately preceding calendar quarter, and are to be filed on prescribed Form DR-907. The installment of the estimated premium tax due shall not be less than 90 percent of the amount finally shown to be due in any quarter, as evidenced by the annual report. Any taxpayer paying for each installment, 27 percent of the amount of the annual tax reported on Line 11 less Line 9, Page 1 of the preceding year's return shall not be subject to the penalty provided by this section.

Include on Line 12 all amounts paid on Line 6, DR-907, for the taxable year, excluding penalty and interest.

If filing an amended return, be sure to include (on the line provided) the amount paid when you filed your original return.

Line 13. Net Tax Due or Overpayment

Subtract the amount of Line 12 from Line 11 and enter the difference of tax due or overpayment.

Lines 14 and 15. Penalty and Interest

If payment with this return includes interest which has accrued or penalty which has been incurred, the respective amounts should be entered on these lines. If a taxpayer has underpaid installment payments (See "Line 12. Installment Payments"), and no exception applies, penalty and interest should be computed and included on these lines.

A penalty of ten (10) percent is imposed on any underpayment of taxes or delinquent taxes. Effective January 1, 2000, a floating rate of interest applies to underpayments and late payments of tax. The rate will be updated January 1 and July 1 of each year by using the formula established in § 213.235, F.S. To obtain interest rates:

- Visit the Department's Web site at <http://sun6.dms.state.fl.us/dor/>;
- Call FAX On Demand, the Department's document retrieval system, at 850-922-3676; or,
- Call Tax Information Services, Monday – Friday, 8:00 a.m. to 5:00 p.m., ET 1-800-352-3671 (in Florida only) or 850-488-6800. Hearing or speech impaired persons should call our TDD at 1-800-367-8331.

Line 16. Amount Due With This Return

Add the total of Lines 13 through 15 to reflect the amount due with the return.

Line 17. Amount of Overpayment to be Refunded

Enter the amount of overpayment to be refunded. If filing an amended return, be sure to include (on the line provided) any refund claimed on your original return.

Effective January 1, 2000, the Department will pay interest on refunds of this tax if the refund has not been paid or credited within 90 days of receipt of a complete application for refund (DR-908). A complete application will contain documentation establishing the overpayment. Interest paid by the Department will be computed beginning on the 91st day based upon a statutory floating rate that may not exceed 11%. The interest provisions do not apply for refund applications filed prior to January 1, 2000, unless the claim is still pending as of July 1, 2000.

Schedule I Computation of Insurance Premium Tax

Line 1. Property/Casualty/Miscellaneous

Enter the direct premiums written (gross premiums minus reinsurance assumed and returned premiums) plus any service charge reported on the Florida Business Page from the Florida Annual Statement. The premiums should be listed by quarter, and then totaled.

- a) Excluded Premiums - Enter excluded premiums by quarter and the total. Excluded premiums include Motor Vehicle Service Agreement premiums and Service Warranty Association premiums falling under § 634.415, F.S.
- b) Total Taxable Premiums - Enter the total taxable premiums, after deducting Line (a) excluded premiums,

for property/casualty and miscellaneous policies issued to holders in the State of Florida. The premiums should be listed by quarter, totaled, and multiplied by the tax rate of 1.75% (.0175). Enter this figure in the "Tax Due" column.

*** Be sure to include a copy of the Florida Business Page from the Florida Annual Statement, (Exhibit of Premiums and Losses). If amounts shown on the Florida Business Page are different from amounts shown on Schedule I, please attach a Reconciliation Schedule.**

Lines 2 and 3. Life and Accident and Health Plans

Enter the direct premiums written (gross premiums minus reinsurance assumed and returned premiums) for Life and Accident and Health policies issued to holders in the State of Florida, as reported on the Florida Business Page from the Florida Annual Statement. The premiums should be listed by quarter, totaled, and multiplied by the tax rate of 1.75% (.0175). Enter these figures in the appropriate "Tax Due" columns.

*** Be sure to include a copy of the Florida Business Page from the Florida Annual Statement, (Direct Business in this State). If amounts shown on the Florida Business Page are different from amounts shown on Schedule I, please attach a Reconciliation Schedule.**

Line 4. Prepaid Limited Health Service Organizations

Prepaid Limited Health Service Organizations, regulated under Chapter 636, F.S., provides access to or arranges for, the provision of a limited health service. A "limited health service" means ambulance services, dental care services, vision care services, mental health services, substance abuse services, and pharmaceutical services. Enter the direct premiums written for each quarter, and the total. Multiply the total premiums by the tax rate of 1.75% (.0175). Enter this figure in the "Tax Due" column.

Lines 5 and 6. Commercial and Group-Pooling Self-Insurance Funds

Premiums written for commercial self-insurers under § 624.475, F.S., and for group pooling self-insurers under § 440.57, F.S., are taxable at a rate of 1.6%. Enter the gross premiums for each quarter and the total. Multiply the total premiums for the year using a rate of 1.6% (.016) and enter the tax due in the "Tax Due" column.

Line 7. Medical Malpractice Self-Insurance

Medical malpractice self-insurance premiums under § 627.357, F.S., are taxable at a rate of 1.6%. Enter the premiums written for each quarter and the total. Multiply the total premiums by the rate for medical malpractice self-insurers of 1.6% (.016), and enter the tax due in the "Tax Due" column.

Line 8. Assessable Mutual Insurers

Premiums, contributions, and assessments received by an assessable mutual insurer under § 628.6015, F.S., are taxable

at a rate of 1.6%. Enter the premiums written for each quarter and the total. Multiply the total premiums by the rate of 1.6% (.016), and enter the tax due in the "Tax Due" column.

Line 9. Annuity Premiums

Enter the total from Schedule II, Line 3 in the "Tax Due" column on Line 9.

Line 10. Total Tax Due

Add Line 1b through Line 9 and enter the total tax due on Line 10. The total tax due is then entered on Line 1, page 1. If zero or less, enter -0-.

Schedule II Annuity Consideration Premiums

Line 1. Total Annuity Premiums

Enter the amount of gross receipts on annuity policies or contracts paid by holders in the State of Florida by quarter and then total. Multiply the total premiums by the rate of 1% (.01), and enter the tax due in the corresponding column.

This tax must be assessed when the annuity premium is received, not when the annuity matures or is otherwise terminated.

Line 2. Tax Savings Credited to Annuity Holders

Per § 624.509(8), F.S., the premium tax shall not be imposed upon receipts of annuity premiums or considerations paid by holders in the State of Florida if the tax savings derived are credited to the annuity holders. Upon request by the Department of Revenue, any insurer availing itself of this provision shall submit to the Department evidence which establishes that the tax savings derived have been credited to annuity holders. The term "holders" includes employers contributing to an employee's pension, annuity, or profit-sharing plan.

Enter the amount of the tax savings, if any, in the appropriate column.

Line 3. Total Annuity Premiums Due

Subtract Line 2 from Line 1; enter the difference on Line 3, and on Line 9, Schedule I. If zero or less, enter -0-.

Schedule III Credits Against The Premium Tax

Line 1. Workers' Compensation Administrative Expense Credit

Enter the amount from Line 4 of Schedule VI.

Line 2. Firefighters' Pension Trust Fund Credit

Enter the amount from Line 3 of Schedule XII - B minus any Firefighters' Pension Trust Fund credit used on Schedule XI, Line 6.

Line 3. Municipal Police Officers' Retirement Trust Fund Credit

Enter the amount from Line 3 of Schedule XIII - B minus any Municipal Police Officers' Retirement Trust Fund credit used on Schedule XI, Line 7.

Line 4. Corporate Income Tax/Emergency Excise Tax Credit

Enter the amount from Line 11 of Schedule V.

Line 5. Salary Tax Credit

Enter the amount from Line 12 of Schedule V.

Line 6. Intangible Tax Credit

A credit is allowed for the intangible tax imposed upon and paid by taxpayers falling under the provisions of § 624.509(4), Florida Statutes.

Enter the amount of intangible tax paid (net of any related discount) from your Florida Corporation and Partnership Intangible Tax Return (DR-601C) in the taxable year. If you file your intangible tax on a consolidated basis, you must include a schedule showing how the tax is claimed by each subsidiary.

Line 7. Florida Life and Health Guaranty Association Credit

Enter the amount from Line 1 of Schedule VII.

Line 8. Community Contribution Credit

Enter the amount from Schedule IX, Line 1 minus any Community Contribution Credit used on Line 8, Schedule XI.

Line 9. Child Care Tax Credits

Enter the amount of Child Care Tax Credits approved for the taxable year less any Child Care Tax Credits taken against the Wet Marine and Transportation Tax from Schedule XI, Line 9.

Per § 624.5107, F.S., a credit is available against tax due under § 624.509 or § 624.510, F.S. for certain child care costs incurred on or after December 31, 1998. Florida Form F-1159, Application for Child Care Tax Credits, available from the Department of Revenue, must be submitted for each taxable year to receive approval to take these credits. **A copy of the approval letter from the Department of Revenue must be attached to the DR-908 on which the credit is claimed.** A taxpayer that takes this credit against Florida corporate income tax is not eligible to take it against insurance premium taxes. Any unused credit may be carried forward for a period not to exceed five years.

Line 10. Capital Investment Tax Credit

Enter the amount of the Capital Investment Tax Credit approved for the tax year.

Per § 220.191(2), F.S., an annual investment tax credit is available to a qualifying business that establishes a qualifying project. **Attach a copy of the certification received from the Office of Tourism Trade and Economic Development indicating that the insurer has been approved to receive this credit. A pro forma insurance premium tax return indicating the qualifying project's Florida premium tax**

liability for the year must also be attached to be able to claim this credit. This credit is granted against only the portion of the Florida insurance premium tax liability generated by or arising out of a qualifying project. Insurers may apply for this credit with Enterprise Florida, Inc. at 850-488-6300.

Line 11. Total Credits

Enter the total of Lines 1 through 10 onto Line 11. The total from Line 11 is then entered on Line 2 of Page 1.

Schedule IV Computation of Salary Credit

Under § 624.509(5), F.S., a credit is allowed against the net tax imposed under § 624.509, F.S., equal to 15 percent (.15) of the amount paid by an insurer in salaries to employees within the State of Florida, and who are covered by the provisions of Chapter 443, F.S., by the insurer filing this return.

The term "salaries" does not include amounts paid as commissions. The term "employees" does not include independent contractors or any person whose duties require that the person hold a valid license under the Florida Insurance Code, except persons defined in § 626.081, F.S., (service representatives for nonlife and health insurance), § 626.091, F.S., (supervising or managing general agents for nonlife and health insurance, not including surplus lines insurance), and § 626.101, F.S., (adjuster or claims investigator).

When claiming a salary tax credit, there are certain requirements the insurer must meet to qualify for the credit. These requirements are:

- The employees claimed are not excluded under § 624.509(5), F.S.,
- The wages used in the credit calculation must be wages paid to the insurer's employees by the insurer claiming the credit;
- Those employees must be located or based in Florida;
- The insurer claiming the credit is the employer, and the employees are covered by the unemployment compensation provisions contained in Chapter 443, F.S.

Net tax is defined as the tax imposed after deductions from the total premium tax due for the Firefighters' Pension Trust Fund Credit and the Municipal Police Officers' Retirement Trust Fund Credit, the total corporate and emergency excise tax paid, and the intangible tax paid.

Insurers claiming this credit must attach a copy of their quarterly Department of Labor and Employment Security (DLES) Form UCT-6 (Employers' Quarterly Tax Report) to their annual premium tax return, Form DR-908. Form UCT-40 (Quarterly Common Paymaster Concurrent Employment Report) must also be attached with the corresponding UCT-6's, when a portion of concurrent employees wages are claimed as eligible salaries. If an insurer is claiming a salary tax credit, the Form DR-908 is considered incomplete without the DLES Form UCT-6.

Insurers who report their unemployment information to the DLES using magnetic media, or who use an independent payroll service, are also required to file the DLES Form UCT-6.

Insurance premium tax filers cannot use the following DLES forms as a substitute for the DLES Form UCT-6:

- Form UCT-65A-DP (Request for Magnetic Media Reporting);
- Form UCT-6W (Employer's Quarterly Wage Report);
- Form UCT-6A (Quarterly Wage Listing Report-Continuation).
- Form UCT-40 (Quarterly Common Paymaster Concurrent Employment Report).

Line 1. Total Premium Tax Due

Enter the total from Schedule I, Line 10.

Lines 2 and 3. Firefighters' and Municipal Police Officers' Retirement Fund Credits

Enter the total taxes computed from Schedules XII-B and XIII-B, respectively, onto Lines 2 and 3 respectively.

Line 4. Corporate Income Tax and Emergency Excise Tax Paid

Enter the total amount paid from Line 14 of the Florida Form F-1120 for corporate income tax and emergency excise tax reported on the return filed during the calendar year 1999. The credit granted for corporate income tax and emergency excise tax is available for the annual period in which such tax payments are made. Payments of estimated income tax under Chapters 220 and 221, F.S., shall be deemed paid either at the time the insurer actually files its annual returns under Chapter 220 or 221, F.S., or at the time such returns are required to be filed, whichever occurs first.

Line 5. Intangible Tax Paid

Enter the intangible tax paid from Florida Form DR-601C. Intangible tax paid is the total tax due minus the discount taken (DR-601C Line 9 minus Line 10).

Line 6. Total (Net Tax)

Subtract Lines 2 through 5 from Line 1, and enter the difference. This is the net tax figure to be used for comparison purposes. If zero or less, enter -0-.

Line 7. Eligible Florida Salaries

Enter the total eligible Florida salaries. The insurer claiming the credit must be the employer of the claimed employees, and must have satisfied the Chapter 38 B-2, F.A.C., filing requirements.

Line 8. Computation of Credit

Multiply the total eligible Florida salaries from Line 7 by 15 percent (.15). Enter this computation.

Line 9. Salary Credit (Available)

Enter the lesser of Line 6 or Line 8 here and on Schedule V, Line 4, as the total available salary credit cannot exceed the net tax as computed on Line 6. If zero or less, enter -0-.

Schedule V Corporate Income, Emergency Excise and Salary Credit Limitation

Under § 624.509 (4) and 624.509 (5), F.S., the corporate income tax and emergency excise tax paid by an insurer shall be credited against, and to the extent thereof shall discharge, the liability for the insurance premium tax, and a credit of 15 percent (.15) of the amount paid by an insurer in salaries to employees located or based within the State of Florida and who are covered by the provisions of Chapter 443, F.S., by the insurer filing this return, shall be allowed against the net tax imposed by § 624.509, F.S.

The total of the credit granted for the corporate income tax and emergency excise tax paid by an insurer and the salary tax credit granted shall not exceed 65 percent (.65) of the premium tax due after deductions taken for the excise taxes paid to fund the Firefighters' and Municipal Police Officers' Retirement Trust Funds, and for the Workers' Compensation Assessment.

Line 1. Total Corporate Income Tax and Emergency Excise Tax Paid

Enter the total corporate income tax and emergency excise tax paid from Line 14 of the Florida Form F-1120. For corporations filing on a consolidated basis, a separate pro forma return should be computed for each corporation claiming credit against the insurance premium tax. However, the individual credits claimed cannot exceed the total corporate/emergency excise tax paid on a consolidated basis.

Consolidated filers must include a schedule showing how the credit is claimed by each subsidiary.

Line 2. Corporate Income Tax Credit Taken Against Wet Marine and Transportation Insurance Tax

Enter the credit taken on Schedule XI, Line 5, for corporate income tax.

Line 3. Eligible Net Corporate Income Tax and Emergency Excise Tax

Subtract Line 2 from Line 1 in order to determine the eligible net corporate income tax and emergency excise tax.

Line 4. Salary Credit

Enter the salary credit computed on Line 9 of Schedule IV.

Line 5. Total Eligible Corporate Income Tax, Emergency Excise Tax, and Salary Credit

Add Lines 3 and 4 together, and enter the total.

Line 6. Total Premium Tax Due

Enter the total premium tax due from Line 10 of Schedule I.

Line 7. Workers' Compensation Credit

Enter the credit computed on Line 4 of Schedule VI.

Lines 8 and 9. Firefighters' and Municipal Police Officers' Retirement Trust Fund Credit

Enter the total excise taxes paid from Schedules XII-B and XIII-B onto Lines 8 and 9, respectively.

Line 10. Limitation of 65 Percent

Subtract the amount on Lines 7, 8, and 9 from the total premium tax due on Line 6. Multiply this figure by 65 percent (.65), and enter the product.

Line 11. Total Corporate Income Tax and Emergency Excise Tax Credit

Enter the lesser of Line 3 or the limitation computed on Line 10 of Schedule V. If zero or less, enter -0-.

Line 12. Salary Tax Credit

Enter the lesser of Line 4 or the difference between Lines 10 and 11. Lines 11 and 12 are to be entered on Schedule III, Lines 4 and 5 respectively. If zero or less, enter -0-.

Schedule VI

Workers' Compensation Credit Limitation

Line 1. Premiums Written

Enter the total premiums written from the Florida Business Page from the Florida Annual Statement filed with the State of Florida. If zero or less, enter -0-.

Line 2. Tax Rate of 1.75 Percent

Multiply the total workers' compensation premiums written by the tax rate of 1.75 percent (.0175), or 1.6 percent (.016) for self-insurers.

Line 3. Administrative Assessments paid to Workers' Compensation Trust Fund

The credits for the administrative assessments paid to the Workers' Compensation Trust Fund should relate to the four quarterly writings for which the assessments are levied. Only four assessments may be claimed for each tax year. The fourth quarter assessment must be paid by March 1 of the next year in order to receive credit.

3a - d. Enter the amount of the administrative assessment paid to the Workers' Compensation Trust Fund for each calendar quarter.

Enter the total amount of the administrative assessments paid to the Workers' Compensation Trust Fund pursuant to § 440.51, F.S. Copies of Florida Department of Labor Assessment Form AFSU-13 must be attached. If total assessments paid are zero or less, enter -0-.

Line 4. Workers' Compensation Credit

Enter the lesser of Line 2 or 3 here, and on Line 1 of Schedule III.

Schedule VII

Florida Life and Health Insurance Guaranty Association Credit (FLHIGA)

Under § 631.72, F.S., a member insurer of FLHIGA may credit against its premium or income tax liabilities any assessments for each year following the year in which the assessment was paid. However, if a member insurer should cease doing business, all uncredited assessments may be credited against its premium or corporate income tax liability for the year it ceases doing business. **Attach a copy of the Assessment Levy, and a copy of the certificate of contribution for each assessment claimed as a credit.** Enter the amounts of Class B and C assessments paid and the refunds received for each year and then total. Multiply the total assessments paid by the applicable rate for each year.

Line 1. Total FLHIGA Credit

Enter the total credit amount here and on Schedule III, Line 7.

Schedule VIII

Not Used

Schedule IX

Community Contribution Credit Limitation

Under § 624.5105, F.S., a business is allowed a credit of 50 percent (.50) of a qualified community contribution against any tax due for a calendar year under § 624.509 or 624.510, F.S. The amount of the community contribution credit allowable is limited to \$200,000. Any unused credits may be carried forward for a period not to exceed 5 years.

Copies of approval from the Office of Tourism, Trade and Economic Development approving the credit must be attached to the DR-908 on which the credit is claimed.

Enter the year and original contribution amount for that year, on a year-by-year basis. Then list the total credit available.

Line 1. Total of Credit Available

Enter the total credit available.

Schedule X

State Fire Marshal Regulatory Assessment Tax/Surcharge

A regulatory assessment of 1% (.01) is imposed upon every domestic, foreign and alien insurer issuing policies of fire insurance in the State of Florida, per § 624.515(1), F.S. In

addition, effective for policies issued or renewed on or after July 1, 1992, each insurer authorized to transact insurance business in this State must remit a .1% (.001) surcharge on all gross direct fire, allied lines, and multiple peril insurance premiums written on commercial property located within this state.

"Fire insurance" means the insurance of structures or other property, including real and tangible property, at fixed locations against loss or damage to such structures or other described properties from the risks of fire and lightning.

"Allied lines" means the insurance of structures or other property against loss or damage to such structures or other properties from the risks of tornado, windstorm, hail, sprinkler or water damage, explosion, riot or civil commotion, flood, rain, and damage from aircraft or vehicle.

Attach a copy of the Florida Business Page from the Annual Statement filed with Florida to Form DR-908.

Types of Fire Premiums

Lines 1 through 12.

Enter the amounts of premiums written for the types of policies listed by quarter and then total. Multiply the total premiums by the percentage applicable to the peril of fire.

Note: Applicable percentages are recommended. Where the books, records, and percentage assessment methodology, clearly demonstrate without exception a lesser percentage, the insurer may apply the lesser percentage. The substitution of other percentages will subject the return to audit.

Line 13. Total Taxable Premiums

Total the taxable premiums for Lines 1 through 12, and enter. If zero or less, enter zero.

Line 14. State Fire Marshal Tax Due

Multiply the total on Line 13 by the rate of 1% (.01) and enter.

Line 15. Total Premiums Subject to Surcharge

Enter the total premiums from the lines (*) indicating commercial fire, commercial multiple peril, farm owners multiple peril, crop hail, and commercial allied lines. If zero or less, enter zero.

Line 16. Surcharge Due

Multiply the total on Line 15 by the rate of .1% (.001) and enter.

Line 17. Total State Fire Marshal Tax Due Plus Total Surcharge Due

Enter the sum of the State Fire Marshal Tax and the Surcharge here, and on page 1, Line 4.

Schedule XI Wet Marine and Transportation Tax

Under § 624.510, F.S., an insurer writing policies of wet marine and transportation insurance as defined in § 624.607(2), F.S., shall pay a tax of .75% (.0075) of the gross underwriting profit.

Wet marine and transportation insurers are entitled to a credit for corporate income tax imposed under Chapter 220, F.S., for the year paid, the community contribution credit and the excise taxes levied under § 175.101, F.S. and 185.08, F.S. If the credits available exceed the tax, only include the amount of credits necessary to eliminate the tax. Total excise tax credits available for the insurance premium tax levied under § 624.509, F.S., must be reduced by credits that are applied against the wet marine and transportation tax.

Line 1. Net Premiums

Enter the net premiums (gross premiums less return premiums and reinsurance assumed) for wet marine and transportation policies written in the State of Florida during the calendar year.

Line 2. Net Losses Paid

Enter the net losses paid (gross losses paid less salvage and recoveries on reinsurance ceded) during the calendar year for any such contracts.

Line 3. Gross Underwriting Profit

Subtract Line 2 from Line 1, and enter the difference. If zero or less, enter -0-.

Line 4. Wet Marine and Transportation Tax

Multiply the total on Line 3 times the rate of .75% (.0075), and enter the tax.

Line 5. Corporate Tax Credit

Enter the corporate income tax paid from Florida F-1120 (Line 11 minus Line 12).

Line 6. Firefighters' Pension Trust Fund Credit

Enter the amount computed on Line 3 of Schedule XII-B.

Line 7. Municipal Police Officers' Retirement Trust Fund Credit

Enter the amount computed on Line 3 of Schedule XIII-B.

Line 8. Community Contribution Credit

Complete Schedule IX and enter the total computed credit.

Line 9. Child Care Tax Credits

Enter the amount of Child Care Tax Credits approved for the taxable year. Please see the instructions for Schedule III, Line 9 for information about the availability of this credit. Attach a copy of the approval letter from the Department of

Revenue. A taxpayer that takes this credit against Florida corporate income tax is not eligible to take it against insurance premium taxes.

Line 10. Net Tax Due

Subtract Lines 5 through 9 from Line 4, and enter here, and on page 1, Line 5.

Note: This amount cannot be less than zero.

Schedules XII and XIII Firefighters' and Municipal Police Officers' Retirement Trust Funds

Use the physical location of the property when allocating premiums to the appropriate fire control district or municipality.

Sections 175.101, F.S., and 185.08, F.S., provide for each municipality and/or fire district having a lawfully established firefighters' pension trust fund and/or a lawfully established municipal police officers' retirement trust fund, respectively, to assess against an insurer engaged in the business of property insurance and/or casualty insurance, respectively, an excise tax on all premiums collected on property within the corporate limits of any such municipality or within the boundaries of any special fire control district.

Regarding the Firefighters' Pension Trust Fund, premiums are to be reported on the gross amount of receipts of premiums from policy holders on all premiums collected on property insurance as defined in § 624.604, F.S., and includes the following lines: fire, earthquake, aircraft, industrial fire, industrial extended coverage, mobile home physical damage, and aggregate write-ins for other lines of business meeting the definition of property insurance.

Regarding the Municipal Police Officers' Retirement Trust Fund, premiums are to be reported on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance as defined in § 185.02(3), F.S., and includes the following lines: private passenger auto liability, commercial automobile liability, PPA physical damage, commercial auto physical damage, fidelity, glass, burglary and theft.

Additionally, in the case of multiple peril policies which include both property and casualty coverage for a single premium, 70% of such premium shall be used as the basis for the Firefighters' Pension Trust Fund assessment reported on Schedule XII, and 30% of such premium shall be used as the basis for the Municipal Police Officers' Retirement Trust Fund reported on Schedule XIII. Such multi-peril insurance includes the following lines: farmowners multiple peril, homeowners multiple peril, commercial multiple peril, and mobile home multiple peril.

For Schedules XII and XIII, report all premiums received under property insurance policies and/or casualty insurance policies, respectively, covering or insuring property located within the corporate limits of the municipalities and/or fire control district listed for the calendar year ended December 31, 1999. This must include any business being written in a pool or association arrangement. Multiply the total premiums by the applicable rate of 1.85% (.0185) for property policies reported on Schedule XII-B, and by .85% (.0085) for casualty policies reported on Schedule XIII-B. Enter the total tax for each excise tax on Line 3 of Schedules XII-B and XIII-B respectively, and on page 1, Lines 6 and 7 respectively.

Notes:

- Do not use ZIP codes as a means of identifying the location of the risk, as they do not provide a sufficient level of detail to identify the appropriate city or district and may result in an inaccurate allocation of premiums.
- If a significant variance exists between the figures reported on your prior year return, a written explanation will be required. A significant variance is considered an increase or decrease of greater than ten percent for any municipality or fire control district. Please review the figures on Schedules XII and XIII of your 1999 return and the information you reported last year. If a significant variance exists, you **must attach a detailed explanation** clarifying the variance between your 1998 and 1999 returns.

Schedule XIV Retaliatory Tax Computation

Per § 624.5091(1), F.S., when by or pursuant to the laws of any other state or foreign country any taxes, licenses, and other fees, in the aggregate, and any fines, penalties, deposit requirements, or other material obligations, prohibitions, or restrictions are or would be imposed upon Florida insurers or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses, and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements, or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this state, so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses, and other fees, in the aggregate, or fines, penalties, deposit requirements, or other material obligations, prohibitions, or restrictions of whatever kind shall be imposed by the Department of Revenue upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in this state.

The calculations should be based on the state of incorporation's tax laws, licenses, and fees using the level of premiums written in Florida by the alien or foreign insurer and

their Florida personnel and property. Subsection 624.5091(3), F.S., provides that the retaliatory provisions do not apply as to personal income taxes, nor as to sales or use taxes, nor as to reimbursement premiums paid to the Florida Hurricane Catastrophe Fund, nor as to emergency assessments paid to the Florida Hurricane Catastrophe Fund, nor as to ad valorem taxes on real or personal property, nor as to special purpose obligations or assessments imposed in connection with particular kinds of insurance other than property insurance. Therefore, no calculations should be included for intangible tax, Workers' Compensation Assessments, the Florida Comprehensive Health Association Assessment, or any other special purpose obligations or assessments in connection with particular kinds of insurance other than property insurance. However, any intangible tax amount used as a credit in determining the insurance premium tax must be added back. If the state of incorporation allows, for example, a credit or tax rate reduction or abatement based on personnel or property, the foreign or alien insurer's Florida personnel or property must be used to calculate the credit or rate reduction or abatement.

Note: New York insurers must amend the DR-908 if the computation of the CT33/CT33M changes the amount estimated when the original DR-908 was filed.

Line 1. Net Premium Tax Due

The net premium tax due is used as a starting point for retaliatory calculations (gross premium tax due less credits). Enter the net premium tax due from Line 3 of page 1 plus Line 5 of page 1 in Column A. Then calculate what the net premium tax due would be if the volume of Florida premiums were written in the state of incorporation and the insurer's Florida personnel and property were in the state of incorporation. Enter the net premium tax due in the state of incorporation in Column B.

Line 2. 80% of Salary Credit Taken

Per § 624.5091(1), F.S., 80% of the credit provided by § 624.509(5), F.S., (salary credit subject to the limitations) shall not be taken into consideration. Enter on Line 2, 80% of the salary credit taken, from Line 12 of Schedule V, in Column A. If a salary credit is given against the premium tax in the state of incorporation, enter 80% of the salary credit taken in Column B based on Florida premium volume and Florida personnel and property.

Line 3. Total Corporate Income Tax and Emergency Excise Tax

Enter the total corporate income tax and emergency excise tax paid from Line 14 of the Florida Form F-1120 in Column A. If a corporate income tax and emergency excise tax is imposed upon insurers writing premiums in the state of incorporation, calculate the amount of corporate income tax and emergency excise tax based on the laws of that state and using the level of premiums written in Florida, and enter the amount computed in Column B.

Note: When calculating corporate income tax for the state of incorporation, use the income, apportionment factor and other facts that existed for the taxable year whose return would have been filed in the calendar year 1999 calculated by using your Florida business.

Line 4. Intangible Tax Credit

Enter the amount of intangible tax allowed as a credit from Schedule III, Line 6, in Column A. Enter the amount of any intangible tax credit allowed by the insurer's state of incorporation in the calculation of the insurance premium tax in Column B.

Line 5. Firefighters' Pension Trust Fund

Enter the amount from page 1, Line 6 in Column A. If an excise tax on property insurance is imposed upon insurers writing premiums in the state of incorporation, then recalculate the tax using Florida premium volume and enter the amount computed in Column B.

Line 6. Municipal Police Officer's Retirement Trust Fund

Enter the amount from page 1, Line 7 in Column A. If an excise tax on casualty insurance is imposed upon insurers writing premiums in the state of incorporation, then recalculate the tax using Florida premium volume and enter the amount computed in Column B.

Line 7. Florida Insurance Guaranty Association (FIGA) (Property Portion of Group III and IV Assessments Only)

Note: Property insurance as defined in § 624.604, F.S., includes the following lines: fire, earthquake, aircraft, industrial fire, industrial extended coverage, mobile home physical damage, and aggregate write-ins for other lines of business meeting the definition of property insurance. FIGA certificates and a computation schedule must be included.

Take the amount of premiums which can be classified as property insurance for FIGA Group III and Group IV assessments and then divide them by the total premiums reported for Group III and Group IV, respectively. The resulting percentage for Group III property insurance premiums would then be multiplied by the insurer's total Group III assessment to determine the allowable FIGA Group III assessment which may be added back for retaliatory tax. The portion of Group IV FIGA assessment to be added back would be determined in the same manner as Group III. The total allowable FIGA assessment to be included in Column A would be the sum of the allowable Group III and Group IV assessments. Enter any guaranty assessment related to property insurance which may be imposed in the state of incorporation in Column B, by recalculating the assessment using Florida Premium Volume.

Line 8. Fire Marshal Taxes

Enter the amount from page 1, Line 4 in Column A. Enter any fire marshal tax which may be imposed upon insurers writing premiums in the state of incorporation, using the level of premiums written in Florida, in Column B.

Line 9. Annual and Quarterly Statement Filing Fee

Enter the total annual and quarterly statement filing fees from page 1, Line 9 in Column A. Enter any like or similar fee imposed upon insurers writing premiums in the state of incorporation in Column B.

Line 10. Annual License Tax and Certificate of Authority

Enter the amount paid to the State of Florida for the annual license tax and the certificate of authority of the insurer in Column A. Enter any like or similar fee imposed upon insurers writing premiums in the state of incorporation in Column B.

Line 11. Agents' Fees

Enter the agents' fees paid to the State of Florida in Column A. Enter any like or similar fee imposed upon insurers writing premiums in the state of incorporation using the insurer's Florida agents, in Column B.

Line 12. Other Taxes and Fees

Enter any other taxes and fees which may be imposed upon insurers writing premiums in the State of Florida or the state of incorporation in Column A and Column B, respectively. Please include a schedule itemizing each of these taxes or fees.

Any **Capital Investment Tax Credit** claimed on Schedule III, Line 10 should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation premium tax on this line in Column B.

Line 13. Workers' Compensation Credit

Enter the workers' compensation credit claimed from Schedule III, Line 1, in Column A. Enter any similar credit against the state of incorporation premium tax, in Column B.

Line 14. Total

Enter the sum of Lines 1 through 13 for both Column A and Column B.

Line 15. Retaliatory Tax Due

Subtract the total on Line 14 for the State of Florida (Column A) from the total on Line 14 for the state of

incorporation (Column B), and enter the total tax here and on Line 8 of page 1. Do not enter if less than -0-.

Schedule XV Filing Fee Schedule

Enter the filing fee amount due for the 1st, 2nd, 3rd and 4th quarters. The 4th quarter annual filing fee is due with this return.

Total all quarterly filing fees for the year and enter this amount here, on Line 9, page 1, and on Schedule XIV, Line 9, in Column A.

Schedule XVI Insurance Policy Surcharge

Every insurer, including surplus lines insurers and surplus lines agents, must collect a surcharge from the policy holders of certain types of property insurance. The surcharge does not apply to policies on tangible personal property, except multiple peril type policies on residential or commercial properties and mobile homes.

Line A. Commercial

Enter the total number of commercial fire, commercial multiple peril, business owner's property and all other policies covering commercial real property in Florida for each quarter. Total the number of policies for each quarter and multiply by \$4 to determine the total amount due for commercial policies.

Line B. Residential

Enter the total number of residential fire, homeowner's, mobile homeowner's, tenant homeowner's, condominium unit owner's, and all other policies covering residential property in Florida for each quarter. Total the number of policies for each quarter and multiply by \$2 to determine the total amount due for residential policies.

Total Lines A and B and enter the total surcharge due on Line 10, page 1.

**Taxpayer comments and suggestions to improve
this tax return and instructions may be
addressed to:**

**THE FLORIDA DEPARTMENT OF REVENUE
COMMUNICATION SERVICES PROCESS
5050 W TENNESSEE ST BLDG H-2
TALLAHASSEE FL 32399-0100**