

# Utah Insurance Premium Tax Return Instructions

## Summary of Changes

The general assessment rate on all worker's compensation is 9.75 percent. Rates on base premiums, title insurance, and auto value study remain unchanged. Special attention should be paid to the appropriate handling of Guaranty Association refunds.

## General Instructions

All licensed insurance companies must file a tax return regardless of the exempt nature or amount of their premiums.

### Filing On Required Forms

Utah requires filing on forms provided by the Tax Commission. Any company submitting facsimiles (substitute forms) must have their forms **PREAPPROVED** by the Tax Commission. Prior to filing, send three copies of facsimiles forms to:

Utah State Tax Commission  
Attention: Forms Group  
210 N 1950 W  
SLC UT 84134

### Due Dates

The insurance premium tax return must be filed with any payment required on or before March 31 in each year.

### Extensions

Utah law provides no extension for filing premium tax returns. All companies should file by the due date. If retaliatory computations are not available, non-Utah based filers should include a statement with the original return indicating the date the retaliatory computations will be submitted. When retaliatory computations are available, if additional tax is due, file a return clearly marked "AMENDED". Retaliatory taxes must meet prepayment requirements. If necessary, an estimated retaliatory payment should be made by the due date of the return. **Any additional amount due after the due date as the result of a retaliatory tax must include interest and may be subject to penalty.**

### Retaliatory Taxes (DO NOT INCLUDE INSURANCE FEES)

All non-Utah based companies must include a retaliatory tax statement with the premium tax return. Utah does not provide an actual retaliatory tax form. If more space is needed, prepare a statement of your own design to show only the retaliatory tax calculation.

### Insurance Fees, including any Retaliatory Fees

#### (Do not remit with this return)

Fees should be paid to:

Utah State Insurance Department  
3110 State Office Building  
SLC UT 84114

### Estimated Quarterly Tax Payments

Prepayments are required if the **prior year's** tax exceeded \$10,000. Prepayments may be based on 27 percent of the prior year's tax or the current year's estimated premiums. Prepayment due dates are the last day of April, July, and October, with the final payment due March 31 with the return. The necessary vouchers to be used for the current year will be mailed in March. **No prepayment filing is required if no prepayment is due. Vouchers should be filed ONLY IF a prepayment amount is DUE.**

### Additional Assistance

After reading the instructions, if further assistance is needed, call (801) 297-2200.

## Form TC-49 Instructions

(Round to whole dollar amounts)

Line 1 Enter **GROSS TAX DUE** from Schedule A. This should be the greater of line 35 (Utah Basis) or line 36 (Retaliatory Basis).

### Credits

Total credits MAY NOT EXCEED the TAX DUE. (Line 1)

Line 2 Utah based companies are allowed a credit for examination fees paid during the taxable year. A schedule of examination fees, dates, and examiners **must be attached** to the premium tax return in order to claim this credit. There is **no carryover** to other years of unused examination fee credits.

Line 3 Enter the allowable portion of Class B assessments paid to the Utah Life and Disability Insurance Guaranty Association or assessments paid to the Utah Property and Casualty Insurance Guaranty Association. The allowable credit is 20 percent of the amount of an assessment starting in the **year following payment** of the assessment and is limited to the current premium tax liability for the year. Credits for assessments of the Life and Disability Association may be carried over. There is no carryover for Property and Casualty Association credits. Remaining allowable credits are deductible on a final return and are not transferable. Attach a schedule of the available credit and any carryover.

Line 6 Include any Guaranty Association refunds received during the taxable year. If the refund is not reported, please attach an explanation.

Line 7 **TOTAL TAX DUE - There must be an entry on this line.** If no tax is due, enter zero.

### Prepayments

Line 8a Enter any Guaranty Association refunds received during this filing year that were remitted to the Utah State Tax Commission.

Lines 8b-8e Enter prepayments made during the year on the appropriate line. Include any overpayment applied from a prior year.

### Tax Due Or Overpayment

Line 10 **TAX DUE-** If line 7 exceeds line 9, subtract the amount of line 9 from the amount of line 7. Make the check or money order payable to: **Utah State Tax Commission.** Include your account number on your check, attach it to the return and complete the payment coupon as noted below.

### DO NOT INCLUDE FEES DUE THE UTAH STATE INSURANCE DEPARTMENT.

Line 11 **OVERPAYMENT-** If line 9 exceeds line 7, subtract the amount of line 7 from the amount of line 9. This overpayment may be applied to the following year by checking the box indicated. If you apply the credit to the following year, deduct this amount from the prepayment due on April 30. Allow 90 days for refunds.

## Coupon Instructions

Complete the amount being paid, if applicable. **Use the March 31, 2004 coupon included with the 2003 prepayment booklet, and DO NOT DETACH THE COUPON FROM THE BOTTOM OF THE RETURN.** Address corrections should be made at the top of the return. **Do not make address corrections on the coupon or include any computations on the back of the coupon.**

## Mailing Address

Mail the return, required supporting schedules, and any payment due to:

Utah State Tax Commission  
210 N 1950 W  
SLC UT 84134-3500

## TC-49 Schedule A Instructions

### Annual Report

Lines 1-3 Enter the total amount from the designated page and column of your annual report.

**Include an 8 1/2 X 11 inch copy of the specific page of the annual report with your return.**

### Premiums Received

Premiums should be reported as total premiums received from direct business in Utah reduced by return premiums and premiums received for reinsurance. There are no longer separate sections for life and property/casualty companies. Detail premiums as identified on the specific lines of Schedule A.

**(Round to whole dollar amounts)**

Lines 6-7 All companies should report their "Health Care" and "Disability" premiums on these lines.

Lines 8-9 Include premiums received from all allied lines except motor vehicle that are reported separately. These should include homeowners, farm owners, aircraft, inland marine, commercial multiple peril, etc. Premiums must be allocated between fire and non-fire.

Line 10 Total these categories from the appropriate lines (19-1 to 19-4) of the annual report. **Exclude** physical damage that is reported on lines 11 and 12.

Lines 11-12 Physical damage premiums must be allocated between fire and non-fire and entered accordingly.

Line 14 Include any other premiums not already included on lines 4 through 13 and identify in the space provided.

Line 15 Include interest and service charges received on premiums (Schedule T Column 8 of the Annual Report). These amounts associated with premiums written in Utah are taxable as premiums.

Line 16 This is total **"BASE PREMIUMS"** before deductions and should be forwarded to line 21.

Line 18a Enter workers compensation premiums for all other insurers, including premiums of Utah Public Agency Insurance Mutuals received after June 30, 2002.

Line 18b Include as premiums amounts representing deductibles, such as reimbursement, retention or similar "deductible plans."

Line 20 This total (adjusted for interest and service charges line 15, and amounts representing deductibles under worker's compensation plans line 18b), should agree with your annual report totals listed on lines 1-3 above. Please detail and explain any difference in these amounts with a supporting schedule.

## Deductions

Line 22 Qualifying health care premiums are premiums received on policies providing benefits based solely on an expense incurred basis. "Health care insurance" or "health insurance" means insurance providing health care benefits or payment of incurred health care expenses. Not included are benefits providing for:

- |                              |                               |
|------------------------------|-------------------------------|
| a) Replacement of income;    | g) auto medical payment;      |
| b) short-term accident;      | h) no-fault automobile;       |
| c) fixed indemnity;          | i) equivalent self-insurance; |
| d) credit accident & health  | j) any type of accident and   |
| e) supplements to liability; | health coverage that is a     |
| f) workers' compensation     | part of or attached to        |
|                              | another type of policy.       |

Lines 26-28 **Qualifying Dividends:** Qualifying dividends include premium reduction benefits maturing within the year paid or credited to policyholders in Utah or applied as abatement or reduction of premiums due during the preceding calendar year.

Line 36 Enter your current state of domicile using the standard two-character identifier, i.e., AZ, NV, etc. and the tax due on a retaliatory basis. Attach computations. **Do not include insurance fees in this calculation.**

The penalty for failure to file a tax due return by the due date is the greater of \$20 or 10 percent of the unpaid tax. In addition, if a tax balance remains unpaid 90 days after the due date, a second penalty, the greater of \$20 or 10 percent of the tax balance, will be added for failure to pay timely.

The penalty for failure to pay tax due as reported on a timely filed return, or within 30 days of a notice of deficiency, is the greater of \$20 or 10 percent of the tax due.

Interest will be assessed at the rate prescribed by law from the original due date until paid in full. For information, taxpayers may request form TC-15, Applicable Interest Rates, by calling or writing the Utah State Tax Commission, 210 North 1950 West, Salt Lake City, Utah 84134, telephone number (801) 297-2200.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or TDD (801) 297-3819. Please allow three working days for a response.

**Questions regarding insurance fees and annual and quarterly insurance filings should be directed to:**

**Utah State Insurance Department**  
3110 State Office Building  
SLC UT 84114  
(801)538-3800