DEPARTMENT OF INSURANCE
STATE OF ARIZONA
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Survey of Arizona Domestic Insurers Instructions

MAIL YOUR FORM E-SURVEY WITH ALL ATTACHMENTS BY MARCH 1ST

Arizona Administrative Code R20-6-205(D) requires: "Data to be Reported by Domestic Insurers. Each domestic insurer shall file a Survey of Arizona Domestic Insurers as part of its Premium Tax and Fees Report. The Survey shall report the following data for the calendar year covered by the insurer's Premium Tax and Fees Report with respect to each foreign country or other state in which the insurer was required to pay any local or regional taxes:

1. Total local or regional taxes paid; and
2. Total premiums taxed under the premium taxing statute of the foreign country or other state, as reported by the insurer in any premium tax report filed under the laws of the foreign country or other state."

States that are known by this Department to have jurisdictions that impose taxes, fees or assessments upon insurers on a local or regional basis have been identified and are listed in the Survey form. You must complete this Survey in the manner prescribed in these instructions. We may take disciplinary action if you do not comply.

RECORDS NEEDED TO COMPLETE FORM E-SURVEY

To complete your Survey, you will need:

Copies of your **STATE** tax for report that you filed with each state listed in the Survey, for the calendar year of the Survey.

Copies of invoices, statements, lists, forms or checks that **document** the **local and regional taxes you paid during the calendar year of the Survey**.

DEFINITIONS OF TERMS USED IN FORM E-SURVEY

"**TOTAL PREMIUMS TAXED**" means the total premiums or considerations including fees and finance or service charges upon which the **STATE** imposed a premium tax.

"**TOTAL LOCAL AND REGIONAL TAXES PAID**" means the sum of all payments you made to cities, counties and other political subdivisions, such as parishes or regional taxing authorities for any taxes, licenses and other obligations such as fees and assessments.

INSTRUCTIONS TO COMPLETE THE SURVEY

COLUMN 1 – **Check NO** in Column 1 on the line for a State **if**:

- You did NOT have a certificate of authority in that State for any part of the calendar year covered by your tax report and Survey and you were NOT required to file a State tax report for orphan premiums or annuity considerations received from residents of that State.
- You only transacted business as an approved Surplus Lines Insurer in that State during the calendar year covered by your tax report and Survey and you were NOT required to file a State tax report for any premiums received from residents of that State.

Check YES in Column 1 on the line for a State **if**:

- You had a certificate of authority in that State for any part of the calendar year covered by your tax report and Survey.
- You did NOT have a certificate of authority in that State for any part of the calendar year covered by your tax report and Survey but you were required to file a State annual premium tax report for orphan premiums or annuity considerations received from residents of that State.

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<u>COLUMN 2</u> – For each State that you have checked YES in column 1, enter the amount of **Life Insurance Premiums**, including any fees, upon which the STATE imposed a tax, as reported in the STATE tax report you filed for the calendar year of the Survey. If you checked YES in column 1, but no Life Insurance Premiums were taxed by a State, enter “0” on the line for that State in Column 2.

<u>COLUMN 3</u> - For each State that you have checked YES in column 1, enter the amount of **Annuity Considerations**, including any fees, upon which the STATE imposed a tax, as reported in the STATE tax report you filed for the calendar year of the Survey. If you checked YES in column 1, but no Annuity Considerations were taxed by a State, enter “0” on the line for that State in Column 3.

<u>COLUMN 4</u> - For each State that you have checked YES in column 1, enter the amount of **All Other (excluding Life Insurance and Annuity Considerations)**, including any fees, finance charges or service charges, upon which the STATE imposed a tax, as reported in the STATE tax report you filed for the calendar year of the Survey. If you checked YES in column 1, but no Other premiums were taxed by a State, enter “0” on the line for that State in Column 4.

<u>COLUMN 5</u> - For each state where YES is circled in Column 1**,** enter the Total **Local and Regional Taxes** that you **PAID** during the calendar year of your tax report and Survey. If you checked YES in column 1 but did not pay any Local or Regional Taxes during the calendar year of your tax report and Survey, enter “0”.

See Page 3 for examples of local and regional taxes and fees imposed by municipalities. These examples may not represent all local and regional taxes for the states listed in the Survey.

<u>Important note:</u> **Include** taxes, fees or assessments **imposed by** cities, counties and other political subdivisions even if they are **collected by** the State or by a contracted administrator on their behalf.

REQUIRED DOCUMENTATION, ASSEMBLY AND DELIVERY

You must include the following documents with your Form E-Survey:

- One copy of your **Annual Statement SCHEDULE T** for the calendar year of your tax report and Survey.
- One copy of the **pages of the STATE tax reports** that **document the amounts** you report for each state **in Columns 2, 3 and 4**. Exclude pages of the STATE tax reports that are not needed to support the data report in your Survey.
- One copy of each invoice, statement, list, form or check that **documents** the **total local and regional taxes** you report in Column 5 as **<u>paid</u> during the calendar year of the Survey.**

<u>Group and assemble</u> the copies of your State tax reports and local tax payment documentation in **alphabetical order, by State.**

<u>Attach</u> the copy of your **SCHEDULE T on top** of the group of alphabetized copies of tax reports.

<u>Staple or clip</u> the ORIGINAL completed **Form E-Survey on top** of the SCHEDULE T.

IF YOU REPORT PREMIUMS TAXED FOR A LISTED STATE BUT YOU DO NOT REPORT ANY LOCAL/REGIONAL TAXES PAID FOR THAT STATE IN COLUMN 5, WE MAY REQUIRE AN AFFIDAVIT FROM AN OFFICER OF YOUR COMPANY AVOWING THAT YOU DID NOT PAY ANY LOCAL TAXES TO THAT STATE DURING THE CALENDAR YEAR OF THE SURVEY.

EXAMPLES OF LOCAL AND REGIONAL TAXES AND FEES

ALABAMA - Insurers *other than* fire and marine insurers: Payments you made to the Alabama League of Cities or directly to a municipality during the calendar year of the Survey for a license or privilege tax on net premiums. Tax amounts are based on the municipality population. Alabama Section 11-51-121.

Fire and marine insurers: Payments you made during the calendar year of the Survey to municipalities based on net premiums. Alabama Section 11-51-120

FLORIDA - **All insurers:** Payments you made to the Florida League of Cities or directly to a municipality during the calendar year of the Survey for business or occupational license fees or taxes. Title XIV Chapter 205.042

Property & Casualty insurers: Payments you made to the Florida Department of Revenue or directly to municipalities for taxes imposed by municipalities for their Firefighters (Form DR 908 pg. 1 line 6) and Police pension funds (Form DR 908 pg. 1 line 7).

GEORGIA - Payments you made during the calendar year of the Survey to the Georgia Insurance Department (Form GID-17A) or directly to municipalities for license fees, occupational fees or municipal taxes. O.C.G.A. § 33-8-8.1, 33-8-8.2 and 33-8-8.

ILLINOIS - Payments you made during the calendar year of the Survey to the Illinois Municipal League Fire Tax Fund. Code numbers for municipalities and fire protection districts are listed alphabetically in the Code Book available electronically at: www.iml.org.

KENTUCKY- Payments you made during the calendar year of the Survey for local government premium taxes. Generally paid quarterly with a FORM LGT-141 filing. The local tax upon life insurance business is based on the first year's premium and applies to the amount actually collected within the first year. Only the FIRST YEAR life premiums are subject to the local/regional taxes

If your 4^{th} Quarter tax is <u>paid</u> in January, use the following quarterly payments for the Total Local/Regional Taxes Paid in your Survey: The **prior year 4^{th} quarter payment** (**made in January** of the Survey year), **plus** the **1^{st}, 2^{nd} and 3^{rd} quarter** payments made during the Survey year.

Do not include policyholder surcharges that you collected from your policyholders.

LOUISIANA - Payments you made directly to a municipality or parish during the calendar year of the Survey **plus** amounts you reported in FORM 1076 for the **prior** calendar year period, because your Form 1076 and payment are due in March *following* the calendar year end.

<u>Example</u>: Use calendar year **2007** Form 1076 for the amounts you **<u>PAID</u> in** March **2008**. This form **<u>MUST</u>** be filed if you filed Form 1061

MISSOURI – Payments to cities and counties that impose taxes and fees on companies doing business or having offices in their area.

NEW YORK - Payments you made during the calendar year of the Survey for the Metropolitan Transit Authority Surcharge (MTA). FORM CT-33-M. It is very important the total of all MTA surcharges **paid** in each calendar year period is done in a consistent manner to reflect the actual payments made during the calendar year period. Exclude ALL overpayments in reported MTA amounts.
** NEW **TSB-M-09(1)MCTMT Chapter 25 of the Laws of 2009 added Article 23 to the Tax Law which establishes the metropolitan commuter transportation mobility tax (MCTMT) Metropolitan Commuter Transportation Mobility Tax (MCTMT) effective March 1, 2009***

SOUTH CAROLINA - Payments you made during the calendar year of the Survey to the Municipal Association of South Carolina.

WEST VIRGINIA - Payments you made during the calendar year of the Survey to municipalities for business or occupational taxes or license fees.