

Summary of Changes

The general assessment rate on all workers' compensation is 7.75 percent through 2008, 5.5 percent in 2009, and 4.3 percent in 2010. 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 facsimile forms to:

Utah State Tax Commission
Attention: Forms Group
210 N 1950 W
SLC UT 84134-3400

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) 297-3525 or (801) 297-3540.

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 36 (Utah Basis) or line 37 (Retaliatory Basis).

Credits

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

Line 2 Companies writing workers' compensation insurance are entitled to a credit for donations to the Rocky Mountain Center for Occupational & Environmental Health. The amount of the credit is the lesser of the total donation or .10 percent of the premium assessment on workers compensation. Attach a copy the receipt provided by this occupational health and safety center.

Line 3 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 4 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 7 Include any Guaranty Association refunds received during the taxable year. If the refund is not reported, please attach an explanation.

Line 8 **TOTAL TAX DUE - There must be an entry on this line.** If no tax is due, enter zero.

Prepayments

Line 9a Enter any Guaranty Association refunds received during this filing year that were remitted to the Utah State Tax Commission.

Lines 9b-9e Enter prepayments made during the year on the appropriate line. Include any overpayment applied from a prior year.

Tax Due or Overpayment

Line 11 **TAX DUE-** If line 8 exceeds line 10, subtract the amount of line 10 from the amount of line 8. Enter the amount on line 11. 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 12 **OVERPAYMENT-** If line 10 exceeds line 8, subtract the amount of line 8 from the amount of line 10. Enter the amount on line 12. 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 coupon included with the prepayment booklet. DO NOT DETACH THE COUPON FROM THE BOTTOM OF THE RETURN. Make** address corrections at the top of the return, NOT on the coupon. Do not 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)

- Line 4a Life insurance. This line is all life insurance, including only the first \$100,000 of Utah variable life insurance premiums. Utah Code §59-9-101(1)(d)
- Line 4b Utah variable life insurance in excess of \$100,000. Attach schedule of all variable life insurance premiums.
- 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 reported on lines 11 and 12.
- Lines 11-12 Physical damage premiums must be allocated between non-fire and 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 premium amounts representing deductibles, such as reimbursement, retention or similar "deductible plans."
- Line 19 Enter the total of lines 18a and 18b.

- Line 20 This total (adjusted for interest and service charges line 15, and amounts representing deductibles under workers' 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;
 - b) short-term accident;
 - c) fixed indemnity;
 - d) credit accident & health;
 - e) supplements to liability;
 - f) workers' compensation;
 - g) auto medical payment;
 - h) no-fault automobile;
 - i) equivalent self-insurance; and
 - j) any type of accident and health coverage that is a 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 31 All other workers' compensation tax is .0550 for tax year 2009 and .0775 for tax years before 2009 (2008 and earlier).
- Line 32 Base premium tax (multiply line 30, less line 4b, by .0225).
- Line 33 Utah variable life insurance (line 4b) times .0008.
- Line 37 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.

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. If a tax balance is still unpaid 90 days after the due date on a late-filed return, a second penalty, the greater of \$20 or 10 percent of the tax balance, will be added for failure to pay timely.

Interest will be assessed at the rate prescribed by law from the original due date until paid in full. For information, taxpayers may download Pub 58 at tax.utah.gov/forms.

For more information see our website, tax.utah.gov, or call 801-297-3540.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at 801-297-3811 or TDD 801-297-2020. Please allow three working days for a response.

Direct questions regarding insurance fees and annual and quarterly insurance filings to:

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