



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

DR-908N  
R. 01/14

Rule 12B-8.003  
Florida Administrative Code  
Effective 01/14

For Taxable Year Beginning on or After January 1, 2013

## 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 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 section (s.) 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 or special fire control district described and classified in ss. 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 business of fire insurance in the State of Florida 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 Form DR-908. **Form DR-908 should NOT be filed for each Florida location of an insurer unless the location has its own Federal Employer Identification Number (FEIN).** If you need additional assistance in completing Form DR-908, please call 800-352-3671.

#### When and Where to File Form DR-908

Form DR-908 is due on or before March 1 each year. Mail your completed Form DR-908 and payment to:

Florida Department of Revenue  
5050 W Tennessee St  
Tallahassee FL 32399-0150

If there is an overpayment to be refunded (Line 17), mail your completed Form DR-908 to:

Florida Department of Revenue  
PO Box 6440  
Tallahassee FL 32314-6440

A return will be considered timely filed if it is postmarked by the U.S. Postal Service on or before the applicable due date. If the due date falls on a Saturday, Sunday, or state or federal holiday, the return will be considered timely filed if it is postmarked the next business day.

#### Taxable Year

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

#### 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 Filing

You are able to file and pay insurance premium tax electronically using the Department's secure Internet site. Online electronic filing offers the uploading of Schedule XII, Firefighters' Pension Trust Fund, and Schedule XIII, Municipal Police Officers' Retirement Trust Fund, automatic calculations, and automatic entry for data appearing in more than one schedule. If you paid **\$20,000 or more** in tax during the State of Florida's prior fiscal year (July 1, 2012 – June 30, 2013), you are required to file and pay electronically. Insurers are encouraged to file electronically and take advantage of the opportunity to save resources. Insurers can obtain a waiver by calling 800-352-3671. Please visit our Internet site at [www.myflorida.com/dor](http://www.myflorida.com/dor) for more information.

**Important:** Please verify that the Federal Employer 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 Form DR-908 when it is filed. If you are claiming the salary tax credit, you must also submit copies of the Department of Revenue Form RT-6 (formerly UCT-6) for each quarter of credit claimed and a copy of Form RTS-71 (formerly UCS-71) if applicable. If you electronically file Forms RT-6 (*Employer's Quarterly Report*) and RTS-71 (*Quarterly Concurrent Employment Report*), you may substitute printouts of your quarterly electronic filings when those printouts include the company name, FEIN, and reemployment tax number of the entity for which the electronic filing was submitted; the name of each employee; and each employee's gross wages, excess wages not subject to tax, and net taxable wages. If Form RTS-71 is electronically filed for concurrent employees, a breakout by company should be included. Department of Financial Services' *Carrier and Self Insurance Fund Quarterly Premium Reports* must be attached if you wrote workers' compensation insurance. (Forms RT-6 and RTS-71 are incorporated by reference in Department of Economic Opportunity Rule 73B-10.037, Florida Administrative Code.)

Several credits, in addition to the salary tax credit and workers' compensation administrative assessment credit, require certifications and/or other documents to be attached to Form DR-908 in order to claim that particular credit (see Part Two, "Specific Instructions").

For any insurer required to compute retaliatory tax, a copy of the state of incorporation's *Insurance Premium Tax Return, Corporate Income Tax Return*, and any other applicable returns or schedules calculated using Florida premium volume, personnel, and property should be attached.

If you wrote bail bond premiums, the Notes to the Financial Statements in the Annual Statement must be attached to this return as the gross premiums written are subject to premium tax, not the net figure required to be reported on the Florida Business Page.

A copy of the paid Florida Insurance Guaranty Association (FIGA) assessment invoice from November 2012 must be attached to your 2013 Florida Insurance Premium Tax return because the assessment amounts recouped from policy holders are taxable premiums per s. 631.57(3)(g), F.S.

#### Signature and Verification

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

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:

- Federal employer identification number (FEIN), if applicable, **and**
- Preparer tax identification number (PTIN).

#### 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 Form DR-908 and list the reason(s) for amending the return. **All amended returns must bear an original signature as described above.**

#### Declaration of Estimated Tax

Taxpayers are required to make quarterly installment payments (Form DR-907) based on prior year tax due or current taxes due. You are able to file and pay insurance premium tax quarterly installments electronically using the Department's secure Internet site.

#### When is the installment payment due and payable?

Installments of tax are due and payable on April 15, June 15, and October 15 of each year. A final payment of tax due for the year must be made at the time the taxpayer files the return (Form DR-908) for the year.

An installment will be considered timely filed if it is postmarked by the U.S. Postal Service on or before the applicable due date. If the due date falls on a Saturday, Sunday, or state or federal holiday, the installment will be considered timely filed if it is postmarked the next business day.

#### What are the installment payments based on?

Installments are based on the estimated gross amount of receipts of insurance premiums or assessments received during the immediately preceding calendar quarter. The second quarter installment due June 15 (not July 15) requires the estimate to be through June 30. **All of the taxes reported on Form DR-908 are subject to installment payment requirements, not just the insurance premium tax reported on Schedule I of Form DR-908.** Because of the complexities of computing the standard 90 percent installment payment for all of the taxes reported on Form DR-908, most insurers use the safe harbor of paying 27 percent of the tax due in the preceding year for each installment payment. If each installment is 27 percent of the amount of the annual tax reported on the preceding year's Form DR-908 (Line 11 minus Line 9 and Line 10), there will be no installment penalty.

#### Where to Mail Your Form DR-907 and Payment:

Mail your completed Form DR-907 and payment to:  
Florida Department of Revenue  
5050 W Tennessee Street  
Tallahassee FL 32399-0150

#### Penalty

Any taxpayer who fails to report and timely pay any installment of tax, who estimates any installment of tax to be less than 90 percent of the amount finally shown to be due in any quarter, and/or who fails to report and timely pay any tax due with the final return is subject to a penalty of 10 percent on any underpayment of taxes or delinquent taxes due and payable for that quarter and/or on any delinquent taxes due and payable with the final return.

#### Interest

Interest accrues when a taxpayer fails to pay any amount due or any portion thereof, on or before the due date. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. For current and prior year interest rates, visit our Internet site or contact Taxpayer Services (see "Contact Us").

#### Contact Us:

Information and forms are available on our Internet site at:

**[www.myflorida.com/dor](http://www.myflorida.com/dor)**

To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.

For a written reply to **tax questions**, write:

Taxpayer Services  
Florida Department of Revenue  
5050 W Tennessee St Mail Stop 3-2000  
Tallahassee FL 32399-0112

#### Get the Latest Tax Information

Sign up to get e-mail notices automatically when we post:

- Tax Information Publications (TIPs).
- *Facts on Tax*, a quarterly publication.
- Proposed rules, notices of rule development workshops, and more.

Sign up at: **[www.myflorida.com/dor](http://www.myflorida.com/dor)**

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### Part Two Specific Instructions

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#### General Information Questions

Your name, address, FEIN, and Florida code must be entered on the return and payment coupon. Check the appropriate box: "Original", "Amended", or "Final." List the reason(s) for amending the return. If you check the "Final Return" box, include a reason and attach appropriate documentation. 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.

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 monies 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 s. 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.

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

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**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 s. 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 11.

**Line 2. Credits Against the Tax**

Enter the total credits against the tax from Line 13, 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 s. 624.515, F.S., using Schedule X. Compute the amount due for the surcharge under the provisions of s. 624.515(2), F.S., using Schedule X. Enter the total from Schedule X.

**Line 5. Wet Marine and Transportation Tax**

Compute the tax imposed by s. 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 ss. 175.101 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 s. 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 Tax Return and any other applicable returns or schedules calculated using Florida premium volume, personnel, and property should be attached for any insurer required to compute retaliatory tax.

**Line 9. Filing Fees**

Per s. 624.501(4), F.S., a \$250 quarterly/annual filing fee is imposed for those insurers required to file the annual statement. The 4th quarter annual statement filing fee is due with this return. Total all quarterly filing fees for the year (should be \$1,000) and enter this amount here, on Page 1, Line 9, and on Schedule XIV, Line 9, in Column A.

**Note: Prepaid limited health service organizations, fraternal benefit societies, and legal expense insurance corporations must report and pay their quarterly/annual statement filing fees to the Office of Insurance Regulation. Therefore, their filing fees are zero for the purposes of Page 1, Line 9, of this return.**

**Line 10. Insurance Policy Surcharge and Payment Due From FLAHIGA Refund**

Add the surcharge due from Schedule XVI and the payment due from Schedule XVII and enter the result on Line 10.

**Line 11. Total Tax Due**

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

**Line 12. Installment Payments**

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

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

**Line 13. Net Tax Due or Overpayment**

Subtract the amount on 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, 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. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. For current and prior period interest rates, visit our Internet site or contact Taxpayer Services (see "Contact Us" on Page 2).

**Line 16. Amount Due With This Return**

Add the total of Lines 13 through 15 to reflect the amount due with the return. Enter the amount here and on the payment coupon.

**Line 17. Amount of Overpayment to be Refunded**

Enter the amount of overpayment to be refunded. Enter the amount here and on the payment coupon.



The Department will pay interest on requested refunds not refunded by the later of:

- The July 31st immediately following the March 1st due date of the insurance premium tax return (Form DR-908); or
- 90 days from receipt of a complete return.

A complete return (Form DR-908) should contain all necessary documentation establishing the overpayment. Interest paid by the Department will be based upon a statutory floating rate that may not exceed 11 percent. For current and prior year interest rates, visit our Internet site or contact Taxpayer Services (see "Contact Us" on Page 2).

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**Schedule I**  
**Computation of Insurance Premium Tax**

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**Line 1. Property/Casualty/Miscellaneous**

Enter the Florida direct premiums written (gross premiums minus reinsurance assumed and returned premiums), which are reported on the Florida Business Page from the Florida Annual Statement.

- a) Additional Taxable Premiums - Enter additional taxable premiums. Some examples of additional taxable premiums are: finance and service charges; managing general agent fees; amounts recouped from policyholders as a result of regular Florida Insurance Guaranty Association (FIGA) assessments; and the gross up of bail bond premiums.
- b) Excluded Premiums - Enter excluded premiums which were included in direct written premiums. This includes any premium that is federally preempted from state taxation. Some examples of excluded premiums that are included in direct written premiums are: Motor Vehicle Service Agreement premiums and Service Warranty Association premiums under Chapter 634, F.S., that are subject to sales tax; Federal Crop Insurance Corporation premiums and premiums reinsured by the Federal Crop Insurance Corporation that are preempted from state taxation under s. 400.352 of Chapter IV of Title 7 of the Code of Federal Regulations; free premiums (uncollected premiums from policies where insurance coverage was provided without being paid by policyholder - net of subsequent collected amounts); federally preempted federal employee health benefit plan premiums; and federally preempted Medicare part D and Medicare Choice Plus premiums.
- c) Total Taxable Premiums - Enter the total taxable premiums, after adding Line (a) additional taxable premiums and subtracting Line (b) excluded premiums, for property/casualty and miscellaneous policies issued to holders in the State of Florida. Multiply the total taxable premiums by the tax rate of 1.75 percent (.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) and a reconciliation of Florida premiums on the Annual Statement to total taxable premiums. Insurers writing bail bond premiums must attach the Notes to the Financial Statements from the Annual Statement that show the gross bail bond premiums, which are subject to the insurance premium tax.

A copy of the paid Florida Insurance Guaranty Association (FIGA) assessment invoice from November 2012 must be attached to

your 2013 Florida Insurance Premium Tax return because the assessment amounts recouped from policy holders are taxable premiums per s. 631.57(3)(g), F.S.

**Line 2. Life and Accident and Health**

Enter the Florida direct premiums written (gross premiums minus reinsurance assumed and returned premiums), which are reported on the Florida Business Page from the Florida Annual Statement.

- a) Additional Taxable Premiums - Enter additional taxable premiums. Some examples of additional taxable premiums are: finance charges; service charges; and managing general agent fees.
- b) Excluded Premiums - Enter excluded premiums which were included in direct written premiums. This includes any premium that is federally preempted from state taxation. Some examples of excluded premiums that are included in direct written premiums are: federally preempted federal employee health benefit plan premiums; federally preempted Medicare part D premiums; and federally preempted Medicare Choice Plus premiums.
- c) Total Taxable Premiums - Enter the total taxable premiums, after adding Line (a) additional taxable premiums and subtracting Line (b) excluded premiums, for life and accident and health policies issued to holders in the State of Florida. Multiply the total taxable premiums by the tax rate of 1.75 percent (.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, (Direct Business in this State) and a reconciliation of Florida premiums on the Annual Statement to total taxable premiums.

**Line 3. Prepaid Limited Health Service Organizations**

Premiums, contributions, and assessments received by prepaid limited health service organizations under Chapter 636, F.S., are taxable at a rate of 1.75 percent. Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.75 percent (.0175). Enter the result in the "Tax Due" column.

**Line 4. Commercial Self-Insurance Funds**

Premiums, contributions, and assessments received by commercial self-insurers under s. 624.475, F.S., are taxable at a rate of 1.6 percent. Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the "Tax Due" column.

**Line 5. Group Self-Insurance Funds**

Premiums, contributions, and assessments received by group self-insurers under s. 624.4621, F.S., are taxable at a rate of 1.6 percent. Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the "Tax Due" column.

**Line 6. Medical Malpractice Self-Insurance**

Premiums, contributions, and assessments received by a medical malpractice self-insurance fund under s. 627.357, F.S., are taxable at a rate of 1.6 percent. Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the "Tax Due" column.

**Line 7. Assessable Mutual Insurers**

Premiums, contributions, and assessments received by an assessable mutual insurer under s. 628.6015, F.S., are taxable at a rate of 1.6 percent. Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the "Tax Due" column.

**Line 8. Corporation Not-for-Profit Self-Insurance Funds**

Premiums, contributions, and assessments received by a corporation not for profit self-insurance fund under s. 624.4625, F.S., are taxable at a rate of 1.6 percent. Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the "Tax Due" column.

**Line 9. Public Housing Authorities Self-Insurance Funds**

Premiums, contributions, and assessments received by public housing authorities self-insurance funds under s. 624.46226, F.S., are taxable at a rate of 1.6 percent under s. 624.46226, 624.4621, or 624.475, F.S. Enter the taxable premium, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the "Tax Due" column.

**Line 10. Annuity Premiums**

Enter the total from Schedule II, Line 3 in the "Tax Due" column on Line 10.

**Line 11. Total Premium Tax Due**

Add Lines 1c, 2c, and 3 through 10 and enter the total premium tax due on Line 11. The total premium tax due is then entered on Page 1, Line 1 of the return. If zero or less, enter -0-.

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**Schedule II**  
**Annuity Consideration Premiums**

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**Line 1. Total Annuity Premiums**

Enter the amount of gross receipts on annuity policies or contracts paid by holders in the State of Florida. Multiply the total premiums by the rate of 1 percent (.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 s. 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 Schedule I, Line 10. If zero or less, enter -0-.

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**Schedule III**  
**Credits Against The Premium Tax**

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**Line 1. Workers' Compensation Administrative Assessment Credit**

Enter the amount from Schedule VI, Line 4.

**Line 2. Firefighters' Pension Trust Fund Credit**

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

**Line 4. Eligible Corporate Income Tax Credit**

Enter the amount from Schedule V, Line 11.

**Line 5. Salary Tax Credit**

Enter the amount from Schedule V, Line 12 plus Schedule V, Line 13.

**Line 6. Florida Life and Health Insurance Guaranty Association Credit**

Enter the amount from Schedule VII, Line 1.

**Line 7. Community Contribution Credit**

Enter the amount of Community Contribution Credit approved for the tax year under s. 624.5105, F.S., less any Community Contribution Credit taken against the Wet Marine and Transportation Tax from Schedule XI, Line 8.

**A copy of the approval letter must be attached to the Form DR-908 on which the credit is claimed.** Any Community Contribution Credit not used in any single year may be carried forward for a period not to exceed five (5) years. If credit carryovers are used, attach a schedule reconciling all carryovers.

**Line 8. Child Care Tax Credits**

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

**A copy of the approval letter from the Department of Revenue must be attached to the Form DR-908 on which the credit is claimed.**

The Child Care Tax Credit Program expired on June 30, 2008, with the exception of the carry forward provisions (**five years**) and the provisions requiring repayment of tax credits in specified circumstances. See s. 624.5107, F.S.

Child Care Tax Credits may be claimed against corporate income tax or insurance premium tax (but not both).

**Line 9. Certified Capital Company (CAPCO) Credit**

Only carried forward amounts can be claimed after 2009. The certified investor shall be allowed to use no more than 10 percent (.10) of the vested premium tax credit, including any carry forward credits, per year. Any CAPCO Credit not used by the certified investor in any single year may be carried forward and applied against the premium tax liabilities of such investor for subsequent

calendar years until such carry forward amount is used. **Attach a schedule reconciling all credit carryovers, transfers, and sales. If credit carryovers are used or any part of the credit is transferred, purchased, or sold under the provision of s. 288.99, F.S. (2010), attach a schedule reconciling all transfers, purchases, sales, or carryovers. For transfers, list the company name and FEIN of the certified investor and the transferee(s). For sales, list the company name and FEIN of the certified investor, the purchaser(s), and the seller(s).**

**Line 10. Capital Investment Tax Credit**

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

Per s. 220.191(2), F.S., an annual investment tax credit is available to a qualifying business that establishes a qualifying project, as defined in s. 220.191(1)(g)1. & 2., F.S. **Attach a copy of the certification 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 850-298-6620.

The Capital Investment Tax Credit for qualifying projects defined in s. 220.191(1)(g) 3., F.S., may not be claimed against the insurance premium tax.

**Line 11. Credit for Contributions to Nonprofit Scholarship Funding Organizations**

Enter the amount from Schedule V, Line 14.

**Line 12. New Markets Tax Credit**

Per s. 288.9916, F.S., a credit is available for a qualified investment under the Florida New Markets Development Program administered by the Department of Economic Opportunity. **Attach a copy of the credit certification.** You may carry forward any unused credit for a period not to exceed five (5) years.

**Line 13. Total Credits**

Enter the total of Lines 1 through 12 on Line 13. The total from Line 13 is then entered on Page 1, Line 2 of the return.

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**Schedule IV  
Computation of Salary Credit**

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**In addition to completing Schedule IV, you must answer Question A on Form DR-908, Page 2.**

Under s. 624.509(5), F.S., a credit is allowed against the net tax imposed under s. 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 "adjusters", "managing general agents" and "service representatives," as defined in s. 626.015, F.S.

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 s. 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.

Effective January 1, 2003, an affiliated group of corporations that created a service company within its affiliated group on July 30, 2002 may allocate the salary of the service company employees under certain circumstances. See s. 624.509(5)(b)4, 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, the Municipal Police Officers' Retirement Trust Fund Credit, and the total corporate tax paid.

Effective for the 2005 tax year, an insurer that made an irrevocable election on or before August 1, 2005, for the alternative salary credit calculation under s. 624.509(5)(a)2., F.S., may allocate the eligible salaries of the affiliated group to the members of the affiliated group that are covered by the election. The amount of salary credit allowed under this exception is limited to the combined Florida salary tax credits allowed for all insurance companies that were members of the affiliated group of corporations for the tax year ending December 31, 2002, divided by the combined Florida taxable premiums written by all insurance companies that were members of the affiliated group of corporations for the tax year ending December 31, 2002, multiplied by the combined Florida taxable premiums of the affiliated group of corporations for the current year. **Insurers who are covered by an election under s. 624.509(5)(a)2., F.S., must include a calculation of the current year Salary Credit Cap for the Affiliated Group (Total Florida Taxable Premiums for the Tax Year times Affiliated Group 2002 Factor), an allocation of the affiliated group's eligible salaries to the individual entities in the affiliated group, and the amount of salary credit that is being claimed by each individual entity covered under the election.** The sum of the salary credits taken by all members of the affiliated group must not exceed the yearly salary credit cap. A reduction in salary credit for one or more of the entities in the affiliated group may be required should the total salary credits claimed by all members exceed the allowed cap. The reduced credit amount should be placed on Line 12 of Schedule V.

The exception to the standard salary tax credit requirements for mutual insurance holding companies that were in existence on or before January 1, 2000, in s. 624.509(5)(b)5., F.S., is NOT VALID because the associated funding provision in s. 28 of House Bill 1813 was vetoed by Governor Bush on June 20, 2005. (See ss. 26 and 28 of Chapter 2005-280, Laws of Florida [L.O.F.] and Governor Bush's veto letter of SB 1813, s. 28 dated June 20, 2005.) No other funding has been provided at this time.

Effective July 1, 2006, s. 624.509(6), F.S., was amended. To the extent that the salary tax credit is limited by the 65 percent limitation, the excess of the salary tax credit that was available



and exceeded the 65 percent limitation may be transferred to any insurer that is a member of that insurer's affiliated group if such excess salary credit is related to salaries and wages of employees whose place of employment is located within an enterprise zone created pursuant to Chapter 290, F.S. The amount of such excess credits to be transferred shall be calculated by multiplying the amount of such excess credits by a fraction, the numerator of which is the sum of the salaries of employees qualifying for the salary tax credit for calendar year 2013, whose place of employment is in an enterprise zone, and the denominator is the sum of the salaries qualifying for the salary tax credit for calendar year 2013. The amount of such excess salary tax credit transferred to all affiliates may not exceed 25 percent of such excess salary tax credits.

- Any such transferred credits shall be subject to the same provisions and limitations set forth in part IV of Chapter 624, F.S.
- An affiliated group of corporations that participate in a concurrent common paymaster arrangement as defined in s. 443.1216, F.S., is not eligible to use this provision.

If an insurer is claiming a transferred salary tax credit under s. 624.509(6), F.S., attach to the return a calculation of the portion of the affiliate's (transferor's) excess salary credit related to employees whose place of employment is located in an enterprise zone, the affiliates the excess credit is being transferred to, and the name and federal identification of each entity.

**Insurers claiming this credit must attach a copy of their quarterly Form RT-6 (formerly UCT-6) to their annual premium tax return, Form DR-908. Form RTS-71 (formerly UCS-71) must also be attached with the corresponding RT-6 forms, when a portion of concurrent employees' wages are claimed as eligible salaries. If you electronically file Forms RT-6 and RTS-71, you may substitute printouts of your quarterly electronic filings when those printouts include the company name, FEIN, and reemployment tax number of the entity for which the electronic filing was submitted; the name of each employee; and each employee's gross wages, excess wages not subject to tax, and net taxable wages. If Form RTS-71 is electronically filed for concurrent employees, a breakout by company should be included. If an insurer is claiming a salary tax credit, Form DR-908 is considered incomplete without this documentation.**

#### **Line 1. Total Premium Tax Due**

Enter the total from Schedule I, Line 11.

#### **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 Paid**

Enter the total amount paid from Florida Form F-1120, Line 13 for corporate income tax reported on the return due during calendar year 2013. The credit granted for corporate income tax is available for the annual period in which such tax payments are made. Payments of estimated income tax under Chapter 220, F.S., shall be deemed paid either at the time the insurer actually files its annual returns under Chapter 220, F.S.,

or at the time such returns are required to be filed, whichever occurs first.

If a consolidated corporate income tax return is filed, enter the insurance company's pro rata share of the consolidated income tax paid. Each company in the affiliated group with positive income is allocated a share of the income tax paid. An insurance company with positive income is allocated part of the consolidated income tax paid based on its positive Florida income after additions and subtractions (before apportionment) over the total income of all companies within the affiliated group with positive Florida income after additions and subtractions (before apportionment). This ratio is used to allocate the consolidated income tax paid by the affiliated group to the members of the group with positive income.

For example, Company A (\$100,000 positive income after Florida additions and subtractions and before apportionment), Company B (\$100,000 positive income after Florida additions and subtractions and before apportionment), and Company C (\$50,000 loss after Florida additions and subtractions and before apportionment) filed a Florida consolidated corporate income tax return and paid \$5,000 in tax. Company C is not allocated any of the consolidated corporate income tax paid because it did not have any positive income. Company A is allocated \$2,500 ( $\$100,000 / \$200,000 \times \$5,000$ ). Company B is allocated \$2,500 ( $\$100,000 / \$200,000 \times \$5,000$ ).

#### **Line 5. Total (Net Tax)**

Subtract Lines 2 through 4 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 6. 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 filing requirements of Chapter 73B-10, Florida Administrative Code (F.A.C.).

If the taxpayer is covered by an election for the alternative salary credit calculation under s. 624.509(5)(a)2., F.S., enter the allocated amount of the affiliated group's eligible salaries to the individual entity on Line 6.

#### **Line 7. Computation of Credit**

Multiply the total eligible Florida salaries from Line 6 by 15 percent (.15). Enter the result.

#### **Line 8. Salary Credit (Available)**

Enter the lesser of Line 5 or Line 7 here and on Schedule V, Line 4, as the total available salary credit cannot exceed the net tax as computed on Line 5. If zero or less, enter -0-.

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### **Schedule V**

#### **Corporate Income, Salary and SFO Credit Limitation**

Under s. 624.509(4) and (5), F.S., the corporate income 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 s. 624.509, F.S.

The total of the credit granted for the corporate income 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 Paid**

Enter the total corporate income tax paid from Florida Form F-1120, Line 13. For corporations filing on a consolidated basis, each individual corporation's share of the consolidated income tax paid must be computed. **A schedule of how the consolidated income tax paid is allocated among the consolidated filers should be attached to the return.**

The individual credits claimed cannot exceed the total corporate income tax paid on the consolidated basis. For more information, see the instructions for Schedule IV, Line 4.

**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**

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

**Line 4. Salary Credit**

Enter the salary credit computed on Schedule IV, Line 8.

**Line 5. Total Premium Tax Due**

Enter the total premium tax due from Schedule I, Line 11.

**Line 6. Workers' Compensation Administrative Assessment Credit**

Enter the credit computed on Schedule VI, Line 4.

**Lines 7 and 8. Firefighters' and Municipal Police Officers' Retirement Trust Fund Credit**

Enter the total excise taxes paid from Schedules XII-B and XIII-B onto Lines 7 and 8, respectively.

**Line 9. Premium Tax Due After Deductions**

Subtract the amounts on Lines 6, 7, and 8 from the Total Premium Tax Due on Line 5.

**Line 10. Limitation of 65 Percent**

Multiply Line 9 by 65 percent (.65) and enter the result.

**Line 11. Eligible Corporate Income Tax**

Enter the lesser of Line 3 or the limitation computed on Schedule V, Line 10. 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-. If the taxpayer is covered by an election for the alternative salary credit calculation under s. 624.509(5)(a)2., F.S., and a reduction to the amount of salary tax credit is required, enter the reduced salary credit amount here.

**Line 13. Transfer of Enterprise Zone Excess Salary Credit from Affiliate**

Enter the amount of Enterprise Zone excess salary credit transferred from a member of this taxpayer's affiliated group to the taxpayer. The amount of such excess credits to be transferred shall be calculated by multiplying the amount of

such excess credits by a fraction, the numerator of which is the sum of the salaries of employees qualifying for the salary tax credit for calendar year 2013, whose place of employment is in an enterprise zone, and the denominator is the sum of the salaries qualifying for the salary tax credit for calendar year 2013. The amount of such excess salary tax credit transferred to all affiliates may not exceed 25 percent of such excess salary tax credits. An affiliated group of corporations that participate in a concurrent common paymaster arrangement as defined in s. 443.1216, F.S., is not eligible to use this provision. This line cannot exceed Line 10 minus Lines 11 and 12. Attach a calculation of the portion of the affiliate's (transferor's) excess salary credit related to employees whose place of employment is located in an enterprise zone, the affiliates the excess credit is being transferred to, and the name and federal identification of each entity.

**Line 14. Credit for Contributions to Nonprofit Scholarship Funding Organizations**

A credit is available against the insurance premium tax for contributions to nonprofit scholarship funding organizations (SFO). Section 624.51055, F.S., governs the credit against the insurance premium tax and provides for a credit of 100% of an eligible contribution made to an eligible SFO as provided in s. 1002.395, F.S., against any net tax due for a taxable year under s. 624.509(1), F.S. However, the credit may not exceed the tax due under s. 624.509(1), F.S., after deducting from such tax:

1. deductions for assessments made pursuant to s. 440.51, F.S. (workers compensation administrative assessments),
2. credits for taxes paid under ss. 175.101 and 185.08, F.S. (firefighters' and police officers' pension trust funds), and
3. credits for income tax paid under Chapter 220, F.S., and the salary credit allowed under s. 624.509(5), F.S., as these are limited by s. 624.509(6), F.S.

To learn more about this credit or to submit your application, for an allocation of credit, go to the Department's Internet site. The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the taxpayer may apply for approval to carry forward the credit in a subsequent year. An unused credit cannot be carried forward more than five (5) years.

Enter the lesser of your eligible contributions to a nonprofit scholarship funding organization plus approved carry forwards under ss. 624.51055 and 1002.395, F.S., during the 2013 calendar year, or the result of (Schedule V, Line 9 less Schedule V, Lines 11, 12, and 13).

**Attach a copy of the certificate of contribution from each nonprofit scholarship funding organization to your *Insurance Premium Taxes and Fees Return* (Form DR-908).**

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**Schedule VI**  
**Workers' Compensation Administrative Assessment**  
**Credit Limitation**

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**Line 1. Premiums Written**

Enter the total workers' compensation 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 s. 440.51, F.S. **Copies of Department of Financial Services' Carrier and Self Insurance Fund Quarterly Premium Reports must be attached.** If total assessments paid are zero or less, enter -0-.

**Line 4. Workers' Compensation Administrative Assessment Credit**

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

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**Schedule VII**

**Florida Life and Health Insurance Guaranty Association (FLAHIGA) Credit**

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Under s. 631.72, F.S., a member insurer of FLAHIGA may take 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. Uncredited assessments cannot be transferred to another entity. **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 FLAHIGA Credit**

Enter the total credit amount here and on Schedule III, Line 6. If zero or less, enter -0-.

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**Schedules VIII and IX**

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Not Used

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**Schedule X**

**State Fire Marshal Regulatory Assessment Tax/Surcharge**

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A regulatory assessment of 1 percent (.01) is imposed on every domestic, foreign, and alien insurer issuing policies of fire insurance in Florida. In addition, each insurer authorized

to transact insurance business in Florida must remit a .1 percent (.001) surcharge on all gross direct fire, allied lines, and multiple peril insurance premiums written on commercial property located within Florida. (s. 624.515, F.S.)

**Total Premiums**

The amount of premiums to be entered in Schedule X in the column titled, "Total Premiums", is:

1. The Florida direct premiums written (gross premiums minus reinsurance assumed and returned premiums) which are reported on the Florida Business Page of the Florida Annual Statement;
2. Plus additional taxable premiums (some examples of additional taxable premiums are finance charges, service charges, managing general agent fees, and amounts recouped from policyholders as a result of regular Florida Insurance Guaranty Association [FIGA] assessments);
3. Less excluded premiums (some examples of excludable premiums are any premiums that are federally preempted from state taxation and free premiums [uncollected premiums from policies where insurance coverage was provided without being paid by a policyholder – net of subsequent collected amounts]).

Be sure to include a reconciliation of Florida premiums on the Annual Statement to the amount in the "Total Premiums" column.

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

A copy of the paid Florida Insurance Guaranty Association (FIGA) assessment invoice from November 2012 must be attached to your 2013 Florida Insurance Premium Tax return because the assessment amounts recouped from policy holders are taxable premiums per s. 631.57(3)(g), F.S.

**Types of Fire Premiums**

"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.

**Lines 1 through 13.**

Enter the amounts of premiums written for the types of policies listed. Multiply the total premiums by the percentage applicable to the peril of fire (Fire Percentage). Please see Lines 3 and 4 for commercial multiple peril policies to facilitate proper reporting using the correct fire percentage on commercial multiple peril policy premiums for rental condo units.

**Note:** When the books, records, and percentage assessment methodology used by an insurer clearly demonstrate without exception a lesser fire percentage than those listed, the insurer may apply the lesser fire percentages. The Department will audit the insurer's return when a fire percentage used is less than the percentage listed.

**Line 14. Total Taxable Premiums**

Add the taxable premiums on Lines 1 through 13 and enter the total. If zero or less, enter -0-.

**Line 15. State Fire Marshal Tax Due**

Multiply the total on Line 14 by the rate of 1 percent (.01) and enter the result.

**Line 16. Additional Premiums Subject to Surcharge**

Enter any additional premiums not included in the amounts on the lines marked with an asterisk (\*) (Lines 2, 3, 4, 5, 6, and 8) above that are subject to the surcharge. Attach a schedule with an explanation to your Form DR-908.

**Line 17. Total Premiums Subject to Surcharge**

Enter the total premiums from the lines marked with an asterisk (\*) (Lines 2, 3, 4, 5, 6, 8, and 16) indicating commercial fire, commercial multiple peril, farmowners multiple peril, crop hail, and commercial allied lines, plus the premiums from any other policy of fire, allied lines, or multiperil insurance that insures commercial property located in this state. If zero or less, enter -0-.

**Line 18. Surcharge Due**

Multiply the total on Line 17 by the rate of .1 percent (.001) and enter the result.

**Line 19. 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 of the return.

**Line 4. Wet Marine and Transportation Tax**

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

**Line 5. Corporate Tax Credit**

Enter the corporate income tax paid from Florida Form F-1120 (Line 13).

**Line 6. Firefighters' Pension Trust Fund Credit**

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

**Line 7. Municipal Police Officers' Retirement Trust Fund Credit**

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

**Line 8. Community Contribution Credit**

Enter the total credits approved under s. 624.5105, F.S., for the tax year.

**Line 9. Child Care Tax Credits**

Enter the amount of Child Care Tax Credits. Please see the instructions for Schedule III, Line 8 for information about the availability of this credit. Attach a copy of the approval letter from the Department of Revenue. A taxpayer who takes this credit against Florida corporate income tax is not eligible to take it against insurance premium tax.

**Line 10. Net Tax Due**

Subtract Lines 5 through 9 from Line 4. Enter the result here and on Page 1, Line 5 of the return.

**Note: This amount cannot be less than zero.**

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**Schedule XI  
Wet Marine and Transportation Tax**

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Under s. 624.510, F.S., an insurer writing policies of wet marine and transportation insurance as defined in s. 624.607(2), F.S., shall pay a tax of .75 percent (.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 ss. 175.101 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 s. 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) 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-.

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

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

**In addition to completing Schedules XII and XIII, you must answer Question B on Form DR-908, Page 2.**

Sections 175.101 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 s. 624.604, F.S., and includes the following lines: fire, allied lines, flood, earthquake, aircraft, 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 s. 185.02(2), F.S., and includes the following lines: private passenger auto no-fault (personal injury protection), other private passenger auto liability, commercial auto no-fault (personal injury protection), other commercial auto liability, private passenger auto physical damage, commercial auto physical damage, fidelity, burglary and theft.

Additionally, in the case of multiple peril policies which include both property and casualty coverage for a single premium, 70 percent of such premium shall be used as the basis for the Firefighters' Pension Trust Fund assessment reported on Schedule XII and 30 percent 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: farm owners' multiple peril, homeowners' multiple peril, and commercial 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 districts listed for the calendar year ended December 31, 2013. This must include any business being written in a pool or association arrangement. Multiply the total premiums by the applicable rate of 1.85 percent (.0185) for property policies reported on Schedule XII-B, and by .85 percent (.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.

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 2013 return and the information you reported last year. **If a significant variance exists, you must attach a detailed explanation clarifying the variance between your 2012 and 2013 returns.**

The Department of Revenue created a database that insurers may use in assigning their premiums and policies to the various participating local taxing jurisdictions. This database is available for free at <https://pointmatch.state.fl.us>. This database was created pursuant to ss. 175.1015 and 185.085, F.S. These statutes provide that insurers who exercise due diligence in using the Department's database to assign their premiums to the participating local taxing jurisdictions shall be held harmless from any liability, including but not limited to, liability for taxes, interest, or penalties that would otherwise be due as a result of an assignment of premiums to an incorrect local taxing jurisdiction. Insurance companies that do not use the electronic database provided by the Department of Revenue and do not exercise due diligence in applying the electronic database (for policies written or renewed during 2006 and thereafter), are subject to a .5 percent (.005) penalty on the total premium per policy that is improperly assigned.

The Department of Revenue; the Department of Financial Services, Office of Insurance Regulation; and the Department of Management Services, Division of Retirement, Municipal Police Officers' and Firefighters' Retirement Trust Funds Office, administer the Chapter 175 and 185, F.S., taxes.

- \* The Department of Financial Services, Office of Insurance Regulation has authority to impose the .5% (.005) penalty relating to the address database and insured risks not properly assigned to participating local taxing jurisdictions.
- \* The Department of Management Services, Division of Retirement, Municipal Police Officers' and Firefighters' Retirement Trust Funds Office administers the retirement trust funds, distributes monies to the local taxing jurisdictions, and notifies the Office of Insurance Regulation when insurers fail to comply.
- \* The Department of Revenue creates and maintains the database and collects the Chapter 175 and 185, F.S., taxes on its forms. When processing the Insurance Premium Tax returns, the Department of Revenue often contacts insurers about variances between the current year and prior year amount of premium reported for the various local taxing jurisdictions, to help ensure that the proper amounts are reported by the insurer to the proper local taxing jurisdictions.

Sections 175.151 and 185.13, F.S., provide that an insurer's certificate of authority may be canceled or revoked if an insurer fails to comply with the provisions of Chapters 175 and 185, F.S.

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#### Schedule XIV Retaliatory Tax Computation

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Per s. 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.

For any insurer required to compute retaliatory tax, **a copy of the state of incorporation's Insurance Premium Tax Return, Corporate Income Tax Return, and any other applicable returns or schedules calculated using Florida premium volume, personnel, and property should be attached.**

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 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. 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 Form DR-908 if the computation of the CT33/CT33M changes from the amount estimated when the original Form 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). Add the net premium tax due from Page 1, Line 3 to the wet marine and transportation tax from Page 1, Line 5. Enter the result in Column A. For Column B, 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.

**Line 2. 80 Percent of Salary Tax Credit Taken**

Per s. 624.5091(1), F.S., 80 percent of the credit provided by s. 624.509(5), F.S., (salary credit subject to the limitations) shall not be taken into consideration. Calculate 80 percent of the Salary Tax Credit (Page 3, Schedule III, Line 5) and enter the result in Column A. If a salary credit is given against the premium tax in the state of incorporation, enter 80 percent of that salary credit in Column B based on Florida premium volume and Florida personnel and property.

**Line 3. Total Corporate Income Tax**

Enter the total corporate income tax paid (Florida Form F-1120, Line 13) in Column A. For corporations filing on a consolidated basis, each individual corporation's share of the consolidated income tax paid must be computed. **A schedule of how the consolidated income tax paid is allocated among the consolidated filers should be attached to the return.** If a corporate income tax is imposed on insurers writing premiums in the state of incorporation, calculate the amount of corporate income 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 2013 calculated by using your Florida business.

**Line 4. Enterprise Zone Portion of 20% of Salary Credit Taken**

Effective July 1, 2005, a portion of the remaining 20 percent of the salary credit provided by s. 624.509(5), F.S., (salary credit

subject to limitations) shall not be taken into consideration. Calculate 20 percent of the Salary Tax Credit (Schedule III, Line 5 times 20 percent) and multiply it by a fraction, the numerator of which is the sum of the salaries qualifying for the salary credit of employees whose place of employment is located in an enterprise zone created pursuant to Chapter 290, F.S., and the denominator of which is the sum of the salaries qualifying for the salary credit. Enter the result in Column A. If a salary credit is given against the premium tax in the state of incorporation, enter in Column B, the result of the calculation of 20 percent of the salary credit multiplied by a fraction, the numerator of which is the sum of the salaries qualifying for the salary credit of employees whose place of employment is located in an enterprise zone, or similar type zone from the state of incorporation, and the denominator of which is the sum of the salaries qualifying for the salary credit. The Column B calculation is based on Florida premium volume, Florida personnel, and property.

**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 Officers' 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) (Assessments on the Property Portion of Insurance Premiums only)**

Only the property portion of the FIGA assessments may be added to the retaliatory schedule per s. 624.5091, F.S., and Rule 12B-8.016(3), F.A.C. Enter the calculated property portion of FIGA assessments allowed using the method described below. Provide your computation schedule and copies of FIGA certificates. Property insurance as defined in s. 624.604, F.S., includes the following lines: fire, flood, 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.

**Calculation:** Determine the property portion of each type of premium subject to the FIGA assessment, and total the results. Next, divide the total property portion by the total premiums (property and casualty) subject to the FIGA assessment. Take the resulting ratio (carried to six decimal places) times the FIGA assessment paid. Perform this computation for each FIGA assessment paid and add the results for the total allowable FIGA assessment to be included on Line 7, Column A.

**The Formula to Calculate the Property Portions of the FIGA Assessment is:**

$$A \div B \times C$$

A= Property Insurance Premiums Subject to FIGA Assessment  
B= Total Insurance Premiums Subject to FIGA Assessment  
C= FIGA Assessment levied by Florida Insurance Guaranty Association

Enter any guaranty assessment related to property insurance that may be imposed in the state of incorporation in Column B, by calculating the assessment a similar Florida insurer would have been assessed.

**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 by the insurer or agent to the State of Florida in Column A. Enter any like or similar fee imposed upon insurers or agents 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 **Certified Capital Company (CAPCO) Credit** claimed on Schedule III, Line 9, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation's insurance premium tax on this line in Column B.

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's insurance premium tax on this line in Column B.

Any **Community Contribution Tax Credit** claimed on Schedule III, Line 7, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation's insurance premium tax on this line in Column B.

Any **Credit for Contributions to Nonprofit Scholarship Funding Organizations** claimed on Schedule III, Line 11, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation's insurance premium tax on this line in Column B.

Any **New Markets Tax Credit** claimed on Schedule III, Line 12, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation's insurance 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 Page 1, Line 8. Do not enter if less than -0-.

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**Schedule XV**

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Not Used

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**Schedule XVI  
Insurance Policy Surcharge**

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Section 252.372, F.S., imposes a \$2 and \$4 surcharge on policies issued or renewed covering Florida residential or commercial real property.

Every insurer, 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.

**The figures used in this schedule are for the entire calendar year and not just the fourth quarter.**

**Line A. Commercial**

For the 2013 calendar year, enter the total number of commercial fire, commercial multiple peril, business owner's property, and all other policies covering commercial real property in Florida. Multiply by \$4 to determine the total amount due for commercial policies for the calendar year.

**Line B. Residential**

For the 2013 calendar year, enter the total number of residential fire, homeowners, mobile homeowners, tenant homeowners, condominium unit owners, and all other policies covering residential property in Florida. Multiply by \$2 to determine the total amount due for residential policies for the calendar year.

Add Lines A and B to determine the total surcharge due. Add this amount to the total payment due from Schedule XVII and enter the result on Page 1, Line 10.

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**Schedule XVII**

**Payment Due from Florida Life and Health Insurance Guaranty Association (FLAHIGA) Refund**

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Subsection 631.72(3), F. S., provides that any sums acquired by refund pursuant to s. 631.718(6), F.S., from the association (FLAHIGA) which have until now been written off by contributing insurers and offset against insurance premium or corporate income taxes as provided in subsection (1) and which are not needed for purposes of this part shall be paid by the insurer to the Department of Revenue for deposit with the Chief Financial Officer to the credit of the General Revenue Fund.

When FLAHIGA refunds money to an insurer from a previous assessment that was paid by the insurer, and the insurer had claimed credit or partial credit against its insurance premium

tax or corporate income tax for that previous payment to FLAHIGA, the insurer is required to pay part of that refund to the Department of Revenue.

**Line 1. Total Payment Due from FLAHIGA Refund**

Enter any payment due as a result of FLAHIGA assessments claimed as credits against Florida insurance premium tax (Form DR-908, Schedule VII) or Florida corporate income tax (Florida Form F-1120, Schedule V) subsequently refunded by FLAHIGA in calendar year 2013. **If no refund was received from FLAHIGA during the tax year, the amount on Schedule XVII, Line 1, should be zero.** Add this amount to the total surcharge from Schedule XVI and enter the result on Page 1, Line 10.

**Example .001 Rate**

ABC Insurance Company paid a \$200,000 Class B FLAHIGA assessment in 1995. On its 1997 – 2004 insurance premium tax returns, ABC claimed FLAHIGA credits of \$200 (\$200,000 X .001) each year for its 1995 payment to FLAHIGA. The total FLAHIGA credit taken by ABC, based on the 1995 FLAHIGA assessment, was \$1,600 (\$200 for 8 years). In 2005 FLAHIGA issued ABC a refund of \$40,000 from the 1995 assessment. Per s. 631.72(3) F.S., a \$320 payment is due the Department of Revenue in 2005 from that refund (\$40,000 X .001 X 8 years). The \$320 that is due to the Department of Revenue in 2005 is a repayment of the FLAHIGA credits that the insurer had already claimed in tax years 1997 through 2004 against its insurance premium tax or corporate income tax for the \$40,000 that was refunded by FLAHIGA. For tax years 2005 and thereafter, ABC should only use a payment of \$160,000 to FLAHIGA for its 1995 assessment when computing its FLAHIGA credit.

**Example .05 Rate**

ABC Insurance Company paid a \$300,000 Class B FLAHIGA assessment in 1998. On its 1999 – 2004 insurance premium tax returns, ABC claimed FLAHIGA credits of \$15,000 (\$300,000 X .05) each year for its 1998 payment to FLAHIGA. The total FLAHIGA credit taken by ABC, based on the 1998

FLAHIGA assessment, was \$90,000 (\$15,000 for 6 years). In 2005, FLAHIGA issued ABC a refund of \$30,000 from the 1998 assessment. Per s. 631.72(3), F.S., a \$9,000 payment is due to the Department of Revenue in 2005 from that refund (\$30,000 X .05 X 6 years). The \$9,000 that is due to the Department of Revenue in 2005 is a repayment of the FLAHIGA credits that the insurer had already claimed in tax years 1999 through 2004 against its insurance premium tax or corporate income tax for the \$30,000 that was refunded by FLAHIGA. For tax years 2005 and thereafter, ABC should only use a payment of \$270,000 to FLAHIGA for its 1998 assessment when computing its FLAHIGA credit.

From the examples above, the total amount that ABC is required to pay under s. 631.72(3), F.S., to the Department of Revenue in 2005 is:

\$40,000 (1995 FLAHIGA refund) X .001 X 8 years	=	\$320.00
\$30,000 (1998 FLAHIGA refund) X .05 X 6 years	=	\$9,000.00
TOTAL DUE	=	<u>\$9,320.00</u>

- The amount of payment due from FLAHIGA refunds should be based on the actual FLAHIGA credits taken by the insurer against its insurance premium tax or corporate income tax that were the result of the previous corresponding FLAHIGA assessment(s). If an insurer did not claim a FLAHIGA credit based upon the previous corresponding FLAHIGA assessment(s), no payment is required.
- The amount of the payment due from FLAHIGA refunds is not considered when determining whether the proper installments of tax were paid for the tax year.
- The amount of the payment due from FLAHIGA refunds is not included in the computation of the 27 percent exception for installment payments in the following tax year.

Like the FLAHIGA assessments, the FLAHIGA refund and the payment due from the FLAHIGA refund may not be included in the retaliatory tax computation.