



ARKANSAS INSURANCE DEPARTMENT  
ACCOUNTING DIVISION  
1200 WEST THIRD STREET  
LITTLE ROCK, AR 72201-1904  
PHONE (501) 371-2605  
www.insurance.arkansas.gov

## PREMIUM TAX INSTRUCTIONS TITLE AND AVIATION TITLE INSURANCE COMPANIES

### EACH INSURER MUST FILE THE FOLLOWING:

1. 2008 FORM AID AC TI-T (ANNUAL REPORT OF PREMIUMS, TAXES AND FEES); WITH SUPPORTING DOCUMENTATION AND CHECK ATTACHED
2. 1 COPY OF SCHEDULE T

**All tax filings and payments must be received on or before March 1, 2009;** the Department does not accept the postmark date or software company forms. No authority exists for granting any extension of time for filing or payment. Any insurer that fails to report or pay tax will be subject to penalty in accordance with ACA 26-57-607.

For questions concerning the completion of tax forms, contact the Accounting Division at (501) 371-2605 or email us at [insurance.accounting@arkansas.gov](mailto:insurance.accounting@arkansas.gov)

**Do not mail the premium tax forms and checks with the annual statement or any other correspondence. Premium tax forms and payments must be mailed to the following address:**

**Arkansas Insurance Department  
Accounting Division  
1200 West Third Street  
Little Rock AR 72201-1904**

<b>COPROPRATE FRANCHISE TAX:</b>	Remit to the Office of the Secretary of State, Attention: Lisa Bruno, 1401 Capitol Ave., Victory Bldg., Suite 250, Little Rock AR 72201. <b>MAIL TO ADDRESS ON THE FORM</b>
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### INSTRUCTIONS FOR AID AC TI-T (ANNUAL REPORT OF PREMIUMS, TAXES AND FEES)

The retaliatory column is to be completed as if your company was an Arkansas company completing the form for your state of domicile. Taxes and fees, which would be charged an Arkansas company, should be included for retaliatory purposes. Attach a detailed schedule if more than one rate applies for the state of domicile.

#### **SECTION A: DIRECT WRITTEN PREMIUMS:** § 23-57-603

- (1) A complete explanation of any differences between the tax form, and Schedule T must be attached.
- (2) Calculation of net direct written premium:
  - A. Includes premium or fees for closing protection letters.
  - B. Treatment of producer or agent commissions:
    - i. If the title insurer's direct written premium in this state includes agent or producer fees or other compensation then the full amount is taxable; or
    - ii. If the title insurer's direct written premium in this state excludes agent or producer fees, then the agent or producer fees are not taxable as premium.
  - C. Excludes charges for: title search, abstracting, or examination of title; obtaining a title opinion; document preparation fees; escrow or closing fees; notary fees; fees incurred to cure defects in title; tax report or tax certification fees; title report fees; processing fees; courier fees; and fees incident to the issuance of a title insurance report or policy.

**SECTION B: STATE OF DOMICILE TAXES/FEES** § 23-63-102

All entries in this section must be itemized with supporting documentation and computations, if applicable. Forms from the State of Domicile should be used for computations. Documentation such as “other fees” or “other credits” is not acceptable.

**SECTION C: PREMIUM TAX**

If your state of domicile imposes a minimum tax, enter the amount in column 2.

**SECTION G: INFORMATION REGARDING THE ARKANSAS CREDITS**

**Affordable Neighborhood Housing Tax Credit** § 15-5-1303, 15-5-1304

Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by Arkansas Development Finance Authority. **ATTACH ELIGIBILITY STATEMENT.**

**Low-Income Housing Tax Credit** § 26-51-1702

Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the Arkansas Development Finance Authority has issued an eligibility statement. **ATTACH ELIGIBILITY STATEMENT.**

**Coal Mining Enterprise Credit** § 26-51-511

Coal mining enterprises or eligible transferees are eligible for a tax credit if the coal was sold to an electric generation plant for less than \$40.00 per ton excluding freight charges.

**Capital Development Corporation Tax Credit** § 15-4-1026, 15-4-1029(f)(1)

Person who purchases an equity interest in a capital development company between 2003 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third (33 1/3) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019.

Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in § 15-4-1016 or for operating expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds.

**Equity Investment Incentive Tax Credit** § 15-4-3301, et seq.

Insurers are allowed a state income or premium tax credit for certain qualified equity investments up to 50% of net income or premium tax liability. The certified statement of the insurer, described in § 15-4-3305, and a tax credit certificate issued by the Arkansas Economic Development Commission must be submitted with the premium tax return.

**SECTION H:**

The amount of quarterly prepayments must agree with the ACTUAL prepayment amounts paid each quarter. **DO NOT ROUND AMOUNTS.**

Make one check payable to the State Treasurer of Arkansas and attach to the form. Checks for groups are not acceptable. Payment must be made for each individual company.

**EST-Q PREPAYMENT BOX MUST INCLUDE CHECK NUMBERS.**

**REFUNDS:**

If a negative amount results, it cannot be carried forward. A refund will be processed after the audit is completed. **If a refund is due for AID AC TI-T (annual report of premiums, taxes, and fees) check the line on page 1, in the upper right hand corner of the form.**



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2008 FORM AID AC TI-T

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ACCOUNTING DIVISION
DUE MARCH 1, 2009

ORIGINAL FILING
AMENDED FILING
REFUND DUE

ANNUAL REPORT OF PREMIUMS, TAXES AND FEES OF ALL
TITLE AND AVIATION TITLE INSURANCE COMPANIES

Form with fields: STATE OF DOMICILE, NAIC COMPANY CODE, COMPANY NAME, MAILING ADDRESS, CONTACT PERSON, TITLE, TELEPHONE NUMBER, EXT, FAX NUMBER, EMAIL ADDRESS

Column 1
Arkansas Tax

Column 2
State of Domicile Tax
on Arkansas Insurer
Tax Rate

A. TITLE INSURANCE PREMIUMS:

PAGE 38, LINE 4, COLUMNS 3, 4, & 5 (INCLUDING PREMIUM OR FEES
FOR CLOSING PROTECTIONS LETTERS) (EXCLUDING CHARGES FOR:
TITLE SEARCH, ABSTRACTING, OR EXAMINATION OF TITLE; OBTAINING
A TITLE OPINION; DOCUMENT PREPARATION FEES; ESCROW OR CLOSING
FEES; NOTARY FEES; FEES INCURRED TO CURE DEFECTS IN TITLE; TAX
REPORT OR TAX CERTIFICATION FEES; TITLE REPORT FEES; PROCESSING
FEES; COURIER FEES; AND FEES INCIDENT TO THE ISSUANCE OF A TITLE
INSURANCE REPORT OR POLICY):

1. NET DIRECT WRITTEN PREMIUMS

\$

\$

2. TAX THEREON 2 1/2%

\$

\$

B. STATE OF DOMICILE : READ INSTRUCTIONS

3. ADDITIONAL TAXES AND FEES

XXXXXXXXXXXXXX

\$

C. TOTAL PREMIUM TAX:

4. A(2) + B(3)

\$

\$

AMOUNT CANNOT BE LESS THAN ZERO

D. FEES:

5. FILING ANNUAL STATEMENT

\$ 50.00

\$

6. CERTIFICATE OF AUTHORITY RENEWAL

\$ 100.00

\$

7. TOTAL FEES

\$ 150.00

\$

E. AGGREGATE LIABILITY OF TAXES AND FEES:

8. LINES C(4) + D(7)

\$

\$

NAIC \_\_\_\_\_

COMPANY NAME \_\_\_\_\_

2008 FORM AID AC TI-T

**F. BASED ON SECTION E, LINE 8, MARK THE COLUMN WITH THE GREATER AMOUNT:**

COLUMN 1 - ARKANSAS

COLUMN 2 - STATE OF DOMICILE

**USING THE AMOUNTS FROM THE COLUMN MARKED ABOVE, COMPLETE THE FOLLOWING:**

9. PREMIUM TAX FROM SECTION C (4) \$ \_\_\_\_\_

**G. CREDITS:**

10. AFFORDABLE NEIGHBORHOOD HOUSING CREDIT \$(\_\_\_\_\_)

11. LOW-INCOME HOUSING TAX CREDIT \$(\_\_\_\_\_)

12. SUBTOTAL F (9) LESS G (10) AND G (11) \$ \_\_\_\_\_

13. CAPITAL DEVELOPMENT CORPORATION CREDIT \$(\_\_\_\_\_)

14. COAL MINING ENTERPRISE CREDIT \$(\_\_\_\_\_)

15. EQUITY INVESTMENT INCENTIVE CREDIT \$(\_\_\_\_\_)

**H. NET PREMIUM TAX:**

16. G (12) LESS G (13-15) \$ \_\_\_\_\_

17. FEES FROM SECTION D (7) \$ \_\_\_\_\_

18. PREMIUM TAX AND FEES DUE \$ \_\_\_\_\_

19. LESS 2008 QUARTERLY PREPAYMENTS BELOW \$(\_\_\_\_\_)

20. NET PAYMENT DUE \$ \_\_\_\_\_

**MAKE CHECK PAYABLE TO STATE TREASURER OF ARKANSAS AND ATTACH TO THIS FORM**

2008 Form AID AC EST-Q Quarterly Prepayments

3/31/08	check #	\$
6/30/08	check #	\$
9/30/08	check #	\$

**ATTACH THE FOLLOWING TO THIS FORM:**

- 1      SUPPORTING DOCUMENTATION FOR SECTION B
- 2      COPY OF SCHEDULE T
- 3      ONE CHECK FOR THE NET PAYMENT DUE

**AFFIDAVIT**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

COMES \_\_\_\_\_ AND STATES ON OATH THAT

HE/SHE IS THE \_\_\_\_\_ OF \_\_\_\_\_  
(TITLE) (NAME OF COMPANY)

AND THAT THE FOREGOING STATEMENTS ARE TRUE AND CORRECT AS SHOWN BY THE RECORDS OF SAID COMPANY.

\_\_\_\_\_  
(ORIGINAL SIGNATURE OF OFFICER)

SUBSCRIBED AND SWORN TO OR AFFIRMED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, ON THIS THE

\_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
NOTARY\_\_\_\_\_  
MY COMMISSION EXPIRES