

**2015 FOREIGN FFM-T INSTRUCTIONS  
ACCOUNTING DIVISION**

**STATE OF ARKANSAS  
DEPARTMENT OF INSURANCE**

**FOREIGN FEDERALLY FACILITATED MARKETPLACE (FFM) INSURERS ONLY**

**It is necessary to include your 5-digit NAIC number in the spaces provided.  
Do not use the federal identification number in place of your NAIC number.  
If you are expecting a refund, please mark "REFUND DUE" on top of page 1.**

**GENERAL FILING INFORMATION & CHECKLIST**

**Completing the return:**

The return must be completed on our website. **No Exceptions, we do not accept software company forms or substitutions. NO AUTHORITY EXISTS FOR GRANTING ANY EXTENSION OF TIME FOR FILING OR PAYMENT.** Forms print on 8 ½ x 11 sheet of paper.

**Sending in the return:**

Mail your return and check to: Arkansas Insurance Department  
Attn: Accounting Division  
1200 West Third Street  
Little Rock, AR 72201-1904

If you overnight your return, use the same address. **Do not include the instructions with your return and remittance.**

**Contact Information: Phone: 501-371-2605**

**Website: [www.insurance.arkansas.gov/Accounting/divpage.htm](http://www.insurance.arkansas.gov/Accounting/divpage.htm)**

**Filing Period:**

For calendar year ending 12/31/15 the Annual tax forms, related premium taxes and filing fees are due on or before **March 1, 2016.**

**Postmark Dates:**

**The Arkansas Insurance Department does not accept the postmark date for filing requirements.** All tax forms must be received in our department on or before 03/01/16. If your company uses a carrier other than the U.S. Postal Service, the Department still expects the filing on or before 03/01/16. All tax forms are subject to penalty **(\$100 a day)** in accordance with ACA. 26-57-607.

**DO NOT INCLUDE WITH THE PREMIUM TAX FILINGS:**

CORPORATE FRANCHISE TAX

Remit to the Office of the Secretary of State, Attention: Lisa Bruno,  
1401 Capitol Ave., Victory Bldg., Suite 250, Little Rock AR 72201.  
**MAIL TO ADDRESS ON THE FORM**

MANDATORY L&H GUARANTY  
FUND INFORMATION SHEET

If you have any questions, direct inquiries to (501) 371-2776 or  
[www.insurance.arkansas.gov](http://www.insurance.arkansas.gov), click on Divisions, then Liquidation.  
**MAIL TO ADDRESS ON THE FORM**

MANDATORY ARKANSAS  
COMPREHENSIVE HEALTH INS  
POOL (CHIP)

If you have any questions, direct inquiries to (501) 370-2659 or  
<http://www.chiparkansas.org/>  
**MAIL TO ADDRESS ON THE FORM**

# ARKANSAS FOREIGN FEDERALLY FACILITATED MARKETPLACE PREMIUM TAX RETURN INSTRUCTIONS

## Instructions for Page 1 of the return.

### NAIC Codes

Please enter your 5-digit NAIC Company Code in the space provided and complete all lines in the company information section. Complete Column 1 – Arkansas Tax and Column 2 – State of Domicile. Provide the **Correct Tax Rate** for the Domiciliary State.

### Section A

Line 1(a) - **Health Insurance** - Enter amount of health insurance premium only.

Line 1(b) - Less Federal Employees Health Benefits Program

Line 1(c) - **Dividends Paid or Credited On Direct Business**

Line 1(d) - Less Medicare Title XVIII, tax exempt

Line 1(e) - Subtract Line 1(b-d) from Line 1(a). Enter result on Line 1(e), Columns 1 & 2.

Line 1(f) - Multiply Line 1(e) by 2.5% tax rate and enter the result in column 1 & 2, Line 1(f).

Line 1(g) - **Additional Taxes and Fees from State of Domicile.** Include any/all fees or taxes that would be required of an insurance company doing business in your state. If your state of domicile imposes a minimum tax, enter that amount here. **Do not include special purpose ASSESSMENTS.** You **must** attach an explanation with computations for multiple items on this line. **Use this line for fees not shown in Section B.** New York Domiciled Companies: The CT-33 and CT-33-M, New York Franchise Tax forms, prepared on the Arkansas basis, are to be filed in Arkansas immediately upon filing the franchise information in New York.

Line 2 - **Total premium tax due Line 1(f), enter result on line; Col 2 use Line 1(f)(g).**

### Section B

**Line 4 - Total of all Premium Taxes and Fees Due - Add together Lines 2 plus 3c then enter result here. Figure cannot be less than zero.**

## Instructions for Page 2 of return.

### Section C

**Follow instructions at the top of page 2, this is your tax liability. Use amount from SECTION A, LINE 2.**

**Section D**

- Line 6 – **Guaranty Fund Assessment Credit** as calculated by the Life and Health Guaranty Association. **Each company receiving a credit will receive a form from the Life and Health Guaranty Association stating the total available premium tax credit for the year. SOFTWARE FORMS ARE NOT ALLOWED. If you feel there is an error in this computation, please do not change this amount. You will need to contact the Life and Guaranty Association directly at (501) 371-2776.** They will make all corrections and notify the Arkansas Insurance Department. **Attach form to verify amount taken and enter here. PROOF OF CREDIT REQUIRED WITH FILING.**
- Line 7 – **Arkansas Comprehensive Health Insurance Pool (CHIP)** credit Form #CHIP ST.SP (04). You will receive an annual assessment fee payable to the CHIP office if you are a participating insurer in the pool. If you do not receive your CHIP form prior to filing your annual return telling you what your credit is, contact the CHIP office at (501) 370-2659. **Attach form to verify amount taken and enter result here. PROOF OF CREDIT REQUIRED WITH FILING. SOFTWARE FORMS ARE NOT ALLOWED.**
- Line 8 – **Affordable Neighborhood Housing Credit** (Act 1331-1997) - 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 form to verify amount taken and enter result here.**
- Line 9 - **Low Income Housing Tax Credit** - 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. **Eligibility statement must be attached to verify amount taken and enter result here.**
- Line 10 - **Credits for Arkansas Salaries** You must complete the **SCHEDULE IC-PT, page 3** before taking this credit; otherwise it will be disallowed. Multiply the amount on Line 1(f) by 80% and enter the result here.
- \*\*Note\*\*The sum of Line 10 cannot exceed Line 2 of SCHEDULE IC-PT.**
- Line 11 - **Delta Geotourism Incentive Credit** (Act 349 of 2009) – This Act provides for a tax credit for a person or entity investing \$25,000 or more in a geotourism-supporting business in the Lower Mississippi River Delta and complies with the requirements of Section 4(a) of the Act. Geotourism is defined as tourism that sustains or enhances the geographical character of an area. **Attach form to verify amount taken and enter result here.**
- Line 12 - **AR Historic Rehab Income Tax Credit** § 26-51-2201, et seq. – The tax credits are available to a person or entity that invests in the revitalization and rehabilitation of historic structures throughout Arkansas. The credit is available in the amount of 25% of the first \$500,000 in qualified rehabilitation expenses on income producing property or the first \$100,000 in qualified rehabilitation expenses on non-income producing property. The evidence to support a claim for the tax credit should be presented to the Arkansas Insurance Department. **Attach "Certificate of Income Tax Credit" issued by Department of Arkansas Heritage to verify amount taken and enter result here.**
- Line 13 - **Subtotal** is the sum of the amount in Section C less credits listed in Section D on lines 6 – 12. Enter the result here. **If you only owe for fees, you cannot apply credits against fees.**

Line 14 - **Capitol Development Corporation Tax Credit** § 15-4-1026,15-4-1029(f)(1) Person who purchases an equity interest in a capital development company between 2004 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 operation 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.

Line 15 - **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 E

To derive at your **Net Payment Due, follow instructions below:**

Line 16 - **Total Premium Tax Due** - Enter the amount from above in Sect D, Line 13 less credit on Line 14-15, if any.

Line 17 - Add the amounts listed on Lines 17a through c and enter result here. Fill in appropriate columns with **pre-payment information** for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter payment, if any. **The amount must agree with the ACTUAL prepayments paid each quarter. DO NOT ROUND AMOUNTS.** Do not include penalty fees, only taxes.

Line 18 - Add Lines 16 through 17 and enter result here. Attach check payable to **State Treasurer of Arkansas** for the amount shown on Line 18. **All overpayments will be refunded after audit.** Be sure to **mark "Refund Due"** on the top of Page 1, if you are expecting a refund this year.

### Instructions for Page 3 of return

### Section F

Health Insurers Salary Offset §26-57-604

**This section must be completed in order to take the Salary Credit (Line 10) , or it will be disallowed.**

Each authorized health insurer may take a credit for **noncommissioned salaries and wages** of the insurer's Arkansas employees as an offset against the 2.5% tax on health insurance. The offset may not reduce tax due on health premiums by more than 80%. The employee must be a non-commissioned hire and have been employed 6 months for the wages to qualify.

Line 1 – Enter the number of **non-commissioned** Arkansas employees that were employed for at least 6 months by your company.

Line 2 – Enter the total of wages and salaries paid to these individuals on this line. Be sure to deduct commissions.

Line 3 – You must list the complete address of all offices in Arkansas. If additional space is needed, please attach a listing to return.

**PENALTY**

Any insurer that fails to report or pay the tax when due shall be subject to a **penalty of one hundred dollars (\$100) for each day of the delinquency.**

**Sending in the return**

**Mail your return and check along with proper attachments to:**

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

For other questions or comments:

Phone number: 501-371-2605

Fax number: 501-682-6679

Website: [www.insurance.arkansas.gov/Accounting/divpage.htm](http://www.insurance.arkansas.gov/Accounting/divpage.htm)

Email: [insurance.Accounting@arkansas.gov](mailto:insurance.Accounting@arkansas.gov)



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

ACCOUNTING DIVISION
DUE MARCH 1, 2016

ORIGINAL FILING
AMENDED FILING
REFUND DUE

THIS FORM TO BE FILED BY FOREIGN FEDERALLY FACILITATED MARKETPLACE (FFM) INSURERS

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

\*The Arkansas tax sections impose 2 1/2% tax on the total direct written premium, less applicable deductions under ACA 26-57-601 et. seq.

FOREIGN FEDERALLY FACILITATED MARKETPLACE INSURERS MUST FILE THIS FORM EVEN IF NO BUSINESS WAS WRITTEN DURING THE REPORTING PERIOD.

Table with 3 columns: Description, Column 1 Arkansas Tax, Column 2 State of Domicile Tax on Arkansas Insurer Tax Rate

A. HEALTH PREMIUMS ONLY

Table with 3 columns: Description, Column 1 Arkansas Tax, Column 2 State of Domicile Tax on Arkansas Insurer Tax Rate. Rows include Health Insurance Premiums Only, Federal Employees Health Benefits Program, Dividends Paid or Credited, Medicare Title XVIII, Tax Exempt, Net Health Premiums, Tax Thereon at 2.5%, Additional Taxes/Fees from State of Domicile, Total Premium Tax Due.

B. GRAND TOTAL OF ALL TAXES

Table with 3 columns: Description, Column 1 Arkansas Tax, Column 2 State of Domicile Tax on Arkansas Insurer Tax Rate. Row: Total Taxes

**BASED ON SECTION C, LINE 4, MARK THE BOX WITH THE GREATER AMOUNT BELOW:**

COLUMN 1 - ARKANSAS

COLUMN 2 - STATE OF DOMICILE

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

**C. 5. SECTION A LINE 2, Enter the amount here**

\$ \_\_\_\_\_ \*

**D. CREDITS CANNOT BE TAKEN AGAINST FEES**

- 6. Arkansas Guaranty Fund Assessment Credit \$(\_\_\_\_\_)
- 7. Arkansas Comprehensive Health Ins. Pool (CHIP) Credit \$(\_\_\_\_\_)
- 8. Affordable Neighborhood Housing Credit \$(\_\_\_\_\_)
- 9. Low Income Housing Tax Credit \$(\_\_\_\_\_)
- 10. Credit for Arkansas Salaries not to exceed 80% of Line 1f. \$(\_\_\_\_\_)
- 11. Delta Geotourism Incentive Credit \$(\_\_\_\_\_)
- 12. AR Historic Rehab Income Tax Credit \$(\_\_\_\_\_)
- 13. **SUBTOTAL (D less 6-12)** \$ \_\_\_\_\_
- 14. Capital Development Corporation Tax Credit \$(\_\_\_\_\_)
- 15. Equity Investment Incentive Tax Credit \$(\_\_\_\_\_)

**E. NET PAYMENT DUE**

- 16. Total Premium Tax Due (Figure cannot be less than zero)  
(D13 less 14-15) \$ \_\_\_\_\_
- 17. Deduct Prepayments, if any, from below then enter here. \$(\_\_\_\_\_)

Quarters	Check #	Show Actual Amounts Paid
17.a. First		\$ _____
17.b. Second		\$ _____
17.c. Third		\$ _____

18. Net Payment Calendar Year 2015 (F16 – F17) \$ \_\_\_\_\_  
**(CHECK MADE PAYABLE TO THE STATE TREASURER OF ARKANSAS)**

**SCHEDULE IC-PT**  
**HEALTH INSURERS SALARY ANNUAL OFFSET**

**Each** authorized health insurer may take an annual credit for **non-commissioned** salaries and wages of the insurer's Arkansas employees that are paid in connection with its insurance operations as an offset against the premium tax imposed on health insurance. The offset may not reduce tax due on health premiums by more than 80%. The employee must have been employed 6 months in Arkansas for the wages to qualify.

The Company **MUST** report as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: \_\_\_\_\_.
2. Amount of **non-commissioned** salaries and wages paid to individuals listed in item 1 above:  
\_\_\_\_\_.
3. Complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1.
  - a.
  - b.
  - c.

Attach additional sheets if necessary.

# 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 PUBLIC

My Commission Expires \_\_\_\_\_