

**ALASKA DIVISION OF INSURANCE
INSTRUCTIONS FOR FILING FINANCIAL STATEMENT AND PREMIUM TAX REPORT
AUTOMOBILE SERVICE CORPORATION**

Alaska prefers the company use OPTins to file the Annual Premium Tax Report and pay all taxes and fees

Financial Statement Address

Alaska Division of Insurance
550 West 7th Ave. Suite 1560
Anchorage, AK 99501-3567

- A. A financial statement showing the automobile service corporation's financial condition, transactions, and affairs for the preceding calendar year must be postmarked no later than March 1, 2017 to the Anchorage address. This financial statement must include a verification attached. As an example:

I, _____ (printed name), _____ (title), and I, _____ (printed name), _____ (title), hereby certify that the attached Financial Statements have been prepared on a GAAP basis and are true and correct statements of the assets and liabilities and of the condition and affairs of _____ (name of automobile service corporation) as of December 31, _____.

'Signed Name'

'Signed Name'

- B. An Audited Financial Statement is due to the Alaska Division of Insurance postmarked on or before June 1, 2017 to the Anchorage address or there may be a late filing penalty of \$100 for each day the corporation fails to file and may be suspended from entering into new obligations or issuing new policies of insurance in Alaska. This statement can be filed by March 1, 2017 in lieu of the statement described in A.
- C. The due date for the Annual Premium Tax Report is March 1, 2017.
- D. A Bond Continuation Certificate must be filed annually when the last certificate expires.

The Premium Tax and Fees payment must be received by March 1, 2017, and preferably be paid through OPTins, otherwise by the Automated Clearing House (ACH) debit or credit payment method in order to avoid a penalty or the possible suspension of the Certificate of Authority per AS 21.09.210(g). This applies to:

- A. Tax Payment.
- B. Certificate of Authority continuation fee of \$2,250.
- C. Financial Statement filing fee of \$100.

Other Important Notes:

- 1 **We understand it may be difficult to segregate the Alaska membership fees received between payments for insurance versus non-insurance services. If it is not possible to reasonably segregate the fees received, we will consider applying the tax rate to a percentage of the Alaska membership fees that might be attributed to insurance benefits. This percentage must have a rational basis and statistical support. If a percentage is used, the automobile service corporation should provide an explanation and support for how the corporation arrived at the percentage.**
- 2 The penalty for paying the tax late is \$50 per month plus five percent of the tax due each calendar month or part of a month during which the insurer fails to pay the full amount of the tax, or a portion of the tax, up to a maximum of \$250 plus 25 percent of the tax due, and interest of one percent of the tax due each calendar month or part of a month until tax is paid.
- 3 If payment is not received by the Automated Clearing House (ACH) payment method, a penalty of 25 percent of the tax due will be assessed, with a minimum of \$100 and maximum of \$2,000.

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- 4 Compliance with the required due dates for payments is determined by the date the ACH payment is received by OPTins or in the State of Alaska's bank account. Instructions to pay the state directly are available at:
<https://www.commerce.alaska.gov/ins/INSACHDebit/ACHLoginScreen.aspx> **An ACH Debit payment will be rejected by the bank if the submission contains inaccurate information and the payer will be subject to a penalty if the subsequent payment is received after the due date.**
- 5 If the due date falls on a weekend or holiday, the report and payment are due the next business day. Postmarks by due date are acceptable.
- 6 If the 2016 premium tax is \$10,000 or more, the automobile service corporation is required to pay quarterly estimated premium tax during 2017. The amount to be paid is 25% of the 2016 premium tax on or before May 31, August 31, and November 30.
- 7 Premium tax refunds must be requested by letter or email and include supporting documentation.
- 8 Definition of Automobile Service Corporation Services AS 21.59.900(2): Any professional service, technical service, replacement of goods that the corporation may become obligated to provide upon a contingent event or a certain event that may occur at an uncertain time and for which a specified single or periodic prepayment is charged or collected, including, but not limited to (A) emergency road service; (B) reimbursement of legal fees for representation on traffic offenses; and (C) providing bail bonds for traffic offenses; an automobile service corporation may provide other services or benefits that do not fall within the definition of an automobile service corporation services.
- 9 Definition of Premium AS 21.97.900(35): Means the consideration for insurance, by whatever name called, and by whatever method paid or collected, including an assessment, or membership, policy, survey, inspection, service or similar fee or charge made in consideration for an insurance contract.
- 10 Effective 7/1/13, a film production tax credit certificated under AS 43.98 may be claimed against your tax liability. In order to claim the credit, you must have acquired a credit certificate issued by the Film Office, Alaska Department of Revenue. Any unused credit may be carried forward but must be claimed before the expiration date on the certificate (six years from the date of issuance). For more information about this credit, refer to AS 43.98.030.
- 11 The official premium tax/fees contact name, address, phone, fax, & email will change to the information on the report.

If you have any questions contact Rebecca Nesheim at (907) 465-2584 or rebecca.nesheim@alaska.gov

**ALASKA DIVISION OF INSURANCE
 AUTOMOBILE SERVICE CORPORATION
 2016 PREMIUM TAX REPORT AND CONTINUATION OF CERTIFICATE OF AUTHORITY**

Must be submitted on or before March 1, 2017

Corporation Name	Domicile State	Alaska C of A #
Mailing Address		City, State, Zip Code
Contact Name and Address, if different than above *	Phone:	Fax:
	Email:	

* Changing official record - see instructions

TAXES AND FEES	ACH TAX TYPE	ACH AMT TYPE	x 2.7% =
1. Premium Tax (Schedule A)	07132	"T"	_____
2. Premium Tax Credit (Schedule B)			_____
3. Net Tax (line 1 - 2)			_____
4. Less amounts already paid in Alaska (quarterly tax payments, credits, etc.)			_____
5. Net Tax Payable (if overpayment, please send written request for refund or credit for tax year 2017 and do not include in line 8).			_____
6. Certificate of Authority Continuation Fee	07132	"F"	_____ \$2,250
7. Financial Statement Filing Fee	07132	"A"	_____ \$100
8. Total Tax and Fees payable with report. Minimum payable is \$2,350.00 (lines 5 + 6 + 7)			_____

SCHEDULE A.-- AUTOMOBILE SERVICE CORPORATIONS (AS 21.59.070(5))

ALASKA GROSS PREMIUM INCOME (Choose the preferable method of calculating the insurance portion of Alaska income):

1. Total Membership Fees Received: _____

2. Total Fees paying for Insurance Benefits: _____

OR

3. Percentage of the cost of insurance benefits to all costs of membership benefits and services paid for the year _____

4. Amount of fees allocated to insurance benefits (line 2 **OR** line 1 * line 3): _____

DEDUCTIONS ALLOWED:

5. Cancellations, refunds, savings and similar returns paid or credited to policyholders (same percentage as above) _____

TOTAL DEDUCTIONS _____

NET PREMIUM _____

SCHEDULE B.-- AUTOMOBILE SERVICE CORPORATIONS PREMIUM TAX CREDIT CALCULATION

The total credits claimed cannot be more than the tax liability

a. Cash Contribution to Educational Institutions (AS 21.96.070)

- 1. Total Amount of Contribution _____
- 2. 50 Percent of first \$100,000 of Contributions _____
- 3. 100 Percent of next \$200,000 of Contributions _____
- 4. 50 Percent of the contributions exceeding \$300,000 _____
- 5. Education Premium Tax Credit up to \$5,000,000 (lines 2 + 3 + 4) _____
- 6. Tax Liability (line 1, page 1, Premium Tax) _____

NOTE: Include copy of check or other verification of contribution.

7. **TOTAL PREMIUM TAX CREDIT** _____
Limited to the lower of \$5,000,000 or tax liability

b. Film Production Tax Credit (AS 43.98)

- 8. Amount of Film Production Tax Credit _____
- 9. Tax Liability (line 1, on page 1) _____

10. **Film Production Tax Credit** _____
(lesser of lines 7 or 8)

NOTE: Provide original film production tax credit certificate

TOTAL PREMIUM TAX CREDITS ALLOWED _____
(lines 7 + 10, limited to the tax liability)

I, _____, certify that I am the _____
(Corporate Official) (Title)

of the above-named Automobile Service Corporation and that the premium tax report is a complete, true and correct statement of all premiums and fees on business written by said corporation during the year ending December 31, 2016 on insurance of property or risks resident or located in Alaska.

Signature