

**ALASKA DIVISION OF INSURANCE
INSTRUCTIONS FOR ANNUAL STATEMENT AND PREMIUM TAX REPORT
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

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

Annual Statement Address

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

A. The Alaska Annual Statement located on web at:

<https://www.commerce.alaska.gov/web/ins/Insurers/AnnualFilingPremiumTaxForms.aspx>, supplements, exhibits and schedules must be postmarked to the Anchorage address by March 1, 2017 or per Alaska Statute (AS) 21.09.200(e) the Multiple Employer Welfare Arrangement (MEWA) shall pay to the Division of Insurance \$100 for each day the MEWA fails to file and may be suspended from entering into new obligations of insurance in Alaska.

B. The due date for the Annual Premium Tax Report is March 1, 2017. Include with the report page 7 of the annual statement for the State of Alaska.

The Premium Tax and Fees payment must be received on or before 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 \$2,000.
- C. Annual Statement filing fee of \$100.

Other Important Notes:

- 1 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.
- 2 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.
- 3 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.
- 4 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.
- 5 Premium tax refunds must be requested by letter or email and include supporting documentation.
- 6 **Retaliatory:** Fees and taxes which would be imposed upon Alaska insurers under the laws of another state or foreign country are subject to retaliation in the aggregate. Failure to pay retaliatory may result in suspension or revocation of the insurer's Certificate of Authority. Do not include producer licensing fees in the retaliatory calculation. Do not include personal income taxes, ad valorem taxes on real or personal property, or special purpose obligations or assessments imposed by another state in connection with particular kinds of insurance other than property insurance.
- 7 If the 2016 premium tax is \$10,000 or more, the arrangement 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.
- 8 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. This credit must be on the Alaska side of the retaliatory schedule.
- 9 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

SCHEDULE B. MULTIPLE EMPLOYER WELFARE ARRANGEMENTS 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, on page 1)		_____
7.		Educational Premium Tax Credit _____
NOTE: Include copy of check or other verification of contribution.		Limited to the lower of \$5,000,000 or tax liability

b. Comprehensive Health Insurance Association (CHIA) Assessment (AS 21.55.220)

8. 2015 Assessment Amount	_____	
9. 50 Percent of the Assessment		_____
10. Tax Liability (line 1, on page 1)		_____
11.		CHIA Premium Tax Credit _____
		(lesser of lines 9 or 10)

c. Film Production Tax Credit (AS 43.98)

12. Amount of Film Production Tax Credit		_____
13. Tax Liability (line 1, on page 1)		_____
14.		Film Production Tax Credit _____
NOTE: Provide original film production tax credit certificate		(lesser of lines 12 or 13)

TOTAL PREMIUM TAX CREDITS ALLOWED _____
 (lines 7 + 11 + 14, limited to the tax liability)

RETALIATORY SCHEDULE

NET PREMIUMS SUBJECT TO TAX:	Alaska	State of Domicile
1. Net Premiums (Schedule A)	_____	_____
a. Tax Rate	2.7%	_____
b. Premium Tax (line 1 x line 1a)	_____	_____
2. Premium Tax Credit (Schedule B a.7 & c.14 only)	_____	_____
3. Annual Statement Filing Fee	\$100	_____
4. Certificates of Authority Continuation Fee	\$2,000	_____
5. Other Taxes and Fees. Explanation: Attach explanation, if additional space needed	N/A	_____
6. Total Taxes and Fees (lines 1.b - 2 + 3 + 4 + 5)	_____	_____
7. Retaliatory Fee (line 6 State of Domicile minus Alaska) (Do not include on page 1 line 3 if negative amount)	_____	_____