

**INSURANCE CARRIERS QUARTERLY
TAX REPORT
INFORMATION 2010 FORM 101 B**

Special Fund Tax

Workers Compensation insurers who paid, or were required to pay, a tax of at least \$2,000 for the preceding calendar year are required to file a quarterly report and pay the taxes calculated therein or an amount equal to 25% of the tax paid or required to be paid for the preceding calendar year. A.R.S. § 23-961 (L).

This amount is determined from line 7 of Form 200, "Report of Annual Special Fund Workers Compensation Premium Taxes.

The taxes are calculated as follows:

1. Effective January 1, 2010, one and one-half percent under A.R.S. § 23-1065(A)¹ A quarterly payment, as described above, is required to be made.
2. Effective January 1, 2010, one-half percent under A.R.S. § 23-1065(F)²
3. Effective January 1, 2010, one-half percent under A.R.S. § 23-966(D)³ A quarterly payment, as described above, is required to be made.

Either one of two methods may be used to calculate the quarterly taxes. However, the same method must be used for all quarters.

NOTE: Insurance Carrier annual filings are due on March 1 and the insurance carrier quarterly filing dates are located on the quarterly tax form.

Penalty and interest will be assessed on quarterly payments that are not paid when due per **A.R.S. § 23-961 (N)**. Penalty is the greater of twenty-five dollars or five percent of the tax due plus interest at the rate of one percent per month from the date the tax was due.

¹ The Industrial Commission may direct the payment into the state treasury of not to exceed one and one-half per cent of all premiums received by the state compensation fund and private insurance carriers during the immediately preceding calendar year. The same percentage shall be assessed against self-insurers based on the total cost to the self-insured employer as provided in § 23-961, subsection J. Such assessments shall be computed on the same premium basis as provided for in § 23-961, subsections J, L, M and N and shall be no more than is necessary to keep the Special Fund actuarially sound. Such payments shall be placed in a special fund within the administrative fund to provide, at the discretion of the commission, such additional awards as may be necessary to enable injured employees to accept the benefits of any law of the state or of the United States, or both jointly, for promotion of vocational rehabilitation of persons disabled in industry.)

² If the total annual reserved liabilities of the special fund obligated under subsections B and C of this section exceed six million dollars, as determined by the annual actuarial study performed pursuant to subsection I of this section, the Commission may, after notice and a hearing, levy an additional assessment under subsection A of this section of up to one-half per cent to meet such liabilities. After proper notice, the Commission levied this assessment effective January 1, 2010.

³ The Commission may increase the assessment established in § 23-1065 by not to exceed one-half of one per cent of such assessment in any one year to reimburse the special fund for its net loss incurred under this section. The Commission imposed this assessment effective January 1, 2010.