

**ANNUAL WORKERS' COMPENSATION  
ADMINISTRATIVE FUND & SPECIAL FUND  
PREMIUM TAX REPORTS  
INFORMATION**

If "quarterly tax payments for year" exceed the Administrative Fund tax or the Special Fund tax, the overpayment will be refunded. Overpayments will not be credited against future quarterly taxes.

**Attach to the report a certified copy of STATUATORY PAGE 14 (Business page for Arizona) of your "Annual Statement, Exhibit of Premiums and Losses."**

**Enter "DIRECT LOSSES PAID IN 2010" in the appropriate box on Form 200B (Column 5 of Statutory Page 14).**

**Enter "TOTAL DEDUCTIBLE POLICY LOSSES PAID IN 2010" in the appropriate box on Form 200B. These are total deductible policy losses processed and paid by the insurance carrier that are/were reimbursable by the employer up to the policy deductible amount for 2010 (losses not included in column 5 of the Statutory Page 14).**

There is a penalty for failing to pay taxes on time: 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. **A.R.S. § 23-961 (N)**

Workers' Compensation insurers who were required to pay an Administrative Fund Tax of at least \$2,000 for the preceding calendar year must file a "Quarterly Workers' Compensation Premium Taxes" report and pay the taxes calculated for the current calendar year. The quarterly payments shall be due and payable on or before the last day of the month following the close of the quarter. **A.R.S. § 23-961 (L)**

**ADMINISTRATIVE FUND TAX**

**A.R.S. § 23-961 (J)** Every insurance carrier, including the state compensation fund, on or before March 1 of each year shall pay to the state treasurer for the credit of the administrative fund, in lieu of all other taxes on workers' compensation insurance, a tax of not more than three per cent on all premiums collected or contracted for during the year ending December 31 next preceding, less the deductions from such total direct premiums for applicable cancellations, returned premiums and all policy dividends or refunds paid or credited to policyholders within this state and not reapplied as premiums for new, additional or extended insurance.

**SPECIAL FUND TAX**

**A.R.S. § 23-1065 (A)** 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.

#### **APPORTIONMENT TAX**

**A.R.S. § 23-1065 (F)** ... 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, after notice and a hearing, may levy an additional assessment under subsection A of this section of up to one-half per cent to meet such liabilities...

#### **NO INSURANCE TAX**

**A.R.S. § 23-966 (D)** The commission may increase the assessment established in section 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.