

**SELF-INSURER QUARTERLY  
2011 TAX REPORT  
INFORMATION, FORM 101**

Any insurer which paid or is required to pay a tax of two thousand dollars or more for the preceding calendar year shall file a quarterly report, in a form prescribed by the commission, accompanied by a payment in an amount equal to the tax due at the rates prescribed. A.R.S. § 23-961 (L)

The 2011 taxes are as follows:

1. Effective January 1, 2011, 3.00% Administrative Tax under A.R.S. §23-961 (J)<sup>1</sup>.
2. Effective January 1, 2011, 1.5% Special Fund Tax under A.R.S. §23-1065(A)<sup>2</sup>.
3. Effective January 1, 2011, 0.5% Apportionment Tax under A.R.S. §23-1065(F)<sup>3</sup>.
4. Effective January 1, 2011, 0.5% No Insurance Tax under A.R.S. §23-966(D)<sup>4</sup>.

Either one of two methods may be used to calculate the quarterly taxes. However, the same method must be used for all quarters. If using method II, please contact the Industrial Commission staff at 602-542-1836, to receive the correct forms and instructions.

Self-Insurer quarterly filings are required and due as listed on the quarterly form. **Failure to pay taxes on time will result in penalty and interest being assessed** pursuant to A.R.S. § 23-961 (N), "the greater of twenty-five dollars or five percent of the tax or amount due plus interest at the rate of one per cent per month from the date the tax was due."

---

<sup>1</sup> 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. Every self-insured employer, including workers' compensation pools, on or before March 31 of each year shall pay a tax of not more than three per cent of the premiums which would have been paid by the employer if the employer had been fully insured under a plan available from the state compensation fund during the preceding calendar year. The commission shall adopt rules that shall specify those methods to be used for the calculation of rates and premiums and that shall be the basis for the taxes assessed to self-insured employers. The tax shall be not less than two hundred fifty dollars per annum and shall be computed and collected by the commission and paid to the state treasurer for the credit of the administrative fund at a rate not exceeding three per cent to be fixed annually by the industrial commission. The rate shall be no more than is necessary to cover the actual expenses of the industrial commission in carrying out its powers and duties under this title. Any quarterly payments of tax pursuant to subsection L of this section shall be deducted from the tax payable pursuant to this subsection.

<sup>2</sup> 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, K, 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.

<sup>3</sup> 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 held a hearing on June 30, 2010, and voted unanimously to retain this assessment for calendar year 2011.

<sup>4</sup> 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. On September 9, 2010, the Commission voted unanimously to retain this assessment for calendar year 2011.