

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

REQUIRED DOCUMENTATION

- 1. Insurance Carriers 2014 Tax Year Report of Annual Workers' Compensation Administrative Fund & Special Funds Premium Tax Form 200**
- 2. Certified Copy of Statutory Page 14 (Business page for Arizona from the "Annual Statement, Exhibit of Premiums and Losses as filed with the Arizona Department of Insurance)**
- 3. State of Arizona Substitute W-9, if a return of overpayment is due**

Complete the INSURANCE CARRIERS 2014 TAX YEAR REPORT OF ANNUAL WORKERS' COMPENSATION ADMINISTRATIVE FUND PREMIUM TAX FORM 200. Please ensure the following information is included as part of your annual return:

- 1. Enter "DIRECT LOSSES PAID IN 2014" in the appropriate box (Column 5 of Statutory Page 14) of Form 200.**
- 2. Enter "TOTAL DEDUCTIBLE POLICY LOSSES PAID IN 2014" in the appropriate box of Form 200. 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 2014 (losses not included in column 5 of the Statutory Page 14).**

If quarterly tax payments for the year exceed the required annual Administrative Fund tax or Special Fund taxes for 2014, the Industrial Commission of Arizona will issue a return of overpayment. Overpayments **will not** be credited against future quarterly taxes. A fillable copy of the State of Arizona Substitute W-9 may be found at www.gao.az.gov. On the left side bar, select Forms. The substitute W-9, with instructions, may be found at the bottom of the page. **Return of overpayments will not be processed without a current State of Arizona Substitute W-9.**

Any insurer failing to pay taxes on time shall be charged a penalty of 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)**

Any insurer, which has paid or is required to pay a tax of two thousand dollars (\$2,000) or more for the preceding calendar year, shall file a quarterly report accompanied by a payment in an amount equal to the tax due. **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...

INSOLVENT CARRIER / BANKRUPT EMPLOYER CLAIMS 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.