

### **304.10-180 Taxes on surplus lines.**

Each broker shall pay the following taxes:

- (1) A tax at the rate of three percent (3%) on the premiums, assessments, fees, charges, or other consideration deemed part of the premium as defined in KRS 304.14-030, on surplus lines insurance placed with an insured whose home state is Kentucky subject to tax transacted by him or her with unauthorized insurers during the preceding calendar quarter as shown by his or her quarterly statement filed with the commissioner in accordance with KRS 304.10-170. The tax shall not be assessed on the premium surcharge tax, the local government premium tax, or any other state or federal tax. The tax shall be remitted to the commissioner within thirty (30) days of the end of each calendar quarter. When collected the tax shall be credited to the insurance regulatory trust fund, as established by KRS 304.2-400;
- (2) The premium surcharge tax, to be remitted to the Kentucky Department of Revenue, in accordance with KRS 136.392; and
- (3) The local government premium tax, to be remitted to the appropriate city, county, or urban-county government taxing authority, in accordance with KRS 91A.080. Each broker shall be subject to the provisions of this section and KRS 91A.080 and 91A.0802 to 91A.0810 as an insurance company.

**Effective:** July 14, 2018

**History:** Amended 2018 Ky. Acts ch. 180, sec. 5, effective July 14, 2018. -- Amended 2011 Ky. Acts ch. 48, sec. 4, effective June 8, 2011. -- Amended 2010 Ky. Acts ch. 24, sec. 1099, effective July 15, 2010; and ch. 165, sec. 2, effective July 15, 2010. -- Amended 2008 Ky. Acts ch. 94, sec. 6, effective July 15, 2008. -- Amended 2005 Ky. Acts ch. 85, sec. 678, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 273, sec. 42, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 393, sec. 45, effective July 14, 2000. -- Amended 1982 Ky. Acts ch. 123, sec. 12, effective July 15, 1982. -- Created 1970 Ky. Acts ch. 301, subtit. 10, sec. 18, effective June 18, 1970.

**Legislative Research Commission Note (6/8/2011).** 2011 Ky. Acts ch. 48, sec. 5, provided that the provisions contained in Sections 2, 3, and 4 of that Act "shall take effect as provided in Article XIII of Section 1 of this Act, upon legislative enactment of the compact into law by two compacting states, provided the commission shall become effective for purposes of adopting rules, and creating the clearinghouse when there are a total of ten compacting states and contracting states or, alternatively, when there are compacting states and contracting states representing greater than 40 percent of the surplus lines insurance premium volume based on records of the percentage of surplus lines insurance." The Reviser of Statutes has determined that, as of April 8, 2011, two states had enacted the compact, thereby triggering the initial effective date of the compact. Since 2011 Ky. Acts ch. 48, did not contain an emergency clause, this section became effective June 8, 2011, the normal effective date for 2011 legislation.