

304.42-130 Offset of premium tax liability to state -- Surcharge on premiums.

- (1) A member insurer, other than a nonprofit hospital, medical, surgical, dental, or health service corporation, may offset its tax liability to this state imposed against it under KRS 136.320(3) and (4), 136.330, 136.340, or 136.350, whichever may be applicable, against the assessment described in subsection (8) of KRS 304.42-090 to the extent of twenty percent (20%) of the amount of the assessment for each of the five (5) calendar years following the year in which the assessment was paid. If a member insurer should cease doing business, all uncredited assessments may be credited against its tax liability for the year in which it ceases doing business.
- (2) A member insurer that is exempt from taxes referenced in subsection (1) of this section may recoup its assessments by a surcharge on its premiums in a sum reasonably calculated to recoup the assessments over a reasonable period of time, as approved by the commissioner. Amounts recouped shall not be considered premiums for any other purpose, including the computation of gross premium tax, the medical loss ratio, or agent commission. If a member insurer collects excess surcharges, the member insurer shall remit the excess amount to the association, and the excess amount shall be applied to reduce future assessments in the appropriate account.
- (3) Any sums acquired by refund, pursuant to KRS 304.42-090(6), from the association which have theretofore been written off by contributing member insurers and offset against taxes as provided in this section, and are not then needed for purposes of this subtitle, shall be paid by the association to the commissioner and by the commissioner deposited with the State Treasurer for credit to the general fund of this state.

Effective: June 27, 2019

History: Amended 2019 Ky. Acts ch. 70, sec. 9, effective June 27, 2019. -- Amended 2010 Ky. Acts ch. 24, sec. 1567, effective July 15, 2010. -- Amended 1998 Ky. Acts ch. 233, sec. 5, effective July 15, 1998. -- Created 1978 Ky. Acts ch. 282, sec. 13, effective June 17, 1978.