

**806 KAR 2:095. Accounting and reporting requirements for collecting local government premium tax.**

RELATES TO: KRS 91A.080, 304.10-120

STATUTORY AUTHORITY: KRS 91A.080(4), 304.2-110(1), 304.4-010

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the Commissioner of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code as established in KRS 304.1-010. KRS 91A.080(4) requires the department to promulgate administrative regulations for the collection and reporting of local government premium taxes. This administrative regulation establishes requirements for the accounting and reporting procedures to be used for the collection and reporting of a local government premium tax.

**Section 1. Definitions.**

(1) "Commissioner" is defined by KRS 304.1-050(1).

(2) "Insurance company" shall mean: (a) An entity holding a certificate of authority in accordance with KRS Subtitle 304.3; and (b) A surplus lines broker licensed in accordance with KRS 304.10-120.

(3) "Local government" is defined by KRS 91A.080(2).

(4) "Local government premium tax" shall mean a tax or license fee levied pursuant to KRS 91A.080.

**Section 2. Quarterly Payment and Reporting of Local Government Premium Taxes.**

(1) Each insurance company with local government premium tax liability shall make payment of its tax liability based on premiums actually collected within a calendar quarter. Payment shall be made to each local government within thirty (30) days of the end of each calendar quarter and shall be accompanied by:

(a)

1. Form LGT-141, City, County, or Urban County Government Quarterly Insurance Premium Tax Return; and

2. Form LGT-142, City Credit Against County Taxes; or

(b) A form containing the same information as Form LGT-141 and LGT-142.

(2) A copy of the report required in subsection (1) of this section shall not be filed with the commissioner.

**Section 3. Annual Reports.**

(1) By March 31 of each year, an insurance company shall submit to:

(a) Each local government to which local government premium taxes have been paid during the preceding calendar year, a report on the local government premium taxes paid during the preceding calendar year on:

1.

a. Form LGT-140, City, County, or Urban County Government Insurance Premium Tax Annual Reconciliation; and

b. Form LGT-142, City Credit Against County Taxes; or

2. A form substantially similar to Form LGT-140; and

(b) The department a report on the local government premium taxes paid during the preceding calendar year, accompanied by a fee of five (5) dollars per insurance company, through the Department of Insurance Web site, <https://insurance.ky.gov/doeservices/UserRole.aspx>.

(2)

(a) If an insurance company does not have any local government premium tax liability for the preceding calendar year, the insurance company shall submit a report to the department in accordance with subsection (1)(b) of this section.

(b) The report required by paragraph (a) of this subsection shall be required if the insurance company held an active license or certificate of authority at any time during the preceding calendar year.

Section 4. Each insurance company shall maintain records adequate to support the reports required by this administrative regulation.

Section 5. Each insurance company shall file the reports required by this administrative regulation. Reports required by this administrative regulation and filed on a group basis shall not be acceptable.

Section 6. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) Form LGT-140, "City, County, or Urban County Government Insurance Premium Tax Annual Reconciliation", 1/2012;

(b) Form LGT-141, "City, County, or Urban County Government Quarterly Insurance Premium Tax Return", 1/2012; and

(c) Form LGT-142 "City Credit Against County Taxes", 1/2012.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Insurance, Mayo-Underwood Building, 500 Mero Street, 2 SE 11,, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the department's Web site at: <http://insurance.ky.gov>.

(5 Ky.R. 96; eff. 9-6-78; Am. 9 Ky.R. 383; eff. 10-6-82; 11 Ky.R. 649; 981; eff. 12-11-84; 20 Ky.R. 1697; eff. 2-10-94; TAm eff. 8-9-2007; 38 Ky.R. 1495; 1857; eff. 6-1-2012; Crt eff. 2-26-2020; 47 Ky.R. 1075, 1564; eff. 5-4-2021.)