



2020 INSTRUCTIONS

LIFE, ACCIDENT AND HEALTH TAX RETURNS

READ CAREFULLY – IMPORTANT INFORMATION

1. **Life and A&H Insurers** – Upload a copy of Schedule T and a copy of the South Carolina Business Page from the Annual Statement.
2. **Health Insurers** – Upload a copy of Schedule T and a copy of the South Carolina Business Page from the Annual Statement
3. Round premiums to the nearest dollar.
4. Annual tax returns and all required supporting documentation are due in this Department on or before **March 1, 2021**.

Tax returns received by this Department without all supporting documents may be subject to penalties. Compliance with South Carolina Department of Insurance requirements is the Company's responsibility. Failure to comply could result in an administrative fine of up to \$30,000. Your attention is directed to S.C. Code Ann. §§ 38-2-10 and 38-5-130.

Schedule 01 - South Carolina Taxes and Obligations (All Insurers)

1. License fees **will not be** collected on March 1, 2021.
2. The amount on Line 0199 is the amount you should remit for payment. If the total amount of taxes due is negative, a refund will be issued. **Do not apply to next quarter.**
3. Acceptable payments are by electronic (ACH) check or credit cards. If your tax liability is \$99,999.00 or greater, you cannot pay by credit card. If paying by credit card, there a 1.7% vendor fee and a \$1.00 portal fee. Premium tax liabilities over one million dollars cannot be processed via the payment portal. These insurers are required to send in a check with a copy of the invoice to ensure proper account allocation. There is a **\$2.50** vendor fee for using the payment portal. Please click Proceed to Payment on the invoice page and follow the instructions.

Schedule 02 - Computation of Retaliatory Taxes (Foreign Insurers Only)

South Carolina law requires that retaliatory taxes for foreign insurers be calculated by the use of an aggregate approach instead of an item-by-item approach. The aggregate requirements imposed by the foreign state for the privilege of doing business therein, including taxes levied under local



ordinances, are compared with the aggregate requirements imposed in South Carolina for the privilege of doing business here, including taxes levied under local ordinances.

Complete Column A showing all taxes, fees, assessments and obligations due in South Carolina. Complete Column B showing all taxes, fees, assessments and obligations a South Carolina insurer would be required to pay your Domiciliary State under identical conditions. If the foreign state's aggregate total is greater than South Carolina's, the difference is collected from the foreign insurer as a retaliatory tax. If the remainder is negative, there is no retaliatory tax due.

A separate retaliatory worksheet must be uploaded showing home state rates, premium amounts, and calculations. A copy of the home state tax return will satisfy this requirement. This worksheet/tax return is a part of the Required Documentation and if it is not uploaded, the Company may be subject to disciplinary action for failure to follow instructions. A Copy of the SC Fee and Tax Return Schedule 02 – Computation of Retaliatory Taxes – does not satisfy this requirement.

Line 0209 Municipal License Fees

A copy of the Municipal Association's correspondence and a copy of check made payable to the MASC must be uploaded.

Schedule 03 – Biennial License Fee and Biennial Fixed License Fee

1. The Biennial License Fee and Biennial Fixed License Fee **will not** be collected on **March 1, 2021**

Schedule 04 – Exhibit of Premiums and Dividends (To Nearest Dollar)

1. Review this Schedule carefully to ensure proper reporting of premiums.

2. Use whole dollars – no cents.

3. All entries must balance to the Business Page and Schedule T of the Annual Statement. Schedule T Line 41 must agree with Line 99.99 Column A of Schedule 04 on the Fee and Tax Return.

4. Indicate negative premium by placing a negative sign immediately before the premium amount.

Schedule 05 – Insurance Premium Taxes (To Nearest Dollar)

1. The system will calculate premium tax amounts based upon the information entered on Schedule 04.

Schedule 06 – Insurance Premium Tax Credits Allowable – Upload Assessment Certificates

1. South Carolina Life & Health Guaranty Association Tax Credit. A 20% tax credit of the total guaranty assessment amount is allowed. This credit may not reduce the member's tax liability below zero. Any unused credit is lost and cannot be carried forward. **A copy of each Assessment Certificate must be uploaded to receive credit. Copies must be legible.**

2. South Carolina Health Insurance Pool Tax Credit. This credit may not reduce the member's tax liability below zero. The credit should be applied to the tax year in which it was paid. Any unused credit may be carried forward three years after the date of payment. **A copy of each Assessment Certificate must be uploaded to receive credit. Copies must be legible.**



Act 231 of 1996 allowed certain tax credits for insurers to spur economic growth and development in certain areas of South Carolina. Most of these credits correspond with credits to tax liabilities offered in Chapter 6 of Title 12 of the South Carolina Code. These credits should be reported in Schedule 06 on the South Carolina Premium Tax Return. Credits cannot reduce the company's tax liability below zero. Refer to www.sctax.org, Forms and Instructions, Current Forms and Instructions, Corporate Tax Return and then Tax Credits for explanation of credits and forms. Appropriate schedules should be uploaded.

INSURERS REPORTING VENTURE CAPITAL AUTHORITY CREDITS, RESEARCH & DEVELOPMENT CREDITS, JOBS TAX CREDITS, SOUTH CAROLINA HOUSING TAX CREDITS, HISTORIC STRUCTURES, TEXTILES REHABILITATION CREDITS, AND ABANDONED BUILDINGS CREDITS:

All insurers reporting these credits must upload a copy of the proper Certificates, SC SCH. TC Forms, Examples: TC-23 or TC-55, and the applicable SC1065 K-1 from the South Carolina Department of Revenue; Statement of Transfer (if credit transferred to another member); and Statement of Allocation showing the name, address, and FEIN number of the LLC, as well as calculations indicating the amount of allowable credit.

Any credits listed under "All Other Credits" must be identified.

Refunds resulting from the reporting of these credits will not be processed until all required information has been received.

Refer any questions on premium taxes to Angela Davis adavis@doi.sc.gov 803-737-6279 or to Desmond Haygood dhaygood@doi.sc.gov or to Sharon Waddell swaddell@doi.sc.gov or 803-737-4910

