



MEMORANDUM

TO: All Insurers Licensed to Conduct Business within the State of South Carolina

FROM: The South Carolina Department of Insurance, Office of Taxation

Subject: Annual Online Premium Tax Application

DATE: December 10, 2021

The purpose of this memorandum is to inform insurers of the opening date of the Annual Online Premium Tax Application.

OPENING DATE:

The Annual Online Tax Application will open the **first week of February 2022**. Please be aware that annual tax returns and all required supporting documentation are due to the South Carolina Department of Insurance (Department) on or before **March 1, 2022**.

All insurers must have their user ID and password available to log into the tax application. If you do not know the login information, please refer to the Welcome Letter you received upon initial licensing in South Carolina. Contact Company Licensing for additional information here [Company-Licensing](#).

INSURER COMPLIANCE:

All insurers including Risk Retention Groups, Health Maintenance Organization and Captive Insurance Companies must file their Premium Tax Returns using the electronic tax filing application and pay fees with the Department by **March 1, 2022**. Tax returns must be filed by the due date even if no business was written in the state during **2020**. **Failure to comply constitutes a violation of the South Carolina insurance laws and could result in the imposition of an administrative fine of up to \$30,000.00. Please refer to S.C. Code Ann. Section 38-2-10 and 38-5-130.**

BIENNIAL LICENSE FEE:

The Department **will collect** Biennial License Fees from insurers on **March 1, 2022**.

BIENNIAL FIXED LICENSE FEE:

The Department **will collect** Biennial Fixed License Fees from insurers on **March 1, 2022**.



SUPPORTING DOCUMENTATION:

Insurers are required to upload all required documentation. Tax filings will not be considered completed unless all required documentation is received by **March 1, 2022**.

CREDITS:

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.

Refer to Bulletin 2008-17 for information on the Coastal Premium Tax Credit. The worksheets are attached to the Bulletin. The worksheets must be uploaded.

INSURERS REPORTING VENTURE CAPITAL AUTHORITY CREDITS, RESEARCH & DEVELOPMENT 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-21, 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. **Refunds resulting from the reporting of these credits will not be processed until all required information has been received.**

The system will generate a **Document Checklist** which contains the required documents that must be provided to the Department. Authorized users must submit all **Required Documents** via the "Document Upload" feature of the tax application. When you print the Tax Return Invoice and you have documents listed, these are required documents **you have not** uploaded.

REFERENCE LIST:

A Reference List has been compiled to assist insurers in reporting 2021 premium writings for lines of business that are not addressed on Schedule 04. Insurers will no longer list write-ins under **Details of line 98.00 – All Other Lines**. Also, South Carolina **does not tax Finance Charges**. Please do not report these under All Other Lines. If the line of business is not shown on the **Reference List**, please contact Taxation@doi.sc.gov. (Please refer to **APPENDIX C**)

PASSWORD RESETS:

The Department is requesting that you review your Premium Tax Contacts in State Based Systems (SBS) before the annual premium tax filing due March 1, 2022. We have implemented system enhancements which allows Premium Tax contact's (i.e. emails) listed in your secured SBS company account to reset passwords forgotten for User ID's assigned to your company's NAIC code number. Due to the infrequency of paying quarterly taxes, and only filing premiums once per year, passwords are misplaced and/or forgotten. This requires our Help Desk to be contacted to assist your Tax Preparer's with resets of passwords, which could cause delays in your timely processing.



You can find instructions to assist you with this process at [Password Reset Instructions](#). We request that your Tax Preparers test their logins to ensure all information is current.

Check your company contacts by using the SBS's [License Lookup](#).

We thank you for your attention to this matter. Should you have any questions, please feel free to contact us at [Company-Licensing](#).

PAYMENT OPTIONS:

Insurers will be able to pay their tax liability by credit card or electronic (ACH) debit. Insurers that have premium **tax liability of one million dollars** or more are required to submit a paper check payable to the SC Department of Insurance. Please include the invoice with your check to ensure proper allocation to accounts.

Please be reminded there is a cap on credit card payments. Any payments exceeding \$99,999.00 cannot be processed by the credit card vendor. If paying by credit card, a 1.7% processing fee plus a \$1.00 portal fee will be added to your tax payment. There is a **\$2.50** nonrefundable vendor portal fee to process ACH payments.

Insurers paying by electronic (ACH) debit that have blocks on their bank accounts should use the following information to allow the Department to successfully debit their account:

- Trading Partner Originating Company Name: **SC.GOV**
- Trading Partner Originating Company ID: **1522077581**

CONTACTS:

Questions pertaining to this memorandum should be directed to:

- Sharon B. Waddell at 803.737.4910 or swaddell@doi.sc.gov
- Dorothy Williams at 803.737.6279 or dwilliams@doi.sc.gov
- Desmond Haygood at 803.737.6174 or dhaygood@doi.sc.gov



ANNUAL COMPANY TAX INSTRUCTIONS:

1. Go to the South Carolina Department of Insurance Home Page at <https://www.doi.sc.gov>.
2. At the bottom of the page under **Popular Links**, click on **“Online Services.”** You can also click on **Insurers** located in the top banner, click on **Premium Taxes**, then click on **File Company Premium Taxes at Online Services**.
3. Under the **Registered Company Users** heading scroll down to **“Company Taxes”** and click. Once the next page appears, enter your company’s user ID and password.
4. If a third party is processing your company taxes scroll down to **“Company User Account Maintenance”** under the **Registered Company Users** heading and click. Once the next page appears enter your company’s user ID and password and select **“Add”**. Enter the required information for the user and select **“SAVE”**.
5. Once you have successfully logged in, a **WELCOME** page appears. Click **“File Annual Tax Return”**.
6. The **“Terms of Use”** page will display next. After reading the Terms of Use screen click **“I Agree”**.
7. Once on the screen, the user will be able to enter all applicable tax data.
8. Follow the instructions on the screen(s) to process your fee and tax return.
9. **Schedule 01** will be the last schedule shown. Please thoroughly review your company’s tax information.
10. You may elect to return to a previous screen by clicking **“Previous.”** If you click the next button, the **‘Document Upload’** will appear. Follow the instructions and proceed to upload all required documentation listed in the **Document Checklist**. The next screen will be the **Attestation Page**.
11. Enter required information for the **Attestation** and click next.
12. If a tax payment is due an **Invoice page** will appear. You may pay by electronic (ACH) check or credit card.
13. If you click **“Proceed to Payment”**, the electronic (ACH) payment or credit card screen payment screen will appear. Enter all the required information and click **Submit**. It may take a few minutes before the **Confirmation Page** appears.
14. Please print and keep the Confirmation Page as your receipt of payment. **Please be sure to print a copy of the Tax Return for your records.**
15. If a refund is due or there is no tax liability, the application will generate a Confirmation Page indicating such. Please print and keep this page for your records.
16. If your confirmation page lists the name of any documents, i.e. Schedule T; State page; etc., this means these supporting documents **have not been uploaded**. Please upload these documents on or before **March 1, 2022**.
17. Insurers have **one year from March 1st to make amendments**. If your amendment results in additional taxes, please submit a paper check for any additional funds due to the Department at 1201 Main Street, Suite 1000, Columbia, SC 29201, Attention Accounting. Please include a copy of your invoice to ensure proper allocation.



APPENDIX B:
DOCUMENT CHECKLIST (REQUIRED DOCUMENTATION)

LIFE, ACCIDENT AND HEALTH INSURERS:

- Life and A&H Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 24 from the Annual Statement.
- Health Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 29 from the Annual Statement.
- Foreign insurers **must** upload a separate worksheet showing rates, premium amounts and calculations if retaliatory taxes and obligations are reported on Schedule 02.
- All companies **must** upload documentation for all allowable credits reported on Schedule 06.
- Insurers who report South Carolina Life & Health Guaranty Association Tax Credit must upload a copy of each Assessment Certificate to receive credit.
- Insurers who report South Carolina Health Insurance Pool Tax Credit must upload a copy of each Assessment Certificate to receive credit.

PROPERTY AND CASUALTY INSURERS:

- Property and Casualty Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 19 from the Annual Statement
- Title Insurers **must** upload a copy of Schedule T from the Annual Statement.
- Reciprocal Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 19 from the Annual Statement.
- Foreign insurers **must** upload a separate worksheet showing rates, premium amounts and calculations if retaliatory taxes and obligations are reported on Schedule 02.
- If applicable, a copy of the Assessment Certificate is required for Second Injury Fund.
- All companies **must** upload documentation for all allowable credits reported on Schedule 06.
- Insurers who report South Carolina Life & Health Guaranty Association Tax Credit must upload a copy of each Assessment Certificate to receive credit.
- Insurers who report South Carolina Health Insurance Pool Tax Credit must upload a copy of each Assessment Certificate to receive credit.

FRATERNAL BENEFIT SOCIETIES:

- Fraternal **must** upload a copy of Schedule T and a copy of the South Carolina Business page 23 from the Annual Statement
- Foreign insurers **must** upload a separate worksheet showing rates, premium amounts and calculations if retaliatory taxes and obligations are reported on Schedule 02.

COUNTY MUTUAL INSURERS:

- Companies **must** upload page 2 of their Annual Statement.

CAPTIVE INSURERS:

- Captive Insurers must upload copies of page 4 - Statement of Income and page 7 - Premium Schedule from their annual report. If licensed as a **Captive Risk Retention Group** or as **Special Purpose Financial Captive**, a copy of Schedule T from the Annual Statement must be uploaded.

HEALTH MAINTENANCE ORGANIZATIONS:

- No documentation required.



**APPENDIX C:
REFERENCE LIST**

SCHEDULE 04: WRITE-INS. IF THE LINES OF BUSINESS ON SCHEDULE 04 HAVE NOT ADDRESSED PREMIUMS WRITTEN AND DIVIDENDS PAID AS REPORTED BY YOUR COMPANY, PLEASE REFER TO THE LISTING BELOW:

<u>Coverage</u>	<u>Line of Business</u>
Credit Involuntarily Unemployment	98.00 All Other Lines
Glass	98.00 All Other Lines
Guaranteed Auto Protection (GAP)	98.00 All Other Lines
Guaranty Excess Share Deposits/Credit Unions	98.00 All Other Lines
Identity Theft	98.00 All Other Lines
Kidnap and Ransom	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made
Legal	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made
Loss of Income	02.10 Allied lines
Miscellaneous Casual	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made 98.00 All Other Lines
Mechanical Breakdown	98.00 All Other Lines
Nuclear Energy	98.00 All Other Lines
Pet Protection	02.10 Allied Lines
Finance Charges	Do Not Report

