



## 2021 INSTRUCTIONS

### PROPERTY & CASUALTY TAX RETURNS

#### READ CAREFULLY – IMPORTANT INFORMATION

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- 1. Property and Casualty Insurers** – Upload a copy of Schedule T and a copy of the South Carolina Business Page from the Annual Statement.
  - 2. Title Insurers** – Upload a copy of Schedule T from the Annual Statement.
  - 3. Reciprocal Insurers** – Upload a copy of Schedule T and a copy of the South Carolina Business Page from the Annual Statement.
  - 4. Foreign Risk Retention Groups** – Effective with the 2019 tax year, the SC Department of Insurance will no longer collect fees from foreign risk retention groups.
  5. Round premiums to the nearest dollar.
  6. Annual tax returns and all required supporting documentation are due in this Department on or before **March 1, 2022**

**Tax returns received by this Department without all supporting documents may be subject to penalties. Compliance with the 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 be** collected March 1, 2022.
2. The amount on Line 0199 is what 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 card. If your tax liability is over \$99,999.00, you cannot pay by credit card. If paying by credit card, there is 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 worksheet must be furnished showing home state rates, premium figures, and calculations. The home state tax return will satisfy this requirement. This worksheet is part of the Required Documentation and if it is not furnished, 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 the check made payable to the MASC must be uploaded.

### **Line 0210 – Second Injury Fund**

A copy of the Assessment Certificate must be uploaded.

## **Schedule 03 – Biennial License Fee and Biennial Fixed License Fee**

1. The Biennial License Fee and the Biennial Fixed License Fee **will be** collected on **March 1, 2022**.

## **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 SC 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 premiums by placing a negative sign immediately before the premium amount. i.e. -1,000.

5. **Mobile Home Premiums should be reported as follows:**

1. Premium for coverage on mobile homes at fixed locations should be reported as Homeowners Multiple Peril and Farm owners Multiple Peril as applicable.

2. Premium for coverage on mobile homes in transit should be reported as Inland Marine.



3. Premium for coverage on motor homes, travel trailers, etc. should be reported as Private Passenger Auto Physical Damage and Private Passenger Auto Liability as applicable.

6. **Finance and/or Service Charges are not considered premiums in South Carolina and should not be reported.**

#### **Schedule 04A Nontaxable Inland Marine Premiums**

Schedule 04A is for reporting Non-Taxable Inland Marine Premiums. Insurers should enter direct premium written and dividends paid for policies that are not subject to fire coverage on this schedule.

#### **Schedule 04B A & H Fee Income**

Schedule 04B is for reporting A & H Fee Income. Insurers reporting A & H Fee Income as reported on their Summary of Operations page should enter the taxable premium amounts on this schedule.

#### **Schedule 05 - Insurance Premium Taxes (To Nearest Dollar)**

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

#### **Schedule 06 - Insurance Premium Tax Credits Allowable - Attach Assessment Certificates**

**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](http://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 and supporting documentation must be uploaded.**

#### **INSURERS REPORTING VENTURE CAPITAL AUTHORITY CREDITS, RESEARCH & DEVELOPMENT CREDITS, JOB 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 to Bulletin 2008-17 for information on the Coastal Premium Tax Credit. The worksheets are attached to the Bulletin. The worksheets are supporting documentation and must be uploaded.**



## **Schedule 07 - Fire Inspection Tax, Fire Department Tax, and Fire Maintenance Tax**

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

## **Schedule 08 - Distribution of Net Fire Premiums (To Nearest Dollar)**

1. Use whole dollar amounts.

2. Insurers will have the option to upload an **Excel spreadsheet in the Department's format** with county amounts which will be automatically populated into this schedule.

**Please Note: Schedule 08 Distribution of Net Fire Premiums – If any county distributions vary 10% or more from the prior year, either an increase or a decrease, a written explanation must be uploaded as Required Documentation as part of the fee and tax return.**

Refer any questions on premium taxes to [taxmail@doi.sc.gov](mailto:taxmail@doi.sc.gov), Dorothy Williams [dwilliams@doi.sc.gov](mailto:dwilliams@doi.sc.gov) or 803-737-6279 or Desmond Haygood [dhaygood@doi.sc.gov](mailto:dhaygood@doi.sc.gov) 803-737-6174 or to Sharon Waddell [swaddell@doi.sc.gov](mailto:swaddell@doi.sc.gov) or 803-737-4910

