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TAX TOPICS

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Texas Comptroller of
Public Accounts

INSURANCE TAX

Volunteer Fire Department Assistance Fund Assessment

The **Rural Volunteer Fire Department Assistance Program**, administered by the Texas Forest Service, helps provide equipment and training to volunteer fire departments across Texas.

Funding the Program

The program is funded by an annual assessment on property and casualty insurers authorized to do business in Texas, including stock companies, mutual insurance companies, farm mutual insurance companies, county mutual insurance companies, Lloyd's plans and reciprocal or inter-insurance exchanges.

Annual Assessment Amount

For the fiscal years beginning on Sept. 1, 2015, and Sept. 1, 2016, the total assessment is the lesser of:

- \$30 million or
- the total amount the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Fund account in the General Revenue Fund, other than:
 - appropriations for contributions to the Texas Emergency Services Retirement System made under Government Code Section 614.104(d); and
 - appropriations to the Texas A&M Forest Service for grants to volunteer fire departments, not to exceed \$11,500,000.

For fiscal years beginning on Sept. 1, 2017, and thereafter, the assessment is the lesser of:

- \$30 million or
- the total amount the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Fund account in the General Revenue Fund.

Calculation of Each Insurer's Share of the Total Assessment

Each insurer's assessment is based on its share of all direct premiums written in Texas according to the Exhibit of Premiums and Losses (Statutory Page 14) of the National Association of Insurance Commissioner's (NAIC) Annual Statement. The assessment applies to an insurer writing the following six lines of business:

- fire insurance (Line 1);
- farm and ranch owner's insurance (Line 3);
- homeowner's insurance (Line 4);
- the non-liability portion of commercial multiple peril insurance policies (Line 5.1);
- private passenger automobile physical damage insurance (Line 21.1); and
- commercial automobile physical damage insurance (Line 21.2).

To calculate each insurer's share of the total assessment, we divide the insurer's Texas direct premiums written for these six lines of business by the total of all insurance companies' Texas direct premiums written for the same lines. We then multiply the resulting percentage by the total assessment amount to arrive at each insurer's portion.

FOR MORE INFORMATION,
SEARCH OUR WEBSITE AT
Comptroller.Texas.Gov

OR CALL
1-800-252-5555.

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered. It is not a substitute for legal advice.

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VOLUNTEER FIRE DEPARTMENT ASSISTANCE FUND ASSESSMENT

Assessment Mailing and Due Date

The Comptroller's office mails assessment billings to insurers in late May of each year. Payment is due no later than Aug. 1; the assessment notice includes instructions for computing penalty and interest if the payment is not made by this date.

Insurers cannot use the assessment as a credit against premium or maintenance tax. The assessment cannot be included on the retaliatory tax worksheet. An insurer can recover the assessment only as authorized by Insurance Code, Chapter 2007.

If you have questions about the Rural Volunteer Fire Department Assistance Program, please contact the Texas Forest Service at 1-979-458-6507.

If you have questions about paying the Volunteer Fire Department Assistance Fund assessment, please call 1-800-252-1387 or get help online at comptroller.texas.gov/web-forms/tax-help/.

In compliance with the Americans with Disabilities Act, this document may be requested in alternative formats by calling **1-800-252-5555**, or by sending a fax to **512-475-0900**.



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