



December 19, 2017

**CIRCULAR LETTER TO ALL MEMBER INSURERS**

**Re: Insurance Premium Tax Credits  
Association Assessments and Refunds**

The purpose of this circular letter is to provide member insurers with Certificates of Contribution showing 2016 assessments and refunds which should be filed with the North Carolina Secretary of Revenue in order for insurers to receive insurance premium tax credits as provided for under G.S. 105-228.5A.

G.S. 105-228.5A (b) and (c) provide in part as follows:

"(b) A Member insurer who pays an assessment is allowed as a credit against the tax imposed under G.S. 105-228.5 an amount equal to twenty percent (20%) of the amount of the assessment in each of the five taxable years following the year in which the assessment was paid. . . ."

"(c) Any sums that are acquired by refund, under either G.S. 58-48-35 or G.S. 58-62-41, from the Association by member insurers, and that have previously been offset against premium taxes as provided in subsection (b) of this section, shall be paid by the member insurers to this State in the manner required by the Secretary of Revenue. . . ."

The attached Certificate of Contribution sets forth (1) the total amount of assessments paid by your Company in 2016; (2) the total refunds paid to your Company in 2016 that are not subject to G.S. 105-228.5A; (3) the total refunds paid to your Company in 2016 that are subject to G.S. 105-228.5A; and (4) the net amount eligible for an insurance premium tax credit. Assessment and refund activity related to the workers' compensation Stock Reserve Account and Mutual Reserve Account are not included on the attached Certificate of Contribution.

Please see to it that this circular letter is brought to the attention of your tax advisor and all other interested personnel in your Company.

Sincerely,

Edith T. Davis

Chief Financial Officer

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Enclosure  
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