

All Insurance Companies and Surplus Lines Brokers Subject To Kentucky Local Government Premium Taxes

**COMMONWEALTH OF KENTUCKY
OFFICE OF INSURANCE
FRANKFORT, KENTUCKY**

**BULLETIN
2007-01-A**

TO: All Insurance Companies and Surplus Lines Brokers Subject To Kentucky Local Government Premium Taxes

FROM: Julie McPeak, Executive Director

RE: Amendment to Bulletin 2007-01 Regarding 2007-2008 Kentucky Local Government Premium Tax Schedule And Listing Of Payees And Addresses

DATE: December 1, 2007

This Bulletin amends Bulletin 2007-01 to give adequate effect to the statutory provisions of KRS 91A.080(11).

KRS 91A.080(11) prohibits a county from imposing the tax authorized by KRS 91A.080 upon premiums received on policies issued to public service companies which pay ad valorem taxes. According to the statutory language, this prohibition applies only to municipal taxes on premium imposed by a county. Accordingly, Bulletin 2007-01 is amended as follows:

Exemptions to Tax Liability

No license fee or tax shall apply to premiums received on the following policies:

- Group health insurance provided for state employees;
- Individual health insurance including policies issued through Kentucky Access;
- Workers compensation insurance;
- Annuities;
- Federal flood insurance;
- Municipal bonds, leases or other debt instruments issued by or on behalf of the municipality; or
- High deductible health plans as defined in 26 U.S.C. sec. 223(c)(2), commonly referred to as Health Savings Accounts.

No license fee or tax shall apply to policies issued by

- Entities issued a certificate of authority to do business in Kentucky only as a health maintenance organization pursuant to KRS 304.38-060;
- Entities issued a certificate of authority to do business in Kentucky as a captive insurer pursuant to KRS 304.49-010; or
- Domestic life insurance companies electing to be taxed under the provisions of KRS 136.320 – Capital and Surplus Tax.

No county may impose the tax authorized by KRS 91A.080 upon premiums received on policies issued to public service companies which pay ad valorem taxes.

Additional exemptions may apply pursuant to the ordinance enacted by the local government. Please refer to the tax code for each local government identified on the attached schedule for additional information.

Questions regarding this amendment should be directed to the Local Government Premium Tax Unit. Phone: 502-564-1649; Fax: 502-564-6090; or E-Mail: Brenda.Smith@ky.gov.

s/ Julie Mix McPeak
Julie Mix McPeak, Executive Director
Kentucky Office of Insurance

On this 3rd day of December, 2007.