

CARLISLE COUNTY FISCAL COURT
LOCAL GOVERNMENT PREMIUM TAX ORDINANCE
CARLISLE COUNTY, KENTUCKY

ORDINANCE NO. 2018-2-6

AN ORDINANCE IMPOSING A LICENSE FEE OR TAX UPON INSURANCE COMPANIES FOR THE PRIVILEGE OF ENGAGING IN THE BUSINESS OF INSURANCE WITHIN THE COUNTY OF CARLISLE; ESTABLISHING A LICENSE FEE OR TAX UPON INSURANCE COMPANIES AT THE RATE OF 4% OF THE FIRST YEAR PREMIUMS COLLECTED FOR LIFE INSURANCE AND 4% OF THE PREMIUMS COLLECTED FOR ALL OTHER TYPES OF INSURANCE ESTABLISHING AN EFFECTIVE DATE OF JULY 1 AND A DELINQUENCY DATE THIRTY-ONE (31) DAYS AFTER THE END OF EACH CALENDAR QUARTER; ESTABLISHING A PENALTY INTEREST CHARGE FOR ANY LICENSE FEE OR TAX NOT PAID ON OR BEFORE THE DUE DATE WHICH SHALL BE THE TAX INTEREST RATE DEFINED BY KRS 131.010(6) AND PUBLISHED IN THE ANNUAL LOCAL GOVERNMENT PREMIUM TAX BULLETIN ISSUED BY THE DEPARTMENT OF INSURANCE; ESTABLISHING A 10% PENALTY FOR A LICENSE FEE OR TAX NOT PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE; AND REQUIRING INSURANCE COMPANIES SUBJECT TO THE LICENSE FEE OR TAX TO FURNISH QUARTERLY AND ANNUAL REPORTS REQUIRED BY KRS 91A.080 AND 806 KAR 2:095.

BE IT ORDAINED BY THE FISCAL COURT OF CARLISLE COUNTY, KENTUCKY:

SECTION 1. Definitions:

a. Insurance company means any company authorized to transact insurance business in the state of Kentucky in accordance with KRS Chapter 304. Insurance company shall also include a surplus lines broker licensed in accordance with KRS Chapter 304, Subtitle 10.

b. Local government means a city, county, charter county, consolidated local government, urban-county government, or unified local government that, by this ordinance, imposes a license fee or tax upon insurance premium receipts.

SECTION 2: There is hereby imposed on each insurance company a license fee or tax for the privilege of engaging in the business of insurance within the County of Carlisle

SECTION 3: The license fee or tax imposed upon an insurance company with

respect to life insurance policies shall be 4% and based upon the first year's premiums only. The license fee or tax shall be applied to the amount of the premiums actually collected within each calendar quarter upon the lives of persons residing within the county of Carlisle.

SECTION 4: Except as provided in Section 5 of this ordinance, the license fee or tax imposed upon each insurance company with respect to any insurance policy which is not a life insurance policy shall be 4% of the premiums actually collected; within each calendar quarter by reason of the issuance of such policies on risks located within the county of Carlisle. The license fee or tax shall apply only to those classes of business which such insurance company is authorized to transact, less all premiums returned to policyholders.

SECTION 5: No license fee or tax imposed upon premium receipts shall apply to the following:

- a. All group health insurance and individual health insurance policies.
- b. Workers' compensation insurance;
- c. Annuities;
- d. Federal flood insurance;
- e. Municipal bonds, leases, or other debt instruments issued by or on behalf of Carlisle County unless the bonds, leases, or other debt instruments are issued for profit or on behalf of for-profit or private organizations;
- f. Policies of high deductible health plans as defined in in 26 U.S.C. sec. 223(c)(2), commonly referred to as Health Savings Accounts;
- g. Policies of insurance, insured or reinsured by the Federal Crop Insurance Corporation. 7 C.F.R. sec. 400.352(b)(2);
- h. Policies insuring or naming the state or one of its agencies or political subdivisions as an insured and surety bonds where the state or one of its agencies or political subdivisions is the obligee. For the purposes of local government premium tax payments, school districts are considered agencies of the state and policies insuring school districts and bonds with school districts as the obligee are exempt from local government premium taxes;
- i. Policies issued to public service companies which pay ad valorem taxes;
- j. Entities issued a certificate of authority to do business in Kentucky only as a health maintenance organization pursuant to KRS 304.38-060;
- k. Entities issued a certificate of authority to do business in Kentucky as a captive insurer pursuant to KRS 304.49-010; or
- l. Domestic life insurance companies electing to be taxed under the provisions of KRS 136.320.

SECTION 6: All license fees imposed by this ordinance shall be due no later than thirty (30) days after the end of each calendar quarter. The payment shall be

submitted to the local government, together with Form LGT-14 on or before the due date. Any license fee or tax not paid on or before the due date shall bear interest from the date due until paid at the interest rate established annually by the Department of Revenue for unpaid or underpaid taxes. This interest shall be paid to the local government together with the license fee or tax that is due.

In addition, the insurance company shall pay to the local government a penalty in the amount of 10% on a license tax or fee not paid within thirty (30) days after the due date.

SECTION 7: In accordance with KRS 91A.080(8), each insurance company subject to the license fee or tax imposed by this ordinance shall annually, by March 31, furnish the local government a written breakdown of all collections in the preceding calendar year for the following categories of insurance:

- a. Casualty;
- b. Automobile;
- c. Inland Marine;
- d. Fire and allied perils;
- e. Health; and
- f. Life.

SECTION 8: The local government shall transmit a copy of this ordinance, and any amendment(s) thereto, to the Kentucky Commissioner of Insurance at least one hundred (100) days prior to the effective date of the ordinance.

SECTION 9: This ordinance shall become effective on the first (1st) day of July, 2018.

1st Reading February 7, 2018

Final Reading March 7, 2018


Greg Terry, Carlisle County Judge Executive

Attest:



Michael Toon, Carlisle County Court Clerk