



Tax Information Publication

TIP

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Florida Insurance Premium Tax 2019 Legislative Changes

Florida Tax Credit Scholarship Program – Insurance Premium Tax Credits

The following provisions pertain to insurance premium taxpayers subject to tax under section 624.509, Florida Statutes, with taxable years beginning on or after January 1, 2019:

Application Period Extended

Previously, an insurance premium taxpayer could submit Form DR-116000, *Florida Tax Credit Scholarship Program Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations*, beginning the first business day in January for contributions to be made in insurance premium tax years that begin in the same calendar year through the end of the insurance premium tax year.

Now, an insurance premium taxpayer may apply for an allocation of credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that prior taxable year, which is the last day of February.

Contribution Period Extended

A contribution must be made to an eligible nonprofit scholarship-funding organization on or before the date the taxpayer is required to file a return, using Form DR-908, which is due on or before March 1, after the close of the taxable year.

Effect of Credit on Determining Underpayment of Estimated Tax

To determine if penalty or interest will be imposed for underpayment of estimated insurance premium taxes and fees, a taxpayer may, after earning the credit, reduce the amount due for any installment by the amount of the tax credit in order to meet the prior year exception.

Direct Written Premium – Shared Savings Incentives

Under sections 627.6387 and 627.6648, Florida Statutes, shared savings incentive amounts returned to policyholders as a return of premium or a reduction of premium reduce the health insurer's direct written premium by the shared savings incentive amount. To the extent such shared savings incentive amounts are not already deducted in the computation of direct written premium, as reported on the Florida business page of the Annual Statement, such amounts may be subtracted on the Florida *Insurance Premium Taxes and Fees Return* (Form DR-908). Insurers must maintain records of their incentive amounts and must document the proper amount of premiums subject to the insurance premium tax and retaliatory tax.

References: Chapters 2019-42 and 2019-100, Laws of Florida; Sections 624.51055, 627.6387, 627.6648, and 1002.395, Florida Statutes

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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