



OCTOBER 2013

# TAX TOPICS

## INSURANCE TAX

Texas Comptroller of  
Public Accounts

### Volunteer Fire Department Assistance Fund Assessment

The **Rural Volunteer Fire Department Assistance Program** is directed by the Texas Forest Service and helps volunteer fire departments across the state with equipment and training.

In 2013, the Texas Legislature set the amount of the assessment to be the lesser of \$30 million or the total amount that the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Fund account in the general revenue fund.

The program is funded by an annual assessment on property and casualty insurers authorized to do business in Texas, including stock companies, mutuals, farm mutuals, county mutuals, Lloyd's plans and reciprocal or inter-insurance exchanges. Each insurer's assessment is based on its share of the total premiums written in Texas. The assessment includes premiums for homeowners, fire, farm and ranch owners, private passenger automobile physical damage, commercial automobile physical damage and the non-liability portion of commercial multiple peril policies. The Texas Department of Insurance provides premium data from the State Page of the National Association of Insurance Commissioner's Annual Statement, Column 1, Lines 1, 3, 4, 5.1, 21.1 and 21.2 for these policies.

In May of each year, the Comptroller's office mails assessment billings to insurers. Payment is due no later than August 1.

To calculate each taxpayer's share of the total assessment, the Comptroller divides the insurer's Texas gross direct premium written for the affected policies by the total of all insurance companies' Texas gross direct premium written for these policies. We multiply the resulting percentage by \$30 million or the amount the General Appropriations Act appropriates from this Fund's account in the general revenue fund to determine the dollar amount of each insurer's assessment.

The assessment notice includes instructions for computing penalty and interest if the payment is not made by August 1.

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

If you have questions regarding the Volunteer Fire Department Assistance Program, please contact the Texas Forest Service at 979-458-6505. If you have questions regarding the Volunteer Fire Department Assessment or form completion, please call 1-800-252-1387, or get help [online](#).

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