

STATE OF IDAHO
DEPARTMENT OF INSURANCE
700 WEST STATE STREET, 3RD FLOOR
PO BOX 83720
BOISE, ID 83720-0043
PHONE (208) 334-4250
FAX (208) 334-4398

INSTRUCTIONS FOR SCHEDULE 7 - WORKER'S COMPENSATION TAX CREDIT

1. Read these instructions carefully before completing Schedule 7. If you have any questions, contact the Premium Tax Section at (208) 334-4282, or (208) 334-4281.
2. Each authorized insurance company which files a Statement of Premium Taxes and Fees and requests the worker's compensation tax credit – must complete only those schedules where tax credits are being requested. Total tax credits cannot exceed the calculated premium tax liability.
3. All worker's compensation insurers must pay a 2.00% premium tax on Idaho premiums written to the Idaho Industrial Commission. Insurers are allowed to offset 50% of this tax against the worker's compensation tax liability with the Department of Insurance. Do not confuse the premium taxes paid to the Industrial Commission at the 2.00% rate with the additional Department of Insurance 1.50% premium tax rate. The tax credit can only offset the worker's compensation premium tax liability and cannot be allowed against any other lines of insurance. Idaho Code § 72-523.
4. Report SEMI-ANNUAL Industrial Commission Net Premiums Written. Enter the same amounts as reported on the June and December Semi-Annual Report of Premiums filed with the Idaho Industrial Commission. Only 50% of your company's worker's compensation premium tax paid to the Industrial Commission semi-annually is allowed for deduction against premium taxes. Report minimum payments of \$75.00 if applicable.
5. Lines 4 and 5 - Department of Insurance calculation of worker's compensation premium tax liability. The tax credit can never exceed the worker's compensation premiums tax liability at 1.50% or the retaliatory tax rate. If the 1.50% worker's compensation tax is less than the allowable \$150.00 minimum, the lesser amount must be used as the credit. **If no worker's compensation premiums were written, no credit can be taken.**
6. The sum of the Idaho Industrial Commission Worker's Compensation Credits cannot exceed the total premium tax liability (Page 7, Schedule E, Line 5, Column A or B, whichever is greater).