

**Table 16: Tax Rates on Insurance Corporations as of January 1, 2010**

State	Basis of Tax	Credit for Other Taxes (1)	Top Rate on Life Insurance Premiums		Top Rate on P/C* Insurance Premiums		Top Rate on Income
			Domestic	Foreign	Domestic	Foreign	
Alabama	Premiums	N/A	2.30%	2.30%	3.60%	3.60%	N/A
Alaska	Premiums	N/A	2.80%	2.80%	2.70%	2.70%	N/A
Arkansas	Premiums	N/A	2.50%	2.50%	2.50%	2.50%	N/A
Arizona	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
California	Premiums	N/A	2.35%	2.35%	2.35%	2.35%	N/A
Colorado	Premiums	N/A	1.00%	2.00%	1.00%	2.00%	N/A
Connecticut	Premiums	N/A	1.75%	1.75%	1.75%	1.75%	N/A
Delaware (2)	Premiums	N/A	1.75%	1.75%	1.75%	1.75%	N/A
Florida (3)	Income & Premiums	Credit	1.75%	1.75%	1.75%	1.75%	5.50%
Georgia	Premiums	N/A	2.25%	2.25%	2.25%	2.25%	N/A
Hawaii (4)	Premiums	N/A	2.75%	2.75%	4.27%	4.27%	N/A
Idaho	Premiums	N/A	1.70%	1.70%	1.70%	1.70%	N/A
Illinois (5)	Income & Premiums	Credit	0.50%	0.50%	0.50%	0.50%	7.30%
Indiana (6)	Income or Premiums	None	1.30%	1.30%	1.30%	1.30%	8.50%
Iowa	Premiums	N/A	1.00%	1.00%	1.00%	1.00%	N/A
Kansas	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
Kentucky (7)	Capital & Reserves or Premiums	N/A	N/A	2.00%	2.00%	2.00%	N/A
Louisiana	Income & Premiums	Credit	2.25%	2.25%	3.00%	3.00%	8.00%
Maine	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
Maryland	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
Massachusetts (8)	Premiums	N/A	2.28%	2.28%	2.28%	2.28%	N/A
Michigan	Premiums	N/A	1.25%	1.25%	1.25%	1.25%	N/A
Minnesota	Premiums	N/A	1.50%	1.50%	2.00%	2.00%	N/A
Mississippi	Income & Premiums	N/A	3.00%	3.00%	3.00%	3.00%	5.00%
Missouri	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
Montana	Premiums	N/A	2.75%	2.75%	2.75%	2.75%	N/A
Nebraska (9)	Income & Premiums	Credit	1.00%	1.00%	1.00%	1.00%	7.81%
Nevada (10)	Premiums	N/A	3.50%	3.50%	3.50%	3.50%	N/A
New Hampshire (11)	Income & Premiums	Credit	1.25%	1.25%	1.25%	1.25%	8.50%
New Jersey	Premiums	N/A	2.10%	2.10%	2.10%	2.10%	N/A
New Mexico	Premiums	N/A	3.00%	3.00%	3.00%	3.00%	N/A
<b>New York (12)</b>	<b>Income &amp; Premiums</b>	<b>None</b>	<b>0.70%</b>	<b>0.70%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>7.10%</b>
North Carolina	Premiums	N/A	1.90%	1.90%	1.90%	1.90%	N/A
North Dakota	Premiums	N/A	2.00%	2.00%	1.75%	1.75%	N/A
Ohio (13)	Income or Premiums	None	1.40%	1.40%	1.40%	1.40%	N/A
Oklahoma	Premiums	N/A	2.25%	2.25%	2.25%	2.25%	N/A
Oregon (14)	Income	N/A	N/A	N/A	N/A	N/A	7.90%
Pennsylvania	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
Rhode Island	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
South Carolina (15)	Premiums	N/A	0.75%	(16)	1.25%	(16)	N/A
South Dakota	Premiums	N/A	2.58%	2.58%	2.50%	2.50%	N/A
Tennessee	Premiums	N/A	1.75%	1.75%	2.50%	2.50%	N/A
Texas	Premiums	N/A	1.75%	1.75%	1.60%	1.60%	N/A
Utah	Premiums	N/A	2.25%	2.25%	2.25%	2.25%	N/A
Vermont	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
Virginia	Premiums	N/A	2.25%	2.25%	2.25%	2.25%	N/A

**Table 16: Tax Rates on Insurance Corporations as of January 1, 2010 (Cont'd)**

State	Basis of Tax	Credit for Other Taxes (1)	Top Rate on Life Insurance Premiums		Top Rate on P/C* Insurance Premiums		Top Rate on Income
			Domestic	Foreign	Domestic	Foreign	
Washington	Premiums	N/A	2.00%	2.00%	2.00%	2.00%	N/A
West Virginia	Premiums	N/A	3.00%	3.00%	3.00%	3.00%	N/A
Wisconsin (16)	Income or Premiums	None	3.50%	2.00%	N/A	2.00%	7.90%
Wyoming	Premiums	N/A	0.75%	0.75%	0.75%	0.75%	N/A

\* Property-Casualty.

(1) Several states impose both an income based franchise tax and a premiums based tax on insurance corporations. Some of these provide a credit against the income based tax for the amount of the premiums tax paid. Some states provide a credit against the premiums based tax for the amount of the income tax paid.

(2) Delaware imposes a graduated privilege tax on domestic insurers with gross receipts of \$1 million or more.

(3) A credit is allowed against the premiums tax for the amount of income tax paid.

(4) Rates are rounded. Insurance companies may be taxed on unrelated business income.

(5) Illinois imposes a corporate income tax and a net receipts tax based on premiums on insurers.

(6) Domestic corporations may elect to pay the tax on premiums or the tax on income.

(7) Domestic life insurance corporations are taxed on taxable capital and reserves. All others are taxed on premiums.

(8) Includes 14% surtax. Life insurers are subject to an alternate tax base equal to 1/4 percent of the total net value of policies.

(9) Foreign insurers may pay the lower of the Nebraska corporate income tax rate or the corporate tax rate that applies in their state of domicile.

(10) A Nevada domestic insurer maintaining a qualified home office in Nevada pays a reduced premiums rate of 1.75%. This also applies to a foreign insurer that establishes a qualified regional home office.

(11) A credit is allowed against the premiums tax equal to the amount of business enterprise tax paid (0.25% of compensation, interest and dividends).

(12) Life insurers are taxed on income and premiums. Non-life insurers are taxed only on premiums. Tax liability for life insurers is capped at 2.0% of gross premiums, but cannot be less than 1.5% of gross premiums.

(13) Domestic insurers are subject to a tax on the lesser of capital and surplus or premiums. Foreign insurers are subject only to a tax on premiums.

(14) All insurers are subject to corporate excise tax only.

(15) Foreign insurers are subject to a rate equal to the rate imposed by their home state on South Carolina companies if the rate is higher than the South Carolina tax.

(16) Domestic P&C companies pay the franchise and income tax.

Source: OTPA compilation from Commerce Clearing House, State Tax Guide.