

HOW DOES THE FIRE MARSHAL TAX AFFECT OTHER TAXES

Lynette Hadley, 2/6/2013

1. Three types of insurance companies:
 - *Domestic Insurer—incorporated in Oregon by Insurance Division
 - *Foreign Insurer—incorporated in another state, admitted to Oregon
 - *Alien Insurer—domiciled in another country, admitted to Oregon
2. Two taxes affected by an increase/decrease in the Fire Marshal Tax:
 - *Corporate Excise Tax
 - *Retaliatory Tax
3. Fire Marshal Tax:
 - *ORS 731.820 defines the calculation
 - *Collected by Insurance Division—then remitted to Fire Marshal’s Office
 - *Rate set by statute, can be used as a credit against Excise Tax
 - *Fire Marshal Tax used in Retaliatory Tax calculation
 - *Audited in April by Insurance Division
4. Corporate Excise Tax:
 - *ORS 317 (317.010; 317.122; 317.650-665 and others)
 - *Fire Marshal Tax Credit is included by statute
 - *Collected by Dept. of Revenue—General Fund revenue
 - *Minimum Tax provision (\$150 to \$100,000) based on total premiums
 - *ORS 314.078 Credits cannot be used to offset the minimum excise tax
5. Retaliatory Tax:
 - *ORS 731.854-- Compares what an Oregon insurer would pay in a foreign state to what the foreign insurer pays in Oregon. An equalization tax. Protects domestic insurers.
 - *Fire Marshal Tax and WCD assessment and Excise Tax, included by statute
 - *Collected by Insurance Division—then remitted to General Fund

