

**SENATE FINANCE AND REVENUE COMMITTEE  
May 6, 2013**

**HOW THE FIRE MARSHAL TAX  
AFFECTS OTHER TAXES**

- 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 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 taxes, fees and assessments an Oregon insurer would pay in a foreign state to taxes, fees and assessments the foreign insurer pays in Oregon. An equalization tax.
  - \*Collected by Insurance Division—then remitted to General Fund

