

POWELL COUNTY PREMIUM TAX ORDINANCE

POWELL COUNTY, KENTUCKY
ORDINANCE NO. 11-7-1

AN ORDINANCE IMPOSING A LICENSE FEE UPON INSURANCE COMPANIES FOR THE PRIVILEGE OF ENGAGING IN THE BUSINESS OF INSURANCE WITHIN THE CORPORATE LIMITS OF POWELL COUNTY. FOR THE CALENDAR YEAR 2011 AND THEREAFTER ON A CALENDAR YEAR BASIS; ESTABLISHING INSURANCE COMPANY LICENSE FEE RATE AS 5% OF THE FIRST YEAR PREMIUMS FOR LIFE INSURANCE AND 5% OF THE PREMIUMS FOR ALL OTHER TYPES OF INSURANCE ACTUALLY COLLECTED DURING THE CALENDAR YEAR 2011 AND THEREAFTER UNTIL AMENDED; ESTABLISHING AN EFFECTIVE DATE OF JULY 1st AND A DELINQUENCY DATE THIRTY (30) DAYS AFTER THE END OF EACH CALENDAR QUARTER; ESTABLISHING A PENALTY INTEREST CHARGE AT THE TAX INTEREST RATE AS DEFINED BY STATUTE; AND REQUIRING INSURANCE COMPANIES SUBJECT TO THE LICENSE FEE TO FURNISH ANNUAL COLLECTION INFORMATION.

BE IT ORDAINED BY THE COUNTY OF POWELL, KENTUCKY:

SECTION 1: There is hereby imposed on each insurance company a license fee for the privilege of engaging in the business of insurance within the corporate limits of Powell County for the calendar year 2011, and thereafter on a calendar year basis.

SECTION 2: The license fee imposed upon each insurance company which issues life insurance policies on the lives of persons residing within the corporate limits of Powell County shall be 5 % of the first year's premiums actually collected within each calendar quarter by reason of the issuance of such policies.

SECTION 3: The license fee imposed upon each insurance company which issues any insurance policy which is not a life insurance policy shall be 5 % of the premiums actually collected within each calendar quarter by reason of the issuance of such policies on risks located within the corporate limits of Powell County on the classes of business which such

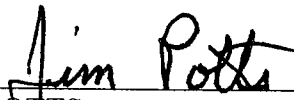
company is authorized to transact, less all premiums returned to policyholders; however, any license fee or tax imposed upon premium receipts shall not include premiums received for insuring employers against liability for personal injuries to their employees, or the death of their employees, caused thereby, under the provisions of the Worker's Compensation Act and shall not include premiums received on policies of group health insurance provided for state employees under KRS 18A.225(2) and 18A.228.

SECTION 4: All license fees imposed by this ordinance shall be due no later than thirty (30) days after the end of each calendar quarter. License fees which are not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6).**


SECTION 5: Every insurance company subject to the license fees imposed by this ordinance shall annually, by March 31, furnish Powell County with a written breakdown of all collections in the preceding calendar year for the following categories of insurance: (2) casualty; (b) automobile; (c) inland marine; (d) fire and allied perils; and life.

SECTION 6: The County Clerk of Powell County is hereby directed to transmit a copy of this ordinance, and any amendment thereto, to the Commission of Insurance, Commonwealth of Kentucky.

SECTION 7: This ordinance shall become effective on the first day of July 1, 2011.*



JIM POTTS
POWELL COUNTY JUDGE EXECUTIVE

Attest:


Fiscal Court Clerk

* Under KRS91A.080 a county “may enact or change its license fee or rate of tax to be effective July 1 st of each year on a prospective bases only.” When a county enacts or changes its insurance premium tax, the Commissioner of Insurance **must** receive copies of the ordinance and all amendments **at least 100 days before the effective date**. Be certain to also provide the appropriate mailing address for the county. Mail the ordinance to: Department of Insurance, P.O. Box 517, Frankfort, Ky. 40602.

* Under KRS 91A.080, delinquent insurance premium taxes must bear interest at the tax interest rate as defined in KRS 131.010 (6), and no other penalty may be imposed by cities or counties. The Secretary of Revenue is required to adjust the tax interest rate by November 15 each year to figure equal to the adjusted prime rate rounded to the nearest percent. The new rate becomes effective on January 1 of the succeeding year. The rate effective for 1990 was 11%; 1991 was 10%; 1992 was 8%; 1993 was 7%; 1994 was 7%; 1995 was 8%; 1996 was 9%; and 1997 was 8%.