

Department of Finance		Fund: 0090
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
<u>Legal Title</u> Insurance Tax Fund		
<u>Legal Citation/Authority</u> State Constitution, Article XIII, Section 28 Chapter 740, Statutes of 1961 Revenue and Taxation Code sections 12001-13153		
<u>Fund Classification</u> <u>GAAP Basis</u> Governmental/General Fund	<u>Fund Classification</u> <u>Legal Basis</u> Governmental/Feeder Funds	
<u>Purpose</u> Taxation of insurance companies was originally authorized by the State Constitution. Chapter 113, Statutes of 1941 consolidated and revised various laws relating to insurance taxation and included this subject in the Revenue and Taxation Code. The purpose of the fund is to receive all revenue collected under the provisions of the law. The tax is assessed on the basis of the state's prorated share of underwriting profit from ocean marine insurance, certain business income of title insurers, and the gross premiums of all other insurers.		
<u>Administering Agency/Organization Code</u> The State Board of Equalization/Org 0860 is designated as the assessing agency for insurance taxation. The State Insurance Commissioner determines the correctness of the returns filed and notifies the board of any deficiency assessments in order. The State Controller/Org 0840 collects the taxes, penalties and interest which are not paid to the Insurance Commissioner with the original return of the insurer. The Controller also maintains the general accounting records of the fund.		
<u>Major Revenue Source</u> Taxes on insurers, including the State Compensation Fund. Interest and penalties.		
<u>Disposition of Fund (upon abolishment)</u> Pursuant to Government Code section 16346, absent language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.		
<u>Appropriation Authority</u> Section 13152 of the Revenue and Taxation Code appropriates the money in the fund upon order of the Controller, for refunds or transfer to the General Fund.		

State Appropriations Limit

Always Excluded - The major revenue source will be transferred to another fund and will be counted in an included fund, the General Fund (0001), and should not be double counted.

Comments/Historical Information