



BULLETIN

Susan Combs, Texas Comptroller of Public Accounts

Volunteer Fire Department Assistance Fund Assessment

In 2001, the Texas Legislature created the Rural Volunteer Fire Department Assistance Program. The program is directed by the Texas Forest Service and helps volunteer fire departments across the state with equipment and training.

Initial financing for the program was \$15 million per year until September 1, 2011. In 2007, the Texas Legislature increased the assessment to \$30 million per year and repealed the expiration of the program.

The program is funded by an annual assessment on property and casualty insurers authorized to do business in Texas, including stock companies, mutuals, farm mutuals, county mutuals, Lloyd's plans and reciprocal or inter-insurance exchanges. Each insurer's assessment is based on its share of the total premiums written in Texas. The assessment covers premiums for homeowner, fire, farm and ranch, private passenger automobile physical damage, commercial automobile physical damage and the non-liability portion of commercial multiple peril policies.

In May of each year, the Comptroller's office mails assessment billings to insurers. Payment is due no later than August 1.

To calculate each taxpayer's percentage share of the total assessment, we divide the insurer's Texas gross direct premiums for the affected policies by the total of all insurance companies' Texas gross direct premiums for these policies. The Texas Department of Insurance provides data from the State Page of the Annual Statement, Column 1, Lines 1, 3, 4, 5.1, 21.1, and 21.2. We multiply the resulting percentage by \$30,000,000 to determine the dollar amount of each insurer's assessment.

The assessment notice includes instructions for computing penalty and interest if the payment is not made by August 1.

Under Texas Insurance Code, Chapter 2007, insurers may not use the assessment as a credit against premium or maintenance tax. The assessment may not be included on the retaliatory tax worksheet. An insurer may recover the assessment as authorized by Chapter 2007.

If you have questions regarding the Volunteer Fire Department Assistance Program, please contact the Texas Forest Service at (979) 458-6606. If you have questions regarding the Volunteer Fire Department Assessment or forms completion, contact us toll free at (800) 252-1387, in Austin at (512) 463-4600, or send an e-mail to tax.help@cpa.state.tx.us.