



Ohio Revised Code

Section 3956.20 Offset of assessments against premium or franchise tax liability.

Effective: [September 13, 2022](#)

Legislation: [Senate Bill 273](#)

(A)(1) A member insurer may offset against its premium or franchise tax liability twenty per cent of the assessment described in division (H) of section 3956.09 of the Revised Code in each of the five calendar years following the fiscal biennium in which the assessment was paid. The offsets shall be allowed on a year-per-year basis commencing with the first tax payment due after the fiscal biennium in which the assessment was paid.

(2) If the aggregate total of the assessments described in division (A)(1) of this section and eligible for offset in a particular year exceeds a member insurer's tax liability to this state for such year, the aggregate total of the remaining eligible assessments, notwithstanding the five-year limitation set forth in division (A)(1) of this section, may be offset against such tax liability in future years.

(3) If a member insurer ceases doing business, all uncredited assessments may be credited against its premium or franchise tax liability for the year it ceases doing business.

(4) The Ohio life and health insurance guaranty association may require a member insurer to report any offset to the association.

(B) A member insurer that is exempt from taxes described in division (A) of this section may recoup its assessments by a surcharge on its premiums in a sum reasonably calculated to recoup the assessments over a reasonable period of time, as approved by the superintendent. Amounts recouped shall not be considered premiums for any other purpose, including the computation of gross premium tax, the medical loss ratio, or agent commission. If a member insurer collects excess surcharges, the member insurer shall remit the excess amount to the association, and the excess amount shall be applied to reduce future assessments in the appropriate account.

(C) Any sums that are acquired by member insurers by refund from the association pursuant to division (F) of section 3956.09 of the Revised Code and that have been offset, prior to the refund, against premium or franchise tax liability as provided in division (A) of this section shall be paid by



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such member insurers to this state in the manner the superintendent of insurance requires. The association shall notify the superintendent that the refunds have been made.