**Section 2510.50 Calculation of Annual Privilege Tax Amount**

a) An annual privilege tax will be assessed on companies by the types of premium written pursuant to Section 409(1) of the Code [215 ILCS 5/409(1)] in accordance with following schedule:

1) As of January 1, 1998, 0.5% of the net taxable premiums written on all insurance premiums which are not exempted pursuant to Section 2510.20(b) of this Part or assessed starting at different periods and at a different rate pursuant to the schedule set forth in subsection (a)(2) or (3) of this Section;

2) Starting on July 1, 1998, and thereafter, 0.4% of net taxable premiums written by or on all accident and health insurance, voluntary health service plan, dental service plan, or limited health service organization businesses. For the calendar year 1998 annual privilege tax, companies shall calculate the net taxable premiums written only on net taxable premiums written after July 1, 1998 and shall provide additional documentation, such as quarterly statements, to verify such net taxable premiums written. For calendar year 1999, and thereafter, the companies shall calculate the net taxable premiums written for the whole year and are only required to provide the information required in Section 2510.90 of this Part; and

3) Starting January 1, 1999, and thereafter, 0.4% of net taxable premiums written by all health maintenance organizations.

b) Companies should total the annual privilege tax owed pursuant to the different types of premiums written and then deduct any allowable amount, as set forth in Section 2510.60 of this Part, to arrive at the annual privilege tax owed. An example of this calculation is set forth in Illustration A of this Part which includes examples for the different types of companies.