**Section 2520.50 Calculation of the State Fire Marshal Tax**

The Annual State Fire Marshal Tax shall be calculated by multiplying the sum of taxable premium for the year, as set forth in subsections (a) through (d) of this Section, by 1%.

a) The total taxable premium for a year is calculated for insurance companies by totaling the direct premium for the following lines of business set forth below and as shown in Illustration A of this Part:

1) All (100%) fire direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 1 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136] less any Illinois Fair Plan premiums;

2) Twenty-five percent (25%) of the sum of Allied Lines direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 2.1 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136] less any Illinois Fair Plan premiums;

3) One percent (1%) of Multiple Peril Crop direct premium, or Crop Hail direct premium which is not federally insured, as reported on page 15 (Exhibit of Premiums and Losses) line 2.2 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136];

4) Forty percent (40%) of Farmowners M.P. direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 3 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136];

5) Forty percent (40%) of the sum of Homeowners M.P. direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 4 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136] less any Illinois Fair Plan premiums;

6) Forty percent (40%) of Commercial M.P. (Non-liability) direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 5.1 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136];

7) Fifteen percent (15%) of Ocean Marine direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 8 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136];

8) Fifteen percent (15%) of Inland Marine direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 9 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136];

9) Twenty-five percent (25%) of Earthquake direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 12 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136];

10) Five percent (5%) of Private Passenger (Automobile Physical Damage) direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 21.1 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136];

11) Five percent (5%) of Commercial (Automobile Physical Damage) direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 21.2 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136]; and

12) Ten percent (10%) of Aircraft (All Perils) direct premium as reported on page 15 (Exhibit of Premiums and Losses) line 22 in the 1997 Annual Statement, as hereafter amended, filed pursuant to Section 136 of the Code [215 ILCS 5/136].

b) The total taxable premium for a year is calculated for Farm Mutuals by totaling the direct premium for the lines of business as determined in subsection (a) of this Section and reported to the Department pursuant to Section 13 of the Farm Mutual Insurance Company Act of 1986 [215 ILCS 120/13].

c) The total taxable premium for a year is calculated for the Illinois Fair Plan by totaling the direct premium for the lines of business as determined in subsection (a) of this Section and reported to the Department pursuant to Section 143.25 of the Code [215 ILCS 5/143.25].

d) The total taxable premium for a year is calculated for surplus line producers by totaling the direct premium for the lines of business as determined in subsection (a) of this Section and reported to the Department pursuant to Section 445 of the Code [215 ILCS 5/445].

e) The Annual State Fire Marshal Tax as calculated in this Section may be reduced by any overpayment from the prior year as long as there has been a credit letter issued by the Department pursuant to 50 Ill. Adm. Code 2525.60 and a copy is attached to the Annual State Fire Marshal Tax return in which the reduction is taken.

f) The adoption of this Part does not provide for the amendment or alteration of the stated percentage applicable for each type of premium.