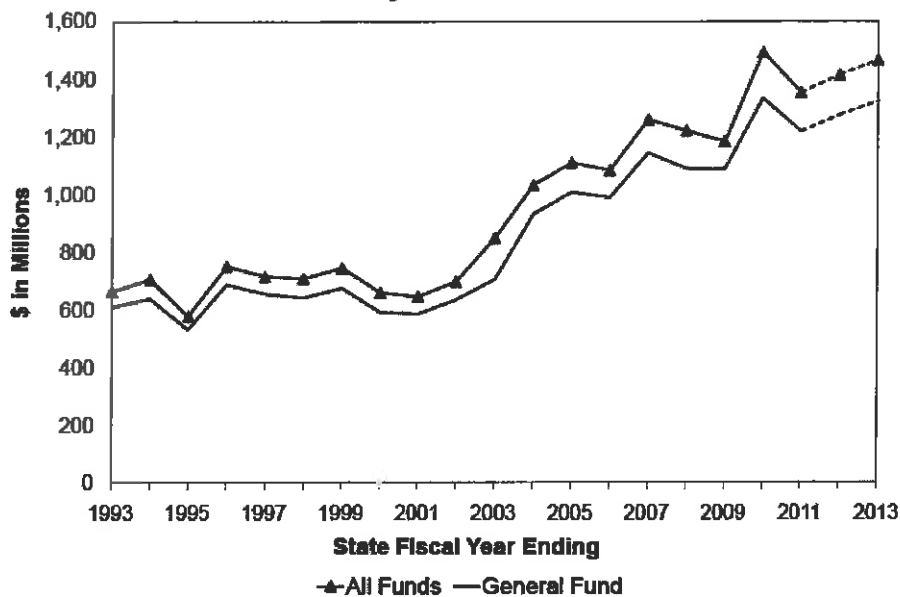


INSURANCE TAXES

INSURANCE TAXES (millions of dollars)							
	2010-11 Actual	2011-12 Estimated	Change	Percent Change	2012-13 Projected	Change	Percent Change
General Fund	1,217.2	1,274.0	56.8	4.7	1,322.0	48.0	3.8
Other Funds	133.7	139.0	5.3	4.0	141.0	2.0	1.4
All Funds	1,350.9	1,413.0	62.1	4.6	1,463.0	50.0	3.5

Note: Totals may differ due to rounding.

**Insurance Tax Receipts
History and Estimates**



INSURANCE TAXES BY FUND (millions of dollars)							
	Gross General Fund	Refunds	General Fund	Gross Special Revenue Funds	Refunds	Special Revenue Funds ¹	All Funds Receipts
2002-03	763	59	704	82	10	72	776
2003-04	983	53	930	109	8	101	1,031
2004-05	1,058	51	1,007	119	18	101	1,108
2005-06	1,022	35	987	103	7	96	1,083
2006-07	1,176	34	1,142	122	6	116	1,258
2007-08	1,122	34	1,088	139	8	131	1,219
2008-09	1,135	49	1,086	106	11	95	1,181
2009-10	1,360	29	1,331	167	7	160	1,491
2010-11	1,248	31	1,217	140	6	134	1,351
Estimated							
2011-12	1,309	35	1,274	149	10	139	1,413
2012-13							
Current Law	1,352	30	1,322	151	10	141	1,463
Proposed Law	1,352	30	1,322	151	10	141	1,463

¹ Receipts from the MTA surcharge are deposited in the Mass Transportation Operating Assistance Fund.

INSURANCE TAXES

PROPOSED LEGISLATION

No new legislation is proposed with this Budget.

DESCRIPTION

Tax Base and Rate

Under Article 33 of the Tax Law and the Insurance Law, the State imposes taxes on insurance corporations, insurance brokers and certain insured for the privilege of conducting business or otherwise exercising a corporate franchise in New York.

Tax Rate on Non-Life Insurers

Non-life insurers are subject to a premiums-based tax. Accident and health premiums received by non-life insurers are taxed at the rate of 1.75 percent and all other premiums received by non-life insurers are taxed at the rate of 2 percent. A \$250 minimum tax applies to all non-life insurers.

Tax Rate on Life Insurers

The franchise tax on life insurers has two components. The first component is a franchise tax computed under four alternative bases, with tax due based on the highest tax calculated under the four alternative bases. In addition, a 0.8 of one mill tax rate applies to each dollar of subsidiary capital allocated to New York.

RATES FOR THE INCOME BASE OF THE FRANCHISE TAX ON LIFE INSURERS	
Base	Rate
Allocated entire net income	7.1 percent
Allocated business and investment capital	1.6 mills for each dollar
Allocated income and officers' salaries	9.0 percent of 30 percent of ENI
Minimum tax	\$250

Tax is allocated to New York under the entire net income (ENI) base by a formula that apportions ENI based on weighted ratios of premiums (with a weight of nine) and wages (with a weight of one) earned or paid in New York, to total premiums and total wages for all employees for the tax year.

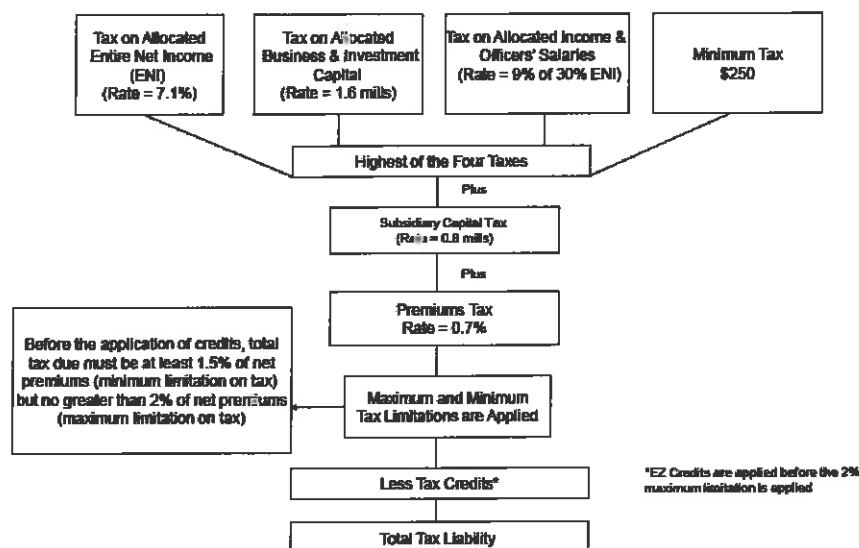
The second component is an additional franchise tax on gross premiums, less returned premiums. The tax rate on premiums is 0.7 percent and applies to premiums written on risks located or resident in New York. This tax is added to the sum of the tax due on the highest of the alternatives from the income base plus the tax imposed on subsidiary capital.

Maximum and minimum tax limitations are computed based on net premiums. Life insurers determine their maximum limitation by multiplying net premiums by 2 percent and their minimum limitation by multiplying net premiums by 1.5 percent. Under these limitations, the total tax calculated under the highest of the four alternative bases plus the tax imposed on subsidiary capital plus the 0.7 percent tax on net premiums must be at

INSURANCE TAXES

least as high as the minimum tax or “floor” (1.5 percent of net premiums) but no greater than the maximum limitation (2 percent of net premiums).

Computation of Article 33 Tax on Life Insurance Companies



Generally, taxpayers with a tax liability that exceeds the floor may not reduce their liability with tax credits to a level below the floor. However, taxpayers may use Empire Zone and Zone Equivalent Area tax credits to do so.

Article 33 taxpayers conducting business in the Metropolitan Commuter Transportation District (MCTD) are subject to a 17 percent surcharge on the portion of their tax liability which is attributable to the MCTD area.

Article 33 of the Tax Law also imposes a premiums tax on captive insurance companies licensed by the Superintendent of Insurance for the privilege of conducting business or otherwise exercising a corporate franchise in New York. The tax is imposed on net premiums and net reinsurance premiums (gross premiums less return premiums) written on risks located or resident in the State at rates which vary with the amount of net premiums. The top rate is 0.4 percent on direct premiums and 0.225 percent on reinsurance premiums. Captive (i.e. affiliates that insure the risks of the other corporate members) insurers are subject to a minimum tax of \$5,000. Tax credits are not allowed against the tax imposed on captive insurance companies and these companies are not subject to the business tax surcharge.

Other Taxes Imposed on Insurers

Article 33-A of the Tax Law imposes a tax at the rate of 3.6 percent of premiums on independently procured insurance. This tax is imposed on any individual, corporation or other entity purchasing or renewing an insurance contract covering certain property and casualty risks located in New York from an unauthorized insurer (an unauthorized insurer

INSURANCE TAXES

is an insurer not authorized to transact business in New York under a certificate of authority from the Superintendent of the Insurance Department).

The Insurance Law imposes a premiums tax on a licensed excess line (i.e. covering unique or very large risks) insurance broker when a policy covering a New York risk is procured through such broker from an unauthorized insurer. Transactions involving a licensed excess lines broker and an insurer not authorized to do business in New York are permissible under limited circumstances delineated in Article 21 of the Insurance Law. The tax is imposed at a rate of 3.6 percent of premiums covering risks located in New York.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 included legislation that superseded New York's taxation of excess lines and independently procured insurance. The Dodd-Frank legislation gave the "home state" of the insured the sole authority to regulate and collect taxes on these transactions. Generally, the insured's home state is the state where it is headquartered, or in the case of individuals, their place of residence. Chapter 61 of the Laws of 2011 conformed New York's excess lines premium tax and the tax on independently procured insurance to this Federal change.

The Insurance Law authorizes the Superintendent of Insurance to assess and collect retaliatory taxes from a foreign insurance corporation when the overall tax rate imposed by its home jurisdiction on New York companies exceeds the comparable tax rate imposed by New York on such foreign insurance companies.

Retaliatory taxes have been employed by the states since the nineteenth century to ensure a measure of fairness in the interstate taxation of insurance corporations. Retaliatory taxes deter other states from discriminating against foreign corporations and effectively require states with a domestic insurance industry to maintain an overall tax rate on insurance corporations that is generally consistent with other states.

Nevertheless, there are a variety of mechanisms for taxing insurance corporations throughout the states, and differences in overall tax rates among the states are inevitable. New York provides an additional measure of protection for its domestic insurance industry by allowing domestic corporations to claim a credit under Article 33 of the Tax Law for 90 percent of the retaliatory taxes legally required to be paid to other states.

Receipts from the 17 percent business tax surcharge imposed on insurance companies conducting business in the MCTD are deposited in the Mass Transportation Operating Assistance Fund (MTOAF).

Administration

Insurance companies that reasonably expect their tax liability to exceed \$1,000 for the current tax year are required to make a mandatory first installment of estimated tax and three additional estimated payments. The mandatory first installment is due 75 days from the end date of a taxpayer's fiscal year. The remaining three estimated tax payments are due on the 15th day of the third month of the fiscal year quarter. The majority of the taxpayers have a fiscal year that ends December 31. The mandatory first installment for these taxpayers is due March 15 with the remaining three estimated payments due on

June 15, September 15 and December 15. A final payment is also required of all taxpayers. This payment is due with the mandatory first installment. Taxpayers that expect their tax liability to exceed \$100,000 for the current tax year are required to make a mandatory first installment equal to 40 percent of their prior year liability. Taxpayers with expected liability greater than \$1,000 and less than \$100,000 make a mandatory first installment equal to 25 percent of their prior year liability. Life insurance companies with expected liability greater than \$1,000 make a mandatory first installment equal to 40 percent of their prior year liability.

Tax Expenditures

Tax expenditures are defined as features of the Tax Law that by exclusion, exemption, deduction, allowance, credit, deferral, preferential tax rate or other statutory provision reduce the amount of a taxpayer's liability to the State by providing either economic incentives or tax relief to particular entities to achieve a public purpose. Article 33 taxpayers are eligible for several targeted tax credits, including the certified capital companies (CAPCOs) credit, the investment tax credit (ITC), the long-term care insurance credit, and Empire Zones credits. For a more detailed discussion of tax expenditures, see the *Annual Report on New York State Tax Expenditures*, prepared by the Department of Taxation and Finance and the Division of the Budget.

There are also several types of insurance contracts that are exempt from the franchise tax. These include, but are not limited to, certain annuity contracts, certain reinsurance premiums and certain health insurance contracts for insured's aged 65 years and older. Certain corporations and other entities that provide insurance are exempt from State franchise taxes and the regional business surcharge. Non-profit medical expense indemnity corporations and other health service corporations, organized under Article 43 of the Insurance Law, are exempt from these State taxes. In addition, cooperative insurance companies in effect (operation) prior to January 1, 1974, are exempt from taxation while those formed on or after that date are subject to the tax.

Significant Legislation

The significant statutory changes to this tax source since 1990 are summarized below.

Subject	Description	Effective Date
Legislation Enacted in 1990		
Temporary Business Tax Surcharge	Imposed a temporary 15 percent surcharge on insurance tax liability otherwise due. Subsequent legislation eliminated the surcharge over a three-year period starting in 1994.	January 1, 1990
Legislation Enacted in 1997		
Premium Tax Rate for Life Insurers	Reduced the premium tax rate from 0.8 percent to 0.7 percent.	January 1, 1998
Cap on Tax Liability	Reduced the limitation on tax liability for life insurers from 2.6 percent to 2 percent.	January 1, 1998
Credit for Investment in Certified Capital Companies (CAPCOs)	Changed credit to equal 100 percent of amount invested in CAPCO's for taxable years beginning after 1998. The rate was changed to equal 10 percent per year for ten years. The statewide cap was set at \$100 million.	January 1, 1999

INSURANCE TAXES

Subject	Description	Effective Date
Captive Insurance Companies	Allowed the formation of captive insurance companies. Subject to a special premiums tax with a top rate of 0.4 percent or \$5,000. This is in lieu of the premiums and income-based tax.	January 1, 1998
Legislation Enacted in 1999		
CAPCOs	Established CAPCO Program Two. Increased Statewide cap from \$100 million to \$130 million.	January 1, 2001
State Insurance Fund	Conformed the State Insurance Fund tax treatment to the regular insurance tax.	January 1, 2001
Entire Net Income (ENI) Tax Rate	Reduced ENI tax rate over a three-year period: <ul style="list-style-type: none"> 8.5 percent for taxable years beginning after June 30, 2000 and before July 1, 2001. 8 percent for taxable years beginning after June 30, 2001 and before July 1, 2002. 7.5 percent for taxable years beginning on or after July 1, 2002. 	June 30, 2000
Cap on Tax Liability	Reduced the limitation on tax liability for non-life insurers over a three-year period: <ul style="list-style-type: none"> 2.4 percent for taxable years beginning after June 30, 2000 and before July 1, 2001. 2.2 percent for taxable years beginning after June 30, 2001 and before July 1, 2002. 2 percent for taxable years beginning on or after July 1, 2002. 	June 30, 2000
Legislation Enacted in 2000		
CAPCOs	Established CAPCO Program Three. Increased the statewide cap from \$130 million to \$280 million.	January 1, 2002
Investment Tax Credit	Allowed insurance taxpayers that are brokers/dealers in securities to claim a credit for equipment or buildings used in broker/dealer activity and in activities connected with broker/dealer operations.	Available for property placed in service between January 1, 2002 and October 1, 2003
Empire Zones Program	Provided Qualified Empire Zone Enterprises (QEZE) tax incentives in Empire Zones. Transformed the current Economic Development Zones into virtual "tax-free" zones for certain businesses. The enhanced benefits of this program include a tax credit on real property taxes paid, tax reduction credit, and sales and use tax exemption.	January 1, 2001
Legislation Enacted in 2002		
Estimated Payments	Increased the first quarterly payment of estimated tax from 25 percent to 30 percent of the prior year's liability for non-life insurance companies under Article 33. Life insurance companies, which currently pay a first quarterly payment of 40 percent, are not affected. Taxpayers whose prior year's liability exceeds \$100,000 are affected. Taxpayers whose prior year's liability is between \$1,000 and \$100,000 will continue to make a first quarterly payment of 25 percent of the prior year's liability. Sunsets for tax years beginning on or after January 1, 2006, and expires January 1, 2007.	January 1, 2003
Legislation Enacted in 2003		
Insurance Tax Structure	Changed the tax base for insurance taxpayers as follows: <ul style="list-style-type: none"> Life and Health insurance taxpayers covering life and accident/health premiums are taxed on the four tax bases and are now subject to a minimum tax of 1.5 percent of premiums. Non-life insurers covering accident & health premiums are subject to tax on 1.75 percent of premiums. All other non-life insurers are subject to tax on 2 percent of premiums. 	January 1, 2003
Modification for Decoupling from Federal Bonus Depreciation	Required modifications to Federal taxable income for property placed in service on or after June 1, 2003 that qualified for the special bonus depreciation allowance allowed by the Federal Job Creation and Worker Assistance Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003. The modifications do not apply to qualified resurgence zone property or qualified New York Liberty Zone property.	June 1, 2003

INSURANCE TAXES

Subject	Description	Effective Date
Intangible Holding Companies	Required modifications to Federal taxable income relating to certain royalty and interest payments made with respect to the use of intangible property by related members or royalty and interest payments received from related members.	January 1, 2003
Superfund-Brownfield Credits	Created tax incentives for the redevelopment of brownfields through three tax credits: a redevelopment tax credit, a real property tax credit, and an environmental remediation insurance credit. There are three components in the redevelopment tax credit: a site preparation component, a tangible property component, and an onsite groundwater remediation component.	April 1, 2005
Legislation Enacted in 2004		
Fourth Certified Capital Company (CAPCO) Credit	Established CAPCO Program Four. Increased the Statewide cap from \$280 million to \$340 million.	January 1, 2006
Legislation Enacted in 2005		
Fifth Certified Capital Company (CAPCO) Program	Established CAPCO Program Five. Provided an additional allocation of \$60 million that is made available over a ten year period beginning in 2007.	April 1, 2005
Legislation Enacted in 2006		
Annuity Premiums	Amended the tax limitation applicable to certain insurance companies to provide that it is computed by using the amount of annuity premium of the insurance company that are in excess of 95 percent of total premiums.	January 1, 2008
Legislation Enacted in 2007		
Entire Net Income (ENI) Tax Rate	Reduced the rate on the ENI base from 7.5 percent to 7.1 percent.	January 1, 2007
Legislation Enacted in 2008		
REITs/RICs Provisions Technical and Substantive Amendments	Amended the 2007 REITs/RICs provisions to make closely-held REIT and RIC subsidiaries includable in a combined return with the closest affiliate in the corporate group that is a New York State taxpayer, regardless of the article under which that taxpayer files its New York return. Previously, REITs and RICs were treated as Article 9-A corporation franchise taxpayers by definition. This legislation also made other technical and conforming changes.	January 1, 2008
Qualified Production Activity Income (QPAI) Deduction	Decoupled New York State from Internal Revenue Code (IRC) Section 199 and required taxpayers to add back the qualified production activities income (QPAI) deduction when computing New York taxable income.	January 1, 2008
Mandatory First Installment Percentage	Provided that non-life insurance companies with a prior year tax liability over \$100,000 must calculate their mandatory first installment payment of franchise tax and MTA surcharge at 30 percent, instead of the previous 25 percent, of the prior year's tax liability. Taxpayers with a prior year liability between \$1,000 and \$100,000 will continue to use the 25 percent amount to calculate their mandatory first installment. Life insurance taxpayers with a prior year liability between \$1,000 and \$100,000 will continue to use the 40 percent amount to calculate their mandatory first installment.	January 1, 2009
MTA Surcharge Extender	Extended the temporary MTA surcharge imposed on certain insurance taxpayers, which was scheduled to sunset for taxable years ending before December 31, 2009. The legislation extends the sunset date for four years to taxable years ending before December 31, 2013	April 23, 2008

INSURANCE TAXES

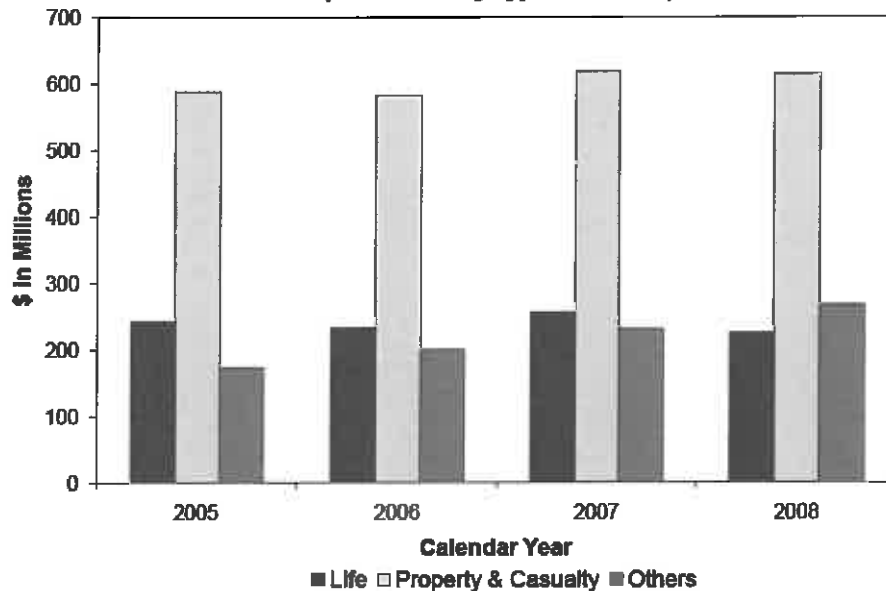
Subject	Description	Effective Date
Brownfields Program Reform	Amended the tangible property credit component to impose a limit of the lesser of \$35 million or three times the qualifying costs used in calculating the site preparation and on-site groundwater components for projects accepted into the Brownfields program after June 22, 2008. Qualifying manufacturers accepted after this date would be subject to a tangible property credit component limitation equal to the lesser of \$45 million or six times the qualifying costs used in calculating the site preparation and on-site groundwater components. Several other changes were effected; including increasing the credit percentages awarded under the site preparation and on-site groundwater components to as much as fifty percent.	June 23, 2008
Legislation Enacted in 2009		
Tax Treatment of Overcapitalized Insurance Companies	Required an overcapitalized captive insurance company to file a combined report with the corporation that directly owns or controls over 50 percent of the voting stock of the captive if that corporation is an Article 9-A taxpayer.	January 1, 2009
Estimated Payment Requirement	Increased the first quarterly installment of estimated tax from 30 percent to 40 percent of the prior year's liability for those corporate taxpayers whose liability exceeds \$100,000.	January 1, 2010
Empire Zones Reform	Reformed the Empire Zones program. All companies that had been certified for at least three years were subjected to a performance review focusing on cost/benefit ratios.	January 1, 2008
	The QEZE real property tax credit was reduced by 25 percent and firms are no longer eligible for the QEZE sales tax refund/credit unless the sale qualifies for a refund or credit of the county or city sales and use tax.	April 1, 2009
	Moved current program sunset from December 30, 2011 to June 30, 2010.	April 7, 2009
Change to the Tax Classification of HMOs	Subjected for-profit HMOs to the franchise tax on insurance corporations under Article 33 of the Tax Law.	January 1, 2009
Legislation Enacted in 2010		
Historic Properties Tax Credits	Allows insurance companies to claim the nonresidential tax credit for historic property.	January 1, 2010
Tax Credit Deferral	Capped aggregate business related tax credit claims at \$2 million per taxpayer for each of tax years 2010, 2011 and 2012. The total amount of credits deferred can be claimed by affected taxpayers on returns for tax years 2013, 2014 and 2015.	January 1, 2010
Technical Changes to Empire Zones Program	Made technical corrections to the 2009-10 Enacted Budget Empire Zones Program changes. Clarified that the Legislature intended to decertify certain businesses retroactively to the 2008 tax year, clarified reporting provisions, and allowed qualified investment projects to claim the investment tax credit and employee incentive tax credit after June 30, 2010.	August 11, 2010
Excelsior Jobs Program	Established a new economic development program to provide incentives based on job creation, investment and research and development expenditures in New York State.	July 1, 2010
Legislation Enacted in 2011		
Conformity with Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010	Conformed New York's taxation of excess lines and independently procured insurance to this Federal change. The Dodd-Frank legislation gave the "home state" of the insured the sole authority to regulate and collect taxes on these transactions.	July 21, 2011
Excelsior Jobs Program Amendments	Modified the credit to make it more widely available and attractive and created a new energy incentive. It also lengthened the benefit period from five to ten years.	March 31, 2011
Economic Transformation and Facility Redevelopment Program	This new program provided tax incentives to businesses to stimulate redevelopment in targeted communities where certain correctional or juvenile facilities are closed (economic transformation areas). This program will expire on December 31, 2021.	March 31, 2011

TAX LIABILITY

The Department of Taxation and Finance's Insurance Franchise Tax Study File contains tax liability data for the 2008 tax year, the most recent year for which such data are available. The 2008 Study File indicates that the property and casualty sector is the largest sector, accounting for 52 percent of total tax liability. Other insurers, which include accident and health insurers, are the second largest, with 30.5 percent of total liability. The 17.5 percent balance is attributable to life insurers. Over the last several years the other insurers category has become relatively more important at the expense of life insurers.

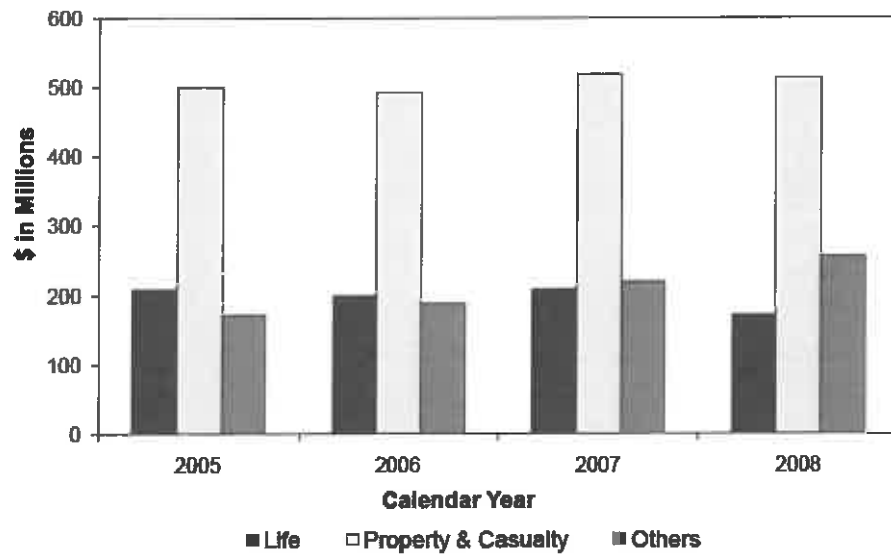
The following graphs show insurance tax liability for life insurers, property and casualty insurers and all other insurers from 2005 through 2008 before and after the application of the limitation of tax due as determined by taxable premiums and credits.

**Article 33 Tax Liability before Limitation and Credits
(2005-2008 by Type of Insurer)**



INSURANCE TAXES

**Article 33 Tax Liability after Limitation and Credits
(2005-2008 by Type of Insurer)**



Property and Casualty and Life Companies

According to data from the New York State Insurance Department, the three largest lines of business under the property and casualty sector are automobile, general liability, and homeowners' multi-peril. The table below reports actual property and casualty premiums and growth from 2004 through 2010 for New York State. Total premiums for property and casualty companies grew by 0.4 percent in 2010, the first increase in two years.

PROPERTY AND CASUALTY INSURANCE PREMIUMS NEW YORK CALENDAR YEAR (millions of dollars/percent)							
	2004	2005	2006	2007	2008	2009	2010
Lines of Insurance							
Automobile	12,875.0	12,342.0	12,039.0	11,769.0	11,709.0	11,744.0	11,895.0
percent change	1.2	(4.1)	(2.5)	(2.2)	(0.5)	0.3	1.3
Workers' Compensation	1,928.0	3,759.0	4,133.0	4,228.0	3,501.0	3,423.0	3,623.0
percent change	(43.3)	95.0	9.9	2.3	(17.2)	(2.2)	5.8
Commercial Multi-Peril	2,897.0	2,964.0	3,074.0	3,072.0	3,058.0	3,026.0	2,986.0
percent change	4.3	2.3	3.7	(0.1)	(0.5)	(1.0)	(1.3)
General Liability	4,018.0	3,997.0	4,387.0	4,306.0	4,488.0	4,155.0	4,138.0
percent change	7.4	(0.5)	9.8	(1.8)	4.2	(7.4)	(0.4)
Homeowners' Multi-Peril	3,174.0	3,429.0	3,615.0	3,908.0	4,079.0	4,219.0	4,336.0
percent change	9.4	8.0	5.4	8.1	4.4	3.4	2.8
Other	5,840.0	5,893.0	6,427.0	7,048.0	7,059.0	6,318.0	6,036.0
percent change	1.0	0.9	9.1	9.7	0.2	(10.5)	(4.5)
TOTAL P/C PREMIUMS	30,732.0	32,384.0	33,675.0	34,331.0	33,894.0	32,885.0	33,014.0
percent change	(1.9)	5.4	4.0	1.9	(1.3)	(3.0)	0.4

Source: New York State Insurance Department

For a more detailed discussion of the methods and models used to develop estimates and projections for insurance taxes, please see the *Economic, Revenue and Spending Methodologies* at www.budget.ny.gov.

INSURANCE TAXES

RECEIPTS: ESTIMATES AND PROJECTIONS

INSURANCE TAX RECEIPTS (millions of dollars)							
	Actual 2010-11	Estimated 2011-12	Change	Percent Change	Projected 2012-13	Change	Percent Change
General Fund							
Non-Audit Receipts	1,188	1,260	72	6.0	1,311	51	4.0
Audit Receipts	29	14	(15)	(51.4)	11	(3)	(21.4)
Executive Budget Initiatives	0	0	0	—	0	0	—
Total	1,217	1,274	57	4.7	1,322	48	3.8
Other Funds							
Non-Audit Receipts	125	135	10	8.2	139	4	3.0
Audit Receipts	9	4	(5)	(55.1)	2	(2)	(50.0)
Executive Budget Initiatives	0	0	0	—	0	0	—
Total	134	139	5	4.0	141	2	1.4
All Funds							
Non-Audit Receipts	1,313	1,395	82	6.2	1,450	55	3.9
Audit Receipts	38	18	(20)	(52.3)	13	(5)	(27.8)
Executive Budget Initiatives	0	0	0	—	0	0	—
Total	1,351	1,413	62	4.6	1,463	50	3.5

All Funds

2011-12 Estimates

All funds receipts through December are \$855 million, an increase of \$44.7 million (5.5 percent) from the comparable period in the prior fiscal year. The year-to-date increase is driven by higher calendar year 2011 liability. Through the December estimated payment, 2011 liability has grown 4.8 percent from the prior year.

All Funds receipts for 2011-12 are estimated to be \$1,413 million, an increase of \$62.1 million (4.6 percent) from 2010-11. The increase is attributable to the factors described above.

2012-13 Projections

All Funds receipts for 2012-13 are projected to be \$1,463 million, an increase of \$50 million (3.5 percent) from 2011-12. The year-over-year increase reflects trend growth in the insurance tax as the industry continues to recover from the economic downturn.

General Fund

General Fund collections for 2011-12 reflect year-to-date trends and are estimated to be \$1,274 million, an increase of \$56.8 million (4.7 percent) from 2010-11. The increase reflects the same trends impacting 2011-12 All Fund receipts.

General Fund collections for 2012-13 are projected to be \$1,322 million, an increase of \$48 million (3.8 percent) from 2011-12. The increase reflects the same trends impacting All Funds receipts for 2012-13.

INSURANCE TAXES

Other Funds

Insurance tax receipts from the business tax surcharge imposed on insurance companies doing business in the MCTD generally reflect the trends described above. Receipts for 2011-12 are estimated to be \$139 million, an increase of \$5.3 million (4 percent). MTOAF receipts for 2012-13 are projected to be \$141 million.