

RETURN YEAR

2025

CALCULATION OF GUARANTY FUND ASSESSMENT CREDIT/CREDIT RECAPTURE FOR COMPANIES OTHER THAN LIFE

Beginning with the 2021 filing season, eligible domestic and foreign Property & Casualty insurers that claim the Guaranteed Fund Assessment Credit on their Insurance Premiums Tax DEM or EM returns must complete and include Form GFA-IPT and include the required supporting documentation with their filings.

Pursuant to N.J.S.A. 17B:32A-18(b), for any sums that are acquired by member insurers resulting from a refund from the association pursuant to subsection f of section 8 of this act, and that have already been offset against premium taxes as provided in subsection a of this section, the Division of Taxation requires insurers to file amended return(s) to reduce/pay back any credits they received when assessments are refunded. By doing so, the State recovers the tax revenue associated with the credit.

Eligibility—Provided for by the New Jersey Life and Health Insurance Guaranty Association Act (N.J.S.A. 17B:32A-18), a member Life and Health insurer may offset against its premium tax liability, attributable to premiums written in that year, any assessments for which a Class B Certificate of Contribution has been issued, to the extent of 10% of the amount of those assessments for each of the five calendar years following the second year after the year in which those assessments were paid, except that no member insurer may offset its premium tax liability by more than 20% of its tax liability in any one year.

Indicate type of insurance company: <input type="checkbox"/> Foreign – EM <input type="checkbox"/> Domestic – DEM									
Must Include copies of assessments, assessment detail, proof of payment and/or refund for all assessments listed.									
Year Assessment Paid	Years in which a Credit for an Assessment can be Claimed (Credit is 10% of Assessment)						Maximum Allowable Credit (10% of Assessment)	Amount of GFA Credit Recapture	Net Allowable Credit
	1	2	3	4	5	6			
2018		2021	2022	2023	2024	2025		1.	
2019		2022	2023	2024	2025	2026		2.	
2020		2023	2024	2025	2026	2027		3.	
2021		2024	2025	2026	2027	2028		4.	
2022		2025	2026	2027	2028	2029		5.	
Maximum Credit Available for this Return (add lines 1 through 5 above).								6.	
Enter 20% of the Total Tax Due reported on Schedule A, line 16 (DEM column 4 or EM column 5).								7.	
Enter the lesser of line 6 or 7 here and on Schedule A, Other IPT Credits (DEM line 22 column 4 or EM line 31 column 5).								8.	

Guaranteed Funds Assessment Credit/Credit Recapture Supporting Documentation

The below supporting documentation must be included with the filed return, for each assessment, to validate the claim:

1. A copy of the "Class B" Certificate(s) of Contribution;
2. Assessment Summary with Assessment Detail;
3. A copy of the front and back of the cancelled check issued in payment, supporting each amount claimed, must be included with the filed return or the credit will be denied; and
4. If there are multiple assessments claimed for the same "Year Assessment Paid," a reconciliation of the Class B Certificates of Contribution to the "Amount of Assessment" is required.

Guaranteed Funds Assessment Credit Recapture

1. If an insurer receives a refund (cash or member credit) for an assessment from the association, the refund must be subtracted from the amount of any assessment credit requested. If a refund also affects a credit taken on a prior year tax return, the prior year tax return must be amended.
2. A copy of the letter from the GFA Association advising the refunded amount must be included with the amended filing.