# PAYMENT, MAILING AND FILING INSTRUCTIONS

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| **Due Date:** | File one (1) original of this return with the California Department of Insurance postmarked on or before April 1, 2013. Express delivery date by the company will be accepted as the postmark date. |
| **Payments:** | Pursuant to the Revenue and Taxation Code (RTC) Section 12602(a)(2), each Medi-Cal Managed Care Plan shall make payment by electronic funds transfer, as defined by Section 45 of the Insurance Code.  Any tax remittance other than electronic funds transfer, shall be assessed a penalty in an amount equal to 10% of the taxes due at the time of the payment pursuant to RTC Section 12602(c)(1). |
| **Mail to:** | Send the 2012 tax return by First Class or Express Delivery to:  State of California  Department of Insurance  Tax Accounting Unit  300 Capitol Mall, Suite 1400  Sacramento, CA 95814 |

The tax payment vouchers are available on the California Department of Insurance web-site <http://www.insurance.ca.gov> under the “Insurers” section. Under “Applications, Forms and Filings, click on “Tax Forms, Instructions and Information. Click on 2012 Tax Forms, Instructions and Information” to access the tax return, instructions, and vouchers.

For questions concerning the completion of the Medi-Cal Managed Care Plan tax return, please contact the California Department of Insurance, Tax Processing Unit – Adriana Bravo (916) 492-3221.

For questions regarding the Electronic Funds Transfer (EFT) Program, contact the California Department of Insurance, Tax Accounting/EFT Unit at (916) 492-3288, e-mail at EFT@insurance.ca.gov, or write to:

State of California

Department of Insurance

Tax Accounting /EFT Unit

300 Capitol Mall, Suite 1400

Sacramento, CA 95814

The tax return and payment must be postmarked on or before April 1st following the end of the calendar year. When the due date falls on a Saturday, Sunday or State or Federal legal holiday, the tax return and payment are considered timely if postmarked on the next business day.

IMPORTANT INSTRUCTIONS

Complete the following information: Name of Medi-Cal Managed Care Plan, Mailing Address, City, State, Zip Code and Telephone Number, Fax Number. Also provide the Federal Tax Identification Number, California Permanent Number (CA Perm No), EFT Taxpayer Identification Number (TIN), and select the appropriate Method of Tax Payment. Please check the appropriate box for the following information: Final Return (no further business transacted due to cancellation of the plan), and/or Amended Return. If final return, indicate the effective date of the final transaction or if amended, indicate the date when it was amended.

### RECORD ALL AMOUNTS IN WHOLE DOLLARS

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| Line 1: | **Total Operating Revenue** – Record the amount from Page 3, Schedule A, Line 5 of the Tax Return. |
| Line 2: | **Tax Rate** - the tax rate is 2.35 %. |
| Line 3: | **2012 Annual Tax** - Multiply Line 1 by the tax rate on Line 2 to determine the 2012 Annual Tax, Line 3. |
| Line 4: | **Prepayments made during the reporting year of 2012** - Only include those prepayments made or applied to the first quarter during the reporting year. Exclude all payments of interest and penalties. |
| Line 4a: | **Overpayment applied from prior year** -  If there was an overpayment applied to the 2012 First Quarter Prepayment, as reported on Line 8a of the 2011 tax return, then record the amount applied on Line 4a (for example, if the 2012 First Quarter Prepayment due was $2,500 and the amount of 2011 Overpayment applied was $500, then record $500 on Line 4a).  -OR-  If there was no overpayment applied to the 2012 First Quarter Prepayment, then record zero (-0-) on Line 4a. |
| Line 4b: | **First Quarter (Balance Paid)** -  If there was an overpayment applied to the 2012 First Quarter Prepayment, then record the net balance paid on Line 4b (for example, if the 2012 First Quarter Prepayment due was $2,500 and the amount of 2011 Overpayment applied was $500, then record $2,000 on Line 4b).  -OR-  If there was no overpayment applied to the 2012 First Quarter Prepayment, then record the amount paid for the 2012 First Quarter Prepayment Line on 4b. |
| Line 4c: | **Second Quarter** - Record the amount paid for the quarter. |
| Line 5: | **Total Prepayments Made**- Record the sum of Lines 4a – 4c |
| Line 6: | **2012 Tax Due** -If Line 3 is MORE than Line 5 then subtract Line 5 from Line 3. The result will be the balance of the 2012 Annual Tax Due. Pay this amount on or before April 1, 2013. If Line 3 is less than Line 5, then record zero (-0-) on this line and proceed to Line 7. |
| Line 7: | **2012 Tax Overpayment/Refund** - If Line 5 is MORE than Line 3, then subtract Line 3 from Line 5, and record the result of the overpayment on this line. If Line 5 is LESS than Line 3, record zero (-0-) on this line. |
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| **Declaration of Insurer/ Medi-Cal Managed Care Plan:** | California Revenue and Taxation Code Section 12303 (a) states: “Every return required by this article to be filed with the commissioner shall be signed by the insurer or Medi-Cal managed care plan or an executive officer of the insurer or plan and shall be made under oath or contain a written declaration that it is made under the penalty of perjury. A return of a foreign insurer may be signed and verified by its manager residing within this State. A return of an alien insurer may be signed and verified by the United States manager of such insurer.”  Complete this page with notary's certification. Provide the name and address of the contact person for this tax return if the contact person is other than the signatory.  Signature may be in blue or black ink. |

### Schedule A

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| Line 1: | **Total Operating Revenue** - Record the amount of total operating revenue. If the contractor has more than one Medi-Cal Managed Care contract, each contract should be shown separately listed by contract number. Under each contract number, the revenue should be listed for each county separately. Revenue is to be reported on an accrual basis, therefore revenue reported on Line 1 should include all accrued revenue for the year, whether or not it has been received. |
| Line 2: | **Other Operating Revenue** - Record any other operating revenue not included on Line 1. |
| Line 3: | **Total Operating Revenue for all Contracts** - Record the sum of Lines 1 and 2. |
| Line 4.1: | **Medicare Revenue** - Deduct all amounts accrued or received from other Medi-Cal Managed Care Plans in exchange for health care services pursuant to a subcontract with a Medi-Cal managed care plan to provide health care services to Medi-Cal beneficiaries. |
| Line 4.2: | **Amounts Received from another Medi-Cal Managed Care Plan** - Deduct all other revenue not included in the fee calculation for non receipt of coverage or not providing health care services as set forth in Welfare and Institutions Code Section 14464.5 (a)(4). |
| Line 4.3: | **Other Revenue** - Deduct other revenues not included on Lines 4.1 and 4.2 |
| Line 4.4: | **Total Revenue not subject to Assessment** - Record the sum of Lines 4.1, 4.2, and 4.3. |
| Line 5: | **Taxable Operating Revenue** - Deduct Line 4.4 from Line 3. Forward result to Page1, Line 1. |

##### AMENDED TAX RETURNS – TAX REFUND

A claim for refund shall be in writing and shall state the specific grounds upon which it is founded. See Revenue and Taxation Code Section 12978 and 12979. Check the box on the top section of page one of the return and indicate the date when it was amended. Please send the claim for refund and amended return to:

State Board of Equalization California Department of Insurance

Appeals and Data Analysis Branch – MIC 33 AND A Premium Tax Audit Bureau

P.O. Box 942879 COPY TO 300 South Spring Street, 14th Floor

Sacramento, CA 94279-0033 Los Angeles, CA 90013-1230

Attention: Petitions and Refunds Group Attention: David Okumura, Supervisor

Do not deduct or credit the requested refund when filing any future tax returns or prepayments due. The amount claimed is not a refund until certified as correct and a Notice of Refund is issued to you.

**Note: For amended returns, whether claiming a refund or reporting an additional tax due, the prepayment amount will remain unchanged from the original amount, which is based on the original tax return as filed and processed by the Department of Insurance.**

##### AMENDED TAX RETURNS – ADDITIONAL TAX DUE

If you amend a tax return to report additional tax due, send the amended tax return showing clearly where the changes were made. Check the box on the top section of page one of the return and indicate the date when it was amended. Please send the amended return to:

California Department of Insurance

Premium Tax Audit Bureau

300 South Spring Street, 14th Floor

Los Angeles, CA 90013-1230

Attention: David Okumura, Supervisor

Send a copy of the amended tax return with the Check payable to CONTROLLER - STATE OF CALIFORNIA:

California Controller’s Office

Division of Accounting and Reporting

P.O. Box 942850

Sacramento, CA 94250-5880

All payments made toward additional tax due will be applied pursuant to California Revenue and Taxation Code Section 12636.5 (a): “Every payment on a delinquent annual tax shall be applied as follows: (1) First, to any interest due on the tax. (2) Second, to any penalty imposed by this part. (3) The balance, if any, to the tax itself.”

##### **Extension of Time**

Prepayments: Revenue and Taxation Code Section 12255: The commissioner, for good cause shown, may extend for not to exceed 10 days the time for making a prepayment. The extension may be granted at any time, provided that a request therefore is filed with the commissioner within or prior to the period for which the extension may be granted. Interest at the rate prescribed by Section 12631 shall be paid for the period of time for which the extension is granted.

Annual Tax: Revenue and Taxation Code Section 12306: The commissioner, for good cause shown, may extend for not to exceed 30 days the time for filing a tax return or paying any amount required to be paid with the return. The extension may be granted at any time, provided that a request therefore is filed with the commissioner within or prior to the period for which the extension may be granted.

Revenue and Taxation Code Section 12307(a): Any insurer or Medi-Cal managed care plan to which an extension is granted shall pay, in addition to the tax, interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5 from April 1st until the date of payment.