



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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**NOTICE TO TAXPAYERS REGARDING THE REPEAL  
OF THE HEALTH INSURANCE CLAIMS ASSESSMENT ACT**

**Issued: February 4, 2019**

The Insurance Provider Assessment Act (“IPAA”), a new health care-related tax levied on insurance providers in Michigan, was enacted in June of 2018 to replace the Health Insurance Claims Assessment Act (“HICAA”). Accordingly, Public Act 173 of 2018 repealed the HICAA as of the effective date of the IPAA, which was October 1, 2018. The purpose of this Notice is to provide HICAA taxpayers with guidance regarding the calculation and payment of final amounts due under that tax, and to clarify the scope of the continued administration of the tax going forward.

For taxpayers subject to the HICAA, HICAA liability for 2018 should be computed on all of the taxpayer’s “paid claims” incurred prior to October 1, 2018. In order for a claim to be a “paid claim” incurred prior to October 1, 2018, both the actual payment of the claim, as well as the date of service to which the claim relates, must have taken place prior to October 1, 2018. If a claim’s related date of service was prior to October 1, 2018, but the claim was not actually paid until on or after October 1, 2018, that claim does not fall within the definition of a “paid claim” and is therefore not taxable under the HICAA.<sup>1</sup>

While the final HICAA quarterly return was due to be filed on October 30, 2018, the filing deadline for the 2018 HICAA annual return remains February 28, 2019. All remaining 2018 HICAA liabilities should be reported and paid on the final annual return.

The repeal of the HICAA statute does not relinquish or release any liability incurred by taxpayers under that statute prior to the effective date of the repeal. The statute remains in force for the purpose of instituting or sustaining any necessary action for the enforcement of previously incurred liabilities. Accordingly, taxpayers are required to report and pay the tax relating to their 2018 “paid claims” on the annual return due February 28, 2019, and the Department continues to have the authority to collect, audit, assess, and take other statutory enforcement actions with respect to HICAA delinquencies, within the applicable statute of limitations period.

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<sup>1</sup> This determination differs from the information shared at the IPAA training session held on January 15, 2019. Treasury has revised its position on the issue since the training session.

Taxpayers with questions regarding the reporting and payment of their final HICAA liability should contact the Special Taxes Division of the Department of Treasury at:

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