

When entering a policy in SLIP, you will be required to select a coverage code and corresponding tax status for your policy filing. The tax status allows SLIP to accurately charge the appropriate taxes and fees.

The below table provides a description of each tax status and its corresponding details.

TAX STATUS	DESCRIPTION
Tax Status 0 (Taxable)	This is the standard tax code that applies to all policies that do not qualify as a non-taxable coverage.
Tax Status 1 (Non-Taxable)	Applicable to commercial airport/aircraft coverages (coverage codes 9000 – 9004). <i>This status is <u>not applicable</u> to personal and pleasure aircraft or drones (coverage codes 9005, 9006).</i>
Tax Status 2 (Non-Taxable)	Applicable to all coverage codes for governmental entities and federal exempted insureds (i.e. Federal Credit Union, Indian reservations). <i>This should only be selected if the <u>insured</u> is a risk of the state government, its agencies or a member of a local government risk pool operating under Article 23 of Chapter 58.</i>
Tax Status 3 (Non-Taxable)	Applicable to certain ocean cargo coverages (coverage codes 3000*, 3001*, 3002, 3003, 3004, 3005, 3007, 3008). *Can also be taxable. <i>This status is <u>not applicable</u> to personal and pleasure boats and yachts.</i>
Tax Status 5 (Non-Taxable)	This applies only to state owned properties and any risk that has been individually approved by the NCDOT as having a non-taxable status.