

**INSTRUCTIONS FOR COMPLETING AND FILING  
STATEMENTS OF PREMIUM TAXES  
RISK RETENTION GROUPS**

1. Read these instructions carefully before completing the *Statement of Premium Taxes and Fees*. If there are any questions regarding this filing, contact the Premium Tax Section at (208) 334-4282, or (208) 334-4281 or email [premiumtax@doi.idaho.gov](mailto:premiumtax@doi.idaho.gov).
2. All Non-Idaho Exhibits, Schedules and Supplements referred to within the *Statement of Premium Taxes and Fees* and these instructions may be found in the *NAIC Annual Statement*.
3. Each authorized insurance company shall file a *Statement of Premium Taxes and Fees* regardless of whether any insurance business was transacted in Idaho during the year. Each formerly authorized insurer, with respect to insurance transacted while an authorized insurer, shall file a statement for any renewal premiums received during the calendar year. Enclose a written notice if transferring policies from one insurer to another insurer because it also transfers the tax obligation with respect to those policies. Idaho Code § 41-402.
4. The tax statement and remittance are due on or before March 1st. The required state documents (*Jurat Page*, *Certificate of Deposit*, and *Certificate of Compliance*) and tax statement may all be submitted in one package, either by groups or individual company. Only the tax statement will be accepted via electronic submission. State documents will not be accepted via electronic submission, as they require an original signature. **(See also item #6 of these instructions)**. When the due date falls on a Saturday, Sunday or a legal holiday, the postmark on the next business day is considered filed on time. However, any postmark after the next business day will be penalized from the original due date. Idaho Code § 41-404 and § 63-217.

Late filing of the statement and remittance will result in a penalty of \$25.00 for each day of delinquency, commencing March 2<sup>nd</sup>, as determined by an official postmark. Idaho Code § 41-404, 41-3427 (2), and 41-3922 (2). Late filing penalties will be assessed for the following:

- Late filing (postmark or electronic submission date) of the *Statement of Taxes and Fees* or any required schedule or exhibit.
- Incomplete submission of the *Statement of Taxes and Fees* (missing signature).
- Unpaid/underpaid tax.
- Electronic Fund Transfer (EFT) payment not in the correct bank account on the due date.

Only an official U.S. Postal Service cancellation postmark on the envelope, rather than private postage meter stamp, shall qualify as proof of timely mailing. If a carrier service is used, the mailing date will be determined by the package pick-up date, not the delivery date.

Any tax payment in the amount of \$100,000.00 or more must be made electronically, either via OPTins or EFT. Idaho Code §67-2026.

5. **To avoid a lost payment, attach the check for the balance due to the front of Page 1.** If payment is being processed by the Electronic Funds Transfer (EFT) method, indicate so under Line 5-Amount Enclosed. Make sure when transmitting payment by EFT, it is sent to the correct **premium tax type code (07170)** for the Department of Insurance. Late penalties will be assessed if payment is not in the correct bank account on the due date. An EFT authorization approval should have been acquired prior to using this method. If you need an authorization form, contact this office at a telephone number in Item 1 above.
6. Requests for 30 day extensions or exemptions for filing the *Annual Statement* beyond the regular due date will not be required providing approval was granted by the domiciliary state and NAIC has been notified. Extensions beyond 30 days will require a written request for extension and domiciliary approval. However, the Annual Continuation Fee **MUST** be submitted with the *Statement of Premium Taxes and Fees* on or before March 1<sup>st</sup>, regardless of extensions. Idaho Code §41-402 (1), 41-324.
7. **Original signed tax forms must be submitted for all paper filings.** If you file electronically via OPTins, the typed name of the company officer submitting the return on the signature line under oath is acceptable. If you need additional instructions or forms, contact this office as listed in Item #1. Idaho Code § 41-402 (1).
8. **DO NOT ROUND AMOUNTS.** Decimals should be carried to 2 decimal places on the tax statement and all related schedules.
9. **PAGE 1 - RECAP OF TAXES**
  - A. Enter the company information. The Registration Number box located on Page 1 **must be completed**. Enter your Company NAIC Identification Number in the box provided. The company name, address, and state of domicile must be completed as all tax forms, refunds, and correspondence will be sent to this address.
  - B. Line 1.Tax Due. Carry forward only the **higher** aggregate retaliatory tax amount calculated on Page 3, *Schedule B*, Line 4 either Column A or B.
  - C. Line 2. Prepayments. Enter the amount of quarterly prepayments. Must agree with **actual** prepayment amounts paid each quarter. **DO NOT ROUND AMOUNTS** unless you did so when paid.
  - D. Line 3. Total Tax. Total of Line 1 less Line 2. If the amount on Line 3 is negative, carry amount forward to Line 6 - Refund Due for Tax Overpayment. Any refund due for the overpayment of premium taxes will be mailed to the company address indicated on the company's tax statement once it has been audited. Idaho Code § 41-402(10).
  - E. Line 4. Penalty. Enter the number of days for late filing, commencing with March 2<sup>nd</sup>, and continuing through (including) the official postmark date. A late penalty is assessed if the Electronic Fund Transfer (EFT) payment is not in the correct bank account on the due date.
  - F. Line 5. Amount Enclosed. Overpayment of tax may not be used to offset penalties. Precalculated total (Line 3 plus Line 4).
    - a. If a refund of premium tax is due on Line 6 (also negative amount of Line 3), enclose payment for Line 4 (applicable penalties).

- b. If there is premium tax due on Line 3 (positive amount on Line 3), enclose payment for the total of Lines 3 and 4 (tax due, and applicable penalties).
- G. Line 6 - Refund Due. This is the overpayment of tax (negative tax amount) calculated on Line 3. Per Idaho 41-402A. Refunds. “No such refund shall be paid after one (1) year from the due date of the statement required in section 41-402(4), Idaho Code, unless before the expiration of such period a written claim is filed therefore by the insurer on such forms and in such manner as is prescribed by the director.”
- H. The tax statement must be signed and dated by an Officer of the company. By the appropriate signature, being duly sworn upon oath, it is declared that the premium tax report is a complete, true and correct statement of all premiums and fees on business written by said company, for the reporting year ending on insurance or property, or risks resident or located in Idaho. Unsigned forms will be considered incomplete.
- I. All questions concerning the tax statement will be directed to the contact person as stated on page 1 of the Tax Statement; therefore, include a telephone number, extension and E-mail address. If the contact person changes after the submission of the *Statement of Premium Taxes and Fees*, please contact the Premium Tax Section as indicated in item #1.

10. **PAGE 2 - SCHEDULE A - COMPUTATION OF PREMIUM TAX**

- A. Line 1. Total Direct Premiums Written. Should agree with premium as reported on the *NAIC Annual Statement, Idaho Business Page and Schedule T*. A complete explanation of any differences between the tax statement and annual statement schedules must be submitted and signed by the person authorized by the company to prepare the tax statement.
- B. Line 2. Dividends Allocated as Premium Payments or Paid-Up Additions. Report dividends allocated as premium payments or paid-up additions.
- C. Line 3. Total Premiums. Precalculated total (total of Line 1 less Line 2).
- D. Line 4. Dividends Paid or Credited to the Account of Policyholder. Report dividends paid or credited to the account of policyholders.
- E. Line 5. Net taxable premiums. Precalculated total (Line 3 less Line 4).
- F. Line 6. Premium Tax. Precalculated total (Line 5 times 1.5% Idaho tax rate).

11. **PAGE 3 - SCHEDULE B - COMPUTATION OF RETALIATORY TAXES**

**MUST BE INCLUDED WITH RETURN**

Idaho Code § 41-340(2) and (3)  
(Attach Retaliatory Tax Calculation Worksheet)

- A. This schedule determines the higher aggregate of taxes due. For audit verification, we may be contacting the various state insurance departments, using copies of the domicile state's tax statements, the NAIC Retaliatory Guide, or domiciliary code.
- B. Column A, Precalculated from other schedules.

- C. Column B, retaliatory taxes, should be calculated on the retaliatory basis of what an Idaho company doing the identical volume of business would be required to pay to your state of domicile. An explanation of calculations will be requested to explain any differences in reporting.
- D. Column B, Line 1. Risk Retention Group Premiums. Report Net Taxable Premium per domicile state. Include an explanation of any differences between Column A and Column B.
- E. Column B, Line 1A. Tax Rate. Enter premium tax rate per domicile state in Column B.
- F. Column B, Line 1B. Premium Tax. Multiply Column B, Line 1 by the rate in Column B, Line 1A.
- G. Line 2. Municipal, City or Country Premiums. Enter municipal, city or county premiums per domicile state in Column B.
- H. Line 2A. Tax Rate. Enter domicile tax rate in Column B.
- I. Line 2B. Premium Tax. Precalculated total (multiply Line 2 by Line 2B in Column B and enter domicile premium tax in Column B).
- J. Line 3, Column B. Other Taxes. All other taxes imposed by your state of domicile on foreign insurers must be reported **except**:
- Ad valorem taxes on real or personal property.
  - Personal income, capital or surplus taxes.
  - Taxes imposed for a special purpose obligations or assessments on particular kinds of insurance.
- K. Line 4. Total Taxes. Precalculated total (add Lines 1B, 2B and 3 for each Column A and B).
- L. An explanation of retaliatory calculations will be requested for any discrepancies.