STATE OF IDAHO
DEPARTMENT OF INSURANCE
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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) 334-4281 or email 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.   The Idaho Department of Insurance has adopted a mandatory e-file policy. All tax and fee filings must be submitted electronically. Idaho Code §41-402, 41-4805 (3). Electronic filings must be submitted by one of the following methods:

     ❖   Directly through TriTech Premium Pro software, or

     ❖   Idaho Department of Insurance Electronic Filing System located here. Or visit https://tritechsoft.com/efilenetid/efilenet/efiledefault.aspx

     Payments must be made by one of the following methods:

     ❖   Check with TriTech payment voucher, or

     ❖   Electronic Fund Transfer (EFT). **ACH Credit or Wire Transfers are acceptable.** Idaho does NOT accept ACH Debit or OPTins. Payment CANNOT be made through TriTech. MUST BE ENROLLED.

         To enroll in the Electronic Fund Transfer payment system, please complete the EFT Enrollment Form located on the Idaho Department of Insurance website at https://doi.idaho.gov/wp-content/uploads/Company/EFT_Enrollment.pdf , and submit it to the Premium Tax Section at premiumtax@doi.idaho.gov . Enrollments are not processed from February 14 to July 31 due to tax filing volume.

4.   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.

5.   Late filing of the statement and remittance will result in a penalty of $25.00 for each day of delinquency, commencing March 2nd, through the date of submission of a complete filing (mandatory electronic filing AND payment). Idaho Code § 41-404. Late filing penalties will be assessed for the following:

     ▪   Late filing (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 settlement date or official postmark).
     ▪   **Electronic Fund Transfer (EFT) payment not in the correct bank account on the due date.**

If paying by check, 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. Idaho Code §67-2026.

6. **If paying by check, attach a check for the balance due to the TriTech payment voucher**. Unidentifiable payments will be returned. When transmitting payment by EFT, it is **CRITICAL** the addenda instructions are followed, and the payment 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 Enrollment Acceptance MUST be acquired prior to using this method. If you need an EFT Enrollment Form, see Item #3 above.

7. 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 1st, regardless of extensions. Idaho Code §41-402 (1), 41-324.

8. For all electronic filings, the typed name of the officer signing under oath is acceptable. If you need additional instructions, contact this office as listed in Item #1.   Idaho Code § 41-402 (1).

9. The Tax Statement must be filed regardless of negative premium or if no business was written. ZERO FILINGS ARE REQUIRED.

10. *PAGE 1 - RECAP OF TAXES*

A. Enter the company information. Enter the company's NAIC Number on Page 1 in the box provided. The company name, address, and state of domicile must be completed on all tax forms as 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 amounts of quarterly prepayments.

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 5 - 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 after it has been audited. Idaho Code § 41-402(10).

E. Line 4. Amount Enclosed. Overpayment of tax may not be used to offset penalties. Calcualted total (Line 3).

a. If a refund of premium tax is due on Line 5 (also negative amount of Line 3), enter 0.

b. If there is premium tax due on Line 3 (positive amount on Line 3), submit payment for the amount of Line 3 (tax due).

F. Line 5 - 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(A), 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."

G. The tax statement must be signed and dated by an Officer of the company. Typed signatures are permitted for electronic filings. 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 on insurance, property, or risks resident, or located, in Idaho. **Unsigned forms will be considered incomplete**. See item #8.

H.   All questions concerning the tax statement will be directed to the contact person as stated on page 1 of the Tax Statement. Include a **direct telephone number with 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.

11.   **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. Total Premiums. Calcualted total (total of Line 1).

C.   Line 3. Dividends Paid or Credited to the Account of Policyholder. Report dividends paid or credited to the account of policyholders.

D.   Line 4. Net taxable premiums. Calculated total (Line 3 less Line 3).

E.   Line 5. Premium Tax. Calculated total (Line 4 times 1.5% Idaho tax rate).

12.   **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, Calculated 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 County Premiums. Enter municipal, city or county premiums per domicile state in Column B. Attach an explanation.

H.   Line 2A. Tax Rate. Enter domicile tax rate in Column B.

I.   Line 2B. Premium Tax. Calculated total (multiply Line 2 by Line 2A in Column B and enter domicile premium tax in Column B).

J.   Line 3, Column B. Other Taxes. **Corporate/Income/Excises Taxes MUST be sated, even if zero**. Enter all other taxes imposed by your state of domicile, including state income/corporate/excise/minimum tax, 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.**