STATE OF IDAHO
DEPARTMENT OF INSURANCE
700 WEST STATE STREET, 3RD FLOOR
PO BOX 83720
BOISE, ID 83720-0043
PHONE (208) 334-4250
FAX (208) 334-4398

INSTRUCTIONS FOR COMPLETING AND FILING STATEMENT OF PREMIUM TAXES AND FEES TITLE INSURANCE COMPANIES

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.

2. 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 premiums received during the calendar year. Idaho Code § 41-402.

3. The Tax Statement and remittance are due on or <u>before</u> March 1. The required state documents and Tax Statement can all be submitted in one package either by groups or individual company. 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 as determined by an official postmark.

   Electronic Fund Transfer (EFT) payments that are not in the correct bank account on the due date, will be assessed a late penalty.

   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 postmark date will be determined by the package pick-up date, not the delivery date.

4. 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 6-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.

5. Requests for extensions or exemptions beyond the regular due date from filing the annual statement, will not be required providing approval was granted by the domiciliary state and NAIC has been notified. Extensions beyond 30 days will require 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.

6. **Original signed tax forms must be submitted.** If you need additional instructions or forms, contact this office at a telephone number listed in Item 1. Idaho Code § 41-402 (1).

7. PAGE 1 - RECAP OF TAXES AND FEES

   A. The Idaho Certificate of Authority Number (C/A No.) box located 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 C, Line 4 either Column A or B.

   C. Line 2 - The amounts 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 of Line 1 less Line 2. If estimated quarterly prepayments paid toward your tax obligation exceed the total premium tax amount due for the calendar year end, **you must still submit payment of required Continuation Fee**. If the amount on Line 3 is negative, this same amount should be carried forward to Line 7-Refund Due for Tax Overpayment. Any refund due for the overpayment of premium taxes will be mailed to the company address indicated above after your company's statement has been completely audited. Tax overpayments cannot be applied toward fee or future quarterly tax payment obligations. Idaho Code § 41-402(10).

   E. Line 4 - Annual Continuation Fee. Idaho Code § 41-324 and Idaho Insurance Rule 44 (IDAPA 18.01.44). To determine correct fee amount, use surplus as regards to policyholder amount reported on ATTACHED Annual Statement, Page 3, Line 32, Column 1. Payment of required fee MUST be included. If required fee is not being paid you must attach a written explanation.

   F. Line 5 - Calculate if a penalty will be due based on the official postmark date. A late penalty is assessed if Electronic Fund Transfer (EFT) payment is not in the correct bank account on the due date.

G. Line 6 - Amount Enclosed. Add Lines 4 and 5. **If the tax amount on Line 3 is a negative amount, *do not include* it with the Continuation Fee due. Do not apply tax overpayment to payment of Continuation Fee. Payment of required fee must be enclosed.**

H. Line 7 - Refund Due. This is the negative tax amount 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.

I. The Tax Statement must be signed and dated by an Officer of the company. By your signature, being duly sworn upon oath, you declare 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.

J. All questions concerning this Tax Statement will be directed to the contact person; therefore, include a direct telephone number with extension and E-mail address.

8. PAGE 2 - SCHEDULE A - COMPUTATION OF PREMIUM TAX - IDAHO BASIS

A. Line 1 - A complete explanation of any differences between the Annual Statement Idaho Business Page, Annual Statement Schedule T and the Tax Statement must be submitted and signed by the person authorized by the company to prepare this statement.

B. Line 2 - **Attach an explanation giving detailed amounts used to arrive at the deducted risk portion not subject to tax.**

9. PAGE 2 - SCHEDULE B - COMPUTATION OF PREMIUM TAX - STATE OF DOMICILE BASIS

A. Line 1 - Identify the specific basis for calculating the title premiums and risk portion. This may be a Statute, Regulation, Rule, Bulletin, etc.

B. Line 2 - Report premiums as if your company was an Idaho insurer writing an identical volume of business in your state of domicile.

C. Line 3 - Attach a complete explanation of any deductions from the premiums reported on Line 2, (i.e., agents' retention, national risk rate percentage, etc.) or not applicable if tax is based on total gross premiums. This must agree with the process identified on Line 1.

10. PAGE 3 - SCHEDULE C - COMPUTATION OF RETALIATORY TAXES. – **MUST BE INCLUDED WITH RETURN**

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 or the NAIC Retaliatory Guide. Idaho Code § 41-340(2) and (3)

A. 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. Attach an explanation of calculations on taxes.

B. 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, and
- Taxes imposed for a special purpose obligations or assessments on particular kinds of insurance.

C. An explanation of retaliatory calculations will be requested for any discrepancies.