

State of Idaho

DEPARTMENT OF INSURANCE

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A T T E N T I O N
PURCHASING GROUPS

**NOTICE OF CHANGE IN
SURPLUS LINE INSURERS
PREMIUM TAX LAWS**

TO: PREMIUM TAX CONTACTS

The Idaho Administrative Code IDAPA 18.01.65 Rules for the Surplus Line Brokers of Idaho, Section 015. Collection of Taxes, 02.Purchasing Groups states "Purchasing groups that obtain insurance from an unauthorized or authorized surplus lines insurer must use a surplus line broker licensed in the state of Idaho. The surplus Line broker is responsible to collect and submit all taxes and fees to the Idaho Surplus Lines Association".

This is to notify you of changes made to Idaho's premium tax rates by House Bill 828, which was signed into law on March 31, 2004. House Bill 828 amends Idaho Code Section 41-1229 to gradually decrease Idaho's premium tax rate from 2.75% to 1.5% over a six-year period. The bill can be viewed in its entirety at the [Idaho Legislature website](#).

The effective date of this law is July 1, 2004. However, no change in surplus line premium tax rates will occur until January 1, 2007.

Idaho Code Section **41-1229** - TAX ON SURPLUS LINES has been amended to provide as follows:

(1) On or before the first day of March of each year each broker shall remit to the director a tax on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by him with unauthorized insurers during the preceding calendar year as shown by his annual statement filed with the director, and at the following rates:

- (a) For calendar years 2004, 2005 and 2006, beginning with the effective date of the policy, two and seventy-five hundredths percent (2.75%); and
- (b) For calendar year 2007 and thereafter, beginning with the effective date of the policy, one and five-tenths percent(1.5%).