



**FORM INS-7**  
**2006**

**MAINE REVENUE SERVICES**  
**SURPLUS LINES PREMIUMS TAX**  
**ANNUAL / RECONCILIATION RETURN**



Producer's SSN

Period Covered

Due Date

<p>____ - ____ - ____ <b>01</b></p>	<p><b>January 1- December 31, 2006</b></p>	<p><b>March 15, 2007</b></p>
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*PRODUCER'S NAME, ADDRESS AND NAME OF PRODUCER'S COMPANY OR EMPLOYER:*

*CHECK ALL THAT APPLY:*

\_\_\_\_\_  
Producer's Name

\_\_\_\_\_  
Street Address and/or Post Office Box

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP Code

\_\_\_\_\_  
Name of Producer's Company or Employer

Initial return

Amended return

Made estimated payments during the year

Change of name/address

**Tax Computation**

1.	Gross Direct Surplus Line Premiums .....	1.	\$ _____, _____, _____	<b>.00</b>
2.	DEDUCTIONS			
	2a. Return premiums .....	2a.	\$ _____, _____, _____	<b>.00</b>
	2b. Dividends paid, credited or allowed on direct premiums .....	2b.	\$ _____, _____, _____	<b>.00</b>
3.	Total Deductions (line 2a plus line 2b) .....	3.	\$ _____, _____, _____	<b>.00</b>
4.	Amount Taxable (line 1 minus line 3) .....	4.	\$ _____, _____, _____	<b>.00</b>
5.	Premiums Tax (line 4 x 0.03) .....	5.	\$ _____, _____, _____	<b>.00</b>
6.	Less: Estimated Payments .....	6.	\$ _____, _____, _____	<b>.00</b>
7.	Balance Due (If line 5 is greater than line 6, line 5 minus line 6) .....	7.	\$ _____, _____, _____	<b>.00</b>
8.	Overpayment (If line 6 is greater than line 5, line 6 minus line 5) .....	8.	\$ _____, _____, _____	<b>.00</b>
9a.	Portion of overpayment to be APPLIED to next year's ESTIMATED tax .....	9a.	\$ _____, _____, _____	<b>.00</b>
9b.	Portion of overpayment to be REFUNDED (line 8 minus line 9a)... ..	9b.	\$ _____, _____, _____	<b>.00</b>

**2007 Quarterly Estimated Tax Election**

An authorized company official must elect an annual method of reporting quarterly estimated premiums taxes for 2007. These 2007 payments may be on an estimated basis, as long as the April 30 and June 25 installments each equal at least 35% of the total tax paid for 2006 or 35% of the total tax due for 2007, whichever is elected. The October 31 installment must equal 15% of the total tax paid for 2006 or 15% of the total tax due for 2007. The elected method cannot be changed during the calendar year (36 M.R.S.A. § 2521-A). **Do not complete this election if this is an amended return.**



**2007 Estimated tax due will be based on total tax paid for 2006** .....

**2007 Estimated tax due will be based on the estimated tax liability for 2007** .....

**AFFIDAVIT AND SIGNATURE**

This return is made in compliance with the provisions of 36 M.R.S.A. § 2521-A. The amount of all Surplus Lines Premiums on insurance written by this producer on risks located in, or received from risks resident of, the State of Maine during the above period has been reported. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Date \_\_\_\_\_ Signature \_\_\_\_\_ Phone # \_\_\_\_\_  
Must be signed by the Producer with Surplus Lines Authority.

Preparer's  
Date \_\_\_\_\_ Signature \_\_\_\_\_ ID Number \_\_\_\_\_



**Make check payable to :**      **Treasurer, State of Maine**  
**Send return with check to:**    **Maine Revenue Services, P.O.Box 9120, Augusta, ME 04332-9120**

**Office use only** \_\_\_\_\_

# GENERAL INSTRUCTIONS

## WHO MUST FILE

Every licensed producer with surplus lines authority who provides contracts written on risks located or resident in the State of Maine.

## WHEN TO FILE

The annual return and the final tax payment for 2006 are due March 15, 2007.

## ESTIMATED PAYMENT OF TAX

Taxpayers must make estimated tax payments for the calendar year. Required estimated payments for **2007** may be based either on the 2007 estimated tax liability or the 2006 tax liability. The election must be made on the 2006 Form INS-7 and may not be changed for that calendar year. April and June installments must each equal at least 35% of either the 2006 total tax liability or 35% of the 2007 estimated tax due, depending on the election made. The October installment must equal 15% of either the 2006 total tax liability or 15% of the 2007 estimated tax due, depending on the election made, and the balance due must be submitted with the 2007 Form INS-7.

## INTEREST AND PENALTIES

Beginning January 1, 2007, the interest rate is 12% per annum, compounded monthly. The penalty for failure to file a return on time is the greater of \$25 or 10% of the tax due, unless the return is filed more than 30 days after the receipt of a demand notice from the State Tax Assessor, in which case the failure-to-file penalty is 100% of the tax otherwise due. The penalty for failure to pay a tax liability timely is 1% of the outstanding liability for each month or fraction thereof during which the failure continues, to a maximum of 25% of the outstanding liability.

## WHOLE DOLLAR AMOUNTS

Enter money items as whole dollar amounts. Drop any amount under 50 cents to the lower dollar amount and increase any amount 50 cents through 99 cents to the higher dollar amount.

## FOR INFORMATION AND FORMS

Web site: [www.maine.gov/revenue](http://www.maine.gov/revenue)  
Address: Maine Revenue Services  
PO Box 9120  
Augusta, ME 04332-9120  
Telephone: (207) 624-9753  
Monday-Friday, 8 a.m.-5 p.m.  
Order Forms: (207) 624-7894

## STATUTORY REFERENCES

Title 36 M.R.S.A. §§ 2512 through 2530.

## SUPPORTING RECORDS

Taxpayers should be prepared to provide supporting documentation for reported amounts. Adequate records must be maintained in a manner that ensures their accessibility to the State Tax Assessor for a period of at least six years.

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# LINE INSTRUCTIONS

## **Line 1. Gross Direct Surplus Lines Premiums**

Enter the gross direct premiums upon risks located or resident in Maine. A premium is an amount paid or payable for an insurance policy, including all fees, such as membership, policy, survey, inspection, service and finance fees, that are assessed by and paid to an insurance company in consideration for an insurance policy.

## **Line 2. DEDUCTIONS**

### **2a. Return premiums**

Enter the amount of direct return premiums that were returned to the policyholder during the tax year. Include return premiums that were paid and subject to the Maine surplus lines premiums tax in a prior year, as well as those that were paid in 2006 and included on Line 1.

### **2b. Dividends paid, credited or allowed on direct premiums**

Enter the amount of direct dividends paid to the policyholder during the tax year. Include dividends paid that were subject to the Maine surplus lines premiums tax in a prior year, as well as those that were paid in 2006 and included on Line 1.

## **Lines 6. Prior Payments**

Enter the overpayment carried forward from the previous tax year and any estimated payments made for the current tax year.

## **Line 9a. Portion of overpayment to be APPLIED to next year's ESTIMATED tax**

Use this line only if you want to have all or part of the overpayment on line 8 applied as an estimated payment to next year's Maine Surplus Lines Premiums Tax.