



MAINE REVENUE SERVICES
NONADMITTED PREMIUMS TAX
(SELF PROCURED & SURPLUS LINES)
ANNUAL RECONCILIATION / RETURN



1132000

Maine Surplus Lines Account Number _____	Period Covered January 1 - December 31, 2011	Due Date March 15, 2012
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PRODUCER'S NAME, ADDRESS AND NAME OF PRODUCER'S COMPANY OR EMPLOYER:		CHECK ALL THAT APPLY:
Producer's or Self Procured Person's Name _____		<input type="checkbox"/> Initial return
Street Address and/or Post Office Box _____		<input type="checkbox"/> Amended return
City _____	State _____	<input type="checkbox"/> Made estimated payments during the year
Name of Producer's Company or Employer _____		<input type="checkbox"/> Change of name/address

Tax Computation

Check this box if reporting self procured premiums on line 1.

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

2012 Quarterly Estimated Tax

The 2012 quarterly tax 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 2012 or 35% of the total tax due for 2011. The October installment must equal 15% of the total tax paid for 2011 or 15% of the total tax due for 2012. See Form INS-6 for details. (36 MRSA § 2521-A).

AFFIDAVIT AND SIGNATURE

This return is made in compliance with the provisions of 36 MRSA § 2521-A. The amount of all nonadmitted insurance premiums on insurance subject to Maine tax for 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 Self Procured Person or Producer with Nonadmitted Insurance Authority.

Date: _____ Preparer's Signature: _____ ID Number: _____



If enclosing a check, make check payable to:
Treasurer, State of Maine
and MAIL WITH RETURN TO:
MAINE REVENUE SERVICES
P.O. BOX 1065
AUGUSTA, ME 04332-1065

If not enclosing a check,
MAIL RETURN TO:
MAINE REVENUE SERVICES
P.O. BOX 1064
AUGUSTA, ME 04332-1064

GENERAL INSTRUCTIONS

NEW FOR 2011

A new law makes changes to the application of surplus lines (non-admitted insurance) premiums tax to agree with federal changes enacted in 2010. With respect to premiums received on or after July 1, 2011, the Maine tax is applied to premiums received from persons whose principal place of business or principal residence is in Maine, unless the insured risk is located entirely outside Maine. If all of the insured risk is located outside Maine, the premiums are not taxable to Maine but are taxable where the largest percentage of risk is located. The Maine tax also applies to self procured persons whose principal place of business or principal residence is in Maine and who, on or after July 1, 2011, purchased nonadmitted insurance, the risk of which is entirely or partially in Maine. See 36 MRSA §§ 2513, 2519 & 2531.

WHO MUST FILE

Every licensed producer and self procured person that has nonadmitted gross direct insurance premiums as described in the instructions for Line 1 below must file Form INS-7.

Election to Report on Behalf of Employee Producers. An agency may elect to report and pay nonadmitted insurance premiums tax on behalf of all of its employee producers. To make this election, the agency must file an Application for Tax Registration, completing sections 1 and 11. Enter the name and federal ID number of the agency in section 1 and enter a note in section 11 stating that the agency is electing to file on behalf of its producers.

WHEN TO FILE

The annual return and the final tax payment for 2011 are due March 15, 2012.

ESTIMATED PAYMENT OF TAX

Insurers must make estimated tax payments for the calendar year. Required estimated payments for **2012** may be based either on the 2012 tax liability or the 2011 tax liability. April and June installments must each equal at least 35% of either the 2011 total tax liability or 35% of the 2012 tax due. The October installment must equal 15% of either the 2011 total tax liability or 15% of the 2012 tax due and the balance due must be submitted with the 2012 Form INS-7. An

NOTE: Certain taxpayers with large annual tax liabilities are required to remit tax payments electronically. See Maine Rule 102 on the MRS web site (select Laws & Rules) for details.

LINE INSTRUCTIONS

Line 1. Nonadmitted Gross Direct Insurance Premiums.

Licensed producers, enter the gross direct premiums received January 1, 2011 through June 30, 2011 on risks located or resident in Maine. Also, regardless of the location of the insured risk, enter premiums received July 1, 2011 through December 31, 2011 from persons whose principal place of business or principal residence is in Maine and whose insured risk is entirely or partially in Maine. In addition, regardless of the location of the insured risk, enter premiums paid July 1, 2011 through December 31, 2011 with respect to insurance policies that meet all of the following: 1) the policy is held by a person whose principal place of business or principal residence is outside Maine; 2) none of the insured risk of the policy is located in the state of the insured's principal place of business or principal residence; and 3) the greater percentage of the insured risk of the policy is in Maine.

Self procured persons whose principal place of business or principal residence is in Maine and whose insured risk is entirely or partially in Maine, enter the total gross premiums paid July 1, 2011 through December 31, 2011, regardless of the location of the risk. Also, regardless of the location of the risk, a self procured person whose principal place of business or principal residence is outside Maine must enter premiums paid July 1, 2011 through December 31, 2011 with respect to insurance policies that meet both of the following: 1) none of the insured risk of the policy is located in the state of the insured's principal place of business or principal residence; and 2) the greater percentage of the insured risk of the policy is in Maine.

insurance company with an annual tax liability not exceeding \$1,000 may file only an annual return with payment.

INTEREST AND PENALTIES

For calendar year 2012, the interest rate is 7%, 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 60 days after the receipt of a demand notice from the state tax assessor, in which case the failure-to-file penalty is the greater of \$25 or 25% of the tax 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
Address: Maine Revenue Services
PO Box 9107
Augusta, ME 04332-9107
Telephone: (207) 624-9753
Monday-Friday, 8 a.m. - 5 p.m.
Order Forms: (207) 624-7894

STATUTORY REFERENCES

Title 36 MRSA §§ 2512 through 2531.

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 by the state tax assessor for a period of at least six years.

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 in consideration for an insurance policy.

NOTE: Agencies reporting on behalf of employee producers must attach a schedule indicating the name, social security number and portion of taxable premiums attributable to each producer for whom the agency is filing.

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 return premiums that were paid in 2011 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 dividends that were paid in 2011 and included on Line 1.

Line 6. Estimated 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.