

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



2012

\*1232000\*

Maine Surplus Lines Account Number, (Do not enter products license number. See instructions.), Period Covered: January 1 - December 31, 2012, Due Date: March 15, 2013

Producer's or Self Procured Person's Name, Street Address and/or Post Office Box, City, State, ZIP Code, Name of Producer's Company or Employer, CHECK ALL THAT APPLY: Initial return, Amended return, Made estimated payments during the year, Change of name/address

Tax Computation table with 9 rows and 3 columns: Description, Amount, Tax. Includes lines for Nonadmitted Gross Direct Insurance Premiums, DEDUCTIONS (Return premiums, Dividends paid), Total Deductions, Amount Taxable, Premiums Tax, Estimated Payments, Balance Due, Overpayment, and portions of overpayment.

2013 Quarterly Estimated Tax

The 2013 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 2013 or 35% of the total tax due for 2012. The October installment must equal 15% of the total tax paid for 2012 or 15% of the total tax due for 2013. See Form INS-6 for details. (36 M.R.S.A. § 521-A).

AFFIDAVIT AND SIGNATURE

This return is made in compliance with the provisions of 36 M.R.S.A. § 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 #, Preparer's Signature, ID Number fields

Must be signed by the Self Procured Person or Producer with Nonadmitted Insurance Authority.



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 TO: MAINE REVENUE SERVICES, P.O. BOX 1064 AUGUSTA, ME 04332-1064

# GENERAL INSTRUCTIONS

## NEW FOR 2012

**Service contracts.** Beginning in 2012, provider fees on service contracts may be excluded from premiums subject to the insurance premiums tax. The Maine insurance premiums tax, however, does apply to premiums for reimbursement insurance policies. Compliance with the Service Contract Act is required on or after January 1, 2012.

## 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. A fraternal benefit society, order or lodge, as defined in 24-A M.R.S.A. section 4101(1) is exempt from Maine insurance premiums taxes.

**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 2012 are due March 15, 2013.

## ESTIMATED PAYMENT OF TAX

Insurers must make estimated tax payments for the calendar year. Required estimated payments for 2013 may be based either on the 2013 tax liability or the 2012 tax liability. April and June installments must each equal at least 35% of either the 2012 total tax liability or 35% of the 2013 tax due. The October installment must equal 15% of either the 2012 total tax liability or 15% of the 2013 tax due and the balance due must be submitted with the 2013 Form INS-7.

An insurance company with an annual tax liability not exceeding \$1,000 is not required to pay quarterly estimated payments.

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

# LINE INSTRUCTIONS

**Maine Surplus Lines Account Number.** The Maine Surplus Lines Account Number is the eleven digit identification number comprised of the producer's SSN or, if an agency is filing on behalf of its employees, the agency's federal EIN with a two digit Maine suffix. The suffix will be '01' unless you are notified by MRS that a different suffix has been assigned.

## Line 1. Nonadmitted Gross Direct Insurance Premiums.

**Licensed producers,** enter the gross direct premiums received 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 received 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 received, 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 received 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.

Self-procured filers must base each quarterly estimated payment on actual premiums for the quarter.

## INTEREST AND PENALTIES

For calendar year 2013, 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](http://www.maine.gov/revenue)

Telephone: (207) 624-9753  
Monday-Friday, 8 a.m.- 5 p.m.

Order Forms: (207) 624-7894

## STATUTORY REFERENCES

36 M.R.S.A. §§ 2512 through 2534.

## 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 (except provider fees paid for service contracts), 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 with 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 2012 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 2012 and included on line 1.

**Line 6. Estimated Payments.** Enter the overpayment carried forward from 2011 and any estimated payments made during 2012.

**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 your 2013 Maine surplus lines premiums tax.