

NONADMITTED PREMIUMS TAX (SELF-PROCURED & SURPLUS LINES) ANNUAL RECONCILIATION / RETURN

2021



99

\*1232000\*

Table with 3 columns: Maine Surplus Lines Account Number (99999999999), Period Covered (January 1 - December 31, 2021), Due Date (March 15, 2022)

Form section for reporting details including Producer's name, Street Address, City, State, ZIP Code, and checkboxes for Initial return, Amended return, etc.

Tax Computation table with 4 columns: Description, Amount, and Tax. Rows include Nonadmitted Gross Direct Insurance Premiums, DEDUCTIONS (Return premiums, Dividends paid), Total Deductions, Amount Taxable, Premiums Tax, Estimated Payments, and Balance Due.

2022 Estimated Tax
The 2022 tax payments must be on an estimated basis. The April and June installments must each equal at least 35% of the total tax paid for 2021 or 35% of the total tax due for 2022.

AFFIDAVIT AND SIGNATURE

This return is made in compliance with the provisions of 36 M.R.S. § 2521-A. The amount of all nonadmitted insurance premiums on insurance subject to Maine tax for the above period has been reported.

Signature and Date fields for Preparer and Taxpayer, including Phone # and 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

# GENERAL INSTRUCTIONS

## WHO MUST FILE

Every licensed producer and self-procured person/entity 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. 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 9. Enter the name and federal ID number of the agency in section 1 and enter a note in section 9 stating that the agency is electing to file on behalf of its producers/employees. The application for Tax Registration is available at [www.maine.gov/revenue/tax-return-forms](http://www.maine.gov/revenue/tax-return-forms).

## WHEN TO FILE

The annual return and the final tax payment for 2021 are due **March 15, 2022**.

## ESTIMATED PAYMENT OF TAX

Insurers must make estimated tax payments for the calendar year. Required estimated payments for 2022 may be based either on the 2022 tax liability or the 2021 tax liability. April and June installments must each equal at least 35% of the 2021 total tax liability or 35% of the 2022 tax due. The October installment must equal 15% of the 2021 total tax liability or 15% of the 2022 tax due and the balance due must be submitted with the 2022 Form INS-7.

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

**Note:** Certain taxpayers with large annual tax liabilities are required to remit tax payments electronically. See MRS Rule 102 on the MRS website at [www.maine.gov/revenue/publications/rules](http://www.maine.gov/revenue/publications/rules) for details.

**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. If self-procured filer, enter the individual's SSN or entity EIN. 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 gross direct 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 direct premiums received, regardless of the location of the risk.

**Self-procured persons whose principal place of business or principal residence is outside Maine:** Regardless of the location of the risk, enter gross direct 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.

## INTEREST AND PENALTIES

For calendar year 2022, the interest rate is 5%, 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

Website: [www.maine.gov/revenue](http://www.maine.gov/revenue)  
Telephone: (207) 624-9753  
Monday-Friday, 9 a.m.- 12 p.m.  
Order Forms: (207) 624-7894

## STATUTORY REFERENCES

36 M.R.S. §§ 2512 through 2536.

## 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.

principal place of business or principal residence; and **2)** the greater percentage of the insured risk of the policy is in Maine.

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 paid that were subject to the Maine surplus lines premiums tax in a prior year, as well as return premiums that were paid in 2021 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 2021 and included on line 1.

**Line 6. Estimated Payments.** Enter the overpayment carried forward from 2020 and any estimated payments made during 2021.

**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 2022 Maine surplus lines premiums tax.