



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
FINANCIAL AFFAIRS SECTION / ANALYTICAL UNIT 0576
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243
(615) 741-1670

TO: ALL INSURANCE COMPANIES TRANSACTING BUSINESS IN THE STATE OF TENNESSEE

RE: FILING STATEMENT OF PREMIUMS AND FEES FOR TAXATION

Following you will find tax form for filing "Statement of Premiums and Fees for Taxation" for June 1, August 20, and December 1.

PLEASE NOTE: All such taxes shall not be considered as paid on or before each quarterly due date unless the tax return and payment are actually received in the department on or before the appropriate quarterly due date as prescribed by Tenn. Code Ann. § 56-4-205. A tax return with payment will be considered "timely filed" provided such premium tax return and payment bears a **United States Post Office Cancellation Mark** stamped on the envelope of no later than the appropriate quarterly due date. A company meter date or postage stamp **will not** be acceptable as competent evidence that the tax return was timely filed if the tax return is received in the department after the due date, unless it is cancelled over by the U.S. Postal Service. It is advised, if your company feels the tax return may be received in the department after the appropriate quarterly due date, that certified mail with a U.S. Postal Cancellation Stamp on the receipt be obtained, a certificate of mailing, or request that the U.S. Postal authorities cancel over the postage in your presence. Based upon past experience, the U.S. Post Office does not always cancel over company metered mail. **No grace period is allowed for late filing of the premium tax return.**

Premium tax returns and payments thereon must be mailed to a separate post office box number. Any materials, which do not pertain to premium tax, should be sent under separate cover. The address for **PREMIUM TAX RETURNS** is as follows:

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
Division of Insurance
P.O. Box 198983
Nashville, TN 37219-8983

HOWEVER, PLEASE NOTE: If the tax return is mailed via overnight courier, the following address should be used:

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
FINANCIAL AFFAIRS SECTION / ANALYTICAL UNIT 0576
ATTENTION: PREMIUM TAX SECTION
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243

Any questions should be directed to the department's Tax Audit Section, phone (615) 741-1670.



TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
INSTRUCTIONS FOR FILING
"QUARTERLY STATEMENT OF PREMIUMS AND FEES FOR TAXATION"

COMPANIES OTHER THAN LIFE

- 1. WHO MUST FILE – DUE DATE – CORRECT PROCEDURE FOR FILING** – Any Tennessee insurance company or foreign company licensed in Tennessee must file a STATEMENT OF PREMIUMS AND FEES FOR TAXATION based on the gross premiums written for the previous period. Payment due dates are June 1, August 20 and December 1. The fact that a company may be inactive or become inactive does not relieve it of the necessity to file the return. Tenn. Code Ann. § 56-4-216 defines what shall be considered as a timely filing of the premium tax return. It states in pertinent part, "(c) Notwithstanding any other provisions of the statutes of this state, no grace period for the filing of returns and payments shall be allowed. A premium tax return and payment made to the department shall not be considered as paid on or before the due date unless: (1) the premium tax return and payment is received in the office of the department on or before the due date; (2) the premium tax return and payment bears a post office cancellation mark stamped by the United States post office on or before the due date, or is mailed by certified or registered mail, or has a certificate of mailing on or before the due date. A premium tax return and payment received by the department bearing a metered mail stamp and no post office cancellation mark stamped by the United States post office, shall be deemed filed and received on the date such premium tax return arrives at the department; or (3) in the event a premium tax return and payment is mailed but not received by the Department of Commerce and Insurance, or received and the cancellation mark is illegible or omitted, such return and payment shall be deemed filed and received on the date they were mailed if the sender establishes that the premium tax return and payment were deposited in the United States mail. In order to establish proof of mailing under these circumstances, a record authenticated by the United States post office that the original mailing was sent registered mail, certified mail, or by certificate of mailing, shall be the only proof accepted by the Department of Commerce and Insurance."
- 2. CORRECT TAX RETURN** – In order to avoid the penalty and interest prescribed by Tenn. Code Ann. § 56-4-216, a tax return must be filled out correctly. All deficiencies shall be subject to the penalty and interest as provided in Tenn. Code Ann. § 56-4-216, which will apply to the tax unpaid from the date the amount was due.
- 3. EXTENSION OF TIME** – **The Commissioner may in the exercising of the Commissioner's discretion, for good cause shown, upon application made in advance of delinquency date,** grant an extension of time, but not to exceed sixty (60) days, to the company to file the premium tax return and pay the tax imposed, without penalty attached; however, the tax shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. If any company who has received an extension of time fails to file the required form and pay the appropriate taxes and fees before the expiration of the extension granted, the penalty and interest will attach as though no extension has been granted, and the company is subject to debarment in this state until the taxes and penalties are fully paid.
- 4. EXPIRATION OF LICENSE – CONTINUATION TO PAY TAX** – All foreign insurance companies, which shall take out or renew a license to transact business in this state, shall upon expiration of their license for any cause, or upon their ceasing to transact new business in this state, continue to pay the same tax upon their business remaining in force in the same manner and time as other licensed insurance companies of the same class.
- 5. GROSS PREMIUMS** – For premium tax purposes, the words "gross premiums" or "taxable direct premiums" are defined to mean as follows: "Maximum gross premiums as provided in the policy contracts, new and renewal, including policy or membership fees, whether paid in part or in whole by cash, automatic premium loans, dividends applied in any manner whatsoever, and without deduction or exclusion of dividends in any manner; but excluding premiums returned on cancelled policies, or on account of reduction in rates, or reductions in the amount insured or experience rating refunds on life insurance policies and disability insurance policies."
- 6. TAX PAYMENTS** – Tenn. Code Ann. § 56-4-205(a) states, "Installments of the annual premium taxes due and payable for each quarter as described herein shall be based on the estimated amount of gross premiums received during that prior calendar quarter. A final payment of tax due for the preceding calendar year shall be made at the time each such insurance company files its March 1 return. Such final payment shall be measured by the gross premium, as defined in Tenn. Code Ann. § 56-4-204, received by the respective companies during the calendar year immediately preceding. Any insurance company which fails to report and or which estimates any installment of tax to be less than 80 percent of the amount finally shown to be due in any quarter shall be subject to interest and penalty as provided in the Tenn. Code Ann. § 56-4-216 for any underpayment of taxes due and payable for the quarter. Any insurance company paying, for each installment required in this section, 25 percent of the amount of the annual premium taxes reported on its annual return for the preceding year shall not be subject to any penalty or interest for such underpayment."

- 7. TAX ON WORKMEN'S COMPENSATION INSURANCE** – Every insurance company writing Workmen's Compensation Insurance is subject to a four percent (4%) tax on gross premiums, plus a surcharge of four-tenths of one percent (.4%). The surcharge is not applicable to any employer who employs ten (10) or less employees, unless such employer is in the business of construction or manufacturing. The four percent (4%) tax on Workmen's Compensation premiums is in lieu of the two and one-half percent (2-1/2%) tax on all other premiums. Therefore, all Workmen's Compensation premiums should be listed on line 2 of the tax return. **Do not list any Workmen's Compensation premiums in line 1 of page 1.**
- 8. PROPER REMITTANCE** – All checks for payment of any premium tax or fees due should be made payable to the TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE; and in order to constitute proper payment, the check must be signed, drafted and dated correctly.
- 9. PENALTY FOR LATE PAYMENT AND DEFICIENT TAXES DUE** – Any company which fails and neglects to file the tax return and make payment promptly and correctly as defined by Tenn. Code Ann. § 56-4-216, shall pay to the state, in addition to the amount of taxes due, a penalty of five percent (5%) for each of the first two months or fractional parts thereof and thereafter at the rate of one-half of one percent (1/2%) per month with a maximum of ten thousand dollars (\$10,000) for the first three days of any delinquency. In addition to the above penalty, all delinquencies shall bear interest at the rate of ten percent (10%) per annum from the date the amount was due until paid. The penalty and interest herein provided for shall apply to any part of the tax unpaid by the due date and no such penalty or interest may be waived. **NO GRACE PERIOD WILL BE ALLOWED FOR COMPANIES FILING LATE PREMIUM TAX RETURNS.**
- 10. INVESTMENT CREDIT** – Insurers that qualify for a reduction in the premium taxes for investment in Tennessee securities must compute this credit on their annual return filed March 1. There is no provision for this on the quarterly estimated returns. However, companies that have historically qualified for this credit may effectively gain the benefit of this reduction by paying estimated taxes based on at least 25% of the amount owed for the previous year, pursuant to Tenn. Code Ann. §56-4-205(2).



STATE OF TENNESSEE
 THE DEPARTMENT OF COMMERCE AND INSURANCE
 P.O. BOX 198983
 Nashville, TN 37219-8983
 (615) 741-1670

STATEMENT OF PREMIUMS AND FEES FOR TAXATION

COMPANIES OTHER THAN LIFE

FOR DEPARTMENT USE ONLY

Ci374 121/972 _____

Ci393 131 _____

Ci359 880/300 _____

Ci383 125 _____

Posted by _____

Company Name	Contact Person	Due Dates: <input type="checkbox"/> June 1 <input type="checkbox"/> August 20 <input type="checkbox"/> December 1	Calendar Year
Address (No. & Street)	E-Mail Address		NAIC CO.CODE □ □ □ □ □
City, State & Zip	Phone Number/ Fax Number	Date Admitted to TN	Domiciliary State

This Return Must Be Completed and Filed Even if There Were No Premiums Written

TAX IS BASED ON 25% OF ACTUAL PREMIUMS WRITTEN DURING THE ENTIRE PREVIOUS YEAR OR AT LEAST 80% OF PREMIUMS WRITTEN DURING QUARTERLY FILING PERIOD OF CURRENT YEAR.	Premiums	Tax
1. Premium Tax -- (2.5% On taxable direct premiums other than Workmen's Compensation)	\$	\$
2. Workmen's Compensation Tax -- (4% on Workmen's Compensation Premiums)	\$	\$
3. Fire Marshal Tax -- (as Computed in Schedule B)		\$
4. Workmen's Compensation Surcharge -- (as Computed in Schedule E)		\$
5. Total Premiums and Tax	\$	\$
* Do not list negative Tax amounts on any of the above lines; if negative, enter zero (0)		

Make remittance payable to: TENNESSEE DEPT. OF COMMERCE & INSURANCE

**Schedule B – COMPUTATION OF FIRE MARSHAL TAX
 (To Be Computed By Property Insurers Only)**

LINE OF BUSINESS	DIRECT PREMIUMS	PERCENTAGE TO BE APPLIED	FIRE PORTION
Fire Lines	\$	100%	\$
Farm owners Multiple Peril	\$	55%	\$
Homeowners Multiple Peril	\$	55%	\$
Commercial Multiple Peril (non-liability portion & liability portion)	\$	50%	\$
Inland Marine	\$	20%	\$
Private Passenger Auto Physical Damage	\$	8%	\$
Commercial Auto Physical Damage	\$	8%	\$
Aircraft (All Perils)	\$	8%	\$
Industrial Fire	\$	100%	\$
Other	\$		\$
Fire Portion Subject to Fire Marshal Tax (Sum of the above fire portion lines)			\$
Apply ¾ of 1%			x 0.0075
FIRE MARSHAL TAX			\$
Do not list negative amounts on any of the above lines; if negative, enter zero (0)			ENTER THIS AMOUNT ON LINE 3 ABOVE

**Schedule E – WORKMEN'S COMPENSATION INSURANCE SURCHARGE
(To Be Completed By All Companies Writing Workmen's Compensation Insurance)**

Complete steps 1 thru 5. If Company did not write any Workmen's Compensation premiums during prior calendar quarter, please indicate as "NONE" on Line 1 of this Schedule.

1. Gross Workmen's Compensation Premiums as listed on Line 2, Page 1	\$
*2. Subtract Premiums not subject to Surcharge (see note below)	\$
3. Premiums subject to Workmen's Compensation Surcharge	\$
4. Apply four-tenths of one percent (0.4%) rate to amount on line 3	x 0.004
5. WORKMEN'S COMPENSATION SURCHARGE	\$

ENTER THIS AMOUNT ON
LINE 4, PAGE 1.

Do not list a negative Surcharge amount on line 5; if negative, enter zero (0)

NOTES

*The Surcharge of four-tenths of one percent (0.4%) on Workmen's Compensation Insurance shall not apply to any premiums written on or for an employer who employs ten (10) or less employees unless such employer is in the business of construction or manufacturing.

Explain in detail the method used in calculating any reduction of Workmen's Compensation Surcharge premiums which are not subject to the Surcharge tax in the space below:

STATEMENT OF PREMIUMS AND FEES FOR TAXATION MUST OBTAIN ORIGINAL SIGNATURE AND NOTARY

STATE OF _____ COUNTY OF _____

I, _____, do hereby make oath that I am _____

(Officer's Name) (Official Title)

of the _____

and that the foregoing Statement of Premiums and Fees for Taxation is true to the best of my knowledge, information and belief.

Signature of Officer

Notary Public

(SEAL)

Subscribed and Sworn before me _____

Date

My commission expires _____

Date

TENNESSEE STATUTES APPLICABLE TO PREMIUM TAXES

LINE 1	Tax on Premiums _____	Tenn. Code Ann. § 56-4-204
LINE 2	Tax on Workmen's Compensation Premiums _____	Tenn. Code Ann. § 56-4-205
LINE 3	Additional tax on fire Insurance _____	Tenn. Code Ann. § 56-4-208
LINE 4	Workmen's Compensation Surcharge _____	Tenn. Code Ann. § 56-4-206
	FAILURE TO FILE TAX RETURN Within Time Prescribed _____	Tenn. Code Ann. § 56-4-216