

2014 Premium Tax Filing Questions and Answers:

1. Does the tax return require an authorized person's signature?

No. It requires checking the “**Agreed**” box and typing the authorized tax officer's name there.

2. Does the tax return require rounding up to the whole number?

Yes.

3. Can deducted dividend be larger than total gross premium written?

Yes, but there is no refund of prior tax payment allowed by DC laws.

4. Can deducted dividend be used in the calculation of retaliatory tax?

Yes if domiciled state laws allow it.

5. Is Schedule T required to be attached with the premium tax return?

No.

6. Can DISB provide an express mail address?

No. All premium tax returns with payments have to be mailed to the DC Treasurer lockbox address listed in the return form.

7. Our company has negative written premiums from DC in current premium tax year due to the premium return for the cancelled DC policies written in prior premium tax year. Are we able to claim a refund on these negative premiums?

No refund for the negative written premiums is allowed. You must put \$0 premium tax liabilities in the return unless you have made the installment payment in the current tax year. The current year installment payment is refundable.

8. What CAPCO form should be attached with premium tax return for credit taken and credit transfer?

The “DC Certified Investor Annual Notification of Credit Transfer” and the “DC Certified Investor Tax Credit Transfer Affidavit” forms must be attached with the tax return for CAPCO credit taken and credit transfer. You can find these forms in “2014 insurance tax filing package” as well as at DISB website <http://disb.dc.gov>, under “Regulated Entities”-“CAPCOs”.

9. **We filed current year installment report with a payment and CAPCO credit. Are we able to apply all entitled CAPCO credit at year end to result a refund equals installment payment amount?**

Yes, you are allowed to do so.

10. **We noted an error in the prior year premium tax return regarding the prior year tax calculation. Can we use the corrected prior year total tax liability to prepare installment report?**

Yes. However, you should amend the prior year tax return first; then use the corrected prior year's tax liability to prepare the installment report, mail both amended prior year tax return and the installment report to the appropriate address listed in the tax form.

11. **Can we file an annual tax return with negative written premiums?**

Yes. However the prior year premium tax payment is not refundable.

12. **Does DC honor post mark date as due date?**

Yes.

13. **If a DC licensed insurance company re-domiciled from one state to another during the calendar year, in which state the retaliatory tax should be calculated?**

The retaliatory tax should be calculated based on the domiciled state at the end of the calendar year.

14. **If a DC licensed insurance company was merged with another DC licensed insurance company at the middle of a calendar year, when is the merged insurance company's premium tax return due?**

The premium tax return and installment reporting should be due as normal DC due date, such as June 1st for installment report and March 1st for annual return. Only the surviving insurance company needs to file the DC premium tax return after the merger is completed. The surviving company's premium tax return should include the merged insurance company's written premiums in the calculations of premium tax liabilities. In addition, you must write in the "**Comments**" box in the return form for the merged insurance company's name and its written premium amount.