

2014 Fire Safety Surcharge Return for Mutual Companies

For the period of (check one):

- Jan. 1 - March 31, 2014 (Due May 15)
April 1 - June 30, 2014 (Due Aug. 15)
July 1 - Sept. 30, 2014 (Due Nov. 15)
Oct. 1 - Dec. 31, 2014 (Due Feb. 15, 2015)

Form with fields: Name of insurance company, Mailing address, City, Email address, FEIN, NAIC number, State, Zip code, Contact person, Daytime phone, Fax number. Includes checkboxes for 'Amended return' and 'No activity'.

Note: Numbers in parentheses refer to line numbers on NAIC Minnesota state page. Also include all finance and service charges.

Table with 5 columns: A (Total Direct Premiums), B (Dividends), C (Net Direct Premiums), D (% of Fire), E (Minnesota Basis). Rows include Fire (1), Allied lines (2a, 2b), Multi-peril (3a, 3b, 3c, 3d), Inland marine (4), Ocean marine (5), Earthquake (6), Auto physical damage (7a-f), Aircraft physical damage (8), Other fire (9), Taxable fire premiums (10), Surcharge rate (11), Fire insurance surcharge liability (12), Penalty (13), Interest (14), and TOTAL AMOUNT DUE (15).

If you owe additional tax (make separate payments for each period):

Payment method: Electronic payment or Check. Enter amount paid and Date paid. (If amount paid is different from line 15, attach an explanation.)

If you overpaid: Overpayments will be refunded.

I declare that this return is correct and complete to the best of my knowledge and belief.

Sign Here section with fields for Authorized signature, Title, Date, Daytime phone, and Signature of preparer, Print name of preparer, Date, Daytime phone. Includes a checkbox for 'I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.'

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2014 Form IG262 Instructions

For insurance tax laws, see Minnesota Statutes, Chapter 297I at www.leg.state.mn.us.

Filing Requirements

The fire safety surcharge is effective for insurers writing homeowners, fire and commercial nonliability policy premiums.

This surcharge does not apply to Minnesota township mutual fire insurance companies organized under Chapter 67A.

Mutual property and casualty companies (described in M.S. 297I.05, subd. 3 and 4) shall elect to collect and remit the fire safety surcharge (Form IG261) or the 0.5 percent surcharge (Form IG262).

The election must be made by Dec. 31 of each year for insurance for policies written or renewed in the succeeding calendar year. The election can be made by sending us a letter and including your Minnesota tax ID number. You don't need to notify us unless you are changing your election.

(M.S. 297I.06)

Due Dates

File Form IG262 and pay any surcharge due by May 15, Aug. 15 and Nov. 15 of the current year and Feb. 15 of the following year. Make separate electronic payments or write separate checks for each return.

The U.S. postmark date, or date recorded or marked by a designated delivery service, is considered the filing date (private postage meter marks are not valid). When the due date falls on a Saturday, Sunday or legal holiday, returns and payments electronically made or postmarked on the next business day are considered timely. When a return or payment is late, the date it is received at the Department of Revenue is treated as the date filed or paid.

Extension for Filing Return. If good cause exists, you may request a filing extension.

Before You File

You Need a Minnesota Tax ID

Your Minnesota tax ID is the seven-digit number you're assigned when you register with the Department of Revenue. You must include your Minnesota tax ID on your return so that your filing and any payments you make are properly credited to your account.

If you don't have a Minnesota tax ID, apply for one online at www.revenue.state.mn.us or call 651-282-5225 or 1-800-657-3605.

It is also important to enter your federal ID number and NAIC number on your return, but not in place of your Minnesota tax ID number.

Payments

Electronic Payments

If your total insurance taxes and surcharges for the last 12-month period ending June 30 is \$10,000 or more, you are required to pay your tax electronically in all subsequent years.

You must also pay electronically if you're required to pay *any* Minnesota business tax electronically, such as sales or withholding tax.

To pay over the Internet, go to the department's website at www.revenue.state.mn.us and login. If you don't have Internet access, call 1-800-570-3329 to pay by phone. You'll need your user name, password and bank routing and account numbers. When paying electronically, you must use an account not associated with any foreign banks.

If you use other electronic payment methods, such as ACH credit method or Fed Wire, instructions are available on our website or by calling Business Registration Office at 651-282-5225 or 1-800-657-3605.

Submit separate payments for each return.

Check Payments (Form PV55)

If you are not required to pay electronically and choose to pay by check, you must complete a Form PV55 payment voucher and include it with your check when you file Form IG262. Download the PV55 voucher from our website, type in the required information while the form is on the screen and print a copy. A personalized scan line will be printed on the bottom using the information you entered.

When you pay by check, your check authorizes us to make a one-time electronic fund transfer from your account, and you may not receive your canceled check.

Note: If no amount is due or if you pay electronically, do not send in Form PV55.

Instructions

Check Boxes

At the top of the form, check if the return is:

- an **Amended Return**: Check only if you are amending a previously filed return for the same period. Include all original and corrected premiums on the amended return.
- for **No Activity**: Check only if you did not have any tax activity during the period.

Line Instructions

Column D

If you wish to use different percentages than the ones listed above, you must receive prior approval. For written approval, send a letter or email to the department (see *Information and Assistance*) requesting to use percentages that were computed prior to collecting premiums during this period. Attach documentation including detailed supporting schedules.

Premiums must include finance, service or other charges paid to the insurers.

Line 1

Enter fire premiums written (line 1 of your NAIC Minnesota state page).

Lines 2a and 2b

Enter all crop premiums written for allied lines on line 2a and other than crop premiums on line 2b (line 2.1, Minnesota state page).

If the allied lines premiums reported on the NAIC line 2.1 do not contain fire coverage, those premiums are not subject to the fire safety surcharge. Include documentation demonstrating that no fire coverage is included on the NAIC line 2.1.

Lines 3a and 3b

Enter all farmowners and homeowners multi-peril premiums written (lines 3 and 4, Minnesota state page).

Line 3c

Enter the nonliability portion of all commercial premiums written (line 5.1, Minnesota state page).

Line 3d

Enter the liability portion of all commercial premiums written (line 5.2, Minnesota state page).

Continued

Line 4

Enter all inland marine premiums (line 9, Minnesota state page).

Line 5

Enter all ocean marine premiums (line 8, Minnesota state page).

Line 6

Enter all earthquake premiums (line 12, Minnesota state page).

Line 7

Enter all total auto physical damage premiums (lines 21.1 - 21.2, Minnesota state page) **OR** the appropriate type of premiums on lines 7a through 7f.

The total auto physical damage premiums, if listed by breakdown (lines 7a through 7f), should equal total auto physical damage premiums on the state page of your annual statement.

Line 8

Enter all aircraft physical damage premiums (line 22, Minnesota state page).

Line 9

Include all other premiums collected for fire, sprinkler and lightning damage if not already included. Provide a breakdown schedule showing the fire portion. For package policies, the fire insurance portion may be broken out to more accurately reflect the correct portion of fire premiums. Include a schedule detailing the breakdown.

Line 13

Penalties

Late Payment. If you don't pay the entire surcharge by the due date, a late payment penalty is due. The penalty is 5 percent of the unpaid surcharge for any part of the first 30 days the payment is late, and 5 percent for each additional 30-day period, up to a maximum of 15 percent.

Late Filing. Add a late filing penalty to the late payment penalty if your return is not filed by the due date. The penalty is 5 percent of the unpaid surcharge. When added to the late payment penalty, the maximum combined penalty is 20 percent.

Payment Method. If you are required to pay electronically and do not, an additional 5 percent penalty applies to payments not made electronically, even if a paper check is sent on time.

Line 14

Interest

You must pay interest on the unpaid surcharge plus penalty from the due date until the total is paid. The interest rate for calendar year 2014 is 3 percent. The interest rate may change for future years.

To figure how much interest you owe, use the following formula with the appropriate interest rate:

$$\text{Interest} = (\text{surcharge} + \text{penalty}) \times \# \text{ of days late} \times \text{interest rate} \div 365$$

Business Information Changes

Be sure to let us know within 30 days if you change mailing addresses, phone numbers or any other business information. To do so, go to our website, login to e-Services and update your profile information. By notifying us, we will be able to let you know of any changes in Minnesota tax laws and filing requirements.

Information and Assistance

Website: www.revenue.state.mn.us

Email: insurance.taxes@state.mn.us

Phone: 651-556-3024

We'll provide information in other formats upon request to persons with disabilities.