

2012 Insurance Premium Tax Return for HMOs

Due March 1, 2013

| | | | | | |
|---------------|------------------|-----------------|-------------|--|----------------------------|
| | | | | Check if: <input type="checkbox"/> Amended return <input type="checkbox"/> No activity | |
| Print or Type | Name of provider | | FEIN | Minnesota tax ID (required) | |
| | Mailing address | | NAIC number | State/country of incorporation | |
| | City | State | Zip code | Contact person | Daytime phone |
| | Email address | Website address | | Fax number | Date licensed in Minnesota |

| | |
|--------------------------|--|
| Premiums | 1 Total gross written premiums (total from NAIC, Schedule T; attach a copy) 1 _____ |
| | 2 a Federal employees health benefits 2a _____ |
| | b Nontaxable Medicare 2b _____ |
| | c Other nontaxable premiums (attach separate itemized schedule) 2c _____ |
| | Total nontaxable premiums (add lines 2a, 2b and 2c) 2 _____ |
| | 3 Subtract line 2 from line 1 3 _____ |
| | 4 Other additions (attach separate itemized schedule) 4 _____ |
| | 5 Total taxable premiums (add line 3 and line 4) 5 _____ |
| | 6 Premium tax percentage rate (1%) 6 _____ 1 % |
| Premium Tax and Payments | 7 Premium tax liability (multiply line 5 by line 6) 7 _____ |
| | 8 Premium tax prepayments |
| | a Prior year's overpayment 8a _____ |
| | b Estimated payment March 15 8b _____ |
| | c Estimated payment June 15 8c _____ |
| | d Estimated payment Sept. 15 8d _____ |
| | e Estimated payment Dec. 15 8e _____ |
| | Total payments (add lines 8a through 8e) 8 _____ |
| | 9 Subtract line 8 from line 7 9 _____ |
| Amount Due/ Overpaid | 10 a Additional charge for underpaying estimated tax (determine from worksheet in the instructions) 10a _____ |
| | b Penalty (see instructions) 10b _____ |
| | c Interest (see instructions) 10c _____ |
| | Total (add lines 10a through 10c) 10 _____ |
| | 11 TOTAL AMOUNT DUE (or overpaid) (add lines 9 and 10) 11 _____ |
| | If you owe additional tax: |
| | Payment method: <input type="checkbox"/> Electronic payment <input type="checkbox"/> Check (payable to Minnesota Revenue; write MN tax ID number on check; attach Form PV52) |
| | Enter amount paid _____ Date paid _____ |
| | (If amount paid is different from amount due on line 11, attach an explanation.) |
| | If you overpaid: |
| | Amount on line 11 to be credited to next year's estimated tax _____ |
| | Amount on line 11 to be refunded _____ |

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

| | | | | | |
|-----------|-----------------------|------------------------|------|---------------|--|
| Sign Here | Authorized signature | Title | Date | Daytime phone | <input type="checkbox"/> I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer. |
| | Signature of preparer | Print name of preparer | Date | Daytime phone | |

2012 Insurance Premium Tax Return for HMOs Instructions

Includes instructions for Form M11H

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

What's New

Healthy Minnesota Contribution Program

The Healthy Minnesota program was enacted under the 2011 Minnesota Session Laws, 1st Special Session, chapter 9, Article 6, section 73 (Minnesota Statutes, section 256L.031). Certain MinnesotaCare enrollees who are adults without children will be part of the Healthy Minnesota program, effective July 1, 2012. Since MinnesotaCare payments are subject to tax, all payments made to entities, other than MCHA, and all premiums are taxable.

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 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.

Filing Requirements

Any health care provider organized as a nonprofit health plan corporation, health maintenance organization or community integrated service network that writes premiums in Minnesota must file Form M11H, *Insurance Premium Tax Return for HMOs*.

(M.S. 297I.05, subd. 5)

Due Date

File Form M11H with all required attachments and pay any tax due by March 1. Payment extensions are not allowed.

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 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.

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 year.

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.

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

To pay over the Internet, go to the department's website at www.revenue.state.mn.us and login to e-Services. 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.

Estimated Tax Payments

If your estimated premium tax is more than \$500, you must make installment payments based on the entire estimated amount. To avoid an additional charge for underpaying the tax, your payments must be made on time and be at least one-fourth of the prior year's total annual tax liability, or one-fourth of 80 percent of the current year's total annual tax liability.

Estimated payments are due quarterly on March 15, June 15, Sept. 15 and Dec. 15. When the due date falls on a weekend or legal holiday, payments made electronically or postmarked on the next business day are considered timely.

If you are not required to pay electronically

and you choose to pay by check, you must mail a personalized M27 payment voucher along with your estimated tax payment to help ensure the payment is credited correctly. Download the M27 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.

If you make your payments electronically, do not send in the M27 vouchers.

If you do not pay the correct amount of estimated tax by the due dates and your tax liability is more than \$500, you may have to pay an additional charge for underpaying. Complete the worksheet on page 2.

Overpayments from prior years or prior estimated overpayments should be applied before underpayment charges are figured.

Return Payment

If there is an amount due on Form M11H, either pay it electronically or by check.

If you are not required to pay electronically and choose to pay by check, you must complete a Form PV52 payment voucher and include it with your check when you file Form M11H. Download the PV52 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 of the voucher 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 PV52.

Penalties and Interest

Late Payment. If you don't pay all the tax due by the due date, a late payment penalty is due. The penalty is 5 percent of the unpaid tax 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.

Continued

2012 Form M11H Instructions (continued)

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 tax. 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.

Interest. You must pay interest on the unpaid tax plus penalty from the due date until the total is paid. The interest rate for calendar year 2013 is 3 percent. The rate may change for future years.

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

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

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, to go 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.

Worksheet Instructions

Step 5

Payments of estimated tax are applied against any underpayments of required installments in the order that the installments were due.

For example, if your first installment is underpaid by \$100 and you deposit \$200 for your second installment, \$100 of your second payment is applied to the first installment. The additional charge for the first installment is computed from the first installment's due date to the date the second payment is made.

Information and Assistance

Website: www.revenue.state.mn.us
 Email: insurance.taxes@state.mn.us
 Phone: 651-556-3024 (TTY: Call 711 for Minnesota Relay)

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

Also, the second installment will then be underpaid by \$100 (assuming that the second payment is \$200) until sufficient repayments are received to eliminate the underpayment.

If more than one payment has been made for a required installment, attach a separate computation for each payment.

Credit the excess of any overpayment for a period on step 5 of the next payment period.

Step 10

If there is no underpayment on step 7, enter "none" on step 10 for that period.

Worksheet: Additional Charge for Underpaying Estimated Tax for 2012

| | | Due Dates | | | |
|-----------|--|-----------|---------|----------|---------|
| | | March 15 | June 15 | Sept. 15 | Dec. 15 |
| 1 | Enter 80 percent of the total annual tax liability from line 7 of your 2012 Form M11H | 1 | _____ | _____ | _____ |
| 2 | Enter the amount from line 3 of your 2011 Form M11H. If you were not required to file a 2011 return or if your total annual tax liability was \$500 or less, you do not owe an additional charge | 2 | _____ | _____ | _____ |
| 3 | Enter one-fourth of step 1 or step 2 (whichever is less) in each column | 3 | _____ | _____ | _____ |
| 4 | Amounts paid on or before the due date for each period. Include credits applied, such as prior year's overpayment | 4 | _____ | _____ | _____ |
| 5 | Overpayment of previous installment (see <i>worksheet instructions</i>) | 5 | _____ | _____ | _____ |
| 6 | Add steps 4 and 5 | 6 | _____ | _____ | _____ |
| 7 | Underpayment (or overpayment). Subtract step 6 from step 3 | 7 | _____ | _____ | _____ |
| 8 | Date underpayment is paid or March 1, 2013, whichever is earlier. | 8 | _____ | _____ | _____ |
| 9 | Number of days from the due date to the date on step 8 | 9 | _____ | _____ | _____ |
| 10 | Additional charge ($\text{step 9} \div 365 \times \text{interest (see below)} \times \text{step 7}$) | 10 | _____ | _____ | _____ |
| 11 | TOTAL. Add amounts in each column on step 10. Enter the result here and on Form M11H, line 10a | 11 | _____ | _____ | _____ |

If step 11 is zero, keep this worksheet for your records. Do not send it with your return.

If it is more than zero, attach a copy of the worksheet to your Form M11H.

Interest: 2012 = .03; 2013 = .03