

**2020 Nonadmitted Insurance Premium Tax Return for Direct Procured Insurance**

Due March 1, 2021

Check if:  Amended Return  No Activity Return

<b>Print or Type</b>	Name of Insured		Minnesota Tax ID (required)	Contact Person
	Mailing Address		Daytime Phone	Fax Number
	City	State Zip Code	Email Address	Website Address
	<input type="checkbox"/> I am licensed to obtain insurance from nonadmitted insurers from _____ to _____		<input type="checkbox"/> Check if you are a purchasing group	

<b>Calculate Amount Due/Overpaid</b>	<b>1</b> Total gross premiums paid (from page 2, Column G) ..... <b>1</b> _____
	<b>2</b> Total return premiums received (from page 2, Column H) ..... <b>2</b> _____
	<b>3</b> Taxable gross premiums paid (subtract line 2 from line 1) ..... <b>3</b> _____
	<b>4</b> Tax rate is 2% (0 .02) ..... <b>4</b> _____ .02
	<b>5</b> Total gross premiums tax due (multiply line 3 by line 4)..... <b>5</b> _____
	<b>6</b> Penalty (see instructions) ..... <b>6</b> _____
	<b>7</b> Interest (see instructions) ..... <b>7</b> _____
	<b>8 TOTAL AMOUNT DUE (or overpaid) (add lines 5 through 7)..... <b>8</b> _____</b>

**If you owe additional tax:**

Payment method:  Electronic payment  Check (payable to Minnesota Revenue; write MN tax ID number on check; attach voucher)  
 Enter amount paid \_\_\_\_\_ Date paid \_\_\_\_\_  
 (If amount paid is different from amount due on line 8, 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.

<b>Sign Here</b>	Signature of Insured or Officer of Corporation	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	

Mail to: Minnesota Department of Revenue, Mail Station 1780, 600 N. Robert St. St . Paul, MN 55145-1780





## 2020 Form IG255 Instructions

For insurance tax laws, see *Minnesota Statutes, Chapter 297I* at [www.leg.state.mn.us](http://www.leg.state.mn.us).

**Captive Insurance Tax Filing Requirements:** When a company pays premiums to a captive insurer and Minnesota is the “home state” of the insured (see “Rules from the Nonadmitted and Reinsurance Reform Act and M.S. 297I.01, subd. 10a” below), the company must report those premiums on Form IG255.

**Minnesota Voluntary Disclosure Program:** This program helps qualifying individuals and business with unreported tax comply with Minnesota tax laws. For more information about the Minnesota Voluntary Disclosure Program, go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and enter “Voluntary” in the search box.

You must complete and file Form IG255 if you are a person, firm, corporation, or purchasing group buying insurance directly from a “nonadmitted insurer,” which is defined as an “insurer not licensed to engage in the business of insurance in Minnesota” (M.S. 297I.01, subd. 10(e)). The definition of nonadmitted insurer includes, but is not limited to, surplus lines insurers and captive insurers. Therefore, whenever you purchase insurance directly from a surplus lines insurer and whenever your company pays premiums to a captive insurer and Minnesota is the home state of the insured (see “Rules from the Nonadmitted and Reinsurance Reform Act and M.S. 297I.01, subd. 10a” below), you must complete and file Form IG255.

If you purchased nonadmitted insurance through a broker that is not licensed by the Minnesota Department of Commerce, you must report these premiums as directly procured premiums from a nonadmitted insurer on Form IG255.

If you purchased surplus lines insurance, which is a form of nonadmitted insurance, through a licensed surplus lines broker, the surplus lines insurance is not directly procured and the broker is responsible for completing and filing Form IG260, *Nonadmitted Insurance Premium Tax Return for Surplus Lines Brokers*.

### **Filing Requirement** Rules from the Nonadmitted and Reinsurance Reform Act and M.S. 297I.01, subd. 10a

~~Effective on July 21, 2011, the~~ Effective on July 21, 2011, the federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRA) permits only the insured’s “home state” to require the payment of premium tax for nonadmitted insurance. Through M.S. 297I.01, subd. 10a, Minnesota adopted the NRRA’s definition of home state.

~~When Minnesota is the home state of the insured, as provided under section 297I.05, subd. 7, 100% of the gross premiums are taxable Minnesota with no allocation of the tax to other states.~~

~~“Home state” means the state in which an insured maintains its principal place of business, or in the case of an individual, the individual’s principal residence.~~

~~If 100% of the insured risk is located outside of Minnesota, then the insured’s home state is the state to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.~~

- For a business, home state typically means the state in which an insured maintains its principal place of business. For an individual, home state typically means the individual’s principal residence.
- As provided under M.S. 297I.01, subd. 10a and M.S. 297I.05, subd. 7, 100% of gross premium are taxable in Minnesota, with no allocation of tax to other states, when Minnesota is the home state of the insured.
- If 100% of the insured risk is located outside of Minnesota, then the insured’s home state is the state to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.

### **Due Date**

You must file Form IG255 and pay any tax due by March 1 of the following year (M.S. 297I.30, subd. 1).

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.

### **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 policies on the amended return.
- a No Activity Return: Check only if you did not purchase any insurance directly from nonadmitted companies during the year.

**2020 Form IG255 Instructions (Cont.)**

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**IG255 Page 2 Instructions**

Complete page 2 BEFORE page 1.

**A. NAIC Number**

If the nonadmitted insurer has an NAIC number, enter it here.

**B. Name of Insurer**

~~Enter List~~ the name of the insurers.

**C. Policy Number**

Enter the policy number.

**D. Date of Coverage**

Enter the policy coverage date.

**E. Nonadmitted Insurance Company Type**

Identify the type of nonadmitted insurer from which the policy was directly procured. If policy was directly procured from a surplus lines insurer, identify the insurer as a "surplus lines insurer." If you directly procured nonadmitted insurance because you paid premiums to your captive insurer, identify the insurer as a "captive insurer."

Enter the appropriate insurance type code for each policy:

1. Surplus Lines Insurer
2. Captive Insurer
3. Other Insurer

**F. Amount Insured**

Enter the amount insured.

**G. Gross Premiums Paid**

Enter ~~include~~ all premiums paid by any insured with a home state of Minnesota.

**H. Return Premiums**

Enter all return premiums received. Include a note indicating on which return the original policy was reported.

**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 are required to pay *any* Minnesota business tax electronically, such as sales or withholding tax. To pay electronically, go to the department's website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and log in. If you do not have internet access, call

1-800-570-3329 to pay by phone. You will need your ID number, 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 our Business Registration Office at 651-282-5225 or 1-800-657-3605.

**Check Payments**

If you are not required to pay electronically and are paying by check, visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and select "Make a Payment" and then "By check" to create a voucher. Print and mail the voucher with a check made payable to Minnesota Revenue.

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 a voucher.

**2020 Form IG255 Instructions (Cont.)**

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**Penalties and Interest**

**Late payment.** If you do not pay all the tax due by the due date, a late payment penalty is due. The penalty is 5% of the unpaid tax for any part of the first 30 days the payment is late, and 5% for each additional 30-day period, up to a maximum of 15%.

**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% of the unpaid tax. When added to the late payment penalty, the maximum combined penalty is 20%.

**Payment method.** If you are required to pay electronically and do not, an additional 5% 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 2020 is 5%. The rate may change for future years. To figure how much interest you owe, use the following formula with the appropriate interest rate:

Interest = (tax + penalty) × # of days late × interest rate ÷ 365

**Mailing Your Return**

Mail your return and all required attachments to: Minnesota Department of Revenue, Mail Station 1780, 600 N. Robert St., St. Paul, MN 55145-1780.

For express deliveries, use our street address: 600 N. Robert St., St. Paul, MN 55101

**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, log in 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](http://www.revenue.state.mn.us)

Email: [insurance.taxes@state.mn.us](mailto:insurance.taxes@state.mn.us)

Phone: 651-556-3024

This information is available in alternate formats.

For questions about insurance entity licensing and insurance regulations, contact the Minnesota

Department of Commerce: Website: [www.mn.gov/commerce](http://www.mn.gov/commerce)

Email: [licensing.commerce@state.mn.us](mailto:licensing.commerce@state.mn.us)

Phone: 651-539-1599 or 1-800-657-3978

Fax: 651-539-0107