

2012 Insurance Premium Tax Return for Property and Casualty Companies**M11**

Page 1

Due March 1, 2013

Print or Type	Name of insurance company		FEIN	Check if: <input type="checkbox"/> Amended return <input type="checkbox"/> No activity
	Mailing address		NAIC number	Minnesota tax ID (required)
	City State Zip code		State/country of incorporation	
	Email address		Contact person	
	Website address		Daytime phone	Fax number
	Type of company <input type="checkbox"/> Stock <input type="checkbox"/> Mutual <input type="checkbox"/> Other: _____		Date licensed in Minnesota	
Figure Your Income	Type of premiums (check all that apply)			
	<input type="checkbox"/> Auto <input type="checkbox"/> Fire/Property <input type="checkbox"/> Health/Accident <input type="checkbox"/> Bail Bonds <input type="checkbox"/> Title <input type="checkbox"/> Liability <input type="checkbox"/> Other _____			
Deductions	This return includes: <input type="checkbox"/> M11B <input type="checkbox"/> IG259 <input type="checkbox"/> IG258 <input type="checkbox"/> M11AR			
Amount Due or Refund	Property, Casualty and Title Premiums		A - State of incorporation basis	B - Minnesota basis
	1	Minnesota fire and other premiums (see instructions)	1 _____	_____
	2	Accident and health premiums	2 _____	_____
	3	Total Minnesota direct business (add lines 1 and 2)	3 _____	_____
	4	Minnesota business assumed from unauthorized insurers (reinsurance) . .	4 _____	_____
	5	Other additions (itemize on a separate schedule)	5 _____	_____
	6	Gross taxable business (add lines 3 through 5)	6 _____	_____
	7	Direct ocean-marine premiums	7 _____	_____
	8	Dividends paid in cash (see instructions)	8 _____	_____
	9	Other nontaxable business and dividends (attach a schedule)	9 _____	_____
	10	Total deductions (add lines 7 through 9)	10 _____	_____
	11	Net taxable business (subtract line 10 from line 6)	11 _____	_____
Sign Here	Continue on line 15 of page 2.			
	12	Tax due (or overpaid). Enter amount from line 32	12 _____	_____
	13 a	Additional charge for underpaying estimated tax (determine from worksheet in the instructions, page 4)	13a _____	_____
	b	Penalty (see instructions)	13b _____	_____
	c	Interest (see instructions)	13c _____	_____
		Total (add lines 13a through 13c)	13 _____	_____
	14	TOTAL AMOUNT DUE (or overpaid) (add lines 12 and 13)	14 _____	_____
	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 PV42)			
	Enter amount paid _____ Date paid _____ (If amount paid is different from amount due on line 14, attach an explanation.)			
If you overpaid:				
Amount on line 14 to be credited to next year's estimated tax _____				
Amount on line 14 to be refunded _____				
I declare that this return is correct and complete to the best of my knowledge and belief.				
I confess judgment to the state of Minnesota for the amount of tax shown due to the extent not timely paid.				
Authorized signature		Title	Date	Daytime phone
Signature of preparer		Print name of preparer	Date	Daytime phone
				<input type="checkbox"/> I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.

2012 Insurance Premium Tax Return for Property and Casualty Companies (continued)

	A State of Incorporation Basis	B Minnesota Basis
15 Net taxable business (enter amounts from line 11)	15 _____	_____
16 Premium tax percentage rate*	16 _____ %	_____ %*
17 Premium tax liability (multiply line 15 by percentage on line 16)	17 _____	_____
18 Fire insurance tax liability (from M11AR, line 12)	18 _____	_____
19 Other taxes (itemize on a separate schedule)	19 _____	_____
20 Total premium tax liability (add lines 17, 18 and 19)	20 _____	_____
21 Licenses and fees paid to Minnesota Department of Commerce and home state (from M11B, line 10; or if domiciled in Minnesota, Hawaii, Massachusetts, New York or Rhode Island, enter zero)	21 _____	_____
22 Total taxes, licenses and fees (add lines 20 and 21)	22 _____	_____
23 Enter amount from line 22, Column A or B, whichever is greater	23 _____	_____
24 Total licenses and fees paid to Minnesota Department of Commerce (from M11B, line 11; or if domiciled in Minnesota, Hawaii, Massachusetts, New York or Rhode Island, enter zero)	24 _____	_____
25 Subtract line 24 from line 23 (if zero or less, skip lines 26 and 27, and enter this amount on line 28)	25 _____	_____
26 Minnesota Guaranty Fund Association offset (see instructions)	26 _____	_____
27 Minnesota Joint Underwriting Association (JUA) assessment (see instructions)	27 _____	_____
28 Tax before refundable credits. If line 25 is zero or less, enter the amount from line 25. If line 25 is positive, subtract any amounts on lines 26 and 27 from line 25. (If result is less than zero, enter zero)	28 _____	_____
29 Credit for historic structure rehabilitation (attach credit certificate) and enter NPS project number:	_____	29 _____
30 Tax liability (subtract line 29 from line 28)	30 _____	_____
31 a Prior year's overpayment	31a _____	_____
b Estimated payment March 15	31b _____	_____
c Estimated payment June 15	31c _____	_____
d Estimated payment Sept. 15	31d _____	_____
e Estimated payment Dec. 15	31e _____	_____
Add lines 31a through 31e	31 _____	_____
32 Tax due (or overpaid) (subtract line 31 from line 30)	32 _____	_____

Enter on line 12 on page 1.

Figure Your Adjusted Liability

Determining Tax Due or Refund

* Line 16 — Tax Rates for Minnesota Basis (check one)

- ☐ 1 percent for mutual property and casualty insurance companies with total assets of \$5 million or less at the end of the calendar year.
Enter total assets at end of year: \$ _____
- ☐ 1.26 percent for mutual insurance companies that sell both property and casualty insurance that had total assets greater than \$5 million at the end of the calendar year, but less than \$1.6 billion on Dec. 31, 1989.
- ☐ 2 percent for insurance companies not listed above.

2012 Insurance Premium Tax Return for Property and Casualty Companies

Includes instructions for Form M11

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

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

All insurance companies licensed in Minnesota during the tax year must file a premium tax return even if they have not actually transacted insurance business in Minnesota during the tax year. Insurers with a premium tax liability of more than \$500 must also make estimated tax payments.

Insurance companies are exempt from Minnesota corporation franchise tax. (*M.S. 290.05, subd. 1c*)

Annual Financial Statements. Insurance companies that do not file statements with the NAIC are required to file a copy of their statement with the Department of Revenue (9" x 14" version). If any premiums or deductions reported on Form M11 cannot be verified from the annual statement, you must attach documentation to your tax return substantiating the amounts.

Which Form to File

Property, casualty and title insurance companies use Form M11 to file premium taxes, unless they are required to file Form M11H, M11T or M11L (see below).

- Health-care providers, such as nonprofit health-plan corporations, health-maintenance organizations or community integrated service networks, that write premiums in Minnesota must file Form M11H.
- Minnesota township mutual insurance companies must file Form M11T, a combined premium tax return and firetown premium report.

- Life insurance companies use Form M11L to file premium taxes.

Due Date

File your Form M11 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.

Payments

Electronic Payments

If your total insurance taxes and surcharges due 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. 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 tax for premium and/or fire insurance 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 total annual prior year's tax liability, or one-fourth of 80 percent of the total annual current year's 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 M19 payment voucher along with your estimated tax payment to help ensure the payment is credited correctly. Download the M19 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 M19 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 4. 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 M11, either pay it electronically or by check.

If you are not required to pay electronically and you choose to pay by check, you must complete a Form PV42 payment voucher and include it with your check when you file Form M11. Download the PV42 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 PV42.

Continued

Completing Form M11

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.
- for **No Activity**: Check only if you did not transact any insurance business in Minnesota during the year.

Columns A and B

All domestic, foreign and alien insurers must complete Column B (Minnesota basis).

Foreign and alien insurers (except Hawaii, New York, Massachusetts and Rhode Island domiciled companies) must also complete Column A (for purposes of applying Minnesota retaliatory laws) and Schedule M11B.

Note: All premiums, deductions and resulting taxes listed in Column A must be in accordance with the laws of the state or country of incorporation as they would apply to a Minnesota insurer licensed and doing business in that state or country. If the taxing authority of the state or country of incorporation requires a supplemental schedule to support tax computations, the same type of schedule (applying to business in Minnesota) must be attached to Minnesota Form M11.

In Column B (Minnesota basis), include direct premiums; stop-loss premiums; assessments; deposits; policy, membership and survey fees; finance and service charges; and dues, dividends and interest applied to reduce current premiums, pay renewal premiums, shorten the premium paying period or provide extended and paid-up additional insurance.

Exclude premiums received, contributed or credited for the insurer's employees' and agents' life, accident and health insurance plans; and all return premiums on policies not taken, except cash surrender values paid upon the cancellation and surrender of policies or certificates of life insurance.

Line Instructions

Round amounts to the nearest dollar. Decrease any amount less than 50 cents and increase any amount that is 50 cents or more to the next higher dollar.

If the reported premiums are different from the premiums on the state page or schedule T, attach a schedule reconciling the difference.

Lines 1 and 2

Include finance and service charges on lines 1 and 2.

On line 1, include direct fire, casualty, worker's compensation, ocean marine, bail bonds, title and other premiums. On line 2, include accident, health, stop-loss and other premiums.

Line 5

Other Additions

Workers compensation "Special Compensation Fund" surcharges collected is one example of what should be included on this line. Attach a separate schedule itemizing the additions and amounts included on this line.

Line 7

Ocean-Marine Premiums

In Column A, enter the amount of ocean-marine premiums included on line 1 that are allowable deductions under state of incorporation basis.

Line 8

Dividends

Enter dividends only if returned to the insured person or entity paying the premium.

Line 9

Other Nontaxable Business and Dividends

Federal flood premiums and federal crop premiums are examples of items to include on line 9. Attach a separate schedule itemizing the amounts included on this line.

Line 13a

Additional Charge for Underpaying Estimated Tax

If you did not pay the correct amount of estimated tax by the due dates and your tax liability on line 12 is more than \$500, you may have to pay an additional charge for underpaying. Complete the worksheet on page 4 to determine the amount to enter on line 13a.

Line 13b

Penalty

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.

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.

Line 13c

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:

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

Line 16

Tax Rate

If premiums are taxed at more than one rate in home state, enclose a schedule showing rates and premiums.

The tax rate is 1 percent for mutual property and casualty insurance companies with total assets of \$5 million or less at the end of the calendar year.

The tax rate is 1.26 percent for mutual insurance companies that sell both property and casualty insurance that had total assets greater than \$5 million at the end of the calendar year, but less than \$1.6 billion on Dec. 31, 1989.

The tax rate is 2 percent for insurance companies not listed above.

Lines 26 and 27

Assessments

Deductions Available for Offset

If assessments are more than your tax before refundable credits (positive amount on line 25), use only the amount necessary to reduce your tax to zero; the remaining amount may be deducted in future tax years.

If you receive a refund for an assessment from the association, the refund must be subtracted from the paid assessment amount. If a refund is more than the assessment, the excess must be paid to Minnesota.

Line 26 — Guaranty Fund Assessment.

Twenty percent of assessments (less any refunds) made and paid to the Minnesota Life and Health Guaranty Association or the

Minnesota Insurance Guaranty Association are allowable offsets against the tax liability for the five years following the payment of the assessment. Contact our office if you have questions about carrying forward credits.

Line 28

Tax Before Refundable Credits

The amount on line 28 can only be negative due to return premiums. It cannot be negative due to guaranty fund association offsets or JUA assessments (*see instructions for lines 26 and 27*).

Line 29

Historic Structure Rehabilitation Credit

A refundable credit is available to taxpayers who are eligible for the Federal Historic Rehabilitation Credit for improving a certified historic structure located in Minnesota. The credit is equal to 100 percent of the federal credit, and it may be transferred or assigned to others, including insurance companies.

To qualify for the Minnesota credit, the project developer must apply for approval from the State Historic Preservation Office (SHPO) of the Minnesota Historical Society before any rehabilitation of the structure begins. For eligibility requirements and information on how to apply for approval, go to the SHPO website at www.mnhs.org/shpo.

From the credit certificate you received from the State Historic Preservation Office of the Minnesota Historical Society, enter the five-digit NPS project number and the amount of your credit on line 29. You must include the credit certificate when you file your Form M11.

(M.S. 297I.20, *subd.* 3)

Line 30

Tax Liability

If you pay estimated tax, the amount on line 30 will be used to determine your required estimated tax installments for next year.

Lines 31a through 31e

Estimated Tax Payments

If any line contains more than one payment you must attach a schedule.

If payments are included from a merged company, attach a schedule listing the merged company name, NAIC number, payment amounts and payment dates.

Mailing Your Return

Organize your Form M11 and all required schedules in the order of the attachment number provided in the top right corner (e.g., M11B is #1, IG259 is #2; IG258 is #3; and M11AR is #4). At the end, place any required documentation in the order it was completed. If you owe tax and are paying by check, place your PV42 and check on top of Form M11. Use a paperclip; do not staple.

Mail your return and all required attachments to: Minnesota Revenue, Mail Station 1780, 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, 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 (TTY: Call 711 for Minnesota Relay)

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

For questions about licensing and regulations, contact the Minnesota Department of Commerce:

Website: www.insurance.mn.gov

Email: companylic.commerce@state.mn.us

Phone: 651-296-6319 or 1-800-657-3602 (TTY: Call Minnesota Relay at 711)

Continued

Worksheet: Additional Charge for Underpaying Estimated Tax for 2012

1	Enter 80 percent of the tax from line 30 of your 2012 Form M11	1	_____
2	Enter the amount from line 30 of your 2011 Form M11. If you were not required to file a 2011 return or if your tax liability was \$500 or less, you do not owe an additional charge	2	_____
			Due Dates
			March 15 June 15 Sept. 15 Dec. 15
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 M11, line 13a	11	_____

If step 11 is zero, keep this worksheet for your records. If it is more than zero, attach a copy of the worksheet to your Form M11.

Interest: 2012 = .03; 2013 = .03

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.

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.

If there are payments included from a merged company, attach a schedule listing the merged company name, NAIC number, payment amounts and payment dates.

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.