

Insurance Premium Casualty, Property, and Vehicle Tax Quarterly Return Instructions

LEGISLATION

Effective January 1, 2020 under new legislation the Insurance Premium Tax Act was created transferring the duty to collect Insurance Premium Taxes to the Taxation and Revenue Department. Effective January 1, 2022, the Health Insurance Premium Surtax rate was increased to 3.75%.

WHO MUST FILE

Every taxpayer, insurer, and surplus lines broker subject to the provisions of the Insurance Premium Tax Act shall pay any applicable fees and charges as are required under the Insurance Code. Companies that have written zero premiums are still required to file both quarterly and annual premium tax returns. Lines of business may not be combined on a single return. Premium tax returns must be submitted for each line of business in which the company is licensed to transact business.

Important: This tax program has an electronic filing (e-file) mandate. E-filing is fast, easy, and secure using the Department's Taxpayer Access Point (TAP) located here: <https://tap.state.nm.us>.

COMPLETED RETURNS

All fields in the form must be completed. No field should be left blank. For numeric fields requiring a balance, mark the field as zero if there no activity or balance related to that field. For forms to be considered complete, they must be signed, with the Title and Date entered by Authorized Representative.

QUARTERLY PREMIUM TAX RETURNS

As specified in NMSA 1978, Section 7-40-7(A), for each calendar quarter, an estimated payment of the premium tax and the health insurance premium surtax shall be made on April 15, July 15, October 15 and the following January 15

Quarterly Filing			
	Period Begins	Period Ends	Due Date
1	January 1 st	March 31 st	April 15 th
2	April 1 st	June 30 th	July 15 th
3	July 1 st	September 30 th	October 15 th
4	October 1 st	December 31 st	January 15 th

PAYMENTS

The estimated payments shall be equal to at least one-fourth of the payment made during the previous calendar year or one-fifth of the actual payment due for the current calendar year, whichever is greater. Refer to FYI 401, Special Payment Methods for more information. Make the check or money order payable to New Mexico Taxation and Revenue Department. Mail the payment and all required documenta-

tion to Taxation and Revenue Department, P.O. Box 5557, Santa Fe, NM 87502 Email: INSPremium.Outreach@tax.nm.gov. Certified or overnight mailing address: Attn-Insurance Premium Tax, 1200 S. St. Francis Drive, Santa Fe, New Mexico 87504.

NOTE: When you provide a check as payment, you authorize us to use information from your check to make a onetime electronic fund transfer from your account. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment.

LINE INSTRUCTIONS

Line 1. Prior Year Casualty Tax Liability. Enter the prior year tax liability as reported on Net Premium Tax Liability line of the prior year annual premium tax filing.

Line 2. 25% of Total Prior Year Tax Liability. Multiply Line 1 by 25%.

Line 3. 20% of Actual Payment due for the Current Calendar Year. This amount must be equal to 20% of the actual payment due for the calendar year. **Note:** This amount is not calculated using the quarterly tax due. This amount must be 20% of the projected annual tax due.

Line 4. Premium Casualty Tax Amount Due. Enter the greater amount from Line 2 and Line 3.

Line 5. Prior Year Health Tax Liability. Enter the prior year tax liability as reported on Net Premium Tax Liability line of the prior year annual premium tax filing.

Line 6. 25% of Total Prior Year Tax Liability. Multiply Line 5 by 25%.

Line 7. 20% of Actual Payment due for the Current Calendar Year. This amount must be equal to 20% of the actual payment due for the calendar year. **Note:** This amount is not calculated using the quarterly tax due. This amount must be 20% of the projected annual tax due.

Line 8. Premium Health Tax Amount Due. Enter the greater amount from Line 6 and Line 7.

Line 9. Prior Year Surtax Liability. Enter the prior year health insurance premium surtax liability as was reported on the prior year's annual premium tax filing.

This program has an electronic filing mandate. An e-file exception or waiver can be requested to submit a paper return.

INSURANCE PREMIUM CASUALTY, PROPERTY, AND VEHICLE TAX RETURN INSTRUCTIONS

Line 10. 25% of Total Prior Year Tax Liability. Multiply Line 9 by 25%. Enter number here.

Line 11. Current Year Surtax Premiums. Current quarter premiums multiplied by 4 to get the total estimated tax due for the current year.

Line 12. Current Year Surtax Rate. The rate for quarters starting January 1, 2022 the surtax rate is 3.75%.

Line 13. Current Year Surtax Liability. Multiply line 11 by line 12.

Line 14. 20% Total Current Year Tax Liability. Multiply line 13 by 20%

Line 15. Surtax Amount Due. Enter the greater amount from Line 10 and Line 14.

Line 16. Prior Year Property Tax Liability. Enter the prior year Property Tax Liability as reported on Total Premium Tax Due line of the prior year annual premium tax filing.

Line 17. 25% of Total Prior Year Tax Liability. Multiply Line 16 by 25%.

Line 18. 20% of Actual Payment due for the Current Calendar Year. This amount must be equal to 20% of the actual payment due for the calendar year. **Note:** This amount is not calculated using the quarterly tax due. This amount must be 20% of the projected annual tax due.

Line 19. Premium Property Tax Amount Due. Enter the greater amount from Line 17 and Line 18.

Line 20. Prior Year Title Insurance Tax Liability. Enter the prior year Title Insurance Tax Liability as reported on Total Title Insurance Tax Due line of the prior year annual filing.

Line 21. 25% of Total Prior Year Tax Liability. Multiply Line 20 by 25%.

Line 22. 20% of Actual Payment due for the Current Calendar Year. This amount must be equal to 20% of the actual payment due for the calendar year. **Note:** This amount

is not calculated using the quarterly tax due. This amount must be 20% of the projected annual tax due.

Line 23. Title Insurance Tax Amount Due. Enter the greater amount from Line 21 and Line 22.

Line 24. Prior Year Vehicle Tax Liability. Enter the prior year Vehicle tax liability as reported on Total Premium Vehicle tax Due line of the prior year annual premium tax filing.

Line 25. 25% of Total Prior Year Tax Liability. Multiply Line 24 by 25%.

Line 26. 20% of Actual Payment due for the Current Calendar Year. This amount must be equal to 20% of the actual payment due for the calendar year. **Note:** This amount is not calculated using the quarterly tax due. This amount must be 20% of the projected annual tax due.

Line 27. Premium Vehicle Tax Amount Due. Enter the greater amount from Line 25 and Line 26.

Line 28. Total Due. Add amounts reported on lines 4, 8, 15, 19, 23 and 27.

Line 29. Penalty. Add penalty if the entity fails to file timely or to pay the amount on Line 28 when due. Calculate the penalty by multiplying the amount on Line 28 by 2%, then by the number of months or partial months for which the return or payment is late, not to exceed 20% of the tax due. Penalty for failure to file or pay on time may not be less than \$5.00.

Line 30. Interest. Interest accrues daily on the unpaid principal of tax due, and it can change on a quarterly basis. You can find the effective annual and daily interest rates on the Department's web page at www.tax.newmexico.gov or by contacting the Department.

Line 31. Total due. Enter the total of Lines 28, 29, and 30. Pay this amount.