

**TEXAS ANNUAL INSURANCE TAX REPORT**  
 (INDEPENDENTLY PROCURED INSURANCE)

b.

• **Type or print.** • **Do NOT write in shaded areas.**

a. T Code  **71140**

*You have certain rights under Chapters 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at the address or toll-free number listed on this form.*

c. Taxpayer number

d. Filing period

e.

f. Due date

g. Taxpayer name and tax report mailing address (Make necessary name and address changes below)

g.

h. **IMPORTANT**  
 Blacken this box if your mailing address has changed. Show changes by the preprinted information.  1.

i.

j.

The independently procured tax statute requires taxes to be paid on insurance procured on Texas risks or exposures, where the insurer is not licensed to write insurance in this state and where all negotiations for the insurance occurred outside of Texas. The appropriate and timely payment of the tax provides an exemption from unauthorized insurance provisions for such coverage. Failure to pay the tax may subject the policyholder, the insurer, and the agent to unauthorized insurance provisions if any insurance activity occurs in Texas regarding such policy (claims adjustments, payment of claims, inspections, etc.)

If you purchased insurance from a company not licensed to do business in Texas and the negotiations for the coverage occurred in Texas, or within Texas by communications using mail, telephone, a delivery service, the internet, or by fax, then **unauthorized insurance** tax is due. In this situation, the insurer shall pay the unauthorized insurance premium tax on or before March 1 following the calendar year in which the insurance was effectuated, continued, or renewed. (See Form 25-108.) If the tax is not paid by the due date, it becomes a liability of the insurer, the agent, and the policyholder.

**COMPLETE THIS SECTION ONLY IF YOU MEET THE CRITERIA LISTED ABOVE FOR INDEPENDENTLY PROCURED INSURANCE.**

**REQUIRED INFORMATION:** In the box below, you must provide the requested information for each policy for which you are paying tax. If you need additional space, attach a separate sheet in the prescribed format.

POLICY NUMBER	NAME AND ADDRESS OF INSURER	GROSS PREMIUM CHARGED	PREMIUM ALLOCATED TO TEXAS	EFFECTIVE DATE OF POLICY	TYPE OF INSURANCE

**PREMIUM TAX CALCULATION**

- Total Texas premiums less return premiums subject to tax rate of 4.85% ("Premium" includes any premiums, membership fees, dues, or other consideration for insurance) (Dollars and cents) ..... 1.  \_\_\_\_\_
- Premium tax rate ..... 2.           .0485
- Total tax due (Multiply Item 1 by Item 2) ..... 3.  \_\_\_\_\_

**\*\*\* RETURN THIS ENTIRE FORM \*\*\***

- Penalty and interest due (See instructions) ..... 4. \_\_\_\_\_
- TOTAL AMOUNT DUE AND PAYABLE (Item 3 plus Item 4) ..... 5.  \_\_\_\_\_

Taxpayer name

k.

l.

T Code     Taxpayer number     Period

I declare that the information in this document and all attachments is true and correct to the best of my knowledge and belief.  
 Authorized agent  
**sign here**   
 Preparer's name (Please print) \_\_\_\_\_  
 Daytime phone (Area code & number) \_\_\_\_\_ Date \_\_\_\_\_

Make the amount in Item 5 payable to **STATE COMPTROLLER**. Our mailing address is **111 E. 17th Street, Austin, TX 78774-0100**.

If you have any questions regarding Insurance Tax, you may contact the Texas State Comptroller's field office in your area or call 1-800-252-1387, toll free, nationwide. The Austin number is 512/463-4600.

## INSTRUCTIONS FOR COMPLETING THE TEXAS ANNUAL INSURANCE TAX REPORT (INDEPENDENTLY PROCURED INSURANCE)

### WHO MUST FILE:

An insured/policyholder, in order to avoid unauthorized insurance provisions on insurance procured from a non-licensed insurer, is required to file this tax report and pay the applicable tax, in situations where all negotiations for the purchase of the policy occurred outside of Texas.

The insured/policyholder or any person designated by the insured/policyholder must pay the tax. Reports filed by any other persons must be filed in the name of the insured/policyholder and must contain the appropriate taxpayer identification number of the insured/policyholder. If a taxpayer number has not been established for the insured/policyholder by this agency and the insured/policyholder is a sole proprietor, enter the insured's/policyholder's Social Security number in Item C. Other types of organizations should enter the Federal Employer Identification Number (FEIN) assigned to their organization. This tax does not apply to an individual life or individual disability policy.

FEDERAL PRIVACY ACT. Disclosure of your social security number is required and authorized under law for the purpose of tax administration and identification of any individual affected by applicable law. 42 U.S.C., Section 405(c)(2)(C)(i); Tex. Govt Code, Sections 403.011, 403.015, and 403.078. Release of information on this form in response to a public information request will be governed by the Public Information Act, Chapter 552, Government Code.

### EXEMPTIONS AND PREEMPTIONS

**Exempt premiums** are defined as premiums for an independently procured insurance policy that covers risks or exposures that are properly allocated to federal waters, international waters, or risks or exposures that are under the jurisdiction of a foreign government.

**Federal preemptions** to state taxation for independently procured insurance include premiums for policies that are issued to the following entities:

- (A) the Federal Deposit Insurance Corporation (FDIC), when it acts as the receiver of a failed financial institution that holds the property being insured;
- (B) the National Union Administration;
- (C) a federally chartered credit union; and
- (D) Indian Tribal Nations (see Publication 94-142).

### WHEN TO FILE:

The report and payment are due on May 15 following the calendar year in which the insurance was procured, continued, or renewed.

### GENERAL INSTRUCTIONS:

- If any preprinted information is not correct, mark out the item and write in the correct information.
- TYPE OR PRINT.
- Do not write in shaded areas.

### SPECIFIC INSTRUCTIONS:

**Item 1** - If a policy covers risks partially occurring in Texas, the tax must be computed on portions of the premiums for such risks that occur in Texas. Consistent with Comptroller Rule 3.822, acceptable apportionment or premium allocation standards are as follows:

- A) percentage of physical assets in Texas;
- B) percentage of payroll that applies to employees who are located or conducted business in Texas;
- C) percentage of sales in Texas;
- D) percentage of taxable capital for franchise tax purposes in Texas;
- E) percentage of time that insured's conduct or property is exposed to coverage in Texas; or
- F) any other method of equitable apportionment that is adequately described.

**Item 4** - Penalty and interest:

If 1-30 days late, enter 5% of the amount in Item 3. If 31-60 days late, enter 10% of the amount in Item 3. If more than 60 days late, enter 10% penalty PLUS interest on the amount in Item 3. Calculate interest at the rate published online at <http://www.window.state.tx.us> or call the Comptroller toll free at 1-877-44RATE4 for the applicable interest rate.