

# RETALIATORY WORKSHEET

Applicable to Foreign and Alien Taxpayers

You have certain rights under Chapters 552 and 559, Government Code, to review, request, and correct information we have on file about you. To request information for review or to request error correction, contact us at 1-800-252-1387.

Taxpayer name	Taxpayer number	Tax year <b>2006</b>
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Chapter 281, Texas Insurance Code, Retaliatory Provision provides for a computation of taxes, fees, and assessments due based on Texas requirements compared to out-of-state requirements.

State of Incorporation (Enter 2 character standard abbreviation.)	<input style="width: 100%; height: 15px;" type="text"/>
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Complete the applicable line items in each column as instructed to determine the retaliatory tax due. Column I represents the State of Texas; Column II represents the State of Incorporation. Premium volume in Lines 1, 7, 12, 13, and 18 for each column should be the amount of Texas premiums. File this worksheet with your "Texas Annual Insurance Maintenance, Assessment and Retaliatory Report" (Form 25-102).

RETALIATORY TAX CALCULATION		Column I State of Texas	Column II State of Incorporation
<b>LIFE</b>	<b>1 Life premiums</b> (Gross) ..... 1a	_____	1b _____
	<b>2 Deductions authorized by State of Incorporation</b> (Allowable deductions to gross premiums) ..... 2a	_____	2b _____
	<b>3 Taxable premiums</b> (3a) Item 1a minus item 2a; (3b) Item 1b minus item 2b ..... 3a	_____	3b _____
	<b>4 Tax rate</b> (Applicable tax rate for the State of Incorporation) ..... 4b	_____	_____
	<b>5 Texas calculation of taxable Life premiums</b> (As applicable)		
(a) Item 3a or \$450,000 (Whichever is less) ..... 5a	_____		
(b) Multiply item 5a X <b>0.00875</b> ..... 5b	_____		
(c) Premiums over \$450,000 ..... 5c	_____		
(d) Multiply item 5c X <b>0.0175</b> ..... 5d	_____		
<b>6 Life premium tax due</b> (6a) Item 5b plus item 5d; (6b) Item 3b X item 4b ..... 6a	_____	6b _____	
<b>ACCIDENT/ HEALTH</b>	<b>7 Accident and Health premiums</b> (Gross) ..... 7a	_____	7b _____
	<b>8 Deductions authorized by State of Incorporation</b> (Allowable deductions to gross premiums) ..... 8a	_____	8b _____
	<b>9 Taxable premiums</b> (9a) Item 7a minus item 8a; (9b) Item 7b minus item 8b ..... 9a	_____	9b _____
<b>10 Tax rate</b> (Enter the applicable tax rate for the State of Incorporation) ..... 10a	<b>0.0175</b>	10b _____	
<b>11 Accident and Health premium tax due</b> (11a) Item 9a X item 10a; (11b) Item 9b X item 10b ..... 11a	_____	11b _____	
<b>ANNUITIES</b>	<b>12 Annuity premiums</b> (Annuities are not taxable in Texas.)		
	(12a) Taxable annuity premiums for State of Incorporation ..... 12a	_____	
	(12b) Applicable tax rate ..... 12b	_____	
(12c) Multiply item 12a X item 12b ..... 12c	_____	_____	
<b>PROPERTY/ CASUALTY</b>	<b>13 Property and casualty premiums</b> (Gross) ..... 13a	_____	13b _____
	<b>14 Deductions authorized by State of Incorporation</b> (Allowable deductions to gross premiums) ..... 14a	_____	14b _____
	<b>15 Taxable premiums</b> (15a) Item 13a minus item 14a; (15b) Item 13b minus item 14b ..... 15a	_____	15b _____
<b>16 Tax rate</b> (Enter the applicable tax rate for the State of Incorporation) ..... 16a	<b>0.016</b>	16b _____	
<b>17 Property and casualty premium tax due</b> (17a) Item 15a X item 16a; (17b) Item 15b X item 16b ..... 17a	_____	17b _____	
<b>TITLE</b>	<b>18 Title insurance premiums</b> (Gross) ..... 18a	_____	18b _____
	<b>19 Deductions authorized by State of Incorporation</b> (Allowable deductions to gross premiums) ..... 19a	_____	19b _____
	<b>20 Taxable premiums</b> (20a) Item 18a minus item 19a; (20b) Item 18b minus item 19b ..... 20a	_____	20b _____
<b>21 Tax rate</b> (Enter the applicable tax rate for the State of Incorporation) ..... 21a	<b>0.0135</b>	21b _____	
<b>22 Title insurance premium tax due</b> (22a) Item 20a X item 21a; (22b) Item 20b X item 21b ..... 22a	_____	22b _____	
<b>23 Total premium tax due</b> (23a) Add items 6a, 11a, 17a and 22a; (23b) Add items 6b, 11b, 12c, 17b and 22b ..... 23a	_____	23b _____	
<b>ADJUSTMENTS</b>	<b>24 Credits or write-offs authorized by State of Incorporation</b> (Enter the total amount of the credits or write-offs applicable and allowed in the State of Incorporation—do not include assessment write-offs, examination fees, or overhead assessments.)(See exception in instructions) ..... 24a	_____	24b _____
	<b>25 Net premium tax due</b> (25a) Item 23a minus item 24a; (25b) Item 23b minus item 24b ..... 25a	_____	25b _____
	<b>26 Other taxes</b> [Enter corporate franchise taxes, income taxes, maintenance taxes, surtaxes, or any other taxes that are required and applicable in Texas (26a) or the State of Incorporation (26b)] ..... 26a	_____	26b _____
	<b>27 Other tax credits or write-offs</b> (Enter credits or write-offs against other taxes) ..... 27a	_____	27b _____
	<b>28 Other fees</b> [Enter annual statement filing fee, examination fee, maintenance fee, overhead assessment fee, certificate of authority fee, or any other fees that are required and applicable in Texas (28a) or the State of Incorporation (28b)] ..... 28a	_____	28b _____
	<b>29 Other fee credits or write-offs</b> (Enter credits or write-offs against other fees) ..... 29a	_____	29b _____
<b>TOTALS</b>	<b>30 TOTAL TAXES &amp; FEES</b> (30a) Add items 25a, 26a and 28a <b>MINUS</b> items 27a and 29a ..... 30a	_____	_____
	(30b) Add items 25b, 26b and 28b <b>MINUS</b> items 27b and 29b ..... 30b	_____	_____
<b>31 RETALIATORY TAX</b> (Item 30b minus item 30a; if less than 0, enter 0) Enter here and on Form 25-102, line 25 ..... 31	_____	_____	

## GENERAL INSTRUCTIONS

Retaliatory taxes are assessed on those foreign or alien insurers, licensed and doing business in Texas, whose state of domicile would assess in total (aggregate) overall higher taxes, assessment and fee obligations on similar Texas insurers than Texas assesses on such insurers operating in this state. Similar Texas insurers are theoretical companies that could write the same types of coverage, such as "life, accident and health," "property and casualty," or "title" lines of insurance, as foreign or alien insurers doing business in Texas. A similar company is not required to be of the same size in premium writings or assets.

If the laws of the state of domicile provide for a reduced tax rate or a tax credit as an incentive for a company making investments, maintaining an office in the state, or some other similar requirement, those laws shall be applied in the same manner in Texas in order for the tax credit or incentive to qualify in their State of Incorporation, Column II of this worksheet. As an example, if a tax credit is available to a company making specific investments in that state, and if such similar types of investment requirements are proven to have been made in Texas, the company can show the credit for the appropriate item in Column II.

Children's health benefit plans that qualify under Chapter 1502, Texas Insurance Code, are subject to retaliatory tax.

Premiums and revenues received from the State Treasury for insurance coverage on Medicaid and the Children's Health Insurance Program (CHIP) are subject to premium, maintenance, and retaliatory taxes beginning September 1, 2003.

## SPECIFIC INSTRUCTIONS

**NOTE: Statutory references have changed due to the recodification of the Texas Insurance Code. When completing tax reports using NAIC information, any reported information must be complete and consistent with Texas tax statutes and rule requirements.**

- Item 1 - Life Premiums\*** - Enter the amount of gross Life premiums.
- Item 2 - Life Deductions\*** - Enumerate the Life deductions as authorized by the **State of Incorporation** on a separate schedule and attach to Worksheet.
- Item 4 - Tax Rate** - Column II, State of Incorporation - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Incorporation**.
- Item 7 - Accident & Health Premiums\*** - Enter the amount of gross Accident and Health premiums.
- Item 8 - Accident & Health Deductions\*** - Enumerate the Accident and Health deductions as authorized by the **State of Incorporation** on a separate schedule and attach to Worksheet. For health benefit plans delivered, issued for delivery, amended or renewed on or after January 1, 2004, a health carrier is exempt from the premium tax under Chapters 222 and 281, Texas Insurance Code, for the first two years on the premiums received for coverage provided to previously uninsured employees or dependents (as defined by the Commissioner of Insurance). As a result, such premiums should NOT be included as a deduction on Item 8 of this worksheet.
- Item 10 - Tax Rate** - Column II, State of Incorporation - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Incorporation**.
- Item 12 - Annuities** - Annuities are not taxable in Texas. If annuities are taxed in the **State of Incorporation**, complete (12a), (12b) and (12c).  
 (12a) **Taxable Annuities** - Annuities less annuity deductions as authorized by the **State of Incorporation**.  
 (12b) **Tax Rate** - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Incorporation**.  
 (12c) Multiply taxable annuities in 12a by the rate in 12b.
- Item 13 - Property & Casualty Premiums\*** - Enter the amount of gross Property and Casualty premiums.
- Item 14 - Property & Casualty Deductions\*** - Enumerate the Property and Casualty deductions as authorized by the **State of Incorporation** on a separate schedule and attach to Worksheet.
- Item 16 - Tax Rate** - Column II, **State of Incorporation** - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Incorporation**.
- Item 18 - Title Premiums\*** - Enter amount of gross Title premiums. For Column I (Texas), do not include the agent's portion of the "Division of Premium" per Chapter 223, Texas Insurance Code. Also, note instructions for Item 26.
- Item 19 - Title Deductions\*** - Enumerate the Title deductions as authorized by the **State of Incorporation** on a separate schedule and attach to Worksheet.
- Item 21 - Tax Rate** - Column II, **State of Incorporation** - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Incorporation**.
- Item 24 - Credits or Write-offs Authorized by State of Incorporation** - Enter the total amount of credits or write-offs if applicable and allowed in the **State of Incorporation**. **DO NOT INCLUDE** special purpose assessment credits, examination fees, or overhead assessments. **EXCEPTIONS:** Include all expenses paid to another state and allowed as a tax credit in Texas (enter on 24a). **A special purpose assessment is an assessment that applies to insurance companies and only for losses or deficits such as guaranty fund association assessments, high-risk health pool assessments, joint underwriters association (JUA) assessments, windstorm association assessments, or other similar assessments, both under the laws of this state and under the laws of any other state or territory.**
- Item 26 - Other Taxes** - Enter corporate franchise taxes, income taxes, excise taxes, maintenance taxes, surtaxes, fire marshal, fire department, transportation, or any other taxes that are required and applicable in the **State of Incorporation**. For title insurer's maintenance taxes in Column I, do not include the taxes on the agent's portion of the "Division of Premium."
- Item 27 - Other Tax Credits or Write-Offs** - Credits or write-offs against other taxes are to be deducted in both columns, as applicable. **Do not include credits allowed by Texas or the State of Incorporation on special purpose assessments as defined in Item 24.**
- Item 28 - Other Fees** -
- Special purpose assessments (as defined in Item 24) **are not** to be included under either Column I or II.
  - Enter annual statement filing fee, examination fees, overhead assessment fees, maintenance fees, certificate of authority fee, or any other fees that are required and applicable in Texas (28a) or the **State of Incorporation** (28b).
  - Examination fees, overhead assessments and other miscellaneous fees and assessments paid to Texas or a company's state of incorporation that may be taken as premium tax credits over the current or subsequent years must not be listed in Column I or II, as applicable. Such payments to Texas are not subject to the retaliatory tax computations because they may be taken as 100% premium tax credits over the current or subsequent years except those expenses paid to another state and taken as credits against premium taxes in Texas.
- NOTE: Taxpayers incorporated in states that do not allow 100% premium tax credits on these fees or assessments must enter the amount that a similar Texas company would have been assessed in their state of incorporation during the previous tax year in the appropriate items in Column II. Such amounts may be reduced by the amount of premium tax credits allowed, if any.**
- The Automobile Theft Prevention Authority Assessment may be **recouped**, and thus, **must not be used** in Texas retaliatory tax computations.
  - The Volunteer Fire Department Assistance Fund Assessment may be **recouped**, and thus, **must not be used** in Texas retaliatory tax computations.
- Item 29 - Other Fee Credits or Write-Offs** - Credits or write-offs against other fees are to be deducted in both columns, as applicable. **Do not include credits allowed by Texas or the State of Incorporation on special purpose assessments.**

\* Do not include adjustments allowed by State of Incorporation as a result of investments made in that state.

\*\* Basic rate is the highest tax rate provided under an insurance tax statute.