## **Insurance Premium Tax**

### To whom does our business report the Insurance Premium Tax?

Effective January 1, 2020 under new legislation the Insurance Premium Tax Act was created transferring the duty to collect and administer the Insurance Premium Tax to the Taxation and Revenue Department**.**

### How will I register my business? Do I need a FEIN to register my business?

Yes, a Federal Employer Identification Number (FEIN) is required for all ownership types, excluding individual and single member LLC’s.

The Department has registered your business based off of the registration data from the Office of the Superintendent of Insurance (OSI).

### How do I change or add registration information?

To change or add registration information use Form ACD-31015 Business Tax Registration and submit to the following address: Taxation and Revenue Department

Attn: Compliance Registration Unit, P O Box 8485, Albuquerque, NM 87198

### Where can I find answers about this tax?

Chapter 7, Article 40 NMSA 1978; Insurance Premium Tax

Chapter 7, Article 59A NMSA 1978 Insurance Code explanation of this tax?

### What returns are filed with Taxation and Revenue?

Insurance Premium Life and Health Quarterly and Annual Returns

Insurance Premium Casualty, Property, and Vehicle Quarterly and Annual Returns

Insurance Premium Surplus Lines Tax Quarterly Return

### Who must file a Life and Health Quarterly and Annual Return?

Taxpayers (Insurers) subject to Premium Tax and Health Insurance Premium Surtax as outlined in the Insurance Premium Tax Act must file a Quarterly and an Annual return.

### Who must file a Casualty, Property and Vehicle Quarterly and Annual Return?

Taxpayers (Insurers) subject to Premium Tax and Health Insurance Premium Surtax as outlined in the Insurance Premium Tax Act must file a Quarterly and Annual return.

### When are the Quarterly Returns due?

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

**The IPT Annual return is due on the 15th of April**

### How much do we owe?

Estimated payments must be 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. The final adjustment for payments due for the prior year shall be made with the return filed on April 15th or the next business day if it falls on a weekend or National holiday.

### Does New Mexico impose a surtax?

Yes, companies are subject to a rate of 1% surtax per Article 7-40-3 (E) NMSA

### Does my company have to file a return in New Mexico if we did not write premiums?

Yes. All companies licensed in New Mexico are required to file a return with tax due or zero-tax due.

### When can we take the Medical Insurance Pool (MIP) credits?

MIP Deductions are only allowed on the annual return.

### Is there a credit allowed for contributions made to the Guaranty Fund Assessment?

Tax credits/deductions for contributions to the Guaranty Fund are not allowed.

## **Surplus Lines**

### When are Quarterly Filings due?

Surplus Lines Insurance taxpayers are subject to and as specified Within sixty days after expiration of a calendar quarter.

|  |
| --- |
| Quarterly Filing |
|  | Period Begins | Period Ends | Due Date |
| 1 | January 1st | March 31st | May 29th |
| 2 | April 1st | June 30th | August 28th |
| 3 | July 1st | September 30th | November 30th  |
| 4 | October 1st  | December 31st  | March 1st  |

### Who must file Surplus Quarterly Reports?

Surplus Line Brokers as outlined in the Insurance Premium Tax Act must file and include the SLB Worksheet

## **Return and Payment**

### Can I file using my FEIN, NAIC or NPN number?

FEIN is preferred, however, either number can be used when filing using a paper return for pre 2020 returns.

### **E-file using the TRD Taxpayer Access Point (TAP) website**

### Why do we have to file on TAP?

The Secretary of TRD has prescribed that the Insurance Premium Tax return be filed on line through [New Mexico’s Taxpayer Access point.](file:///C%3A%5CUsers%5CAyshaM%5CDesktop%5Chttps%5Ctap.state.nm.us)

### How can I file my tax return(s)?

E-File: you can e-file tax returns using the Department’s Taxpayer Access Point (TAP) website at [https//tap.state.nm.us](file:///C%3A%5CUsers%5CAyshaM%5CDesktop%5Chttps%5Ctap.state.nm.us)

### How do we gain access to our Insurance Premium Tax Accounts to file & pay?

A letter will be sent to your agency via email around March 30, 2020 outlining how to gain TAP administrator access to your IPT account. If you do not receive the letter by April 1, 2020, please contact TRD Registrations (866)285-2996, Option 4**.**

### The TAP Insurance Premium Tax account acronyms

Insurance Premium Life and Health Tax will be listed as IPH

Insurance Premium Casualty, Property and Vehicle will be listed as IPP

Insurance Premium Surplus Lines Tax will be listed as IPS (coming soon to TAP)

The Self Procured Insurance Tax (coming soon to TAP)

The Self-Insured Insurance Tax (coming soon to TAP)

### How do we file in TAP?

Each company must have a separate IPT account with TRD, with an administrator, accountant, or manager that has a TAP logon associated to file and pay on behalf of the company.

The authorized TAP user logs onto TAP. You should see the agencies IPT account(s) listed on their TAP homepage.

After clicking on the IPT account link, the IP account “springboard” lists calendar quarterly filing periods with the April 2020 link being the first filing period, July 2020 link being the subsequent filing period etc.

Clicking into a period link or clicking “File Return” listed on the same row as the period takes you to “Introduction” page where you can file your IPT return for that period.

When filing the return, read through the “Introduction” page then select “Next”.

Verify the “Registration” page.

If the registration information is correct, select “Next” to continue to the “Return” page.

If the registration information is incorrect, you will need to update your registration by completing for ACD-31015 and mail it to the TRD address listed on the form. Select “Next” to continue to the “Return” page.

The “Return” page will mimic the paper return for various lines of business associated with your license and tax type.

You must check the acknowledgement box to submit the return.

The last page is the “Confirmation” screen. You can click on the buttons at the bottom of the screen to pay with e-check, mail a paper check (this creates a voucher to be mailed with your check payment) or print the confirmation page.

### What are my payment options in TAP?

Using New Mexico Web-file, the following payment methods are available:

Credit Card (Visa, Master Card, Discover or American Express). NOTE: payments by credit card are subject to a 2.4% convenience fee imposed by the Official Payments Corporation. While this is not TRD’S fee, it is circulated through TED:

Electronic check. You authorize TRD to debit your checking account in the amount you specify, or

### Outside of TAP what are my payment options:

Automatic clearing house deposit and federal wire transfer. Such payment methods are only for taxpayers who make special arrangements with the bank to have funds transferred electronically, to TRD on a specified date.

*NOTE: You must initiate this payment with your financial institutional. See* ***Publication FYI-401****: Special Payment Methods www.tax.newmexico.gov*

Checks may be mailed to:

**New Mexico Taxation and Revenue Department**

**P O Box 5777**

**Santa Fe, NM 87504**

### What if I file my return late?

Filing a return or making a payment after the due date will result in penalty and interest accruing on any unpaid balance from the day after the due date until a filed return and payment is made in full as per 7-1-69 NMSA 1978.

### How is penalty and interest calculated?

Penalty is assessed at a rate of 2% per month or partial month not to exceed 20%. Interest accrues daily; and it can change on a quarterly basis. For detail see Penalty and Interest rates at [www.tax.newmexico.gov](http://www.tax.newmexico.gov) for annual and daily interest rates.

### Can I change my e-mail address or phone number in TAP?

To make changes, on New Mexico Web-file, enter your current username and password on the log-in screen. On the next page you will see an option, Update Personal Information. Click on this link and update your information as necessary.

### Can I apply for a refund utilizing TAP?

Request a refund or credit transfer (apply a credit to a future period or offset an outstanding balance) via TAP and attach the supporting documents.

 Or, complete Form RPD-41071, Application for Refund, include the supporting documents and an amended return if applicable.

### Insurance Premium Tax Returns prior to 2020

The Insurance Premium tax returns for the 2019 fourth quarter and annual must be filed using the paper form. All final returns resulting in a net credit will be mailed an application for refund to close out the balance.

Credits from calendar year 2019 will not be applicable to calendar year 2020.

The first quarter return submitted for calendar year 2020 must include the calculated tax due payment.

### Who do I contact for Insurance Premium Tax Questions?

Insurance Premium Tax Unit (866)-285-2996

Email INSPremium.outreach@state.nm.us