



# Retaliatory Worksheet — Insurance

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 800-252-1387.

Taxpayer name	Taxpayer number	Tax year
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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 Organization (Enter 2 character standard abbreviation.)	
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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 Organization. A company that has redomesticated during a year should base the retaliatory tax calculation on its State of Organization at the end of the year. **Premium volume in Lines 1, 7, 12, 13 and 18 for each column should be the amount of Texas premiums.** Attach this worksheet to your "Texas Annual Insurance Maintenance, Assessment and Retaliatory Report" (Form 25-102).

Retaliatory Tax Calculation		Column I State of Texas	Column II State of Organization
<b>LIFE</b>	<b>1. Life premiums</b> (Gross) .....	1a	1b
	<b>2. Deductions authorized by State of Organization</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> (Enter the applicable tax rate for the State of Organization.) .....		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 Organization</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 Organization) .....	<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 considerations</b> (Annuity considerations are not subject to premium tax in Texas.)		
	(12a) Taxable annuity considerations for State of Organization .....	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 Organization</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 Organization.) .....	<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 Organization</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 Organization.) .....	<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>ADJUSTMENTS</b>	<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>24. Credits or write-offs authorized by State of Organization</b> (Enter the total amount of the credits or write-offs applicable and allowed in the State of Organization. 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 Organization (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 Organization (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 and 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 23 .....	31		

## Instructions

Retaliatory taxes are assessed on those foreign or alien insurers, licensed and doing business in Texas, whose state of organization 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 hypothetical 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. Companies that have redomesticated during the year should base the retaliatory tax calculation on the state of organization at the end of the year.

**Attach this worksheet to your "Texas Annual Insurance Maintenance, Assessment and Retaliatory Report" (Form 25-102).**

**NOTE: When completing tax reports using National Association of Insurance Commissioners (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. Fees that are subject to tax in the State of Organization and are not included in the Texas gross premiums as defined by Chapter 222, Insurance Code, should not be included on Item 1. The tax on these fees must be calculated and included on Item 26.
- Item 2 - Life Deductions\*** - Enter total amount of the Life deductions as authorized by the **State of Organization**.
- Item 4 - Tax Rate** - Column II, State of Organization - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Organization**.
- Item 7 - Accident and Health Premiums\*** - Enter the amount of gross Accident and Health premiums, including premiums and revenues received from the State Treasury for insurance coverage on Medicaid and the Children's Health Insurance Program (CHIP). Fees that are subject to tax in the State of Organization and are not included in the Texas gross premiums as defined by Chapter 222, Insurance Code, should not be included on Item 7. The tax on these fees must be calculated and included on Item 26.
- Item 8 - Accident and Health Deductions\*** - Enter total amount of the Accident and Health deductions as authorized by the **State of Organization**. For health benefit plans delivered, issued for delivery, amended or renewed on or after Jan. 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 Organization - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Organization**.
- Item 12 - Annuities** - Annuity considerations are not subject to premium tax in Texas. If annuity considerations are taxed in the **State of Organization**, complete (12a), (12b) and (12c).  
**(12a) Taxable Annuities** - Annuity considerations less annuity deductions as authorized by the **State of Organization**.  
**(12b) Tax Rate** - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Organization**.  
**(12c)** Multiply taxable annuities in 12a by the rate in 12b.
- Item 13 - Property and Casualty Premiums\*** - Enter the amount of gross Property and Casualty premiums. Fees that are subject to tax in the State of Organization and are not included in the Texas gross premiums as defined by Chapter 222, Insurance Code, should not be included on Item 13. The tax on these fees must be calculated and included on Item 26.
- Item 14 - Property and Casualty Deductions\*** - Enter the total amount of Property and Casualty deductions as authorized by the **State of Organization**.
- Item 16 - Tax Rate** - Column II, **State of Organization** - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Organization**.
- Item 18 - Title Premiums\*** - Enter amount of gross Title premiums.
- Item 19 - Title Deductions\*** - For Column I (Texas), deduct the agent's portion of the "Division of Premium" per Chapter 223, Texas Insurance Code. Also, note instructions for Item 26. Enter total amount of the Title deductions as authorized by the **State of Organization**.
- Item 21 - Tax Rate** - Column II, **State of Organization** - Enter the **BASIC RATE\*\*** in decimal form under the laws of the **State of Organization**.
- Item 24 - Credits or Write-offs Authorized by State of Organization** - Enter the total amount of credits or write-offs if applicable and allowed in the **State of Organization**. **DO NOT INCLUDE** special purpose assessment credits, examination fees, overhead assessments, CAPCO or similar state-based investment credits, or credits relating to the certified rehabilitation of Texas certified historic structures. **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 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 Organization**. For title insurer's maintenance taxes in Column I, do not include the taxes on the agent's portion of the "Division of Premium." A reciprocal or interinsurance exchange that pays Texas insurance premium tax at the 1.7% rate provided by Insurance Code, Section 224.002 (b) should include on line 26a an amount equal to 0.1% of the premiums reported on line 15a.
- Item 27 - Other Tax Credits or Write-Offs** - Credits or write-offs against other taxes are deducted in both columns, as applicable. **Do not include credits allowed by Texas or the State of Organization on special purpose assessments as defined in Item 24.**
- Item 28 - Other Fees** -
- Special purpose assessments (as defined in Item 24) **are not** 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 Organization** (28b).
  - Examination fees, overhead assessments and other miscellaneous fees and assessments paid to Texas or a company's state of organization 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 organized 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 organization 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 Burglary and 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 Organization on special purpose assessments.**

**Mail payment to**   COMPTRROLLER OF PUBLIC ACCOUNTS  
                           P.O. Box 149356  
                           Austin, TX 78714-9356

\* Do not include adjustments allowed by State of Organization.

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