



Texas Annual Insurance Tax Report

Surplus Lines/ Purchasing Groups

a. T Code **71120**

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 phone number listed on this form.

c. Taxpayer number ■	d. Filing period	e. ■	f. Due date
-------------------------	------------------	---------	-------------

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 beside the preprinted information. →

1. ☐

i. ☐

j. ☐

SECTION I - Total surplus lines business as agent of record (Whole dollars only)

A. Texas premiums (reported to the Surplus Lines Stamping Office of Texas (SLSOT))	A. <input type="checkbox"/>
B. Texas premiums (not yet reported to the SLSOT)	B. <input type="checkbox"/>
C. Non-taxable premiums (reported to or subject to SLSOT reporting)	C. <input type="checkbox"/>
D. Other states' premiums (reported to or subject to SLSOT reporting)	D. <input type="checkbox"/>

Not subject to SLSOT reporting (See instructions.)

E. Non-taxable premiums	E. <input type="checkbox"/>
F. Other states' premiums	F. <input type="checkbox"/>

Total premium as agent of record (Total of Items A - F) G. \$ ☐

SECTION II - Tax Base Election (See instructions.)

☐ Premium-written basis ☐ Premium-received basis

SECTION III - Surplus lines agents must complete this section using the tax base election option selected.

SURPLUS LINES	<i>The premiums reported in this section will not necessarily match the premiums shown in SECTION I. SECTION III premiums should reflect the premiums subject to tax on the basis of taxation method selected, i.e., premium-received or premium-written.</i>	
	1. Texas premiums (Whole dollars only)	1. <input type="checkbox"/>
	2. Texas returned premiums (Do not enter as a negative number.)	2. <input type="checkbox"/>
	3. Taxable premiums (Item 1 minus Item 2)	3. <input type="checkbox"/>
	4. Premium tax due (Multiply Item 3 by .0485) (Dollars and cents)	4. <input type="checkbox"/>

SECTION IV - Purchasing groups and surplus lines agents writing purchasing group business must complete this section.

PURCHASING GROUPS	5. Texas premiums (Whole dollars only)	5. <input type="checkbox"/>
	6. Texas returned premiums (Do not enter as a negative number.)	6. <input type="checkbox"/>
	7. Taxable premiums (Item 5 minus Item 6)	7. <input type="checkbox"/>
	8. Premium tax due (Multiply Item 7 by .0485) (Dollars and cents)	8. <input type="checkbox"/>

9. Total taxes due (Item 4 plus Item 8)	9. <input type="checkbox"/>
10. Prepayment amount	10. <input type="checkbox"/>
11. Total amount due (Item 9 minus Item 10)	11. <input type="checkbox"/>

***** Do not detach. *****

Form 25-104 (Rev.6-25/28)

12. Penalty and interest (See instructions.)

13. TOTAL AMOUNT DUE AND PAYABLE (Item 11 plus Item 12)

Taxpayer name	k. <input type="checkbox"/>	l. <input type="checkbox"/>
---------------	-----------------------------	-----------------------------

■ 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.

sign here Authorized agent

Preparer's name (Type or print.)

Daytime phone (Area code & number)

Date

Make the amount in Item 13 payable to
STATE COMPTROLLER

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

For information about Insurance Tax, call **800-252-1387**.
Details are also available online at **www.Comptroller.Texas.Gov**.



Instructions for Completing the Texas Annual Insurance Tax Report

Surplus Lines Agents/Purchasing Groups

NOTE: Reference to "agents" includes agents and agencies in these instructions. Refer also to Publication 94-431 "Guidelines for Premium Tax Compliance with the Nonadmitted and Reinsurance Reform Act" for additional information.

Who Must File

All surplus lines agents licensed in Texas and all purchasing groups registered in Texas must file this report if tax is owed. Surplus lines agents are required to report premium on policies placed with domestic surplus lines insurers licensed in Texas.

NOTE: Surplus lines agents reporting surplus lines and purchasing group business must complete Sections III and IV. Purchasing groups should report in Section IV only.

When to File

The report and payment are due on March 1 of the year following the tax year.

Section I

Total Business Reported to the Surplus Lines Stamping Office of Texas (SLSOT)

Specific Instructions:

Item A - Texas premiums - Enter the total Texas premiums, net of returned premiums, for policies reported to the SLSOT during the tax year, where Texas is the home state of the insured.

Item B - Texas premiums - Enter the total Texas premiums, net of returned premiums, for policies NOT YET reported to the SLSOT during the tax year, where Texas is the home state of the insured.

Item C - Non-taxable premiums - Enter the non-taxable premiums, net of returned premiums, and whether or not reported to the SLSOT, for policies where Texas is the home state of the insured and where the premiums are exempt or preempted from taxation.

Item D - Other states' premiums - For multi-state policies where Texas is the home state of the insured, enter the total premiums, net of returned premiums, included in Item A that cover risks located outside of Texas. Texas is entitled to tax on 100% of the policy premium when Texas is the home state of the insured; however the reporting of premium to the SLSOT by state for risks covered under a multi-state policy is requested for data collection purposes.

Note: Premium reported to the SLSOT in the "Breakdown of States Summary" also includes premium reported to other states.

Item E - Non-taxable premiums - This category does not apply to policies that are effective on or after July 21, 2011.

Item F - Other states' premiums - This category does not apply to policies that are effective on or after July 21, 2011.

Section II

Tax Base Election for Surplus Lines Agents

Surplus lines agents who received a license during the reporting year must elect one of the tax base options shown.

Rule 34 TAC, Sec. 3.822, provides specific information on the requirements for reporting surplus lines tax. Agents have the option of reporting tax using a premium-written or premium-received basis and may change their election every four years. An agent who changes from a premium-received to a premium-written basis will owe taxes on all outstanding receivables as of January 1 of the year of the change. If an agent fails to file the election, the agent will be subject to tax on a premium-written basis.

Section III

Surplus Lines Agents

These premiums will not necessarily match the premiums shown in Section I, because they are based on the reporting method chosen. The term "premium" includes all premiums, premium deposits, membership fees, registration fees, assessments, dues and any other consideration for surplus lines insurance. Texas premiums include:

- premiums written or received for new or renewal Texas or multi-state policies when Texas is the home state of the insured.

Exempt premiums are premiums for a surplus lines 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. Effective Jan. 1, 2014, premiums on risks or exposures under ocean marine insurance coverage of stored or in-transit baled cotton for export are exempt from surplus lines premium tax.

Federal preemptions to state taxation for surplus lines insurance include premiums for policies that are issued to the following entities:

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

Endorsements and audits on surplus lines insurance policies, whether generating additional premium or resulting in a return of premium, must be reported for the tax year in which the endorsement or audit occurs, not for the tax year in which the original policy was reported. The tax for endorsements and audits that generate return premiums due a policyholder must be calculated using the tax rate that was originally charged.

Texas returned premiums - Report the unearned portion of the premium that is credited or refunded to a policyholder as a result of cancellation or premium adjustment prior to the policy expiration. An agent reporting on the premium received basis will not have returned premiums.

Section IV

Purchasing Groups

Purchasing groups obtaining coverage from insurers licensed in Texas or surplus lines agents licensed in Texas do NOT owe tax on this report, but must file a zero report.

Specific Instructions

Item 12 - Penalty and interest

- If tax is paid 1-30 days late: Enter penalty of 5% (.05) of Item 11.
- If tax is paid 31-60 days late: Enter penalty of 10% (.10) of Item 11.
- If tax is paid over 60 days late: Enter penalty of 10% (.10) of Item 11 plus interest. Calculate interest at the rate published online at www.comptroller.texas.gov/taxes/file-pay/interest.php, or call 877-447-2834 for the applicable interest rate.



Electronic reporting and payment options are available 24 hours a day, 7 days a week. Have this form available when you log on.
www.comptroller.texas.gov/taxes/file-pay/