

**CHAPTER 45-03-06
PREMIUM TAX PAYMENTS - ESTIMATES**

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45-03-06-01. Application of chapter - Exceptions.

This chapter applies to all companies doing business in the state as described in North Dakota Century Code section 26.1-03-17 and applies to all business conducted in this state, except business specifically exempted by statute, i.e., annuities (North Dakota Century Code section 26.1-03-17) and North Dakota uniform group insurance program (North Dakota Century Code chapter 54-52.1).

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-03-17

45-03-06-02. Definitions.

Unless otherwise defined or made inappropriate by context, all words used in this chapter have meanings as given them under North Dakota Century Code chapter 26.1-03.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-03-17

45-03-06-03. Quarterly payments - Reconciliation.

1. Every company required to pay premium taxes in this state shall make and file a statement of estimated premium taxes for the period covered by the quarterly installment tax payment. The statement shall be on forms prescribed by the commissioner. The payments shall be made on an individual quarterly basis on or before May thirtieth, August twenty-ninth, November twenty-ninth, and March first.
2. The tax imposed under North Dakota Century Code section 26.1-03-17 shall be an estimated tax of at least twenty-five percent of the premium tax on the prior calendar year's business or eighty percent of the premium tax on the current calendar year's business for each of the first three quarters and shall be reconciled for the entire calendar year on the insurance department form and filed on or before March first of the following calendar year.
3. Any company with a certificate of authority to conduct business in this state must file a quarterly estimate form even when no tax is owed. No payment is required until the final quarter when the tax is reconciled if the estimated tax for the quarter is less than twenty-five dollars.

History: Effective September 1, 1983; amended effective May 1, 1997.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-03-17

45-03-06-04. Credits.

1. The principal office ad valorem tax credit shall be used as a credit against the premium tax liability for the calendar year in which the ad valorem tax was paid. Any unused credit may be carried over as a credit against the premium tax liability for the following calendar years but not beyond 1985. North Dakota Century Code section 26.1-03-17 requires that the credit be prorated on a quarterly basis. Credit shall be used for each quarter and shall be fully reconciled, along with the premium tax, as of the end of each calendar year, on or before March first of the subsequent year.
2. The examination credit shall be used as a credit against the premium tax liability for the quarter in which expense was paid and the succeeding three quarters. The credit is limited to expenses incurred and paid to the North Dakota department of insurance. North Dakota Century Code section 26.1-03-17 requires that the credit be prorated on a quarterly basis. The credit shall be reconciled along with the premium tax as of the end of each calendar year, on or before March first of the subsequent year.
3. The credit taken for assessments paid to the comprehensive health association of North Dakota shall be taken in the calendar year in which paid and any remaining credit used as completely as possible in each succeeding year. Credit cannot be taken for any assessments paid prior to March 21, 1983.
4. The credit for assessments paid to the North Dakota life and health insurance guaranty association shall be twenty percent of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid.
5. Credit may be taken in the following year for miscalculations resulting in an overpayment in a preceding reconciliation submitted with the March first payment.
6. The credit for assessments paid to the reinsurance association of North Dakota must be taken in the calendar year in which paid. If the credit exceeds the premium tax liability the excess is not eligible to be carried over to subsequent years.

History: Effective September 1, 1983; amended effective April 1, 1996; May 1, 1997; April 1, 2021.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-03-17

45-03-06-05. Fees payable annually.

All fees will be paid annually, on or before March first of each calendar year.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-03-17

45-03-06-06. Interest and penalties.

1. Penalties and interest shall be assessed in accordance with the provisions of North Dakota Century Code section 26.1-03-17 for a failure to file the quarterly estimated tax statement or the reconciled tax statement or both, or pay the estimated or reconciled tax.
2. If an insurance company fails to pay the quarterly estimated tax or reconciled taxes prescribed by North Dakota Century Code section 26.1-03-17 in the time required, penalties of five percent shall accrue thereon, or one hundred dollars, whichever is greater, plus six percent of the tax for each day of delay except the first day after the tax became due for that quarter or year.

3. Failure of the company to make each estimated return and payments of at least one quarter of the total reconciled tax paid during the previous calendar year, or eighty percent of the actual reconciled tax for the current calendar year, shall subject the company to the penalty and interest provided in subsection 2 on the tax payable for that calendar year.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-03-17