



2023 IG255, Nonadmitted Insurance Premium Tax Return for Direct Procured Insurance

Due March 1, 2024

Check if: Amended Return No Activity Return

Print or Type	Name of Insured		Minnesota Tax ID (required)	Contact Person
	Mailing Address		Check if New Address <input type="checkbox"/>	Daytime Phone
	City	State	ZIP Code	Email Address
	<input type="checkbox"/> I am licensed to obtain insurance from nonadmitted insurers from _____ to _____		<input type="checkbox"/> Check if you are a purchasing group	

Calculate Amount Due/Overpaid	1 Total gross premiums paid (from page 2, Column G)	1	_____
	2 Total return premiums received (from page 2, Column H)	2	_____
	3 Taxable gross premiums paid (subtract line 2 from line 1)	3	_____
	4 Tax rate is 2% (0.02)	4	_____ .02
	5 Total gross premiums tax due (multiply line 3 by line 4)	5	_____
	6 Penalty (see instructions)	6	_____
	7 Interest (see instructions)	7	_____
	8 TOTAL AMOUNT DUE (or overpaid) (add lines 5 through 7)	8	_____

If you owe additional tax:
 Payment method: Electronic payment Check (payable to Minnesota Revenue; write MN tax ID number on check; attach voucher)
 Enter amount paid _____ Date paid _____
 (If amount paid is different from amount due on line 8, attach an explanation.)

If you overpaid: Overpayments will be refunded.

I declare that this return is correct and complete to the best of my knowledge and belief.

Sign Here	Signature of Insured or Officer of Corporation	Date	Daytime Phone	<input type="checkbox"/> I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.
	Signature of Preparer	Print Name of Preparer	Date	

Mail to:
 Minnesota Department of Revenue
 Mail Station 1780
 600 N. Robert Street
 St. Paul, MN 55145-1780

2023 Form IG255 Instructions

For insurance tax laws, see Minnesota Statutes, Chapter 2971 at www.leg.state.mn.us.

Captive Insurance Tax Filing Requirement: As explained in more detail below, when a company pays premium to a captive insurance company and Minnesota is the “home state” of the insured (see “Rules from the Nonadmitted and Reinsurance Reform Act, M.S. 2971.01, subd. 10a, and M.S. 2971.05, subd. 7” below), the company must report those premiums on Form IG255.

Minnesota Voluntary Disclosure Program: This program helps qualifying individuals and business with unreported tax comply with Minnesota tax laws. For more information about the Minnesota Voluntary Disclosure Program, go to www.revenue.state.mn.us and enter “Voluntary” in the search box.

You must complete and file Form IG255 if you are a person, firm, corporation or purchasing group buying insurance directly from a “nonadmitted insurer,” which is defined as an “insurer not licensed to engage in the business of insurance in Minnesota” (M.S. 2971.01, subd. 10e). The definition of nonadmitted insurer includes, but is not limited to, surplus lines insurers and captive insurance companies. Whenever you purchase insurance directly from a nonadmitted insurer and Minnesota is the home state of the insured (see “Rules from the Nonadmitted and Reinsurance Reform Act, M.S. 2971.01, subd. 10a, and M.S. 2971.05, subd. 7” below), you must complete and file Form IG255. A “captive insurance company” is defined in M.S. 290.01, subd. 5c. An “other nonadmitted insurer” is any other nonadmitted insurer required to report premium on Form IG255.

If you purchased nonadmitted insurance through a broker that is not licensed by the Minnesota Department of Commerce, you must report these premiums as directly procured premiums from a nonadmitted insurer on Form IG255.

If you purchased surplus lines insurance, which is a form of nonadmitted insurance, through a licensed surplus lines broker, the surplus lines insurance is not directly procured and the broker is responsible for completing and filing Form IG 260, *Nonadmitted Insurance Premium Tax for Surplus Lines Brokers*.

Rules from the Nonadmitted and Reinsurance Reform Act, M.S. 2971.01, subd. 10a, and M.S. 2971.05, subd. 7

The federal Nonadmitted and Reinsurance Reform Act of 2010 (“NRRRA”) permits only the insured’s home state to require payment of premium tax for nonadmitted insurance. Through M.S. 2971.01, subd. 10a, Minnesota adopted the NRRRA definition of home state. As provided under M.S. 2971.01, subd. 10a and M.S. 2971.05, subd. 7:

- For a business, home state means the state in which an insured maintains its principal place of business. For an individual, home state means the individual’s principal residence. If more than one insured from an affiliated group are named insureds on a single nonadmitted insurance contract, home state means the home state of the member of the affiliated group with the largest percentage of premium attributed to it under the insurance contract.
- 100% of gross premiums are taxable in Minnesota, with no allocation of tax to other states, when Minnesota is the home state of the insured.
- If 100% of the insured risk is located outside of Minnesota, then the insured’s home state is the state to which the greatest percentage of the insured’s taxable premium for that insurance risk is allocated.

Due Date

You must file Form IG255 and pay any tax due by March 1 of the following year. (M.S. 2971.30, subd. 1)

The U.S. postmark date, or date recorded or marked by a designated delivery service, is considered the filing date (private postage meter marks are not valid). When the due date falls on a Saturday, Sunday or legal holiday, returns and payments electronically made or postmarked on the next business day are considered timely. When a return or payment is late, the date it is received at the Department of Revenue is treated as the date filed or paid.

Extension for Filing Return. If good cause exists, you may request a filing extension.

Instructions

Check Boxes

At the top of the form, check if the return is:

- an **Amended Return:** Check only if you are amending a previously filed return for the same period. Include all original and corrected policies on the amended return.
- a **No Activity Return:** Check only if you did not purchase any insurance directly from nonadmitted insurers during the year.

2023 Form IG255 Instructions (Continued)

IG255 Page 2 Instructions

Complete page 2 BEFORE page 1.

A. NAIC Number

If the nonadmitted insurer has an NAIC number, enter it here.

B. Name of Insurer

The name of the insurer.

C. Policy Number

Enter the policy number.

D. Date of Coverage

Enter the policy coverage date.

E. Nonadmitted Insurance Company Type

Identify the type of nonadmitted insurer from which the policy was directly procured. If the policy was directly procured from a surplus lines insurer, identify the insurer as a “surplus lines insurer.” If you directly procured nonadmitted insurance because you paid premiums to a captive captive insurance company, identify the insurer as a “captive insurance company.” If you directly procured nonadmitted insurance because you paid premiums to a form of nonadmitted insurer that is not a surplus lines insurer or a captive insurance company, identify the insurer as an “Other Form of Nonadmitted Insurer.”

1. Surplus Lines Insurer
2. Captive Insurance Company
3. Other Form of Nonadmitted Insurer

F. Amount Insured

Enter the amount insured.

G. Gross Premiums Paid

Enter all premiums paid by an insured with a home state of Minnesota. (See the prior page of instructions for guidance when determining the “home state” of an insurance contract.)

H. Return Premiums

Enter all return premiums received. Include a note indicating on which return the original policy was reported.

Payments

Electronic Payments

If your total insurance taxes and surcharges for the last 12-month period ending June 30 is \$10,000 or more, you are required to pay your tax electronically in all subsequent years.

You must also pay electronically if you are required to pay *any* Minnesota business tax electronically, such as sales or withholding tax.

To pay electronically, go to the department’s website at www.revenue.state.mn.us and log in. You will need your ID number, and bank routing and account numbers. When paying electronically, you must use an account not associated with any foreign banks.

If you use other electronic payment methods, such as ACH credit method or Fed Wire, instructions are available on our website or by calling our Business Registration Office at 651-282-5225 or 1-800-657-3605.

Check Payments

If you are not required to pay electronically and you choose to pay by check, you must mail a personalized payment voucher along with your estimated tax payment to help ensure the payment is credited correctly. Go to www.revenue.state.mn.us and select **Make a Payment**. Select **Check or Money Order**. Use the **Payment Voucher System** to create a voucher.

When you pay by check, your check authorizes us to make a one-time electronic fund transfer from your account. You will not receive your canceled check.

Note: If no amount is due or if you pay electronically, do not send in a voucher.

Penalties and Interest

Late payment. If you do not pay all the tax due by the due date, a late payment penalty is due. The penalty is 5% of the unpaid tax for any part of the first 30 days the payment is late, and 5% for each additional 30-day period, up to a maximum of 15%.

Late filing. Add a late filing penalty to the late payment penalty if your return is not filed by the due date. The penalty is 5% of the unpaid tax. When added to the late payment penalty, the maximum combined penalty is 20%.

Payment method. If you are required to pay electronically and do not, an additional 5% penalty applies to payments not made electronically, even if a paper check is sent on time.

2023 Form IG255 Instructions (Continued)

Interest. You must pay interest on the unpaid tax plus penalty from the due date until the total is paid. The interest rate for calendar year 2024 is 8%. The rate may change for future years. To figure how much interest you owe, use the following formula with the appropriate interest rate:

$$\text{Interest} = (\text{tax} + \text{penalty}) \times \# \text{ of days late} \times \text{interest rate} \div 365$$

Mailing Your Return

Mail your return and all required attachments to:

Minnesota Department of Revenue
Mail Station 1780
600 N. Robert St.
St. Paul, MN 55145-1780

For express deliveries, use our street address:

Minnesota Department of Revenue
600 N. Robert St.
St. Paul, MN 55101

Business Information Changes

Be sure to let us know within 30 days if you change mailing addresses, phone numbers or any other business information. To do so, go to our website, log in to e-Services and update your profile information.

By notifying us, we will be able to let you know of any changes in Minnesota tax laws and filing requirements.

Information and Assistance

Website: www.revenue.state.mn.us
Email: insurance.taxes@state.mn.us
Phone: 651-556-3024

This information is available in alternate formats.

For questions about licensing and regulations, contact the Minnesota Department of Commerce:

Website: www.mn.gov/commerce
Email: licensing.commerce@state.mn.us
Phone: 651-539-1599 or 1-800-657-3978
Fax: 651-539-0107