

3/21/14

11:15 A.M.

Chapter No. 419
14/SS02/R465
CRL 1 CC/DB

SENATE BILL NO. 2024

Originated in Senate Liz Welch Secretary

SENATE BILL NO. 2024

AN ACT TO AMEND SECTION 27-15-107, MISSISSIPPI CODE OF 1972, TO AUTHORIZE INSURANCE COMPANIES TO MAKE FOUR PERIODIC RETURNS AND PAYMENTS OF A CERTAIN PORTION OF THEIR ESTIMATED ANNUAL INSURANCE PREMIUM TAX LIABILITY AND TO PROVIDE FOR A FINAL RETURN AND PAYMENT OF THE REMAINDER OF THEIR ANNUAL INSURANCE PREMIUM TAX LIABILITY AFTER APPLICATION OF THE ESTIMATED PAYMENTS AND ANY APPLICABLE CREDITS; TO IMPOSE A PENALTY FOR FAILURE TO FILE THE REQUIRED RETURNS AND MAKE THE REQUIRED PAYMENTS; TO IMPOSE A PENALTY FOR UNDERESTIMATING PAYMENTS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 27-15-107, Mississippi Code of 1972, is amended as follows:

27-15-107. (1) Every insurance company liable for the tax under the provisions hereof shall make and file with the * * * Department of Revenue, estimated tax returns and payments for the insurance premium tax levied under Sections 27-15-103 and 27-15-109 for the first four (4) periods of each calendar year and a reconciliation return and payment for the final reporting period for each calendar year based on the actual liability of the insurance company for insurance premium taxes for that calendar year. The insurance company shall estimate the amount of

insurance premium taxes to be due for each calendar year and pay insurance premium taxes based on a percentage of that estimate as provided for in subsection (2) of this section for the first four (4) reporting periods of each calendar year. In addition to reflecting the amount of estimated tax payment being paid, the estimated return shall also contain an estimate of the gross amount of premium receipts of the insurance company subject to the insurance premium tax under Sections 27-15-103 and 27-15-109 during the reporting period. For the final reporting period for each calendar year, every insurance company shall file a reconciliation tax return reporting the balance of insurance premium taxes due for the calendar year based on insurance premiums actually received during the calendar year after the application of the estimated tax payments for the first four (4) reporting periods and any applicable credits, and pay the balance of insurance premium taxes due for the calendar year. The insurance company shall also pay with the reconciliation tax return any penalties and/or interest due for the calendar year, including any penalty and/or interest for underestimating the amount of estimated tax to be paid for the first four (4) reporting periods.

(2) The reporting periods, the amount of insurance premium tax to be paid for the reporting periods, and the due date for the tax return and payment for the reporting periods are as follows:

(a) For the first reporting period of January 1 through March 31, the percentage to be paid is one-fourth (1/4) of the estimated tax amount. The due date for the estimated return and payment is April 20.

(b) For the second reporting period of April 1 through May 31, the percentage to be paid is one-sixth (1/6) of the estimated tax amount. The due date for the estimated return and payment is June 20.

(c) For the third reporting period of June 1 through June 30, the percentage to be paid is one-twelfth (1/12) of the estimated tax amount. The due date for the estimated return and payment is July 20.

(d) For the fourth reporting period of July 1 through September 30, the percentage to be paid is one-fourth (1/4) of the estimated tax amount. The due date for the estimated return and payment is October 20.

(e) For the final reporting period of October 1 through December 31, the balance of insurance premium tax due for the calendar year shall be paid after application of estimated payments for the first four (4) reporting periods and any applicable credits are reported on a reconciliation tax return. The due date for the return and payment, including payment of any penalty and/or interest, is March 1.

(3) Any insurance company liable for the insurance premium tax levied under Sections 27-15-103 and 27-15-109 that fails to

file an estimated tax return or a reconciliation tax return and fails to pay the required estimated tax payments with the estimated tax return or the balance of insurance premium tax with the reconciliation tax return by the due date for such return and payment, shall be liable for a penalty in the amount of ten percent (10%) of the payment due and interest at the rate of one percent (1%) per month from the due date of the payment until paid.

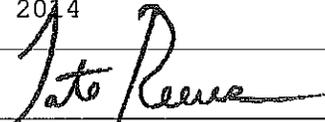
(4) Any insurance company that underestimates the estimated amount of insurance premium tax to be paid for any of the first four (4) reporting periods by more than ten percent (10%) shall be liable for penalty in the amount of ten percent (10%) of the amount by which the insurance company underestimated the amount of insurance premium tax due. The amount of this underestimate shall be determined by subtracting the amount paid for that reporting period from an amount determined by multiplying the actual annual insurance premium taxes due for the calendar year times the percentage of estimated tax to be paid for the reporting period. The insurance company shall also be liable for interest on the underestimated amount at the rate of one percent (1%) per month from the due date for the reporting period until the insurance company pays the actual annual insurance premium taxes due for the calendar year in which the reporting period is included.

* * *

(5) The * * * Department of Revenue shall have the authority to promulgate rules and regulations, not inconsistent with this article, as it may deem necessary to enforce its provisions.

SECTION 2. This act shall take effect and be in force from and after January 1, 2014.

PASSED BY THE SENATE
February 6, 2014



PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 11, 2014



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR
3/24/14 11:15 Am