

Insurance Premiums Tax Return Captive Insurance Companies

File and pay Form 207C electronically using **myconneCT** at portal.ct.gov/DRS-myconneCT.



| | | | | |
|--|---------------|-------------------|----------|-------------------------------------|
| Taxpayer Type or Print | Taxpayer Name | | | Connecticut Tax Registration Number |
| | Address | Number and Street | PO Box | Federal Employer ID Number (FEIN) |
| | City or Town | State | ZIP Code | Date Received (DRS Use Only) |

A. Check if you are filing as a sponsored captive insurance company and enter the number of protected cells covered by this return:

B. Check if you are filing a consolidated return for two or more companies and enter the number of companies included in this return:

C. Check if this is an amended return. D. Check if you have a Certificate of Dormancy from the CT Dept. of Insurance (attach copy).

Computation of Tax Due on Insurance

| | | | | |
|--|---|-----|--|----|
| 1. Gross direct premiums collected or contracted for..... | ▶ | 1. | | 00 |
| 2. Other charges (specify: _____) | ▶ | 2. | | 00 |
| 3. Total Premiums: Add Lines 1 and 2 | ▶ | 3. | | 00 |
| 4. Return Premiums | ▶ | 4. | | 00 |
| 5. Other deductions (specify: _____) | ▶ | 5. | | 00 |
| 6. Total Deductions: Add Lines 4 and 5 | ▶ | 6. | | 00 |
| 7. Net Taxable Premiums: Subtract Line 6 from Line 3..... | ▶ | 7. | | 00 |
| 8. Tax on Direct Insurance Premiums from Tax Rate Schedule (Direct Rate)..... | ▶ | 8. | | 00 |
| 9. Tax on Reinsurance Premiums from Line 25..... | ▶ | 9. | | 00 |
| 10. Total Tax: Add Lines 8 and 9 | ▶ | 10. | | 00 |
| 11. Enter the amount from Line 10 If Line 10 is more than \$200,000, enter \$200,000; or If Line 10 is less than \$7,500, enter \$7,500; | ▶ | 11. | | 00 |
| 12. If this is the first year of license in Connecticut, enter \$7,500.00 | ▶ | 12. | | 00 |
| 13. Net tax: Subtract Line 12 from Line 11. | ▶ | 13. | | 00 |
| 14. Payments made with extension request Form 207C EXT..... | ▶ | 14. | | 00 |
| 15. Subtract Line 14 from Line 13 | ▶ | 15. | | 00 |
| 16. If late: penalty ▶(16a) \$ _____ plus interest ▶(16b) \$ _____ See instructions | ▶ | 16. | | 00 |
| 17. Balance due with this return | ▶ | 17. | | 00 |

Computation of Tax Due on Reinsurance

| | | | | |
|---|---|-----|--|----|
| 18. Assumed Reinsurance Premiums collected or contracted for..... | ▶ | 18. | | 00 |
| 19. Other charges (please specify) | ▶ | 19. | | 00 |
| 20. Total Assumed Reinsurance Premiums: Add Lines 18 and 19..... | ▶ | 20. | | 00 |
| 21. Return premiums..... | ▶ | 21. | | 00 |
| 22. Other deductions (please specify)..... | ▶ | 22. | | 00 |
| 23. Total Deductions: Add Lines 21 and 22 | ▶ | 23. | | 00 |
| 24. Net Assumed Reinsurance Premiums: Subtract Line 23 from Line 20 | ▶ | 24. | | 00 |
| 25. Enter amount due from Tax Rate Schedule (Assumed Rate) | ▶ | 25. | | 00 |

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

| | | | | | |
|---|------------------------------------|--|------------------|------------------------|--|
| Sign Here Keep a copy of this return for your records. | Signature of principal officer | | Title | Date | |
| | Print name of principal officer | | Telephone number | | |
| | Email address of principal officer | | | | |
| | Paid preparer's signature | | Date | Preparer's SSN or PTIN | |
| | Firm's name and address | | FEIN | | |

Form 207C Instructions

General Instructions

Form 207C is due on or before March 1 of the succeeding calendar year for insurance premiums tax liability for the preceding calendar year.

Filing and Paying Electronically

File and pay Form 207C electronically using **myconneCT**. DRS **myconneCT** allows taxpayers to electronically file, pay and manage state tax responsibilities.



Filing and Paying by Mail

If you file by mail, complete this return in blue or black ink only. Do not use staples.

Make check payable to: **Commissioner of Revenue Services**. To ensure payment is applied to your account, write the calendar year of the return "**Form 207C**", and your Connecticut Tax Registration Number on the front of your check. DRS may submit your check to your bank electronically.

Mail to: Department of Revenue Services
State of Connecticut
PO Box 2990
Hartford CT 06104-2990

Attachments: Attach the following to this return:

- A list of the insured individuals and/or entities; **and**
- A copy of the Annual Unaudited Financial Report sent to the Department of Insurance for the applicable tax year.

All direct premiums written by a Connecticut captive insurance company are subject to Connecticut premiums tax regardless of the taxability of the premiums by another state.

No reinsurance premium tax is payable in connection with the receipt of assets in exchange for the assumption of loss reserves and other liabilities of another insurer under common ownership and control if the transaction is part of a plan to discontinue the operations of that insurer and if the parties intend to renew or maintain such business with the captive insurance company.

Minimum and Maximum Tax

The annual minimum tax is \$7,500.00. The annual maximum aggregate tax is \$200,000.00. The maximum aggregate tax to be paid by a sponsored insurance company applies to each protected cell and not to the sponsored captive insurance company as a whole.

Tax Rate Schedules

Direct Rate

| If Line 7 Is: | The Amount of the Tax Is: |
|---|---|
| \$20,000,000 or less | Line 7 multiplied by 0.0038 |
| Over \$20,000,000 but not over \$40,000,000 | \$76,000 plus the excess over \$20,000,000 multiplied by 0.00285 |
| Over \$40,000,000 but not over \$60,000,000 | \$133,000 plus the excess of \$40,000,000 multiplied by 0.0019 |
| Over \$60,000,000 | \$171,000 plus the excess over \$60,000,000 multiplied by 0.00072 |

Assumed Rate

| If Line 24 Is: | The Amount of the Tax Is: |
|---|--|
| \$20,000,000 or less | Line 24 multiplied by 0.00214 |
| Over \$20,000,000 but not over \$40,000,000 | \$42,800 plus the excess over \$20,000,000 multiplied by 0.00143 |
| Over \$40,000,000 but not over \$60,000,000 | \$71,400 plus the excess of \$40,000,000 multiplied by 0.00048 |
| Over \$60,000,000 | \$81,000 plus the excess over \$60,000,000 multiplied by 0.00024 |

Consolidated Return

Two or more captive insurance companies under **common ownership and control** may file a single return (consolidated return) and pay tax as a single captive insurance company.

A special purpose financial captive insurance company may not be consolidated with another captive insurance company that is not a special purpose financial captive insurance company. Captive insurance companies filing a consolidated return must attach a list which contains the name and federal employer identification number of the companies included on the consolidated return.

Common ownership and control means ownership and control of two or more captive insurance companies by the same person or group of persons.

Ownership and control is defined as:

Stock corporations

The direct or indirect ownership of 80% or more of the outstanding voting stock of the insurer.

Mutual or nonprofit corporations

The direct or indirect ownership of 80% or more of the surplus and voting power of the corporation.

Limited liability companies

The direct or indirect ownership of 80% or more of the membership interests in the company.

Sponsored captive insurance companies

A protected cell shall be treated as a separate captive insurance company owned and controlled by the protected cell's participants.

Late Payment

The late payment penalty is the greater of 10% of the tax due or \$50. Late payments are subject to interest at the rate of 1% per month or fraction of a month until the tax is paid in full.

Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off only the total.

Example: Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on a line.

Signature

A principal officer of the company must sign this return.

Paid Preparer Signature

A paid preparer must sign and date Form 207C. Paid preparers must also enter their Social Security Number (SSN) or Preparer Tax Identification Number (PTIN), and their firm's Federal Employer Identification Number (FEIN) in the spaces provided.

For the Latest News

Visit the DRS website at portal.ct.gov/DRS.

E-Services Update

Use **myconneCT** to file taxes, make payments, view filing history, and communicate with the agency simply and more efficiently on virtually any mobile device, including laptops, tablets, and smartphones, 24 hours a day, 7 days a week. For updated information, please visit the DRS website at portal.ct.gov/DRS-myconneCT.