2016 RI FORM T-71 INSURANCE - GENERAL INSTRUCTIONS

Calendar Year Ending December 31, 2016 is due on or before April 15, 2017

Informational Section

Check whichever box applies:

Insurance companies check the "Insurance Company" box.

Specifically identified companies check the "Nonprofit Hospital Service Corp, Nonprofit Dental Corp, Nonprofit Medical Service Corp, and HMO" box.

If filing an amended T-71, check the "Amended" box.

Schedule A - Computation of Tax

Line 1a: Enter the amount of gross premiums less return premiums from Schedule T, Part 1 of your Annual Statement to Insurance Commissioner.

Line 1b: Enter the amount of reinsurance assumed from companies not authorized to do business in Rhode Island. (Covering property and risks in Rhode Island.)

Line 2: Total Premiums. Add lines 1a and 1b.

Line 3a: Mutual and Mutual Plan Companies Only -
Enter the amount of dividends paid or credited to policyholders.

Line 3b: Enter the amount of direct ocean marine premiums and any other federally exempted premiums such as Flood Insurance, Livestock, Crop, and Medicare Title XXVII.

This line does not apply to risk retention groups. Include on this line any premiums that the State of Rhode Island is prohibited from taxing pursuant to federal law, including premiums for health benefits through the Federal Employees Health Benefits program under Title 5 US Code § 8909(f), premiums paid to Medicare organizations under Title 42 US Code §§ 1395w-24(g), 1395w-112(g), or 1395mm(k)(4)(B)[t1] premiums paid for crop insurance and livestock policies that are reinsured by the Federal Crop Insurance Corporation pursuant to Title 7 US Code § 1511 and Federal Flood Insurance administered by the National Flood Insurance Program pursuant 42 U.S.C. § 4071.

Line 3c: Enter your capital investment deduction amount - **RIGL §44-43**

Line 3d: Enter the amount of Tax Incentives for Employers deduction against gross premiums as calculated on Form RI-107. Form RI-107 must be attached to your return.

Line 4: Total deductions. Add lines 3a, 3b, 3c and 3d.

Line 5: Net taxable premium. Subtract line 4 from line 2.

Line 6a: Rhode Island tax. Multiply line 5 by the tax rate of 2% (0.02).

Line 6b: Retaliatory tax. Enter the amount from page 2, Schedule B, line 3.

Line 7: Total tax due. Add lines 6a and 6b

Line 8a: Rhode Island credits. Enter the amount of credit from RI Schedule B-CR, Business Entity Credit Schedule, line 21. Proper documentation must be attached to your return to support the amount of credit being claimed.

Line 8b: Enter the amount of Life and Health Guaranty Fee.

Line 9: Total Credits. Add lines 8a and 8b.

Line 10: Tax after credits. Subtract line 9 from line 7.

Line 11: Fees under Retaliatory Provisions. Enter the amount from page 2, Schedule C, line 3.

Line 12: Total tax and fees due. Add lines 10 and 11.

Line 13a: Enter the amount of any estimated payments made on 2016 BUS-EST, Business Estimated Tax Payment or amounts applied from the prior year.

Line 13b: Enter the amount of any other payments made.

Line 14: Total Payments. Add lines 13a and 13b.

Line 15: Net Tax Due. If line 12 is greater than line 14, subtract line 14 from line 12. This is the amount of tax due.

Line 16: Interest due -

(a) Late payment interest on tax due

For failure to pay the tax on time, interest at the rate of 18% (0.1800) per year; or 1.5% (0.0150) per month, shall be assessed.

Interest shall accrue on the amount from line 15 at the rate of 18% per annum from the due date for filing the return to the actual date of payment.

(b) Underestimating interest

In case of any underpayment of the estimated taxes by an insurance company there shall be added to the tax as the case may be for the taxable year, an amount determined at the rate of 18% per annum upon the amount of the underpayment for the period of the underpayment. "The amount of the underpayment" shall be the excess of the installment or installments which would be required to be paid if the advance payments were equal to eighty percent (80%) of the tax shown on the return for the taxable year or, if no return was filed eighty percent (80%) of the tax for such year, over the amount, if any, of the installment paid on or before the last date prescribed for payment. See chart on page 2 of Form RI-2220.

Add lines (a) and (b) to get the total interest due.

Line 17: Total Due with Return. Add lines 15 and 16.

Line 18: Overpayment. If line 12 is less than line 14, subtract lines 12 and 16 from line 14. This is the amount of your overpayment.

Line 19: Enter the amount of your overpayment to be applied to your 2017 Calendar Year Estimated Tax.

Line 20: Amount of Refund. Subtract line 19 from line 18. This will be the amount refunded to you.

Schedule B - Computation of Tax Upon Retaliatory Basis

Attach a copy of your home state or country return.
Compute the tax that the taxpayer's state or country of incorporation would impose on like companies incorporated in Rhode Island, or their agents, doing business in such state or country of incorporation.

In the case of foreign or alien companies, the Rhode Island tax shall not be less in amount than that computed in accordance with the retaliatory provision.

Schedule C - Computation of Reciprocal Fees & Assessments

Line 1: Include fees and assessments that are levied upon insurance companies doing business in your state.

Line 2: Refer to your March 2016 invoice billed by the Rhode Island Insurance Division to identify the proper fees to include on line 2.

Mailing Address

Returns and payments should be mailed to:
Rhode Island Division of Taxation
One Capitol Hill
Providence, RI 02908-5811

DRAFT 08/19/2016