



# Rhode Island Department of Revenue Division of Taxation

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## **SURPLUS LINES BROKERS / LICENSEES: GUIDE TO TAX FILINGS AND PAYMENTS**



Rhode Island Division of Taxation  
Tax Type: Surplus Lines

December 6, 2016  
Notice 2016-09

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## Introduction

If a business (or other entity) needs a certain kind of insurance coverage but cannot obtain it from an insurer licensed in Rhode Island, the business obtains the coverage from an insurer elsewhere -- from a “surplus lines” insurer.

In such cases, the person who serves as the middleman – between the business that seeks insurance and the insurer that provides the coverage – is known as a surplus lines broker, or surplus lines licensee.

In general, the term “surplus lines broker” or “surplus lines licensee” refers to someone who is licensed to sell, solicit, or negotiate insurance on properties, risks, or exposures that are located, or to be performed, in Rhode Island.

The holder of a surplus lines broker license has tax obligations that are set forth in statute and administered by the Rhode Island Division of Taxation.<sup>1</sup> This publication is intended to serve as a guide to meeting those tax obligations.

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<sup>1</sup> See Rhode Island General Laws § 27-3-38. The holder of a surplus lines broker license also has licensing obligations, which are administered by the Rhode Island Department of Business Regulation and which are not the subject of this guide. For further information on licensing, see: [www.dbr.ri.gov/divisions/insurance](http://www.dbr.ri.gov/divisions/insurance)

## Section 1: Annual tax return

A Rhode Island tax return must be filed each year on behalf of surplus lines brokers/licensees. The return must be filed with the Rhode Island Division of Taxation and is due on or before April 1. The return must be filed even if no income is reported (a “zero return”). For tax years 2015 and 2016, the return must be filed on paper, on Form T-71A (see screenshot below). The mailing address is included on the form.

State of Rhode Island and Providence Plantations			
2015 Form T-71A			
Surplus Line Broker Return of Gross Premiums			
Name		Federal employer identification number/social security number	
Address		State or country of incorporation or organization	
Address 2		Broker license number	
City, town or post office	State	ZIP code	E-mail address

For later tax years, the Division of Taxation plans to make electronic filing of the return available through the Rhode Island Division of Taxation’s portal. A link to the portal will be on the Rhode Island Division of Taxation’s website, [www.tax.ri.gov](http://www.tax.ri.gov).

Even if you file a paper return and tax is due, you can pay the tax online, through the following Rhode Island Division of Taxation web page:  
<https://www.ri.gov/taxation/business/index.php>

If you mail in your annual Rhode Island tax return and pay the tax by check, include a payment voucher – Form BUS-V, the “Business Tax Payment Voucher Form” – and check the “surplus lines” box (see highlighted portion of screenshot on next page).

State of Rhode Island and Providence Plantations  
**Form BUS-V**  
 Business Tax Payment Voucher Form

Name		Federal employer identification number	
Address		For the period ending:	
Address 2		MM/DD/YYYY	
City, town or post office	State	ZIP code	E-mail address

**Part 1: Business Tax Type**

Check the box next to the form for which you are making a payment. Check only one box.

Form RI-1120POL - Rhode Island Political Organization - Key #77

Form T-71 - Rhode Island Gross Premium Insurance - Key #13

**Form T-71A - Rhode Island Surplus Line Broker Gross Premium - Key #13**

Form T-71PB - Rhode Island Self-Insured Business Premiums - Key #13

## WHO FILES?

The insurance company or insurance agency can file the annual tax return on behalf of the individual broker(s)/licensee(s), or the broker/licensee can file the annual tax return on his or her own behalf. The information that must be provided differs depending on who is filing the return.

*If the insurance agency or insurance company files ...*

### If the insurance company or agency files annual surplus lines tax return

If the insurance company or insurance agency is filing the annual return on behalf of surplus lines brokers/licensees, put the agency's name, the agency's federal employer identification number (EIN), the agency's address, and other agency information on page one at the top of the form – but leave the “Broker license number” box blank on page one at the top of the form. (See highlighted portion of screenshot on following page.)

State of Rhode Island and Providence Plantations 2015 Form T-71A Surplus Line Broker Return of Gross Premiums			
Name		Federal employer identification number/social security number	
Address		State or country of incorporation or organization	
Address 2		Broker license number	
City, town or post office	State	ZIP code	E-mail address

In the "Computation of Tax" section, on page one of the form, enter the totals of the business done by all of the surplus lines brokers/licensees.

On page 2 of the annual return, list each surplus lines broker/licensee for whom you are filing. For each broker/licensee, include:

- the broker/licensee's full Social Security number;
- the broker/licensee's name;
- the broker/licensee's business address; and
- the broker/licensee's National Association of Insurance Commissioners (NAIC) producer's license number.

Do not fill in the bottom of page 2 (see screenshot below).

SSN/FEIN:
Signature of broker:
Licensee:
Page 2

It is important to complete page 2 (except for the very bottom) fully and accurately. Failure to do so could result in delay of the renewal of the Rhode Island license for the broker/licensee.

On page 3 of the return, for each surplus lines insurance policy, list:

- the policy's NAIC number;
- the carrier's name;
- the name of the insured;
- the risk location;

- the invoice date;
- the premium;
- the return premium; and
- the additional premium.

Do not fill in the bottom of page 3 (see screenshot below).

SSN/FEIN:

Signature of broker:

Licensee:

Page 3

Remember: Whether the annual tax is paid electronically, the annual tax is paid by paper check, or there is no tax due, an annual tax return still must be filed.

*If the surplus lines broker/licensee files his or her own return ...*

#### If the broker/licensee files annual surplus lines tax return

If you are a surplus lines broker/licensee, and you are filing your own annual tax return, put your own name, your full Social Security number, your business address, and your other information at the top of page one of the form – including the “Broker license number” box. In the “Computation of Tax” section, on page one of the form, enter the totals of the business you’ve done.

Leave the top of page 2 blank, but fill in the very bottom (see screenshot below).

SSN/FEIN:
Signature of broker:
Licensee:

Page 2

On page 3 of the return, for each surplus lines insurance policy, list:

- the policy's NAIC number;
- the carrier's name;
- the name of the insured;
- the risk location;
- the invoice date;
- the premium;
- the return premium; and
- the additional premium.

Also, fill in the bottom of page 3.

### WHO PAYS?

*If the insurance agency or insurance company makes the tax payment ...*

#### If the insurance agency makes the payment

*The following example shows the steps to be taken by an insurance company or insurance agency that is making the annual surplus lines tax payment.*

Example:

XYZ Insurance Agency files Rhode Island tax returns on behalf of Bob Broker. In that case, the annual tax filing as well as the surplus lines tax payments to Rhode Island must be made under the agency's name.



So at top of the front page of the annual tax return, XYZ Insurance Agency enters the following information:

- XYZ Insurance Agency's own name;
- XYZ Insurance Agency's own federal employer identification number;
- XYZ Insurance Agency's own address; and
- other information related to XYZ Insurance Agency (but leaves the "Broker license number" box blank).

Bob Broker's information, including his full Social Security number, is entered only on the top of page 2.

XYZ Insurance Agency not only files on behalf of Bob Broker, but also pays on behalf of Bob Broker. Regardless of whether XYZ Insurance Agency is making an annual tax payment or an estimated tax payment, and regardless of whether XYZ Insurance Agency is making the tax payment online or by check, the tax payment must be made in the name and the federal employer identification number of XYZ Insurance Agency.

Do not make the tax payment in the name of Bob Broker. Make it in the name of XYZ Insurance Agency. The Division of Taxation will make sure that Bob Broker is properly credited for the payment. Also, because XYZ Insurance Agency is filing the annual return on Bob's behalf, XYZ Insurance Agency should also make the tax payment on Bob's behalf.

*If the surplus lines broker or licensee makes the tax payment...*

#### **If the broker/licensee makes the payment**

*The following example focuses on the procedures for a surplus lines broker/licensee who is making the tax payment.*

Example:

Larry Licensee files returns and makes payments on his own behalf. So, at the top of the front page of the annual return, Larry lists his own name, address, and personal Social Security number in full. Larry must fill out the rest of page one.

Larry should not fill out page 2, except for the information at the very bottom of the page. Larry must fill out the information at the top and bottom of page 3.

Regardless of whether Larry is making an annual tax payment or an estimated tax payment on his own behalf, and regardless of whether Larry makes the tax payment online or by check, the tax payment must be made in Larry's name and Larry's Social Security number. Also, because Larry is filing the annual return on his own behalf, Larry should also make the tax payment on Larry's behalf.

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*Other points ...*

#### Other points about annual tax return

Following are some other points about the annual tax return:

- The due date is April 1. If April 1 falls on a weekend, the due date is the following business day. For example, if April 1 falls on a Saturday, the due date would be the following Monday.
- There is no extension, no extended due date, available for the annual tax return. The return is due on or before April 1. Also, filings are done on a calendar-year basis; there is no provision for a fiscal year. For example, the return that is due in April 2017 is for the 2016 calendar year.
- Surplus lines brokers/licensees have filing requirements for two separate agencies in Rhode Island: The Rhode Island Division of Taxation, and the Rhode Island Department of Business Regulation (DBR). Each agency has its own rules. To learn more about the Rhode Island Department of Business Regulation, see the agency's web page involving insurance:  
<http://www.dbr.ri.gov/divisions/insurance/>
- Don't be confused between the annual tax return and the annual report. The annual tax return is filed with the Rhode Island Division of Taxation. The annual report is filed with the Rhode Island Department of Business Regulation.
- The Rhode Island Division of Taxation requires that an annual tax return be filed even if there is no income to report – in other words, even if it is a “zero return.”

## Section 2: Estimated taxes


Estimated taxes for surplus lines brokers/licenses may be made electronically or on paper.

If the estimated payment is made electronically, do not file a paper form; the electronic filing is sufficient.

Electronic payments of estimated tax for surplus lines brokers/licenses may be made through the following webpage:

<https://www.ri.gov/taxation/business/index.php>

If payment is made by check, use Form SLB-EST, "Surplus Lines Broker Estimated Payment Form" (see screenshot below). The mailing address is included on the form.

State of Rhode Island and Providence Plantations			
<b>Form SLB-EST</b>		13111388880101	
Surplus Lines Broker Estimated Payment Form			
Name	Federal employer identification number		
Address	For the period ending:		

*If the insurance agency or insurance company does the estimated taxes ...*

### If the insurance agency does the estimated taxes

*The following example is for insurance companies and insurance agencies that make estimated tax payments on behalf of surplus lines brokers/licenses:*

Example:

XYZ Insurance Agency files with the Rhode Island Division of Taxation on behalf of Bob Broker. The estimated tax payments must be made under the agency's name. So XYZ Insurance Agency enters its own name, its own federal employer

identification number, its own address, and other information. XYZ Insurance Agency does not include information about Bob Broker.

Regardless of whether XYZ Insurance Agency makes the tax payment online or by check, the tax payment must be made in the name and the federal employer identification number of XYZ Insurance Agency, not in the name of Bob Broker. The Division of Taxation will make sure that Bob Broker is properly credited (based on information from the annual tax return).

Also, because XYZ Insurance Agency is making the estimated tax payments on Bob's behalf, XYZ Insurance Agency should also file the estimated tax form on Bob's behalf. (No form is needed, however, if payment is made electronically.)

*If the surplus lines broker or licensee  
does the estimated taxes...*

#### If the surplus lines broker/licensee does the estimated taxes

*The following example is for surplus lines brokers/licensees that make estimated tax payments on their own:*

Example:

Larry Licensee files Rhode Island surplus lines tax returns and makes Rhode Island surplus lines tax payments on his own behalf. Online or on paper, Larry lists his own name, address, and personal Social Security number.

Regardless of whether it is an annual tax payment or an estimated tax payment, and regardless of whether the tax payment is made online or by check, the tax payment must be made in Larry's name using Larry's full Social Security number. Also, because Larry is making the tax payment on his own behalf, Larry should also file the estimated tax form on his own behalf. (No form is needed, however, if payment is made electronically.)

#### Due dates

If your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year, you must make estimated payments, and they must be made in four equal installments, regardless of whether the insurance company or broker does them.

Example:

XYZ Insurance Agency files with the Rhode Island Division of Taxation on behalf of Bob Broker. In early 2017, XYZ projects that it will have a \$400 Rhode Island

surplus lines tax liability for 2017 for Bob. Therefore, XYZ does not have to make estimated tax payments for 2017 because, by statute, estimated tax payments are required only if your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year.

If estimated tax payments are required, use the following schedule:

<b>Estimated taxes for surplus lines brokers/licensees</b>	
<i>% of calendar year tax:</i>	<i>Due on or before:</i>
25%	April 30
50%	June 30
75%	October 31
100%	December 31

In considering your estimated payments of surplus lines tax for the current year, review your prior year's surplus lines tax liability. That is because you can submit estimated tax payments for the current year based on the immediately preceding year's tax.

If, for the current year, you make estimated tax payments that total 1.) 100 percent of last year's taxes, or 2.) at least 80 percent of this year's tax liability, whichever amount is lower, you will not be charged underestimating interest (assuming you make the payments in four equal installments).

Example:

Larry Licensee files Rhode Island surplus lines tax returns and makes Rhode Island surplus lines tax payments on his own behalf. In early 2017, he estimates that he will have a \$600 Rhode Island surplus lines tax liability. By statute, if your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year, you must make estimated payments. Therefore, Larry must make estimated payments in 2017. Larry will not have to pay underestimating interest for 2017 if he makes estimated tax payments that total at least 100 percent of his 2016 taxes, or 80 percent of whatever this year's tax liability turns out to be, whichever is lower, and Larry does so in four equal installments.

### Other points about estimated taxes

Following are some other points about estimated surplus line tax payments:

- If your estimated payment is made online, do not file the form.
- If you expect that your Rhode Island surplus lines tax for the entire year will be zero, do not file an estimated tax form. (A "zero return" is not necessary when it comes to estimated tax for surplus lines.)

## Section 3: Frequently asked questions (FAQs)

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Following are some FAQs involving surplus lines:

**Q: Does the Rhode Island Division of Taxation still take part in OPTins?**

A: Surplus lines brokers/licensees formerly were able to file their Rhode Island tax returns using a system developed by the NAIC and known as Online Premium Tax for Insurance, or OPTins.

Rhode Island tax payments and Rhode Island tax returns are no longer processed through OPTins. Instead, Rhode Island tax payments and Rhode Island tax returns are processed directly through the Rhode Island Division of Taxation.

*Note: For information about the Rhode Island Department of Business Regulation and the use of OPTins, contact the agency at the following address:*  
<http://www.dbr.ri.gov/divisions/insurance/>

Following are additional details about Rhode Island tax returns:

- Rhode Island tax returns for 2015 and later tax years must not be filed via OPTins and must instead be filed directly with the Division. For tax years 2015 and 2016, annual tax returns must be filed on paper.
- For the 2017 tax year and for later tax years, the annual tax return may be filed online, through the Division of Taxation portal. A link will be available on: [www.tax.ri.gov](http://www.tax.ri.gov)
- Estimated tax payments may already be made online – and, if they are, no paper form is needed. To make estimated tax payments online, use the following Division of Taxation webpage: <https://www.ri.gov/taxation/business/index.php>

**Q: What is the surplus lines tax rate?**

A: It is computed at the rate of four percent (4%) on the gross premiums charged the insured by the insurers, less the amount of premiums returned to the insured.

**Q: I noticed that the filing deadlines have changed for a lot of different Rhode Island taxes. What about surplus lines?**

A: No change. The due date for the annual return is April 1. (If April 1 falls on a weekend, the deadline moves to the next business day). The due dates for estimated payments have not changed (see table under the “Estimated taxes” section of this

publication). If your tax for the calendar year can reasonably be expected to exceed \$500 for the current year, you must make estimated tax payments for the current year.

**Q: We make our estimated tax payments online. Where should we mail the form?**

A: If you make estimated payments online, you're all set; do not file the paper form.

**Q: We're an insurance company in Illinois. When we file the annual surplus lines insurance tax return, on page 2 of the form, must we list the full Social Security number of each broker, or can we just enter the last four digits for each?**

A: You must enter the full Social Security number. We need it to match up the brokers listed on your return against the records in our system, and the match will not work with just four digits.

**Q: We make our annual tax payment online. But where should we mail the form?**

A: The address, which is on the form, is: Rhode Island Division of Taxation, One Capitol Hill, Providence, R.I. 02908.

**Q: What about amended returns?**

A: To amend a tax return for a surplus lines broker/licensee, use the standard Form T-71A, "Surplus Line Broker Return of Gross Premiums", and write the words "Amended Return" across the top. Mail the form to the Division of Taxation. (The mailing address is on the form.)

**Q: Whom shall I contact for refunds?**

A: The Rhode Island Division of Taxation's Corporate Tax section oversees tax matters involving surplus lines brokers/licensees, and that includes inquiries involving refunds. Call (401) 574-8935 from 8:30 a.m. to 3:30 p.m. business days, or email:

[Tax.Corporate@tax.ri.gov](mailto:Tax.Corporate@tax.ri.gov)

**Q: I made my first-quarter surplus lines estimated payment online. I emailed Form SLB-EST along with the receipt of the first-quarter estimated payment to the Rhode Island Department of Business Regulation and they emailed me back stating that it was not the correct email address to use to be sending the form. Is there another email I can use to send the form?**

A: When estimated tax payments are made online on behalf of a surplus lines broker/licensee, there is no need to file the estimated tax form (Form SLB-EST). To make estimated payments, please use the following link:

<https://www.ri.gov/taxation/business/index.php>

However, if you pay by check, you must file the paper form. In any event, please keep in mind that Rhode Island taxes are overseen by the Rhode Island Division of Taxation: <http://www.tax.ri.gov>

Insurance licensing and related matters are handled by the Department of Business Regulation: <http://www.dbr.ri.gov/divisions/insurance/>

**Q: Can you file the tax return or the estimated tax payment form by email? If so, what email address?**

A: Payments and returns are made online (through the Division of Taxation website/portal), or on paper. The Division of Taxation does not accept payments made, or tax returns filed, via email.

**Q: How can I get forms?**

A: Forms are online: <http://www.tax.ri.gov/taxforms/>  
Forms may also be requested from the Division of Taxation by calling (401) 574-8970.

**Q: Are carrier/broker/inspection fees taxable on surplus lines policies, or just the pure premium?**

A: The tax is computed at the rate of four percent on the gross premiums charged the insured by the insurers, less the amount of premiums returned to the insured. The fees you mentioned should not be included in the gross premiums you compute because they are not taxable.

**Q: Early each year, we simply cannot accurately project how much our Rhode Island surplus lines tax liability will be. What can we do to make sure that we don't wind up having to pay underestimating interest? Also, how do we make the actual payments of estimated tax – electronically or on paper?**

A: If your Rhode Island surplus lines tax liability can reasonably be expected to exceed \$500 for the year, you must make estimated payments. The estimates are due in four equal installments.

In considering your estimated payments of surplus lines tax for the current year, review your prior year's surplus lines tax liability. That is because you can submit estimated tax payments for the current year based on the immediately preceding year's tax.

If, for the current year, you make estimated tax payments that total 1.) 100 percent of last year's taxes, or 2.) at least 80 percent of this year's tax liability, whichever amount is lower, you will not be charged underestimating interest (assuming you make the payments in four equal installments).



Also, estimated taxes for surplus lines brokers/licensees may be made electronically or on paper. If the estimated payment is made electronically, do not file a paper form; the electronic filing is sufficient.

Electronic payments of estimated tax for surplus lines brokers/licensees may be made through the following webpage: <https://www.ri.gov/taxation/business/index.php>

If payment is made by check, use Form SLB-EST, "Surplus Lines Broker Estimated Payment Form". The mailing address is included on the form.

**Q: I have more questions. Whom shall I contact?**

A: The Rhode Island Division of Taxation's Corporate Tax section oversees tax matters involving surplus lines brokers/licensees. Call (401) 574-8935 from 8:30 a.m. to 3:30 p.m. business days, or email: [Tax.Corporate@tax.ri.gov](mailto:Tax.Corporate@tax.ri.gov)

## Section 4: Excerpts from Rhode Island General Laws

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### RHODE ISLAND GENERAL LAWS § 27-3-38

#### **Surplus line brokers – License – Affidavit of inability to obtain insurance – Reports and records – Premium tax – Notice to purchasers.**

(a) The insurance commissioner may issue a surplus line broker's license to any person authorizing the licensee to procure, subject to the restrictions provided in this section, policies of insurance, except life and health and accident, from eligible surplus lines insurers. Residents of this state must hold a property and casualty insurance producer license to qualify for a surplus lines broker license. This license may be denied, suspended, or revoked by the insurance commissioner whenever, in the commissioner's judgment, any of the bases under § 27-2.4-14 exist. Before any license is issued by the insurance commissioner and before each renewal of a license, there shall be filed in his or her office a written application by the person desiring the license in the form, and containing any information, that the insurance commissioner may prescribe. For the purposes of carrying out the provisions of the Nonadmitted and Reinsurance Reform Act of 2010, the commissioner is authorized to utilize the national insurance producer database of the National Association of Insurance Commissioners (NAIC), or any other equivalent uniform national database, for the licensure of a person as a surplus lines producer and for renewal of such license. For insureds whose home state is this state, a person shall not procure a contract of surplus lines insurance with a nonadmitted insurer unless the person possesses a current surplus lines insurance license issued by the commissioner.

(b) A Rhode Island resident business entity acting as a surplus line broker may elect to obtain a surplus line broker license. Application shall be made using the uniform business entity application. Prior to approving the application, the commissioner shall find both of the following:

(1) The business entity has paid the appropriate fees.

(2) The business entity has designated a licensed surplus line broker responsible for the business entity's compliance with the insurance laws and rules of this state.

(c) When any policy of insurance is procured under the authority of that license, there shall be executed, both by the licensee and by the insured, affidavits setting forth facts showing that the insured, or a licensed Rhode Island producer, were unable, after diligent effort, to procure from no less than three (3) admitted insurers the full amount of insurance required to protect the property owned or controlled by the insured or the risks insured. Provided, however, the aforementioned affidavit shall not be required when insuring the following interest: amusement parks and devices, environmental improvement and/or remediation sites, vacant property or property under renovation, demolition operations, event cancellation due to weather, railroad liability, discontinued products, fireworks and pyrotechnics, warehouseman's legal liability, excess property coverage, private flood, and contingent liability. In addition, no such affidavit is required for exempt commercial purchasers as defined by the Nonadmitted and Reinsurance Reform Act of 2010. For purposes of this section, residual market mechanisms shall not be considered authorized insurers. Prior to renewing, continuing, or extending any policy, the licensed surplus line broker must confirm that the insurer is on the insurance commissioner's list of approval surplus line insurers in this state.

(d) The licensee shall keep a complete and separate record of all policies procured from approved surplus lines insurers under the license and these records shall be open to the examination of both the insurance commissioner and tax administrator at all reasonable times and shall show the exact amount of each kind of insurance permitted under this section which has been procured for each insured; the gross premiums charged by the insurers for each kind of insurance permitted under this section which were returned to each insured; the name of the insurer or insurers which issued each of these policies; the effective dates of these policies; and the terms for which these policies were issued. The licensee shall file a yearly report with the insurance commissioner on a form prescribed by

the insurance commissioner showing the business procured under the surplus line license for the preceding calendar year, and the report shall be due annually on or before April 1.

(e) Every person, firm, or corporation licensed pursuant to the provisions of this section shall file with the insurance commissioner, at the time of the insurance producer license renewal, sufficient information, as determined by the insurance commissioner, whether a licensee or a person acting on the licensee's behalf, has paid to the tax administrator, for all policies procured by the licensee pursuant to the license during the next preceding calendar year, a tax, computed at the rate of four percent (4%) on the gross premiums charged the insured by the insurers, less the amount of premiums returned to the insured.

(f) Every application form for insurance from a surplus lines insurer, every affidavit form executed by the insured, and every policy (on its front and declaration pages) issued by the surplus lines insurer, shall contain in ten-point (10) type the following notice:

NOTICE

THIS INSURANCE CONTRACT HAS BEEN PLACED WITH AN INSURER NOT LICENSED TO DO BUSINESS IN THE STATE OF RHODE ISLAND BUT APPROVED AS A SURPLUS LINES INSURER. THE INSURER IS NOT A MEMBER OF THE RHODE ISLAND INSURERS INSOLVENCY FUND. SHOULD THE INSURER BECOME INSOLVENT, THE PROTECTION AND BENEFITS OF THE RHODE ISLAND INSURERS INSOLVENCY FUND ARE NOT AVAILABLE.

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## RHODE ISLAND GENERAL LAWS § 44-26-2.1

### **Declaration – Due date – Payment – Interest.**

(a) Notwithstanding any general or specific statute to the contrary, every corporation having a taxable year ending December 31, 1990, or thereafter, shall file a declaration of its estimated tax for the taxable year ending December 31, 1990, or thereafter, if its estimated tax can reasonably be expected to exceed five hundred dollars (\$500). The declaration, sworn to by the officer of the corporation who is required to sign its return under any of the chapters and section mentioned in § 44-26-1 shall contain the pertinent information and be in the form that the tax administrator may prescribe. The entire amount of the estimated tax shall constitute the amount of the advance required to be paid.

(b)(1) Except as provided in subdivision (2) of this subsection, the declaration of estimated tax required of corporations by subsection (a) of this section shall be filed as follows:

If the requirements of subsection (a) of this section are first met:

before the first day of the third month of the taxable year

after the first day of the third month and before the first day of the sixth month of the taxable year

The declaration shall be filed on or before:

the fifteenth day of the third month of the taxable year;

the fifteenth day of the sixth month of the taxable year.

(2) The declaration of estimated tax required of corporations subject to § 27-3-38 relating to surplus line brokers premium tax or under any special act or acts in lieu of the provisions of that section or in amendment of or in addition to that section shall be filed as follows:

<p>If the requirements of subsection (a) of this section are first met:</p> <p>Before the first day of the fourth month of the taxable year</p> <p>After the first day of the fourth month and before the first day of the sixth month of the taxable year</p> <p>After the first day of the sixth month and before the first day of the tenth month of the taxable year</p> <p>After the first day of the tenth month and before the first day of the twelfth month of the taxable year</p>	<p>The declaration shall be filed on or before:</p> <p>the thirtieth day of the fourth month of the taxable year</p> <p>the thirtieth day of the sixth month of the taxable year</p> <p>the thirtieth day of the tenth month of the taxable year</p> <p>the thirty-first day of the twelfth month of the taxable year</p>
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(c) An amendment of a declaration may be filed in any interval between installment dates prescribed for the taxable year, but only one amendment may be filed in each interval.

(d) The tax administrator may grant a reasonable extension of time, not to exceed thirty (30) days, for filing a declaration.

(e)(1) The amount of the advance based on the estimated tax declared under subsection (a) of this section by corporations described in subdivision (b)(1) of this section shall be paid as follows:

(i) If the declaration is filed on or before the fifteenth (15th) day of the third (3rd) month of the taxable year, the advance shall be paid in two (2) installments. The first installment in the amount of forty percent (40%) of the estimated tax shall be paid at the time of the filing of the declaration. The second and last installment in the amount of sixty percent (60%) of the estimated tax shall be paid on or before the fifteenth (15th) day of the sixth (6th) month of the taxable year.

(ii) If the declaration is filed after the fifteenth (15th) day of the third (3rd) month of the taxable year and is not required by subsection (b) of this section to be filed on or before the fifteenth (15th) day of the third (3rd) month of the taxable year, but is required to be filed on or before the fifteenth (15th) day of the sixth (6th) month, the advance shall be paid in full at the time of filing.

(2) The amount of the advance based in the estimated tax declared under subsection (a) of this section by corporations listed in subdivision (b)(2) of this section shall be paid as follows:

(i) If the declaration is filed on or before the thirtieth (30th) day of the fourth (4th) month of the taxable year, the advance shall be paid in four (4) equal installments. The first installment shall be paid on or before the thirtieth (30th) day of the fourth (4th) month of the taxable year, and the second (2nd), third (3rd), and fourth (4th) installments shall be paid on or before the thirtieth (30th) day of the sixth (6th) month, the thirtieth (30th) day of the tenth (10th) month, and the thirty-first (31st) day of the twelfth (12th) month of the taxable year, respectively.

(ii) If the declaration is filed before the thirtieth (30th) day of the sixth (6th) month of the taxable year, the advance shall be paid in three (3) equal installments. The first installment shall be paid on or before the thirtieth (30th) day of the sixth (6th) month of the taxable year and the second (2nd) and third (3rd) installments shall be paid on or before the thirtieth (30th) day of the tenth (10th) month and the thirty-first (31st) day of the twelfth (12th) month of the taxable year respectively.

(iii) If the declaration is filed on or before the thirtieth (30th) day of the tenth (10th) month of the taxable year, the advance shall be paid in two (2) equal installments. The first installment shall be paid on or before the thirtieth (30th) day of the tenth (10th) month of the taxable year and the second installment shall be paid on or before the thirty-first (31st) day of the twelfth (12th) month of the taxable year.

(iv) If the declaration is filed after the time prescribed in subdivision (b)(2) of this section, including cases in which an extension of time for filing the declaration has been granted, there shall be paid at the time of the filing all

installments of the advance which would have been payable on or before that time if the declaration had been filed within the time prescribed in subdivision (b)(2) of this section.

(f) If the declaration is filed after the time prescribed in subsection (b) of this section including cases in which an extension of time for filing the declaration has been granted, paragraph (e)(1)(ii) of this section does not apply, and there shall be paid at the time of the filing all installments of the advance which would have been payable on or before that time if the declaration had been filed within the time prescribed in subsection (b).

(g) If any amendment of a declaration is filed, the installment payable on or before the fifteenth (15th) day of the sixth (6th) month, if any, or in the case of corporations licensed as surplus line brokers under § 27-3-38, the installments payable on or before the thirtieth (30th) days of the sixth (6th) or tenth (10th) month and thirty-first (31st) day of the twelfth (12th) month are ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated tax by reason of the amendment.

(h) At the election of the corporation, any installment of the advance may be paid prior to the date prescribed for payment.

(i) In the case of any underpayment of the advance by a corporation, except as provided in this section, there is added to the tax due under chapters 11 – 15 and 17 of this title, or § 27-3-38, for the taxable year an amount determined at the rate described in § 44-1-7 upon the amount of the underpayment for the period of the underpayment. For the purpose of this subsection, the "amount of the underpayment" is the excess of the amount 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. For the purposes of this subsection, the "period of the underpayment" is the period from the date the installment was required to be paid to the date prescribed under any of the chapters previously mentioned in this section for the payment of the tax for the taxable year or, with respect to any portion of the underpayment, the date on which the portion is paid, whichever date is the earlier. A payment of the advance on the fifteenth (15th) day of the sixth (6th) month, or for § 27-3-38 on the thirtieth (30th) day of the sixth (6th) month, of the taxable year is considered a payment of any previous underpayment only to the extent that the payment exceeds the amount of the installment due on the fifteenth (15th) day of the sixth (6th) month, or for § 27-3-38 on the thirtieth (30th) day of the sixth (6th) month, of the taxable year.

(j) Notwithstanding the provisions of this section, the addition to the tax with respect to any underpayment of any installment is not imposed if the total amount of all payments of the advance made on or before the last date prescribed for payment of the installment equals or exceeds the amount which would have been required to be paid on or before that date if the amount of the advance was an amount equal to one hundred percent (100%) of the tax computed at the rates applicable to the taxable year but otherwise on the basis of the fact shown on the return of the corporation for and the law applicable to the preceding taxable year.

(k) This section is effective for estimated payments being made by corporations for taxable years ending on or after December 31, 1990.

(l) Notwithstanding any other provisions of this section any taxpayer required to make an adjustment in accordance with § 44-11-11(f) in a tax year beginning in calendar year 2008 shall compute estimated payments for that tax year as follows:

(1) The installments must equal 100% of the tax due for the prior year plus any additional tax due for the current year adjustment under § 44-11-11(f), or

(2) That installments must equal 100% of the current year tax liability.

(m) Notwithstanding any other provisions of this section any taxpayer required to file a combined report in accordance with § 44-11-4.1 in a tax year beginning on or after January 1, 2015, shall compute estimated payments for that tax year as follows:

(1) The installments must equal one hundred percent (100%) of the tax due for the prior year plus any additional tax due to the combined report provisions under § 44-1-4.1; or

(2) The installments must equal one hundred percent (100%) of the current year tax liability.

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Anyone with further questions regarding Rhode Island tax payment and tax filing responsibilities for surplus lines should contact the Division of Taxation's Corporate Tax section (which oversees surplus lines tax payment and surplus lines tax reporting) by calling (401) 574-8935.

This publication contains an informal, plain-language summary of tax matters involving surplus lines brokers/licensees. Nothing contained in this publication in any way alters or otherwise changes any provisions of Rhode Island statutes, regulations, or formal rulings.

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