

FORM IPT-633 Instructions

Vermont Insurance Premium Tax Return

Please print in BLUE or BLACK ink only.

GENERAL INSTRUCTIONS

NOTE: If you are an insurance company, association, or society doing business in Vermont, you must complete this Form, IPT-633 Vermont Insurance Premium Tax Return, and submit it to the Vermont Department of Taxes at the address on the form on or before the last day of February, whether or not you wrote insurance or collected premiums in Vermont during the tax year. (I.e., zero returns are required.)

Part I Computation of Net Taxable Insurance Premiums

Complete every applicable section. For example, if you collected gross life premiums during the tax year, complete the section titled LIFE INSURANCE. If you wrote accident and health insurance during the tax year, complete the section titled ACCIDENT AND HEALTH INSURANCE. If you wrote more than one type of insurance, complete each applicable section.

Each section in this part follows the same format, except the ANNUITIES section which is abbreviated.

- **Gross Premiums:**

- Gross premiums collected on its business in Vermont (for life insurance) or written in Vermont (for all other types of insurance).
- Vermont domiciled companies: Enter the amount of insurance premiums written and collected which are not taxed by other state(s). If you are not domiciled in Vermont, you should enter 0 (zero) on this line.
 - Total gross insurance premiums (add the two previous lines).

- **Deductions:**

- Premiums exempt from state taxes by Federal exemption. Some examples are Medicare Part D, the Federal Crop Reinsurance Program, and so on. If you claim a Federal exemption for part or all of the premiums written or collected during the tax year, you must submit a statement explaining the specific exemption claimed. You must also include a statement or schedule setting forth the dollar value of the premiums that are exempt by said Federal exemption. You may only claim a deduction for any premiums which are actually exempted by said Federal exemption.
- Sums paid for return premiums on cancelled non-exempt policies (i.e., policies whose premiums are not exempt from state taxes by Federal exemption) upon risk located in Vermont. Generally, gross premiums collected or written, as applicable, minus return premiums should equal to amount stated on Schedule T.
- Dividends actually paid or allowed on non-exempt policies (i.e. policies whose premiums are not exempt from state taxes by Federal exemption) to policy holders residing in Vermont.
 - Total allowable deductions (add the three previous lines).

- **Net taxable premiums (total gross premiums minus deductions).**

Part II Computation of Insurance Premium Tax

Part II computes the **RETALIATION TAX** for each type of insurance premium collected (for life insurance) or written (for all other insurance types). Complete only those sections that are applicable. For example, if you collected life insurance premiums during the tax year and completed the LIFE INSURANCE section in Part I, you must also complete the LIFE INSURANCE section in Part II, and similarly for all other insurance types.

Each section in this part follows the same format.

- **Insurance premium tax rate:** Enter the state of domicile insurance premium tax rate, as a percentage, in Column A.
- **Net taxable premiums:** Enter the net taxable premiums for the applicable insurance type from Part I, in both Column A and Column B.
- **Other fees and assessments** which would be levied in the State of Domicile: Enter the dollar amount of any other fees and assessments which would be levied in the State of Domicile, where the fees or assessments are levied as a direct substitute for or in addition to an insurance premium tax percentage, in Column A.
- **Net insurance premium tax due:** Multiply the insurance premium rate by the net taxable premiums, then add other fees and assessments, in both Columns A and B.
- **Total premium tax liability:** Enter the greater of net insurance premium tax due, Column A or Column B.

PREMIUM/ANNUITY TAX LIABILITY: At the end of Part II, **Line 61 Total Premium/Annuity Tax Liability:** Enter the sum of the Total premium tax liability for all applicable sections in Part II. This sum is also entered on Line 62, in Part III on page 5 of the Return.

PART III Tax Calculation

This part computes payments and credits, and (if overpaid) overpayments to be credited to next tax year or refunded, or (if tax due) the total premium/annuity tax due. **You must complete this Part.**

Line 61 Total Insurance Premium/Annuity Tax Liability: Add Lines 40, 45, 50, 55, and 60.

PAYMENTS AND CREDITS

Line 62 **Credit for payments to the Vermont Life and Health Insurance Guaranty Association:** Enter the allowable credit, 20% of the payment each year for five years starting in the year following that year for which the payment was made to the Association. Include proof of payment with a copy of the cancelled check, together with a schedule detailing any previous and current claimed credits for each payment to the Guaranty Association.

NOTE: Payments to the Vermont Property and Casualty Insurance Association (8 V.S.A. Chapter 101, Subchapter 9) or any other Association are **Not Deductible** against your Vermont Insurance Premium Tax Liability.

Line 63 **Other tax credits:** If you claim any other tax credits, complete and attach Schedule IPT-634. Enter the total other tax credits claimed on Schedule IPT-634, Line 5, Column C.

Line 64 **Total Insurance Premium / Annuity Tax Liability After Credits:** Subtract the sum of Lines 62 and 63 from Line 61.

Line 65 **Estimated insurance premium tax payments:** Enter the total of all estimated insurance premium tax payments made for the tax year.

Line 66 **Overpayments carried forward from previous year:** If you have credit for overpayments carried forward, attach a schedule detailing the years and amounts of such overpayments, and enter the total overpayments carried forward.

Line 67 **Total premium payments, Tax Credits, and Overpayments Carried Forward:** Enter the sum of Lines 65 and 66.

OVERPAYMENT

Line 68 **Overpayment:** If Line 64 is less than Line 67, enter the difference.

Line 68a **Overpayment to be credited to next tax year:** If there is an overpayment, enter the amount to be credited to the next tax year.

Line 68b **Overpayment to be refunded:** If there is an overpayment, enter the amount to be refunded.

TAX DUE

Line 69 **Total Premium/Annuity Tax Due:** If Line 64 is greater than Line 67, enter the difference.