

Insurance Companies Tax Return Explanation:

General

The Insurance Companies Tax return should be filed by all insurance companies writing contracts of insurance within the Province of Newfoundland and Labrador. The return should be filed for the period ending December 31 of the current taxation year and must be submitted to the Department of Finance by March 20 of the following year.

Line 1 - Total Premiums in the Province

Enter the total gross premiums written in respect of business transacted within the province during the taxation year.

Line 2 - Adjustments

Enter any adjustments to be made to the gross premiums as entered on line 1. Possible adjustments to be made include the following:

- i) Less: Premiums written within the province in respect of contracts of marine insurance;
- ii) Less: Premiums or other consideration becoming payable to the company in respect of annuities written in the province;
- iii) Less: Reinsurance ceded to the company by other companies;
- iv) Less: Cash value of dividends paid or credited to policy holders in that year, excluding those for the above exempt premiums;
- v) Less: Premiums returned by the company in that year.

Details of any adjustments made above should be forwarded to the Department.

Line 3 - Taxable Premiums Income

Take the amount from line 1 and subtract the amount from line 2 to arrive at taxable premium income.

Line 4 - Total Tax Payable

Take the amount from line 3 and multiply it by 4% to arrive at the amount of tax payable.

Line 5 - Amount of Installment Tax Paid

If tax installments have been made during the taxation year, then enter the total amount of installments on this line. If no installments have been made then enter \$0.

Line 6 - Net Tax Due

Take the amount from line 4 and subtract the amount from line 5 to arrive at the net tax due.

Line 7 - Total Amount Enclosed

Enter the amount of payment that has been provided for this return.