

Montana Legislative Fiscal Division Revenue Source Profile

Updated through June 2014

Insurance Tax & License Fees

Revenue Description

The insurance premiums tax is levied on the net premiums or gross underwriting profit for each insurance company operating in Montana. Various insurance and license fees are also collected.

Statutory Reference

Tax Rate – [33-2-705\(2\), MCA](#); [33-2-311, MCA](#); [33-28-201\(1&2\), MCA](#); [50-3-109\(1\), MCA](#)

Fee Rate – Many of the fees are contained in [33-2-708\(1&2\), MCA](#); all other fees are listed in various chapters of [Title 33, MCA](#)

Tax Distribution – [33-2-708\(3\), MCA](#); [33-2-712, MCA](#); [50-3-109\(1\), MCA](#); [33-28-120, MCA](#)

Date Due – March 1st each year ([33-2-705\(1\), MCA](#); [33-2-712, MCA](#); [33-28-201\(1&2\), MCA](#)). Quarterly payments due the 15th of April, June, September and December (Administrative Rules [6.6.2704](#) and [6.6.2705](#))

Applicable Tax Rates

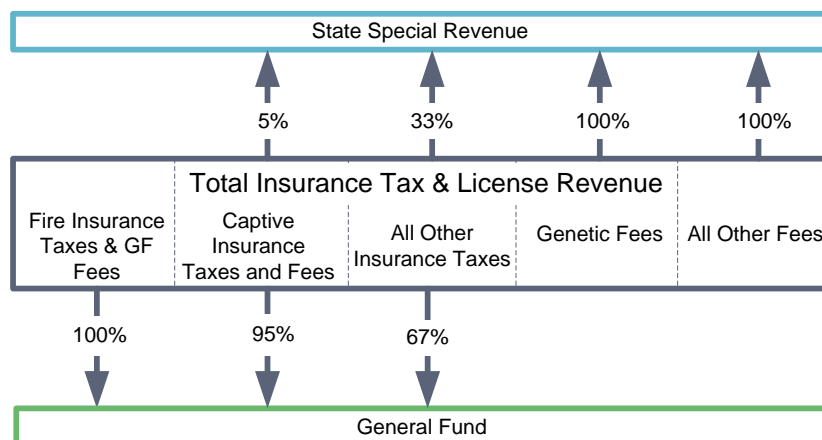
The current tax rate is 2.75% of net premiums (including cancellation and return premiums) on policies sold in Montana. In addition to this tax, there is a 2.5 % tax on the fire portion of net premiums for selected risks. Captive insurance companies are taxed 0.4% on the first \$20 million of net direct premiums and 0.3% on each subsequent dollar collected. The annual \$5,000 minimum tax is prorated based on the quarter in which the company is first licensed.

Collection Frequency: Quarterly and annually

Distribution

With the approval of Initiative 155 by the electorate in November 2008, 67% of insurance tax proceeds from the tax on surplus lines premiums and net premiums have been deposited into the general fund. The remaining 33% of revenue have been deposited to the state special revenue to expand the children health insurance program and Medicaid eligibility of uninsured children.

All fire insurance premiums are deposited to the general fund. Five percent of premium tax revenue from captive insurance company and all fees and assessments on captive insurance companies are deposited to a state special revenue fund to be used to administer captive insurance captive insurance company statutes and reimburse expenses incurred in promoting captive insurance in Montana. The remaining 95% of captive insurance premium tax revenue is deposited to the general fund. License fees and the 1% stamping fee on surplus lines insurance premiums are deposited into the state special revenue fund for use by the State Auditor. The genetic fee revenue is deposited to the state special revenue fund.



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Revenue History

