BULLETIN

SUBJECT: NEW YORK FRANCHISE TAX

This bulletin provides clarification as to the application of retaliatory provisions regarding the New York franchise tax.

Companies with direct written premiums must file and pay tax as provided for on the State of Nebraska annual tax return form on or before March 1 of each year. In addition, any company owing franchise tax must include at least the minimum franchise tax due if the computation for the “income tax portion” of the franchise is not available on or before March 1.

When the CT-33 information becomes available, New York companies must file a CT-33 form completed on the basis of a Nebraska company filing in the State of New York. Nebraska statutes do not permit an extension of time for filing the annual tax return or for paying the taxes due. The Nebraska Department will accept the New York State Department of Taxation and Finance extension in filing the CT-33 completed on a Nebraska basis, provided the company forwards a copy of the request for extension form CT-5 filed with the New York Department to the Nebraska Department of Insurance.

An interest assessment is charged for any unpaid taxes based upon the March 1 due date. An interest assessment is charged for any unpaid income tax based upon the March 15 due date by the State of New York. Interest is assessed as specified in Section 45-104.02 of the Nebraska Revised Statutes and based on the date of receipt by the Department of Insurance.

Only the “premium tax” portion is to be considered in calculating the prior or current year tax basis in making the quarterly prepayments due to the Nebraska Department of Insurance on April 15, June 15 and September 15.

Should you have any further questions regarding this bulletin, please contact the Examination Division at (402) 471-2201.

Bruce R. Ramge
Director

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