

Annual Report Checklist

Check to make sure you received each of the following, to file your annual report properly and completely:

- RCT-123, Gross Premium Tax Report for Surplus Lines Agents
- RCT-123-I, Instructions for RCT-123
- REV-424, Extension to File Coupon

New for 2009

Taxpayers are no longer required to list all policies for the year on the report. Taxpayers must now provide a copy of all monthly 1620 Reports filed with the PA Surplus Lines Association during the year and summarize the reports on the schedule on Page 2 of RCT-123.

Imposition Base and Rate

Gross premium tax is imposed under the Act of May 17, 1921, P.L. 682, No. 284 at the rate of 3 percent on gross premiums of insurance procured through eligible surplus line agents and other non-admitted insurers. The tax is in addition to the premium charged by the insurer. While the tax is levied on taxpayers who procure insurance through eligible surplus lines agents or other non-admitted insurers, it is collected through surplus line agents. The tax on any unearned portion of the premium must be returned to the insured.

Political subdivisions are exempt from this tax.

Branch Offices

Complete the Branch Office Schedule on Page 3. With questions, call the PA Surplus Lines Association at 1-888-209-3230 (only from within PA) or 610-594-1340.

Amended Report

Check this box if you are filing an amended report to add, delete or adjust information. Provide documentation to support all changes being made. An amended report should only be filed if an original report was filed previously for the same period.

The department may adjust the tax originally reported based on information from the amended report. The department will not make a tax adjustment three years beyond the receipt date of the original report unless the taxpayer consents to extending the assessment period.

When filing an amended report, record the amended tax liability on Page 1, Column A.

Last Report

If checking this box, include information from the PA Insurance Department verifying the taxpayer's surplus lines license expired or was not renewed.

Filing Guidelines

- File only ONE report for the calendar year listing all surplus lines activity for that year. Do not submit this report on a monthly basis.
- Money may be paid as collected. Indicate on each check stub the account name, account ID assigned by the Department of Revenue and FEIN.
- When completing the top of Page 2, provide the information requested on the form or attach an Excel spreadsheet detailing the information or copies of all monthly 1620 Reports filed with the PA Surplus Lines Association during the year.
- Page 2, Line 2: Information required for each cancelled policy:
 1. Name of original insured
 2. Location of original property
 3. Name of company originally issuing the policy
 4. Policy number
 5. Date of cancellation
 6. Type of insurance
 7. Amount of cancellation
- Page 2, Line 3: Information required for each exempt policy:
 1. Name of insured
 2. Government entity classification: If yes, continue with Numbers 3, 4 and 5.
 3. Amount of exempt gross premiums
 4. Location of property
 5. Policy number

Report Due Date, Payments and Mailing Addresses

This report is due on or before Jan. 31 for the immediately preceding year ended Dec. 31. If Jan. 31 falls on a Saturday, Sunday or holiday, the report is due the next business day. A penalty for late filing will be imposed as follows and assessed at the time of filing: 10 percent of the first \$1,000 of tax liability, 5 percent of the next \$4,000 of tax liability and 1 percent on any tax liability in excess of \$5,000.

Payments of \$20,000 or more must be remitted by electronic funds transfer (EFT). For more information and to register for EFT, visit www.etides.state.pa.us. Payments under \$20,000 may be remitted by mail, made payable to the PA Department of Revenue.

Mail RCT-123 – with remittance, if applicable – to the following address, using the envelope provided (E-140):

PA DEPARTMENT OF REVENUE
PO BOX 280407
HARRISBURG, PA 17128-0407

Due Date Extension Request

To request a due date extension of up to 60 days to file the annual report, you must file an extension request coupon by the original report due date. However, an extension of time to file does not extend the deadline for payment of tax, and an extension request must be accompanied by payment of taxes owed for the taxable year for which the extension is requested. Mail the extension coupon separately from all other forms, using the enclosed return envelope (E-203).

Taxpayers using electronic funds transfer (EFT) to make payment with an extension request are not required to submit the extension coupon.

Overpayment Instructions

If the remittance column is less than zero on Page 1 of your completed RCT-123, an overpayment exists, and you should instruct the department how to transfer and/or refund the overpayment. Select only one option in the "Overpayment Instructions" area of Page 1. If no option is selected, any overpayment will automatically be credited to the next tax period.

- A. Overpayment is transferred automatically to offset other underpaid taxes in the current tax period, and any remaining credit is then applied to the next tax period for estimated tax purposes.
- B. Prior to issuing a refund, the department will apply overpayment to unpaid tax in the current tax period. The department may also offset other unpaid liabilities or commonwealth obligations for the account.

Refund/Transfer Request

Use Page 1 of RCT-123 to request refunds or transfers for the current tax period.

Requests for refunds of overpayments from prior periods or refunds of estimated tax payments in advance of filing the annual tax report must be submitted in writing to the following address:

PA DEPARTMENT OF REVENUE
PO BOX 280701
HARRISBURG, PA 17128-0701

Requests to transfer overpayments to or from tax periods prior to that covered by the current annual report should be made in writing to the same address (immediately above).

Please do not duplicate requests for refund and/or transfer by submitting both RCT-123 and written correspondence.

CONTACT INFORMATION

- Visit the e-Services center at www.revenue.state.pa.us to learn about electronic filing options and for the current list of software vendors approved to file federal and state corporate reports simultaneously and electronically.
- To make EFT payments and file extensions electronically and free of charge, visit e-TIDES at www.etides.state.pa.us.
- With general business tax questions, call 717-787-1064.
- To confirm account payments, call 1-888-PATAXES.
- With questions regarding payments or refunds, call the Accounting Division at 717-705-6225.
- For information and assistance with electronic payment and filing options, call 717-783-6277.
- Requests for transfer of credit may be faxed to the Accounting Division at 717-705-6227.
- With questions regarding tax settlements, assessments or filing requirements, call the Specialty Tax Unit at 717-783-6031.



**ESTIMATED PAYMENTS AND EXTENSIONS TO FILE THE RCT-123 CAN
NOW BE FILED ONLINE AT WWW.ETIDES.STATE.PA.US**