

**NEW FOR 2012**

- RCT-122 has been redesigned and is no longer year-specific.
- Line-by-line instructions for RCT-122 are now available.
- RCT-122 is available as a fill-in form on the department's website at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).
- A signed copy of the RCT-122 tax report must be sent to the Pennsylvania Surplus Lines Association on behalf of the Pennsylvania Insurance Department, to 180 Sheree Blvd, Suite 3100, Exton, PA 19341.
- **Revenue ID:** For the 2012 tax year, a corporation's Revenue ID is its seven-digit PA Tax Account ID OR a new, unique, 10-digit number assigned by the department to a taxpayer, separate from any federally issued identification number(s) or Pennsylvania license number(s).

As the department transitions to an integrated tax system, a 10-digit Revenue ID number will be assigned and communicated to each taxpayer. A corporation's PA Tax Account ID will continue to be accepted by the department on tax forms and schedules, but upon assignment of a 10-digit Revenue ID to a taxpayer, the department will begin using the 10-digit Revenue ID on outbound correspondence in lieu of referencing the Tax Account ID.

**REMINDER**

- REV-1175, Schedule AR, (explanation for amending) must be included when filing an amended report.
- One extension coupon (REV-426) will be used for all specialty taxes. The coupon and the tax report (RCT-122) will no longer be mailed. These forms are available as fill-in documents on the department's website at [www.revenue.state.pa.us](http://www.revenue.state.pa.us). The REV-426 extension coupon can be filed electronically through e-TIDES at [www.etides.state.pa.us](http://www.etides.state.pa.us). However, electronic filing of the tax report is not available. The report should be completed using the computer-based fill-in form, printed and submitted by mail to the department. The form can be saved electronically for your records.
- The tax liability reported on RCT-122 cannot be a negative number; instead the taxpayer must file a petition for refund.

**Annual Report Checklist:** Make sure you include the following to file your annual report properly and completely:

- Complete RCT-122, Gross Premiums Tax Report for Premiums paid to Unauthorized Foreign Insurance Companies, Associations, Exchanges, etc.
- Separate schedule identifying any premiums returned on cancelled policies
- Corporate officer's/insured's signature on Page 1 and preparer's signature and PTIN on Page 2, if applicable
- A signed copy of the RCT-122 tax report sent to the Pennsylvania Surplus Lines Association on behalf of the Pennsylvania Insurance Department, to 180 Sheree Blvd, Suite 3100, Exton, PA 19341

All tax calculations must be shown in **whole dollar** amounts. An amount less than 50 cents will be eliminated, and an amount of 50 cents or more will be rounded to the next dollar.

**Imposition, Base and Rate**

Gross premiums tax for premiums paid to Unauthorized Foreign or Alien Insurance Companies is imposed on the insured rather than on the insurance carrier. Anyone who enters into a contract of insurance or reinsurance with a foreign or alien insurer not licensed to do business in Pennsylvania is subject to the tax on insurance premiums. The tax is imposed at 2 percent of life insurance and annuity gross premiums and 3 percent on premiums for all other types of insurance. The tax must be remitted to the Pennsylvania Department of Revenue when the insured enters into the insurance contract and makes a periodic payment. Insurance companies authorized to do business in Pennsylvania are subject to a tax on gross premiums of reinsurance when the reinsurance is with companies not authorized to do business in Pennsylvania. For more information, see Act of July 6, 1917, P.L. 723, as amended by the Act of January 24, 1966.

**Location of Risk**

If the policy involves risk located in multiple states which includes Pennsylvania, the taxable premium shall be levied as follows:

**Policies placed/renewed before July 1, 2011:** If the location of risk is partially in Pennsylvania, that portion of the gross premiums shall be taxable. Proof of the allocation or apportionment of the Pennsylvania risk must be provided.

**Policies placed/renewed after June 30, 2011:** If Pennsylvania is the "home state" of the insured, the gross premium shall be taxable to Pennsylvania. For more information see 40 P.S. § 991.1602, 40 P.S. § 991.1621 and 40 P.S. § 991.1622.

**Revenue ID, Federal Employer Identification Number (FEIN), Parent Corporation FEIN, Name and Address**

The Revenue ID number, FEIN, name and complete mailing address must be provided. If the taxpayer is a subsidiary of a corporation, the parent corporation's FEIN must be provided. Also provide the telephone number and email address of the taxpayer.

**Tax Year**

Enter month and year (MM/YYYY) for tax year end.

**Report Due Date**

The report is due within 30 days after the last day of the month in which the insurance was procured. If multiple purchases of such insurance are expected to occur more than once during a particular month, only one tax report should be prepared summarizing each day's transaction and submitted upon closing of the month. The beginning date of all policies must be the same as the file month indicated. 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.

**Address Change**

Enter "Y" in the block on Page 1 if the address of the corporation has changed from prior tax periods. The current mailing address should be reflected on the report.

**Correspondence to Preparer**

Enter "Y" in the block on Page 1 if all correspondence (notices and requests for additional information) is to be sent to the preparer's address. If "Y" is entered, the address recorded on Page 2 will be used.

**Amended Report**

Enter "Y" in the block on Page 1 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.

An amended report must be filed within three years of the filed date of the original report. The department may adjust the tax originally reported based on information from the amended report. The taxpayer must consent to extend the assessment period. If the amended report is timely filed and the taxpayer consented to extend the assessment period, the time period in which to assess tax will be the greater of three years from the filed date of the original report or one year from the filed date of the amended report.

When filing an amended report, record the amended tax liability on Page 1, Line 1. REV-1175, Schedule AR, must be included when filing an amended report.

**First Report**

Enter "Y" in the block on Page 1 if this is the taxpayer's first PA gross premiums tax filing.

**Electronic Payment**

Enter "Y" in the block on Page 1 if the taxpayer has made any electronic payments using e-TIDES.

**Last Report**

**NOTE:** If you wish to remain active, do not mark the report as last or final.

- Do not file a last report if you wish to remain active. Rather, file a zero report accompanied by a statement indicating no policy or policies were purchased or renewed during this period.
- If this report will be the last report filed with the department, enter Y in the block on Page 1 and indicate the effective date of the event as MM DD YYYY.
- Include a letter with the tax report verifying no policy or policies were placed or renewed and no other insurance policy was obtained from a company not authorized or admitted by the Pennsylvania Insurance Department.
- Include a copy of the regulatory authority's approval of the merger, dissolution, plan of reorganization and/or articles of merger, if applicable.
- Provide the Revenue ID number and FEIN of the surviving entity, if applicable.

**Corporate Officer Information**

A corporate officer/insured must sign and date the tax report. The signature must be original; photocopies or faxes will not be accepted. Print the first and last name, title, Social Security number, telephone number and email address of the corporate officer/insured.

**Preparer's Information**

Paid preparers must sign and date the tax report. If the preparer works for a firm, provide the name, FEIN and address of the firm along with the name, telephone number, email address and SSN/PTIN of the individual preparing the report. If the preparer is an individual without any association to a firm, provide the name, address, telephone number, email address and SSN/PTIN of the individual preparing the report.

**Extension Request Due Date**

To request a due date extension of up to 60 days to file the report, you must file an extension request (REV-426) 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. A taxpayer using an electronic method to make a payment with an extension request should not submit the extension coupon. Do not use the extension coupon to remit other unpaid liabilities or commonwealth obligations within the account.

**Payment and Mailing Information**

Remittance should include tax plus interest and penalty, if applicable. Penalty and interest calculators can be found at [www.revenue.state.pa.us](http://www.revenue.state.pa.us). Payments of \$10,000 or more must be remitted electronically. For more information on electronic filing options, visit [www.etides.state.pa.us](http://www.etides.state.pa.us). Payments under \$10,000 may be remitted by mail, made payable to the PA Department of Revenue.

Mail payments, extension requests and Tax Report, RCT-122, to the following address:

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

**Current Period Overpayment**

If an overpayment exists on Page 1 of the RCT-122, the taxpayer must instruct the department to refund or transfer overpayment as indicated below.

**Refund:** Identify the amount to refund from the current tax period overpayment. Prior to any refund, the department will offset current period liabilities and other unpaid liabilities or commonwealth obligations within the account.

**Transfer:** Identify the amount to transfer from the current tax period overpayment to the next tax period for estimated tax purposes. Prior to any transfer, the department will offset current period liabilities and other unpaid liabilities or commonwealth obligations within the account.

**NOTE:** If no option is selected, the department will automatically transfer any overpayment to the next tax year for estimated tax purposes after offsetting current period liabilities and other unpaid liabilities or commonwealth obligations within the account.

**Requests for Refund or Transfer of Available Credit**

Requests for refund or transfer of available credit from prior periods can be faxed on company letterhead, signed by an authorized representative, to 717-705-6227.

Requests can also be submitted in writing to the following address:

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

Please do not duplicate requests for refund and/or transfer by submitting both RCT-122 and written correspondence.

**CONTACT INFORMATION**

- To make electronic payments and file extensions electronically, visit e-TIDES at [www.etides.state.pa.us](http://www.etides.state.pa.us). For additional information and assistance with electronic payments and extensions, call 717-705-6225 (Option 5, then Option 2)
- To confirm account payments, call 1-888-PATAxes (1-888-728-2937).
- If you have questions regarding payments or refunds, call the Accounting Division at 717-705-6225 (Option 5, then Option 1 or 3).
- Requests for transfer of credit may be faxed to the Accounting Division at 717-705-6227.
- If you have questions regarding extensions, call the Extension Unit at 717-787-2632. Requests can be faxed to 717-346-1958.
- If you have questions regarding tax settlements, assessments, tax determinations or filing requirements, call the Specialty Tax Unit at 717-783-6031 (Option 7, then Option 2).
- If you have general business tax questions, call 717-787-1064.
- If you have questions regarding filing a copy of this report to the Pennsylvania Surplus Lines Association, call the Pennsylvania Surplus Lines Association at 1-888-209-3230 (within Pennsylvania) or 610-594-1340 (outside Pennsylvania).

**RCT-122 should be completed in the following order:**

**Step 1** - Complete the taxpayer information section and any applicable questions at the top of Page 1.

**Step 2** - Enter the Revenue ID number and other taxpayer information in the designated fields at the top of each page.

**Step 3** - Complete Page 3, Schedule A and/or Schedule B.

**Step 4** - Complete Page 2, Calculation of Tax.

**Step 5** - Complete Page 1, Tax Liability, Payment and Overpayment sections.

**Step 6** - Complete the corporate officer information section, sign and date at the bottom of Page 1.

**Step 7** - Complete the preparer information section, sign and date at the bottom of Page 2, if applicable.

**Step 8** - Mail the completed report and any supporting schedules to the PA Department of Revenue.

**Step 9** - Send a signed copy of the RCT-122 to the Pennsylvania Surplus Lines Association on behalf of the Pennsylvania Insurance Department, to 180 Sheree Blvd, Suite 3100, Exton, PA 19341.

**Page 3 - Schedule A and/or Schedule B**

Complete Schedule A for life insurance and annuities and Schedule B for all other types of insurance.

**Name of Insurance Company** - Enter the name of the unauthorized foreign or alien insurance company used to procure the policy.

**Location of Risk** - Enter the location(s) the risk will cover.

**Note:** If the policy involves risk located in multiple states which includes Pennsylvania, the taxable premium shall be levied as follows:

**Policies placed/renewed before July 1, 2011:** If the location of risk is partially in Pennsylvania that portion of the gross premiums shall be taxable. Proof of the allocation or apportionment of the Pennsylvania risk must be provided.

**Policies placed/renewed after June 30, 2011:** If Pennsylvania is the home state of the insured, the gross premium shall be taxable to Pennsylvania. For more information see 40 P.S. § 991.1602, 40 P.S. § 991.1621 and 40 P.S. § 991.1622.

**Policy Number** - Enter the policy number.

**Beginning Date of Policy and Term** - Enter the beginning date and term of the policy. The beginning date of all policies must be the same as the file month indicated on Page 1 of RCT-122.

**Type of Insurance** - Enter the type of insurance being procured, life or annuity, in schedule A only, and all others in Schedule B.

**Amount of Insurance** - Enter the amount of the insurance policy.

**Gross Premiums** - Enter the amount of gross premiums on the policy.

**Total** - Enter the total amount of insurance and gross premiums for each schedule.

Premiums returned on cancelled policies should not be included in the total. See instructions below for Page 2, Lines 2 and 6; attach separate schedules.

**Page 2 - Calculation of Tax****Life Insurance and Annuities****Line 1 - Total Gross Premiums on Life Insurance and Annuities (Schedule A)**

Enter the total gross premiums on life insurance and annuities reported on Page 3, Schedule A.

**Line 2 - Total of Net Premiums Returned on Cancelled Policies of Life Insurance and Annuities**

Enter the total net premiums returned on cancelled policies of life insurance and annuities. A schedule identifying the name of the insurance company, location of risk, policy number, beginning date of policy, date of cancellation, type of insurance and amount of cancellation for each cancelled policy of life insurance and annuities must be provided. Adjustment for cancelled policies cannot reduce taxable gross premiums to less than zero.

**Line 3 - Taxable Gross Premiums on Life Insurance and Annuities**

Subtract Line 2 from Line 1.

**Line 4 - Tax on Taxable Gross Premiums on Life Insurance and Annuities**

Multiply Line 3 by 0.02.

**All Other Types of Insurance (Other Than Life Insurance and Annuities)****Line 5 - Total Gross Premiums on All Other Types of Insurance (Schedule B)**

Enter the total gross premiums on all other types of insurance reported on Page 3, Schedule B.

**Line 6 - Total of Net Premiums Returned on Cancelled Policies of All Other Types of Insurance**

Enter the total net premiums returned on cancelled policies of all other types of insurance. A schedule identifying the name of the insurance company, location of risk, policy number, beginning date of policy, date of cancellation, type of insurance and amount of cancellation for each cancelled policy of all other types of insurance must be provided. Adjustment for cancelled policies cannot reduce taxable gross premiums to less than zero.

**Line 7 - Taxable Gross Premiums on All Other Types of Insurance**

Subtract Line 6 from Line 5.

**Line 8 - Tax on Taxable Gross Premiums on All Other Types of Insurance**

Multiply Line 7 by 0.03.

**Line 9 - Total Tax**

Enter the sum of Lines 4 and 8. Carry to RCT-122, Page 1, Line 1.