



Fire Surcharge Return (2006–2007)

Check if: Amended return No activity

Please print

Name of insurance company			Minnesota tax ID	FEIN
Street address or post office box			NAIC number	State/country of incorporation
City	State	Zip code	Contact person	Daytime phone ()
E-mail address			Website address	

For the period of (check one):

- Nov 1, 2006 – Mar 31, 2007 (Due April 30) April 1, 2007 – May 31, 2007 (Due June 30) June 1, 2007 – Oct 31, 2007 (Due Nov. 30)

Figure the surcharge

	Duluth	Minneapolis	St. Paul
1 Gross fire, lightning and sprinkler-leakage premiums collected (include policy and membership fees) 1	_____	_____	_____
2 Premiums returned to insured, including dividends 2	(_____)	(_____)	(_____)
3 Net fire, lightning and sprinkler-leakage premiums (add lines 1 and 2) 3	_____	_____	_____
4 Surcharge by city (multiply line 3 by 2% [.02]) . 4	_____	_____	_____
5 Total surcharge due (or overpaid) (add amounts on line 4) 5	_____	_____	_____
6 Penalty (read instructions) 6	_____	_____	_____
7 Interest (read instructions) 7	_____	_____	_____
8 TOTAL AMOUNT DUE (or overpaid). Add lines 5, 6 and 7 Make separate payments for each return 8	_____	_____	_____

Check method of payment:

- Electronic payment Check (payable to Minnesota Revenue; write MN tax ID number on check)

Enter amount paid _____ Date paid _____

If amount paid is different from amount due, attach an explanation.

Overpayments will be refunded automatically.

Sign here

I declare that this return is correct and complete to the best of my knowledge and belief.

Authorized signature	Title	Date	Daytime phone ()	<input type="checkbox"/> I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.
Signature of preparer	Print name of preparer	Date	Daytime phone ()	

Mail to: Minnesota Revenue, Mail Station 1780, St. Paul, MN 55145-1780

Instructions for Form IG257 (2006–2007)

Filing requirements

The surcharge applies to insurance coverage written on risks located in Duluth, Minneapolis and St. Paul. All insurers licensed to write fire, lightning and sprinkler leakage insurance in Minnesota must file a return even if no fire business was done in the three cities during the period indicated.

The amount of the surcharge must be shown as a specific item on the face (declaration page), daily report, endorsements and billing notice of each policy. The surcharge applies to all additional fire, lightning and sprinkler-leakage premiums unless exempt from the surcharge as explained below.

The surcharge is equal to 2 percent of all fire, lightning and sprinkler-leakage gross premiums, less return premiums on all direct business from property located within Duluth, Minneapolis or St. Paul city limits. The surcharge is not collected on premiums for auto or aircraft fire insurance, marine fire insurance, or other property in transit.

If a premium is returned to the insured, recalculate the surcharge on the same basis the original surcharge was calculated.

The surcharge is paid by the insured and must be forwarded to the Department of Revenue by the insurance company. The insurance company cannot pay the surcharge for the insured. The surcharge is not subject to a commission charge by the agent or a tax by the state.

The following methods should be used to report the fire, lightning and sprinkler-leakage premiums separately for policies carrying multiple peril premiums.

- **Farm owners multiple-peril policies.** The surcharge is based on 35 percent of the premiums.
- **Homeowners multiple-peril policies.** The surcharge is based on 35 percent of the premiums.
- **Commercial non-liability coverages.** The surcharge is based on 55 percent of the premiums.
- **Commercial liability policies.** The surcharge is based on 35 percent of the premiums.

Due dates

The surcharge return for the period ending March 31 is due April 30. The return for the period ending May 31 is due June 30. The return for the period ending October 31 is due November 30. Please make separate electronic payments or write separate checks for each period.

The U.S. postmark date, or date recorded or marked by a designated delivery service, is considered the filing date (private postage meter marks are not valid). When the due date falls on a Saturday, Sunday, or legal holiday, returns postmarked on the next business day are considered on time. When a return is filed late, the date it is received at the Department of Revenue is treated as the date filed.

Electronic payments

You're required to pay electronically this year if your total taxes and surcharges due for the last calendar year exceeded \$120,000.

You must also pay electronically if you're required to pay *any* Minnesota business tax electronically, such as sales or withholding tax.

To pay over the Internet, go to **www.taxes.state.mn.us** and click "Login to e-File Minnesota" on the e-Services menu. If you don't have Internet access, you can pay by phone at 1-800-570-3329. You'll need your bank routing and account numbers.

To pay by other electronic payment methods, such as ACH credit method or Fed Wire, call our office for instructions. Please submit separate payments for each return.

Information and assistance

If you need additional information or help to complete this form, call 651-297-1772 or e-mail insurance.taxes@state.mn.us.

TTY: Call 711 for Minnesota Relay. We'll provide information in other formats upon request to persons with disabilities.

Forms are available on our website at **www.taxes.state.mn.us**.

Instructions

Check boxes

At the top of the form, check if the return is:

- An **Amended Return**: Check only if you are amending a previously filed return for the same period.
- For **No Activity**: Check only if you did not collect premiums for any insurance that had fire, lightning or sprinkler-leakage coverage.

Line instructions

Line 6

Penalties

Late payment. If you file on time but don't pay all the tax due by the due date, a late payment penalty is due. The penalty is 5 percent of the unpaid tax for any part of the first 30 days the payment is late, and 5 percent for each additional 30-day period, up to a maximum of 15 percent.

Late filing. Add a late filing penalty to the late payment penalty if your return is not filed by the due date. The penalty is 5 percent of the unpaid tax. When added to the late payment penalty, the maximum combined penalty is 20 percent.

Payment method. If you are required to pay electronically and do not, an additional 5 percent penalty applies to payments not made electronically, even if a paper check is sent on time.

Line 7

Interest

You must pay interest on the unpaid tax plus penalty from the due date until the total is paid. The interest rate for calendar year 2007 is 8 percent. The interest rate may change for 2008. To figure how much interest you owe, use the following formula with the appropriate interest rate:

Interest =
(tax + penalty) x # of days late x interest
rate ÷ 365