

Article - Insurance

[Previous][Next]

§6–104.

(a) Subject to subsection (b) of this section, in computing the tax under this section, the following deductions from gross direct premiums allocable to the State are allowed:

- (1) returned premiums, not including surrender values;
- (2) dividends that are:
 - (i) paid or credited to policyholders; or
 - (ii) applied to buy additional insurance or to shorten the period during which premiums are payable; and
- (3) returns or refunds made or credited to policyholders because of retrospective ratings or safe driver rewards.

(b) Deductions from gross direct premiums are allowed only to the extent that the deductions are properly allocable to premiums subject to tax.

(c) (1) Subject to paragraph (2) of this subsection, any insurer that has its home office in this State shall be entitled to a credit against the total amount of the taxes payable by the insurer under this subtitle equal to the amount of all retaliatory taxes imposed on the insurer in other states as a result of its payment of the assessment fee required under Title 2, Subtitle 5 of this article.

(2) The aggregate total amount that may be credited to all qualifying insurers under this section may not exceed \$1 million in any fiscal year.

(3) If the credit available to insurers under paragraph (2) of this subsection is insufficient to offset the retaliatory taxes attributable to the imposition of the assessment fee under Title 2, Subtitle 5 of this article, the available credit shall be apportioned among those insurers claiming the credit based on the ratio of gross direct written premium allocable to this State of the insurer claiming the credit to the total amount of gross direct written premium allocable to this State written by all insurers claiming the credit.

[Previous][Next]