

G. Installment Payments (G.S. 105-228.5(f))

Insurers, Article 65 corporations, health maintenance organizations, and self-insurers that have a premium tax liability, not including the additional local fire and lightning tax, of ten thousand dollars or more for business done in North Carolina during the immediately preceding year must remit three equal installments with each installment equal to at least thirty-three and one-third percent (33 1/3%) of the premium tax liability incurred in the immediately preceding taxable year. **However**, for tax years 2004 and 2005, Article 65 corporations must remit two estimated tax payments with each payment equal to fifty percent (50%) of the estimated tax liability for each year respectively. The due dates are April 15 and June 15 of each year. For tax years 2006 and later, Article 65 corporations must follow the same guidelines as insurers and self-insurers. For tax years 2004 and later, health maintenance organizations must follow the same guidelines as insurers and self-insurers.

Any insurer, corporation, self-insurer, or organization required to make premium tax installments, must also make installment payments of the Insurance Regulatory Charge. The same percentage and due date guidelines applicable to estimated installment payments of premium tax must be used in calculating and paying the insurance regulatory charge.

The balance of premium tax and insurance regulatory charge due is remitted by the following March 15 along with the annual tax return. The Secretary of Revenue may permit an Insurance company to pay less than the required installment amount when the insurer reasonably believes that the total estimated payments made for the current year will exceed the total anticipated tax liability for the year. An underpayment of an installment payment shall bear interest.