

**518A.35 Annual tax.**

1. A state mutual insurance association doing business under [this chapter](#) shall on or before the first day of March, each year, pay to the director of revenue, or a depository designated by the director, a sum equivalent to the applicable percent of the gross receipts from premiums and fees for business done within the state, including all insurance upon property situated in the state without including or deducting any amounts received or paid for reinsurance. However, a company reinsuring windstorm or hail risks written by county mutual insurance associations is required to pay the applicable percent tax on the gross amount of reinsurance premiums written upon such risks, but after deducting the amount returned upon canceled policies and rejected applications covering property situated within the state, and dividends returned to policyholders on property situated within the state. For purposes of [this section](#), “*applicable percent*” means the same as specified in [section 432.1, subsection 4](#).

2. Except as provided in [subsection 3](#), the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner of insurance may suspend the certificate of authority of a state mutual insurance association that fails to pay its premium tax on or before the due date.

3. *a.* Each state mutual insurance association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was one thousand dollars or more shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the premium tax liability for the preceding calendar year.

*b.* In addition to the prepayment amount in paragraph “*a*”, each association shall remit on or before August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

- (1) For prepayment in the 2003 and 2004 calendar years, eleven percent.
- (2) For prepayment in the 2005 calendar year, twenty-six percent.
- (3) For prepayment in the 2006 and subsequent calendar years, fifty percent.

*c.* The sums prepaid by a state mutual insurance association under [this subsection](#) shall be allowed as credits against its premium tax liability for the calendar year during which the payments are made. If a prepayment made under [this subsection](#) exceeds the annual premium tax liability, the excess shall be allowed as a credit against subsequent prepayment or tax liabilities. The commissioner of insurance may suspend the certificate of authority of an association that fails to make a prepayment on or before the due date.

[C24, 27, 31, 35, 39, §9060; C46, 50, 54, 58, 62, §518.35; C66, 71, 73, 75, 77, 79, 81, §518A.35] 2000 Acts, ch 1023, §48; 2001 Acts, ch 24, §57; 2002 Acts, ch 1050, §46; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §137, 159; 2004 Acts, ch 1175, §340, 348; 2006 Acts, ch 1117, §93