

DATE: August 19, 2011

TO: Surplus Lines Brokers

FROM: Karen Fangerow

RE: Bulletin 11-004 - Changes to Tax Filing Procedures -- ****CLARIFICATION****

Please note that as of July 21, 2011, the following changes have been implemented.

- *Annual tax statements are no longer required.*

Starting with the third quarter of 2011 the following changes will be implemented.

- **If NO business was reported for a Nevada surplus lines license during a quarter then NO quarterly tax statement is required.**

If your tax statement results in a credit balance, there is no tax to be paid but the statement still needs to be certified on line.

- If business is reported under a specific license number during any given quarter, then a quarterly tax statement will be required for that specific license number. If taxes are owed, they are required to be paid regardless of the amount.
- There is no longer a \$1,000 minimum tax liability requirement.
- Filing the quarterly tax statement is a two-part process:
 - You must certify the tax statement on-line on or before the due date.
 - If you owe taxes under \$10,000.00, your check must be in our office on or before the due date.
 - If your tax liability is \$10,000.00 or more then you are required to pay by the ACH method and notification of such payment should also be emailed to Karenf@nsla.org or faxed to the Nevada Surplus Lines office.
 - The due dates are as follows:
 - February 15 for the calendar quarter ending the preceding December 31.
 - May 15 for the calendar quarter ending the preceding March 31.
 - August 15 for the calendar quarter ending the preceding June 30.
 - November 15 for the calendar quarter ending the preceding September 30.
 - NRS 685A.190 is hereby amended to read as follows: A broker who fails to make payment and file the quarterly statement required pursuant to NRS 685A.175 is liable for a penalty of \$500.00. (SB 289)
- Please be sure to pay close attention to the payee and payment instructions when making your payments.

If you have any questions, please call our office. Thank you.