

CHAPTER 8035
DEPARTMENT OF REVENUE
INCOME AND FRANCHISE TAXES
INCOME ALLOCATION BY INSURANCE COMPANIES

8035.0100 ALLOCATION OF INCOME BY
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Insurance companies not coming within the purview of Minnesota Statutes, section 290.05, subdivision 3 shall file returns with the commissioner on form I-6 if they are not classed as life insurance companies. The commissioner will consider that a return prepared in either one of the two following ways will be sufficient to satisfy the statute: either fill in schedule I-4 and I-6 together with schedule T provided the property payroll credit is claimed, or the taxpayer may attach a copy of the net income computation and surplus reconciliation from the taxpayer's federal income tax return and attach a copy of the annual insurance department statement.

Insurance companies which do not come within the purview of Minnesota Statutes, section 290.35 by reason of their having been accorded an exemption from the duty of filing federal income tax returns, and which do not come within the purview of Minnesota Statutes, section 290.05, subdivision 3 need not file a Minnesota income tax return provided they execute the affidavit on form 133 (a) which declares that the taxpayer cannot report to the commissioner "net income returned by it for the taxable year to the United States under the provisions of the Act of Congress known as the Revenue Act of 1936" because it has been specifically granted exemption from the duty of filing returns and paying the tax under appropriate federal revenue acts. Life insurance companies must use form I-7.

The term "gross premiums collected" is considered to be gross premiums less premium rebates.

The term "net income" appears in Minnesota Statutes, section 290.35 without qualification. Any credits against taxable net income provided for by the Federal Revenue Act of 1936, are not to be considered in determining Minnesota taxable net income.

It will be observed that the statute required that the Federal Revenue Act of 1936, must be controlling in determining taxable net income under this act even though it is no longer controlling in the determination of federal taxable net income by reason of its being superseded by subsequent revenue acts.

Statutory Authority: *MS s 290.52*

History: *17 SR 1279*