297I.40 ESTIMATED TAX.

Subdivision 1. **Requirement to pay.** On or before March 15, June 15, September 15, and December 15 of the current year, every taxpayer subject to tax under section 297I.05, subdivisions 1 to 5, and 12, paragraph (a), clauses (1) to (4), and 14, must pay to the commissioner an installment equal to one-fourth of the insurer's total estimated tax for the current year.

Subd. 2. **Amount of required installment.** The amount of any required installment is one-fourth of the lesser of

(1) 80 percent of the tax imposed for the current year, or

(2) 100 percent of the tax paid for the previous year.

Subd. 2a. **Special provision; reinsurance credit.** The credit allowed under section 297I.20, subdivision 7, is not allowed for purposes of determining the amount of the required March and June installments in calendar year 2029. For the September and December required installments in calendar year 2029 and for all installments thereafter, the installments may be reduced, but not to an amount less than zero, by the entire amount of the credit allowed. A taxpayer may claim a refund of the amount of credit allowed under section 297I.20, subdivision 7, remaining after the December required installment. The credit must be claimed in the form and manner prescribed by the commissioner.

[See Note.]

Subd. 3. **No addition to tax where tax is small.** No addition to tax is imposed if the total tax for the current tax year is $500 or less.

Subd. 4. **Addition to tax.** (a) In case of any underpayment of installments by an insurer, there is added to, and collected as part of, the tax for the taxable year an amount determined at the rate specified in section 270C.40 upon the amount of underpayment.

(b) The amount of the underpayment is the excess of: (1) the amount of the installment; over (2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

(c) The period of the underpayment runs from the date the installment was required to be paid to the earlier of:

(1) March 1 of the year following the close of the taxable year; or

(2) with respect to any portion of the underpayment, the date on which that portion is paid. For purposes of this clause, a payment of estimated tax on any installment date is considered a payment of any previous underpayment only to the extent the payment exceeds the amount of the installment required to be made on that date.

Subd. 5. **Definition of tax.** The term "tax" as used in this section means the tax imposed by section 297I.05, subdivisions 1 to 5, 11, and 12, paragraphs (a), clauses (1) to (4), (b), and (d), and 14, less any offset in section 297I.20.

Subd. 6. **Failure to pay estimated tax.** When an insurer does not make any payments, the period of the underpayment runs from the three installment dates set forth in subdivision 1 to whichever of the periods in subdivision 4, paragraph (c), is the earlier.

Subd. 7. **March estimated payment.** A taxpayer who claims a refund of an overpayment on an original return may elect to have all or any portion of the overpayment applied as a credit to the March 15 estimated tax payment for the year following the year of the return. The credit is considered applied on March 15. Notwithstanding section 297I.80, the amount credited does not bear interest.

History: *2000 c 394 art 1 s 9; 1Sp2001 c 5 art 13 s 10-12; 2005 c 151 art 2 s 17; 2008 c 154 art 14 s 13; 2010 c 389 art 6 s 16,17; 1Sp2025 c 4 art 6 s 13*

NOTE: Subdivision 2a, as added by Laws 2025, First Special Session chapter 4, article 6, section 13, is effective for taxable years beginning after December 31, 2028. Laws 2025, First Special Session chapter 4, article 6, section 13, the effective date.