

RE: NEW YORK STATE FRANCHISE TAX ON ELIGIBLE EXCESS LINE INSURERS

The New York State Department of Taxation and Finance Office of Counsel published an Advisory Opinion dated June 10, 2016.

The Opinion, in summary, concludes that eligible excess line or surplus line insurers are “unauthorized non-life insurance corporations” and are, therefore, subject to taxation pursuant to Section 1501 of the Tax Law and must pay the tax based on calculations under Section 1502 of the Tax Law and that such insurers must pay the tax on the highest of the four Tax Law Article 33 tax bases plus any applicable tax on allocated subsidiary capital computed pursuant to Section 1502(b).

This Opinion is consistent with past opinions issued. A copy of the full Opinion is attached for your convenience.