

**CHAPTER 21**  
**INSURANCE TAXES**

**Authority**

N.J.S.A. 17:33B-49a, 54:18A-1.2, 54:50-1.

**Source and Effective Date**

R.1991 d.71, effective February 19, 1991.  
See: 22 N.J.R. 1351(a), 23 N.J.R. 417(c).

**Executive Order No. 66(1978) Expiration Date**

Chapter 21, Insurance Taxes, expires on February 19, 1996.

**Chapter Historical Note**

Chapter 21, Insurance Taxes, became effective February 19, 1991.  
See: Source and Effective Date.

See section annotations for additional rulemaking.

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. PRIVATE PASSENGER  
AUTOMOBILE INSURANCE PREMIUM SURTAX**

- 18:21-1.1 Insurance premium surtax
- 18:21-1.2 Installment payments
- 18:21-1.3 Annual returns filed
- 18:21-1.4 Tax rate
- 18:21-1.5 Penalty and interest for underpayment of installment payments due June 1, 1990 and September 1, 1990
- 18:21-1.6 Penalty and interest—general provision; subsequent years

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**SUBCHAPTER 1. PRIVATE PASSENGER  
AUTOMOBILE INSURANCE PREMIUM  
SURTAX**

**18:21-1.1 Insurance premium surtax**

(a) Taxpayers under N.J.S.A. 54:18A-1 et seq. shall pay a surtax on all taxable private passenger automobile insurance premiums collected in New Jersey during calendar years 1990, 1991, 1992.

(b) Taxable private passenger automobile insurance premiums do not include premiums collected by the New Jersey Automobile Full Insurance Underwriting Association, N.J.S.A. 17:30E-4 and premiums collected by the Market Transition Facility created pursuant to N.J.S.A. 17:33B-11.

**18:21-1.2 Installment payments**

(a) Installment payments in 1990 shall be made as follows:

1. On or before June 1, 1990, taxpayers shall make an installment payment of the surtax and file a report prescribed by the Division of Taxation for that purpose. The payment shall be equal to one-half of the surtax estimated to be due for taxable premiums collected in New Jersey in 1990 calculated at a rate prescribed by the Director of the Division of Taxation for that payment.

2. On or before September 1, 1990, taxpayers shall make an installment payment of the surtax and file a report prescribed by the Division of Taxation for that purpose. The payment shall be equal to one-half of the surtax estimated to be due for taxable premiums collected in New Jersey in 1990 calculated at a rate prescribed by the Director of the Division of Taxation for that payment.

(b) Installment payments in 1991 shall be made as follows:

1. On or before March 1, 1991, taxpayers shall make a payment of surtax at a rate set by the Director in an amount of one-half of the surtax due and payable based on the taxpayer's business done during the preceding calendar year. Payment shall be shown on and accompany taxpayer's annual return for the preceding tax year or installment report, if any shall have been prescribed by the Director.

2. On or before June 1, 1991, taxpayers shall make a payment of surtax at a rate set by the Director in an amount of one-half of the surtax due and payable based on the taxpayer's business done during the preceding calendar year. Payment shall be shown on and accompany an installment report prescribed by the Director.

(c) Installment payments in 1992 shall be made as follows:

1. On or before March 1, 1992, taxpayers shall make a payment of surtax at a rate set by the Director in an amount of one-half of the surtax due and payable based on the taxpayer's business done during the preceding calendar year. Payment shall be shown on and accompany taxpayer's annual return for the preceding tax year or installment report, if any shall have been prescribed by the Director.

2. On or before June 1, 1992, taxpayers shall make a payment of surtax at a rate set by the Director in an amount of one-half of the surtax due and payable based on the taxpayer's business done during the preceding calendar year. Payment shall be shown on and accompany the installment report prescribed by the Director.

**18:21-1.3 Annual returns filed**

A tax return showing the surtax due shall be filed on or before March 1, 1991 showing the surtax due for 1990, March 1, 1992 showing the surtax due for 1991, and March 1, 1993 showing the surtax due for 1992.

**18:21-1.4 Tax rate**

The initial surtax rate for the installment payment due June 1, 1990 shall be five (5) percent. Thereafter, adjustments to the rate of the surtax may be made by the Director pursuant to N.J.S.A. 17:33B-50.

**18:21-1.5 Penalty and interest for underpayment of installment payments due June 1, 1990 and September 1, 1990**

(a) The amount of an underpayment for installment payments due June 1, 1990 and September 1, 1990 shall be the excess of the amount of the installment payment which would be required to be paid if the installment payment were equal to 45 percent of the surtax which would be shown on the return for the year if the surtax rate at the time of the payment were imposed for the entire year or, if no return was filed, 45 percent of the surtax for that year over the amount, if any, of the installment payment paid on or before the last date prescribed for payment.

(b) Interest and penalty on such underpayments are calculated pursuant to the terms of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., including without limitation thereto N.J.S.A. 54:49-3 and 4.

**18:21-1.6 Penalty and interest—general provision; subsequent years**

For installment payments, reports, and annual returns and payments due subsequent to those payments referred to in N.J.A.C. 18:21-1.5, the penalty and interest provisions in the State Tax Uniform Procedure Law shall apply.