

§ 105-228.8. Retaliatory premium taxes.

(a) When the laws of any other state impose, or would impose, any premium taxes, upon North Carolina companies doing business in the other state that are, on an aggregate basis, in excess of the premium taxes directly imposed upon similar companies by the statutes of this State, the Secretary of Revenue shall impose the same premium taxes, on an aggregate basis, upon the companies chartered in the other state doing business or seeking to do business in North Carolina. Any company subject to the retaliatory tax imposed by this section shall report and pay the tax with the annual premium tax return required by G.S. 105-228.5. The retaliatory tax imposed by this section shall be included in the quarterly prepayment rules for premium taxes.

(b) For purposes of this section, the following definitions shall be applied:

(1) "State" includes the District of Columbia and other states, territories, and possessions of the United States, the provinces of Canada, and other nations.

(2) "Companies" includes all entities subject to tax under G.S. 105-228.5.

(c) For purposes of this section, any premium taxes that are, or would be, imposed upon North Carolina companies by any city, county, or other political subdivision or agency of another state shall be deemed to be imposed directly by that state.

(d) In computing the premium taxes that another state imposes, or would impose, upon a North Carolina company doing business in the state, it shall be assumed that North Carolina companies pay the highest rates of premium tax that are generally imposed by the other state on similar companies chartered outside of the state.

(e) This section shall not apply to special purpose obligations or assessments based on premiums imposed in connection with particular kinds of insurance, to the special purpose regulatory charge imposed under G.S. 58-6-25, or to dedicated special purpose taxes based on premiums.

(f) If the laws of another state retaliate against North Carolina companies on other than an aggregate basis, the Secretary of Revenue shall retaliate against companies chartered in that state on the same basis. (1945, c. 752, s. 2; 1987, c. 814, s. 1; 1989 (Reg. Sess., 1990), c. 1069, s. 21; 1991, c. 689, s. 291; 1995, c. 360, s. 1(f); 2011-330, s. 10.)