

**Insurance Companies—Taxation of.**

From the time of the adoption of the 1907 Codes, up to the 2nd day of March, 1911, when Sec. 4073 was repealed by Chap. 67, Session Laws 1911, Insurance Companies were required to pay taxes on real estate and personal property owned by such companies and also taxes on excess premiums collected at the same rate as on personal property but since March 17, 1911, under Chap 148, Session Laws, 1911, such companies have been required to pay taxes on real estate and personal property owned by such companies and also one-quarter of one per cent on their gross premiums.

October 23, 1917.

Hon. R. G. Poland, State Auditor and  
Commissioner of Insurance, Ex-officio,  
Helena, Montana.

Dear Sir:

You have referred to me a letter from National Union Fire Insurance Co., dated Oct. 18th, 1917, regarding notice to such company from the County Treasurer of Dawson County making demand for taxes on personal property for the year 1909, with penalty and interest.

Real estate and personal property belonging to Insurance Companies are subject to taxation exactly the same as like property belonging to other corporations or individuals.

However, I presume that the taxes referred to in such letter are taxes on excess premiums received by this company in Dawson County. Section 4073, Rev. Codes of Montana 1907, which was in full force and effect in 1909, but which was repealed by Chap. 67, Session Laws 1911, approved March 2nd, 1911, provided for the taxation of excess premiums collected by Insurance Companies, and was as follows:

"Each and every insurance corporation or company transacting business in this state must be taxed upon the excess of premiums received over losses and ordinary expense incurred within the state during the year previous to the year of listing in the county where the agent conducts the business; properly proportioned by the corporation or company at the same rate that all other personal property is taxed, and the agent shall render the list, and be personally liable for the tax."

Section 24 of Chap. 148, Session Laws 1911, approved March 17, 1911, requires each Insurance Company to pay to the State Auditor and Commissioner of Insurance, ex-Officio, during the month of February or March of each year, tax of one-fourth of one per cent on the gross premiums, less cancellations and return premiums, collected during the calendar year preceding, the money received from such tax being credited to the "State Fire Marshal Fund."

From the foregoing it will be seen that from the time of the adoption of the 1907 Codes, up to the 2nd day of March, 1911, when Section 4073 was repealed by Chapter 67, Session Laws 1911, Insurance Companies were required to pay taxes on real estate and personal property owned by such companies and also taxes on excess premiums collected at the same rate as on personal property, while since March 17th, 1911, when Chap. 148, Session Laws 1911, was approved, such companies have been required to pay taxes on real estate and personal property owned by such companies, and also one-quarter of one per cent on their gross premiums.

The 1917 amendment of Section 2616, Rev. Codes 1907, referred to in such letter has no application to the taxation of Insurance Companies. That amendment simply requires county treasurers to give taxpayers written notice of the amount of their taxes.

Very truly yours,

S. C. FORD,

Attorney General