

December 11, 1997

TO:

COMPANIES REQUIRED TO FILE PRIVILEGE TAX ON DECEMBER 15, 1997

ATTN:

PREMIUM TAX DEPARTMENT

RE:

DECEMBER TAX PAYMENT

CB 97-11

As you may know, the Illinois Supreme Court recently issued a decision holding the Illinois Privilege Tax collected under Section 409 of the Illinois Insurance Code (215 ILCS 5/409) unconstitutional. Per Section 444 of the Illinois Insurance Code (215 ILCS 5/444) all foreign and alien insurers must file and pay Retaliatory taxes without including an Illinois Privilege Tax in the calculation. All other taxes and fees per Article XXV of the Illinois Insurance Code may be used in the Illinois basis.

Any failure to file and pay this Retaliatory tax will result in the imposition of penalties and interest as described in the Illinois Insurance Code.

Sincerely,

John O'Brien  
Assistant Deputy Director  
Tax & Fiscal Services Section  
Department of Insurance  
(217) 782-0055