

THE SURPLUS LINE ASSOCIATION
OF CALIFORNIA

A. L. LATHROP
MANAGER
A. B. HERRICK
ASSISTANT MANAGER

315 MONTGOMERY STREET
SAN FRANCISCO 94104

SAN FRANCISCO
986-0763
LOS ANGELES
1541 WILSHIRE BLVD.
483-3781

March 10, 1969

No. 303

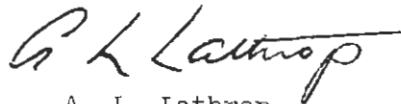
BULLETIN TO ALL MEMBERS:

RE: Refund of Federal Tax on Lloyd's Writings - 1968

For your information, we are attaching copy of Internal Revenue Service letter dated January 6. Also attached is claim form 843 to which reference is made.

Since we are still awaiting specific instructions from London, it is suggested that you await such information.

Very truly yours



A. L. Lathrop
Manager

ALL:dl

Enclosures

US Treasury Department

Internal Revenue Service

Washington, DC 20224

Date

Jan 6, 1968

In reply refer to.

CP:A:PR



Mr. Colin Thomas
Chief Accountant
Underwriters at Lloyd's London
Lloyd's, Lime Street, E.C. 3,
London, England

Dear Mr. Thomas:

This letter will outline arrangements between Underwriters at Lloyd's, London and the United States Internal Revenue Service which relate to the excise tax imposed by Section 4371 of the Internal Revenue Code.

Section 4371 of the Code imposes an excise tax on each policy of insurance, indemnity bond, annuity contract, or policy of reinsurance issued by any foreign insurer or reinsurer. In general, the tax applies in cases where (i) the insured is a domestic corporation, domestic partnership, or an individual resident of the United States, and the insurance covers risks wholly or partly within the United States, (ii) the insured is a foreign corporation, foreign partnership or nonresident individual engaged in trade or business within the United States and the insurance covers risks wholly within the United States, or (iii) the insurance relates to the life, or hazards to the person, of a citizen or resident of the United States.

Pursuant to a ruling letter dated November 18, 1968, the Internal Revenue Service has entered into a closing agreement with the Underwriters at Lloyd's, London, respecting the application of the United States income tax and excise tax to premiums paid on and after January 1, 1968. Such premiums which fall within the United States income tax will not be subject to the excise tax. Those premiums which do not fall within the United States income tax will continue to be subject to the tax imposed under section 4371. In particular, the reinsurance policies placed directly with the Underwriters in London without the assistance of a U.S. broker will be subject to the tax imposed under section 4371 of the Code.

Underwriters' premiums paid after January 1, 1968, which are not subject to the excise tax, or are subject to refund where tax was paid, are the following:

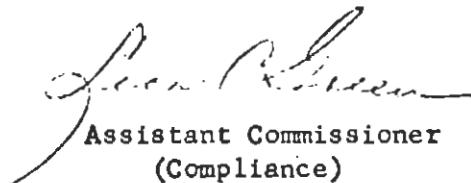
- I. Premiums on all direct insurances and reinsurances placed through a United States broker with Underwriters at Lloyd's, London. The term "United States broker" includes a United States office of a foreign broker and does not include a foreign office of a United States broker.
- II. Premiums on all direct insurances not placed through a United States broker of risks situated in the United States. "Risks situated in the United States" are defined as follows:
 - (1) Vessels and aircraft. Vessels and aircraft registered in the United States shall be United States situs risks. The situs of the risks on a vessel or aircraft not registered in any country shall be the country of residence of the insured.
 - (2) Railroad rolling stock, vehicles and containers. As to such property, the rules set forth in section 1.953-2(b)(2) of the income tax regulations are incorporated herein by reference and are applicable for determining the risks situated in the United States.
 - (3) Accident and health insurance. Accident and health insurance on residents of the United States at the time the insurance becomes effective shall be United States situs risks.
 - (4) Life Insurance. Life insurance on residents of the United States at the time the insurance becomes effective shall be United States situs risks.
 - (5) Liability and miscellaneous casualty insurance. Liability and casualty insurance shall be United States situs risks if the place of the activities which are the source of the liability are United States activities. The term liability from U.S. activities shall be accorded the same meaning as appears in section 1.953-2(c) of the regulations.

- (6) Property damage other than exports, imports, vessels, aircraft, railroad rolling stock, vehicles and containers. In general, insurance on such property physically located within the United States is insurance of a United States situs risk. The test of whether such property is located in the U.S. will be determined by the rules set forth in section 1.953-2(b)(2) of the regulations.
- (7) Export and Import Property Damage.
- A. Property in course of export. Cargo exported from the United States shall be a United States situs risk if the insurance applies only to the port of embarkation and shall not be a United States situs risk if it applies past the port of embarkation, except that this definition shall include as a United States situs risk the insurance of goods exported from the U.S. to a foreign country on a C.I.F. (cost, insurance and freight) basis.
- B. Property in course of import. Cargo imported to the United States shall be a United States situs risk if the insurance applies on or over the high seas, in the United States, or both, except that this definition shall not include as a United States risk the insurance of goods exported from a foreign country to the United States on a C.I.F. (cost, insurance and freight) basis.

For purposes of the rules set forth in (A) and (B) above, if such premiums can be allocated or apportioned on a reasonable basis then such allocation or apportionment shall be made in accordance with the rules set forth in section 1.953-2(b)(2)(ii) of the regulations.

Refunds of excise tax paid on 1968 premium payments of the type described in this letter as not subject to the excise tax should be claimed on Forms 843. Such Forms can be obtained from the local Internal Revenue Office and should be filed with the Internal Revenue Service Center designated on the back of the Excise Tax Return Form 720, by the taxpayer who paid the tax originally. The legend "Underwriters at Lloyd's, London Claim" should be entered in line k. of the Form 843. Such identification will enable the Service to give special attention to the processing of the refunds. If a claim for refund on Form 843 includes items other than the type of overpayment described here in, such other items should be separately stated in line k, both as to facts and amounts. Appropriate instructions are being furnished Internal Revenue Service field offices and Service Centers for processing the claims.

Sincerely,


Assistant Commissioner
(Compliance)

ClaimDirector's Stamp
(Date received)

The Internal Revenue Service will indicate in the block below the kind of claim filed, and fill in, where required.

- ☐ Refund of Taxes Illegally, Erroneously, or Excessively Collected.
- ☐ Refund of Amount Paid for Stamps Unused, or Used in Error or Excess.
- ☐ Abatement of Tax Assessed (not applicable to income, estate or gift taxes).

Please Type or Print Plainly

Name of taxpayer or purchaser of stamps

Number and street

City or town, State, and ZIP code

Fill in applicable items—Use attachments if necessary

a. Your social security number

Wife's number, if joint return

b. Employer identification number (if any)

c. Internal Revenue Service office where return (if any) was filed

d. Name and address shown on return, if different from above

e. Period—if for tax reported on annual basis, prepare separate form for each taxable year

f. Kind of tax

From 19 to 19

g. Amount of assessment

Dates of payment

\$

h. Date stamps were purchased from Government

i. Amount to be refunded (If income tax, complete computation below)

j. Amount to be abated (not applicable to income, estate, or gift taxes)

\$

\$

k. The claimant believes that this claim should be allowed for the following reasons:

COMPUTATION OF INCOME TAX REFUND**Income Tax**

1 Tax withheld	
2 Estimated tax paid	
3 Tax paid with original return	
4 Any additional income tax paid	
5 Total tax paid (add lines 1-4)	
6 Less: Your computation of correct tax	
7 Amount of overpayment	
8 Amount previously refunded	
9 Net overpayment (enter in item i above)	

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signed

Dated, 19.....

Instructions

1. A special return, Form 1040X, is available to amend your individual income tax return. The Internal Revenue Service prefers that it be used rather than Form 843, since Form 1040X is designed to expedite processing.

2. The claim must set forth in detail each ground upon which it is made.

3. If a joint income tax return was filed for the year for which this claim is filed, social security numbers of both husband and wife should be entered and each must sign this claim even though only one had income. If the taxpayer has been assigned an employer identification number, it must be entered on the form.

4. The claim may be made by an agent of the taxpayer, but the original or a true copy of a power of attorney must accompany the claim.

5. If a return is filed by an individual and a refund claim is thereafter filed by a legal representative of the deceased, certified copies of the letters testamentary, letters of administration, or similar evidence must be attached to the claim, to show the authority of the executor, administrator, or other fiduciary by whom the claim is filed. If an executor, administrator, guardian, trustee, receiver, or other fiduciary files a return and thereafter a refund claim is filed by the same fiduciary, documentary evidence to establish the legal authority of the fiduciary need not accompany the claim, provided a statement is made on the claim showing that the return was filed by the fiduciary and that the latter is still acting.

6. Where the taxpayer is a corporation, the officer having authority to sign for the corporation should place his signature and title on this claim.

7. If a claim is for excess social security (F.I.C.A.) tax withheld as a result of having had more than one employer during a calendar year, include the names and addresses of your employers, and the amount of wages received and F.I.C.A. employee tax withheld by each, as part of your explanation in item k. Do not claim tax withheld if you have claimed the excess withholding on your individual income tax return.

Where to File

Certain claims relating to alcohol and tobacco taxes should be filed with the Assistant Regional Commissioner (Alcohol and Tobacco Tax). See the regulations pertaining to the particular alcohol and tobacco tax. Otherwise,

If located in

Use this address

Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Massachusetts 01812
Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pa. 19155
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee	Internal Revenue Service Center 4800 Buford Highway Chamblee, Georgia 30006
Illinois, Iowa, Nebraska, North Dakota, South Dakota, Missouri, Minnesota, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Missouri 64170
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center 3651 Interregional Highway Austin, Texas 78740
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington	Internal Revenue Service Center 1160 West 1200 South Street Ogden, Utah 84405
Puerto Rico (or if excluding income under section 933)	Director of International Operations U.S. Internal Revenue Service Ponce de Leon Ave. and Bolivia St. Hato Rey, Puerto Rico 00917
Virgin Islands: Permanent residents:	Department of Finance, Tax Division Charlotte Amalie St. Thomas, Virgin Islands 00801
Other residents:	Director of International Operations U.S. Internal Revenue Service Ponce de Leon Avenue and Bolivia Street Hato Rey, Puerto Rico 00917
Panama Canal Zone, American Samoa, Guam	Director of International Operations Internal Revenue Service Washington, D.C. 20225

U.S. citizens with foreign addresses, except A.P.O. and F.P.O. addresses, and all U.S. citizens excluding income under sections 911 and 931: Director of International Operations, Internal Revenue Service, Washington, D.C. 20225.

FOR INTERNAL REVENUE SERVICE USE ONLY

Transcript of Claimant's Account

(Complete only as to miscellaneous excise taxes and alcohol, tobacco, and certain other excise taxes imposed under subtitles D and E, Internal Revenue Code.)

The following is a transcript of the records of this office covering the liability that is the subject of this claim.

A—Assessed Taxes

Taxable Period and Class of Tax (a)	Document Locator No. (b)	Reference and Date (c)	Amount Assessed (d)	Paid, Abated, or Credited			Remarks (h)
				Date or Sched. No. (e)	Amount (f)	PD. AB. CR. (g)	

B—Purchase of Stamps

To Whom Sold or Issued (i)	Kind (j)	Number (k)	Denomination (l)	Date of Sale (m)	Amount (n)	If Special Tax Stamp, State:	
						Serial No. (o)	Period Commencing (p)

Prepared by (initials)

Date

Office