

Income/Franchise:

Maryland: Unauthorized Captive Insurance Company Deemed Exempt from Corporate Income Tax

Case No. 563/21, Md. Ct. Spec. App. (8/29/22). The Maryland Court of Special Appeals affirmed that a Vermont captive insurance company was entitled to a state corporate income tax exemption under Title 4 of Maryland's Insurance Article as state law provides that unauthorized insurance companies are subject to the premium receipts tax under Title 4, and that the premium receipts tax is "instead of all other State taxes." Accordingly, because the captive insurance company was subject to Maryland's premium receipts tax as an unauthorized insurer under Title 4, it was deemed exempt from filing a Maryland corporate income tax return and paying Maryland corporate income tax regardless of whether the premium receipts tax was paid for the tax year at issue. Please contact us with any questions.

URL: <https://mdcourts.gov/sites/default/files/unreported-opinions/0563s21.pdf>

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