(2) THE SURPLUS LINES BROKER SHALL RETURN TO THE INSURED THE TAX ON ANY UNEARNED PART OF THE PREMIUM.

(D) PAYMENT BY BROKER PROHIBITED.

THE SURPLUS LINES BROKER MAY NOT:

(1) ABSORB THE PREMIUM RECEIPTS TAX; OR

(2) REBATE ALL OR PART OF THE PREMIUM RECEIPTS TAX OR THE SURPLUS LINES BROKER'S COMMISSION.

(E) PRORATION OF TAX.

IF A SURPLUS LINES POLICY COVERS RISKS ONLY PARTLY IN THE STATE, THE TAX PAYABLE SHALL BE COMPUTED ON THE PART OF THE PREMIUM THAT IS PROPERLY ALLOCABLE TO THE RISKS LOCATED IN THE STATE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 194.

In subsection (a) of this section, the former references to "reinsurance" and "insurance of risks referred to in [former] § 199" are deleted as unnecessary in light of § 3–302 of this subtitle.

In subsection (c)(2) of this section, the reference to the "insured" is substituted for the former reference to the "policyholder" for consistency with subsection (c)(1) of this section.

In subsection (d)(2) of this section, the former phrase "as an inducement for insurance or for any other reason" is deleted as surplusage.

In subsection (e) of this section, the former word "exposures" is deleted as unnecessary in light of the word "risks".

Defined terms: "Insurance" § 1–101
"Policy" § 1–101
"Premium" § 1–101
"Surplus lines insurance" § 1–101

3–325. REPORT OF PREMIUM RECEIPTS AND PAYMENT OF TAX.

(A) IN GENERAL.

ON OR BEFORE MARCH 15 AND SEPTEMBER 15 OF EACH YEAR, EACH SURPLUS LINES BROKER SHALL:

(1) FILE WITH THE COMMISSIONER A REPORT OF THE GROSS PREMIUMS CHARGED, LESS PREMIUMS RETURNED, FOR BUSINESS SUBJECT TO TAX DURING THE PRECEDING HALF CALENDAR YEAR; AND

(2) PAY TO THE COMMISSIONER THE TOTAL AMOUNT OF TAX IMPOSED BY § 3–324 OF THIS SUBTITLE AND APPEARING ON THE REPORT.