



The Surplus Line
Association of California

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January 17, 2019

Bulletin #1363

Re: Important: California Department of Insurance Annual Tax Notice

This is a reminder that the Surplus Line Broker and Special Lines Surplus Line Broker Annual Statement and Tax Return are due to the California Department of Insurance by **March 1, 2019**. The form, instructions, tax calendar and the Surplus Line Broker's Monthly Tax Payment Voucher are available on-line at www.slacal.org or from the California Department of Insurance at www.insurance.ca.gov. Every Surplus Line Broker and Special Lines Surplus Line Broker licensed in California must make an annual state tax filing whether or not business was transacted during the previous year.

For the 2018 Tax Forms:

<http://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/tax-forms-instruct-and-info/2018-Tax-Forms-and-Instructions.cfm>

Enclosed is a Notice from the California Department of Insurance.

Sincerely,

A handwritten signature in black ink that reads "Joy Erven". The signature is written in a cursive, flowing style.

Joy Erven, COO
Surplus Line Association of California



DEPARTMENT OF INSURANCE

ADMINISTRATION AND LICENSING SERVICES BRANCH
300 CAPITOL MALL, 16TH FLOOR
SACRAMENTO, CA 95814
www.insurance.ca.gov

**NOTICE**

January 14, 2019

To All Admitted Insurers, Surplus Line Brokers, and Other Interested Parties

2018 TAX RETURN INFORMATION

The 2018 tax filing for Surplus Line Brokers is due to the California Department of Insurance (CDI) on **March 1, 2019**, and the annual tax filing for Insurers is due on **April 1, 2019**, except for the Ocean Marine insurance tax filing, which is due on **June 15, 2019**. Important tax filing information is as follows:

- **Each insurer or surplus line broker is required to file a tax return for all business transacted during the preceding calendar year.** Please note that if you had no business transacted in 2018 or you started your business in 2018, you are still required to file a tax return by the appropriate required due date. (California Revenue and Taxation Code section 12302 and California Insurance Code section 1774) For surplus line brokers with no taxable premiums to report, please use CDI's tax return CDI FS-006-0 (REVISED 10/2018). *Note: Individually licensed and endorsed surplus line brokers who transact or write business on behalf of a surplus line broker organization are no longer required to file a Zero Premium Tax Return. For more details, please refer to the Zero Premium Tax Returns and Reporting Requirements Notice posted on CDI's website.*
- **Each insurer or surplus line broker whose annual tax for the preceding calendar year was twenty thousand dollars (\$20,000) or more is required to make quarterly prepayments or monthly installment payments for the current calendar year.** Specifically, if your 2018 tax liability was \$20,000 or more, you are required to make the quarterly prepayments or monthly installment payments for 2019.
- **Each insurer or surplus line broker whose annual tax for the preceding calendar year was more than twenty thousand dollars (\$20,000) is required to make payment by Electronic Funds Transfer (EFT).** Specifically, if your 2018 tax liability exceeded \$20,000, you are required to make all 2019 tax payments (monthly, quarterly, and annual) by EFT. To avoid delay in processing your EFT payments, it is critical that you provide the correct Taxpayer Identification Number, tax type code, and tax due date in your EFT transaction. If you need assistance with establishing an EFT account or experience any problems with making your EFT payment by the required due dates, please call the EFT Hotline at (916) 492-3288 prior to the payment due date to avoid any potential penalty assessment. (California Revenue and Taxation Code section 12602 and California Insurance Code sections 12976.5 and 1775.8)

Notice: 2018 Tax Return Information

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- Please provide a contact person's e-mail address on your tax return to ensure that your company receives the latest tax updates from CDI.
- Please file only one (1) original tax return form with CDI.

Tax Forms

All 2018 Tax Forms, Instructions and Information are available on CDI's website. To obtain "Tax on Insurers Law," please refer to www.boe.ca.gov and under "Forms & Pubs," select "Business Tax Law Guide," then under "Table of Contents," access Volume 4, Tax on Insurers.

If you are unable to access the CDI website, prefer to obtain a hard copy of a tax form, or have any questions regarding tax payments, please call the EFT Hotline at (916) 492-3288.



JULIA B. CROSS, DEPUTY COMMISSIONER