



**THE SURPLUS LINE ASSOCIATION
OF CALIFORNIA**

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BULLETIN # 1062

RE: ANNUAL STATEMENT AND TAX RETURN

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, 2005. A copy should also be mailed to the Surplus Line Association of California. 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. The tax on surplus lines is 3 percent of the California taxable nonadmitted premiums transacted from January 1 to December 31 of the previous year.

Enclosed is a Notice from the California Department of Insurance.

A handwritten signature in dark ink, reading 'Theodore M. Pierce'.

Theodore M. Pierce,
Executive Director

DEPARTMENT OF INSURANCE

ADMINISTRATION AND LICENSING SERVICES BRANCH
300 CAPITOL MALL, SUITE 1600
SACRAMENTO, CA 95814
www.insurance.ca.gov



January 18, 2005

NOTICE

TO: All Admitted Insurers, Surplus Line Brokers, and Other Interested Parties

SUBJECT: Tax Return Bulletin

This bulletin is to inform you that all 2004 tax return forms and instructions are now available on the California Department of Insurance (CDI) Web site located at <http://www.insurance.ca.gov>. Once you log on to this Web site, click on "Industry" then click on "Tax Forms, Instructions, and Information" under the section of "Applications, Forms and Filings" to access the appropriate tax return forms and related payment vouchers. The annual tax filing for Surplus Line Brokers is due on March 1, 2005 and the annual tax filing for Insurers is due on April 1, 2005 except for the ocean marine insurance tax filing, which is due on June 15, 2005.

For information relating to the "California Tax on Insurers" guide, please refer to the State Board of Equalization's Web site at <http://www.boetaxes.ca.gov/business/bmaintoc.pdf>.

For information relating to the "Surplus Line Brokers Tax", please refer to the CDI Web site at www.insurance.ca.gov.

If you experience difficulty in accessing the CDI Web site and wish to obtain a hard copy of the tax form, and/or have questions regarding any tax payment, please contact us at (916) 492-3288. Also, on your tax return, be sure to provide the contact person's e-mail address. This will allow us to send updated tax information to your company.

Reminder:

Pursuant to California Revenue and Taxation Code Section 12302, and California Insurance Code Section 1774, each insurer or surplus line broker is required to file a tax return of all business transacted during the preceding calendar year. If you had no business transacted in 2004 or you started your business in 2004, you are still required to file the tax return by the appropriate required due date.

Also, pursuant to California Revenue and Taxation Code Section 12602, and California Insurance Code Sections 12976.5 and 1775.8, each insurer or surplus line broker whose annual taxes exceed twenty thousand dollars (\$20,000) is required to make payment by Electronic Funds Transfer (EFT). Specifically, if your 2004 tax liability exceeded \$20,000.00, you are required to make all 2005 quarterly or monthly tax payments by EFT. If you need assistance with establishing an EFT account or experience any problems with making your EFT payment or meeting the timelines requirement, please contact us at (916) 492-3288 **prior** to the payment due date to avoid any potential penalty assessment.

**DEPUTY INSURANCE COMMISSIONER
ADMINISTRATION & LICENSING SERVICES BRANCH**