

THE SURPLUS LINE ASSOCIATION

OF CALIFORNIA

A. B. HERRICK
MANAGER
A. D. FREEMAN, JR.
ASSISTANT MANAGER

50 CALIFORNIA STREET
SAN FRANCISCO 94111

TELEPHONE
(415) 986-0763

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No. 379

BULLETIN TO ALL MEMBERS:

RE: Surplus Line Brokers State Tax

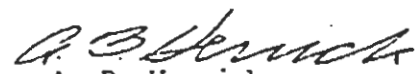
Senate Bill 486 (Senator Foran) Chapter 790, Statutes of 1979

This bill, which was sponsored by the Insurance Department, has been signed by the Governor and will become law January 1, 1980. A copy of the chaptered bill is attached.

For calendar year 1980 and each calendar year thereafter, it requires the 3% State tax be paid quarterly by each Surplus Line broker whose annual tax for the previous year was \$5,000.00 or more, with specified exception. A sample quarterly tax form is attached.

Note that Section 1775.5 has been amended requiring the Annual Statement and Tax Payment form be filed with the Department the first day of April instead of May. As has been done previously, this form will be mailed to you after the first of the year for the payment of the 1979 tax.

Very truly yours,


A. B. Herrick
Manager

AH:amc