



**The Surplus Line
Association of California**

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Annual Tax Return Requirements

The 2025 annual tax return is due on or before **March 2, 2026**.

All surplus line brokers must submit their 2025 annual state tax return through the California Department of Insurance (CDI) [Premium Tax Processing System \(PTPS\)](#). For 2023 and prior years tax forms, including amended forms (active years only), CDI will accept filings only[GU1.1] via e-mail.

- The tax rate is 3% of gross policy premiums plus fees minus any returned premiums (CIC §1774). **For more on fees refer to [CDI Bulletin 80-6: Brokers' Fees and other Similar Fees](#)**
- The invoice date determines when state tax is due (CIC §1774(c)).
- Annual tax returns must be filed regardless of whether any business was transacted – brokers with no 2025 taxable premiums must file a Zero Premium Tax Return[GU2.1].
- Endorsed brokers who transact or write business solely on behalf of a surplus line broker entity are not required to file a Zero Premium Tax Return.
- Endorsed brokers operating under a surplus line broker entity should be reported on the entity's annual tax return.
- All amounts reported and paid to CDI must be in whole dollars. This applies only to CDI tax forms and payments, **not to SLA stamping fees**.
- To access the portal, forms, tax payment calendar and FAQ's, visit the CDI's Premium Tax Processing System (PTPS) webpage [Tax Forms, Instructions & Information](#).

Monthly Tax Payments

- Surplus line brokers with an annual tax liability for the preceding year of twenty thousand dollars (\$20,000) or more must make monthly prepayments for the current year and remit funds via [Electronic Funds Transfer \(EFT\)](#).
- Surplus line brokers with an annual tax liability **below** twenty thousand dollars (\$20,000) may pay by check.
- If required to pay monthly and no tax is due for a certain transaction month, a tax payment voucher must still be filed to report zero.
- Failure to remit taxes timely will result in a penalty of 10% of the amount of the payment due plus interest of 1% per calendar month (CIC § 1775.5 (c)(1)).

See [CDI Notice - 2025 Annual Insurance Premium Tax Filing Notice](#).

Questions relating to this SLA Bulletin may be directed to the Legal Compliance department at (415) 434-4900 or compliance@slacal.com.

Please note that in-depth tax inquiries and questions should be addressed directly to the CDI at PremiumTaxFiling@insurance.ca.gov.