



The Surplus Line
Association of California

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BULLETIN #1494
RE: Annual Tax Return Requirements

The 2024 annual tax return is due on or before **March 3, 2025**.

All surplus line brokers and special lines surplus line brokers must submit their annual state tax return to the California Department of Insurance (CDI) Premium Tax Audit Unit by March 1 each year.

- 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](#).***
- Annual tax returns must be filed regardless of whether any business was transacted.
- The invoice date determines when state tax is due (CIC §1774(c)).
- 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.

Tax Filing Updates

Premium Tax Processing System (PTPS) Portal

CDI has launched the Premium Tax Processing System (PTPS) for electronic tax filings under the authority of California Revenue & Taxation Code §§ 12302 & 1775. All surplus line brokers must file 2024 tax returns using this new tax portal.

- For issues or questions about registering for PTPS, contact the CDI via PremiumTaxFiling@insurance.ca.gov. The CDI advises that they will respond to all emails they receive on this matter.
- For PTPS FAQs please visit the following link:
<https://www.insurance.ca.gov/0250-insurers/0300-insurers/0100->

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[applications/tax-forms-instruct-and-info/upload/CDI-FAQs-for-PTPS-02-2025.pdf](#)

- For more details, please visit the CDI's Premium Tax Processing System (PTPS) webpage [Tax Forms, Instructions & Information](#).

Whole Dollar Requirement

Starting with the 2024 tax period, 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**.

Monthly Tax Payments

Payments are due on the 1st day of the third month following the invoice date. Installment payments are due on the first of each month.

- 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)).
- 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.
- Please see the CDI's [Insurance \(Premium\) Tax Forms and Instructions](#) webpage for more information regarding monthly tax payments and the EFT program.

For any questions relating to this bulletin, contact the Legal Compliance department at (415) 434-4900 or compliance@slacal.com. **Please note that any in-depth tax inquiries should be addressed directly to the CDI at premiumtaxfiling@insurance.ca.gov.**

