

Surplus Line Broker and Special Lines Surplus Line Broker Insurance (Premium) Tax Return Instructions

CDI FS-006 (Revised 04/2025)

For Calendar Year 2024

All Surplus Line Brokers and Special Lines' Surplus Line Brokers who held a license during the Calendar Year of 2024 must complete and file a *Surplus Line Broker and Special Lines Surplus Line Broker Insurance (Premium) Tax Return CDI FS-006*. Complete all items, including the method of tax payment. Note: If **no** Surplus Line business was transacted during Calendar Year 2024, complete the *Surplus Line Broker and Special Lines Surplus Line Broker Insurance (Premium) Tax Return (Filing Zero) (CDI FS-006-0)*.

1. **Due on or before March 3, 2025:** File one (1) *Surplus Line Broker and Special Lines Surplus Line Broker Insurance (Premium) Tax Return (CDI FS-006 or CDI FS-006-0)* with the California Department of Insurance (CDI). Groups: Prepare a separate Insurance (Premium) Tax Return and tax payment for each Surplus Line Broker license. No group filings are accepted.
2. **File Online via the CDI Premium Tax Processing System (PTPS) Online portal:**
 - a. **Register for the CDI PTPS –** The Surplus Line Broker that filed a **2023** Insurance (Premium) Tax Return with CDI should have received instructions on system registration. If the registration communication was not received, please contact the CDI via e-mail to PremiumTaxFiling@insurance.ca.gov.
3. **Tax Payments and Vouchers:**
 - a. **Electronic Funds Transfer (EFT) Payment:**
 - I. Pursuant to California Insurance Code (CIC) section 1775.8, entities subject to insurance tax whose **2024** Annual Insurance (Premium) Tax was \$20,000 or more are required to participate in the Electronic Funds Transfer (EFT) Program. If the **2024** Insurance (Premium) Tax Return filing meets these criteria, please refer to the *Surplus Line Broker Insurance (Premium) Tax Payment Calendar* for **2025** found on the [CDI Tax Forms, Instructions & Information](#) webpage.
 - II. Every broker whose annual tax liability for Calendar Year **2024** was \$20,000 or more is required to make monthly prepayments and submit monthly tax payment vouchers as summarized on the *Surplus Line Broker Insurance (Premium) Tax Payment Calendar* for **2025**.
 - III. **For monthly payments**, submit the *Surplus Line Broker Monthly Insurance (Premium) Tax Payment Voucher* (FS-007) via e-mail to PremiumTaxFiling@insurance.ca.gov.
 - IV. **On e-mail subject line**, include the Surplus Line Broker License Number, the Name of the Surplus Line Broker, the associated Tax Year, and the Tax form being filed. **Example:** 0123456 - Any Surplus Line Broker Agency – Jan 1, 2025 SLB Voucher
 - V. Regardless of amount due, **CDI encourages the use of EFT** to ensure timely receipt of payment.
 - b. **Check Payment:**
 - I. Each tax payment type must be made on separate checks payable to “California Department of Insurance”.
 - II. Send the check along with a copy of the first page of the completed *Surplus Line Broker and Special Lines Surplus Line Broker Insurance (Premium) Tax Return* and/or a completed *Surplus Line Broker Monthly Insurance (Premium) Tax Payment Voucher* (FS-007) to:

California Department of Insurance
P.O. Box 1918
Sacramento, CA 95812-1918

For information regarding the EFT Program, visit [Electronic Funds Transfer \(EFT\) Program for Tax Payments](#) or contact the CDI via e-mail to EFT@insurance.ca.gov.

For questions concerning the completion of the Insurance (Premium) Tax Return, visit the CDI [Tax Forms, Instructions & Information](#) webpage to download the [PTPS Frequently Asked Questions \(FAQs\)](#) or contact the CDI via e-mail to PremiumTaxAudit@insurance.ca.gov.

Note: PTPS calculation error messages are to be used as a guide only. It is to help the filer identify if amounts were entered correctly. All amounts entered should be based on the filer’s books and accounts. Some tax forms require that all information be entered to populate correct calculations for Page 1 items of the Tax Return. A tax return can still be submitted if calculation error message is visible.

Instructions

The following are line-by-line instructions for the **Surplus Line Broker and Special Lines’ Surplus Line Broker Insurance (Premium) Tax Return for the calendar year of 2024.**

Complete the following information: Surplus Line Broker’s Name, Mailing Address, City, State, Zip Code and Telephone Number. Also provide the Surplus Line Broker License Number, Federal Tax Identification Number, EFT Taxpayer Identification Number (TIN), and select the appropriate Method of Tax Payment. If Surplus Line Brokers and Special Lines’ Surplus Line Brokers are doing business under a different name, complete the section titled D.B.A. (Doing Business As).

Check the appropriate box(s) for the following information: “Reporting Multi-state Risks” - For Surplus Line Brokers writing multi-state risks, refer to CIC section 1775.5 for more information and any records or documentations for premium allocation of multi-state risks should be made available for examination by the CDI. “Final Return” - If filing a Final Insurance (Premium) Tax Return (license has expired and no further business will be transacted), enter the effective date of the final transaction. “Amended Return” - If filing an Amended Insurance (Premium) Tax Return, enter the date when it was amended.

Beginning with the 2024 Tax Period: Record All Amounts in Whole Dollars. 2024 Annual Tax Payment is to be paid in Whole Dollars. 2025 Monthly Insurance (Premium) Tax Payment Are to Be Reported and Paid in Whole Dollars.

Line	Instructions
Line 1:	<p>The amount on Line 1 should be the actual California Surplus Line Gross Premiums on policies transacted* from January 1 to December 31 of the calendar year of 2024 (business transacted with non-admitted insurers only) and should reconcile with the total amount of Lines 10, 10A, 10B and 10C. See CIC section 1775.5. Note: The California Department of Insurance does not collect surplus lines premium tax on risks located outside the United States.</p> <p>Gross Premiums as used in the calculation of premium taxes due, is the gross policy premiums plus any fees/charges pertaining to the policy such as policy fee, inspection fee, etc.</p> <p>Example: Policy Premium \$10,000 Policy Fee 100 Inspection Fee 150 Total Gross Taxable Premium \$10,250</p> <p>* Pursuant to California Insurance Code (CIC) section 1774(c), the date on which the surplus line broker transacting a policy prepares a bill or invoice for payment of all or part of the premiums due shall be considered the date on which that business was done or transacted, subject to subdivision (d). This date shall be shown on the face of the bill or invoice and shall be referred to as the “invoice date”.</p> <p>* Pursuant to California Insurance Code section 1774(d)(1), the invoice date shall be no more than 60 days after the policy effective date and no more than 60 days after the insurance was placed with a non-admitted insurer, except as provided in paragraph (2) of section 1774(d).</p>
Line 2:	<p>The amount on Line 2 should be the actual California Surplus Line Premiums that were returned to the policyholder(s) during the period of January 1 to December 31 of the calendar year of 2024 (business transacted with a non-admitted insurer only) and should reconcile with the total amount of Lines 11 and 12. This is required pursuant to CIC section 1775.5.</p>
Line 3:	<p>The amount on Line 3 is the tax base. This amount is the result of the Gross Premiums (Line 1) less the Returned Premiums (Line 2).</p>
Line 4:	<p>Line 4 is the Tax Rate of three percent (3%).</p>

Line	Instructions
Line 5:	<p>This amount is the annual tax liability for the calendar year of 2024. Multiply the Net Taxable Premiums (Line 3) by the Tax Rate of three percent (3%).</p> <p>If the amount on this line is \$20,000 or more, the Surplus Line Broker is required to make monthly Insurance (Premium) tax payments for the 2025 tax year. If the amount on this line is more than \$20,000, the Surplus Line Broker is required to participate in the EFT Program. See CIC section 1775.1(a) for monthly Insurance (Premium) tax payments and section 1775.8 for EFT payments. For questions regarding EFT, contact the CDI via e-mail to EFT@insurance.ca.gov.</p> <p>Note: Annual Tax Cannot Be Negative. Tax imposed on surplus line brokers by section 1775.5 of the Insurance Code is an annual tax to be computed each year according to the statutory formula, with a tax payable on an excess of gross premiums over return premiums for that year. Carry-over of excess of return premiums over gross premiums from one year to another is not permitted. To file a claim for refund on returned premiums related to a prior tax year, you may file an amended return for open tax years only (California Revenue and Taxation Code (CRTC) sections 12978 and 12980). See Instructions below on the last page for filing an Amended Insurance (Premium) Tax Return.</p>
Line 6:	Deduct Monthly Tax Payments made for 2024 Tax Year.
Line 6A:	<p>Report any credit applied towards the January monthly tax payment from the prior year's annual tax overpayment.</p> <p>Example: 2023 Tax Overpayment credited to January 2024 monthly tax payment is \$55. January 2024 monthly tax payment before credit is applied is \$155. Amount on Line 6A is \$55, and the amount on Line 6B is \$100.</p>
Line 6B-M:	<p>The amount on each line is the actual tax paid each month. The annual tax payment is in lieu of the December Monthly Tax Payment, pursuant to CIC section 1775.3. Do not include any additional assessments, penalties, or negative amounts on these lines. Any annual tax overpayment credited to the January 2024 monthly tax payment should be included on Line 6A.</p>
Line 6N:	This line is to report additional amounts paid towards the 2024 annual tax that is not included above
Line 7:	This line is the sum of all monthly tax payments made during the calendar year of 2024 (the total of Lines 6A through 6N).
Line 8:	<p>2024 Tax Due: Deduct the total monthly tax payments (Line 7) from the annual tax liability (Line 5). If the amount on Line 5 is More than the amount on Line 7, then complete Line 8. Pay This Amount on Or Before March 1, 2025. Late payment and/or underpayment of the tax due may be subject to penalty and interest.</p>
Line 9, 9A, 9B:	<p>Tax Overpayment – Refund / Credit: If the total monthly tax payment (Line 7) is More than the Annual Tax Liability (Line 5), then complete Line 9A. The 2024 Tax Overpayment may be applied as a credit against the 2025 First Monthly Payment Only; or be refunded.</p> <p>Note: Effective March 1, 2020, overpayment amount of \$10 or less will be automatically applied as Credit towards future tax liabilities. For overpayment amount greater than \$10, please check Line 9B "To Be Refunded" or To Be Credited" on the Insurance (Premium) Tax Return. Failure to indicate a credit or refund will result in a refund being issued. If Refunded, do not apply the amount of the refund toward any other tax liability due.</p>
Line 10:	<p>Record all California Gross Premiums (Single-state policies) for Non-admitted Insurers showing the NAIC # and State of Domicile with whom business was transacted during January 1 through December 31 of the calendar year of 2024 for California home state insureds. All returned premiums should be recorded on Line 11 (Page 6).</p> <p>Report the top 24 carriers by Gross taxable premiums first. If additional lines are needed below, please include as an attachment the remaining carriers and enter the subtotal of those Gross taxable premiums on Line 25 (for PTPS, Line 10.25d). If no business was transacted during the calendar year of 2024, enter "None" on Line 1 (for PTPS, Line 10.1a) and go to the next page. The total of Lines 10, 10A, 10B and 10C should equal Page 1, Line 1.</p> <p>Note: Do not report premiums twice. Single-state policies for Lloyd's Syndicate members are to be reported in Line 10B.</p>

Line	Instructions
Line 10A:	<p>Record all California Gross Premiums (Multi-state policies) for Non-admitted Insurers showing the NAIC # and State of Domicile with whom business was transacted during January 1 through December 31 of the calendar year of 2024 for California home state insureds. All returned premiums should be recorded on Line 12 (Page 7).</p> <p>Report the top 24 carriers by Gross taxable premiums first. If additional lines are needed below, please include as an attachment the remaining carriers and enter the subtotal of those Gross taxable premiums on Line 25 (for PTPS, Line 10A.25d). If no business was transacted during the calendar year of 2024, enter “None” on Line 1 (for PTPS, Line 10A.1a) and go to the next page. The total of Lines 10, 10A, 10B and 10C should equal Page 1, Line 1.</p> <p>Note: Do not report premiums twice. Multi-state policies for Lloyd’s Syndicate members are to be reported in Line 10C.</p>
Line 10B:	<p>Record all California Gross Premiums (Single-state policies) for each Lloyd’s Syndicate member (include syndicate number i.e. Lloyd’s Syndicate # 0) with whom business was transacted during January 1 through December 31 of the calendar year of 2024 for California home state insureds. All returned premiums should be recorded on Line 11 (Page 6).</p> <p>Report the top 24 carriers by Gross taxable premiums first. If additional lines are needed below, please include as an attachment the remaining carriers and enter the subtotal of those Gross taxable premiums on Line 25 (for PTPS, Line 10B.25d). If no business was transacted during the calendar year of 2024, enter “None” on Line 1 (for PTPS, Line 10B.1b) and go to the next page. The total of Lines 10, 10A, 10B and 10C should equal Page 1, Line 1.</p>
Line 10C:	<p>Record all California Gross Premiums (Multi-state policies) for each Lloyd’s Syndicate member (include syndicate number i.e. Lloyd’s Syndicate # 0) with whom business was transacted during January 1 through December 31 of the calendar year of 2024 for California home state insureds. All returned premiums should be recorded on Line 12 (Page 7).</p> <p>Report the top 24 carriers by Gross taxable premiums first. If additional lines are needed below, please include as an attachment the remaining carriers and enter the subtotal of those Gross taxable premiums on Line 25 (for PTPS, Line 10C.25d). If no business was transacted during the calendar year of 2024, enter “None” on Line 1 (for PTPS, Line 10C.1b) and go to the next page. The total of Lines 10, 10A, 10B and 10C should equal Page 1, Line 1.</p>
Line 11:	<p>Record all Returned Premiums (Single-state policies) for Non-admitted Insurers and each Lloyds Syndicate member (include syndicate #) with whom business was transacted during the calendar year of 2024.</p> <p>Report the top 24 carriers by Gross taxable premiums first. If additional lines are needed below, please include as an attachment the remaining carriers and enter the subtotal of those Gross taxable premiums on Line 25 (for PTPS, Line 11.25d). If there were no returned premiums transacted during the calendar year of 2024, enter “None” on Line 1 (for PTPS, Line 11.1a) and go to the next page. The total of Lines 11 and 12 should equal Page 1, Line 2.</p>
Line 12:	<p>Record all Returned Premiums (Multi-state policies) for Non-admitted Insurers and each Lloyds Syndicate member (include syndicate #) with whom business was transacted during the calendar year of 2024.</p> <p>Report the top 24 carriers by Gross taxable premiums first. If additional lines are needed below, please include as an attachment the remaining carriers and enter the subtotal of those Gross taxable premiums on Line 25 (for PTPS, Line 12.25d). If there were no returned premiums transacted during the calendar year of 2024, enter “None” on Line 1 (for PTPS, Line 12.1a) and go to the next page. The total of Lines 11 and 12 should equal Page 1, Line 2.</p>
Line 13 & 13.1:	<p>This is the Statement of Trust Assets and Liabilities as of December 31, 2024 for California Surplus Line Business only. If using fiscal year basis, state the year-end date on the line provided (month/day/year). This is a quick test of the accumulation totals of the California Surplus Line Trust Fund. See the sample below:</p> <ul style="list-style-type: none"> • Description of Trust Assets: Cash Trust, Premiums Receivable, and/or Any securities held in this account. • Description of Trust Liabilities: Premiums Payable, Surplus Line Tax Payable, and/or Stamping Fees Payable.

**Surplus Line Broker and Special Lines Surplus Line Broker
Insurance (Premium) Tax Return Instructions**

CDI FS-006 (Revised 04/2025)

For Calendar Year 2024

Line	Instructions
Line 14, 14.1, & 14.2:	This is the Statement of Nontaxable Business written pursuant to California Insurance Code section 1760.5. All Special Lines' Surplus Line Brokers are required to complete this section even if the business transacted was nontaxable for the calendar year of 2024 . All brokers licensed for Special Surplus Lines and all Special Surplus Line Brokers are required to complete this section pursuant to California Insurance Code section 1760.5(d).
Line 15:	This Statement of Percentage of Premium is required by CIC section 1774(a)(1) and is provided for informational purposes only. All Surplus Line Brokers must complete this section for the calendar year of 2024 , even if the premium reported for this line is nontaxable. The gross premium and percentages of gross premium to be reported are totals for all surplus lines business placed for California home state insureds for the calendar year of 2024 . For multi-state policies, the percentages should equal the total premium risk allocated to California and to each other state. If percentages do not equal 100% due to non-U.S. risks or other reasons, or if not all the premium allocation data is available for reporting this calendar year of 2024 , that should be noted. The gross premium calculation has been added to assist filers in determining the percentages.
Line 16:	Report all Endorsed Surplus Line Brokers . Enter the top 25 first (by premium volume). If additional lines are needed, include as an attachment a list of the remaining Endorsed Surplus Line Brokers. Note: All Endorsed Surplus Line Brokers with an individual license to transact as a Surplus Line Broker and who transact, or write business on behalf of the reporting Surplus Line Broker organization, are to be included. This is in lieu of the Zero Insurance (Premium) Tax Return previously filed by Endorsed Surplus Line Brokers writing on behalf of a business entity surplus line broker organization. The list shall include the name and license number of the Endorsed Surplus Line Brokers.
Line 17:	Report all Delegating Surplus Line Brokers . Enter the top 25 first (by premium volume). If additional lines are needed, include as an attachment a list of the remaining Delegating Surplus Line Brokers. Note: All surplus line brokers who have delegated the responsibility for filing the confidential written report that includes all taxable premium to another surplus line broker or brokers pursuant to CIC section 1774 (b) will no longer be required to file a Zero Premium Tax Return beginning tax year 2013. This statement requires all delegated Surplus Line Brokers to include a list of those licensees who have delegated this reporting function and, on whose behalf, they have reported transacted or business done with their Insurance (Premium) Tax Return. The list shall include the name and license number of the Delegating Surplus Line Brokers.
Line 18.1 & 18.2:	Provide the name, title, phone number and e-mail address of the contact person should there be any questions regarding this Insurance (Premium) Tax Return. Provide mailing address if the business street address is different.
Surplus Line Broker's Certification (Tax Return, Page 11):	CIC section 1774(a)(1) - Surplus Line Broker's Certification is to be completed by the Surplus Line Broker declaring under penalty of perjury pursuant to the laws of the State of California that the Insurance (Premium) Tax Return, including any accompanying schedules or statements, has been examined by the Surplus Line Broker, and is true, correct, and complete. Enter the First Name, Last Name, Title, and E-mail of the signing Surplus Line Broker in the space provided. The Insurance (Premium) Tax Return must be signed.

***Complete and attach all supporting documents for this Insurance (Premium) Tax Return.**

****For all attachments to the Insurance (Premium) Tax Return, include at the top of each page the Filing Surplus Line Broker's name and license number.**

Extension of Time

- **Monthly Installment Payments – CIC section 1775.4(g):** “The commissioner, upon a showing of good cause, may extend for not to exceed 10 days the time for making a monthly payment. The extension may be granted at any time, provided that a request therefore is filed with the commissioner within or prior to the period for which the extension may be granted. Any surplus line broker to whom an extension is granted shall, in addition to the monthly payment, pay interest at the rate of 1 percent per month, or fraction thereof, from the due date until the annual tax due date.”
- **Annual Tax Payment – CIC section 1775.5(c)(1) states in part:** “...The commissioner, upon a showing of good cause, may extend for a period not to exceed 30 days, the time for filing a tax return or paying any amount required to be paid with the return. The extension may be granted at any time, provided that a request therefore is filed with the commissioner within, or prior to, the period for which the extension may be granted.” section 1775.5(c)(2) states: “Any surplus line broker to whom an extension is granted shall, in addition to the tax, pay interest at the rate of 1 percent per month or fraction thereof from March 1, until the date of payment. The commissioner may remit the penalty in a case where the commissioner finds, as a result of examination or otherwise, that the failure of or delay in payment arose out of excusable mistake or excusable inadvertence.”
- **To request for extension of time,** submit your written request to the CDI for review **prior to the payment due date via e-mail to PremiumTaxAudit@insurance.ca.gov**. The request is not considered granted until notice is received by the CDI. Any late and underpayment of tax shall be subject to Interest and/or Penalties assessments.

Amended Insurance (Premium) Tax Return – Tax Refund

- 1. A claim for refund shall be in writing and shall state the specific grounds upon which it is founded. (See CRTC sections 12978 and 12979, and section 12432 for statute of limitations for notice of deficiency assessment.) Note: The California Department of Tax and Fee Administration (CDTFA) will not accept a claim for refund from tax years that have expired.**
 - It must be indicated that an Amended Insurance (Premium) Tax Return filing is being made with the Amendment Date provided.
 - Do not deduct or credit the requested refund when filing any future Amended Insurance (Premium) Tax Returns or tax prepayments due. The amount claimed is not a refund until certified as correct and a Notice of Refund is issued to you. Any late and underpayment of tax shall be subject to Interest and/or Penalties assessments.
- 2. File the Amended Insurance (Premium) Tax Return with the CDI:**
 - For the **2024** Amended Insurance (Premium) Tax Return, file online via the CDI PTPS at [Tax Forms, Instructions & Information](#) and attach an explanation letter and supporting documentation to reconcile with the total amount of refund being claimed. CDI may request for additional information during the review.
 - For the **2023** Amended Insurance (Premium) Tax Return and prior tax years (active tax years only), file by e-mail to PremiumTaxAudit@insurance.ca.gov.
- 3. File the Amended Insurance (Premium) Tax Return with the CDTFA:**
 - Submit your request online: Go to <https://onlineservices.cdtfa.ca.gov/> and login with username and password if you have an account with the CDTFA, otherwise select "Claim a Refund or Request Relief for Insurance" under Limited Access Functions. (For questions or assistance, call CDTFA at 1-800-400-7115.)
 - Or submit via e-mail to: BTFDADABInsuranceStaff@cdtfa.ca.gov;
 - Or submit via mail to:

California Department of Tax and Fee Administration
Appeals and Data Analysis Branch MIC: 33
P.O. Box 942879
Sacramento, CA 94279-0033

Amended Insurance (Premium) Tax Return – Additional Tax Due

- 1. To correct and report additional Insurance (Premium) tax, file an Amended Insurance (Premium) Tax Return and attach a letter of explanation.**
 - It must be indicated that an Amended Insurance (Premium) Tax Return filing is being made with the Amendment Date provided.
 - Any additional tax, penalty and interest payments are to be made by Check Payment Only and made payable to the State Controller's Office. Please note that EFT should only be used for the original annual tax and prepayments.
 - All payments made toward additional tax due will be applied pursuant to CRTC section 12636.5: "Every payment on a delinquent tax shall be applied as follows: (a) First, to any interest due on the tax. (b) Second, to any penalty imposed by this part. (c) The balance, if any, to the tax itself."
- 2. File the Amended Insurance (Premium) Tax Return with the CDI:**
 - For the **2024** Amended Insurance (Premium) Tax Return, file online via the CDI PTPS at [Tax Forms, Instructions & Information](#).
 - For **2023** Amended Insurance (Premium) Tax Return and prior tax years, file by e-mail to PremiumTaxAudit@insurance.ca.gov.
- 3. Send the Check payable to the State Controller's Office and a copy of the Amended Insurance (Premium) Tax Return (CDI FS Form Only) to:**

(USPS Delivery)
State Controller's Office
Departmental Accounting Office
Insurance Tax Program
P.O. Box 942850
Sacramento, CA 94250-0001

or

(Overnight Delivery)
State Controller's Office
Departmental Accounting Office
300 Capitol Mall, Suite 1500
Sacramento, CA 95814
Attention: Insurance Tax Program