

All Classes of Insurance Except Ocean Marine, Life, Title, and Home Protection Insurance (Premium) Tax Return Instructions

CDI FS-001 (Revised 10/2025)

For Calendar Year 2025

All Classes of Insurance Companies except Ocean Marine, Life, Title, and Home Protection must complete and file an *All Classes of Insurance Except Ocean Marine, Life, Title, and Home Protection Insurance (Premium) Tax Return (CDI FS-001)*, whether or not business was transacted during the Calendar Year of **2025**. Complete all items, including the method of tax payment.

1. **Due on or before April 1, 2026:** File one (1) *All Classes of Insurance Except Ocean Marine, Life, Title, and Home Protection Insurance (Premium) Tax Return (CDI FS-001)* with the California Department of Insurance (CDI). Groups: Prepare a separate Insurance (Premium) Tax Return and tax payment for each member company. No group filings are accepted.

2. **File Online via the CDI Premium Tax Processing System (PTPS) Online portal:**

- a. To access the online portal, go to the [CDI PTPS](#) login.
- b. To register for a PTPS account, go to [Tax Forms, Instructions & Information](#) to complete a *Premium Tax Processing System (PTPS) Account Registration Agreement (CDI FS-008)* Form and submit via e-mail to PremiumTaxAudit@insurance.ca.gov. Note: Only the Executive Officer responsible for signing the insurer's Tax Return may register.

3. **Tax Payments and Vouchers:**

a. **Tax Payments:**

- I. Pursuant to California Insurance Code (CIC) section 12976.5 and California Revenue and Taxation Code (CRTC) sections 12602 and 12251, insurer whose **2025** Annual Insurance (Premium) Tax was **more than \$20,000** is required to participate in the Electronic Funds Transfer (EFT) Program and must make quarterly prepayments for calendar year 2026.
- II. **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.**
- III. For check payment information, contact the CDI, via e-mail, to PremiumTaxFiling@insurance.ca.gov.

Regardless of amount due, **CDI encourages the use of EFT** to ensure timely receipt of payment.

b. **Vouchers:**

- I. **For quarterly prepayments,** go to [Tax Forms, Instructions & Information](#) to download the *Insurer Quarterly Insurance (Premium) Tax Prepayment Voucher (CIA-T-4)* and submit, via e-mail, to PremiumTaxFiling@insurance.ca.gov.

Instructions

The following are line-by-line instructions for the **All Classes of Insurance Except Ocean Marine, Life, Title, and Home Protection Insurance (Premium) Tax Return** for the calendar year of **2025**.

Complete the following information: Name of Insurer, Mailing Address, City, State, Zip Code, Telephone Number, and State of Domicile. Also provide the Federal Tax Identification Number, California Permanent Number (CA Perm. No.), National Association of Insurance Commissioners Number (NAIC No.), EFT Taxpayer Identification Number (TIN), and select the appropriate Method of Tax Payment.

Check the appropriate box(s) for the following information: “Cash Basis” method of calculating taxable premium Or “Accrual Basis” of calculating taxable premium; “Final Return” - If no further business transacted due to withdrawal of the Certificate of Authority or a non-survivor of a merger during **2025**, enter the effective date of the final transaction; and/or “Amended Return” – If filing to make a correction, enter the date when it was amended.

Important Note: Calculation error messages generated by the PTPS are advisory, intended to help cross-reference entries and ensure accurate data input. Data entered should be a direct and accurate representation of the filer’s records. Certain tax forms require all information be completed before the system can accurately populate the calculations for Page 1 of the Tax Return. A tax return can still be submitted if a calculation error message is visible.

Record All Amounts in Whole Dollars

Page 1

Line	Instructions
Line 1:	Direct Net Taxable Premiums – Record the amount from Tax Return, Page 3, Schedule A, Line 4. Reciprocal/Interinsurance Exchanges: See Definitions at end of instructions.
Line 2:	Tax Rate - the tax rate of 2.35 %.
Line 3:	2025 Annual Tax – Multiply Line 1 by the tax rate on Line 2 to determine the 2025 Annual Tax, Line 3 (If the result of Line 3 is a negative amount, record zero (“0”) tax due). If the Annual Tax is more than \$20,000 , then the insurer is required to participate in the EFT Program (CRTC section 12602). Note: CDI encourages the use of EFT for all payments to ensure timely receipt of payment. For questions regarding EFT, contact the CDI via e-mail to EFT@insurance.ca.gov.
Line 4:	Low-Income Housing Tax Credit (LIHTC) – Record any Low-Income Housing Tax Credit for the calendar year of 2025 pursuant to CRTC section 12206. The following must be attached to claim the credit: (1) copy of Certificate of Final Award of California (3521-A) form issued by the California Tax Credit Allocation Committee; (2) copy of the Final Schedule K-1 Partner’s Share of Income, Deductions, Credits, etc. (565) form filed with the FTB; (3) copy of Schedule K-1 Partner’s Share of Income, Deductions, Credits, etc. (1065) form filed with the IRS; and (4) a spreadsheet showing details on how the credit amount was determined and must clearly indicate the carry-forward credit amount claims over a minimum of four years based on allowable periods to claim. Note: For taxable years beginning on or after January 1, 2023 , CDI can accept a “taxpayer certification” (CPA letter) if Form 3521-A is not yet available. CDI would still require the Form 3521-A to support LIHTC for taxable years 2022 and prior (active years only). Failure to provide these documents may result in the disallowance of credit and/or delay in processing. Any underpayment of tax is subject to Penalty and/or Interest. The Company’s name and California Permanent Number must be shown on all attachments and certificates filed with the CDI.
Line 5:	College Access Tax Credit (CATC) – Record any credits claimed for the calendar year of 2025 that was certified by the California Educational Facilities Authority (CEFA) pursuant to CRTC section 12207. Attach a copy of the CATC Certification from CEFA showing the amount of the credit. Failure to provide a copy of the certificate of credit will result in the credit being disallowed. (For Taxable Years 2017-2027.) Subject to CRTC section 12209 limitations.
Line 6:	Pilot Project Insurance Tax Credit – Record the Pilot Project Insurance Tax Credit pursuant to CRTC section 12208. Attach List of Policies to include: Policy number and Premium amount, with Total premiums to reconcile to this line item. Subject to CRTC section 12209 limitations.

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For Calendar Year 2025

Line	Instructions
Line 7:	Prepayments Made During the Calendar Year of 2025 (CRTC sections 12251-12260) – Only include those prepayments made or applied to the first quarter during the calendar year of 2025. Exclude all payments of interest and penalties.
Line 7a:	Overpayment applied from prior year – If there was an overpayment applied to the 2025 First Quarter Prepayment, as reported on Line 11a of the 2024 tax return, then record the amount applied on Line 7a (for example, if the 2025 First Quarter Prepayment due was \$2,500 and the amount of 2024 Overpayment applied was \$500, then record \$500 on Line 7a). Include prior year overpayment amount of \$10 or less applied as Credit towards future tax liabilities. -Or- If there was no overpayment applied to the 2025 First Quarter Prepayment and no prior year overpayment amount of \$10 or less, then record zero ("0") on Line 7a.
Line 7b:	First Quarter (Balance Paid) – If there was an overpayment applied to the 2025 First Quarter Prepayment, then record the net balance paid on Line 7b (for example, if the 2025 First Quarter Prepayment due was \$2,500 and the amount of 2024 Overpayment applied was \$500, then record \$2,000 on Line 7b). -Or- If there was no overpayment applied to the 2025 First Quarter Prepayment, then record the amount paid for the 2025 First Quarter Prepayment Line on 7b.
Line 7c-7e:	Second, Third, and Fourth Quarters – Record the amount paid for each quarter.
Line 7f:	Total Prepayments – Record the sum of Lines 7a through 7e.
Line 8:	Total Credits and Prepayments – Record the sum of Lines 4, 5b, 6, and 7f.
Line 9:	2025 Tax Due – If Line 3 is More than Line 8, then subtract Line 8 from Line 3. The result will be the balance of the 2025 Annual Tax Due. Pay this amount on or before April 1, 2026 . If Line 3 is Less than Line 8, then record zero ("0") on this line and proceed to Line 10.
Line 10:	2025 Tax Overpayment – If Line 8 is More than Line 3, then subtract Line 3 from Line 8, and record the result of the overpayment on this line. If Line 8 is Less than Line 3, record zero ("0") on this line and proceed to Line 11. Note: The tax overpayment (line 10) may be applied to the 2026 First quarter prepayment and the 2025 Retaliatory tax. A Refund Shall Not be applied to the 2026 Second quarter prepayment or any future tax payment unless prior approval has been granted by the CDI Premium Tax Audit Unit.
Line 11:	2026 First Quarter Prepayment – Record the 2026 First Quarter Prepayment on this line. - If the Annual Tax (Line 3) amount is \$20,000 or more, the insurer is required to make prepayments equal to 25 percent of Line 3. - If the Annual Tax (Line 3) amount is less than \$20,000, enter zero ("0") for no payment or enter the prepayment amount. Quarterly prepayments are due on or before April 1, June 1, September 1, and December 1 of the current calendar year. (CRTC sections 12251-12260)
Line 11a:	2025 Tax Overpayment applied to the 2026 First Quarter Prepayment – Record the amount of the 2025 Tax Overpayment, Line 10, applied to the 2026 First Quarter Prepayment. Note: The application of the overpayment is not required. The insurer may pay the 2026 First Quarter Prepayment in full and receive a refund of the total amount reported on the tax overpayment, Line 10. -Or- If there is no tax overpayment or the insurer wishes to pay the 2026 First Quarter Prepayment in full, then record zero ("0") on this line.
Line 11b:	2026 First Quarter Prepayment Balance Due – If Line 11a is equal to or less than Line 11, then subtract Line 11a from Line 11. The result will be the 2026 First Quarter Prepayment Balance Due. Pay this amount on or before April 1, 2026 .
Line 12:	2025 Retaliatory Tax – For insurance companies: Record the result from Insurance (Premium) Tax Return, Page 5, Schedule C, Part II, Line 8. For Risk Retention Groups: Record the result from Insurance (Premium) Tax Return, Page 6, Schedule RRG, Part II, Line 6.
Line 12a:	2025 Tax Overpayment applied to the Retaliatory Tax – This line is an optional field. If there is any remaining balance for the 2025 Tax Overpayment, after it was applied to the 2026 First Quarter Prepayment, then apply the remaining balance to the 2025 Retaliatory Tax. Note: The application of the overpayment is not required. The insurer may pay the retaliatory tax in full and receive a refund of the total amount reported on the tax overpayment, Line 10, less any amount applied to the 2026 First Quarter Prepayment, Line 11a. -Or- If there is no tax overpayment or the insurer wishes to pay the retaliatory tax in full, then record zero ("0") on this line.

All Classes of Insurance Except Ocean Marine, Life, Title, and Home Protection**Insurance (Premium) Tax Return Instructions**

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Line	Instructions
Line 12b:	2025 Retaliatory Tax Balance Due - If Line 12a is equal to or less than Line 12, then subtract Line 12a from Line 12. The result will be the 2025 Retaliatory Tax balance due . Pay this amount on or before April 1, 2026 .
Line 13, 13a, and 13b:	<p>Tax Refund / Credit – The Tax Refund is equal to the 2025 Tax Overpayment, Line 10, less the amounts applied to Lines 11a and 12a.</p> <ul style="list-style-type: none"> - If there is no tax overpayment, then record zero (“0”) on the following lines. - If the amount is greater than \$10, enter the amount on Line 13a (Tax Refund), - Or, if the amount is \$10 or less, enter the amount on Line 13b (Tax Credit). <p>Note: The annual tax overpayment shall not be applied towards the 2026 Second Quarter Prepayment or any future tax due unless prior approval has been granted by the CDI Premium Tax Audit Unit. Note: Overpayment amount of \$10 or less will be automatically applied as Credit towards future tax liabilities.</p>
Declaration of Insurer (Tax Return, Page 2):	CRTC section 12303(a) states: “Every return required by this article to be filed with the commissioner shall be signed by the insurer or an executive officer of the insurer and shall be made under oath or contain a written declaration that it is made under penalty of perjury. A return of a foreign insurer may be signed and verified by its manager residing within this state. A return of an alien insurer may be signed and verified by the United States manager of the insurer.” Enter the First Name, Last Name, Title, and E-mail of the signing Insurer’s Executive Officer in the space provided. The Insurance (Premium) Tax Return must be signed by the Insurer’s Executive Officer/Manager.

***Attach a copy of the Annual Statement - Schedule T, California State Page, and all supporting documents for this Insurance (Premium) Tax Return.**

Instructions for Schedules A – C and RRG:**Schedule A (Tax Return, Page 3)**

Line	Instructions
Line 1:	Record the amount of Direct Premiums Written as reported on the Annual Statement, Schedule T, Line 5, Column 2. Any Adjustments to This Amount Must Be Explained in Detail. Failure to provide details may result in a deficiency assessment (CRTC sections 12421 - 12435).
Line 2.1:	Record the amount from Annual Statement, Schedule T, Line 5, Column 8.
Line 2.2:	Record any administrative, service or policy fees that were assessed directly to the policyholder during the calendar year of 2025 , other than the amount reported on Line 2.1.
Line 2.3:	Record the Installment Fees: Include amounts paid as reimbursement for additional expense incurred in selling insurance on an installment basis such as additional bookkeeping expense and collection expense.
Line 2.4a., 2.4b.:	<p>If the insurer is a participating member of the California FAIR Plan (FAIR Plan):</p> <ul style="list-style-type: none"> - On Line 2.4a, record the insurer’s FAIR Plan premiums (If Not included in Line 1) - On Line 2.4b, record the insurer’s total FAIR Plan premiums. This line amount is for informational purpose only and not to be included in Line 2.10 Total. - Attach supporting documentation to include: (1) Insurer’s Participation Rates used; (2) Calculation showing the amounts used to determine the insurer’s FAIR Plan Premiums; and (3) all other FAIR Plan supporting documentation. <p>Note: Do not include assessments levied by the FAIR Plan. FAIR Plan levied assessments are not premium for tax purposes.</p>
Line 2.5:	Record the amount from Insurance (Premium) Tax Return, Schedule B, Line 4, if bail-undertaking premiums were executed. This is for surety insurers who transact bail bonds.
Line 2.6:	Record Orphan Premiums. These are premiums from all foreign states and alien countries where the company is not licensed. To be completed by California domiciled companies only.
Line 2.7:	Record any retrospective premiums written during the calendar year of 2025 .
Line 2.8:	<p>Adjustment for “Cash Basis” (Accounts Receivable (AR) Basis) Method of Reporting are to be entered in Schedule A, Lines 2.8 and 3.7 only.</p> <p>Cash Basis: Record the amount of “premiums receivable” reported as a deduction during the prior year if previously filed using the “cash basis” method of calculating premium tax based upon premiums that are received and collected by the insurer during a given tax year. If this is the first time the insurer is filing on a cash basis, then record zero (“0”) on this line. (Title 10 Ch 5 Sub Ch 3 Art 6.2 of the CA Code of Regulation.)</p>
Line 2.9:	Record premiums received that were previously Charged-off/Written-off (Premium recoveries).
Line 2.10:	Total of Lines 1 to 2.9 (Exclude Line 2.4b).

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Line	Instructions
Line 3.1:	Record the total amount from Line 35, Column 3 of the State Page.
Line 3.2:	Record ocean marine premiums net of pleasure boat premiums.
Line 3.3:	Record the amount of "Return Premiums" in accordance with CRTC section 12221 and the California State Constitution, Article XIII, section 28(c), If Not previously deducted from Annual Statement, Schedule T, Line 5, Column 2. Attach List of Policies to include: Policy number and Premium amount, with Total premiums to reconcile to this line item.
Line 3.4:	Record the Federal Employees Health Benefits Program premiums, under section 8909(f)(1) of Title 5 of the United States Code.
Line 3.5:	Record the amount of Multiple Peril Crop from Line 2.2, Column 1 of the State Page.
Line 3.6:	Record Medicare Title XVIII premiums that are exempted from state taxes or other fees by section 1854(g) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. This includes but is not limited to premiums written under a Medicare Advantage product, a Medicare PPO product, or a stand-alone Medicare Part D product.
Line 3.7:	Adjustment for "Cash Basis" (Accounts Receivable (AR) Basis) Method of Reporting are to be entered in Insurance (Premium) Tax Return, Schedule A, Lines 2.8 and 3.7 only. Cash Basis: Record the amount of "premiums receivable" due at the end of the tax year. Calculating premium tax based upon premiums that are received and collected by the insurer during a given tax year less any premiums returned during the same tax year is called "cash basis". An insurer that files on a cash basis shall calculate its taxes on "Collected Direct Premiums" in accordance with CRTC section 12221, or as an alternative method, an insurer may calculate its taxes on Direct Premiums subject to the requirements of CRTC section 12221, using a ratio of the insurer's Direct Premiums written, as reported on the insurer's NAIC Annual Statement Schedule T, and apply it to either the insurer's Collected Direct Premiums or the insurer's Uncollected Direct Premiums. (Title 10 Ch 5 Sub Ch 3 Art 6.2 of the CA Code of Regulation.) Attach supporting documentation to include calculation and explanation at arriving at the reported amount. *Uncollectable agents balances are not allowable deductions. Do not include receivables from Reinsurance premiums or Ocean Marine premiums or any other premiums that is not considered Direct Premiums.
Line 3.8:	Record Premiums Charged-off/Written-off on this line only. (Do not use this line to report uncollected premiums from "Cash Basis" (AR Basis) Method of Reporting). Attach List of Policies Premiums Charged-off/Written-off to include: Policy number and Premium amount, with Total premiums to reconcile to this line item. Note: Premiums received that were received but were previously Charged-off/Written-off are to be included in line 2.9.
Line 3.9:	Total of Lines 3.1 to 3.8.
Line 4:	Deduct Line 3.9 from Line 2.10. Record the result on Net Taxable Premiums, Page 1, Line 1.
Pilot Project - Line 5:	Pilot Project: Record calculation of Pilot Project insurance tax credit pursuant to CRTC section 12208. Maintain records for an audit by the Commissioner on the tax credit taken.
Ocean Marine Insurers – Line 6, 6a, 6b:	Ocean Marine Insurers: If you assume or cede California premiums during the calendar year of 2025 , enter "Yes" and provide the amount assumed on 6a, and ceded on Line 6b. Lines 6a and 6b are information for the Ocean Marine Insurance (Premium) Tax Return. These amounts should reconcile with amounts reported on the Ocean Marine Insurance (Premium) Tax Return.

Schedule B – To Be Completed Only by Surety Insurers Who Transact Bail Bond Premiums (Tax Return, Page 4)

All other insurers go to the following page.

Line	Instructions
Line 1:	The total Face Amount (also known as "Penal Amount") of bail undertakings in California. This is the amount that the judge sets as bail.
Line 2:	This is to calculate the total taxable bail bond premiums received by the company during the calendar year of 2025 .
Line 2.1:	Total premiums on bail bond premiums received by the company during the calendar year of 2025 . For example, the rate is 10%, then on a \$50,000-bail bond the premium is \$5,000. Attach a copy of the rates charged if more than one rate is used.
Line 2.2:	All fees and charges paid by or on behalf of the defendant that is Not included on Line 2.1. For example, there is a bond fee or charge of \$15 per bond. This fee is considered to be taxable premium.

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Line	Instructions
Line 2.3:	Any reimbursable out-of-pocket expenses that were paid by the agent. Refer CDI Bulletin 137 for details, and provide a list of any reimbursable out-of-pocket expenses.
Line 2.4:	Total Taxable Bail Bond Premiums. This is the sum of Line 2.1 and Line 2.2 less Line 2.3.
Line 3:	To determine taxable Bail Bond Premium and any charges/fees that are not included on the Annual Statement California State Page for the calendar year of 2025 .
Line 3.1:	Record the amount as shown on Line 24, Column 1 of the Annual Statement California State Page for the calendar year of 2025 .
Line 3.2:	Record "other surety" premiums that are included on Line 24, Column 1 of the Annual Statement California State Page for the calendar year of 2025 .
Line 3.3:	This is to determine the amount of Bail Bond premiums that are being reported on Line 24, Column 1 of the Annual Statement California State Page for the calendar year of 2025 . Deduct Line 3.2 from Line 3.1 and record the result on this line.
Line 4:	Net taxable Bail Bond Premiums and any charges/fees that are not included on Line 24, Column 1 of the Annual Statement California State Page for the calendar year of 2025 . Deduct Line 3.3 from Line 2.4 and record the result on this line. Record the result on Tax Return, Schedule A, Line 2.5.
Insurers writing surety:	Insurers writing surety: If bail undertakings were executed, this schedule is to be completed. Please see Bulletin Number 137.

Schedule C – Retaliatory Tax Return (Cal. Const. Art. XIII, § 28(f)(3); Ins. Code §§ 685, 685.1) (Insurance (Premium) Tax Return, Page 5)

This schedule is to be completed by all foreign and alien insurers.

(Foreign and alien Risk Retention Groups are to complete the Schedule RRG - Retaliatory Tax Return.)

- The retaliatory portion of the California tax return compares the aggregate burden which would be placed upon your company by the state of California to the aggregate burden which would be placed by your state of domicile upon a hypothetical California company writing the same amount of premium that your company is writing in California.
- Some taxes and obligations imposed in other states may have no corresponding requirement in California; however, this does not relieve the foreign insurer from the obligation of computing and paying the tax. Enter all applicable items that are required of a California insurance company **except** those as specified under California Insurance Code (CIC) section 685.1.
- Include with the Insurance (Premium) Tax Return:** a copy of the State of Domicile's **Annual** premium tax return, a copy of the assessments, invoices, or tax documents along with the calculations **based off of the company's California premium amount**.

Part I: State of Domicile Imposition

Line	Instructions
Line 1:	Record the amount of gross taxable premiums from Insurance (Premium) Tax Return, Page 3, Schedule A, Line 2.10.
Line 2:	Record allowable deductions of the State of Domicile as disclosed in the NAIC Retaliatory Tax Guidelines. Provide on a separate page the descriptions and/or code reference for the amount(s) deducted, with the total matching to this line item.
Line 3:	Deduct Line 2 from Line 1.
Line 4:	Record tax rate of the State of Domicile. If there is more than one tax rate, attach supporting documentation.
Line 5:	Amount of Tax: Record the result of multiplying Line 3 by Line 4.
Line 6:	Record the Fire Department Tax.
Line 7:	Record the Fire Marshal Tax.
Line 8:	Record the Annual Statement Fee.
Line 9:	Record the Certificate of Authority Fee.
Line 10:	Record the Certification Fee.
Line 11:	Record Agent License Fee paid by company on behalf of agents. Record the number of CA agents and the State of Domicile fee for each agent. Example: 10 Agents at \$50 = \$500.
Line 12:	Record the amount of Ocean Marine Tax.
Line 13:	Record the Franchise Tax/Municipal Tax.
Line 14:	Record the Fraud Bureau Assessment.

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Line	Instructions
Line 15:	Record the Total of All Other taxes, fees, and assessments except those specified under CIC section 685.1. Include a schedule of these items with the individual amounts, with the total matching to this line item; and provide complete documentation.
Line 16:	Total of Lines 5 through Line 15.

Part II: California Tax on Foreign/Alien Insurer

Line	Instructions
Line 1:	Record the Premium Tax amount from Insurance (Premium) Tax Return, Page 1, Line 3.
Line 2:	Record the Annual Statement Fee in the amount of \$462 if paid. Note: Do not include the payment of the Annual Statement Fee with your premium tax.
Line 3:	Record the Certificate of Authority Fee in the amount of \$466 if paid. Note: Do not include the payment of the Certificate of Authority Fee with your premium tax.
Line 4:	Record Agent License Fee paid by company on behalf of agents. Record the number of agents and amount of fee for each agent. Example: 10 Agents at \$50 = \$500.
Line 5:	Ocean Marine Insurers file an amended Retaliatory Tax with the Ocean Marine Insurance (Premium) Tax Return pursuant to CRTC section 12281.
Line 6:	Record the Total of All Other taxes, fees, and assessments qualified for inclusion except those specified under CIC section 685.1. Include a schedule of these items with the individual amounts, with the total matching to this line item; and provide complete documentation.
Line 7:	Total of Lines 1 through 6.
Line 8:	If the amount on Part II, Line 7 is greater than the amount on Part I, Line 16, record zero on Line 8 And enter zero on the 2025 Retaliatory Tax, Page 1, Line 12. -Or- If the amount on Part I, Line 16 is greater than the amount on Part II, Line 7, record the difference between the amounts on Line 8 And enter the result on the 2025 Retaliatory Tax, Page 1, Line 12.

Schedule RRG – Retaliatory Tax Return (Cal. Const. Art. XIII, § 28(f)(3); Ins. Code §§ 685, 685.1) (Insurance (Premium) Tax Return, Page 6)

This schedule is to be completed by all foreign and alien Risk Retention Groups (RRG).

- The retaliatory portion of the California tax return compares the aggregate burden which would be placed upon your company by the state of California to the aggregate burden which would be placed by your state of domicile upon a hypothetical California company writing the same amount of premium that your company is writing in California.
- Some taxes and obligations imposed in other states may have no corresponding requirement in California; however, this does not relieve the foreign insurer from the obligation of computing and paying the tax. Enter all applicable items that are required of a California insurance company **except** those as specified under California Insurance Code (CIC) section 685.1.
- Include with the Insurance (Premium) Tax Return:** a copy of the State of Domicile's **Annual** premium tax return, a copy of the assessments, invoices, or tax documents along with the calculations **based off of the RRG's California premium amount.**

Part I: State of Domicile Imposition

Line	Instructions
Line 1:	Record the amount of gross taxable premiums from Insurance (Premium) Tax Return, Page 3, Schedule A, Line 2.10.
Line 2:	Record allowable deductions of the State of Domicile as disclosed in the NAIC Retaliatory Tax Guidelines. Provide on a separate page the descriptions and/or code reference for the amount(s) deducted, with the total matching to this line item.
Line 3:	Deduct Line 2 from Line 1.
Line 4:	Record tax rate of the State of Domicile. If there is more than one tax rate, attach supporting documentation.
Line 5:	Amount of Tax: Record the result of multiplying Line 3 by Line 4.
Line 6:	Record the Fire Department Tax.
Line 7:	Record the Fire Marshal Tax.
Line 8:	Record the Registration Fee.
Line 9:	Record Agent License Fee paid by company on behalf of agents. Record the number of agents and amount of fee for each agent. Example: 5 Agents x \$10 = \$50.

Line	Instructions
Line 10:	Record the Total of All Other taxes, fees, and assessments except those specified under CIC section 685.1. Include a schedule of these items with the individual amounts, with the total matching to this line item; and provide complete documentation.
Line 11:	Total of Lines 5 through Line 10.

Part II: California Tax on Foreign/Alien Insurer

Line	Instructions
Line 1:	Record the Premium Tax amount from Insurance (Premium) Tax Return, Page 1, Line 3.
Line 2:	Registration Fee in the amount of \$300 if paid. Note: Do not include the payment of the Registration Fee with your premium tax.
Line 3:	Record the Agent License Fee paid by company on behalf of agents. Record the number of agents and amount of fee for each agent. Example: 5 Agents x \$10 = \$50.
Line 4:	Record the Total of All Other taxes, fees, and assessments qualified for inclusion except those specified under CIC section 685.1. Include a schedule of these items with the individual amounts, with the total matching to this line item; and provide complete documentation.
Line 5:	Total of Lines 1 through 4.
Line 6:	If the amount on Part II, Line 5 is greater than the amount on Part I, Line 11, record zero on Part II, Line 6 And enter zero on the 2025 Retaliatory Tax, Page 1, Line 12. -Or- If the amount on Part I, Line 11 is greater than the amount on Part II, Line 5, record the difference between the amounts on Part II, Line 6 And enter the result on the 2025 Retaliatory Tax, Page 1, Line 12.

***Pursuant to CRTC section 12281, all insurers licensed for Class 3 (Marine) who transact Ocean Marine insurance are to file an Amended Retaliatory Tax Return (Insurance (Premium) Tax Return Schedule C) to report any Ocean Marine tax paid. The Amended Retaliatory Tax Return is to be filed with the Ocean Marine Insurance (Premium) Tax Return.**

Other Instructions:

Insurers admitted in California are required to pay Insurance (Premium) taxes for business done in California (CRTC sections 12201 and 12202). The tax statute is based on the Article XIII, Section 28 of the California Constitution.

Retaliatory Tax: If any taxes, licenses and fees, in the aggregate, and any fines, penalties, deposits and other material obligations imposed on California insurers, and their representatives are in excess of the amounts charged similar insurers and their representatives by California, a retaliatory tax shall be imposed. Law does not apply to ad valorem taxes imposed by another state or country, unless allowed as a deduction from premium taxes due. (Cal. Const. Art. XIII, § 28(f)(3); CIC sections 685, 685.1)

Gross Premiums: Gross premiums consist of all items of cost of the insurance to the insured, except for premiums received for reinsurance, including but not limited to installment charges; finance charges; administration and/or service fees in connection with a self-administered plan or Mini-Met type plan.

California Fair Plan Participation: Share of premium should be recorded as direct writings and included in the tax base.

Agent's Balance: Must be reported on a written basis as part of gross premiums received irrespective of whether or not the insurer has collected from the agent or the policyholder.

Non-admitted States: Business by a domestic insurer on policyholders in states where the insurer is not licensed to write insurance is to be reported as California premium business unless no part of the transaction occurs in California.

Group Policy Contracts: See NAIC Annual Statement Instructions for Rule of 500.

Deductions NOT allowable: Retrospective or experience rating refunds or dividends which are not paid directly to the premium payer; excess interest earnings returned to the policyholder and uncollectible agent's balances are not allowable deductions.

California Insurance Guarantee Association (CIGA): Amounts recouped shall not be considered premiums for any other purposes, including the computation of gross premium tax or agents commission.

Reciprocal/Interinsurance Exchange: California Insurance Code section 1530 states, in part, “. . . the term gross premiums, as applied to reciprocal or interinsurance exchanges, includes all sums paid by subscribers in this state by reason of the insurance exchange, whether termed premium deposit, membership fee, or otherwise, after deducting therefrom premium deposit returns or cancellations, and all amounts returned to subscribers or credited to their accounts as savings, but does not include such sums received for reinsurance and for ocean marine insurance.”

Employee Benefit Plan contributions for the company's own employees in California: “...the entire cost of an employee benefit plan, whether paid from the employer's funds or financed by deductions from the salaries of employees, is taxable as gross premiums inuring to the benefit of the insurer.” *Metropolitan Life Ins. Co. v. State Bd. of Equalization* (1982) 32 Cal.3d 649, 661-662.

Extension of Time

- **Prepayments – CRTC section 12255:** The commissioner, for good cause shown, may extend for not to exceed 10 days the time for making a prepayment. 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. Interest at the rate prescribed by section 12631 shall be paid for the period of time for which the extension is granted.
- **Annual Tax – CRTC section 12306:** The commissioner, for good cause shown, may extend for 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.
- **Interest on Extension – CRTC section 12307:** Any insurer to whom an extension is granted shall pay, in addition to the tax, interest at the modified adjusted rate per month, or fraction thereof, established pursuant to section 6591.5 from April 1st until the date of payment.
- **To request for extension of time,** submit a 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 from 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, 12979, and 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 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.
 - The tax installment/prepayment amounts will remain unchanged from the original amounts, which are based on the original Insurance (Premium) Tax Return as filed and processed by the CDI.
2. **File the Amended Insurance (Premium) Tax Return with the CDI:**
 - For **2024 and subsequent tax years** - Amended Insurance (Premium) Tax Return is to be filed online via the CDI PTPS at [Tax Forms, Instructions & Information](#). Attach explanation letter and supporting documentation to reconcile with the total amount of refund being claimed. CDI may request additional information during the review.
 - For **2023** and prior tax years (active tax years only) - Amended Insurance (Premium) Tax Return is to be filed via 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."
 - The tax installment/prepayment amounts will remain unchanged from the original amounts, which are based on the original Insurance (Premium) Tax Return as filed and processed by the CDI.
2. **File the Amended Insurance (Premium) Tax Return with the CDI:**
 - For **2024 and subsequent tax years** - Amended Insurance (Premium) Tax Return is to be filed online via the CDI PTPS at [Tax Forms, Instructions & Information](#). Attach explanation letter and supporting documentation to reconcile with the total annual tax change and amount due.
 - For **2023** and prior tax years - Amended Insurance (Premium) Tax Return is to be filed via 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
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