



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

January 15, 2021

To All Admitted Insurers, Surplus Line Brokers, and Other Interested Parties

2020 TAX RETURN INFORMATION

The 2020 tax filing for Surplus Line Brokers is due to the California Department of Insurance (CDI) on **March 1, 2021**, and the annual tax filing for Insurers is due on **April 1, 2021**, except for the Ocean Marine insurance tax filing, which is due on **June 15, 2021**. Important tax filing information is as follows:

- **Each insurer or surplus line broker is required to file a tax return for all business transacted during the preceding calendar year.** Please note that if you had no business transacted in 2020 or you started your business in 2020, you are still required to file a tax return by the appropriate required due date. (California Revenue and Taxation Code section 12302 and California Insurance Code section 1774) For surplus line brokers with no taxable premiums to report, please use the CDI tax return form CDI FS-006-0 (REVISED 10/2020).
- **Individually Licensed and Endorsed Surplus Line Brokers** – The individually licensed and endorsed brokers who transact or write business on behalf of a surplus line broker organization are not required to file a Zero Premium Tax Return since 2013. **Do not submit these tax returns to CDI**. For more details, please refer to the [Zero Premium Tax Returns and Reporting Requirements Notice](#) posted on CDI's website.
- **Each insurer or surplus line broker whose annual tax for the preceding calendar year was twenty thousand dollars (\$20,000) or more is required to make quarterly prepayments (for insurer) or monthly installment payments (for surplus line broker) for the current calendar year.** Specifically, if your 2020 tax liability was \$20,000 or more, you are required to make the quarterly prepayments or monthly installment payments for 2021.
- **Each insurer or surplus line broker whose annual tax for the preceding calendar year was more than twenty thousand dollars (\$20,000) is required to make payment by Electronic Funds Transfer (EFT).** Specifically, if your 2020 tax liability exceeded \$20,000, you are required to make all 2021 tax payments (monthly, quarterly, and annual) by EFT. To avoid delay in processing your EFT payments, it is critical that you provide the correct Taxpayer Identification Number, tax type code, and tax due date in your EFT transaction.

If you need assistance with establishing an EFT account or experience any problems with making your EFT payment by the required due dates, please call the EFT Hotline at (916) 492 - 3288 prior to the payment due date to avoid any potential penalty assessment. (California Revenue and Taxation Code section 12602 and California Insurance Code sections 12976.5 and 1775.8)

- ✓ Please provide a contact person's e-mail address on your tax return to ensure that your company receives the latest tax updates from CDI.
- ✓ Please file only one (1) original tax return form with CDI.

Special Note: During the period of the public health emergency due to COVID 19 pandemic, the 2020 annual tax return may be filed electronically via email submission to EFT@insurance.ca.gov. The required paper original of a properly executed document must be submitted within 90 days of the lifting of the "shelter-in-place" order in California.

Tax Forms

All 2020 Tax Forms, Instructions and Information are available on CDI's website. To obtain "Tax on Insurers Law," please refer to www.cdtfa.ca.gov and under "Tax Resources", select "Forms & Publications," then select "Business Taxes Law Guide," then under "Table of Contents," access Volume 4, Tax on Insurers.

If you are unable to access the CDI website, prefer to obtain a hard copy of a tax form, or have any questions regarding tax payments, please call the EFT Hotline at (916) 492 - 3288 or via email at EFT@insurance.ca.gov.

/s/ Julia B. Cross

JULIA B. CROSS, DEPUTY COMMISSIONER
ADMINISTRATION & LICENSING SERVICES BRANCH