

DEPARTMENT OF INSURANCE

ADMINISTRATION AND LICENSING SERVICES BRANCH
300 CAPITOL MALL, SUITE 1600
SACRAMENTO, CA 95814
www.insurance.ca.gov



January 14, 2010

NOTICE

TO: All Admitted Insurers, Medi-Cal Managed Care Plans, Surplus Line Brokers, and Other Interested Parties

SUBJECT: 2009 Tax Return Information

The 2009 tax filing for Surplus Line Brokers is due to the California Department of Insurance (CDI) on **March 1, 2010** and the annual tax filing for Insurers and the Medi-Cal Managed Care Plans is due on **April 1, 2010** except for the Ocean Marine insurance tax filing, which is due on **June 15, 2010**. Important tax filing information is as follows:

- For the purpose of this notice, “insurer” means both insurers and Medi-Cal Managed Care Plans.
- 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 2009 or you started your business in 2009, 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) **Note:** If you are a surplus line broker and have no taxable premiums to report, please use CDI’s tax return CDI FS-006-0 (NEW 09/2009).
- Each insurer or surplus line broker whose annual tax for the preceding calendar year was five thousand dollars (\$5,000) or more is required to make quarterly prepayments or monthly installment payments for the current calendar year. Specifically, if your 2009 tax liability was \$5,000 or more, you are required to make the quarterly prepayments or monthly installment payments for 2010. Please refer to the CDI Web site www.insurance.ca.gov for the tax due dates. (California Revenue and Taxation Code Section 12251 and California Insurance Code Section 1775.1)
- Each insurer or surplus line broker whose preceding annual taxes exceed twenty thousand dollars (\$20,000) is required to make payment by Electronic Funds Transfer (EFT). Specifically, if your 2009 tax liability exceeded \$20,000, you are required to make all 2010 tax payments (monthly, quarterly, and annual) by EFT. To avoid delay in processing your EFT payments, it is critical to ensure that you provide the correct Taxpayer Identification Number (TIN), 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 contact us 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 your contact person’s e-mail address on your tax return to ensure that CDI can provide your company with the latest tax updates.
- Please file only one (1) original tax return form with the California Department of Insurance.

Tax Forms

All 2009 tax return forms and instructions are available for your convenience at the CDI Web site located at <http://www.insurance.ca.gov>. Once, you log on, click “Insurers”. From the drop down menu, click “Insurers” again. Then select, “Applications, Forms & Filings”. Proceed to select “Tax Forms, Instructions, and Information”, then click on “2009 Tax Forms, Instructions and Information”. To obtain the “California Tax on Insurers” Guide, please refer to www.boetaxes.ca.gov and under “Forms & Publications”, click on “Business Tax Law Guide – Table of Contents”, and then scroll to Volume 4, Tax on Insurers.

If you are unable to access the CDI Web site and/or prefer to obtain a hard copy of a tax form or have any questions regarding tax payments, please contact us at (916) 492-3288 at your convenience.

**DEPUTY COMMISSIONER
ADMINISTRATION & LICENSING SERVICES BRANCH**