

All Title Insurance Companies must complete and file a *Title Insurance (Premium) Tax Return (CDI FS-003)*, whether or not business was transacted during the Calendar Year of 2024. Complete all items, including the method of tax payment.

1. **Due on or before April 1, 2025:** File one (1) *Title Insurance (Premium) Tax Return (CDI FS-003)* 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. **Register for the CDI PTPS** – The Executive Officer 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 12976.5 and California Revenue and Taxation Code (CRTC) section 12602, 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.

II. **For quarterly payments**, submit the *Insurer Quarterly Insurance (Premium) Tax Prepayment Voucher (CIA-T-4)* via e-mail to PremiumTaxFiling@insurance.ca.gov.

III. **On e-mail subject line**, include the California Permanent Number (not NAIC Number), the Name of the Insurer, the associated Tax Year, and the Tax form being filed. **Example:** 0000-0 - Any Insurance Company – 2025 Title Tax Payment Voucher Q1.

IV. 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 *Title Insurance (Premium) Tax Return (CDI FS-003)* and/or a completed *Insurer Quarterly Insurance (Premium) Tax Prepayment Voucher (CIA-T-4)* 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, please contact the CDI via e-mail to PremiumTaxAudit@insurance.ca.gov.

Instructions

The following are line by line instructions for the Title Insurance (Premium) Tax Return for the calendar year 2024.

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: “New Company” - If admitted during **2024**; “Name Change” - If name was changed during **2024**; “Final Return” - If no further business transacted due to withdrawal of the Certificate of Authority or a non-survivor of a merger during **2024**, 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.

Record All Amounts in Whole Dollars

Page 1

Line	Instructions
Line 1:	Gross All Inclusive Title Insurance Premiums – Record the amount of Direct Premiums Written as reported on the Annual Statement Schedule T, Line 5, sum of Columns 3, 4 and 5.
Line 1.1:	Deduct Sum Retained by Underwritten Title Companies – Record and Attach documentation of sum retained by underwritten title companies reported on this line.
Line 1.2:	Net Taxable Insurance Premiums – Subtract Line 1.1 from Line 1.
Line 2:	All Income Received on Reinsurance Assumed – Record all income received on reinsurance assumed without deducting for reinsurance ceded.
Line 3:	All Other Income (and Income from “Investments”) – Refer to CRTC sections 12231 and 12232 found on page 4 of these instructions to complete this line. Also refer to Annual Statement, Schedule T, Column 6.
Line 4:	Total Taxable Income – Record the sum of Lines 1.2, 2, and 3.
Line 5:	Tax Rate – the tax rate of 2.35 %.
Line 6:	2024 Annual Tax – Multiply Line 4 by the tax rate on Line 5 to determine the 2024 Annual Tax , Line 6. If the result of Line 6 is a negative amount, record zero (“0”) tax due. If the 2024 Annual Tax is more than \$20,000, then the insurer is required to participate in the EFT Program. 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 7:	Low-Income Housing Tax Credit (LIHTC) – Record any Low-Income Housing Tax Credit for the calendar year of 2024 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 8:	College Access Tax Credit (CATC) – Record any credits claimed for the calendar year of 2024 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 9:	Prepayments Made During the Calendar Year of 2024 (CRTC sections 12251-12260) – Only include those prepayments made or applied to the first quarter during the calendar year of 2024 . Exclude all payments of interest and penalties.

Line	Instructions
Line 9a:	<p>Overpayment applied from prior year – If there was an overpayment applied to the 2024 First Quarter Prepayment, as reported on Line 13a of the 2023 tax return, then record the amount applied on Line 9a (for example, if the 2024 First Quarter Prepayment due was \$2,500 and the amount of 2023 Overpayment applied was \$500, then record \$500 on Line 9a). Include prior year overpayment amount of \$10 or less applied as Credit towards future tax liabilities.</p> <p>-Or- If there was no overpayment applied to the 2024 First Quarter Prepayment and no prior year overpayment amount of \$10 or less, then record zero (“0”) on Line 9a.</p>
Line 9b:	<p>First Quarter (Balance Paid) – If there was an overpayment applied to the 2024 First Quarter Prepayment, then record the net balance paid on Line 9b (for example, if the 2024 First Quarter Prepayment due was \$2,500 and the amount of 2023 Overpayment applied was \$500, then record \$2,000 on Line 9b).</p> <p>-Or- If there was no overpayment applied to the 2024 First Quarter Prepayment, then record the amount paid for the 2024 First Quarter Prepayment on Line 9b.</p>
Line 9c–9e:	<p>Second, Third, and Fourth Quarters – Record the amount paid for each quarter.</p>
Line 9f:	<p>Total Prepayments – Record the sum of Lines 9a through 9e.</p>
Line 10:	<p>Total Credits and Prepayments – Record the sum of Lines 7, 8, and 9f.</p>
Line 11:	<p>2024 Tax Due – If Line 6 is More than Line 10, then subtract Line 10 from Line 6. The result will be the balance of the 2024 Annual Tax Due. Pay this amount on or before April 1, 2025. If Line 6 is LESS than Line 10, then record zero (“0”) on this line and proceed to Line 12.</p>
Line 12:	<p>2024 Tax Overpayment – If Line 10 is More than Line 6, then subtract Line 6 from Line 10, and record the result of the overpayment on this line. If Line 10 is LESS than Line 6, record zero (“0”) on this line and proceed to Line 13. Note: The tax overpayment (line 12) may be applied to the 2025 First quarter prepayment and the 2024 Retaliatory tax. A Refund Shall Not be applied to the 2025 Second quarter prepayment or any future tax payment unless prior approval has been granted by the CDI Premium Tax Audit Unit.</p>
Line 13:	<p>2025 First Quarter Prepayment – Record the 2025 First Quarter Prepayment on this line. If the Annual Tax, Line 6, is \$20,000 or more, the insurer is required to make prepayments equal to 25 percent of Line 6. If the amount on Line 6 is less than \$20,000, then record zero (“0”) on this line. (CRTC sections 12251-12260)</p>
Line 13a:	<p>2024 Tax Overpayment applied to the First Quarter Prepayment – Record the amount of the 2024 Tax Overpayment, Line 12, applied to 2025 First Quarter Prepayment. Note: The application of the overpayment is not required. The insurer may pay the 2025 First Quarter Prepayment in full and receive a refund of the total amount reported on the tax overpayment, Line 12.</p> <p>-Or- If there is no tax overpayment or the insurer wishes to pay the 2025 First Quarter Prepayment in full, then record zero (“0”) on this line.</p>
Line 13b:	<p>2025 First Quarter Prepayment Balance Due – If Line 13a is equal to or less than Line 13, then subtract Line 13a from Line 13. The result will be the 2025 First Quarter Prepayment Balance Due. Pay this amount on or before April 1, 2025.</p>
Line 14:	<p>2024 Retaliatory Tax – Record the result from Insurance (Premium) Tax Return, Page 3, Schedule A, Part II, Line 7.</p>
Line 14a:	<p>2024 Tax Overpayment applied to the Retaliatory Tax – This line is an optional field. If there is any remaining balance for the 2024 Tax Overpayment, after it was applied to the 2025 First Quarter Prepayment, then apply the remaining balance to the 2024 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 12, less any amount applied to the 2025 First Quarter Prepayment, Line 13a.</p> <p>-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.</p>
Line 14b:	<p>2024 Retaliatory Tax Balance Due – If Line 14a is equal to or less than Line 14, then subtract Line 14a from Line 14. The result will be the 2024 Retaliatory Tax balance due. Pay this amount on or before April 1, 2025.</p>

Line	Instructions
Line 15, 15a, and 15b:	<p>Tax Refund / Credit – The Tax Refund is equal to the 2024 Tax Overpayment, Line 12, less the amounts applied to Lines 13a and 14a.</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 15a (Tax Refund), - Or, if the amount is \$10 or less, enter the amount on Line 15b (Tax Credit). <p>Note: The annual tax overpayment <i>shall not</i> be applied towards the 2025 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):	<p>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 physically signed.</p>

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

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

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

- 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 section (CICS) 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 Tax on California Insurer

Line	Instructions
Line 1:	Record the amount of gross taxable premiums from Page 1, Line 1. If amount reported is different from Page 1, Line 1, attach supporting documentation/calculation.
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 Franchise Tax/Municipal Tax.
Line 13:	Record the Total of All Other taxes, fees, and assessments except those specified under CICS 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 14:	Total of Lines 5 through Line 13.

Part II: California Tax on Foreign/Alien Insurer

Line	Instructions
Line 1:	Record the Premium Tax amount from Page 1, Line 6.
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:	Record the Total of All Other taxes, fees, and assessments qualified for inclusion except those specified under CICS 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 6:	Total of Lines 1 through 5.
Line 7:	If the amount on Part II, Line 6 is greater than the amount on Part I, Line 14, record zero on this line and enter zero on the 2024 Retaliatory Tax, Page 1, Line 14. -Or- If the amount on Part I, Line 14 is greater than the amount on Part II, Line 6, record the difference between the amounts on Line 7 and enter the result on the 2024 Retaliatory Tax, Page 1, Line 14.

CRTC sections 12231 And 12232

Article 3. Basis of Tax for Title Insurers

12231. **“Income upon business” as basis of tax.** In the case of an insurer transacting title insurance in this State, the basis of the tax is, in respect to each year, all income upon business done in this State, except:

- (a) Interest and dividends.
- (b) Rents from real property.
- (c) Profits from the sale or other disposition of investments.
- (d) Income from investments

12232. **“Investments” defined.** “Investments,” as used in Section 12231, includes property acquired by an insurer in the settlement or adjustment of claims against it but excludes investments in title plants and title records. Income derived directly or indirectly from the use of title plants and title records is included in the basis of the tax.

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 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 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.
 - For Insurers only: The prepayment amount will remain unchanged from the original amount, which is 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 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."
 - For Insurers only: The prepayment amount will remain unchanged from the original amount, which is 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 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