California Department of Insurance (CDI) Frequently Asked Questions for Whole Dollar Tax Reporting for Surplus Line Brokers (Updated 1/22/2024)

- 1. Do we round up to the next whole dollar or do we round to the nearest whole dollar up or down depending on the amount?
 - When reporting amounts in whole dollar, tax filers are to disregard the fractional part of a dollar, unless it amounts to fifty cents (\$0.50) or more, in which case it shall be increased to one dollar (\$1.00).

• For the 2023 Tax Return: Report in Whole Dollars for Lines 1-3, 5, 8, and 9. Pay the amount due as reported.

	006 (Revised 01/1	1/2024) For example use only. Not posted.	Tax Due	Date March 1, 20
Broker's I	Name	<u> </u>	License Number	•
).B.A.	National Property of the Control of		Federal Tax I.D. No.	
Mailing A			EFT Taxpayer I.D. No.	(Leave black)
City, Stat			(Leave blank)	(Leave blank)
	ne Number	0.5	(Leave blank)	(Leave blank)
	of Tax Payment:	○ No Payment ○ Check ○ EFT	(Leave blank)	(Leave blank)
_	Il that apply:		(Leave blank)	(Leave blank)
_ `	orting Multi-state Ris		(Leave blank)	(Leave blank)
☐ New	=	Final Return Indicate the effective date of the final transaction:	(Leave blank)	(Leave blank)
INAME	ne Change	Amended Return Indicate the date when it was amended:	(Leave blank)	(Leave blank)
on Polic From Jai	cies/Certificates a	axable Non-admitted Premiums ind Endorsements Transacted by The Broker Filing This Return December 31, 2023 (Report in Whole Dollars for Lines 1-3, 5, 8, and 9)	(Column F)	CDI II-a Oalv
		·		CDI Use Only
		iums transacted during 2023 (Line 10+10A+10B+10C, pg 2-5) \$		
		during 2023 (Line 11 + Line 12, pg 6-7)	S	
. Ne	et Taxable Premiu	ns (Line 1 less Line 2)	6	
. Ta	x Rate		3%	
. 202	23 Annual Tax	•	;	
B. C. D. E. F.	Jan (due 4/1) Feb (due 5/1) Mar (due 6/1) Apr (due 7/1) May (due 8/1) Jun (due 9/1)	\$ \$ \$ \$	5	
H.	Jul (due 10/1)	\$	5	
	Aug (due 11/1)	\$	5	
1.			,	
l. J.	Sept (due 12/1))	
l.				
l.	Oct (due 1/1)	\$	3	
I. J. K.	Oct (due 1/1) Nov (due 2/1)	\$	5	
I. J. K. L.	Oct (due 1/1) Nov (due 2/1) Dec (due 3/1)	• • •	5	
I. J. K. L. M.	Oct (due 1/1) Nov (due 2/1) Dec (due 3/1) otal Monthly Tax 8	S S S Sayments (Sum of Line 6A through 6M)	5 5 6	
I. J. K. L. M. Y. To	Oct (due 1/1) Nov (due 2/1) Dec (due 3/1) Dtal Monthly Tax P Tax Due (Enter an	Payments (Sum of Line 6A through 6M)	(Column F)	
I. J. K. L. M. To Annual T	Oct (due 1/1) Nov (due 2/1) Dec (due 3/1) Datal Monthly Tax 6 Tax Due (Enter an	Payments (Sum of Line 6A through 6M) Sount in Column F) In Line 7, subtract Line 7 from Line 5.	(Column F)	
I. J. K. L. M. '. To	Oct (due 1/1) Nov (due 2/1) Dec (due 3/1) otal Monthly Tax F Tax Due (Enter an Line 5 is more that is is the amount o	Payments (Sum of Line 6A through 6M) Shount in Column F) In Line 7, subtract Line 7 from Line 5. If Annual Tax Owed. Net Annual Tax Due March 1st	(Column F)	
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• For the **Monthly** Tax Payment Voucher: Report in Whole Dollars for Lines 1-3, 5, 6, and 7. Pay the amount due as reported.

Surplus Line Broker's Month	ly Tax Payment	Department of Insuran Record and Make Payments in Whole Dollars. Report in Whole Dollars for Lines 1-3, 5, 6, and 7. Delinquent if not paid on the 1st day of the 3rd month	
FS-007 (Revised 11/09/2023) For exam			
Method of Payment: (Mail to address be	elow payment method)		
Check Q EFT OR O Payment Voucher		following the end of the transaction month.	
Make check payable to:	E-Mail to:	Taxable Non-admitted Premiums on Policies, Certificates, And Endorsements	
California State Controller's Office	PremiumTaxFiling@insurance.ca.gov		
Mail to: California Department of Insurance	(Leave blank) (Leave blank)	Transacted by This Broker:	
Tax Accounting Unit	(Leave blank)	(Leave blank)	(Leave blank)
P.O. Box 1918	(Leave blank)	(Leave blank)	(Leave blank)
Sacramento, CA 95812-1918	(Leave blank)	(Enter date or amount in Column E)	(Column E)
I certify under penalty of perjury unde	r the laws of the	For the Month of:	
State of California that this is a true a	nd correct declaration.	Year:	
(Enter information in Column C)	(Column C)	Tax Due Date:	
This Payment Must Be Applied To Surplus Line License No.:		Prior Year's Tax Liability:	
Name of Licensee:		1. Gross Premiums:	
Mailing Address:		2. Deduct Return Premiums:	
City, State, & Zip code:		3. Net Taxable Premiums:	
Telephone number:		4. Tax Rate:	3%
Signature of Broker/Officer:		5. Tax Amount Due this Month:	
Date:		6. Credit Prior Month Overpayment:	
If Amended, indicate the date of the amended youcher:		7. Net Amount Due:	

2. Is there a bulletin about this change?

Notice of Whole Dollar Reporting is provided in the 2023 Tax Form instructions. Additional clarifying information will be posted on the CDI Tax Page when available.

3. When does/did this go into effect?

Whole Dollar Reporting goes into effect for reporting the 2023 Annual Tax due March 1st, 2024, for surplus line brokers.

4. Is this only if mailing by check or does this apply to Electronic Funds Transfer (EFT) payments as well?

Whole Dollar Reporting applies to all methods for tax payments only. (Note: Assessments must be paid in full exact amount and sent to the appropriate mailing address as provided in the assessment letter.)

5. Is there a grace period on this change?

CDI will still accept your tax payment if cents were already reported/included/paid. For your next tax payment, please report/pay the tax in whole dollar.

- For the **2023** Tax Return: Report in Whole Dollars for Lines 1-3, 5, 8, and 9. Pay the amount due as reported.
- For the **Monthly** Tax Payment Voucher: Report in Whole Dollars for Lines 1-3, 5, 6, and 7. Pay the amount due as reported.
- If you already paid tax including cents, please report the cents on the tax return and/or voucher. For your next tax payment, please report/pay the tax in whole dollar.
- 6. What happens if a payment is sent in or paid via Electronic Funds Transfer (EFT) with the cents included? Please see item 5 above.

7. We don't need to round the premium amount correct?

Please see items 1 and 5 above.

8. Do we round Stamping fees?

No. Whole Dollar Reporting applies only to Tax Forms filed with California Department of Insurance. This does not apply to Stamping fees which are collected by the Surplus Line Association of California.