



CSLB Law & Business Key Numbers and Deadlines (2026)

The deadlines, dollar amounts and penalty ranges the exam asks about, grouped by exam section. Each law reference links to the official text.

Section 1: Business Organization and Licensing

WHAT	NUMBER OR DEADLINE	THE LAW
Minor work exception (no contractor license needed) Labor and materials. Not if it needs a building permit, you advertise, or hire help. CSLB's 2023 guide still says \$500.	Less than \$1,000	Bus. & Prof. Code §7048(a), (c)
Contractor's bond Needed to get, renew or keep a license. Not needed while the license is inactive.	\$25,000	Bus. & Prof. Code §7071.6(a)
Qualifier's bond (qualifier is not the owner or a general partner) Separate from the contractor's bond. Not needed if the qualifier owns 10%+ of the corporation's voting stock or the LLC.	\$25,000	Bus. & Prof. Code §7071.9(a)(1), (c), (d)
Report changes to license information (address, personnel, name) In writing to the registrar. Late notice is grounds for discipline.	Within 90 days	Bus. & Prof. Code §7083(a)
Notify CSLB and replace a qualifier who leaves If not replaced in 90 days, the license is suspended or the class removed. One 90-day extension in limited cases.	90 days	Bus. & Prof. Code §7068.2(a)
Maximum number of firms one person may qualify for Extra firms need at least 20% common ownership, a subsidiary or joint venture, or mostly the same officers.	3 firms in any one-year period	Bus. & Prof. Code §7068.1(b)
Qualifier work experience As a journeyperson, foreperson, supervising employee or contractor in the trade applied for.	4 years within the last 10 years	CSLB, Get Licensed to Build, General Requirements Q1, p. 3
Contracting without a license: first conviction A misdemeanor. Later convictions bring larger fines and longer jail terms.	Up to \$5,000 fine and/or 6 months in county jail	Bus. & Prof. Code §7028(b)
License term before renewal Counted from the last day of the month the license was issued.	2 years	Bus. & Prof. Code §7140

WHAT	NUMBER OR DEADLINE	THE LAW
Inactive license term No bond, qualifier or workers' comp needed while inactive, but you may not work as a contractor.	4 years	Bus. & Prof. Code §7076.5(c)

Section 2: Business Finances

WHAT	NUMBER OR DEADLINE	THE LAW
Monthly federal deposit schedule: lookback-period tax Form 941 taxes for the 4 lookback quarters. More than \$50,000 means the semiweekly schedule.	\$50,000 or less	IRS Pub. 15 (2026), section 11, Monthly Deposit Schedule
Monthly depositor: payroll tax deposit due For taxes on wages paid during the month.	15th day of the following month	IRS Pub. 15 (2026), section 11, Monthly Deposit Schedule
Tax accumulated in a deposit period that forces a next-day deposit A running total, not one payday's tax. Deposit by the next business day; a monthly depositor then becomes semiweekly.	\$100,000 or more	IRS Pub. 15 (2026), section 11, \$100,000 Next-Day Deposit Rule
Social security tax rate and wage base (2026) 2026 figures; check the current year's Pub. 15.	6.2% each for employer and employee, on wages up to \$184,500	IRS Pub. 15 (2026), section 9, Tax rates and the social security wage base limit
Medicare tax rate Employees also have 0.9% Additional Medicare Tax withheld on wages over \$200,000 in a year.	1.45% each for employer and employee, no wage limit	IRS Pub. 15 (2026), section 9, Tax rates and the social security wage base limit
Federal unemployment (FUTA) tax (2026) Employer only. With the full 5.4% state credit the net rate is 0.6%; the credit is smaller in a credit reduction state.	6.0% on the first \$7,000 per employee	IRS Pub. 15 (2026), section 14, Figuring FUTA tax
California Unemployment Insurance (UI) tax (2026) Employer-paid. Rates can range from 1.5% to 6.2%, based on experience rating and the UI Fund.	First \$7,000 per employee; new employers pay 3.4% for 2 to 3 years	EDD DE 44 (2026), Unemployment Insurance, Who Pays It?, p. 8
California State Disability Insurance (SDI) withholding (2026) Withheld from the employee's pay. No SDI wage limit since January 1, 2024.	1.3% of all subject wages	EDD DE 44 (2026), State Disability Insurance Tax, p. 8

WHAT	NUMBER OR DEADLINE	THE LAW
Register with EDD as an employer Paying over \$100 in a calendar quarter makes the business a subject employer. Register online or by form.	Within 15 days after paying over \$100 in wages in a quarter	EDD DE 44 (2026), When to Register, p. 6
Expected tax owed that requires estimated tax payments (individuals) Also, withholding and credits fall below the smaller of 90% of 2026 tax or 100% of 2025 tax (110% for higher incomes).	\$1,000 or more	IRS Pub. 505 (2026), chapter 2, Who Must Pay Estimated Tax

Section 3: Employment Requirements

WHAT	NUMBER OR DEADLINE	THE LAW
Report a new or rehired employee to EDD (DE 34) Counted from the start-of-work date, the first day of paid work.	Within 20 calendar days	EDD DE 44 (2026), Report of New Employee(s) (DE 34), p. 56
Report an independent contractor to EDD (DE 542) Whichever comes first in the calendar year.	Within 20 calendar days of paying or contracting for \$600 or more	EDD DE 44 (2026), Report of Independent Contractor(s) (DE 542), p. 58
How often most wages must be paid Work 1st-15th: paid 16th-26th. 16th-month end: paid 1st-10th next month. Weekly/biweekly OK if paid within 7 days.	Twice each calendar month	Lab. Code §204(a)
Final pay when you fire (discharge) an employee All wages earned and unpaid at the time of discharge.	Immediately	Lab. Code §201(a)
Final pay when an employee quits without notice If the employee gave at least 72 hours' notice, pay is due at the time of quitting.	Within 72 hours	Lab. Code §202(a)
Overtime pay rates Also 1.5x for the first 8 hours on the 7th day worked in a workweek, and 2x after 8 hours that day.	1.5x over 8 hours a day or 40 hours a week; 2x over 12 hours a day	Lab. Code §510(a)
First meal period Can be waived by mutual consent if the workday is no more than 6 hours.	At least 30 minutes for a work period over 5 hours	Lab. Code §512(a)
Paid sick leave accrual rate An employer may limit use to 40 hours or 5 days per year.	1 hour for every 30 hours worked	Lab. Code §246(b)(1)

WHAT	NUMBER OR DEADLINE	THE LAW
Keep payroll records of daily hours and wages paid Kept at a central California location or where employees work. EDD requires at least 4 years.	At least 3 years	Lab. Code §1174(d)
Keep payroll records for EDD 8 years for payments to service providers if you believe you are not a subject employer.	At least 4 years	EDD DE 44 (2026), Recordkeeping, p. 12
Penalty for willful misclassification as an independent contractor \$10,000 to \$25,000 per violation for a pattern or practice of violations.	\$5,000 to \$15,000 per violation	Lab. Code §226.8(b)

Section 4: Insurance and Liens

WHAT	NUMBER OR DEADLINE	THE LAW
Preliminary notice deadline A late notice still works, but only for work done from 20 days before it was served.	20 days after first furnishing work	Civ. Code §8204(a)
Direct contractor: record a mechanics lien Only after the direct contract is completed.	Earlier of 90 days after completion or 60 days after notice of completion/cessation	Civ. Code §8412
Subcontractor or supplier: record a mechanics lien Only after the claimant stops providing work.	Earlier of 90 days after completion or 30 days after notice of completion/cessation	Civ. Code §8414(b)
File suit to enforce a recorded mechanics lien If no suit is filed in time, the lien expires and cannot be enforced.	Within 90 days after recording	Civ. Code §8460(a)
Owner records a notice of completion Optional for the owner. It must be signed and verified by the owner.	Within 15 days after completion	Civ. Code §8182(a)
Give an injured worker a workers' comp claim form For injuries with lost time beyond the work shift or treatment beyond first aid.	Within 1 working day	Lab. Code §5401(a)
CSLB minimum penalty: employing workers without workers' comp Later violations can add up to \$30,000 total per occurrence.	\$10,000 (sole owner) or \$20,000 (other entities) per violation	Bus. & Prof. Code §7125.4(a)(1)-(2)

WHAT	NUMBER OR DEADLINE	THE LAW
State penalty on an uninsured employer when a stop order is served If uninsured over 1 week in the calendar year before the finding; instead, the greater of 2x premiums or \$1,500 each.	\$1,500 per employee	Lab. Code §3722(a)
LLC license: liability insurance aggregate limit For 5 or fewer listed personnel; add \$100,000 per extra person, up to \$5,000,000.	At least \$1,000,000	Bus. & Prof. Code §7071.19(b)(1)
Current no-employee workers' comp exemption (§7125) ends Now: no-employee firms may file one (not C-8, C-20, C-22, C-39, D-49). From 2028: joint ventures only, unless extended.	January 1, 2028	Bus. & Prof. Code §7125(i); 2028 version §7125(b)

Section 5: Contract Requirements and Execution

WHAT	NUMBER OR DEADLINE	THE LAW
Home improvement contract rules apply when the price is Contract and changes must be in writing and signed by both parties before work starts.	More than \$500	Bus. & Prof. Code §7159(b)
Home improvement down payment limit Example: on a \$6,000 job the most is \$600; on a \$15,000 job it is \$1,000.	\$1,000 or 10% of the contract price, whichever is less	Bus. & Prof. Code §7159.5(a)(3)
Buyer's right to cancel a home improvement contract Counted from receipt of a signed, dated copy with the notice. Not required if negotiated at the contractor's business.	3 business days	Bus. & Prof. Code §7159(e)(6)
Right to cancel when the buyer is a senior citizen Senior citizen means 65 or older (Bus. & Prof. Code §7150). Same place-of-business exception as the 3-day rule.	5 business days	Bus. & Prof. Code §7159(e)(6)
Right to cancel a disaster repair contract Repair of a home damaged in a declared state of emergency or local emergency.	7 business days	Bus. & Prof. Code §7159(e)(7)(A)
Contractor refunds payments after the buyer cancels Counted from receiving the notice of cancellation.	Within 10 days	Bus. & Prof. Code §7159(e)(6)(B)(i)
Service and repair contract maximum The buyer must have asked for the work; no payment is due before the work is done.	\$750 or less	Bus. & Prof. Code §7159.10(a)(1)(A)

WHAT	NUMBER OR DEADLINE	THE LAW
Pay subcontractors after receiving a progress payment Unless agreed otherwise in writing. May withhold up to 150% of a disputed amount; late pay costs 2% a month.	Within 7 days	Bus. & Prof. Code §7108.5(a)
Owner pays an undisputed progress payment (private work) Unless agreed otherwise in writing. Wrongly withheld payments cost 2% per month.	Within 30 days after a payment demand	Civ. Code §8800(a)
Pass retention on to subcontractors (private work) In a good faith dispute, may withhold up to 150% of the estimated disputed amount.	Within 10 days after receiving it	Civ. Code §8814(a)
List a subcontractor in a public works bid when its work exceeds Streets, highways and bridges: 1/2 of 1% or \$10,000, whichever is greater.	1/2 of 1% of the prime contractor's total bid	Pub. Contract Code §4104(a)(1)

Section 6: Public Works

WHAT	NUMBER OR DEADLINE	THE LAW
Prevailing wages required on public works projects Applies to contract work, including maintenance; not to work by an agency's own employees.	Over \$1,000	Lab. Code §1771
Penalty for paying less than prevailing wage Minimum \$40 unless a good faith mistake was promptly fixed; \$80 after penalties in past 3 years; \$120 if willful.	Up to \$200 per worker per calendar day	Lab. Code §1775(a)(1)
File certified payroll records after a written request Late: \$100 per worker per calendar day until the records are filed.	Within 10 days	Lab. Code §1776(d)
Minimum apprentice-to-journeyman ratio on public works Per craft or trade on the public work.	1 apprentice hour for every 5 journeyman hours	Lab. Code §1777.5(g)
Apprentice rules do not apply to contracts of General contractors, and specialty contractors not bidding through a general or prime contractor.	Less than \$30,000	Lab. Code §1777.5(o)
Payment bond required on public works contracts Given before work starts and approved by the awarding body. The call for bids must say a payment bond is required.	Over \$25,000	Civ. Code §9550(a)

WHAT	NUMBER OR DEADLINE	THE LAW
DIR registration not required for small public works projects Above these amounts, contractors and subcontractors must register with DIR to bid, be listed in a bid, or do the work.	\$25,000 or less (construction); \$15,000 or less (maintenance)	Lab. Code §1725.5(f)

Section 7: Safety

WHAT	NUMBER OR DEADLINE	THE LAW
Report a serious injury, illness or death to Cal/OSHA Counted from when you knew or should have known. Up to 24 hours if exigent circumstances. By phone or online (or email).	Immediately, no later than 8 hours	Cal. Code Regs., tit. 8, §342(a)
Report a work injury with lost time or treatment beyond first aid To your workers' comp insurer, or to the Department of Industrial Relations if not insured.	Within 5 days	Lab. Code §6409.1(a)
Fall protection required for a possible fall of Wear fall arrest, restraint or positioning gear at unprotected edges, openings or steep roofs. Roofing has its own rule.	More than 7 1/2 feet	Cal. Code Regs., tit. 8, §1670(a)
Cave-in protection required in excavations Under 5 feet, needed only if a competent person finds signs of a possible cave-in. Not needed in stable rock.	5 feet deep or more	Cal. Code Regs., tit. 8, §1541.1(a)(1)
Notify the regional notification center before digging Except in an emergency. The day you notify does not count toward the 2 working days.	At least 2 working days, and no more than 14 calendar days, before	Gov. Code §4216.2(b)
Toolbox or tailgate safety meetings Held by supervisors with their crews.	At least every 10 working days	Cal. Code Regs., tit. 8, §1509(e)
Keep IIPP safety training records Records of scheduled inspections must also be kept at least 1 year.	At least 1 year	Cal. Code Regs., tit. 8, §3203(b)(2)
Outdoor temperature when shade must be present High-heat procedures start at 95°F.	Over 80°F	Cal. Code Regs., tit. 8, §3395(d)(1)
Asbestos work that requires registration with Cal/OSHA A contractor doing this work must also be certified under Bus. & Prof. Code §7058.5.	100 square feet or more of asbestos-containing material	Lab. Code §6501.5

WHAT	NUMBER OR DEADLINE	THE LAW
Written notice to Cal/OSHA before certain lead work Must reach the nearest Cal/OSHA District Office. Not needed under 100 sq ft or 100 linear ft, or under 0.5% lead.	At least 24 hours before work starts	Cal. Code Regs., tit. 8, §1532.1(p)(1)

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