



STATE OF CALIFORNIA
Franchise Tax Board

California

Forms & Instructions



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100

2024

Corporation
Tax Booklet

This booklet contains:

Form 100, California Corporation
Franchise or Income Tax Return



For more information regarding business e-file, see page 2 or go to ftb.ca.gov and search for **business efile**.

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Business e-file

Business e-file is available for the following returns:

- **Form 100, California Corporation Franchise or Income Tax Return, including combined reports**
- Form 100S, California S Corporation Franchise or Income Tax Return
- Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers, including combined reports
- Form 100X, Amended Corporation Franchise or Income Tax Return
- Form 109, California Exempt Organization Business Income Tax Return
- Form 199, California Exempt Organization Annual Information Return
- Form 565, Partnership Return of Income
- Form 568, Limited Liability Company Return of Income

For more information, go to **ftb.ca.gov** and search for **business efile**.

2024 Instructions for Form 100

California Corporation Franchise or Income Tax Return

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and to the California Revenue and Taxation Code (R&TC).

Differences between California and Federal Law

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to fb.ca.gov and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540), California Adjustments – Residents, or Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents, and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

What's New/Tax Law Changes

Reporting Requirements – Taxpayers may need to file form FTB 4197, Information on Tax Expenditure Items, with the tax return to report tax expenditure items as part of the Franchise Tax Board's (FTB's) annual reporting requirements under R&TC Section 41. To determine if you have an R&TC Section 41 reporting requirement, see the R&TC Section 41 Reporting Requirements section or get form FTB 4197.

Business Entity Tax Products – The 100, Corporation Tax Booklet has been reformatte to include only Form 100, California Corporation Franchise or Income Tax Return and related instructions.

Wildfire Relief Payment – For taxable years beginning after December 31, 2019, and before January 1, 2026, the Federal Disaster Tax Relief Act of 2023, allows an exclusion from gross income for any amount received by an individual as a qualified wildfire relief payment. Generally, California law **does not** conform. If any qualified amount was excluded from income for federal purposes and California law provides no similar exclusion, include that amount in income for California purposes.

Wildfire Mitigation Payment – For taxable years beginning on or after January 1, 2024, and before January 1, 2029, California law allows a qualified taxpayer an exclusion from gross income for any amount received as a

California qualified wildfire loss mitigation payment through the California Wildfire Mitigation Financial Assistance Program. For more information, see Specific Line Instructions and R&TC Section 24308.10.

Net Operating Loss Suspension – For taxable years beginning on or after January 1, 2024, and before January 1, 2027, California has suspended the net operating loss (NOL) carryover deduction. Corporations may continue to compute and carryover an NOL during the suspension period. **However**, corporations with taxable income of less than \$1,000,000 or with disaster loss carryovers are **not** affected by the NOL suspension rules.

The carryover period for suspended losses is extended by:

- Three years for losses incurred in taxable years beginning before January 1, 2024.
- Two years for losses incurred in taxable years beginning on or after January 1, 2024, and before January 1, 2025.
- One year for losses incurred in taxable years beginning on or after January 1, 2025, and before January 1, 2026.

For more information, see R&TC Section 24416.24 and get form FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Corporations.

Credit Limitation – For taxable years beginning on or after January 1, 2024, and before January 1, 2027, there is a \$5,000,000 limitation on the application of credits. The total of all credits including the carryover of any credit for the taxable year may not reduce the "tax" by more than \$5,000,000. This limitation does not apply to the Low-Income Housing Credit. The credit for prior year alternative minimum tax (AMT) is not subject to the credit limitation. For taxpayers included in a combined report, the limitation is applied at the group level.

For each taxable year of the limitation, taxpayers may make an irrevocable election to receive an annual refundable credit amount, in future tax years, for credits disallowed due to the \$5,000,000 limitation. The election must be made annually by completing form FTB 3870, Election for Refundable Credit, and attaching it to an original, timely filed tax return.

If a taxpayer does **not** choose to make the election outlined above, credits disallowed due to the limitation may be carried over. The carryover period for disallowed credits is extended by the number of taxable years the credit was not allowed.

For more information, refer to R&TC Sections 23036.4 and 23036.5 and get form FTB 3870.

Intangible Drilling and Development Costs – California law does not allow the deduction for

intangible drilling and development costs in the case of oil and gas wells paid or incurred on or after January 1, 2024 (R&TC Section 24423 has been repealed). For more information, get Schedule P (100), Alternative Minimum Tax and Credit Limitations – Corporations and form FTB 3885, Corporation Depreciation and Amortization.

Percentage Depletion – For taxable years beginning on or after January 1, 2024, California law does not allow the calculation of depletion as a percentage of gross income from the property for specified natural resources, including coal, oil shale, oil and gas wells. R&TC Sections 24831.3 and 24831.6 allowing state nonconformity to federal rules for percentage depletion of certain refiner exclusions as well as the temporary suspension of taxable income limit for marginal production have also been repealed. For more information, see R&TC Section 24831 and get Schedule P (100) and form FTB 3885.

New Advanced Strategic Aircraft Credit – The sunset date for the New Advanced Strategic Aircraft Credit to reduce tax below the tentative minimum tax (TMT) is extended until taxable years beginning before January 1, 2031. For more information, see R&TC Section 23036 and get Schedule P (100).

Enhanced Oil Recovery Credit Repeal – For taxable years beginning on or after January 1, 2024, the Enhanced Oil Recovery Credit has been repealed. Taxpayers may now only claim available carryovers. For more information, get form FTB 3540, Credit Carryover and Recapture Summary.

Postponement of Certain Tax-Related Deadlines – Beginning on or after June 27, 2024, the Director of Finance shall determine when IRC Section 7508A, related to postponement of certain federal tax-related deadlines, applies for California purposes to a taxpayer affected by a state of emergency declared by the Governor or a federally declared disaster. Impacted taxpayers can request an additional relief period if the state postponement period expires before the federal postponement period by filing form FTB 3872, California Disaster Relief Request for Postponement of Tax Deadlines. For more information, get form FTB 3872 and see R&TC Section 18572.

Conformity – For updates regarding the federal acts, go to fb.ca.gov and search for **conformity**.

R&TC Section 41 Reporting Requirements

Taxpayers should file form FTB 4197 with the tax return to report tax expenditure items as part of the FTB's annual reporting requirements under R&TC Section 41. "Tax expenditure" means a credit, deduction, exclusion,

exemption, or any other tax benefit provided for by the state. The FTB uses information from form FTB 4197 for reports required by the California Legislature. Taxpayers that have a reporting requirement for any of the following should file form FTB 4197:

- For taxable years beginning on or after January 1, 2024, and before January 1, 2029, qualified taxpayers who benefited from the exclusion from gross income for any amount received as a California qualified wildfire loss mitigation payment through the California Wildfire Mitigation Financial Assistance Program.
- For taxable years beginning on or after January 1, 2020, and before January 1, 2028, qualified taxpayers who benefited from the exclusion from gross income for any qualified amount received in a settlement from Pacific Gas and Electric (PG&E) Company or its subsidiary relating to the 2019 Kincade Fire.
- For taxable years beginning on or after January 1, 2020, and before January 1, 2028, qualified taxpayers who benefited from the exclusion from gross income for any qualified amount received in a settlement from PG&E Company or its subsidiary relating to the 2020 Zogg Fire.
- For taxable years beginning before January 1, 2027, qualified taxpayers who benefited from the exclusion from gross income for any amount received in a settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire.
- For taxable years beginning before January 1, 2030, a corporation that is a small business solely owned by a deployed member of the United States Armed Forces that meet the requirements to be exempted from the minimum franchise tax.
- For taxable years beginning on January 1, 2022, and before January 1, 2027, taxpayers who benefited from the exclusion of gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program.
- For taxable years beginning on or after January 1, 2021, taxpayers who benefited from the exclusion from gross income for the Paycheck Protection Program (PPP) loans forgiveness, other loan forgiveness, the Economic Injury Disaster Loan (EIDL) advance grant, restaurant revitalization grant, or shuttered venue operator grant, and related eligible expense deductions.
- Beginning on or after January 1, 2020, C corporation partners (including corporation filing a combined report) and S corporation partners that received Schedule K-1 from a partnership that is operating a commercial cannabis activity licensed under California Medicinal and

Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

For more information, get form FTB 4197.

Important Information

- The FTB offers e-filing for the following entities:
 - Corporations filing Form 100, including combined reports and certain accompanying forms and schedules.
 - Corporations filing Form 100X, Amended Corporation Franchise or Income Tax Return.
 - Exempt homeowners associations and exempt political organizations filing Form 100.
 - Exempt organizations filing Form 109, California Exempt Organization Business Income Tax Return.
 - Exempt organizations filing Form 199, California Exempt Organization Annual Information Return.

Check with the software providers to see if they support business e-filing.

- California law requires business entities that file an original or amended tax return that is prepared using tax preparation software to electronically file (e-file) their tax return with the FTB. For more information, go to fb.ca.gov and search for **business efile**.
- Corporations can make payments online using Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to fb.ca.gov/pay.
- Corporations can use a Discover, MasterCard, Visa, or American Express Card to pay business taxes. Go to officialpayments.com. ACI Payments, Inc. (formerly Official Payments) charges a convenience fee for using this service.
- Corporations can make an estimated tax or extension payment using tax preparation software. Check with the software provider to determine if they support Electronic Funds Withdrawal (EFW) for estimated tax or extension payments.
- The Internal Revenue Service (IRS) requires certain corporations to file Schedule UTP (Form 1120), Uncertain Tax Position Statement, with their income tax returns. **For California purposes**, if a corporation is required to file Schedule UTP (Form 1120) with their federal tax return, the corporation must attach a copy of federal Schedule UTP (Form 1120) to the California tax return.
- **Gross Income Exclusion for Bruce's Beach** – Effective September 30, 2021, California law allows an exclusion from gross income for the first time sale in the taxable year in which the land within Manhattan State Beach, known as "Peck's Manhattan Beach Tract Block 5" and commonly referred to as "Bruce's Beach" is sold, transferred, or encumbered. A

recipient's gross income does not include the following:

- Any sale, transfer, or encumbrance of Bruce's Beach;
- Any gain, income, or proceeds received that is directly derived from the sale, transfer, or encumbrance of Bruce's Beach.
- For taxable years beginning on or after July 1, 2019, California requires taxpayers to use their federal IRC Section 338 election treatment for certain stock purchases treated as asset acquisitions or deemed election where purchasing corporation acquires asset of target corporation. If an election has not been made by a taxpayer under IRC Section 338, the taxpayer shall not make a separate state election for California.
- Under IRC Section 951A, if the corporation is a U.S. shareholder of a controlled foreign corporation, the corporation must include global intangible low-taxed income (GILTI) in its income. California **does not** conform.
- The federal Tax Cuts and Jobs Act (TCJA) signed into law on December 22, 2017, made changes to the IRC. The R&TC does not conform to all of the changes. In general, for taxable years beginning on or after January 1, 2019, California conforms to the following TCJA provisions:
 - Federal Deposit Insurance Corporation (FDIC) Premiums
 - Excess employee compensation
- The TCJA amended IRC Section 1031 limiting the nonrecognition of gain or loss on like-kind exchanges to real property held for productive use or investment. California conforms to this change under the TCJA for exchanges initiated after January 10, 2019.
- For taxable years beginning on or after January 1, 2019, California conforms to certain provisions of the TCJA relating to changes to accounting methods for small businesses.
- If the corporation was involved in a reportable transaction, including a listed transaction, that corporation may have a disclosure requirement. Attach federal Form 8886, Reportable Transaction Disclosure Statement, to the back of the California return along with any other supporting schedules. If this is the first time the reportable transaction is disclosed on the return, send a duplicate copy of federal Form 8886 to the address below.

TAX SHELTER FILING
ABS 389 MS F340
FRANCHISE TAX BOARD
PO BOX 1673
SACRAMENTO CA 95812-9900

The FTB may impose penalties if the corporation fails to file federal Form 8886, Form 8918, Material Advisor Disclosure Statement, or any other required information. A material advisor is required to provide a reportable transaction number

to all taxpayers and material advisors for whom the material advisor acts as a material advisor. For more information, go to ftb.ca.gov and search for **disclosure obligation**.

- The IRS allows corporations with at least \$10 million but less than \$50 million in total assets at tax year end to file Schedule M-1 (Form 1120/1120-F), Reconciliation of Income (Loss) per Books With Income per Return, in place of Schedule M-3 (Form 1120/1120-F), Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More, Parts II and III. However, Schedule M-3 (Form 1120/1120-F), Part I, is required for these corporations. **For California purposes**, the corporation must complete the California Schedule M-1. For more information, see the instructions for Schedule M-1 – Reconciliation of Income (Loss) per Books With Income (Loss) per Return, in this booklet.
- R&TC Section 25128.7 requires all business income of an apportioning trade or business, other than an apportioning trade or business under R&TC Section 25128(b), to apportion its business income to California using the single-sales factor formula. For more information, get Schedule R, Apportionment and Allocation of Income, or go to ftb.ca.gov and search for **single sales factor**.
- R&TC Section 25136 requires **all** taxpayers to assign sales, other than sales of tangible personal property, using market assignment. For more information, get Schedule R or go to ftb.ca.gov and search for **market assignment**.
- R&TC Section 25120 was amended to add the definition of gross receipts. For a complete definition of “gross receipts,” refer to R&TC Section 25120(f), or go to ftb.ca.gov and search for **25120**.
- R&TC Section 25135(b) adopts the Finnigan rule in assigning sales from tangible personal property.
For more information regarding “gross receipts” or “Finnigan rule,” get Schedule R, or go to ftb.ca.gov and search for **corporation law changes**.
- Beginning on or after January 1, 2012, a type of corporation called a “benefit corporation” can be formed with the purpose of creating general public benefit, provided certain requirements are met. An existing corporation can become a “benefit corporation,” if certain procedures are followed. In addition, a “benefit corporation,” can be created through a merger or reorganization, if certain requirements are met. For more information, see the Corporations Code, commencing with Section 14600.
- Beginning on or after January 1, 2012, a type of corporation called a “flexible purpose corporation” could be formed,

provided certain requirements were met. An existing corporation could merge or convert into a “flexible purpose corporation,” upon completion of certain requirements. A “flexible purpose corporation” must have a special purpose which may include but is not limited to, charitable and public purpose activities that could be carried out by a nonprofit public benefit corporation. For more information, see the Corporations Code, commencing with Section 2500.

- Effective January 1, 2015, all references to “flexible purpose corporations” in the Corporations Code are changed to “social purpose corporations,” although the requirements are substantially the same as prior law. Any flexible purpose corporation formed before January 1, 2015, may elect to amend its articles of incorporation to change its status to a “social purpose corporation.” If a flexible purpose corporation formed prior to January 1, 2015, does not amend its articles of incorporation to change its status, any reference to “social purpose corporation” in the Corporations Code is deemed a reference to a “flexible purpose corporation.” For more information, see the Corporations Code, commencing with Section 2500.
- R&TC Section 24343.2 disallows the deduction for payments made to a club that restricts membership or the use of its services or facilities on the basis of ancestry or any characteristic listed or defined in Section 11135 of the Government Code, except for genetic information.
- For taxable years beginning on or after January 1, 2007, interest and dividends from intangible assets held in connection with a treasury function of the taxpayer’s unitary business, as well as the gross receipts and any overall net gain from the maturity, redemption, sale, exchange, or other disposition of these assets, are excluded from the sales factor. This exclusion encompasses the use of futures contracts and options contracts to hedge foreign currency fluctuations. See Cal. Code Regs., tit. 18 section 25137(c)(1)(D) for more information. For taxable years beginning on or after January 1, 2011, see R&TC Section 25120(f).
- Credit earned by members of a combined reporting group may be assigned to an affiliated corporation that is an eligible member of the same combined reporting group. A credit assigned may only be claimed by the affiliated corporation against its tax liability. For more information, get form FTB 3544, Assignment of Credit, or go to ftb.ca.gov and search for **credit assignment**.
- Group nonresident returns may include:
 - Less than two nonresident individuals.
 - Nonresident individuals with more than \$1 million of California taxable income.

An additional 1% tax will be assessed on nonresident individuals who have California taxable income over \$1 million.

Get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR, for more information.

- An S corporation must elect to be treated as an S corporation. The S corporation pays a reduced tax rate of 1.5% on its net income. The profits and losses from the S corporation pass through to each shareholder through the Schedule K-1 (100S), Shareholder’s Share of Income, Deductions, Credits, etc., and each shareholder is responsible for paying taxes on the distributive share. California taxpayers that would like to elect to be treated as an S corporation should get the Form 100S, S Corporation Tax Booklet, for more information.
- Use form FTB 3725, Assets Transferred from Corporation to Insurance Company, to report assets transferred from a corporation to an insurance company. Get form FTB 3725 for more information.
- Use form FTB 3726, Deferred Intercompany Stock Account (DISA) and Capital Gains Information, to meet the annual disclosure requirements of the combined reporting group of each DISA balance. Make sure to answer Question S on Form 100, Side 3. Get form FTB 3726 for more information.
- In general, R&TC Sections 17024.5 and 23051.5 state that federal elections made before a taxpayer becomes a California taxpayer are binding for California tax purposes.

California law conforms to federal law for the following:

- Reducing the compensation deduction for certain employers from \$1 million to \$500,000; and making certain parachute payments nondeductible.
- IRC Section 1245(b)(8) relating to amortizable IRC Section 197 intangibles property disposed on or after January 1, 2010.
- Corporations may **elect** to expense, under IRC Section 179, part or all of the cost of certain properties placed in service during the taxable year and used in the trade or business. For more information, see form FTB 3885.
- Large banks’ bad-debt losses deduction, which is limited to the actual losses rather than contributions to a reserve for bad debts.
- Disallowing the deduction for club membership fees and employee remuneration in excess of \$1 million.
- Disallowing the deduction for lobbying expenses.
- For purposes of inventory accounting, an adjustment for shrinkage, based on an estimate, may be made. Taxpayers can voluntarily change their method of accounting if the method currently being

- used does not utilize estimates of inventory shrinkage and the taxpayer now would like to use that method.
- Timeshare associations may qualify for tax-exempt status like other homeowners' associations.
- Required recognition of gain on certain appreciated financial positions in personal property.
- Securities traders and commodities traders and dealers are allowed to elect to use mark-to-market accounting similar to what is currently required for securities dealers. Commodities would include only commodities of a kind that are dealt with in the organized commodities exchange. An election to use the mark-to-market method for federal purposes is considered an election for state purposes and a separate election is not allowed.
- Limitation on exception for investment companies under IRC Section 351.
- Expansion of deduction for certain interest and premiums paid for company-owned life insurance.
- Repeal of special installment sales rule for manufacturers of tangible personal property.
- Payment of estimated tax for closely held real estate investment trusts (REITs) and income and services provided by REIT subsidiaries.

California law does not conform to federal law for the following:

- In general, the American Rescue Plan Act (ARPA) of 2021.
- In general, the Consolidated Appropriations Act (CAA), 2021.
- The TCJA signed into law on December 22, 2017, made changes to the IRC. In general, California R&TC does not conform to the changes. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015, with modifications. The following is a non-exhaustive list of the TCJA changes:
 - The federal modifications to amortization of research and experimental expenditures (IRC Section 174).
 - The change in method of accounting treatment of S corporation conversions to C corporations.
 - The application of Subchapter C rules to S corporations.
 - The expanded definition of IRC Section 179 property for certain depreciable tangible personal property related to furnishing lodging and for qualified real property for improvements to nonresidential real property.
 - The change to IRC Section 163(j) which limits the business interest deduction.
 - The repeal of the corporate AMT.
 - The modifications to the NOL provisions.

- The modifications to the AMT credit.
- The deferral and exclusion of capital gains reinvested or invested in qualified opportunity zone funds.
- The exclusion of a patent, invention, model or design, and secret formula or process from the definition of capital asset.
- The federal modifications to depreciation limitations on luxury automobiles (IRC Section 280F).
- IRC Section 951A, relating to GILTI.
- IRC Section 382(n) relating to special rule for certain ownership changes.
- The changes to the corporation in control and the issue price for the limitation on deduction of bond premium on repurchase.
- The enhanced IRC Section 179 expensing election.
- The first-year depreciation deduction allowed for new luxury autos or certain passenger automobiles acquired and placed in service in 2010 through 2024.
- The IRS Notice 2008-83 relating to the treatment of deductions under IRC Section 382(h) following an ownership change.
- IRC Section 168(k) relating to the bonus depreciation deduction for certain assets.
- The decreased estimated tax payments for certain small businesses.
- The treatment of the loss from the sale or exchange of certain preferred stock (of Fannie Mae or Freddie Mac).
- Exclusion from gross income of certain federal subsidies for prescription drug plans under IRC Section 139A.
- Certain environmental remediation expenditures that would otherwise be chargeable to capital accounts may be expensed and taken as a deduction in the year the expense was paid or incurred.
- Deduction for corporate donation of scientific property and computer technology.
- Decreased capital gains tax rate.
- The treatment of Subpart F income.
- The IRC passive activity loss rules for real estate activities.

The above lists are not intended to be all-inclusive of the federal and state conformities and differences. For more information, refer to the R&TC.

Records Maintenance Requirements

Any taxpayer subject to the apportionment and allocation provisions of the Corporation Tax Law is required to keep and maintain records and make the following available upon request:

- Any records needed to determine the correct treatment of items reported on the combined report for purposes of determining the income attributable to California.

- Any records needed to determine the treatment of items as nonbusiness or business income.
- Any records needed to determine the apportionment factors.

See R&TC Section 19141.6 and the related regulations, for more information. A corporation may be required to authorize an agent, through a Power of Attorney (POA), to act on its behalf in response to requests for information or records pursuant to R&TC Section 19504. For more information, go to ftb.ca.gov/poa.

The penalty for not maintaining the required records is \$10,000 for each taxable year for which the failure applies. In addition, if the failure continues for more than 90 days after the FTB notifies the corporation of the failure, a penalty of \$10,000 may be assessed for each additional 30-day period of continued failure. See General Information M, Penalties, for more information.

Publicly Traded Partnerships

California publicly traded partnerships that are not eligible to make the special federal election under IRC Section 7704(g)(2), and that do not qualify for the exception for partnerships with passive-type income under IRC Section 7704(c), must file Form 100. A federal election under IRC Section 7704(g)(2) is considered an election for state purposes. A separate election is not allowed.

Financial Asset Securitization Investment Trusts (FASITs)

The provisions of the IRC relating to FASITs apply for California with certain modifications. The FASIT is subject to the \$800 minimum franchise tax. File a separate Form 100 to report the \$800 minimum franchise tax. Write "FASIT" in black or blue ink in the top margin of the return. If a corporation holds an ownership interest in a FASIT, it should report all the items of income, gains, deductions, losses, and credits on the corporation's return and attach a schedule showing the breakdown of items from the FASIT.

Classification of Certain Business Trusts and Certain Foreign Single Member Limited Liability Companies (SMLLCs)

In general, the classification of a business entity should be the same for California purposes as it is for federal purposes. However, an exception may apply for certain eligible business entities. A business trust or a previously existing foreign SMLLC may make an irrevocable election to be classified the same as federal for California purposes. To make the election, the business trust or the SMLLC must have been classified as a corporation under California law, but classified as a partnership (for a business trust) or elected to be treated as a disregarded entity (for a foreign SMLLC) for federal tax purposes for taxable years beginning before January 1, 1997. If this election is not made, the existing eligible business entity will continue to be classified and taxed as a

corporation for California purposes. Get form FTB 3574, Special Election for Business Trusts and Certain Foreign Single Member LLCs, for more information.

General Information

Form 100 is California's tax return for corporations, banks, financial corporations, real estate mortgage investment conduits (REMICs), regulated investment companies (RICs), real estate investment trusts (REITs), Massachusetts or business trusts, publicly traded partnerships (PTPs), exempt homeowners' associations (HOAs), political action committees (PACs), FASITs, and LLCs or partnerships taxed as corporations.

Corporations Filing on a Water's-Edge Basis
In general, water's-edge rules provide for an election out of worldwide combined reporting. By electing water's-edge, a California taxpayer elects into a complex blend of state and federal tax concepts. See R&TC Sections 25110 and 25113.

If the corporation elects to file on a water's-edge basis, use Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers. Form 100 is not the form prescribed by the FTB for corporations filing on a water's-edge basis. Get the Form 100W Tax Booklet for more information.

REMICs that are partnerships must file Form 565, Partnership Return of Income. S corporations must file Form 100S, California S Corporation Franchise or Income Tax Return.

An LLC classified as a partnership for federal purposes should generally file Form 568, Limited Liability Company Return of Income. A limited partnership (LP) or limited liability partnership (LLP) classified as a partnership for federal purposes should generally file Form 565.

When Completing the Form 100:

- Use black or blue ink on the tax return sent to the FTB.
- Print name and address (in CAPITAL LETTERS).
- When a domestic corporation files the **first** California tax return, the fiscal year beginning date **must** be the date the corporation is incorporated.
- Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.
- Send a clean legible copy.
- Enter all types of payments (overpayment from prior year, estimated tax, nonresident tax, etc.) made for the 2024 taxable year on the applicable line.
- When making a payment with a check or money order, enclose, but **do not** staple the payment to the face of the tax return.
- Assemble the corporation return in the following order: Form 100, Schedule R (if required), supporting schedules, a copy

of federal return (if required) and form FTB 5806, Underpayment of Estimated Tax by Corporations, (if required). **Do not** use staples or other permanent bindings to assemble the tax return.

A Franchise or Income Tax

Corporation Franchise Tax

Entities subject to the corporation minimum franchise tax include all corporations (e.g., LLCs electing to be taxed as corporations) that meet any of the following:

- Incorporated or organized in California.
- Qualified or registered to do business in California.
- Doing business in California, whether or not incorporated, organized, qualified, or registered under California law.

The minimum franchise tax must be paid by corporations incorporated in California or qualified or registered under California law whether the corporation is active, inactive, not doing business, or operates at a loss. See General Information C, Minimum Franchise Tax, for more information.

The measured franchise tax is imposed on corporations doing business in California and is measured by the income of the current taxable year for the privilege of doing business in that taxable year.

A taxpayer is "doing business" if it actively engages in any transaction for the purpose of financial or pecuniary gain or profit in California or if **any** of the following conditions is satisfied:

- The taxpayer is organized or commercially domiciled in California.
- The sales, as defined in R&TC Section 25120(e) or (f), of the taxpayer in California, including sales by the taxpayer's agents and independent contractors, exceed the lesser of \$735,019 or 25% of the taxpayer's total sales.
- The real property and tangible personal property of the taxpayer in California exceed the lesser of \$73,502 or 25% of the taxpayer's total real property and tangible personal property.
- The amount paid in California by the taxpayer for compensation, as defined in R&TC Section 25120(c), exceeds the lesser of \$73,502 or 25% of the total compensation paid by the taxpayer.

In determining the amount of the taxpayer's sales, property, and payroll for doing business purposes, include the taxpayer's pro rata share of amounts from partnerships and S corporations.

For more information, see R&TC Section 23101 or go to fb.ca.gov and search for **doing business**.

A corporation qualified with the California Secretary of State (SOS) might not be considered to be "doing business" in California. However, careful attention should be given to the term "doing business." It is not necessary

that the corporation conduct business or engages in transactions within the state on a regular basis. Even an isolated transaction during the taxable year may be enough to cause the corporation to be "doing business."

Also, when a corporation is either a general partner of a partnership or a member of an LLC that is "doing business" in California, the corporation is considered to be "doing business" in California.

Corporation Income Tax

The corporation income tax is imposed on all corporations that derive income from sources within California but are not doing business in California.

For purposes of the corporation income tax, the term "corporation" is not limited to incorporated entities but also includes the following:

- Associations.
- Massachusetts or business trusts.
- REITs.
- LLCs electing to be taxed as corporations other than those subject to the corporate franchise tax.
- Other business entities, including partnerships, electing to be taxed as corporations.

Political organizations that are exempt under R&TC Section 23701r and have political taxable income in excess of \$100 must file Form 100. Political organization taxable income is the amount by which gross income (other than exempt function income) less deductions directly connected with production of such gross income exceeds \$100. See the instructions for Schedule F, Computation of Net Income, included in this booklet. Exempt function income includes amounts received as:

- Contributions of money or property.
- Membership fees, dues, or assessments.
- Proceeds from the sale of political campaign material that are not received in the ordinary course of any trade or business.

Get FTB Pub. 1075, Exempt Organizations – Guide for Political Organizations, for more information.

Homeowners' associations that are exempt under R&TC Section 23701t, including unincorporated homeowners' associations, and have homeowners' association taxable income in excess of \$100 must file Form 100. Homeowners' association taxable income is the amount by which gross income (other than exempt function income) less deductions directly connected with the production of such gross income exceeds \$100. See the instructions for Schedule F, included in this booklet.

Exempt function income means amounts received as membership fees, dues, and assessments. Nonexempt gross income of a homeowners' association is defined as all income other than amounts received from membership fees, dues, or assessments.

An exempt homeowners' association may also be required to file Form 199, or form FTB 199N, California e-Postcard. Get FTB Pub. 1028, Guidelines for Homeowners' Associations, for more information.

B Tax Rates

The following tax rates apply to corporations subject to either the corporation franchise tax or the corporation income tax.

- Corporations other than banks and financial corporations 8.84%
- Banks and financial corporations .. 10.84%

C Minimum Franchise Tax

All corporations subject to the franchise tax, including banks, financial corporations, REITs, FASITs, corporate general partners of partnerships, and corporate members of LLCs doing business in California, must file Form 100 and pay at least the minimum franchise tax as required by law. The minimum franchise tax, as indicated below, must be paid whether the corporation is active, inactive, operates at a loss, or files a return for a short period of less than 12 months.

- Domestic qualified inactive gold or quicksilver mining corporations \$25
- All other corporations subject to franchise tax (see General Information A, Franchise or Income Tax, for definitions) \$800

A combined group filing a single return must pay at least the minimum franchise tax for each corporation in the group that is subject to franchise tax.

A corporation that incorporated or qualified through the California SOS to do business in California, is **not** subject to the minimum franchise tax for its first taxable year and will compute its tax liability by multiplying its state net income by the appropriate tax rate. The corporation will become subject to minimum franchise tax beginning in its second taxable year. This does not apply to corporations that are not qualified by the California SOS, or reorganize solely to avoid payment of their minimum franchise tax.

There is no minimum franchise tax for the following entities:

- Corporations that are not incorporated in California, not qualified under the laws of California, and are not doing business in California even though they derive income from California sources. However, if corporations meet the sale, property, or payroll threshold for "doing business" under R&TC Section 23101(b), corporations may be subject to the minimum franchise tax.

For more information regarding "doing business," see General Information A, Franchise or Income Tax; refer to R&TC Section 23101(b); get FTB Pub. 1050, Application and Interpretation of Public Law 86-272; or FTB Pub. 1060, Guide for Corporations Starting Business in California.

- Corporations that are not incorporated under the laws of California; whose sole activities in this state are engaging in convention and trade show activities for seven or fewer days during the taxable year; and that do not derive more than \$10,000 of gross income reportable to California during the taxable year. These corporations are not "doing business" in California. For more information, get FTB Pub. 1060.
- Newly formed or qualified corporations filing an initial return.
- Qualified non-profit farm cooperative associations.
- Credit unions.
- Unincorporated homeowners' associations.
- Exempt homeowners' associations.
- Exempt political organizations.
- Exempt organizations.

Deployed Military Exemption

For taxable years beginning on or after January 1, 2020, and before January 1, 2030, a corporation that is a small business solely owned by a deployed member of the United States Armed Forces shall not be subject to the minimum franchise tax if the owner is deployed during the taxable year and the corporation operates at a loss or ceases operation. Corporations exempt from the minimum franchise tax should write "Deployed Military" in black or blue ink in the top margin of the tax return.

For the purposes of this exemption:

- (A) "Deployed" means being called to active duty or active service during a period when the United States is engaged in combat or homeland defense. "Deployed" does not include either of the following:
 - Temporary duty for the sole purpose of training or processing.
 - A permanent change of station.
- (B) "Operates at a loss" means negative net income as defined in R&TC Section 24341.
- (C) "Small business" means a corporation with two hundred fifty thousand dollars (\$250,000) or less of total income from all sources derived from or attributable to California.

Taxable Year of 15 Days or Less

A corporation is not subject to the \$800 minimum franchise tax if the corporation did no business in this state during the taxable year and the taxable year was 15 days or less. For more information, see R&TC Section 23114(a) and get FTB Pub. 1060.

D Accounting Period/Method

The taxable year of a corporation must not be different from the taxable year used for federal purposes, unless initiated or approved by the FTB (R&TC Section 24632).

A change in accounting method requires consent from the FTB. However, a corporation that obtains federal approval to change its accounting method, or that is permitted

or required by federal law to change its accounting method without prior approval and does so, is deemed to have the FTB's approval if: (1) the corporation files a timely Form 100 consistent with the change for the first taxable year the change becomes effective for federal purposes; and (2) the change is consistent with California law. A copy of federal Form 3115, Application for Change in Accounting Method, and a copy of the federal consent to the change must be attached to Form 100 for the first taxable year the change becomes effective. Get FTB Notice 2024-01 for more information. The FTB may modify a requested change if the change would distort income for California purposes.

California follows the provisions of Revenue Procedure 2016-29 which updates the procedures for a change of accounting method involving previously unclaimed, but allowable depreciation or amortization deductions.

E When to File

File Form 100 on or before the 15th day of the 4th month after the close of the taxable year unless the return is for a short-period as required under R&TC Section 24634. Generally, the due date of a short-period return is the same as the due date of the federal short-period return. See R&TC Section 18601(c) for the due date of a short-period return. Farmers' cooperative associations must file Form 100 by the 15th day of the 9th month after the close of the taxable year. Get FTB Notice 2016-04 for more information.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

See General Information O, Dissolution/Withdrawal, and P, Ceasing Business, for information on final returns.

If a corporation converts during its taxable year to an LLC or LP under state law, then generally two short-period California returns must be filed (one short-period return for the corporation and another short-period return for the LLC or LP).

The corporate status and taxable year of the LLC or LP will not terminate and only a single return Form 100 is required if:

- the LLC or LP files a federal election to be classified as an association taxable as a corporation effective as of the conversion date,
- the conversion otherwise qualifies as a reorganization under IRC Section 368(a)(1)(F), and
- the LLC or LP satisfies the statutory requirements to be a corporation.

F Extension of Time to File

If the corporation cannot file its California tax return by the 15th day of the 4th month after the close of the taxable year, it may file on or before the 15th day of the 11th month without filing a written request for an extension. Get FTB Notice 2019-07 for more information.

There is no automatic extension period for business entities suspended on or after the original due date.

An automatic extension does not extend the time for payment of tax; the full amount of tax must be paid by the original due date of Form 100. If there is an unpaid tax liability, complete form FTB 3539, Payment for Automatic Extension for Corporations and Exempt Organizations, and send it with the payment by the original due date of the Form 100.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

If the corporation must pay its tax liability electronically, **all** payments **must** be remitted by Electronic Fund Transfer (EFT), EFW, Web Pay, or credit card to avoid the penalty. **Do not** send form FTB 3539.

G Electronic Payments

Electronic Funds Transfer

Corporations remitting an estimated tax payment or extension payment in excess of \$20,000 or having a total tax liability in excess of \$80,000 must remit all of their payments through EFT. Once a corporation meets the threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically to avoid the 10% non-compliance penalty. The first payment that would trigger the mandatory EFT requirement does not have to be made electronically.

Corporations required to remit payments electronically may use EFW, Web Pay, or credit card and be considered in compliance with that requirement. The FTB notifies corporations that are subject to this requirement. Those that do not meet these requirements may participate on a voluntary basis. If the corporation pays electronically, complete the form FTB 3539 worksheet for its records. **Do not mail the payment voucher.** For more information, go to fb.ca.gov and search for **eft**, or call 916.845.4025.

Electronic Funds Withdrawal

Corporations can make an estimated tax or extension payment using tax preparation software. Check with the software provider to determine if they support EFW for estimated tax or extension payments.

Web Pay

Corporations can make payments online using Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to fb.ca.gov/pay.

Credit Card

Corporations can use Discover, MasterCard, Visa or American Express Card to pay business taxes. Go to officialpayments.com. ACI Payments, Inc. (formerly Official Payments) charges a convenience fee for using this service. **Do not** file form FTB 3539.

H Where to File

Payments

If a tax is due and the corporation **is not** required to make the payment electronically (by EFT, EFW, Web Pay, or credit card),

- Mail Form 100 with payment to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0501

- e-filed returns: Mail form FTB 3586, Payment Voucher for Corporations and Exempt Organizations e-filed Returns, with **payment** to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531

Using black or blue ink, make the check or money order payable to the **“Franchise Tax Board.”** Write the California corporation number and “2024 Form 100” on the check or money order.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

Do not attach a copy of the return with the balance due payment if the corporation already filed/e-filed a return for the same taxable year.

Refunds

- Mail Form 100 requesting a **refund** to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0500

Return Without Payment or Paid Electronically

- Mail Form 100 **without a payment or paid by EFT, EFW, Web Pay, or credit card** to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0500

Private Delivery Services

California law conforms to federal law regarding the use of certain designated private delivery services to meet the “timely mailing as timely filing/paying” rule for tax returns and payments. See the instructions for federal Form 1120, U.S. Corporation Income Tax Return, for a list of designated delivery services. If a private delivery service is used, address the return to:

FRANCHISE TAX BOARD
SACRAMENTO CA 95827

Private delivery services cannot deliver items to PO boxes. If using one of these services to mail any item to the FTB, **do not** use an FTB PO box.

I Net Income Computation

The computation of net income from trade or business activities generally follows the determination of taxable income as provided in the IRC. However, there are differences that must be taken into account when completing Form 100. There are two ways to complete Form 100, the federal reconciliation method or the California computation method:

1. Federal Reconciliation Method

- a. Transfer the information from federal Form 1120, Page 1 to Form 100, Side 4, Schedule F, and attach a copy of the federal return with all supporting schedules.
- b. Enter the amount of federal ordinary income (loss) from trade or business activities before any NOL and special deductions on Form 100, Side 1, line 1.
- c. Enter state adjustments on line 2 through line 16 to arrive at net income (loss) after state adjustments, on Form 100, Side 2, line 17.

2. Schedule F – California Computation Method

If the corporation has no federal filing requirement or if the corporation **maintains** separate records for state purposes, complete Form 100, Side 4, Schedule F, to determine state ordinary income. If ordinary income is computed under California laws, generally no state adjustments are necessary. Transfer the amount from Schedule F, line 30, to Form 100, Side 1, line 1. Complete Form 100, Side 1 and Side 2, line 2 through line 16, only if applicable.

For more information, see Specific Line Instructions.

Regardless of the net income computation method used, the corporation must attach any form, schedule, or supporting document referred to on the return, schedules, or forms filed with the FTB.

J Alternative Minimum Tax (AMT)

Corporations that claim certain types of deductions, exclusions, and credits may be subject to California AMT. To compute California AMT, corporations must complete California Schedule P (100), Alternative Minimum Tax and Credit Limitations — Corporations. Get Schedule P (100) for more information.

K Estimated Tax

Use Form 100-ES, Corporation Estimated Tax, to figure and pay estimated tax for a corporation.

Corporations are required to pay the following percentages of the estimated tax liability during the taxable year:

- 30% for the first required installment
- 40% for the second required installment
- No estimated tax payment is required for the third installment
- 30% for the fourth required installment

For exceptions and prior year's information, get the instructions for Form 100-ES.

Estimated tax is generally due and payable in four installments as follows:

- The 1st payment is due by the 15th day of the 4th month of the taxable year (this payment may not be less than the minimum franchise tax, if applicable).
- The 2nd, 3rd, and 4th installments are due and payable by the 15th day of the 6th, 9th, and 12th months respectively, of the taxable year.

For purposes of determining the due date of any required installment, a partial month is treated as a full month.

If the corporation must pay its tax liability electronically, **all** estimate payments due **must** be remitted by EFT, EFW, Web Pay, or credit card to avoid the EFT penalty. See General Information G, Electronic Payments, for more information.

If no amount is due, or if the corporation pays electronically, **do not** mail Form 100-ES.

L New/Commencing Corporations

A corporation is required to pay measured tax instead of minimum tax for the first taxable year if the corporation incorporated or registered through the California SOS. For more information, see General Information C, Minimum Franchise Tax, or get FTB Pub. 1060.

M Penalties

Failure to File a Timely Return

Any corporation that fails to file Form 100 on or before the extended due date is assessed a delinquent filing penalty. The delinquent filing penalty is computed at 5% of the tax due, after allowing for timely payments, for every month that the return is late, up to a maximum of 25%. If a corporation does not file its return by the extended due date, the automatic extension will not apply and the late filing penalty will be assessed from the original due date of the return. See R&TC Sections 19131 and 23772 for more information.

Failure to Pay Total Tax by the Due Date

Any corporation that fails to pay the total tax shown on Form 100 by the original due date is assessed a penalty. The penalty is 5% of the unpaid tax, plus 0.5% for each month, or part of the month (not to exceed 40 months), the tax remains unpaid. This penalty may not exceed 25% of the unpaid tax. See R&TC Section 19132 for more information.

The FTB may waive the late payment penalty based on reasonable cause. Reasonable cause is presumed when 90% of the tax shown on the return, but not less than minimum franchise tax if applicable, is paid by the original due date of the return.

If a corporation is subject to both the penalty for failure to file a timely return and the penalty for failure to pay the total tax by the due date, a combination of the two penalties may be assessed, but the total penalty may not exceed 25% of the unpaid tax.

Underpayment of Estimated Tax

Any corporation that fails to pay, pays late, or underpays an installment of estimated tax is assessed a penalty. The penalty is a percentage of the underpayment of estimated tax for the period from the date the installment was due until the date it is paid, or until the 15th day of the 3rd month after the close of the taxable year, whichever is earlier. Get form FTB 5806 to determine both the amount of underpayment and the amount of penalty.

The underpayment of estimated tax penalty shall not apply to the extent the underpayment of an installment was created or increased by any provision of law that is chaptered during and operative for the taxable year of the underpayment.

See R&TC Sections 19142, 19144, 19145, 19147 through 19151, and 19161 for more information.

If the corporation uses Exception B or Exception C on form FTB 5806 to compute or eliminate any of the required installments, form FTB 5806 must be attached to **the back of Form 100** (after all schedules and federal return) and the box on Form 100, Side 2, line 43b should be checked.

Large Corporate Understatement Penalty (LCUP)

Corporations are subject to the LCUP for the understatement of tax if that understatement exceeds the greater of:

- \$1 million, or
- 20% of the tax shown on an original or amended return filed on or before the original or extended due date of the return for the taxable year.

The amount of the penalty is equal to 20% of the understatement of tax. See R&TC Section 19138 for exceptions to the LCUP. For more information, go to fb.ca.gov and search for **lcup**.

EFT Penalty

If the corporation **must** pay its tax liability electronically, **all** payments must be remitted by EFT, EFW, Web Pay, or credit card to avoid the penalty. The penalty is 10% of the amount not paid electronically. See R&TC Section 19011 and General Information G, Electronic Payments, for more information.

Information Reporting Penalties

Federal Forms 5471 and 8975 – U.S. corporations that have an ownership interest (directly or indirectly) in a foreign corporation and were required to file federal Form(s) 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations; or federal Form 8975, Country-by-Country Report, and accompanying Schedule A (8975), Tax Jurisdiction and Constituent Entity Information with the federal return, must attach a copy(ies) to the California return. The penalty for failure to include a copy of federal Form(s) 5471 or federal Form 8975 and accompanying Schedule A (8975), as required, is \$1,000 per required form for each year the failure occurs. The penalty will not

be assessed if the copy of the information required to be filed with the IRS was not attached to the taxpayer's original return and the taxpayer provides a copy of the form(s) within 90 days of request from the FTB and the taxpayer agrees to attach a copy(ies) of federal Form 5471 or federal Form 8975 and accompanying Schedule A (8975) to all returns filed for subsequent years. See R&TC Section 19141.2 for more information.

Note: Foreign insurance companies that file as domestic companies are exempt from the requirement of filing federal Form 8975 and accompanying Schedule A (8975).

For additional information, refer to the federal Form 8975 instructions.

Federal Form 5472 – Certain domestic corporations that are 25% or more foreign-owned and foreign corporations engaged in a U.S. trade or business must attach a copy(ies) of the federal Form(s) 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business, to Form 100. The penalty for failing to include a copy of federal Form(s) 5472, as required, is \$10,000 per required form for each year the failure occurs. See R&TC Section 19141.5 for more information.

If the corporation does not file its Form 100 by the due date or extended due date, whichever is later, copy(ies) of federal Form(s) 5472 must still be filed on time or the penalty will be imposed. Attach a cover letter to the copy(ies) indicating the taxpayer's name, California corporation number, and taxable year. Mail to the same address used for returns without payments. See General Information H, Where to File, for more information. When the corporation files Form 100, also attach copy(ies) of the federal Form(s) 5472.

Record Maintenance Penalty

The penalty for failure to maintain certain records is \$10,000 for each taxable year for which the failure applies. In addition, if the failure continues for more than 90 days after the FTB notifies the corporation of the failure, in general, a penalty of \$10,000 may be assessed for each additional 30-day period of continued failure. There is no maximum amount of penalty that may be assessed.

See Records Maintenance Requirements on page 6 for a discussion of the records required to be maintained. See R&TC Section 19141.6 and the related regulations for more information.

Accuracy and Fraud Related Penalties

California conforms to IRC Sections 6662 through 6665 that authorize the imposition of an accuracy-related penalty equal to 20% of the related underpayment, and the imposition of a fraud penalty equal to 75% of the related underpayment. See R&TC Section 19164 for more information.

California Secretary of State (SOS) Penalty

The California Corporations Code requires the FTB to assess a penalty for failure to file an annual Statement of Information with the California SOS. For more information, see R&TC Section 19141, or contact:

SECRETARY OF STATE
STATEMENT OF INFORMATION UNIT
ATTENTION: PENALTIES
PO BOX 944230
SACRAMENTO CA 94244-2300
Telephone: 916.657.5448

Other Penalties

Other penalties may be imposed for a payment returned for insufficient funds, foreign corporations operating while forfeited or without qualifying to do business in California, and domestic corporations operating while suspended in California. See R&TC Sections 19134 and 19135 for more information.

N Interest

Interest is due and payable on any tax due if not paid by the original due date of Form 100. Interest is also due on some penalties. The automatic extension of time to file Form 100 does not stop interest from accruing. California follows federal rules for the calculation of interest. Get FTB Pub. 1138, Business Entity Refund/Billing Information, for more information.

O Dissolution/Withdrawal

The corporation must check the applicable box on Form 100, Side 1, Question A, if dissolving, merging, or withdrawing. The date should be the date the corporation filed or will file with the California SOS.

The franchise tax for the period in which the corporation formally dissolves or withdraws is measured by the income of the taxable year in which it ceased doing business in California, unless such income has already been taxed at the rate prescribed for the taxable year of dissolution or withdrawal.

A corporation that commenced doing business in California before January 1, 1972, is allowed a credit that may be refunded in the year of dissolution or withdrawal. The amount of the refundable credit is the difference between the minimum franchise tax for the corporation's first full 12 months of doing business and the total tax paid for the same period.

To claim this credit, add this amount to the value on Form 100, Side 2, line 34. Make a notation to the right of line 34: "Dissolving/Withdrawal."

The tax return for the final taxable period is due on or before the 15th day of the 4th full month after the month during which the corporation withdrew or stops doing business in California.

Corporations are subject to income tax or franchise tax for the final taxable period. Corporations that file a final franchise tax return must pay at least the minimum franchise tax as specified in R&TC Section 23153.

The minimum franchise tax will not be assessed after the taxable year for which the final tax return is filed, if a corporation meets all of the following requirements:

- The corporation files a timely **final** franchise tax return for the preceding taxable year, including extension. The corporation must be in good standing to have an extension to file.
- The corporation did **not** do business in California after the final taxable year.
- The corporation files the appropriate documents for dissolution or surrender with the California SOS within 12 months of the timely filed **final** franchise tax return.

Get FTB Pub. 1038, Guide to Dissolve, Surrender, or Cancel a California Business Entity, for more information.

To get samples and forms for filing a dissolution, surrender, or merger agreement, go to sos.ca.gov and search for **corporation dissolution**, or address your request to:

CALIFORNIA SECRETARY OF STATE
BUSINESS ENTITIES FILING UNIT
PO BOX 944260
SACRAMENTO, CA 94244-2600
Telephone: 916.657.5448

P Ceasing Business

The tax for the final year in which a corporation does business in California is determined according to or measured by its net income for the taxable year during which the corporation ceased doing business.

In any event, the tax for any taxable year shall not be less than the minimum franchise tax, if applicable. For more information, see R&TC Section 23151.1.

The unreported income on installment obligations, distribution of notes, and distribution of corporate assets (i.e. land, buildings) at a gain must be included in income in the year of cessation. There is no federal law counterpart regarding this issue.

For more information, see R&TC Sections 24672 and 24451.

A domestic or qualified corporation will remain subject to the minimum franchise tax for each taxable year it is in existence until a certificate of dissolution (and certificate of winding up, if necessary), certificate of withdrawal, or certificate of surrender is filed with the California SOS. See General Information O, Dissolution/Withdrawal, R&TC Sections 23331 through 23333, and R&TC Section 23335 for more information.

Q Suspension/Forfeiture

If a corporation does not file Form 100 and/or does not pay any tax, penalty, or interest due, its powers, rights, and privileges may be suspended (in the case of a domestic corporation) or forfeited (in the case of a foreign corporation).

Corporations that operate while suspended or forfeited may be subject to a \$2,000 penalty

per taxable year, which is in addition to any tax, penalties, and interest already accrued. Also, any contracts entered into during suspension or forfeiture are voidable at the request of any party to the contract other than the suspended or forfeited corporation.

Such contracts will remain voidable and unenforceable unless the corporation applies for relief from contract voidability and the FTB grants relief.

See R&TC Sections 19135, 19719, 23301, 23305.1, and 23305.2 for more information, or go to ftb.ca.gov and search for **revivor**.

R Apportionment of Income

Corporations with business income attributable to sources both within and outside of California are required to apportion such income. Use Schedule R to calculate the apportionment percentage. Be sure to answer Question N on Form 100, Side 3.

For more information, see R&TC Sections 25120 through 25136.

R&TC Section 25128.7 requires all business income of an apportioning trade or business, other than an apportioning business under R&TC Section 25128(b), to apportion its business income using the single-sales factor formula.

R&TC Section 25136 requires **all** taxpayers to assign sales, other than sales of tangible personal property, using market assignment. For more information, see R&TC Section 25136 and Cal. Code Regs., tit. 18 section 25136-2, Legal Ruling 2022-01, get Schedule R, or go to ftb.ca.gov and search for **market assignment**.

S Combined Report

When filing a combined report, answer the applicable questions on Form 100, Side 1, Question B.

If two or more corporations are engaged in a unitary business and derive income from sources within and outside of California, the members of the unitary group that are subject to California's franchise or income tax are required to apportion the combined income of the entire unitary group in order to compute the measure of tax.

If the income of a unitary group is derived wholly from California sources, its members may either file returns on a separate accounting basis or file on a combined report basis. See R&TC Section 25101.15 for more information.

Members of a unitary group may elect to file a single group return by filing Schedule R-7, Election to File a Unitary Taxpayers' Group Return. For more information, get Schedule R and go to Side 6 for Schedule R-7.

Attach the Schedule R behind the California tax return and prior to the supporting schedules.

A combined unitary group's single return must present the group's data by separate corporation, as well as totals for the combined group.

The total combined tax, which must include at least the applicable minimum franchise tax for each corporation subject to the franchise tax, must be shown on Form 100, Side 2, line 23. For more information, get FTB Pub. 1061, Guidelines for Corporations Filing a Combined Report.

T Signatures

Phone Number and Email Address

Include an officer's phone number and email address in case the FTB needs to contact the corporation for information needed to process this return. By providing this information the FTB will be able to process the return or issue the refund faster.

Preparer Tax Identification Number (PTIN)

Tax preparers must provide their PTIN on the tax returns they prepare. Preparers who want a PTIN should go to the IRS website at irs.gov and search for **ptin**.

Paid Preparer Authorization

If the corporation wants to allow the FTB to discuss its 2024 tax return with the paid preparer who signed it, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer's Use Only" section of the return. It does not apply to the firm, if any, shown in that section.

If the "Yes" box is checked, the corporation is authorizing the FTB to call the paid preparer to answer any questions that may arise during the processing of the tax return. The corporation is also authorizing the paid preparer to:

- Give the FTB any information that is missing from the tax return.
- Call the FTB for information about the processing of the tax return or the status of any related refund or payments.
- Respond to certain FTB notices about math errors, offsets, and tax return preparation.

The corporation is not authorizing the paid preparer to receive any refund check, bind the corporation to anything (including any additional tax liability), or otherwise represent the corporation before the FTB.

The authorization will automatically end no later than the due date (without regard to extensions) for filing the corporation's 2025 tax return. If the corporation wants to expand the paid preparer's authorization, go to ftb.ca.gov/poa. If the corporation wants to revoke the authorization before it ends, notify the FTB in writing or call 800.852.5711.

U Amended Return

To correct or change a previously filed Form 100, file the most current Form 100X. Using the incorrect form may delay processing of the amended return. File Form 100X within six months after the corporation filed an amended federal return or after the final federal determination, if the IRS examined and changed the corporation's federal return.

V Information Returns

Like-Kind Exchanges

California requires taxpayers who exchange property located in California for like-kind property located outside of California under IRC Section 1031, to file an annual information return with the FTB. For more information, get form FTB 3840, California Like-Kind Exchanges, or go to ftb.ca.gov and search for **like kind**.

Payments

Every corporation engaged in a trade or business and making or receiving certain payments in the course of the trade or business is required to file information returns to report the amount of such payments.

Payments that must be reported include, but are not limited to the following:

- Annual payments of \$600 or more for compensation for services not subject to withholding, commissions, fees, prizes and awards, payments to independent contractors, rents, royalties, legal services whether or not the payee is incorporated, interest (such as interest charged for late payment), and pensions.
- Annual payments of \$10 or more for interest earned and dividends.
- All payment amounts made by a broker or barter exchange.
- All payment amounts for gross proceeds paid to an attorney whether or not the services are performed for the payer.
- Cash payments over \$10,000 received in a trade or business.

See instructions for federal Forms 1099 (series), 1098, 5498, and W-2G; federal Pub. 1220, Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G; and federal Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business, for the applicable **due dates**.

Report payments to the FTB and the IRS using the appropriate federal form. Reports must be made for the calendar year.

Interest on Municipal Bonds

California requires corporations to report to the FTB interest paid on municipal bonds held by California taxpayers and issued by a state other than California, or a municipality other than a California municipality. Entities paying interest to California residents on these types of bonds are required to report interest payments aggregating \$10 or more and paid after January 1, 2024. These information returns will be due June 1, 2025. Get form FTB 4800 MEO, Federally Tax Exempt Non-California Bond Interest and Interest-Dividend Payment Information Media Transmittal, for more information.

IRC Sections 6038 through 6038D

California conforms to the information reporting requirements imposed under IRC Sections 6038 through 6038D. If the corporation files any of the following federal information returns, a copy of the federal return must be filed with California as well:

- Federal Form 5471
- Federal Form 5472
- Federal Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation
- Federal Form 8938, Statement of Specified Foreign Financial Assets
- Federal Form 8975*
- Schedule A (8975)*

*Foreign insurance companies that file as domestic companies are exempt from the requirement of filing federal Form 8975 and accompanying Schedule A (8975).

For additional information, refer to federal Form 8975 instructions.

Attach a copy of each federal information return to the California tax return.

If these federal information returns are not provided, penalties may be imposed under R&TC Sections 19141.2 and 19141.5. See General Information M, Penalties, for more information.

W Net Operating Loss (NOL)

For taxable years beginning on or after January 1, 2024, and before January 1, 2027, California has suspended the NOL carryover deduction. Corporations may continue to compute and carryover an NOL during the suspension period. **However**, corporations with taxable income of less than \$1,000,000 or with disaster loss carryovers are **not** affected by the NOL suspension rules.

The carryover period for suspended losses is extended by:

- Three years for losses incurred in taxable years beginning before January 1, 2024.
- Two years for losses incurred in taxable years beginning on or after January 1, 2024, and before January 1, 2025.
- One year for losses incurred in taxable years beginning on or after January 1, 2025, and before January 1, 2026.

For more information, see R&TC Section 24416.24.

R&TC Sections 24416 through 24416.7, R&TC Sections 24416.21 through 24416.24, and R&TC Section 25108 provide for NOL deductions incurred in the conduct of a trade or business.

R&TC Sections 24347.5 and 24347.11 through 24347.13 provide the treatment for disaster losses incurred in an area declared by the President of the United States or the Governor of California as a disaster area.

For taxable years beginning on or after January 1, 2014, and before January 1, 2029, taxpayers may deduct a disaster loss sustained in any city, county, or city and county in California that is proclaimed by the Governor to be in a state of emergency. For these Governor declared disasters, subsequent state legislation is not required to activate the disaster loss provisions. See R&TC Section 24347.14 for more information.

Losses taken into account under the disaster provisions may not be included in computing regular NOL deductions.

For more information, get form FTB 3805Q, or get form FTB 3805Z, Enterprise Zone Deduction and Credit Summary; form FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary; or form FTB 3809, Targeted Tax Area Deduction and Credit Summary.

X Limited Liability Companies (LLCs)

California law authorizes the formation of LLCs and recognizes out-of-state LLCs registered or doing business in California. The taxation of an LLC in California depends upon its classification as a corporation, partnership, or "disregarded entity" for federal tax purposes.

If an LLC elects to be taxed as a corporation for federal tax purposes, the LLC must file Form 100, Form 100-ES, form FTB 3539, and/or form FTB 3586 and enter the California corporation number, FEIN, and California SOS file number, if applicable, in the space provided. The FTB will (1) assign an identification number to an LLC that files as a corporation, and (2) notify the LLC with the identification number upon receipt of the first estimated tax payment, first tax payment, or the first tax return. The LLC will be subject to the applicable provisions of the Corporation Tax Law and should be considered a corporation for purpose of all instructions unless otherwise indicated.

If an LLC elects to be taxed as a partnership for federal tax purposes, it must file Form 568. LLCs taxed as partnerships determine their income, deductions, and credits under the Personal Income Tax Law and are subject to an annual tax as well as an annual fee based on total income.

If an SMLLC is disregarded for federal tax purposes, get Form 568, Limited Liability Company Tax Booklet, for information regarding SMLLC filing requirements.

A disregarded LLC reports its income, deductions, and credits on the return of its owner. However, an LLC that is disregarded is required to file Form 568 and pay the annual LLC tax as well as the LLC fee (if applicable) based on total income. Form 568, Side 1, provides the FTB with information on the sole owner of the LLC, contains the owner's consent to be taxed on the income of the LLC, and provides for the computation of the LLC tax and fee.

Y California Use Tax

Use tax has been in effect in California since July 1, 1935. It applies to purchases of property from out-of-state sellers and is similar to sales tax paid on purchases made in California. If the corporation has not already paid all use tax due to the California Department of Tax and Fee Administration (CDTFA), it may be able to report and pay the use tax due on its state income tax return. However, corporations required to hold a California seller's permit or to otherwise register with the California Department of Tax and Fee Administration for sales and use tax purposes may not report use tax on their state income tax return. See the information below and the instructions for line 36 of the income tax return.

In general, corporations must pay California use tax on purchases of merchandise for use in California, made from out-of-state sellers, for example, by telephone, online, by mail, or in person.

Corporations must pay California use tax on taxable items if:

- The seller does not collect California sales or use tax; and
- The corporation uses, gifts, stores, or consumes the item in California.

Example: The corporation purchases a conference table from a company in North Carolina. The company ships the table from North Carolina to the corporation's address in California for the corporation's use, and does not charge California sales or use tax. The corporation owes use tax on the purchase.

However, not all purchases require the corporation to pay use tax. For example, the corporation would include purchases of office equipment, but not exempt purchases of food products or prescription medicine. For more information on nontaxable and exempt purchases, the corporation may refer to Publication 61, Sales and Use Taxes: Tax Expenditures, on the California Department of Tax and Fee Administration's website at cdtfa.ca.gov.

For more information about California use tax, please refer to the California Department of Tax and Fee Administration's website at cdtfa.ca.gov and type "**Find Information About Use Tax**" in the search bar.

Complete the Use Tax Worksheet on page 18 to calculate the amount due.

Extensions to File. If the corporation requests an extension to file the tax return, wait until the corporation files the return to report the purchases subject to use tax and to make the use tax payment.

Interest, Penalties, and Fees. Failure to timely report and pay use tax due may result in the assessment of interest, penalties, and fees.

Application of Payments. For purchases made during taxable years starting on or after January 1, 2015, payments and credits reported on an income tax return will be applied first to the use tax liability, instead of income tax liabilities, penalties, and interest.

Changes in Use Tax Reported. Do not file an Amended Corporation Franchise or Income Tax Return (Form 100X) to revise the use tax previously reported. If the corporation has changes to the amount of use tax previously reported on the original tax return, contact the California Department of Tax and Fee Administration.

For assistance, go to the California Department of Tax and Fee Administration's website at cdtfa.ca.gov or call their Customer Service Center at 1.800.400.7115 (TTY: 711) (for hearing and speech disabilities). For California income tax information, contact the FTB at ftb.ca.gov.

Z Withholding

With certain limited exceptions, payers that are required to withhold and remit backup withholding to the IRS are also required to withhold and remit to the FTB on income sourced to California. If the corporation (payee) has backup withholding, the corporation (payee) must contact the FTB to provide a valid taxpayer identification number, before filing the tax return. Failure to provide a valid taxpayer identification number, may result in a denial of the backup withholding credit. For more information, go to ftb.ca.gov and search for **backup withholding**.

R&TC Section 18662 requires buyers to withhold income taxes when purchasing California real property from corporate sellers with no permanent place of business in California immediately after the transfer. For more information, get FTB Pub. 1016, Real Estate Withholding Guidelines.

Sellers of California real estate must attach a copy of Form 593, Real Estate Withholding Statement, to their tax return as proof of withholding.

If the corporation needs to verify withholding payments, the corporation may call Withholding Services and Compliance at 916.845.4900 or **888.792.4900**.

For transactions that require withholding, a seller of California real estate may elect an alternative to withholding 3 1/3% of the total sales price. The seller may elect an alternative withholding amount based on the maximum tax rate for individuals, corporations, or banks and financial corporations, as applied to the gain on the sale. The seller is required to certify under penalty of perjury the alternative withholding amount to the FTB. For more information, get FTB Pub. 1016.

Specific Line Instructions

C corporations filing on a water's-edge basis are required to use Form 100W to file their California tax return. Get Form 100W for more information.

Filing Form 100 without errors will expedite processing. Before mailing Form 100, make sure entries have been made for the following:

- California corporation number (assigned by the California SOS).
- Federal employer identification number (FEIN).
- California Secretary of State file number, if applicable.
- Corporation name (use the legal name filed with the California SOS) and address (include PMB no., if applicable).
- Use the additional information field for "Owner/Representative/Attention" name, and other supplemental address information only.
- If the corporation has a foreign address, follow the country's practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. **Do not** abbreviate the country name.

If an LLC elects to be taxed as a corporation for federal tax purposes, see General Information X, Limited Liability Companies (LLCs), for more information.

File the 2024 Form 100 for calendar year 2024 and fiscal year that begins in 2024. Enter taxable year beginning and ending dates **only** if the return is for a short year or a fiscal year. If a domestic corporation files the **first** California tax return, the fiscal year beginning date **must** be the date the corporation is incorporated. If the corporation reports its income using a calendar year, leave the date area blank. If the return is being filed for a short period (less than 12 months), write "short year" in black or blue ink in the top margin. Convert all foreign monetary amounts to U.S. dollars.

The 2024 Form 100 may also be used if both of the following apply:

- The corporation has a taxable year of less than 12 months that begins and ends in 2025.
- The 2025 Form 100 is not available at the time the corporation is required to file its return. The corporation must show its 2025 taxable year on the 2024 Form 100 and incorporate any tax law changes that are effective for taxable years beginning after December 31, 2024.

Questions A through DD

Answer all applicable questions and attach additional sheets, if necessary. Be sure to answer Questions D through DD on Form 100, Side 2 and Side 3. Use the following instructions when answering:

Question B – Combined report information

If the answer to Question B1 is:

- "Yes," make sure to complete all the questions listed
- "No," skip Questions B2 and B3 and go to Question B4

Question B4 – FTB 3544

Check the "Yes" box if form FTB 3544 is attached to Form 100.

Question C – Transfer or acquisition of voting stock

All corporations **must** answer all three questions. The questions provide information regarding changes in control or ownership of legal entities owning or under certain circumstances leasing California real property (R&TC Section 64). (Real property includes land, buildings, structures, fixtures – see R&TC Section 104 for more information.)

If any of the answers are "Yes", a Statement of Change in Control and Ownership of Legal Entities, must be filed with the State of California; failure to do so within 90 days of the event date will result in penalties. The form for this statement is form BOE-100-B, filed with the California State Board of Equalization (BOE). Get this form and information from the BOE website (boe.ca.gov) by searching for **Legal Entity Ownership Program (LEOP)**.

There may be a change in ownership or control if, during this taxable year, one of the following occurred with respect to this corporation or any of its subsidiaries:

- The percentage of outstanding voting shares transferred to, or owned or controlled by, **one person or one legal entity** cumulatively exceeded 50%.
- The total outstanding voting shares transferred to or held by **one irrevocable trust or trust beneficiary** cumulatively exceeded 50%.
- One or more irrevocable proxies cumulatively transferred voting rights to more than 50% of the outstanding voting shares to **one person or one entity**.
- This corporation, or any of its subsidiaries, cumulatively acquired ownership or control of more than 50% of the outstanding voting shares or other ownership interests in any legal entity; or
- As of the end of this taxable year, cumulatively more than 50% of the total outstanding voting shares have been transferred in one or more transactions since an interest in California real property was transferred to the corporation that was excluded from property tax reassessment under R&TC Section 62(a)(2) which established an original co-owners' interest status.

For purposes of these questions, leased real property is a leasehold interest in taxable real property: (1) leased for a term of 35 years or more (including renewal options), if not leased from a government agency; or (2) leased for any term, if leased from a government agency.

R&TC Section 64(e) requires this information for use in determining whether a change in ownership has occurred under Section 64(c) and (d); it is used by the LEOP.

Question F – Principal business activity (PBA) code

All corporations **must** answer Question F.

Include the six digit PBA code from the Principal Business Activity Codes chart included in this booklet. The code should be the number for the specific industry group from which the greatest percentage of California "total receipts" is derived. "Total receipts" means gross receipts plus all other income. The California PBA code may be different from the federal PBA code.

If, as its principal business activity, the corporation: (1) Purchases raw material. (2) Subcontracts out for labor to make a finished product from the raw materials. (3) Retains title to the goods, the corporation is considered to be a manufacturer and must enter one of the codes under "Manufacturing." Also, write in the business activity and the principal product or service on the lines provided.

Question K – Doing business as (DBA)

Corporations doing business under a name other than that entered on Side 1 of Form 100 must enter the DBA name in Question K. If the corporation is doing business under multiple DBAs attach a schedule listing all DBAs.

Leave Question K blank if the corporation is not using a DBA to conduct business.

Question M – Reportable transaction or listed transaction

Federal Form 8886 is required to be attached to any return on which a deduction, loss, credit, or any other tax benefit is claimed or is reported, or any income the corporation reported from an interest in a reportable transaction. If the corporation is required to file this form with the federal return, attach a copy to the corporation's Form 100.

A material advisor is required to provide a reportable transaction number to all taxpayers and material advisors for whom the material advisor acts as a material advisor.

A Reportable Transaction is any transaction as defined in R&TC Section 18407 and Treas. Reg. Section 1.6011-4 and includes, but is not limited to the following:

- A Listed Transaction, or a transaction that is substantially similar to a listed transaction, which has been identified by the IRS or the FTB to be a tax avoidance transaction.
- A Confidential Transaction, which is offered to a taxpayer under conditions of confidentiality and for which the taxpayer has paid a minimum fee.
- A transaction with contractual protections which provides the taxpayer with the right to a full or partial refund of fees if all or part of the intended tax consequences from the transaction are not sustained.
- A loss transaction under IRC Section 165 which is at least \$10 million in any one-year or \$20 million in any combination of taxable years.

- A transaction of interest is a transaction that is the same as or substantially similar to one of the types of transactions that the IRS has identified by notice, regulation, or other form of published guidance as a transaction of interest (entered into after November 1, 2006).
- A transaction with a significant book-tax difference (entered into prior to August 3, 2007). Beginning January 6, 2006, this transaction was no longer required to be disclosed on Form 8886. See IRS Notice 2006-6.
- A transaction where the taxpayer is claiming a tax credit of greater than \$250,000 and held the asset for less than 45 days (entered into prior to August 3, 2007).

Question T – Regulated investment company (RIC)

R&TC Section 24870 indicates that Subchapter M of Chapter 1 of Subtitle A of the IRC, relating to RICs and REITs, shall apply, except as otherwise provided in this part. Also, refer to R&TC Section 24871 for more information.

Question U – Real estate mortgage investment conduit (REMIC)

If a corporation is a REMIC for federal purposes, it will generally be a REMIC for California purposes. A REMIC is subject to the minimum franchise tax but is not subject to the income or franchise tax. The income of a REMIC is taxable to the holders of the REMIC interests. In order to qualify, substantially all of the assets of the entity must consist of “qualified mortgages” and “permitted investments.” See the instructions for federal Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return, to determine if the corporation qualifies. California law is the same as federal law, except California does not impose a tax on prohibited transactions, as defined in IRC Section 860F. The income or gain from such prohibited transactions remains includable in the California tax base. If the corporation is a REMIC for federal purposes, answer “Yes” to Question U, complete Form 100 and attach a copy of federal Form 1066.

Question V1 – Real estate investment trust (REIT)

California tax law has partially conformed to the REIT provisions of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170) except for the provisions relating to income from redetermined rents, redetermined deductions, and excess interest. Additionally, a federal election to treat property as foreclosure property under IRC Section 856(e)(5) is considered to be an election for California as well. No separate elections are allowed.

Question V2 – REIT subsidiaries

If the entity owns any qualified REIT subsidiaries that are incorporated or qualified with the California SOS, provide a statement

with the name, California corporation number, and FEIN for each entity.

Question W – Limited liability company (LLC) or limited partnership (LP)

Answer “Yes” only if the business entity for which the Form 100 is being filed is organized as an LLC or LP but is classified as a corporation for federal tax purposes. An LLC classified as a partnership for federal purposes should generally file Form 568. An LP should file Form 565.

Question AA – Corporations that own 80% of an insurance company

One of the provisions of R&TC Section 24410 includes a reporting requirement to the Legislature. To meet this requirement, the FTB may contact any corporation who answers, “Yes” for additional information.

Question DD – Do Not Round Cents to Dollars

On line DD 3, do not round cents to the nearest whole dollar. Enter the amounts with dollars and cents as actually remitted.

Line 1 through Line 43

Note: Do not include IRC Section 951A amounts.

Line 1 – Net income (loss) before state adjustments

Corporations using the federal reconciliation method to figure net income (see General Information I, Net Income Computation) must:

- Transfer the amount from federal Form 1120, line 28, to Form 100, Side 1, line 1; and attach a copy of the federal return and all pertinent supporting schedules; or copy the information from federal Form 1120, Page 1, onto Form 100, Side 4, Schedule F and transfer the amount from Schedule F, line 30, to Form 100, Side 1, line 1.
- Then, complete Form 100, Side 1 and Side 2, line 2 through line 16, State Adjustments.

Corporations using the California computation method to figure net income (see General Information I) must transfer the amount from Form 100, Side 4, Schedule F, line 30, to Side 1, line 1. Complete Form 100, Side 1 and Side 2, line 2 through line 16, only if applicable.

Line 2 through Line 16 – State adjustments

To figure net income for California purposes, corporations using the federal reconciliation method must enter California adjustments to the federal net income on line 2 through line 16. If a specific line for the adjustment is not on Form 100, corporations must enter the adjustment on line 8, Other additions, or line 15, Other deductions, and attach a schedule that explains the adjustment.

Line 2 and Line 3 – Taxes not deductible

California does not permit a deduction of California corporation franchise or income taxes or any other taxes on, according to, or measured by net income or profits. Such taxes that are shown on Form 100, Schedule A, must be added to income by entering the amount on Side 1, line 2 or line 3. See Schedule A, column (d) for the amount to be added to income.

The LLC fee is not a tax, R&TC Section 17942; therefore, it is deductible. **Do not** include any part of an LLC fee on line 2 or line 3.

Line 4 – Interest on government obligations

Corporations subject to California franchise tax must report all interest received on government obligations (such as federal, state, or municipal bonds). On line 4, enter all interest on government obligations that is not included in federal ordinary income (loss).

Corporations subject to California corporation income tax, see instructions for line 15.

Line 5 – Net California capital gain

Complete Schedule D on Side 6 of Form 100 and enter the California net capital gain from Schedule D, line 11 on Form 100, line 5.

Get FTB Pub. 1061 for instructions on determining the net capital gain when a combined report is filed.

Line 6 and Line 12 – Depreciation and amortization

California law is substantially different from federal law for corporations.

Complete form FTB 3885 to determine the amounts to enter on line 6 or line 12.

Line 7 – Net income not included in federal consolidated return

Use this line to report the net income from corporations included in the combined report but not included in the federal consolidated return.

Line 8 – Other additions

Any miscellaneous items that must be added to arrive at net income after state adjustments (line 17) should be shown on this line. Attach a schedule to itemize amounts.

If any federal contribution deduction was taken in arriving at the amount entered on Form 100, Side 1, line 1, include that amount on line 8.

Shuttered Venue Operator Grant. Under federal law, the CAA, 2021 allows deductions for eligible expenses paid for with grant amounts. California law conforms to this federal provision with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, include this amount on line 8.

Paycheck Protection Program Loans

Forgiveness. Under federal law, the CAA, 2021 allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, include this amount on line 8.

Also, the ARPA expands PPP eligibility to include “additional covered nonprofit entities” which includes certain Code 501(c) nonprofit organizations and Internet-only news publishers and Internet-only periodical publishers. California law does not conform to this expansion of PPP eligibility. If you met the PPP eligibility requirements and excluded the amount from gross income for federal purposes, include this amount on line 8.

Other Loan Forgiveness. Under federal law, the CAA, 2021 allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision, with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, enter the total amount of those expenses deducted on line 8.

Penalty Assessed by Professional Sports League. California does not allow a business expense deduction for any fine or penalty paid or incurred by an owner of a professional sports franchise assessed or imposed by the professional sports league that includes that franchise. If the corporation deducted the fine or penalty for federal purposes, include the amount on line 8.

California Ordinary Net Gain or Loss. Enter any California ordinary net gain or loss from Schedule D-1, Sales of Business Property. Attach Schedule D-1.

Line 10 and Line 11 – Dividends

Complete Schedule H (100), Dividend Income Deduction. Enter the total amount from Schedule H (100), Part I, line 4, column (d) on Form 100, Side 2, line 10. Enter the total amount from Part II, line 4, column (g) on Form 100, Side 2, line 11.

Line 13 – Capital gain from federal

Enter the federal capital gain net income from federal Form 1120, line 8. The California net capital gain should have been added to income on line 5.

Line 14 – Charitable contributions

The charitable contribution deduction for a California corporation is limited to the adjusted basis of the assets being contributed.

The deduction is limited to 10% of California net income without regard to charitable contribution. Carryover provisions per IRC Section 170(d)(2) apply for excess charitable contributions made during the taxable year.

For taxable years beginning on or after January 1, 2017, and before January 1, 2028, **do not** include any amounts taken into account for the College Access Tax Credit as a contribution deduction on line 14.

On a separate worksheet, using the Form 100 format, complete Form 100, Side 1 and Side 2, line 1 through line 17 without regard to line 14, Contributions. If any federal charitable contribution deduction was taken in arriving at the amount entered on Side 1, line 1, enter that amount as a positive number on line 8 of the Form 100 formatted worksheet. Enter the adjusted basis of the assets contributed on line 5 of the following worksheet. Then complete the worksheet that follows to determine the charitable contributions to enter on line 14.

1. Net income after state adjustments from Side 2, line 17
2. Deduction for dividends received.
3. Net income for contribution calculation purposes. Add line 1 and line 2

4. Charitable Contributions. Multiply line 3 by 10% (.10)
5. Enter the amount actually contributed
6. Enter the smaller of line 4 or line 5 here and on Side 2, line 14.

Get Schedule R to figure the charitable contribution computation for apportioning corporations.

Line 15 – Other deductions

Include on this line deductions not claimed on any other line. Attach a schedule that clearly shows how each deduction was computed and explain the basis for the deduction.

For corporations subject to income tax (instead of the franchise tax), interest received on obligations of the federal government and on obligations of the State of California and its political subdivisions is exempt from income tax. If such interest is reported on line 4, it must be deducted on line 15.

Wildfire Mitigation Payment. California law allows a qualified taxpayer an exclusion from gross income for any amount received as a California qualified wildfire loss mitigation payment through the California Wildfire Mitigation Financial Assistance Program. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Kincade Wildfire Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any qualified amount received in a settlement from PG&E Company or its subsidiary relating to the 2019 Kincade Fire. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Zogg Wildfire Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any qualified amount received in a settlement from PG&E Company or its subsidiary relating to the 2020 Zogg Fire. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Thomas and Woolsey Wildfires Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any amount received in settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Fire Victims Trust Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any amount received from the Fire Victims Trust. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Turf Replacement Water Conservation Program. California law allows an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, local government, or state agency for participation in a turf replacement water conservation

program. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant.

California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program that is established by Section 12100.975 of the Government Code. If the corporation included any amount qualifying for this exclusion as income for federal purposes, deduct the amount on line 15.

California Microbusiness COVID-19 Relief Grant.

California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Microbusiness COVID-19 Relief Program that is administered by the Office of Small Business Advocate (CalOSBA). Federal law has no similar exclusion. Enter on line 15 the amount of this type of income.

California Venues Grant. California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Venues Grant Program that is administered by CalOSBA. Federal law has no similar exclusion. Enter on line 15 the amount of this type of income.

Small Business COVID-19 Relief Grant

Program. California allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the COVID-19 Relief Grant under Executive Order No. E 20/21-182 and the California Small Business COVID-19 Relief Grant Program established by Section 12100.83 of the Government Code. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Financial Incentive for Seismic Improvement. California allows an exclusion from gross income for any amount received as a loan forgiveness, grant, credit, rebate, voucher, or other financial incentive issued by the California Residential Mitigation Program or the California Earthquake Authority to assist a residential property owner or occupant with expenses paid, or obligations incurred, for earthquake loss mitigation. If the corporation included any amount as income for federal purposes, deduct the amount on line 15.

Federal Ordinary Net Gain or Loss. Enter any federal ordinary net gain or loss from federal Form 4797, Sales of Business Property.

Line 18 – Net income (loss) for state purposes

If all corporate income is derived from California sources, transfer the amount on line 17 directly to line 18.

If only a portion of income is derived from California sources, complete Schedule R before entering any amount on line 18. Transfer the amount from Schedule R, line 35, to Form 100,

line 18. Be sure to answer "Yes" to Question N on Form 100, Side 3.

If this line is a net loss, complete and attach the 2024 form FTB 3805Q to Form 100.

Public Law 86-272

Corporations **not filing a combined report** and who meet the protections of Public Law 86-272 are exempt from state taxes based upon, or measured by, net income. However, they still are subject to the annual minimum franchise tax if they are doing business in, incorporated in, or qualified to transact intrastate business in, California. If corporations are claiming immunity in California under Public Law 86-272, **do not** include their net income or loss on line 18 and write "PL 86-272" at the top of Form 100.

Line 19, Line 20, and Line 21

The order in which line 19, line 20, and line 21 appear is not meant to imply the order in which any NOL deduction or disaster loss deduction should be taken if more than one type of deduction is available.

Line 19 – Net operating loss (NOL) deduction

The NOL carryover deduction is suspended for the 2024, 2025, and 2026 taxable years, if the corporation's taxable income is \$1,000,000 or more. The corporation may continue to compute and carryover an NOL during the suspension period. See General Information Section W, Net Operating Loss (NOL), for more information.

The NOL carryover deduction is the amount of the NOL carryover from prior years that may be deducted from income in the current taxable year.

For more information, get form FTB 3805Q.

If line 18 is a positive amount, enter the NOL carryover deduction from the 2024 form FTB 3805Q, Part III, line 3 on Form 100, line 19. The loss may not reduce current year income below zero. Any excess loss must be carried forward. Attach a copy of the 2024 form FTB 3805Q to Form 100.

If the full amount of the NOL carryover may not be deducted this year, complete and attach a 2024 form FTB 3805Q showing the computation of the NOL carryover to future years.

If line 18 is a negative amount or \$1,000,000 or more, corporations may not claim an NOL deduction carryover. Enter -0- on line 19. Get the 2024 form FTB 3805Q instructions to compute the NOL carryover to future years.

If the corporation terminates its election to be taxed as an S corporation, thus becoming a C corporation, then only that portion of the prior NOL carryover incurred while it had C corporation status may be used to the extent it has not expired.

Line 20 – EZ, TTA, or LAMBRA NOL carryover deduction

NOL carryover deductions for the Enterprise Zone (EZ), Targeted Tax Area (TTA), or Local Agency Military Based Recovery Area (LAMBRA) are suspended for the 2024, 2025, and 2026 taxable years, if the corporation's taxable income is \$1,000,000 or more. For more information get form FTB 3805Z, form FTB 3807, or form FTB 3809.

An NOL generated by a business that operates (operated) or invests (invested) within a former EZ, TTA, or LAMBRA receives special tax treatment. The loss may not reduce the corporation's current taxable year income below zero.

Corporations can no longer generate/incur any EZ or LAMBRA NOL for taxable years beginning on or after January 1, 2014. Corporations can claim EZ or LAMBRA NOL carryover deduction from prior years. Get FTB 3805Z Booklet or FTB 3807 Booklet for more information.

Corporations can no longer generate/incur any TTA NOL for taxable years beginning on or after January 1, 2013. Corporations can claim TTA NOL carryover deduction from prior years. Get FTB 3809 Booklet for more information.

Compute and enter the EZ, TTA, or LAMBRA NOL carryover deduction from the corporation's form FTB 3805Z; form FTB 3809; or form FTB 3807; on Form 100, line 20. Attach a copy of the applicable form to the Form 100.

Line 21 – Disaster loss deduction

The disaster loss deduction is not subject to the NOL suspension rules for the 2024, 2025, and 2026 taxable years.

If the corporation has a disaster loss carryover deduction and there is income in the current taxable year, enter the total amount from the 2024 form FTB 3805Q, Part III, line 2. The loss may not reduce the current taxable year income below zero. Any excess loss must be carried forward.

If the corporation deducts a 2024 disaster loss, any remaining disaster loss incurred in 2024 (NOL attributable to a qualified disaster loss) must be carried forward. Get form FTB 3805Q for more information.

Line 23 – Tax

Use rates listed in General Information B, Tax Rates, and C, Minimum Franchise Tax.

Line 24 through Line 26 – Tax credits

For taxable years beginning on or after January 1, 2024, and before January 1, 2027, there is a \$5,000,000 limitation on the application of credits. The total of all credits including the carryover of any credit for the taxable year may not reduce the "tax" by more than \$5,000,000. This limitation does not apply to the Low-Income Housing Credit. The credit for prior year AMT is not subject to the credit limitation. For taxpayers included in a combined report, the limitation is applied at the group level.

For each taxable year of the limitation, taxpayers may make an irrevocable election to receive an annual refundable credit amount, in future tax years, for credits disallowed due to the \$5,000,000 limitation. The election must be made annually by completing form FTB 3870, Election for Refundable Credit, and attaching it to an original, timely filed tax return.

If a taxpayer does **not** choose to make the election outlined above, credits disallowed due to the limitation may be carried over. The carryover period for disallowed credits is extended by the number of taxable years the credit was not allowed.

For more information, refer to R&TC Sections 23036.4 and 23036.5 and get form FTB 3870.

An eligible assignee can claim assigned credits, received this taxable year or carried over from prior years, against its tax liabilities. For more information, get form FTB 3544.

Note: The total amount of specific credit claimed on Form 100 or Schedule P (100) should include both: (1) the total assigned credit claimed from form FTB 3544, Side 2, Part B, column (j), and (2) the amount of credit claimed that was generated by the assignee.

A variety of tax credits are available to California corporations to reduce tax. However, corporations may not reduce the tax (line 23) below the minimum franchise tax, if applicable.

Also, the amount of the credit that a corporation is allowed to claim may be limited. Complete Schedule P (100) to compute this limitation.

Corporations claiming the following credits are not subject to the TMT limitation:

- California Competes Tax Credit
- California Motion Picture and Television Production Credit
- College Access Tax Credit
- Commercial Solar Electric System Credit carryover
- Commercial Solar Energy Credit carryover
- EZ Hiring Credit carryover
- EZ Sales or Use Tax Credit carryover
- Low-income Housing Credit
- Natural Heritage Preservation Tax Credit
- New California Motion Picture and Television Production Credit
- New Advanced Strategic Aircraft Credit
- Orphan Drug Credit carryover
- Program 3.0 California Motion Picture and Television Production Credit
- Research Credit
- Solar Energy Credit carryover
- Soundstage Filming Tax Credit
- State Historic Rehabilitation Tax Credit
- TTA Hiring Credit Carryover
- TTA Sales or Use Tax Credit carryover

Each credit is identified by a code. See the Credit Chart on page 29. To claim one or

two credits, enter the credit name, code, and the amount of the credit on line 24 and line 25. To claim more than two credits, use Schedule P (100). List two of the credits on line 24 and line 25. Enter the total of any remaining credits from Schedule P (100) on line 26. **Do not** make an entry on line 26 unless line 24 and line 25 are complete.

To figure tax credits, use the appropriate form or schedule. If the corporation claims a credit carryover for an expired credit, use form FTB 3540, Credit Carryover and Recapture Summary, to figure the amount of credit, unless the corporation is required to complete Schedule P (100). In that case, enter the amount of the credit on Schedule P (100) and complete Schedule P (100). **Do not** attach form FTB 3540. For EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA credit carryovers, get form FTB 3805Z, form FTB 3807, form FTB 3808, or form FTB 3809.

Attach the credit form or schedule and Schedule P (100), if applicable, to Form 100.

Line 28 – Balance

Subtract line 27 from line 23. Enter the result or the applicable minimum franchise tax, whichever is more. See General Information C, Minimum Franchise Tax.

Line 29 – Alternative minimum tax

Enter on this line the AMT from Schedule P (100), Part I, line 19, or Part II, line 18, whichever is applicable.

Line 32 – 2024 Estimated tax payments

Enter the total amount of estimated tax payments made during the 2024 taxable year on this line. If the corporation is a nonconsenting nonresident (NCNR) member of an LLC and tax was paid on the corporation's behalf by the LLC, include the NCNR members' tax from Schedule K-1 (568), Member's Share of Income, Deductions, Credits, etc., line 15e. If the corporation is including NCNR tax, write "LLC" on the dotted line to the left of the amount on line 32, and attach Schedule K-1 (568) to the California income tax return to claim the tax paid by the LLC on the corporation's behalf.

Line 33 – 2024 Withholding (Form 592-B and/or 593)

Enter the 2024 resident and nonresident or real estate withholding credit from Form 592-B, Resident and Nonresident Withholding Tax Statement, and/or Form 593. Attach a copy of the form(s) to the lower front of Form 100, Side 1. **Do not** include NCNR member's tax from Schedule K-1 (568), line 15e as withholding.

Line 36 – Use tax

As explained under General Information Y, California use tax applies to purchases of merchandise from out-of-state sellers (for example, purchases made by telephone, online, by mail, or in person) where sales or use tax was not paid and those items were used in California. For questions on whether a purchase is taxable, go to the California

Department of Tax and Fee Administration's website at cdtfa.ca.gov, or call their Customer Service Center at 1.800.400.7115 (TTY: 711) (for hearing and speech disabilities).

Note: The following businesses are required to report purchases subject to use tax directly to the California Department of Tax and Fee Administration, and may not report use tax on their income tax return.

- Businesses that have, or are required to hold, a California seller's permit.
- Businesses that make more than \$10,000 in purchases subject to use tax (excluding vehicles, vessels, and aircraft) per calendar year and have not paid use tax on those purchases to a retailer engaged in business in California or to a retailer authorized by the California Department of Tax and Fee Administration to collect the tax.
- Businesses that are otherwise registered or required to be registered with the California Department of Tax and Fee Administration to report use tax.

A corporation that is not required to report purchases subject to use tax directly to the California Department of Tax and Fee Administration may, with some exceptions, report use tax on its Corporation Franchise or Income Tax Return. To report use tax on the tax return, complete the Use Tax Worksheet on this page.

Note: A corporation may not report use tax on its income tax return for certain types of transactions. These types of purchases are listed in the instructions for completing Worksheet, Line 1.

If the corporation owes use tax, but does not report it on the income tax return, the corporation must report and pay the tax to the California Department of Tax and Fee Administration. For information on reporting use tax directly to the California Department of Tax and Fee Administration, go to their website at cdtfa.ca.gov and type "Find Information About Use Tax" in the search bar.

Failure to timely report and pay the use tax due may result in the assessment of interest, penalties, and fees.

Use Tax Worksheet

Round all amounts to the nearest whole dollar.

1. Enter purchases from out-of-state sellers made without payment of California sales/use tax. See worksheet instructions. \$ _____.00
2. Enter the applicable sales and use tax rate. See worksheet instructions.
3. Multiply line 1 by the tax rate on line 2. Enter result here. \$ _____.00
4. Enter any sales or use tax paid to another state for purchases included on line 1. See worksheet instructions. \$ _____.00
5. Total Use Tax Due. Subtract line 4 from line 3. Enter the amount here and on line 36. If the amount is less than zero, enter -0- \$ _____.00

Worksheet, Line 1, Purchases Subject to Use Tax

Report purchases of items that would have been subject to sales tax if purchased from a California retailer unless your receipt shows that California tax was paid directly to the retailer. For example, generally, purchases of clothing would be included, but not exempt purchases of food products or prescription medicine. For more information on nontaxable and exempt purchases, visit the California Department of Tax and Fee Administration's website at cdtfa.ca.gov.

- Include handling charges.
- **Do not** include any other state's sales or use tax paid on the purchases.
- Enter only purchases made during the year that correspond with the tax return the corporation is filing.

Note: Do not report the following types of purchases on the corporation's income tax return:

- Vehicles, vessels, and trailers that must be registered with the Department of Motor Vehicles.
- Mobile homes or commercial coaches that must be registered annually as required by the Health and Safety Code.
- Vessels documented with the U.S. Coast Guard.
- Aircraft.
- Rental receipts from leasing machinery, equipment, vehicles, and other tangible personal property to the customers.
- Cigarettes and tobacco products when the purchaser is registered with the California Department of Tax and Fee Administration as a cigarette and/or tobacco products consumer.

Worksheet, Line 2, Sales and Use Tax Rate

Enter the sales and use tax rate applicable to the place in California where the property is used, stored, or otherwise consumed. If the corporation does not know the applicable city or county sales and use tax rate, please go to the California Department of Tax and Fee Administration's website at cdtfa.ca.gov and type "City and County Sales and Use Tax Rates" in the search bar. You may also call their Customer Service Center at 1.800.400.7115 (TTY: 711) (for hearing and speech disabilities).

Worksheet, Line 4, Credit for Tax Paid to Another State

This is a credit for tax paid to other states on purchases reported on Line 1. The corporation can claim a credit up to the amount of tax that would have been due if the purchase had been made in California. For example, if the corporation paid \$8.00 sales tax to another state for a purchase, and would have paid \$6.00 in California, the corporation can only claim a credit of \$6.00 for that purchase.

Line 39 and Line 40 – Franchise or income tax due or overpayment

Revise the amount of tax due or overpayment, if applicable, by the amount on Side 4, Schedule J, line 6. See instructions for Schedule J.

Line 41 – Amount to be credited to 2025 estimated tax

If the corporation chooses to have the overpayment credited to next year's estimated tax payment, the corporation cannot later request that the overpayment be applied to the prior year to offset any tax due.

Line 42 – Refund

Direct Deposit of Refund (DDR)

Direct deposit is fast, safe, and convenient. To have the refund directly deposited into the corporation's bank account, enter the account information on Form 100, Side 2, lines 42a, 42b, and 42c. Be sure to fill in **all** the information. **Do not** attach a voided check or deposit slip.

Caution: Check with the corporation's financial institution to make sure the deposit will be accepted and to get the correct routing and account numbers. The FTB is not responsible for a lost refund due to incorrect account information.

To cancel the DDR, call the FTB at 916.845.0353. The FTB is not responsible when a financial institution rejects a direct deposit. If the FTB, the bank, or financial institution rejects the direct deposit due to an error in the routing number or account number, the FTB will issue a paper check.

Line 43 – Penalties and interest

Enter on line 43a the amount of any penalties and interest due. Complete and attach form FTB 5806 to the **back** of Form 100 (after all schedules and federal return), only if Exception B or Exception C of form FTB 5806 is used in computing or eliminating the penalty. Be sure to check the box on line 43b. For more information, see General Information M, Penalties, and N, Interest.

Schedules

Schedule A – Taxes Deducted

Enter the nature of the tax, the taxing authority, the total tax, and the amount of the tax that is not deductible for California purposes on Form 100, Side 4, Schedule A.

If the corporation is using the California computation method to compute the net income, enter the difference of column (c) and column (d) on Schedule F, line 17.

Schedule D – California Capital Gains or Losses

California law does not conform to the federal reduced capital gains tax rates. California taxes capital gains at the same rate as other types of income. California does not allow a three-year carryback of capital losses.

Gross Income Exclusion for Bruce's Beach –

Effective September 30, 2021, California law allows an exclusion from gross income for the first time sale in the taxable year in which the land within Manhattan State Beach, known as "Peck's Manhattan Beach Tract Block 5" and commonly referred to as "Bruce's Beach" is sold, transferred, or encumbered. A recipient's gross income does not include the following:

- Any sale, transfer, or encumbrance of Bruce's Beach;
- Any gain, income, or proceeds received that is directly derived from the sale, transfer, or encumbrance of Bruce's Beach.

Capital Assets

California does not conform to the exclusion of a patent, invention, model or design (whether or not patented), and a secret formula or process held by the taxpayer who created the property (and certain other taxpayers) from the definition of capital asset under IRC Section 1221.

Qualified Opportunity Zone Funds

California does not conform to the deferral and exclusion of capital gains reinvested or invested in qualified opportunity zone funds under IRC Sections 1400Z-1 and 1400Z-2. Enter the entire gain amount on line 1 or line 5, column (f).

If, for California purposes, gains from investment in qualified opportunity zone property had been included in income during previous taxable year, do not include the gain in the current year income.

Enter any unused capital loss carryover from 2023 Form 100, Side 6, Schedule D, line 11 on 2024 Form 100, Side 6, Schedule D, line 3.

For information regarding the application of the capital loss limitation and the capital loss carryover in a combined report, see Cal. Code Regs., tit. 18 section 25106.5-2 and FTB Pub. 1061.

Line 1 and Line 5

Report short-term or long-term capital gains (losses) from form FTB 3725 on Schedule D. Make sure to label on Schedule D, Part I, line 1 and/or Part II, line 5, under column (a) Kind of property and description: "**FTB 3725.**" Enter the amount of short-term or long-term capital gains (losses) from form FTB 3725 on Schedule D, Part I, line 1, column (f) and/or Part II, line 5, column (f). Attach a copy of form FTB 3725 to the Form 100.

Report short-term or long-term capital gains from form FTB 3726 on Schedule D. Make sure to label on Schedule D, Part I, line 1 and/or Part II, line 5, under column (a) Kind of property and description: "**DISA.**" Enter the amount of short-term or long-term capital gains from form FTB 3726 on Schedule D, Part I, line 1, column (f) and/or Part II, line 5, column (f). Attach a copy of form FTB 3726 to the Form 100.

Schedule F – Computation of Net Income

Note: Do not include IRC Section 951A amounts.

See General Information I, Net Income Computation, for information on net income computation methods.

Line 1a – Gross Receipts

"Gross receipts" means the gross amounts realized (the sum of money and the fair market value of other property or services received) on:

- The sale or exchange of property,
- The performance of services, or
- The use of property or capital (including rents, royalties, interest, and dividends) in a transaction that produces business income, in which the income, gain, or loss is recognized (or would be recognized if the transaction were in the United States) under the IRC.

Amounts realized on the sale or exchange of property shall not be reduced by the cost of goods sold or the basis of property sold. For a complete definition of "gross receipts," refer to R&TC Section 25120(f).

Line 4 – Total dividends

Enter the total amount of dividends received.

Line 13 – Salaries and wages

Gain from the exercise of California Qualified Stock Options issued and exercised on or after January 1, 1997, and before January 1, 2002, can be excluded from gross income if the individual's earned income is \$40,000 or less. The exclusion from gross income is subject to AMT and the corporation is not allowed a deduction for the compensation excluded from the employee's gross income. For more information, see R&TC Section 24602.

Line 17 – Taxes

If the corporation is using the California computation method to compute the net income, enter on line 17 the difference of column (c) and column (d) of Schedule A.

Line 27 – Other deductions

Do not include any dividend elimination or deduction on this line. Instead complete Schedule H (100), Dividend Income Deduction, and enter the dividend elimination or deduction on Form 100, Side 2, line 10, or line 11.

Line 28 – Specific deduction for organizations under R&TC Section 23701r or 23701t

Political Organizations

A political organization exempt under R&TC Section 23701r must file Form 100 and report "political taxable income" in excess of \$100.

"Political taxable income" means all amounts received during the taxable year other than:

- Contributions of money or other property.
- Membership fees, dues, or assessments.
- Proceeds from political fundraising or entertainment events, or proceeds from the sale of political campaign material not received in the ordinary course of any trade or business.

Political organizations are not subject to the minimum franchise tax nor are they required to make estimate payments. The tax is computed under Chapter 3 of the Corporation Tax Law. Enter the \$100 limit on Schedule F, line 28, as a qualified "specific deduction."

Exempt Homeowners' Associations

A homeowners' association exempt under R&TC Section 23701t, including unincorporated homeowners' associations, must file Form 100 if it received nonexempt function gross income in excess of \$100. Form 100 may be required in addition to Form 199.

Nonexempt function gross income means gross income received during the taxable year other than amounts received from membership fees, dues, or assessments. Nonexempt function gross income includes the gross amount of such items as, but not limited to: interest, dividends, rents, royalties, sale of assets, and income from nonmembers.

Exempt homeowners' associations and unincorporated homeowners' associations are not subject to the minimum franchise tax. The tax is computed under Chapter 3 of the Corporation Tax Law. Under Chapter 3, estimated tax payments may be required.

Form 100 is due on or before the 15th day of the 4th month after the close of the taxable year. Enter the \$100 limit on Schedule F, line 28, as a qualified "specific deduction."

Schedule G – Bad Debts Reserve Method

Only banks that are not a large bank, as defined in the IRC Section 585(c)(2), may use the bad debt reserve method. For the purpose of the bad debt reserve method, banks include savings and loan associations, and other financial institutions. For more information, see IRC Sections 581 and 585. Complete Schedule G below and attach it to Form 100.

Schedule J – Add-On Taxes and Recapture of Tax Credits

Complete Schedule J on Form 100, Side 4, if the corporation has credit amounts to recapture or is required to include installment payments of "add-on" taxes for the following:

- Last-in, first-out (LIFO) recapture resulting from an S corporation election.
- Interest computed under the look-back method for completed long-term contracts.
- Interest on tax attributable to installment sales of certain property or use of the installment method for non-dealer installment obligations.
- IRC Section 197(f)(9)(B)(ii) election to recognize gain on the disposition of an IRC Section 197 intangible.

Revise the amount of tax due or overpayment on Form 100, Side 2, line 39 or line 40, as applicable by the amount from Schedule J, line 6.

Installment Payment of Tax Attributable to LIFO Recapture for Corporations Making an S Corporation Election. A corporation that uses the LIFO inventory pricing method and makes an S corporation election must include a "LIFO recapture amount" in income for its last year as a C corporation. The corporation's LIFO recapture amount is equal to the excess of the inventory amount using the first-in, first-out (FIFO) method, over the inventory amount using the LIFO method, at the close of the corporation's last taxable year as a C corporation.

The additional tax resulting from inclusion of the LIFO recapture in income is payable in four equal installments. The first installment is due on the original due date of Form 100 of the electing corporation's last year as a C corporation.

To determine the additional tax due to LIFO recapture, the corporation must complete Form 100, Side 2, line 18 through line 30, based on income that does not include the LIFO recapture amount.

On a separate worksheet using the Form 100 format, the corporation must complete the equivalent of Form 100, Side 2, line 18 through line 30, based on taxable income including the LIFO recapture amount. Form 100, Side 2, line 30, must then be compared to line 30 of the worksheet. The difference is the additional tax due to LIFO recapture.

Since Form 100, Side 2, line 30, does not include the additional tax due to LIFO recapture, corporations must include 1/4 of the additional tax on Schedule J, line 1 and adjust line 39 or line 40 accordingly. Attach the worksheet showing the computation.

The electing S corporations must pay the remaining three installments of deferred tax with Form 100S.

Long-term Contracts. If the corporation must compute interest under the look-back method for completed long-term contracts, complete and attach form FTB 3834, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts. Include the amount of interest the corporation owes or the amount of interest to be credited or refunded to the corporation on Schedule J, line 2. If interest is to be credited or refunded, enter as a negative amount. Attach form FTB 3834 to Form 100.

Interest on Tax Attributable to Payments Received on Installment Sales of Certain Timeshares and Residential Lots. If the corporation elected to pay interest on the amount of tax attributable to payments received on installment obligations arising from the disposition of certain timeshares and residential lots under IRC Section 453(l)(3), it must include the interest due on Schedule J, line 3a. For the applicable interest rates, get FTB Pub. 1138. Attach a schedule showing the computation.

Schedule G Bad Debts Reserve Method. See instructions.

(a) Taxable year	(b) Accounts outstanding at the end of the year	Amount added to reserve		(e) Amount charged against reserve	(f) Reserve for bad debts at end of year
		(c) Current year's provisions	(d) Recoveries		
2019					
2020					
2021					
2022					
2023					
2024					

Interest on Tax Deferred Under the Installment Method for Certain Nondealer Installment Obligations. If an obligation arising from the disposition of property to which IRC Section 453A(c) applies is outstanding at the close of the taxable year, the corporation must include the interest due under IRC Section 453A on Schedule J, line 3b. For the applicable interest rates, get FTB Pub. 1138.

IRC Section 197(f)(9)(B)(ii) Election.

Complete Schedule J, line 4 if the corporation elected to pay tax on the gain from the sale of an intangible under the related person exception to the anti-churning rules.

Credit Recapture. Complete Schedule J, line 5, if the corporation completed the credit recapture portion for any of the following forms:

- FTB 3835, State Historic Rehabilitation Tax Credit
- FTB 3531, California Competes Tax Credit – Enter only the recaptured amount used. Get the instructions for form FTB 3531, Part III, Credit Recapture, for more information.
- FTB 3554, New Employment Credit

Also, complete Schedule J, line 5, if the corporation is subject to recapture for any of the following credits:

- Environmental Tax Credit
- Farmworker Housing Credit

Get the instructions for form FTB 3540, Part II, for more information.

Schedule M-1 – Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Schedule M-1 is used to reconcile the difference between book and tax accounting for an income or expense item. The federal and state Schedule M-1 may be the same when the corporation uses the federal reconciliation method for net income computation. See General Information I, Net Income Computation, for more information. The California Schedule M-1 will be different from the federal Form 1120, Schedule M-1, if using the California computation method for net income. The California computation method is generally used when the corporation has no federal filing requirement, or if the corporation maintains separate records for state purposes.

Reporting Requirements. If the corporation's total receipts (see top of page 31 for definition of total receipts) for the taxable year **and** total assets at the end of the taxable year are less than \$250,000, the corporation is not required to complete Schedule L, Schedule M-1, and Schedule M-2. However, this information must be available in the future upon request.

Corporation With Total Assets of At Least \$10 Million but Less Than \$50 Million.

The IRS allows corporations with at least \$10 million but less than \$50 million in total assets at tax year end to file Schedule M-1 (Form 1120/1120-F) in place of Schedule M-3 (Form 1120/1120-F), Parts II and III. However, Schedule M-3 (Form 1120/1120-F), Part I, is required for these corporations. **For California purposes**, the corporation must complete the California Schedule M-1, **and** attach either of the following:

- A copy of the federal Schedule M-3 (Form 1120/1120-F) and related attachments to the Form 100.
- A complete copy of the federal return.

The FTB will accept the federal Schedule M-3 (Form 1120/1120-F) in a spreadsheet format if more convenient.

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ftb.ca.gov

Credit Chart

Credit Name	Code	Description
Current Credits List		
California Competes Tax – FTB 3531	233	The credit, which is allocated and certified by the California Competes Tax Credit Committee, is available for businesses that want to come to California or to stay and grow in California. Website: business.ca.gov
California Motion Picture and Television Production – FTB 3541	223	For taxable years beginning on or after January 1, 2011, the original credit is allocated and certified by the California Film Commission, and is available for qualified production expenditures attributable to a qualified motion picture, an independent film, or a TV series that relocates to California. Website: film.ca.gov
Cannabis Equity Tax – FTB 3821	247	The credit is available to a qualified taxpayer that is an equity licensee that has received approval, including approval contingent upon the availability of funds, for the fee waiver and deferral program administered by the DCC.
College Access Tax – FTB 3592	235	The credit, which is allocated and certified by the California Educational Facilities Authority, is available for taxpayers who contribute to the College Access Tax Credit Fund. Website: treasurer.ca.gov/cefa
Disabled Access for Eligible Small Businesses – FTB 3548	205	Similar to the federal credit, but limited to \$125 per eligible small business, and based on 50% of qualified expenditures that do not exceed \$250
Donated Agricultural Products Transportation – FTB 3547	204	50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations
High-Road Cannabis Tax – FTB 3820	246	The credit is available to a qualified taxpayer that is a commercial cannabis business that possesses a Type-10 (retailer), or a Type-12 (micro-business) license issued by the DCC. A qualified taxpayer must request a tentative credit reservation from the FTB.
Homeless Hiring Tax – FTB 3831	244	The credit is available to qualified taxpayers that hire eligible individuals. Employers must obtain a certification of individual's homeless status from an organization that works with the homeless and must receive a tentative credit reservation for that employee from the FTB.
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Natural Heritage Preservation – FTB 3503	213	55% of the fair market value of any qualified contribution of property donated to the state, any local government, or any nonprofit organization designated by a local government.
New Advanced Strategic Aircraft	236	The credit is available to qualified corporations that hire qualified employees and pay or incur qualified wages, to manufacture certain property for the United States Air Force.
New California Motion Picture and Television Production – FTB 3541	237	For taxable years beginning on or after January 1, 2016, the credit is allocated and certified by the California Film Commission, and is available for qualified production expenditures attributable to a qualified motion picture, an independent film, or a TV series that relocates to California. Website: film.ca.gov
New Donated Fresh Fruits or Vegetables – FTB 3814	238	15% of the qualified value of the donated fresh fruits, vegetables, or other qualified donated items made to California food banks, based on weighted average wholesale price.
New Employment – FTB 3554	234	The credit is available for qualified taxpayers that hire a qualified full-time employee, pay or incur qualified wages, and receive a tentative credit reservation for a qualified full-time employee.
Prior Year Alternative Minimum Tax	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in the current year
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Program 3.0 California Motion Picture and Television Production – FTB 3541	239	For taxable years beginning on or after January 1, 2020, the credit is allocated and certified by the California Film Commission, and is available for qualified production expenditures attributable to a qualified motion picture, an independent film or a TV series that relocates to California. Website: film.ca.gov
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Soundstage Filming Tax – FTB 3541	245	For taxable years beginning on or after January 1, 2022, the credit is allocated and certified by the California Film Commission, and is available for qualified production expenditures attributable to a qualified motion picture, an independent film, or a TV series that is produced in California at a certified studio construction project and by a qualified taxpayer that provides a diversity workplan that is approved by the California Film Commission. Website: film.ca.gov
State Historic Rehabilitation Tax – FTB 3835	243	The credit, which is allocated by the California Tax Credit Allocation Committee, is for the rehabilitation of certified historic structures and for individual taxpayers, a qualified residence. Website: ohp.parks.ca.gov

(Continued on next page)

Credit Chart – *Continued*

Repealed Credits with Carryover or Recapture Provisions: The expiration dates for the credits listed below have passed. However, these credits had carryover or recapture provisions. The corporation may claim these credits if there is a carryover available from prior years. If the corporation is not required to complete Schedule P (100), get form FTB 3540 to figure the credit carryover to future years.

For EZ, LAMBRA, MEA, or TTA credit carryovers, get form FTB 3805Z, form FTB 3807, form FTB 3808, or form FTB 3809.

Agricultural Products	175	Enterprise Zone Hiring	176	Orphan Drug	185
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Principal Business Activity Codes

This list of principal business activities and their associated codes is designed to classify a business by the type of activity in which it is engaged to facilitate the administration of the California Revenue and Taxation Code. These principal business activity codes are based on the North American Industry Classification System.

Using the list of activities and codes below, determine from which activity the company derives the largest percentage of its "total receipts." **Total receipts** is defined as the sum of gross receipts or sales (Form 100, Side 4, Schedule F, line 1a) plus all other income (Form 100, Side 4, Schedule F, lines 4 through 10). If the company purchases raw materials and supplies them to a subcontractor to produce the finished product, but retains title to the product, the company is considered a manufacturer and must use one of the manufacturing codes (311110-339900).

Once the principal business activity is determined, entries must be made on Form 100, Question F. For the business activity code, enter the six-digit code selected from the list below. On the next line enter a brief description of the company's business activity. Finally, enter a description of the principal product or service of the company on the next line.

Agriculture, Forestry, Fishing, and Hunting

Code

Crop Production

- 111100 Oilseed & Grain Farming
- 111210 Vegetable & Melon Farming (including potatoes & yams)
- 111300 Fruit & Tree Nut Farming
- 111400 Greenhouse, Nursery, & Floriculture Production
- 111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet, & all other crop farming)

Animal Production

- 112111 Beef Cattle Ranching & Farming
- 112112 Cattle Feedlots
- 112120 Dairy Cattle & Milk Production
- 112210 Hog & Pig Farming
- 112300 Poultry & Egg Production
- 112400 Sheep & Goat Farming
- 112510 Aquaculture (including shellfish & finfish farms & hatcheries)
- 112900 Other Animal Production

Forestry and Logging

- 113110 Timber Tract Operations
- 113210 Forest Nurseries & Gathering of Forest Products
- 113310 Logging

Fishing, Hunting, and Trapping

- 114110 Fishing
- 114210 Hunting & Trapping

Support Activities for Agriculture and Forestry

- 115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)
- 115210 Support Activities for Animal Production (including farriers)
- 115310 Support Activities for Forestry

Mining

- 211120 Crude Petroleum Extraction
- 211130 Natural Gas Extraction
- 212110 Coal Mining
- 212200 Metal Ore Mining
- 212310 Stone Mining & Quarrying
- 212320 Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying
- 212390 Other Nonmetallic Mineral Mining & Quarrying
- 213110 Support Activities for Mining

Utilities

- 221100 Electric Power Generation, Transmission & Distribution
- 221210 Natural Gas Distribution
- 221300 Water, Sewage & Other Systems
- 221500 Combination Gas & Electric

Construction

Code

Construction of Buildings

- 236110 Residential Building Construction
- 236200 Nonresidential Building Construction

Heavy and Civil Engineering Construction

- 237100 Utility System Construction
- 237210 Land Subdivision
- 237310 Highway, Street, & Bridge Construction
- 237990 Other Heavy & Civil Engineering Construction

Specialty Trade Contractors

- 238100 Foundation, Structure, & Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, & siding)
- 238210 Electrical Contractors
- 238220 Plumbing, Heating, & Air-Conditioning Contractors
- 238290 Other Building Equipment Contractors
- 238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, & finish carpentry)
- 238900 Other Specialty Trade Contractors (including site preparation)

Manufacturing

Food Manufacturing

- 311110 Animal Food Mfg
- 311200 Grain & Oilseed Milling
- 311300 Sugar & Confectionery Product Mfg
- 311400 Fruit & Vegetable Preserving & Specialty Food Mfg
- 311500 Dairy Product Mfg
- 311610 Animal Slaughtering and Processing
- 311710 Seafood Product Preparation & Packaging
- 311800 Bakeries, Tortilla & Dry Pasta Mfg
- 311900 Other Food Mfg (including coffee, tea, flavorings, & seasonings)

Beverage and Tobacco Product Manufacturing

- 312110 Soft Drink & Ice Mfg
- 312120 Breweries
- 312130 Wineries
- 312140 Distilleries
- 312200 Tobacco Manufacturing

Textile Mills and Textile Product Mills

- 313000 Textile Mills
- 314000 Textile Product Mills

Apparel Manufacturing

- 315100 Apparel Knitting Mills

Code

- 315210 Cut & Sew Apparel Contractors
- 315250 Cut & Sew Apparel Mfg (except Contractors)
- 315990 Apparel Accessories & Other Apparel Mfg

Leather and Allied Product Manufacturing

- 316110 Leather & Hide Tanning & Finishing
- 316210 Footwear Mfg (including rubber & plastics)
- 316990 Other Leather & Allied Product Mfg

Wood Product Manufacturing

- 321110 Sawmills & Wood Preservation
- 321210 Veneer, Plywood, & Engineered Wood Product Mfg
- 321900 Other Wood Product Mfg

Paper Manufacturing

- 322100 Pulp, Paper, & Paperboard Mills
- 322200 Converted Paper Product Mfg

Printing and Related Support Activities

- 323100 Printing & Related Support Activities

Petroleum and Coal Products Manufacturing

- 324110 Petroleum Refineries (including integrated)
- 324120 Asphalt Paving, Roofing, & Saturated Materials Mfg
- 324190 Other Petroleum & Coal Products Mfg

Chemical Manufacturing

- 325100 Basic Chemical Mfg
- 325200 Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg
- 325300 Pesticide, Fertilizer, & Other Agricultural Chemical Mfg
- 325410 Pharmaceutical & Medicine Mfg
- 325500 Paint, Coating, & Adhesive Mfg
- 325600 Soap, Cleaning Compound, & Toilet Preparation Mfg
- 325900 Other Chemical Product & Preparation Mfg

Plastics and Rubber Products Manufacturing

- 326100 Plastics Product Mfg
- 326200 Rubber Product Mfg

Nonmetallic Mineral Product Manufacturing

- 327100 Clay Product & Refractory Mfg
- 327210 Glass & Glass Product Mfg
- 327300 Cement & Concrete Product Mfg
- 327400 Lime & Gypsum Product Mfg
- 327900 Other Nonmetallic Mineral Product Mfg

Primary Metal Manufacturing

- 331110 Iron & Steel Mills & Ferroalloy Mfg
- 331200 Steel Product Mfg from Purchased Steel
- 331310 Alumina & Aluminum Production & Processing
- 331400 Nonferrous Metal (except Aluminum) Production & Processing
- 331500 Foundries

Fabricated Metal Product Manufacturing

- 332110 Forging & Stamping
- 332210 Cutlery & Handtool Mfg
- 332300 Architectural & Structural Metals Mfg
- 332400 Boiler, Tank, & Shipping Container Mfg
- 332510 Hardware Mfg
- 332610 Spring & Wire Product Mfg
- 332700 Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg
- 332810 Coating, Engraving, Heat Treating, & Allied Activities

Code

- 332900 Other Fabricated Metal Product Mfg

Machinery Manufacturing

- 333100 Agriculture, Construction, & Mining Machinery Mfg
- 333200 Industrial Machinery Mfg
- 333310 Commercial & Service Industry Machinery Mfg
- 333410 Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg
- 333510 Metalworking Machinery Mfg
- 333610 Engine, Turbine & Power Transmission Equipment Mfg
- 333900 Other General Purpose Machinery Mfg

Computer and Electronic Product Manufacturing

- 334110 Computer & Peripheral Equipment Mfg
- 334200 Communications Equipment Mfg
- 334310 Audio & Video Equipment Mfg
- 334410 Semiconductor & Other Electronic Component Mfg
- 334500 Navigational, Measuring, Electromedical, & Control Instruments Mfg
- 334610 Manufacturing & Reproducing Magnetic & Optical Media

Electrical Equipment, Appliance, and Component Manufacturing

- 335100 Electric Lighting Equipment Mfg
- 335200 Household Appliance Mfg
- 335310 Electrical Equipment Mfg
- 335900 Other Electrical Equipment & Component Mfg

Transportation Equipment Manufacturing

- 336100 Motor Vehicle Mfg
- 336210 Motor Vehicle Body & Trailer Mfg
- 336300 Motor Vehicle Parts Mfg
- 336410 Aerospace Product & Parts Mfg
- 336510 Railroad Rolling Stock Mfg
- 336610 Ship & Boat Building
- 336990 Other Transportation Equipment Mfg

Furniture and Related Product Manufacturing

- 337000 Furniture & Related Product Manufacturing

Miscellaneous Manufacturing

- 339110 Medical Equipment & Supplies Mfg
- 339900 Other Miscellaneous Manufacturing

Wholesale Trade

- Merchant Wholesalers, Durable Goods**
 - 423100 Motor Vehicle & Motor Vehicle Parts & Supplies
 - 423200 Furniture & Home Furnishings
 - 423300 Lumber & Other Construction Materials
 - 423400 Professional & Commercial Equipment & Supplies
 - 423500 Metal & Mineral (except Petroleum)
 - 423600 Household Appliances and Electrical & Electronic Goods
 - 423700 Hardware, Plumbing, & Heating Equipment & Supplies
 - 423800 Machinery, Equipment, & Supplies
 - 423910 Sporting & Recreational Goods & Supplies
 - 423920 Toy & Hobby Goods & Supplies
 - 423930 Recyclable Materials
 - 423940 Jewelry, Watch, Precious Stone, & Precious Metals
 - 423990 Other Miscellaneous Durable Goods

Code	Code	Code	Code
Merchant Wholesalers, Nondurable Goods	Clothing and Accessories Retailers	Couriers and Messengers	Insurance Carriers and Related Activities
424100 Paper & Paper Products	458110 Clothing and Clothing Accessories Retailers	492110 Couriers & Express Delivery Services	524110 Direct Life, Health, & Medical Insurance Carriers
424210 Drugs & Druggists' Sundries	458210 Shoe Retailers	492210 Local Messengers & Local Delivery	524120 Direct Insurance (except Life, Health, & Medical) Carriers
424300 Apparel, Piece Goods, & Notions	458310 Jewelry Retailers	Warehousing and Storage	524210 Insurance Agencies & Brokerages
424400 Grocery & Related Products	458320 Luggage & Leather Goods Retailers	493100 Warehousing & Storage (except lessors of miniwarehouses & self-storage units)	524290 Other Insurance Related Activities (including third-party administration of insurance & pension funds)
424500 Farm Product Raw Materials	Sporting Goods, Hobby, Book, Musical Instrument and Miscellaneous Retailers	Information	Funds, Trusts, and Other Financial Vehicles
424600 Chemical & Allied Products	459110 Sporting Goods Retailers	Motion Picture and Sound Recording Industries	525100 Insurance & Employee Benefit Funds
424700 Petroleum & Petroleum Products	459120 Hobby, Toy, & Game Retailers	512100 Motion Picture & Video Industries (except video rental)	525910 Open-End Investment Funds (Form 1120-RIC)
424800 Beer, Wine, & Distilled Alcoholic Beverages	459130 Sewing, Needlework, & Piece Goods Retailers	512200 Sound Recording Industries	525920 Trusts, Estates, & Agency Accounts
424910 Farm Supplies	459140 Musical Instrument & Supplies Retailers	Publishing Industries	525990 Other Financial Vehicles (including mortgage REITs & closed-end investment funds) "Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under Management of Companies (Holding Companies)
424920 Book, Periodical, & Newspapers	459210 Book Retailers & News Dealers (including newsstands)	513110 Newspaper Publishers	
424930 Flower, Nursery Stock, & Florists' Supplies	459310 Florists	513120 Periodical Publishers	
424940 Tobacco Products & Electronic Cigarettes	459410 Office Supplies & Stationery Retailers	513130 Book Publishers	
424950 Paint, Varnish, & Supplies	459420 Gift, Novelty, & Souvenir Retailers	513140 Directory & Mailing List Publishers	
424990 Other Miscellaneous Nondurable Goods	459510 Used Merchandise Retailers	513190 Other Publishers	
Wholesale Trade Agents and Brokers	459910 Pet & Pet Supplies Retailers	513210 Software Publishers	
425120 Wholesale Trade Agents & Brokers	459920 Art Dealers	Broadcasting, Content Providers, and Telecommunications	
Retail Trade	459930 Manufactured (Mobile) Home Dealers	516100 Radio & Television Broadcasting Stations	
Motor Vehicle and Parts Dealers	459990 All Other Miscellaneous Retailers (including tobacco, candle, & trophy retailers)	516210 Media Streaming, Social Networks, & Other Content Providers	
441110 New Car Dealers	Nonstore Retailers	517000 Telecommunications (including Wired, Wireless, Satellite, Cable & Other Program Distribution, Resellers, Agents, Other Telecommunications, & Internet Service Providers)	
441120 Used Car Dealers	Nonstore retailers sell all types of merchandise using such methods as Internet, mail-order catalogs, interactive television, or direct sales. These types of Retailers should select the PBA associated with their primary line of products sold. For example, establishments primarily selling prescription and non-prescription drugs, select PBA code 456110 Pharmacies & Drug Retailers.	Data Processing, Web Search Portals, & Other Information Services	
441210 Recreational Vehicle Dealers	Transportation and Warehousing	518210 Computing Infrastructure Providers, Data Processing, Web Hosting & Related Services	
441222 Boat Dealers	Air, Rail, and Water Transportation	519200 Web Search Portals, Libraries, Archives, & Other Info. Services	
441227 Motorcycle, ATV, and All Other Motor Vehicle Dealers	481000 Air Transportation	Finance and Insurance	
441300 Automotive Parts, Accessories, & Tire Retailers	482110 Rail Transportation	Depository Credit Intermediation	
Building Material and Garden Equipment and Supplies Dealers	483000 Water Transportation	522110 Commercial Banking	
444110 Home Centers	Truck Transportation	522130 Credit Unions	
444120 Paint & Wallpaper Retailers	484110 General Freight Trucking, Local	522180 Saving Institutions & Other Depository Credit Intermediation	
444140 Hardware Retailers	484120 General Freight Trucking, Long-distance	Nondepository Credit Intermediation	
444180 Other Building Material Dealers	484200 Specialized Freight Trucking	522210 Credit Card Issuing	
444200 Lawn & Garden Equipment & Supplies Retailers	Transit and Ground Passenger Transportation	522220 Sales Financing	
Food and Beverage Retailers	485110 Urban Transit Systems	522291 Consumer Lending	
445110 Supermarkets and Other Grocery Retailers (except Convenience)	485210 Interurban & Rural Bus Transportation	522292 Real Estate Credit (including mortgage bankers & originators)	
445131 Convenience Retailers	485310 Taxi and Ridesharing Services	522299 Intl, Secondary Market, & Other Nondepos. Credit Intermediation	
445132 Vending Machine Operators	485320 Limousine Service	Activities Related to Credit Intermediation	
445230 Fruit & Vegetable Retailers	485410 School & Employee Bus Transportation	522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)	
445240 Meat Retailers	485510 Charter Bus Industry	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	
445250 Fish & Seafood Retailers	485990 Other Transit & Ground Passenger Transportation	523150 Investment Banking & Securities Intermediation	
445291 Baked Goods Retailers	Pipeline Transportation	523160 Commodity Contracts Intermediation	
445292 Confectionery & Nut Retailers	486000 Pipeline Transportation	523210 Securities & Commodity Exchanges	
445298 All Other Specialty Food Retailers	Scenic & Sightseeing Transportation	523900 Other Financial Investment Activities (including portfolio management & investment advice)	
445320 Beer, Wine, & Liquor Retailers	487000 Scenic & Sightseeing Transportation		
Furniture and Home Furnishings Retailers	Support Activities for Transportation		
449110 Furniture Retailers	488100 Support Activities for Air Transportation		
449121 Floor Covering Retailers	488210 Support Activities for Rail Transportation		
449122 Window Treatment Retailers	488300 Support Activities for Water Transportation		
449129 All Other Home Furnishings Retailers	488410 Motor Vehicle Towing		
Electronics and Appliance Retailers	488490 Other Support Activities for Road Transportation		
449210 Electronics & Appliance Retailers (including Computers)	488510 Freight Transportation Arrangement		
General Merchandise Retailers	488990 Other Support Activities for Transportation		
455110 Department Stores			
455210 Warehouse Clubs, Supercenters, & Other General Merch. Retailers			
Health and Personal Care Retailers			
456110 Pharmacies & Drug Retailers			
456120 Cosmetics, Beauty Supplies, & Perfume Retailers			
456130 Optical Goods Retailers			
456190 Other Health & Personal Care Retailers			
Gasoline Stations & Fuel Dealers			
457100 Gasoline Stations (including convenience stores with gas)			
457210 Fuel Dealers (including Heating Oil and Liquefied Petroleum)			

Code	Code	Code
Accounting, Tax Preparation, Bookkeeping, and Payroll Services		Other Ambulatory Health Care Services
541211 Offices of Certified Public Accountants	561500 Travel Arrangement & Reservation Services	621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)
541213 Tax Preparation Services	561600 Investigation & Security Services	Hospitals
541214 Payroll Services	561710 Exterminating & Pest Control Services	622000 Hospitals
541219 Other Accounting Services	561720 Janitorial Services	Nursing and Residential Care Facilities
Architectural, Engineering, and Related Services	561730 Landscaping Services	623000 Nursing & Residential Care Facilities
541310 Architectural Services	561740 Carpet & Upholstery Cleaning Services	Social Assistance
541320 Landscape Architecture Services	561790 Other Services to Buildings & Dwellings	624100 Individual & Family Services
541330 Engineering Services	561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)	624200 Community Food & Housing, & Emergency & Other Relief Services
541340 Drafting Services	Waste Management and Remediation Services	624310 Vocational Rehabilitation Services
541350 Building Inspection Services	562000 Waste Management & Remediation Services	624410 Childcare Services
541360 Geophysical Surveying & Mapping Services		Arts, Entertainment, and Recreation
541370 Surveying & Mapping (except Geophysical) Services		Performing Arts, Spectator Sports, and Related Industries
541380 Testing Laboratories & Services		711100 Performing Arts Companies
Specialized Design Services		711210 Spectator Sports (including sports clubs & racetracks)
541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)		711300 Promoters of Performing Arts, Sports, & Similar Events
Computer Systems Design and Related Services		711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures
541511 Custom Computer Programming Services		711510 Independent Artists, Writers, & Performers
541512 Computer Systems Design Services		Museums, Historical Sites, and Similar Institutions
541513 Computer Facilities Management Services		712100 Museums, Historical Sites, & Similar Institutions
541519 Other Computer Related Services		Amusement, Gambling, and Recreation Industries
Other Professional, Scientific, and Technical Services		713100 Amusement Parks & Arcades
541600 Management, Scientific, & Technical Consulting Services		713200 Gambling Industries
541700 Scientific Research & Development Services		713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)
541800 Advertising, Public Relations, & Related Services		Accommodation and Food Services
541910 Marketing Research & Public Opinion Polling		Accommodation
541920 Photographic Services		721110 Hotels (except Casino Hotels) & Motels
541930 Translation & Interpretation Services		721120 Casino Hotels
541940 Veterinary Services		721191 Bed & Breakfast Inns
541990 All Other Professional, Scientific, & Technical Services		721199 All Other Traveler Accommodation
Management of Companies (Holding Companies)		721210 RV (Recreational Vehicle) Parks & Recreational Camps
551111 Offices of Bank Holding Companies		721310 Rooming & Boarding Houses Dormitories, & Workers' Camps
551112 Offices of Other Holding Companies		Religious, Grantmaking, Civic, Professional, and Similar Organizations
Administrative and Support and Waste Management and Remediation Services		813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations (including condominium and homeowners associations)
Administrative and Support Services		Other
561110 Office Administrative Services		999000 Unclassified Establishments (unable to classify)
561210 Facilities Support Services		
561300 Employment Services		
561410 Document Preparation Services		
561420 Telephone Call Centers		
561430 Business Service Centers (including private mail centers & copy shops)		
561440 Collection Agencies		
561450 Credit Bureaus		
561490 Other Business Support Services (including repossession services, court reporting, & stenotype services)		

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Visit our website:

ftb.ca.gov

How To Get California Tax Information

Where To Get Tax Forms and Publications

By Internet – You can download, view, and print California tax forms, instructions, publications, FTB Notices, and FTB Legal Rulings at ftb.ca.gov.

By phone – You can order current year California tax forms from 6 a.m. to 10 p.m. weekdays, 6 a.m. to 4:30 p.m. Saturdays, except holidays. Refer to the list in the right column and find the code for the form you want to order. Call 800.338.0505 and follow the recorded instructions. Allow two weeks to receive your order. If you live outside California, allow three weeks to receive your order.

By mail – Write to:

TAX FORMS REQUEST UNIT MS D120
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

Letters

If you write to us, be sure to include your California corporation number or federal employer identification number, your daytime and evening telephone numbers, and a copy of the notice with your letter. Send your letter to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0500

We will respond to your letter within ten weeks. In some cases, we may need to call you for additional information. **Do not** attach correspondence to your tax return unless the correspondence relates to an item on the return.

General Phone Service

Telephone assistance is available year-round from 8 a.m. until 5 p.m. Monday through Friday, except holidays. Hours subject to change.

Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

California

Relay

Service: 711 or 800.735.2929 for persons with hearing or speaking limitations

IRS: 800.829.4933 call the IRS for federal tax questions

Asistencia En Español

Asistencia telefónica está disponible durante todo el año desde las 8 a.m. hasta las 5 p.m. de lunes a viernes, excepto días feriados. Las horas están sujetas a cambios.

Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos

Servicio de

Retransmisión

de California: 711 o 800.735.2929 para personas con limitaciones auditivas o del habla

IRS: 800.829.4933 para preguntas sobre impuestos federales

California Tax Forms and Publications

- 817 California Corporation Tax Booklet: Form 100, California Corporation Franchise or Income Tax Return
- 816 California S Corporation Tax Booklet: Form 100S, California S Corporation Franchise or Income Tax Return
- 814 Form 109, California Exempt Organization Business Income Tax Booklet
- 818 Form 100-ES, Corporation Estimated Tax
- 815 Form 199, California Exempt Organization Annual Information Return and Instructions
- 802 FTB 3500, Exemption Application
- 831 FTB 3500A, Submission of Exemption Request
- 943 FTB 4058, California Taxpayers' Bill of Rights – Information for Taxpayers
- 948 FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection – Aviso de Privacidad del Franchise Tax Board sobre la Recaudación

Your Rights As A Taxpayer

The FTB's goals include making certain that your rights are protected so that you have the highest confidence in the integrity, efficiency, and fairness of our state tax system. For more information, get FTB 4058, California Taxpayers' Bill of Rights – Information for Taxpayers.

See "Where To Get Tax Forms and Publications," on this page.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection – Aviso de Privacidad del Franchise Tax Board sobre la Recaudación. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

Automated Phone Service

(Keep This Booklet For Future Use)

Use our automated phone service to get recorded answers to many of your questions about California taxes and to order current year California business entity tax forms and publications. This service is available in English and Spanish to callers with touch-tone telephones. Have paper and pencil ready to take notes.

Telephone: 800.338.0505 from within the United States
916.845.6500 from outside the United States

To Order Forms

See "Where to Get Tax Forms and Publications" on the previous page.

To Get Information

You can hear recorded answers to Frequently Asked Questions 24 hours a day, 7 days a week. Call our automated phone service at the number listed above. Select "Business Entity Information," then select "Frequently Asked Questions." Enter the 3-digit code, listed below, when prompted.

Code Filing Assistance

715 If my actual tax is less than the minimum franchise tax, what figure do I put on the **Tax** line on Form 100 or Form 100W?
717 What are the tax rates for corporations?
718 How do I get an extension of time to file?
722 When does my corporation have to file a short-period return?
734 Is my corporation subject to franchise tax or income tax?

S Corporations

704 Is an S corporation subject to the minimum franchise tax?
705 Are S corporations required to make estimated payments?
706 What forms do S corporations file?
707 The tax for my S corporation is less than the minimum franchise tax. What figure do I put on the **Tax** line on Form 100S?

Exempt Organizations

709 How do I get tax-exempt status?
710 Does an exempt organization have to file Form 199?
736 I have exempt status. Do I need to file Form 100 or Form 109 in addition to Form 199?

Minimum Tax and Estimate Tax

712 What is the minimum franchise tax?
714 My corporation is not doing business; does it have to pay the minimum franchise tax?

Billings and Miscellaneous Notices

503 How do I file a protest against a Notice of Proposed Assessment?
723 I received a bill for \$250. What is this for?

Corporate Dissolution

724 How do I dissolve my corporation?

Limited Liability Companies (LLCs)

750 How do I organize or register an LLC?
752 What tax forms do I use to file as an LLC?
753 When is the annual tax payment due?

Miscellaneous

700 Who do I need to contact to start a business?
701 I need a state Employer ID number for my business. Who do I contact?
703 How do I incorporate?
737 Where do I send my payment?

