

2020
Manufacturing Enhancement Area
Business Booklet

3808

California Forms & Instructions

Members of the Franchise Tax Board

Betty T. Yee, Chair
Antonio Vazquez, Member
Keely Bosler, Member

This booklet contains:

Form FTB 3808, Manufacturing Enhancement Area Credit Summary



STATE OF CALIFORNIA
Franchise Tax Board

2020 Instructions for Form FTB 3808

Manufacturing Enhancement Area Businesses

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).

Contents

General Information	2
How to Claim the Credit Carryover	3
Part I – Hiring Credit Carryover	3
Part II – Portion of Business Attributable to the Manufacturing Enhancement Area	4
Worksheet I, Section A, Income Apportionment	6
Worksheet I, Section B, Income or Loss Apportionment	7
Instructions for Schedule Z – Computation of Credit Carryover Limitations	8
Form FTB 3808, Manufacturing Enhancement Area Credit Summary	11
Schedule Z, Computation of Credit Carryover Limitations	12
Standard Industrial Classification Manual, 1987 Edition (Partial Listing)	13
How to Get California Tax Information	15

What's New

Credit Limitation – For taxable years beginning on or after January 1, 2020, and before January 1, 2023, there is a \$5,000,000 limitation on the application of business credits for taxpayers. The total of all business credits including the carryover of any business credit for the taxable year may not reduce the “net tax”, for personal income tax filers, or the “tax”, for corporate filers, by more than \$5,000,000. For taxpayers included in a combined report, the limitation is applied at the group level. The business 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. This limitation does not apply to the Low-Income Housing Credit.

General Information

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 ftb.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.

Repeal of Geographically Targeted Economic Development Area Tax Incentives

The California Legislature repealed and made changes to all of the Geographically Targeted Economic Development Area Tax Incentives. Enterprise Zones (EZ) and Local Agency Military Base Recovery Areas (LAMBRA) were repealed on January 1, 2014. The Targeted Tax Areas (TTA) and Manufacturing Enhancement Areas (MEA) both expired on December 31, 2012. For more information, get the applicable Economic Development Area (EDA) booklet.

Expired MEA

The MEA has expired as of December 31, 2012. Taxpayers can no longer generate/incur MEA hiring credits for employees hired on or after January 1, 2013. The credit has expired. The taxpayer can claim the credit carryover from prior years. For more information, see R&TC Sections 17053.47(b)(1)(D) and 23622.8(b)(1)(D).

Expired MEA Credits Carryover Period

The portion of any MEA hiring credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first. Any hiring credits generated for employees hired on or before December 31, 2012, may be carried over to the succeeding 10 taxable years.

Single-Sales Factor Formula

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**. However, business income apportioned to the MEA continues to be apportioned based on the property and payroll factors.

Assignment of Credit

For taxable years beginning on or after January 1, 2019, the following forms and instructions have been consolidated into one form **FTB 3544, Assignment of Credit**:

- FTB 3544, Election to Assign Credit Within Combined Reporting Group.
- FTB 3544A, List of Assigned Credit Received and/or Claimed by Assignee.

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, see instructions for Schedule Z, Computation of Credit Carryover Limitations, on page 6, Assignment of Credit, or get form FTB 3544, Assignment of Credit, or go to ftb.ca.gov and search for **credit assignment**.

Important: Affiliated corporations that received credits assigned under R&TC Section 23663, do not include the assigned credits received on this worksheet. Those credits are entered and tracked on form FTB 3544, Part B, List of Assigned Credit Received and/or Claimed by Assignee.

Pass-Through Entities

For purposes of this booklet, the term “pass-through entity” refers to an S corporation, estate, trust, partnership, and limited liability company (LLC). References to “partnerships” include LLCs classified as partnerships.

Introduction

Economic Development Area (EDA) Tax Incentives

California established four types of EDAs that had related tax incentives. These incentives were established to stimulate growth and development in selected areas that were economically depressed. EDA tax incentives applied only to certain business transactions that were undertaken after an EDA had received final designation from the California Department of Housing and Community Development (HCD). Final designation was when the HCD designated an area to be an EDA. Tax incentives were available to individuals and businesses that operated or invested within the geographic boundaries of the following EDAs:

- Enterprise Zones (repealed on January 1, 2014)
- Local Agency Military Base Recovery Areas (repealed on January 1, 2014)
- Manufacturing Enhancement Areas (designation expired on December 31, 2012)
- Targeted Tax Areas (designation expired on December 31, 2012)

Additional information on other EDAs can be found in the following FTB tax booklets:

- The EZ tax incentives, FTB 3805Z, Enterprise Zone Business Booklet
- The LAMBRA tax incentives, FTB 3807, Local Agency Military Base Recovery Area Business Booklet
- The TTA tax incentives, FTB 3809, Targeted Tax Area Business Booklet

References in this booklet to the “MEA” are interpreted as “the boundaries of the former MEA as it existed on December 31, 2012.”

Reporting Requirement

California statutes require the Franchise Tax Board (FTB) to provide information to the California Legislature regarding the number of businesses using the EDA tax incentives, types of EDA tax incentives being used, and the EDAs in which the businesses are claiming the tax incentives.

Complete items A through H on Side 1 of form FTB 3808, Manufacturing Enhancement Area Credit Summary, as applicable. This information will be used to meet the FTB’s statutory reporting requirement.

Purpose

This booklet provides specific information on the available former MEA tax incentive. Taxpayers operating or investing within a former MEA may claim a hiring credit carryover. For more information see R&TC Sections 17053.47 and 23622.8. Use this booklet to determine the correct amount of hiring credit carryover deduction that a business may claim for operating or investing in a trade or business within a former MEA. Complete the worksheet and Schedule Z in this booklet for the MEA hiring credit carryover. Then enter the hiring credit carryover amount on form FTB 3808.

Former Manufacturing Enhancement Area Designation

California’s two former MEAs were the cities of **Brawley** and **Calexico**, located in Imperial County. These cities received their final designation as MEAs effective January 1, 1998. The MEA designation expired on December 31, 2012. The program offered a special tax incentive to encourage business and stimulate job creation in the area.

The geographic boundaries of a former MEA were used to determine whether the tax incentive was available to a business in a specified location. For business eligibility or zone related information, including questions regarding former MEA geographic boundaries, contact the local zone program manager in which the business is located. Go to hcd.ca.gov and search for **directory of economic development areas**.

For information that is zone-specific, but not tax-specific, you may contact the HCD. See page 15 for the HCD contact information.

Who Can Claim the Former MEA Tax Incentive?

The MEA hiring credit carryover is available to individuals, sole proprietors, corporations, estates, trusts, and partnerships operating or investing in a business located within the designated former MEA.

How to Claim the Credit Carryover

To claim the MEA hiring credit carryover, **attach** a completed form FTB 3808 to your California tax return.

Attach a separate form FTB 3808 for each business you operate or invest in that is located within a former MEA. Also, complete the following schedule and/or worksheet to report credit carryovers incurred:

- Corporations: Complete Schedule Z and Worksheet I, Section A.
- Sole proprietors: Complete Schedule Z and Worksheet I.
- Trusts, estates, and partnerships: Complete Worksheet I, Section A.
- Individual investors receiving pass-through MEA **credits**: Complete Worksheet I, Section B and Schedule Z. All other investors, complete Worksheet I, Section A and Schedule Z.

Schedule Z is on Side 2 of form FTB 3808.

Claim MEA tax incentives on the following tax returns:

- Form 540 filers:** Form 540, California Resident Income Tax Return, lines 43 through 45, as applicable.
- Form 540NR filers:** Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, lines 58 through 60, as applicable.
- Form 100 filers:** Form 100, California Corporation Franchise or Income Tax Return, line 20, and lines 24 through 26, as applicable.
- Form 100S filers:** Form 100S, California S Corporation Franchise or Income Tax Return, line 18, and lines 22 through 24, as applicable.
- Form 100W filers:** Form 100W, California Corporation Franchise or Income Tax Return - Water’s Edge Filers, line 20, and lines 24 through 26, as applicable.
- Form 109 filers:** Check the “Yes” box for the MEA question I at the top of Form 109, California Exempt Organization Business Income Tax Return, Side 1.

Keep all completed worksheets and supporting documents for your records.

Form FTB 3808 – Instructions for Items A through H

- For corporations, estates, trusts, partnerships, LLCs classified as partnerships, exempt organizations, and sole proprietors, complete items A through H.

- Investors of pass-through entities, complete items A through D.

Standard Industrial Classification (SIC) and Principal Business Activity (PBA) Codes

To qualify for the MEA hiring credit, you must be engaged in a trade or business within the selected SIC listed on pages 13 and 14 of this booklet. Enter the SIC code of the establishment that qualifies you to take this credit on form FTB 3808, Side 1. If your business has more than one establishment, and if more than one of them qualifies you to take this credit, enter the SIC code that best represents your primary qualifying establishment.

The PBA codes are based on the North American Industry Classification System published by the United States Office of Management and Budget. If you are a business entity, get the PBA code from the 2020 tax booklet (100, 100S, 100W, 565, or 568) that you used to file your tax return. If you are an individual, get the PBA code reported on your federal Form 1040 or Form 1040-SR, Schedule C, Profit or Loss from Business (Sole Proprietorship), line B. Enter the PBA code of your principal activity on form FTB 3808, Side 1.

Part I – Hiring Credit Carryover

Line 1 Hiring Credit Carryover

The MEA has expired as of December 31, 2012. Taxpayers can no longer generate/incur MEA hiring credits for employees hired on or after January 1, 2013. Although qualified taxpayers can no longer generate/incur MEA hiring credits for qualified employees hired prior to the MEA expiration date for wages paid or incurred within the 60-month period of the MEA hiring credit, they can claim the hiring credit carryover from prior years.

Credit Limitations

- The amount of hiring credit carryover claimed may not exceed the amount of tax on the MEA business income in any year. Use Schedule Z on Side 2 of form FTB 3808 to compute the credit carryover limitation.
- The portion of any MEA hiring credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first.

Record Keeping

Retain a copy of VoucherCert 10-07 and the documentation given to the vouchering agency. In addition, for each qualified employee, keep records and a schedule of the first 60 months of employment showing (at least) the following:

- Employee’s name.
- Date the employee was hired.
- The employee’s address at the time of hire.
- Number of hours the employee worked for each month of employment.

- Smaller of the hourly rate of pay for each month of employment or 150% of the minimum wage.
- Location of the employee's job site and duties performed.
- Total qualified wages per month for each month of employment.

Part II – Portion of Business Attributable to the Manufacturing Enhancement Area

The MEA tax incentive is limited to the tax on business income attributable to operations within the former MEA area. If the business is located within and outside a former MEA, or in more than one former MEA, determine the portion of total business income that is attributable to each former MEA.

Business Income vs. Nonbusiness Income

Only business income is apportioned to the former MEA to determine the incentive limitation.

Business income is defined as income arising from transactions and activities in the regular course of the trade or business. Business income includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations. Nonbusiness income is all income other than business income. See Cal. Code Regs., tit. 18 section 25120 for further references and examples of nonbusiness income.

For corporations and entities doing business in and outside of the former MEA, use Worksheet I, Section A, to determine the MEA apportionment factor to determine the amount of business income attributable to the former MEA.

Pass-through entities must report to their shareholders, beneficiaries, partners, and members the following items:

1. The distributive (or pro-rata for S corporations) share of the business income apportioned to the former MEA.
2. The distributive (or pro-rata for S corporations) share of the business capital gains and losses apportioned to the former MEA included in item 1.
3. The distributive (or pro-rata for S corporation) share of the former MEA property and payroll to corporate partners, members, shareholders, beneficiaries.

Report these items as other income on Schedule K-1 (100S), Shareholder's Share of Income, Deductions, Credits, etc.; Schedule K-1 (541), Beneficiary's Share of Income, Deductions, Credits, etc.; Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc.; or

Schedule K-1 (568), Member's Share of Income Deductions, Credits, etc.

For an individual, use Worksheet I, Section B to determine business income attributable to the former MEA. Business income includes but is not limited to, California business income or loss from federal Form 1040 or Form 1040-SR, Schedules: C, D, Capital Gains and Losses; E, Supplemental Income and Loss; F, Profit or Loss from Farming; and California Schedule D-1, Sales of Business Property, (or federal Form 4797, Sales of Business Property, if California Schedule D-1 is not needed), as well as wages. Be sure to include casualty losses, disaster losses, and any business deductions reported on federal Form 1040 or Form 1040-SR, Schedule A, Itemized Deductions.

Generally, all income which arises from the conduct of trade or business operations of a taxpayer is business income.

If you elected to claim part or all of your current year disaster loss under IRC Section 165(i)(1) on prior year's tax return, do not include the amount of the loss that was claimed on prior year's tax return in your current year business income from the former MEA.

Apportionment

Business income is apportioned to a former MEA by multiplying the total California business income of the taxpayer by a fraction. The numerator is the property factor plus the payroll factor, and the denominator is two. If a taxpayer conducts business in more than one former MEA, the MEA apportionment factor and credit limitations are computed separately for each former MEA.

Property Factor

Property is defined as the average value of all real and tangible personal property owned or rented by the business and used during the taxable year to produce business income.

Property owned by the business is valued at its original cost. Original cost is the basis of the property for federal income tax purposes (prior to any federal adjustment) at the time of acquisition by the business, adjusted for subsequent capital additions or improvements and partial dispositions because of sale or exchange. Allowance for depreciation is not considered.

Rented property is valued at eight times the net annual rental rate. The net annual rental rate for any item of rented property is the total rent paid for the property, less aggregate annual subrental rates paid by subtenants.

Payroll Factor

Payroll is defined as the total amount paid to the business's employees as compensation for the production of business income during the taxable year.

Compensation means wages, salaries, commissions, and any other form of payment paid directly to employees for personal services.

Payments made to independent contractors or any other person not properly classified as an employee are excluded.

Compensation Within the Former MEA

Compensation is considered to be within the former MEA if any of the following tests are met:

1. The employee's services are performed within the geographical boundaries of the former MEA.
2. The employee's services are performed within and outside the former MEA, but the services performed outside the former MEA are incidental to the employee's service within the former MEA.

Incidental means any temporary or transitory service rendered in connection with an isolated transaction.

3. If the employee's services are performed within and outside the former MEA, the employee's compensation is attributed to the former MEA if any of the following tests are met:

- A. The employee's base of operations is within the former MEA.
- B. There is no base of operations in any other part of the state in which some part of the service is performed, and the place from which the service is directed or controlled is within the former MEA.
- C. The base of operations or the place from which the service is directed or controlled is not in any other part of the state in which some part of the service is performed and the employee's residence is within the former MEA.

Base of operations is the permanent place from which employees start work and customarily return in order to receive instruction from the taxpayer or communications from their customers or other persons; to replenish stock or other material; to repair equipment; or to perform any other functions necessary in the exercise of their trade or profession at some other point or points.

Corporations Filing a Combined Report

When determining the income attributable to the former MEA, the business income of each corporation doing business in the former MEA is the business income apportioned to California as determined under combined report mechanics. For more information on combined reports, get FTB Pub. 1061, Guidelines for Corporations Filing a Combined Report. Each corporation computes the income attributable to the former MEA by multiplying California business income by the MEA apportionment factor computed in Worksheet I, Section A. The MEA property and payroll factors used in the determination of MEA business income includes only the taxpayer's California amounts in the denominator.

Each corporation doing business in the former MEA computes the business income attributable to the former MEA according to their own apportioned California business income and intrastate apportionment factors.

Example: Computation of former MEA business income apportioned to each entity operating within the former MEA

Parent Corporation A has two subsidiaries, B and C. Corporations A and B operate within a former MEA. The combined group operates within and outside California and apportions its income to California using Schedule R. Assume the combined group's business income apportioned to California was \$1,000,000 and Corporation A and B's share of California business income is \$228,000 and \$250,000 respectively. Corporation A and B's separate MEA and separate California property and payroll factor amounts are shown in the example below.

Business income apportioned to the former MEA was determined as follows:

	A	B
Property Factor		
MEA Property	\$1,000,000	\$ 800,000
California Property	\$1,000,000	\$1,200,000
Apportionment %	100%	66.66%
Payroll Factor		
MEA Payroll	\$ 800,000	\$ 800,000
California Payroll	\$ 800,000	\$1,000,000
Apportionment %	100%	80%
Average Apport. %	100%	73.33%
<i>(Property + Payroll Factors)</i>		
	2	
Apportioned Business Income	\$ 228,000	\$ 250,000
MEA Business Income	\$ 228,000	\$ 183,325

**Instructions for Worksheet I
Income or Loss
Apportionment –
Manufacturing Enhancement
Area**

If the business operates solely within a single former MEA and all its property and payroll are solely within that single former MEA, enter 100% (1.00) on Section A, line 4, column (c). Do not complete the rest of Worksheet I.

**Section A – Income
Apportionment**

Use Worksheet I, Section A to determine the amount of business income apportioned to the former MEA. The apportioned MEA business income determines the amount of the tax incentives that can be used. A taxpayer's MEA business income is its California business income multiplied by the specific MEA apportionment percentage computed in Worksheet I, Section A.

Property Factor

When determining the income apportioned to the former MEA, the numerator of the property factor is the average value of the real and tangible personal property owned or rented by the business and used within the former MEA during the taxable year to produce MEA business income. See Worksheet I, Section A, column (b). The denominator of the property factor is the average value of the taxpayer's real and tangible personal property owned or rented and used during the taxable year within California. See Worksheet I, Section A, column (a).

Payroll Factor

When determining income apportioned to the former MEA, the numerator of the payroll factor is the taxpayer's total compensation paid to the employees for working within the former MEA during the taxable year. See Worksheet I, Section A, column (b). The denominator of the payroll factor is the taxpayer's total compensation paid to **employees working in California**. See Worksheet I, Section A, column (a).

**Section B – Income or Loss
Apportionment**

Taxpayers filing Form 540 and Form 540NR, use Worksheet I, Section B to determine the amount to enter on Schedule Z, Part I, line 1 and line 3.

Do not include disaster losses in any amounts used in the table.

Only California source business income is apportioned to the former MEA.

The first step is to determine which portion of the taxpayer's net income is "business income" and which portion is "nonbusiness income." Only business income is apportioned to the former MEA. See Part II on page 4, Portion of Business Attributable to the Manufacturing Enhancement Area, for a discussion of business and nonbusiness income.

Business income or loss reported on federal Form 1040 or Form 1040-SR, Schedules C, E, F, and other schedules are reported on line 6 through line 9. Line 11 and line 12 report business gains or losses reported on Schedule D, California Capital Gain or Loss Adjustment, and California Schedule D-1 (or federal Form 4797, if California Schedule D-1 is not needed). All business income and losses should be adjusted for any differences between California and federal amounts as shown on the Schedule CA (540 or 540NR).

**Part I – Individual Income and
Expense Items**

Wages

Taxpayers with wages from a company located within and outside the former MEA must determine the MEA wage income by entering the percentage of time they worked within the former MEA in column (b). The percentage of time should be for the same period the wages

entered on line 1 were earned. This percentage must be determined based on their record of time and events such as a travel log or entries in a daily planner.

**Part II – Pass-Through Income or
Loss**

Individuals with a Schedule K-1

The individual partner, member, or shareholder completes Worksheet I, Section B, Part II, Pass-Through Income or Loss, and Schedule Z.

Multiple Pass-Through Entities

If you are a shareholder, beneficiary, partner, or member in multiple pass-through entities with businesses located within and outside the former MEA from which you received a MEA tax incentive, see the example below for computing business income in the former MEA.

Example:

Pass-through entity	Trade or business income from Schedule K-1 (100S, 541, 565, or 568)	Entity's MEA apportionment percentage	MEA apportioned income
ABC, Inc.	\$40,000	80%	\$32,000
A, B, & C	30,000	10%	3,000
ABC, LLC	10,000	50%	5,000
Total			\$40,000

**Part III – Taxpayer's Trade or
Business**

Business Income or Loss

Use business income or loss from federal Form 1040 or Form 1040-SR, Schedules C, E, and F, plus California adjustments from Schedule CA (540 or 540NR) for each trade or business. Also, include business capital gains and losses from California Schedule D and business gains and losses from Schedule D-1 (or federal Form 4797, if California Schedule D-1 is not needed) as adjusted on Schedule CA (540 or 540NR).

Income Computation

Located Entirely Within the former MEA

Line 6 – Line 9: If your business operation reported on federal Form 1040 or Form 1040-SR, Schedule C, E, F, or other schedule is entirely within the former MEA, enter the income or loss from this activity in column (a) and enter 1.00 in column (b).

Line 11 and Line 12: If the gain or loss reported on California Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted entirely within the former MEA, enter the gain or loss reported in column (a) and enter 1.00 in column (b).

Located Entirely Within California

Line 6 – Line 9: If your business operation reported on federal Form 1040 or Form 1040-SR, Schedule C, E, F, or other schedule is entirely within California, enter

Worksheet I Income or Loss Apportionment – Manufacturing Enhancement Area

Section A Income Apportionment

Use Worksheet I, Section A, if your business has net income from sources within and outside the former MEA.	(a) Total within California	(b) Total within the former MEA	(c) Percentage within the former MEA column (b) ÷ column (a)
PROPERTY FACTOR			
1 Average yearly value of owned real and tangible personal property used in the business (at original cost). See instructions. Exclude property not connected with the business and the value of construction in progress. Inventory Buildings Machinery and equipment Furniture and fixtures Delivery equipment Land Other tangible assets (attach schedule) Rented property used in the business. See instructions Total property values			
PAYROLL FACTOR			
2 Employees' wages, salaries, commissions, and other compensation related to business income included in the tax return. Total payroll			
3 Total percentage - sum of the percentages in column (c)			
4 Average apportionment percentage (1/2 of line 3). Enter here and on form FTB 3808, Side 1, line 2			

The average apportionment percentage shown on line 4 represents the portion of the taxpayer's total business that is attributable to activities conducted within the former MEA. Factors with zero balances in the totals of column (a) will not be included in the computation of the average apportionment percentage. For example, if the taxpayer does not have any payroll within or outside the former MEA, the average apportionment percentage would be computed by dividing line 3 by one instead of by two as normally instructed.

the income or loss from this activity in column (a). To determine the apportionment percentage in column (b), complete Worksheet I, Section A.

Enter the percentage from Worksheet I, Section A, line 4, column (c) on Worksheet I, Section B, column (b).

Line 11 and Line 12: If the gain or loss reported on California Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted entirely within California, enter the gain or loss reported in column (a). To determine the apportionment percentage in column (b), complete Worksheet I, Section A. Enter the percentage from Worksheet I, Section A, line 4, column (c) on Worksheet I, Section B, column (b).

Located Within and Outside California and the Former MEA

Line 6 – Line 9: If your business operation reported on federal Form 1040 or Form 1040-SR, Schedule C, E, F, or other schedule is within and outside the former MEA and California, get California Schedule R and complete line 1 through line 18b and line 28 through line 31. Enter the amount from Schedule R, line 18b and line 31 in column (a) of this worksheet. To determine the apportionment percentage in column (b),

complete Worksheet I, Section A. Enter the percentage from Worksheet I, Section A, line 4, column (c) on Worksheet I, Section B, column (b).

When computing Schedule R, disregard any reference to Form 100, Form 100W, Form 565, or Form 568. Also, disregard any reference to Schedules R-3, Net Income (Loss) from the Rental of Nonbusiness Property; R-4, Gain (Loss) from the Sale of Nonbusiness Assets; or R-5, Computation of Interest Offset.

Nonresidents that have an apportioning business that operates within the former MEA should have already computed Schedule R, and can use those amounts when that schedule is referenced. Residents must complete a Schedule R in order to determine their California source business income.

Line 11 and Line 12: If the gain or loss reported on California Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted within and outside the former MEA and California, get Schedule R and complete Schedule R-1, Apportionment Formula. Multiply the gain or loss reported by the apportionment percentage on Schedule R-1, Part A, line 2 or Part B, line 5 and enter the result in column (a). To determine the apportionment percentage in column (b), complete Worksheet I, Section A.

Enter the percentage from Worksheet I, Section A, line 4, column (c) on Worksheet I, Section B, column (b).

Line 14 – If you are computing the MEA business income or loss and the result on Worksheet I, Section B, line 14, column (c) is a **negative** amount, you do not have any business income attributable to the former MEA. You cannot utilize any of the MEA hiring credit carryover in the current taxable year.

If the amount on line 14, column (c), is a **positive** amount, enter the amount on Schedule Z, Part I, line 1 and line 3 (skip line 2).

Schedule Z – Computation of Credit Carryover Limitations

Credit Carryover Limitations

The amount of the MEA hiring credit carryover you can claim on your California tax return is limited by the amount of tax attributable to the MEA business income. The amount of tax attributable to the MEA business income is computed in this schedule. For corporations and other entities doing business in the MEA, the MEA business income is computed in this schedule using the MEA apportionment factor

Worksheet I Income or Loss Apportionment – Manufacturing Enhancement Area (continued)

Section B Income or Loss Apportionment

Part I Individual Income and Expense Items. See instructions.

	(a) Amount	(b) Percentage of time providing services in the former MEA	(c) Apportioned amount column (a) x column (b)
1 Wages			
2 Employee business expenses			
3 Total. Combine line 1, column (c) and line 2, column (c)			

Part II Pass-Through Income or Loss. See instructions.

(a) Name of entity	(b) Distributive or pro-rata share of business income or loss apportioned to the former MEA from Schedule K-1 (100S, 541, 565, or 568) including capital gains and losses
4	
5 Total. Add line 4, column (b)	

Part III Taxpayer's Trade or Business. See instructions.

	(a) Business income or loss	(b) Apportionment percentage for the former MEA	(c) Apportioned income or loss column (a) x column (b)
6 Schedule C			
7 Schedule E (Rentals)			
8 Schedule F			
9 Other business income or loss			
10 Total. Add line 6 through line 9, column (c)			

	(a) Business gain or loss	(b) Apportionment percentage for the former MEA	(c) Apportioned gain or loss column (a) x column (b)
11 Schedule D			
12 Schedule D-1			
13 Total. Add line 11, column (c) and line 12, column (c)			
14 Total. Add line 3, line 10, and line 13, column (c), and line 5, column (b). See instructions			

formula computed on Worksheet I, Section A. For individuals, the MEA business income is computed on Worksheet I, Section B. Use Schedule Z on form FTB 3808, Side 2 to compute this limitation.

For taxable years beginning on or after January 1, 2020, and before January 1, 2023, there is a \$5,000,000 limitation on the application of business credits for taxpayers. The total of all business credits including the carryover of any business credit for the taxable year may not reduce the “net tax”, for personal income tax filers, or the “tax”, for corporate filers, by more than \$5,000,000. For taxpayers included in a combined report, the limitation is applied at the group level. The business 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. This limitation does not apply to the Low-Income Housing Credit.

Assignment of Credit

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.

The eligible assignee shall be treated as if it originally generated the assigned credit. Any credit requirements, limitations or restrictions that applied to the assignor will also apply to the eligible assignee. The amount of MEA credit carryovers you may claim on your California tax return is limited to the tax attributable to a specific former MEA. For zone credits assigned, the assignee must have a tax liability as a result of income generated in the same zone that the original credit was generated. For example, if the original credit was generated in the former Calexico MEA of the assignor, the assignee must have a tax liability on the income attributable to the former Calexico MEA in order to use the assigned credit. For more information, get form FTB 3544 or go to ftb.ca.gov and search for **credit assignment**.

Other Limitations

If a taxpayer owns an interest in a disregarded business entity, the amount of the credit carryover that can be utilized is limited to the difference between the taxpayer's regular tax computed with the income of the disregarded entity, and the taxpayer's regular tax computed without the income of the disregarded entity. Partnerships allocate the credit among the partners according to the partner's distributive share as determined in a written partnership agreement. See R&TC Section 17039(e)(2).

The MEA hiring credit carryovers you are otherwise eligible to claim may be limited. Do not apply the credit carryovers against the minimum franchise tax (corporations and S corporations), annual tax (partnerships and QSub) alternative minimum tax (corporations, exempt organizations, individuals, and

fiduciaries), built-in gains tax (S corporations), or excess net passive income tax (S corporations).

Refer to the credit instructions in your tax booklet for more information.

S Corporations and the Application of the MEA Hiring Credit

An S corporation may use its MEA hiring credit carryover to reduce the MEA tax at both the corporate and shareholder levels.

Carryover

If the amount of hiring credit carryover available this year exceeds your MEA tax, you may carry over any excess credit to future years. For taxable years beginning on or after January 1, 2014, the carryover period is 10 years if necessary, or until the credit is exhausted, whichever occurs first. Apply the carryover to the earliest taxable year possible. In no event can the credit be carried back and applied against a prior year's tax. Generally, the credit cannot be transferred to another taxpayer, unless:

- There was a qualifying merger.
- The credit qualifies under R&TC Section 23663 for assignment to an affiliated corporation. For additional information, get form FTB 3544.

If a C corporation had unused credit carryovers when it elected S corporation status, the carryovers were reduced to 1/3 and transferred to the S corporation. The remaining 2/3 were disregarded. The allowable carryovers may be used to offset the 1.5% tax on net income in accordance with the respective carryover rules. These C corporation carryovers may not be passed through to shareholders. For more information, get Schedule C (100S), S Corporation Tax Credits.

Credit Code

Use credit code **211** to claim the MEA hiring credit carryover on your tax return. Using an incorrect code may cause a delay in allowing the credit.

Instructions for Schedule Z – Computation of Credit Carryover Limitations

Reporting Requirements of S Corporations, Estates, Trusts, and Partnerships

- Partnerships and LLCs treated as partnerships do not complete Schedule Z. The partners and members of these types of entities should compute their MEA business income from all sources by completing the Schedule Z to determine the amount of the MEA hiring credit carryover that they may claim on their California tax returns. For individual partners, report the distributive share of all the business income apportioned to the former MEA. For corporate partners, report the distributive share of the MEA property and payroll. Report these items as other information on Schedule K-1 (565).

- S corporations and their shareholders must complete Schedule Z.
- Report to shareholders, beneficiaries, partners, and members, the distributive or pro-rata share of business income, loss, and deductions apportioned to the former MEA; and
- Separately state the distributive or pro-rata share of any business capital gains and losses apportioned to the former MEA included in the amount above.

S Corporations

Complete only Part I and Part III of Schedule Z if your entity-level tax before credits is more than the minimum franchise tax.

Corporations and S Corporations subject to the minimum franchise tax only

Complete only Part IV of Schedule Z.

All others: Complete Part I and Part II of Schedule Z.

Part I – Computation of Credit Limitations

Line 1 – Enter all trade or business income. See Part II, Portion of Business Attributable to the former Manufacturing Enhancement Area, on page 4, for the definition of business income.

Line 2 – If your business is located entirely within the former MEA, enter 1.

This percentage is the apportionment percentage computed by the entity using Worksheet I, Section A, and it represents the percentage of the entity's business income attributable to the former MEA.

Line 4a – Compute the tax as if the former MEA taxable income represented all of your taxable income.

Individuals

Use the tax table or tax rate schedule in your tax booklet for your filing status.

Exempt Organizations

Use the applicable tax rate in your tax booklet.

Corporations and S Corporations

Use the applicable tax rate.

If the amount on line 4a is the minimum franchise tax (\$800), you cannot use your MEA hiring credit carryover this year. Complete Part IV of Schedule Z to compute the amount of credit carryover.

Example: Determination of MEA Business Income for Shareholders, Partners, or Members of Pass-Through Entities

John Anderson is vice president of ABC, Inc., an S corporation that has two locations: one within a former MEA and one outside a former MEA. Eighty percent (80%) of the S corporation's business income is attributable to the former MEA.

This percentage was determined by ABC, Inc. using Worksheet I, Section A, when ABC's California S corporation tax return (Form 100S) was prepared.

John divides his time equally (50/50) between the two offices of ABC, Inc. Jackie Anderson (John's spouse/RDP) works for ABC, Inc. at its office located within the former MEA.

John and Jackie Anderson have the following items of California income and expense for the 2020 taxable year:

John's salary from ABC, Inc.	\$100,000
Jackie's salary from ABC, Inc.	75,000
Interest on savings account	1,000
Dividends	3,000
Schedule K-1 (100S) from ABC, Inc.:	
Ordinary income	40,000
John's unreimbursed employee expenses from federal Schedule A	(2,000)
The Anderson's MEA business income (total amount to be reported on Schedule Z, Part I, line 3) is computed as follows:	
John's MEA salary (\$100,000 x 50%)	\$50,000
Jackie's MEA salary (\$75,000 x 100%)	75,000
Pass-through ordinary income from ABC, Inc. (\$40,000 x 80%)	32,000
John's unreimbursed employee business expenses (\$2,000 x 50%)	(1,000)
Total MEA business income (Schedule Z, Part I, line 3)	\$156,000

The standard deduction and personal or dependency exemptions are not included in the computation of MEA business income since they are not related to trade or business activities.

John and Jackie must compute the tax (to be entered on Schedule Z, Part I, line 4a) on the total MEA business income of \$156,000 (as if it represents all of their income).

Line 4b – Corporations and S Corporations
If the amount on line 4b is the minimum franchise tax (\$800), you cannot use your MEA hiring credit carryover this year. Complete Part IV of Schedule Z to compute the amount of credit carryover.

Part II – Limitation of Credits for Corporations, Individuals, Estates, and Trusts

Individuals that received a Schedule K-1, complete Schedule Z, Part II, using the information from the Schedule K-1.

Corporations, individuals, estates, and trusts, use Schedule Z, Part II. Corporations and S corporations that are subject to paying only the minimum franchise tax, go to Part IV of Schedule Z.

Line 6A, column (e) – Enter the amount from line 5. This is the amount of limitation based on the tax on MEA business income.

Line 6A, column (f) – Enter the amount of credit carryover that is used on Schedule P, Alternative Minimum Tax and Credit Limitations (100, 100W, 540, 540NR, or 541), column (b). The amount cannot be greater than the amount on line 6A, column (e) or the amount computed on line 6B, column (d). Enter this amount on form FTB 3808, Side 1, line 1.

Line 6B, column (b) – Enter the amount of the total prior year carryover credit from prior year's Schedule Z, Part II, line 6B, column (g).

Line 6B, column (c) – Enter the amount of credit assigned to affiliated corporations that are members of the same combined reporting group from form FTB 3544, Part A, Election to Assign Credit Within Combined Reporting Group, column (g). Only C corporations who completed the form will enter an amount in this column. Individuals, estates, and trusts, leave blank and go to column (d) instructions.

Line 6B, column (d) – Subtract the amount of the total credit assigned on line 6B, column (c), if any, from the amount of the total prior year carryover on line 6B, column (b).

Line 6B, column (e) – Compare the amounts on line 6A, column (e) and line 6A, column (f). Enter the smaller amount.

Line 6B, column (g) – Subtract the amount on line 6B, column (e) from the amount on line 6B, column (d). Enter the result on line 6B, column (g). This is the amount of credit that can be carried over to future years. This carryover includes both the Schedule P (100, 100W, 540, 540NR, or 541) limitation and the limitation based on MEA business income.

Part III – Limitation of Credits for S Corporations Only

Use Part III of Schedule Z only if you are an S corporation.

Line 7, column (b) – Enter the amount of the total prior year credit carryover from prior year's Schedule Z, Part III, line 7, column (d).

Line 7, column (c) – Enter the amount of credit carryover that was used by the S corporation in the current year to offset its 1.5% entity-level tax (3.5% for financial S corporations). Enter this amount on form FTB 3808, Side 1, line 1.

Line 7, column (d) – Subtract the amount in column (c) from the amount in column (b). This is the amount of credit that can be carried over to future years and used by the S corporation.

Part IV – Limitation of Credits for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax

Use Part IV of Schedule Z if the corporation or S corporation is subject to paying only the minimum franchise tax.

Line 8, column (b) – Enter the amount of the total prior year carryover of the credit from prior year's Schedule Z, Part IV, line 8, column (d).

Line 8, column (c) – Enter the amounts of credits assigned to affiliated corporations that are members of the same combined reporting group from form FTB 3544, Part A, column (g). Only C corporations who completed the form will enter an amount in this column. S corporations, leave blank and go to column (d) instructions.

Line 8, column (d) – Subtract the amount of credit assigned on line 8, column (c) from the amount in column (b). This is the amount of credit that can be carried over to future years.

Example: Part II

The ABC Business has \$8,000 of tax. The business computed a credit limitation based on the MEA income of \$7,000 on Schedule Z, line 5. The business has the following credit:

Hiring credit carryover — \$300

Schedule Z, Part II would be computed as follows:

Part II Limitation of Credits for Corporations, Individuals, Estates, and Trusts. See instructions.

	(a) Credit name	(b) Total prior year carryover	(c) Total credit assigned from form FTB 3544, Part A, col. (g)	(d) Total credit col. (b) minus col. (c)	(e) Limitation based on MEA business income	(f) Credit carryover used on Sch. P can never be greater than col. (d) or col. (e)	(g) Total credit carryover col. (d) minus col. (e)
6	Hiring credit carryover	A			7,000	300	
		B	300	-0-	300		-0-

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Standard Industrial Classification Manual, 1987 Edition (Partial Listing)

The Standard Industrial Classification (SIC) Manual classifies business activities based upon establishments, which are defined in the SIC Manual as an economic unit, generally at a single physical location, where business is conducted, or where services or industrial operations are performed. A taxpayer's enterprise may consist of more than one establishment. The SIC Manual provides the following examples of establishments: A factory, mill, store, hotel, movie theater, mine, farm, ranch, bank, railroad depot, airline terminal, sales office, warehouse, or central administrative office. Where distinct and separate economic activities are performed at a single physical location (such as construction activities operated out of the same physical location as a lumber yard), each activity should be treated as a separate establishment where: (1) No one industry description in the SIC Manual includes such combined activities; (2) The employment in each economic activity is significant; and (3) Separate reports are prepared on the number of employees, their wages and salaries, sales or receipts, property and equipment, and other types of

financial data, such as financial statements, job costing, and profit center accounting.

The SIC Manual is organized using a hierarchical structure. First by division, next by two-digit major groups within each division, then by three-digit industry groups within each major group, and finally by four-digit industry codes within each industry group.

For purposes of this publication, SIC Codes 0211 through 0291, Code 0723, or Codes 2011 through 3999 are listed since only taxpayers with establishments in these industry codes qualify for the MEA hiring credit.

To view this manual, go to osha.gov and search for **SIC code**.

The four-digit industry codes within Division D of the SIC Manual are: (nec means "not elsewhere classified")

3291	Abrasive products	2231	Broadwoven fabric mills, wool	2653	Corrugated & solid fiber boxes	3441	Fabricated structural metal
2891	Adhesives & sealants	3991	Brooms & brushes	3961	Costume jewelry	2399	Fabricated textile products, nec
2879	Agricultural chemicals, nec	3995	Burial caskets	2074	Cottonseed oil	3523	Farm machinery & equipment
3563	Air & gas compressors	3578	Calculating & accounting equipment	2021	Creamery butter	3965	Fasteners, buttons, needles, & pins
3728	Aircraft parts & equipment, nec			0723	Crop preparation services for market	2875	Fertilizers, mixing only
3724	Aircraft engines & engine parts	2064	Candy & other confectionery products	3466	Crowns & closures	2655	Fiber cans, drums, & similar products
3721	Aircraft			3643	Current-carrying wiring devices	2262	Finishing plants, manmade
2812	Alkalies & chlorine	2062	Cane sugar refining	2391	Curtains & draperies	2261	Finishing plants, cotton
3354	Aluminum extruded products	2033	Canned fruits & vegetables	3087	Custom compound purchased resins	2269	Finishing plants, nec
3355	Aluminum rolling & drawing, nec	2091	Canned & cured fish & seafood			3211	Flat glass
3365	Aluminum foundries	2032	Canned specialties	3281	Cut stone & stone products	2087	Flavoring extracts & syrups, nec
3353	Aluminum sheet, plate, & foil	2394	Canvas & related products	3421	Cutlery	2041	Flour & other grain mill products
3363	Aluminum die-casting	3955	Carbon paper & inked ribbons	2865	Cyclic crudes & intermediates	3824	Fluid meters & counting devices
3483	Ammunition, except for small arms, nec	2895	Carbon black	0241	Dairy farms	3492	Fluid power valves & hose fittings
		3624	Carbon & graphite products	2034	Dehydrated fruits, vegetables, & soups	2026	Fluid milk
3826	Analytical instruments	3592	Carburetors, pistons, rings, & valves			3594	Fluid power pumps & motors
0273	Animal aquaculture	2273	Carpets & rugs	3843	Dental equipment & supplies	3593	Fluid power cylinders & actuators
0279	Animal specialties, nec	2823	Cellulosic manmade fiber	2675	Die-cut paper products	2657	Folding paperboard boxes
2077	Animal & marine fats & oils	3241	Cement, hydraulic	2085	Distilled & blended liquors	2099	Food preparations, nec
2387	Apparel belts	3253	Ceramic wall & floor tile	2047	Dog & cat food	3556	Food products machinery
2389	Apparel & accessories, nec	2043	Cereal breakfast foods	3942	Dolls & stuffed toys	3131	Footwear cut stock
3446	Architectural metal work	2022	Cheese, natural & processed	2591	Drapery hardware & blinds & shades	3149	Footwear, except rubber, nec
3292	Asbestos products	2899	Chemical preparations, nec			2092	Fresh/frozen prepared fish/seafood
2952	Asphalt felts & coatings	2067	Chewing gum	2023	Dry, condensed, & evaporated dairy products	2053	Frozen bakery products, except bread
2951	Asphalt paving mixtures & blocks	2131	Chewing & smoking tobacco				
3581	Automatic vending machines	0252	Chicken eggs	2079	Edible fats & oils, nec	2038	Frozen specialties, nec
2396	Automotive & apparel trimmings	2066	Chocolate & cocoa products	3641	Electric lamps	2037	Frozen fruits & vegetables
3465	Automotive stampings	2111	Cigarettes	3634	Electric housewares & fans	0271	Fur-bearing animals and rabbits
2673	Bags: plastic, laminated, & coated	2121	Cigars	3699	Electrical equipment & supplies, nec	2371	Fur goods
2674	Bags: uncoated paper & multiwall	3255	Clay refractories	3629	Electrical industrial apparatus, nec	2599	Furniture & fixtures, nec
3562	Ball & roller bearings	2295	Coated fabrics, not rubberized	3845	Electromedical equipment	3944	Games, toys, & children's vehicles
0211	Beef cattle feedlots	3316	Cold finishing of steel shapes	3313	Electrometallurgical products	3053	Gaskets, packing, & sealing devices
0212	Beef cattle, except feedlots	2754	Commercial printing, gravure	3679	Electronic components, nec	0291	General farms, primarily animal
2063	Beet sugar	2752	Commercial printing, lithographic	3678	Electronic connectors	3569	General industrial machinery, nec
2836	Biological products, except diagnostic substances	2759	Commercial printing, nec	3671	Electron tubes	0219	General livestock, nec
		3582	Commercial laundry equipment	3675	Electronic capacitors	2369	Girls' & children's outerwear, nec
2782	Blankbooks & looseleaf binders	3646	Commercial lighting fixtures	3676	Electronic resistors	2361	Girls' & children's dresses, blouses
3312	Blast furnace & steel mills	3669	Communication equipment	3677	Electronic coils & transformers	3221	Glass containers
3564	Blowers & fans	3577	Computer peripheral equipment, nec	3571	Electronic computers	3321	Gray & ductile iron foundries
3732	Boat building & repairing	3575	Computer terminals	3534	Elevators & moving stairways	2771	Greeting cards
3452	Bolts, nuts, rivets, & washers	3572	Computer storage devices	3694	Engine electrical equipment	3764	Guided missile & space vehicle parts
2731	Book publishing	3271	Concrete block & brick	2677	Envelopes		
2732	Book printing	3272	Concrete products, nec	3822	Environmental controls	3769	Guided missile & space vehicle parts, nec
2789	Bookbinding & related work	3531	Construction machinery	2892	Explosives		
2086	Bottled & canned soft drinks	2679	Converted paper products, nec	2381	Fabric dress & work gloves	3761	Guided missiles & space vehicles
2342	Bras, girdles, & allied garments	3535	Conveyors & conveying equipment	3499	Fabricated metal products, nec		
2051	Bread, cake, & related products	2052	Cookies & crackers	3443	Fabricated plate work (boiler shops)		
3251	Brick & structural clay tile	3351	Copper rolling & drawing	3498	Fabricated pipe & fittings		
2211	Broadwoven fabric mills, cotton	3366	Copper foundries	3069	Fabricated rubber products, nec		
2221	Broadwoven fabric mills, manmade	2298	Cordage & twine				
0251	Broiler, fryer, and roaster chickens						

(continued on next page)

2861	Gum & wood chemicals	2322	Men's & boys' underwear & nightwear	2096	Potato chips & similar snacks	2439	Structural wood members, nec
3275	Gypsum products			3269	Pottery products, nec	2843	Surface active agents
3423	Hand & edge tools, nec	2326	Men's & boys' work clothing	0254	Poultry hatcheries	3841	Surgical & medical instruments
3996	Hardsurface floor coverings, nec	2311	Men's & boys' suits & coats	0259	Poultry and eggs, nec	3842	Surgical appliances & supplies
2429	Hardware, nec	2514	Metal household furniture	2015	Poultry slaughtering & processing	3613	Switchgear & switchboard apparatus
2426	Hardwood dimensions & flooring mills	3549	Metalworking machinery, nec	3568	Power transmission equipment, nec		
		3398	Metal heat treating	3546	Power-driven handtools	2822	Synthetic rubber
2435	Hardwood veneer & plywood	3411	Metal cans	3448	Prefabricated metal buildings	3795	Tanks & tank components
2353	Hats, caps, & millinery	3412	Metal barrels, drums, & pails	2452	Prefabricated wood buildings	3661	Telephone & telegraph apparatus
3433	Heating equip, except electric	3431	Metal sanitary ware	2045	Prepared flour mixes & doughs	3552	Textile machinery
0213	Hogs	3497	Metal foil & leaf	2048	Prepared feeds, nec	2393	Textile bags
3536	Hoists, cranes, & monorails	3479	Metal coating & allied services	3652	Prerecorded records & tapes	2299	Textile goods, nec
0272	Horses and other equines	3469	Metal stampings, nec	3229	Pressed & blown glass, nec	2284	Thread mills
2252	Hosiery, nec	3442	Metal door, sash, & trim	3399	Primary metal products, nec	2282	Throwing & winding mills
2392	House furnishings, nec	2431	Millwork	3339	Primary nonferrous metals, nec	2296	Tire cord & fabrics
3142	House slippers	3296	Mineral wool	3334	Primary aluminum	3011	Tires & inner tubes
3651	Household audio & video equipment	3295	Minerals, ground or treated	3331	Primary copper	2141	Tobacco stemming & redrying
		3532	Mining machinery	3692	Primary batteries, dry & wet	2844	Toilet preparations
3635	Household vacuum cleaners	2741	Misc publishing	3672	Printed circuit boards	3612	Transformers, except electronic
3631	Household cooking appliances	3449	Misc metal work	2893	Printing ink	3799	Transportation equipment, nec
3633	Household laundry equipment	3496	Misc fabricated wire products	3555	Printing trades machinery	3792	Travel trailers & campers
3639	Household appliances, nec	2451	Mobile homes	3823	Process control instruments	3713	Truck & bus bodies
2519	Household furniture, nec	3716	Motor homes	3231	Products of purchased glass	3715	Truck trailers
3632	Household refrigerators & freezers	3711	Motor vehicles & car bodies	2531	Public building & related furniture	3511	Turbines & turbines generator sets
2024	Ice cream & frozen desserts	3621	Motor & generators	2611	Pulp mills	0253	Turkey and turkey eggs
3491	Industrial valves	3714	Motor vehicle parts & accessories	3561	Pumps & pumping equipment	2791	Typesetting
2819	Industrial inorganic chem, nec	3751	Motorcycles, bicycles, & parts	3663	Radio & TV broadcasting & communications equipment	3082	Unsupported plastic profile shapes
3599	Industrial machinery, nec	3931	Musical instruments			3081	Unsupported plastic film & sheet
2869	Industrial organic chem, nec	2441	Nailed wood boxes & shook	3743	Railroad equipment	2512	Upholstered household furniture
3537	Industrial trucks & tractors	2241	Narrow fabric mills	2061	Raw sugar cane	3494	Valves & pipe fittings, nec
2813	Industrial gases	2711	Newspapers	3273	Ready-mixed concrete	2076	Vegetable oil mills, nec
3543	Industrial patterns	2873	Nitrogenous fertilizers	2493	Reconstituted wood products	3647	Vehicular lighting equipment
3567	Industrial furnaces & ovens	3297	Nonclay refractories	3585	Refrigeration & heating equipment	3261	Vitreous plumbing fixtures
2816	Inorganic pigments	3644	Noncurrent-carrying wiring devices	3625	Relays & industrial controls	3262	Vitreous china table & kitchenware
3825	Instruments to measure electricity	3369	Nonferrous foundries, nec	3645	Residential lighting fixtures	3873	Watches, clocks, & parts
3519	Internal combustion engines, nec	3364	Nonferrous die-casting, except aluminum	2044	Rice milling	2385	Waterproof outerwear
2835	In vitro & in vivo diagnostic substances	3357	Nonferrous wiredrawing & insulating	2095	Roasted coffee	2257	Weft knit fabric mills
				2384	Robes & dressing gowns	3548	Welding apparatus
3462	Iron & steel forging			3547	Rolling mill machinery	2046	Wet corn milling
3915	Jewelers' materials & lapidary work	3356	Nonferrous rolling & drawing, nec	3052	Rubber & plastic hose & belting	2084	Wines, brandy, & brandy spirits
3911	Jewelry, precious metal	3341	Nonferrous metals	3021	Rubber & plastic footwear	3495	Wire springs
2253	Knit outerwear mills	3463	Nonferrous knit	2068	Salted & roasted nuts & seeds	2337	Women's & misses' suits & coats
2254	Knit underwear mills	3299	Nonmetallic mineral products, nec	2656	Sanitary food containers	2335	Women's, juniors', & misses' dresses
2259	Knitting mills, nec	2297	Nonwoven fabrics	2676	Sanitary paper products		
3821	Laboratory apparatus & furniture	3579	Office machines, nec	2013	Sausages & other prepared meats	2341	Women's & children's underwear
2258	Lace & warp knit fabric mills	2522	Office furniture, except wood	3425	Saw blades & handsaws	2251	Women's hosiery, except socks
3083	Laminated plastic plate & sheet	3533	Oil & gas field machinery	2421	Sawmills & planing mills, general	2339	Women's & misses' outerwear, nec
3524	Lawn & garden equipment	3851	Ophthalmic goods	3596	Scales & balances, except laboratory	2331	Women's & misses' blouses & shirts
3952	Lead pencils & art goods	3827	Optical instruments & lenses			3171	Women's handbags and purses
3199	Leather goods, nec	3489	Ordnance & accessories, nec	2397	Schiffli machine embroideries	3144	Women's footwear, except athletic
2386	Leather & sheep-lined clothing	2824	Organic fibers, noncellulosic	3451	Screw machine products		
3111	Leather tanning & finishing	3565	Packaging machinery	3812	Search & navigation equipment	2491	Wood preserving
3151	Leather gloves & mittens	2851	Paints & allied products	3674	Semiconductors & related devices	2499	Wood products, nec
3648	Lighting equipment	3554	Paper industries machinery	3263	Semivitreous table & kitchenware	2434	Wood kitchen cabinets
3274	Lime	2621	Paper mills	3589	Service industry machinery, nec	2541	Wood partitions & fixtures
2411	Logging	2671	Paper coated & laminated, packaging	2652	Setup paperboard boxes	2521	Wood office furniture
2992	Lubricating oils & greases			0214	Sheep and goats	2517	Wood TV & radio cabinets
3161	Luggage	2672	Paper coated & laminated, nec	3444	Sheet metal work	2449	Wood containers, nec
2098	Macaroni, spaghetti, & noodles	2631	Paperboard mills	3731	Ship building & repairing	2511	Wood household furniture
3541	Machine tools, metal cutting types	2542	Partitions & fixtures, except wood	3993	Signs & advertising specialties	2448	Wood pallets & skids
3545	Machine tool accessories	3951	Pens & mechanical pencils	3914	Silverware and plate ware	3553	Woodworking machinery
3542	Machine tools, metal forming type	2721	Periodicals	3484	Small arms	3844	X-ray apparatus & tubes
3695	Magnetic & optical recording media	3172	Personal leather goods, nec	3482	Small arms ammunition	2281	Yarn spinning mills
3322	Malleable iron foundries	2911	Petroleum refining	2841	Soap & other detergents		
2083	Malt	2999	Petroleum & coal products, nec	2436	Softwood veneer & plywood		
2082	Malt beverages	2834	Pharmaceutical preparations	2075	Soybean oil mills		
2761	Manifold business forms	2874	Phosphatic fertilizers	3769	Space vehicle equipment & parts		
2097	Manufactured ice	3861	Photographic equipment & supplies	3764	Space propulsion units & parts		
3999	Manufacturing industries, nec	2035	Pickles, sauces, & salad dressing	2429	Special product sawmills, nec		
3953	Marking devices	3085	Plastic bottles	3544	Special dies, tools, jigs, & fixtures		
2515	Mattresses & bedsprings	3086	Plastic foam products	3559	Special industry machinery, nec		
3586	Measuring & dispensing pumps	2821	Plastic materials & resins	3566	Speed changers, drives, & gears		
3829	Measuring & controlling devices, nec	3084	Plastic pipe	3949	Sporting & athletic goods, nec		
2011	Meat packing plants	3088	Plastic plumbing fixtures	2678	Stationery products		
3061	Mechanical rubber goods	3089	Plastic products, nec	3493	Steel springs, except wire		
2833	Medicinal & botanicals	2796	Platemaking service	3315	Steel wire & related products		
2325	Men's & boys' trousers & slacks	3471	Plating & polishing	3317	Steel pipe & tubes		
3143	Men's footwear, except athletic	2395	Pleating & stitching	3325	Steel foundries, nec		
2323	Men's & boys' neckwear	3432	Plumbing fixture fittings & trim	3324	Steel investment foundries		
2329	Men's & boys' clothing, nec	2842	Polishes & sanitation goods	3691	Storage batteries		
2321	Men's & boys' shirts	3264	Porcelain electrical supplies	3259	Structural clay products, nec		

How to Get California Tax Information

(Keep This Page For Future Use)

Your Rights as a Taxpayer

Our goal at the FTB is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how you can request written advice from the FTB on whether a particular transaction is taxable. See "Where to Get Tax Forms and Publications" below.

Where to Get Tax Forms and Publications

By Internet – You can download, view, and print California tax forms and publications at ftb.ca.gov/forms.

Access other state agencies' websites at ca.gov.

By phone – To order current year California tax forms and publications, call our automated phone service. Refer to the list in your tax booklet 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.

In person – Many post offices and libraries provide free California personal income tax booklets during the filing season.

Employees at libraries, post offices, and quick print businesses cannot provide tax information or assistance.

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 your letter includes your federal employer identification number (FEIN), California Secretary of State (SOS) file number, California corporation number, social security number (SSN) or individual taxpayer identification number (ITIN), your daytime and evening telephone numbers, and a copy of the notice (if applicable). Send your letter to:

CORRESPONDENCE, ANALYSIS, SUPPORT
AND EDUCATION SECTION MS F-283
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

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 your tax return.

Internet and Telephone Assistance

Telephone assistance is available year-round from 7 a.m. until 5 p.m. Monday through Friday, except holidays. Hours subject to change.

Website: ftb.ca.gov
Telephone: 800.852.5711
from within the United States
916.845.6500
from outside the United States
800.822.6268
TTY/TDD: 800.822.6268
for persons with hearing or
speech disability
711 or 800.735.2929 California
relay service

Asistencia Por Internet y Teléfono

Asistencia telefónica está disponible durante todo el año desde las 7 a.m. hasta las 5 p.m. de lunes a viernes, excepto días feriados. Las horas están sujetas a cambios.

Sitio web: ftb.ca.gov
Teléfono: 800.852.5711
dentro de los Estados Unidos
916.845.6500
fuera de los Estados Unidos
800.822.6268
TTY/TDD: 800.822.6268
para personas con discapacidades
auditivas o del habla
711 ó 800.735.2929 servicio de
relevo de California

MEA Contact Information

For business eligibility or zone related information, including questions regarding MEA geographic boundaries and vouchering, contact the HCD or the local zone program manager where the business is located. Go to hcd.ca.gov and search for **directory of economic development areas**.

For information that is zone-specific but not tax-specific, contact the HCD at:

DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
ENTERPRISE ZONE PROGRAMS
2020 WEST EL CAMINO AVENUE,
SUITE 650
SACRAMENTO CA 95833

Mailing address
PO BOX 952054
SACRAMENTO CA 94252-2054

Website: hcd.ca.gov
Telephone: 916.263.2771

or for tax-specific information contact:

FRANCHISE TAX BOARD
Website: ftb.ca.gov
Telephone: 916.845.3464