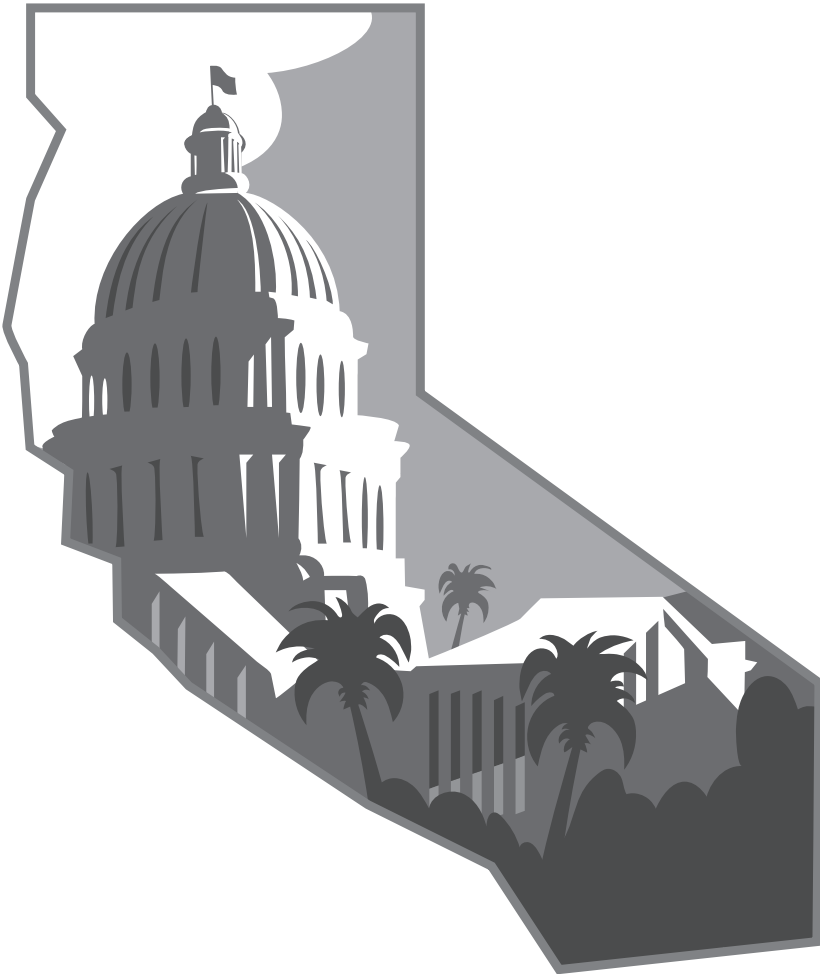




STATE OF CALIFORNIA
Franchise Tax Board

California

Forms & Instructions



109

2020

Exempt Organization
Business Income
Tax Booklet

This booklet contains:

Form 109, California Exempt Organization
Business Income Tax Return

Members of the Franchise Tax Board

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

2020 Instructions for Form 109

California Exempt Organization Business 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).

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.

What's New

Excess Business Loss Limitation – The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act made amendments to IRC Section 461(l) by eliminating the excess business loss limitation of noncorporate taxpayers for taxable year 2020 and retroactively removing the limitation for taxable years 2018 and 2019. California does **not** conform to those amendments. For taxable year 2020, complete form FTB 3461, California Limitation on Business Losses, if you are a noncorporate taxpayer and your net losses from all of your trades or businesses are more than \$259,000.

Net Operating Loss Suspension – For taxable years beginning on or after January 1, 2020, and before January 1, 2023, California has suspended the net operating loss (NOL) carryover deduction. Organizations may continue to compute and carryover an NOL during the suspension period. **However**, organizations 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, 2020.
- Two years for losses incurred in taxable years beginning on or after January 1, 2020, and before January 1, 2021.
- One year for losses incurred in taxable years beginning on or after January 1, 2021, and before January 1, 2022.

For more information, see R&TC Section 24416.23.

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 credits for taxpayers. 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. For taxpayers included in a combined report, the limitation is applied at the group level. The 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.

Main Street Small Business Tax Credit – For the taxable year beginning on or after January 1, 2020, and before January 1, 2021, a Main Street Small Business Tax Credit is available to a qualified small business employer that received a tentative credit reservation from the California Department of Tax and Fee Administration (CDTFA). For more information, get form FTB 3866, Main Street Small Business Tax Credit.

Program 3.0 California Motion Picture and Television Production Credit – For taxable years beginning on or after January 1, 2020, R&TC Sections 17053.98 and 23698 allows a third film credit, **program 3.0**, against tax. The credit is allocated and certified by the California Film Commission (CFC). The qualified taxpayer can:

- Offset the credit against income tax liability.
- Sell the credit to an unrelated party (independent films only).
- Assign the credit to an affiliated corporation.
- Apply the credit against qualified sales and use taxes.

For more information, get form FTB 3541, California Motion Picture and Television Production Credit, form FTB 3551, Sale of Credit Attributable to an Independent Film, go to ftb.ca.gov and search for **motion picture**, or go to the CFC website at film.ca.gov and search for **incentives**.

Natural Heritage Preservation Credit – The Natural Heritage Preservation Credit expired on June 30, 2020. All qualified contributions must be made on or before that date. For more information, get form FTB 3503, Natural Heritage Preservation Credit.

New Donated Fresh Fruits or Vegetables Credit – For taxable years beginning on or after January 1, 2020, and before January 1, 2022, the list of qualified donation items has been expanded to include raw agricultural products and processed foods. For more information, get form FTB 3814, New Donated Fresh Fruits or Vegetables Credit.

Paycheck Protection Program (PPP) Loan Forgiveness – For taxable years beginning on or after January 1, 2020, California law provides an exclusion from gross income for covered loan amounts forgiven under the federal CARES Act, Paycheck Protection Program and Health Care Enhancement Act, or the Paycheck Protection Program Flexibility Act of 2020. For more information, see R&TC Section 24308.6.

The Consolidated Appropriations Act, 2021 was signed into federal law on December 27, 2020, allowing deductions for eligible expenses paid for with covered loan amounts that would be or would reasonably be expected to be forgiven under the PPP. California law does not conform to this federal provision. For California purposes, any credit or deduction allowed for any amount paid or incurred should be reduced by the amount of the exclusion allowed under the PPP.

Real Estate Withholding Statement – Effective January 1, 2020, the real estate withholding forms and instructions have been consolidated into one new **Form 593, Real Estate Withholding Statement**. For more information, get Form 593.

General Information

IRC Section 965 Deferred Foreign Income – Under federal law, if you own (directly or indirectly) certain foreign corporations, you may have to include on your federal tax return certain deferred foreign income. California **does not** conform. Do not include IRC 965 income, tax or future installment payment amounts on this form or associated schedules. If IRC Section 965 amounts were reported on your federal tax return, write "IRC 965" on the top of your California tax return.

Global Intangible Low-Taxed Income (GILTI) Under IRC Section 951A – Under federal law, if you are a U.S. shareholder of a controlled foreign corporation, you must include your GILTI in your income. California **does not** conform.

Payments and Credits Applied to Use Tax – For taxable years beginning on or after January 1, 2015, if an exempt organization includes use tax on its income tax return, payments and credits will be applied to use tax first, then towards franchise or income tax, interest, and penalties. For more information, see General Information L, California Use Tax and Specific Line Instructions.

Like-Kind Exchanges – California requires taxpayers who exchange property located in California for like-kind property located outside of California, and meet all of the requirements of the IRC Section 1031, to file an annual information return with the Franchise Tax Board (FTB).

The Tax Cuts and Jobs Act (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 more information, get form FTB 3840, California Like-Kind Exchanges, or go to ftb.ca.gov and search for **like kind**.

Unrelated Business Taxable Income (UBTI) – The TCJA made changes to how UBTI is calculated. California **does not** conform.

Alternative Minimum Tax (AMT) – The TCJA signed into law on December 22, 2017, repealed the federal corporate AMT and made changes to the rules for net operating losses and the AMT credit. California law does not conform to the repeal of the federal corporate AMT and AMT Credit provisions. Get Schedule P (100), Alternative Minimum Tax and Credit Limitations - Corporations, for more information.

California e-Postcard – Effective for taxable years beginning on or after January 1, 2012, small tax-exempt organizations with gross receipts normally equal to or less than \$50,000 are required to file FTB 199N, California e-Postcard. For more information go to ftb.ca.gov and search for **199N**.

Doing Business – 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 \$610,395 or 25% of the taxpayer's total sales.

- The real property and tangible personal property of the taxpayer in California exceed the lesser of \$61,040 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 \$61,040 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, refer to R&TC Section 23101 or go to ftb.ca.gov and search for **doing business**.

Small Business Method of Accounting

Election – 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 business.

A small business may elect to apply the same provisions above to taxable years beginning on or after January 1, 2018, and before January 1, 2019. Taxpayers make the election by providing the following information to the FTB:

1. Include a statement with their original or amended California tax return stating the taxpayers' intent to make a Small Business Method of Accounting election(s).
2. On the top of the first page of the original or amended tax return, print "AB 91 – Small Business Method of Accounting Election" in black or blue ink.
3. Mail returns to:
FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO, CA 94257-0500

Gross Receipts – 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 **law changes**.

Finnigan Rule – R&TC Section 25135(b) adopts the Finnigan rule in assigning sales from tangible personal property. For more information regarding Finnigan Rule, go to ftb.ca.gov and search for **corporation law changes**.

Backup Withholding – With certain limited exceptions, payers that are required to withhold and remit backup withholding to the Internal Revenue Service (IRS) are also required to withhold and remit to the FTB on income sourced to California. If the tax-exempt entity (payee) has backup withholding, the tax-exempt entity (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**.

IRC Sections 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), or 501(c)(19)

Organizations – California law allows federally tax-exempt IRC Sections 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), or 501(c)(19) organizations to be exempt from state income taxes after submitting form FTB 3500A, Submission of Exemption Request, and a federal determination letter to the FTB. To establish state tax-exempt status using the federal determination letter file form FTB 3500A. Go to ftb.ca.gov/forms and search for **3500A**.

Revoke Tax-Exempt Status – The organization must notify the FTB when the IRS revokes their federal tax-exempt status. The FTB will revoke the tax-exempt status if the entity fails to meet certain state provisions governing exempt organizations.

Retroactive Tax-Exempt Status – If an organization files form FTB 3500, Exemption Application, the FTB may require the organization to file exempt returns for the period of time the exemption is requested prior to issuing a determination letter. For more information, get form FTB 3500, or go to ftb.ca.gov/forms and search for **3500**.

California Disclosure Obligations – If the organization was involved in a reportable transaction, including a listed transaction, the organization may have a disclosure requirement. Attach the 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 the federal Form 8886 to the address below. The FTB may impose penalties if the organization fails to file federal Form 8886, or any other required information.

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

For more information, go to ftb.ca.gov and search for **disclosure and reporting**.

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 Formula Worksheet, or go to ftb.ca.gov and search for **single sales factor**.

Market Assignment – 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**.

A Purpose

A tax-exempt organization that regularly carries on a trade or business not substantially related to its exempt purpose may be required to pay tax on the unrelated trade or business income that results from such activity. Use Form 109, California Exempt Organization Business Income Tax Return, to figure the tax on the unrelated business income of the organization.

Filing Form 109 does not replace the requirement to file Form 199, California Exempt Organization Annual Information Return, or FTB 199N. State and federal laws are generally the same in this area. Get federal Form 990-T, Exempt Organization Business Income Tax Return, and instructions for detailed information.

B Unrelated Trade or Business

Unrelated trade or business is any regularly carried on trade or business that is not substantially related to the organization's exempt purpose or function, or to exercising or performing any purpose or function described in R&TC Section 23701.

Exceptions: An unrelated trade or business does not include:

- An activity where substantially all the work in carrying on the trade or business is performed by volunteers (without compensation).
- An activity that is carried on by an R&TC Section 23701d organization primarily for the convenience of its members, students, patients, officers, or employees.

- An activity that is carried on by a local association of employees described in R&TC Section 23701f, organized before May 27, 1969, such as selling work-related clothes, equipment, and items normally sold through vending machines, snack bars, etc., for the convenience of its members at their usual workplace.
- The sale of merchandise that was donated to the organization.

For additional information, see IRC Section 513.

Unrelated Business Taxable Income

Unrelated business taxable income is the gross income derived from any regularly carried on unrelated trade or business less the deductions that are directly connected with carrying on the unrelated trade or business.

In the case of an organization that regularly conducts two or more unrelated business activities, unrelated business taxable income is the sum of gross income from all such unrelated business activities, less the sum of the deductions that are directly connected with carrying on the unrelated trade or business.

Expenses, depreciation, and similar items that arise from conducting the exempt function are not deductible in computing unrelated business taxable income. However, expenses directly connected with unrelated business income are deductible (see Specific Line Instructions for Side 2, Part I and Part II, Unrelated Business Taxable Income, line 20, for the exception concerning contributions).

For additional information, see IRC Section 512. The TCJA made changes to how Unrelated Business Taxable Income is computed. California **does not** conform to the requirement that "unrelated business taxable income" be separately computed for each trade or business activity. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015.

C Exclusions

Items excluded from unrelated business taxable income are:

1. Dividends, interest, annuities, and deductions directly connected with such income. However, unrelated debt-financed income and income derived from controlled organizations is taxable, whether or not the activities that produced such income represent a regularly carried on trade or business.
2. Royalties (including overriding royalties) and deductions directly connected with such income. Mineral royalties are excluded whether measured by production or by gross or taxable income from the mineral property. However, where the organization owns a working interest in a mineral property and is not relieved of its share of the development costs by the terms of any agreement with an operator, income received from the working interest cannot be excluded. Debt-financed royalty income is taxable whether or not the organization owns a working interest in the property.
3. Rents from real property (including elevators and escalators) and rents from personal property leased with such real property and deductions directly connected with such rents. Rents attributable to personal property must be an incidental amount of the total rents received or accrued under the lease determined at the time when the property is first subject to use by the lessee. Rents attributable to personal property generally are not an incidental amount of the total rents if the rents attributable to personal

property exceed 10% of the total rents from all the property leased. See Treas. Reg. Section 1.512(b)-1(c)(3)(iii) regarding multiple leases.

The exclusion will not apply if such rents are derived from a controlled organization or the property leased is debt-financed property. If the rents are derived from the leasing of debt-financed property to a controlled organization, the taxation of rents is first considered under the controlling organization rules. Only the untaxed portion of rents is subject to the unrelated debt-financed income rules.

4. Gains or losses from the sale, exchange, or other disposition of property, except:
 - a. Stock in trade or other property that would be includible in inventory if on hand at the close of the taxable year.
 - b. Property held primarily for sale to customers in the ordinary course of the trade or business, or real property and all gains or losses from the forfeiture of good-faith deposits (that are consistent with established business practice) for the purchase, sale, or lease of real property in connection with the organization's investment activities as described in IRC Section 512. The cutting of lumber is considered a sale or exchange of such timber and results in unrelated business taxable income. (See Specific Line Instructions for Side 2, Part I, lines 4a, 4b, and 4c, for treatment of capital gains or ordinary losses).
 - c. Certain gains on debt-financed and depreciable property.
5. The income and deductions resulting from:
 - a. Organizations performing research for the government.
 - b. A college, university, or hospital performing research for any person.
 - c. Organizations operating primarily for fundamental research.
6. Certain investment income for pension funds. These include:
 - a. The gains or losses on the lapse or termination of securities options (IRC Section 512(b)(5)).
 - b. Loan commitment fees (IRC Section 512(b)(1)).
 - c. The gains from the sale, exchange, or disposition of real property and mortgages acquired from financial institutions in conservatorship or receivership (IRC Section 512(b)(16)).
7. Annual dues not exceeding \$100 paid to an agricultural or horticultural organization described in IRC Section 512(d).

Exception

The exclusion rules described in General Information C, Exclusions, **do not** apply to social and recreational clubs (R&TC Section 23701g), voluntary employees' beneficiary associations (R&TC Section 23701i), and supplemental unemployment compensation benefits trusts (R&TC Section 23701n).

California law is the same as federal law for organizations described in IRC Sections 501(c)(7) and 501(c)(9).

Controlled organization means in the case of:

- A Stock Corporation – ownership (by vote or value) of more than 50% of stock in the corporation.
- A Partnership – ownership of more than 50% of the profits, interest, or capital interests in the partnership.

- Any other Case – ownership of more than 50% of the beneficial interest in the entity.

D Exempt Function Income

Exempt function income is any of the following:

- a. The amount derived from dues, fees, charges, or similar amounts of gross income from members.
- b. The amount (other than gross income derived from any unrelated trade or business that is regularly carried on) set aside for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.
- c. In the case of an organization described in R&TC Section 23701i, the amount set aside for the payment of life, sick, accident, or other benefits.

E Income to Be Reported

Corporations and Associations

Report all income from an unrelated trade or business whether derived from sources within or outside California.

Apportion all unrelated business income attributable to sources both within and outside California. See the instructions for Form 109, Side 1, line 2, and Schedule R, Apportionment Formula Worksheet, Side 3.

Trusts

Report all income from an unrelated trade or business derived from sources within California. If income is derived from sources outside California and one or more trustees are residents, report the proportion of income that the resident trustees bear to the total of all trustees.

At-Risk Provisions

For the rules limiting a loss to the amount at risk for certain trade or business and production of income activities, get federal Form 6198, At-Risk Limitations.

Passive Activity Loss and Credit Limitation

For California purposes, the passive loss rules of IRC Section 469 (except for IRC Section 469(c)(7)) apply to closely held corporations, S corporations, personal service corporations, and trusts. Organizations subject to passive loss rules must complete form FTB 3801, Passive Activity Loss Limitations, or form FTB 3802, Corporate Passive Activity Loss and Credit Limitations, to figure their allowable passive activity loss.

An organization subject to the passive activity loss limitations may also be required to adjust credits attributable to passive activities on form FTB 3801-CR, Passive Activity Credit Limitations, or form FTB 3802.

If a passive activity is also subject to the at-risk rules of IRC Section 465, the at-risk rules apply before the passive loss rules apply. Get federal Publication 925, Passive Activity and At-Risk Rules.

F Who Must File

Every organization with California tax-exempt status must file Form 109 if the gross income from an unrelated trade or business is more than \$1,000. See General Information B, Unrelated Trade or Business.

Exceptions

A tax-exempt organization is not required to file Form 109 if all of the following apply:

- It is formed to carry out a function of the state.
- It is carrying out that function.
- It is controlled by the state.

Exempt homeowners' associations and exempt political organizations that have a taxable income over \$100 must file Form 100, California Corporation Franchise or Income Tax Return.

G Mailing Addresses

Mail returns with payment to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0501

Mail refund returns or returns without a payment or paid by EFT or Web Pay to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0500

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.

FRANCHISE TAX BOARD
SACRAMENTO CA 95827

If the organization files more than one return, use separate envelopes and checks or money orders to make sure the returns and payments are processed correctly.

H When to File

Generally, Form 109 is due on or before the 15th day of the 5th month following the close of the taxable year. An employees' trust defined in IRC Section 401(a) an IRA, or a Coverdell ESA must file Form 109 by the 15th day of the 4th month after the end of the taxable year.

U.S. Post Office

Official U.S. Post Office postmarks are considered primary evidence of the date of filing of income tax documents and payments. Postage meter dates are not considered proof of filing on the date shown.

Private Delivery Services

California conforms to federal law regarding the use of designated private delivery services to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. See the federal instructions for Form 990-T, for a list of designated delivery services.

I Extension of Time to File Return

If Form 109 cannot be filed by the due date, the exempt organization has six additional months to file without filing a written request for extension. However, an organization that is not in good standing or is suspended on the original due date of the return will not be given an extension of time to file. To avoid late payment penalties, the organization must pay 100% of the tax liability by the original due date of the return.

If an extension of time is needed, and an unpaid tax liability is owed, get form FTB 3539, Payment for Automatic Extension for Corporations and Exempt Organizations.

If the return is not filed by the extended due date, a delinquent filing penalty is charged from the original due date of the return.

J Tax Rates

Corporations and Associations

The tax rate imposed on the unrelated business income of an incorporated exempt organization or association treated as a corporation is 8.84%. The AMT rate is 6.65%.

Any organization determined to be exempt from income or franchise tax by the FTB does not owe the minimum franchise tax.

Trusts

See the Tax Rate Schedule for Trusts on page 9.

K Payment of Tax

The tax due (total tax minus amounts previously paid) must be paid in full by the original due date of the return. Any credit or payment should be claimed on the return and considered in computing the tax due with the return. Get instructions for Form 100-ES, Corporation Estimated Tax, for information regarding how and when to pay estimated tax. Trusts completing Form 100-ES use the Tax Rate Schedule for Trusts on page 9 to figure the correct amount of tax.

Estimated Tax Payments

Organizations 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 Form 100-ES.

Web Pay

Exempt organizations can make payments online using Web Pay for Businesses. Exempt organizations can make an immediate payment or schedule payments up to a year in advance. For more information, go to ftb.ca.gov/pay.

Credit Card

Organizations can use a Discover, MasterCard, Visa, or American Express Card to pay businesses taxes. Go to officialpayments.com. Official Payments Corporation charges a convenience fee for using this service.

Electronic Funds Transfer (EFT)

Organizations 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 an organization 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. Organizations required to remit electronically may use Web Pay, or a credit card and be considered in compliance with that requirement. The FTB notifies organizations that are subject to these requirements. Those that do not meet these requirements may participate on a voluntary basis. For more information, go to ftb.ca.gov and search for EFT or call 916.845.4025.

L 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 the sales tax paid on purchases made in California. If the exempt organization has not already paid all use tax due to the California Department of Tax and Fee Administration, it may be able to report and pay the use tax due on its state income tax return. However, exempt organizations 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 20 of the income tax return.

In general, exempt organizations 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.

Exempt organizations must pay California use tax on taxable items if:

- The seller does not collect California sales or use tax, and
- The organization uses, gives away, stores, or consumes the item in California.

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

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

For 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 6 to calculate the amount due.

Extension to File. If the exempt organization requests an extension to file the tax return, wait until the exempt organization 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. The application of payments and credits for use tax reported on an income tax return has changed. Beginning with taxable years starting on or after January 1, 2015, payments and credits 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 return to revise the use tax previously reported. If the exempt organization 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 800.400.7115 (CRS:711) (for hearing and speech disabilities). For California income tax information, contact the FTB at ftb.ca.gov.

M Penalties and Interest

Late Filing of Return

Any organization that fails to file a return on or before the extended due date may be assessed a penalty. The penalty cannot exceed 25% of the unpaid tax.

Late Payment of Tax

Any organization that fails to pay the total tax shown on the return 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 a month (not to exceed 40 months), that the tax remains unpaid. This penalty cannot exceed 25% of the unpaid tax.

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 is paid by the original due date of the return. If an organization 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 will not exceed 25% of the unpaid tax.

Underpayment of Estimated Tax

Any organization that fails to pay, pays late, or underpays an installment of estimated tax is assessed a penalty. The penalty is computed as a percentage of the underpayment for the underpayment period. Get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries, or form FTB 5806, Underpayment of Estimated Tax by Corporations, to determine both the amount of underpayment and the amount of penalty.

If the organization uses annualized income method on form FTB 5805, Part III, or form 5806, Exception B or Exception C to complete or eliminate the penalty for any of the four installments, a completed form FTB 5805 or form FTB 5806 must be attached to the front of the tax return.

EFT Penalty

If the organization meets the requirements of the EFT program, all payments must be made through EFT. Payment by other means will result in a penalty of 10% of the amount paid. For more information, see General Information K, Payment of Tax, or call the FTB at 916.845.4025.

Interest

Interest is due and payable on any tax due that is not paid by the original due date of the return. An extension of time to file a return does not stop interest from accruing.

N Net Operating Loss

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

For taxable years beginning on or after January 1, 2019, net operating loss carrybacks are **not** allowed.

For more information, get form FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Corporations; form FTB 3805V Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Individuals, Estates, and Trusts; form FTB 3805Z, Enterprise Zone Deduction and Credit Summary; form FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary; form FTB 3809, Targeted Tax Area Deduction and Credit Summary.

O Alternative Minimum Tax (AMT)

AMT is reported on Side 1, line 13. Trusts subject to AMT must file Schedule P (541), Alternative Minimum Tax and Credit Limitations — Fiduciaries. Corporations and unincorporated associations subject to AMT must file Schedule P (100).

P Information Returns

The organization must file federal Form 1099 series information returns with the FTB as well as the IRS to report certain payments made or received by the organization. Reportable payments include, but are not limited to:

- **All amounts paid** to an attorney whether or not the services are performed for the payer, and all amounts paid by a broker or barter exchange.
- **Payments exceeding \$10** annually for interest (earned) and dividends.
- **Payments exceeding \$600** annually for compensation for services that are 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.
- **Cash payments over \$10,000** received in a trade or business.

For more information, see the IRS General Instructions for federal Forms 1098, Mortgage Interest Statement; 1099, series; 5498, IRA Contribution Information; W-2-G, Certain Gambling Winnings; federal Publication 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.

Q Federal Form 990-T

See the Instructions for federal Form 990-T, Schedule E, Unrelated Debt-Financed Income, for more information regarding:

1. Debt-financed property.
2. Allocation rules for debt-financed property.
3. Acquisition indebtedness.
4. Average acquisition indebtedness.
5. Average adjusted basis.
6. Adjusted basis of property.

For the special rules for holding companies, R&TC Sections 23701h and 23701x and IRC Sections 501(c)(2) and 501(c)(25), see federal Form 990-T, General Instructions for Consolidated Returns.

R Amended Return

To correct or change a previously filed Form 109, file a new Form 109 and check the amended return box on Form 109, Side 1, question E. Attach a statement that identifies the line number of each amended item, corrected amount, and explanation of the reason(s) for each change.

Specific Line Instructions

Accounting Period

File Form 109 for calendar year 2020, and for a fiscal year beginning in 2020. Fiscal year filers complete the tax year information on the top of Side 1. Include the month, day, and year for that taxable period.

Entity Information

Provide the following:

- California corporation or entity number
- Federal employer identification number (FEIN)
- Organization's legal name
- Address

Additional Information – Use the Additional information field for "Owner/Representative/Attention" name and other supplemental address information only.

Foreign Address – If the exempt organization 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.

Question F – Accounting Method

Use the same method the organization uses for maintaining its books and records to compute taxable income.

Line 2 – Apportionment Formula

Unrelated business income of corporations and associations attributable to sources within and outside California is apportioned. Use Schedule R, Side 3 of the Form 109, to determine the apportionment percentage.

Line 6 – EZ, LAMBRA, or TTA NOL Carryover Deduction

For more information, see Form 100 instructions.

Line 7 – Net Operating Loss Deduction

Attach the appropriate form to Form 109. See General Information N, Net Operating Loss, for more information.

Line 11 – Tax Credits from Schedule B

Enter the total from Form 109, Side 3, Schedule B, Tax Credits, line 4. Attach all credit forms, schedules, or statements and Schedule P (100 or 541), if applicable, to Form 109.

Line 16 – 2020 Estimated Tax

Enter the total amount of estimated tax payments made during the 2020 taxable year on this line.

Line 17 – Withholding (Form 592-B and/or 593)

Enter the 2020 nonresident or real estate withholding credit from Form(s) 592-B, Resident and Nonresident Withholding Tax Statement, or Form 593, Real Estate Withholding Statement. Attach a copy of the form(s) to the lower front of Form 109, Side 1.

Line 20 – Use Tax

As explained under General Information L, 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 800.400.7115 (CRS: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 have, a California seller's permit.
- Businesses that are not required to hold a California seller's permit, but receive at least \$100,000 in gross receipts.
- Businesses that are otherwise required to be registered with the California Department of Tax and Fee Administration for sales or use tax purposes.

An exempt organization 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 Form 109. To report use tax on the tax return, complete the Use Tax Worksheet on this page.

Note: An exempt organization 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 exempt organization owes use tax, but does not report it on the income tax return, the exempt organization 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 Form 109, line 20. 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 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 exempt organization is filing.

Note: Report and pay any use tax the exempt organization owes on the following purchases directly to the California Department of Tax and Fee Administration, **not** on the exempt organization'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.
- Leases of machinery, equipment, vehicles, and other tangible personal property.
- 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 exempt organization 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 800.400.7115 (CRS: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 organization 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 organization paid \$8.00 sales tax to another state for a purchase, and would have paid \$6.00 in California, the organization can only claim a credit of \$6.00 for that purchase.

Line 23 and Line 24 – Tax Due/Overpayment

Add to the amount of tax due or overpayment, as appropriate, the amount from Schedule K, line 5. See Schedule K instructions for more information.

Line 26 – Refund

Direct Deposit of Refund (DDR)

Direct deposit is fast, safe, and convenient. To have the refund directly deposited into the exempt organization's bank account, enter the account information on Form 109, Side 2, lines 26a, 26b, and 26c. Fill in the account number and routing number and check the appropriate box for the type of account. **Do not** attach a voided check or deposit slip.

Caution: Check with your financial institution to make sure your 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 entered by you or your representative.

To cancel the DDR, call the FTB at 916.845.0353.

If the direct deposit is rejected, the FTB will issue a paper check.

Line 27 and 28 – Penalties and Interest

Check the box on line 28 and attach a completed form FTB 5806 only if Exception B, tax on annual income, or Exception C, tax on annualized seasonal income, is used in computing the penalty.

Line 29 – Total Amount Due

Organizations required to pay by EFT must remit the amount due by EFT. See General Information K, Payment of Tax.

Signature

Corporations and Associations – A corporate officer such as the president, vice president, treasurer, assistant treasurer, chief accounting officer, or trustee must sign the return.

Trusts – The individual fiduciary or authorized officer of the trust receiving or having custody or control and management of the income of the trust must sign the return. If two or more individuals act jointly as fiduciaries, the return may be signed by either individual. A receiver, trustee, or assignee must sign any return filed on behalf of the organization.

Paid Preparer's Information – Anyone who is paid to prepare an information return must sign the return and complete the "Paid Preparer's Use Only" area of the return.

The paid preparer must do all of the following:

- Complete the required preparer information. Tax preparers must provide their preparer tax identification number (PTIN).
- Sign in the space provided for the preparer's signature.
- Give you a copy of the return in addition to the copy to be filed with the FTB.

If an officer of the organization, or a trustee of the trust, completes Form 109, leave the "Paid Preparer's Use Only" area of the return blank.

If someone prepares this return and doesn't charge you, that person should not sign the return.

Paid Preparer Authorization

Paid Preparer Authorization – The organization can designate a third party to discuss the tax return with the FTB.

If the organization wants to allow the FTB to discuss its 2020 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 organization is authorizing the FTB to call the paid preparer to answer any questions that may arise during the processing of its return. The organization 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 return preparation.

The organization is not authorizing the paid preparer to receive any refund check, bind the organization 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 organization's 2021 tax return. If the organization wants to revoke the authorization before it ends, notify the FTB in writing or call 800.852.5711.

If the organization wants to expand or change the paid preparer's authorization, go to ftb.ca.gov/poa.

Part I and Part II — Unrelated Business Taxable Income

Line 1 – Gross Receipts or Sales

Enter the gross income from any unrelated trade or business regularly carried on that involves the sale of goods or performance of services. If the activity is a type includible in Schedule C through Schedule H, report it on the appropriate schedule and corresponding line of Part I instead of on line 1. For example, an exempt social club reports its restaurant and bar receipts from nonmembers on line 1 but would report its investment income on Schedule E and on Form 109, Side 2, Part I, line 8.

Line 4a, Line 4b, and Line 4c – Net Gain or Loss from the Sale of Capital Assets and Ordinary Gains or Losses

Corporations and Associations

California law requires recognition of capital gains and losses for corporations and associations. R&TC Section 24990 places these gains and losses into long-term and short-term categories. California conformed to the federal law that limits the deduction of capital losses to the amount of capital gains and allows excess losses to be carried forward for five years. However, California does not allow loss carrybacks.

The rules relating to debt-financed property do not apply to an R&TC Section 23701g or Section 23701i organization, and Schedule D should be completed without regard to those rules. However, see IRC Section 512(a)(3) for nonrecognition of gain in certain cases.

Trusts

Enter on Form 109, Side 2, Part I, line 4a, the computation of the **net capital gain** income reported on Schedule D (541), Capital Gain or Loss. Attach a copy of that schedule to Form 109.

Enter on Form 109, Side 2, Part I, line 4b, the computation of **ordinary gains and losses** reported on Schedule D-1, Sales of Business Property. Attach a copy of that schedule to Form 109.

If a trust has a **net capital loss**, it is subject to the limitations in Schedule D (541). Enter on Form 109, Side 2, Part I, line 4c, the amount of ordinary gains and losses reported on Schedule D (541). Attach a copy of that schedule to Form 109.

Line 5 – Income (or Loss) from Partnerships, Limited Liability Companies, or S Corporations

If the organization is a partner in a partnership, a member in a limited liability company, or a shareholder in an S corporation carrying on an unrelated trade or business, enter the organization's share (whether or not distributed) of the gross income and deductions from the unrelated trade or business. See federal Form 990-T, Specific Instructions for Part I, line 5, for information regarding the treatment of income from publicly traded partnerships.

Line 14 through Line 25 – Deductions not Taken Elsewhere

Enter only the expenses for each item directly connected with unrelated trade or business activities and contribution deductions that may be deducted from unrelated business income.

No expense reported on Schedule A or Schedule C through Schedule H is included in Part II, other than excess advertising costs entered on line 27. For example, officers' compensation allocable to advertising income is reported on Schedule H only and is not entered on Part II, line 14.

Where the facilities or personnel used both to carry on the exempt function and to conduct unrelated trade or business activities, cost of goods sold, depreciation, and similar expenses attributable to such facilities or personnel (e.g., overhead) must be allocated between the two uses on a reasonable basis. Attach a schedule showing the allocation of the expenses between the two uses.

Line 14 – Compensation of Officers, Directors, and Trustees

Complete Schedule I on Side 5, and enter the amount on line 14 of Side 2.

Line 20 – Contributions

If the organization is claiming the College Access Tax Credit, do not include the amount used to calculate the credit on line 20.

Attach a detailed schedule showing the name of each organization and the amount paid. If a contribution is made in property other than money, state the kind of property contributed and the method used to determine its fair market value.

If a charitable contribution deduction is allowed by reason of a sale of property to a charitable organization, the adjusted basis for determining the gain from the sale is an amount that is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property. See IRC Section 1011(b).

Corporations and Associations

Enter charitable contributions or gifts actually paid within the taxable year to or for the use of charitable and governmental organizations described in R&TC Section 24359.

The amount claimed cannot exceed 10% of the unrelated business taxable income computed without regard to this deduction.

This deduction is allowed whether or not directly connected with the carrying on of a trade or business. Attach a declaration, signed by an officer or other authorized person, to the tax return stating that the resolution authorizing the contribution was adopted by the board of directors or other governing body.

Trusts

Enter charitable contributions or gifts actually made within the taxable year to or for the use of charitable and governmental organizations described in IRC Section 170. See the instructions for federal Form 990-T for limitations on amounts of contributions you may claim.

Line 21, Line 21a, and Line 21b – Depreciation Corporations and Associations

California law is generally the same as federal law with the exceptions noted below:

1. California has not adopted the federal Modified Accelerated Cost Recovery System (MACRS).
2. California prohibits the use of the 20% asset depreciation ranges (ADR). Only the mid-range asset guideline period is allowed.
3. California allows the additional first-year depreciation. R&TC Section 24356 in lieu of IRC Section 179.

California law and federal law are the same regarding the computation of depreciation under the income forecast method and the amortization of reforestation expenses over seven years.

Complete Schedule J on Side 5 and enter the amount on line 21a. Enter any depreciation claimed on Schedule A on line 21b.

Trusts

In 1987, California changed the rules for depreciation by conforming to the federal MACRS. The California MACRS applies to assets placed in service on or after January 1, 1987.

Complete form FTB 3885F, Depreciation and Amortization, to figure the difference between state and federal depreciation. Enter the total from form FTB 3885F, line 6 on Form 109, Side 2, Part II, line 21a, and attach form FTB 3885F to Form 109.

Subtract line 21b from line 21a. Enter the amount on line 21.

Line 22 – Depletion

California law is the same as federal law.

If a deduction is claimed for timber, attach an explanatory statement.

Line 23b – Employee Benefit Programs

Enter the amount of the organization's contributions to employee benefit programs that are not an incidental part of a deferred compensation plan included on line 23a. Contributions to employee benefit programs that are reported on this line include contributions to insurance, health, and welfare programs.

Line 29 – Specific Deduction

The law provides for a specific deduction of \$1,000 from unrelated business income. Only one specific deduction of \$1,000 is allowed regardless of the number of unrelated businesses. However, a diocese, province of a religious order or convention, or association of churches is allowed one specific deduction for each parish, individual church district, or other local unit that regularly conducts an unrelated trade or business. This applies only to such units that are not separate

legal entities, but are components of a larger entity (diocese, province, convention, association, etc.). Each specific deduction is equal to the lesser of: (a) \$1,000; or (b) the gross income from any unrelated trade or business regularly carried on by the local unit.

Schedule B — Tax Credits

A variety of credits are available to exempt organizations to reduce tax on unrelated business income. However, the amount of some credits may be limited. Corporations and trusts must complete Schedule P (100 or 541), to compute this limitation. Generally, if the organization completed federal Form 4626, Alternative Minimum Tax – Corporations or federal Schedule I (Form 1041), Alternative Minimum Tax – Estates and Trusts, it must also complete Schedule P (100 or 541).

Certain credits are not subject to the tentative minimum tax or the AMT Limitations. Get Schedule P (100 or 541) for more information.

To figure credits, use the appropriate form or schedule as indicated on the credit chart on page 17. Complete Schedule P (100 or 541) if required. Then complete Side 3, Schedule B.

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 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.

Credits disallowed due to the \$5,000,000 limitation may be carried over. The carryover period for disallowed credits is extended by the number of taxable years the credit was not allowed.

If the organization claims one to three credits:

Enter the credit name, three digit credit code, and credit amount on line 1 through line 3. Enter the total of line 1 through line 3 on line 4.

If the organization claims more than three credits:

Enter the credit name, three digit credit code, and the credit amount for three of the credits on line 1 through line 3. Add line 1 through line 3 and the remaining credit amounts from Schedule P (100 or 541), column (b), and enter that total on line 4.

Transfer Schedule B, line 4 to Form 109, Side 1, line 11. Attach all credit forms, schedules, or statements and Schedule P (100 or 541), if applicable, to Form 109.

If the organization claims a credit carryover for an expired credit, use form FTB 3540, Credit Carryover and Recapture Summary, to figure the amount of the credit, unless the organization is required to complete Schedule P (100 or 541). In that case, enter the amount of the credit on Schedule P (100 or 541), Part II, Section B or Section C and do not attach form FTB 3540.

If the organization claims a credit with carryover provisions and the amount of the credit available this year exceeds the tax, the organization may carry over any excess credit to future years until the credit is used or until the carryover period expires, whichever occurs first.

Schedule K — Add-On Taxes or Recapture of Tax

Complete Schedule K if the organization is required to include installment payments of add-on taxes from any of the following:

- 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.
- Credit amounts to recapture.

Enter the amount of tax due or overpayment from Schedule K, line 5, on Form 109, Side 1, line 23 or line 24, as appropriate.

Long-term contracts

If the organization 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 organization owes or the amount of interest to be credited or refunded on Schedule K, line 1.

Interest on tax attributable to payments received on installment sales of certain timeshares and residential lots under IRC Section 453

If the organization 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, it must include the interest on Schedule K, line 2a. For the applicable interest rates, get FTB Pub. 1138, Business Entity Refund/Billing Information. Attach a schedule showing the computation. See R&TC Sections 17560(d) and 24667(e).

Interest on tax deferred under the installment method for certain non-dealer installment obligations

If an obligation arising from the disposition of property to which IRC Section 453A applies is outstanding at the close of the year, the organization must include the interest due under IRC Section 453A on Schedule K, line 2b. For the applicable interest rate, get FTB Pub. 1138. Attach a schedule showing the computation. See R&TC Sections 17560(e) and 24667(f).

Credit recapture

Complete Schedule K, line 4, if the organization completed the credit recapture portion of any of the following forms(s):

- FTB 3531, California Competes Tax Credit
- FTB 3554, New Employment Credit

Complete Schedule K, line 4, if the organization is subject to recapture for any of the following credits:

- Community Development Financial Institutions Investment Credit
- Environmental Tax Credit
- Farmworker Housing Credit

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

Schedule R — Apportionment Formula Worksheet

Sales Factor Formula

Single-Sales Factor Formula

For taxable years beginning on or after January 1, 2013, 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 by multiplying the business income by the sales factor. See R&TC Section 25128.7 for more information.

Special Apportionment

For taxable years beginning on or after January 1, 2013, see R&TC Section 25136.1 for more information.

For taxable years beginning on or after January 1, 2011, and before January 1, 2013, any apportioning trade or business, other than an apportioning trade or business under

R&TC Section 25128(b), could make an irrevocable annual election on an original timely filed return to apportion California income using the single-sales factor formula. For more information, get R&TC Section 25128.5 and Cal. Regs., tit.18, section 25128.5.

Part A Standard Method Single-Sales Factor Formula

When computing the apportionment percentage, divide the total sales in Schedule R, Part A, line 1 column (b) by the total sales in column (a). Multiply the result by 100 and enter the percentage on Schedule R, Part A, line 2 and on Form 109, Side 1, line 2.

Part B Three Factor Formula

Line 1 – Property Factor

Owned property is valued at its original cost. Rented property is valued at eight times its net annual rental. Use the average yearly value of owned and rented real and tangible personal property used in the business.

Line 5 – Average Apportionment Percentage

Divide the total percentage on line 4 by the number of factors that have amounts in column (a). Multiply the result by 100. Organizations that have all factors would have a denominator of three (property, payroll, and the sales factor). However, do not include those factors with a zero in the totals of both column (a) and column (b). If there is no payroll, then you would divide the factor on line 4 by 2.

Market Assignment

R&TC Section 25136 requires all taxpayers to assign sales, other than sales of tangible personal property, using market assignment.

The market assignment method and single-sales factor apportionment may result in California sourced income or apportionable business income if a taxpayer is receiving income from intangibles or services from California sources. Such income includes:

1. Sales from services to the extent that the purchaser of the service receives the benefit of the service in California.
2. Sales of intangible property in California to the extent that the intangible property is used in California. For marketable securities, the sales are in California if the customer is in California.
3. Sales from the sale, lease, rental, or licensing of real property if the real property is located in California.
4. Sales from the rental, lease, or licensing of tangible personal property if the property is located in California.

For more information, see R&TC Section 25136 and Cal. Code Regs., tit. 18 Section 25136-2, get Schedule R or go to ftb.ca.gov and search for market assignment.

Schedule C — Rental Income

Important Note: For rental income from debt-financed property, see Schedule D instructions on this page. All organizations except those qualified under R&TC Sections 23701g, 23701i, and 23701n must enter net rental income from Schedule C on Side 2, Part I, line 6.

Organizations qualified under R&TC Sections 23701g, 23701i, and 23701n must include gross rents on Side 2, Part I, line 6 (other than income that is determined to be nonexempt function income) and applicable expenses on Side 2, Part II, line 14 through line 24.

Except in the case of an R&TC Section 23701g, 23701i, or 23701n organization, only the following rents are taxable:

1. Rents from personal property leased with real property, if the rents attributable to the personal property are more than 10% but not more than 50% of the total received or accrued under the lease. In such a case, rents attributable to the real property are not taxable except as specified in General Information C, Exclusions, and in 2.
2. All rents from real property and personal property, if either of the following applies:
 - a. More than 50% of the total rents received or accrued under the lease are attributable to personal property.
 - b. The determination of the amount of the rents depends in whole or in part on the income or profits derived by any person from the property leased, other than an amount based on a fixed percentage or fixed percentages of receipts or sales.

See IRC Section 512(b)(3) requiring a redetermination of the percentage of rent attributable to personal property if either of the following apply:

1. There is an increase of 100% or more by reason of the placing of additional or substitute personal property in service.
2. There is a modification of the lease by which there is a change in the rent charged.

Schedule D — Unrelated Debt-Financed Income

California conforms to the federal law relating to the treatment of certain partnership allocations by the partnership and partnership interests for property acquired after October 13, 1987.

Debt-financed property is any property held to produce income if at any time during the tax year there was acquisition indebtedness.

To complete Schedule D, get the instructions for federal Form 990-T, Schedule E. Use California amounts where there are California and federal differences.

Schedule E — Investment Income of an R&TC Section 23701g, 23701i, or 23701n Organization

Report all income from investments in securities and other similar investment income from nonmembers. Do not include interest received on obligations of the federal government and on obligations of the state of California and its political subdivisions.

Investment income includes all income from debt-financed property whether or not such income is subject to taxation under R&TC Section 23735. However, an R&TC Section 23701g, 23701i, or 23701n organization may set aside income to the extent that it would not be taxable on such income if it were an organization subject to the rules contained in IRC Section 512(a)(1). If income is set aside, attach a schedule showing the computations.

Income and deductions, other than in connection with investment income, are reported in Part I and Part II. For example, nonmember income of an R&TC Section 23701g organization from the use of the club's facilities by the public must be reported on Side 2, Part I, line 1, line 2, and line 3, and the deductions (directly connected) in Part II, line 14 through line 24. (Organizations described in R&TC Section 23701g, see federal Rev. Proc. 71-17 for certain rules relating to nonmember income.)

Schedule F — Interest, Annuities, Royalties and Rents From Controlled Organizations

Controlling organizations: See General Information C, Exclusions. Generally, California law is the same as federal law. Get the instructions for federal Form 990-T.

Schedule G — Exploited Exempt Activity Income, Other than Advertising Income

Generally, California law is the same as federal law.

Schedule H — Advertising Income and Excess Advertising Costs

Generally, California law is the same as federal law.

Schedule J — Depreciation

Corporations and Associations only. Trusts must use form FTB 3885F. Generally, California law is the same as federal law.

2020 Tax Rate Schedule for Trusts

IF THE TAXABLE INCOME IS ...		COMPUTED TAX IS ...	
over —	but not over —	of the amount over —	
\$ 0	\$ 8,932	\$ 0.00	+ 1.00%
8,932	21,175	89.32	+ 2.00%
21,175	33,421	334.18	+ 4.00%
33,421	46,394	824.02	+ 6.00%
46,394	58,634	1,602.40	+ 8.00%
58,634	299,508	2,581.60	+ 9.30%
299,508	359,407	24,982.88	+ 10.30%
359,407	599,012	31,152.48	+ 11.30%
599,012	AND OVER	58,227.85	+ 12.30%

Codes for Unrelated Business Activity

(If engaged in more than one unrelated business activity, select up to two codes for the principal activities. List first the largest in terms of gross unrelated income, then the next largest. Be sure to classify your unrelated activities, rather than your related activities. For example, code income from advertising in publications as 541800, Advertising and related services, rather than selecting a code describing a printing or publishing activity. Also, if possible, select a code that more specifically describes your unrelated activity, rather than a code for a more general activity.)

<p style="text-align: center;">AGRICULTURE, FORESTRY, HUNTING, AND FISHING</p> <p>Code</p> <p>110000 Agriculture, forestry, hunting, and fishing 111000 Crop production</p> <p style="text-align: center;">MINING</p> <p>Code</p> <p>211110 Oil and gas extraction 211120 Crude Petroleum Extraction 211130 Natural Gas Extraction 212000 Mining (except oil and gas)</p> <p style="text-align: center;">UTILITIES</p> <p>Code</p> <p>221000 Utilities</p> <p style="text-align: center;">CONSTRUCTION</p> <p>Code</p> <p>230000 Construction 236000 Construction of buildings</p> <p style="text-align: center;">MANUFACTURING</p> <p>Code</p> <p>310000 Manufacturing 323100 Printing and related support activities 339110 Medical equipment and supplies manufacturing</p> <p style="text-align: center;">WHOLESALE TRADE</p> <p>Code</p> <p>423000 Merchant wholesalers, durable goods 424000 Merchant wholesalers, nondurable goods</p> <p style="text-align: center;">RETAIL TRADE</p> <p>Code</p> <p>441100 Automobile dealers 442000 Furniture and home furnishings stores 444100 Building materials and supplies dealers 445100 Grocery stores 445200 Specialty food stores 446110 Pharmacies and drug stores 446199 All other health and personal care stores 448000 Clothing and clothing accessories stores 451110 Sporting goods stores 451211 Book stores 452000 General merchandise stores 453000 Miscellaneous store retailers 453220 Gift, novelty, and souvenir stores 453310 Used merchandise stores 454110 Electronic shopping and mail-order houses</p> <p style="text-align: center;">TRANSPORTATION AND WAREHOUSING</p> <p>Code</p> <p>480000 Transportation 485000 Transit and ground passenger transportation 493000 Warehousing and storage</p> <p style="text-align: center;">INFORMATION</p> <p>Code</p> <p>511110 Newspaper publishers (except Internet) 511120 Periodical publishers (except Internet) 511130 Book publishers (except Internet) 511140 Directory and mailing list publishers (except Internet) 511190 Other publishers (except Internet) 512000 Motion picture and sound recording industries 515100 Radio and television broadcasting (except Internet) 517000 Telecommunications (including paging, cellular, satellite, cable, other telecommunications, and internet service providers) 519100 Other information services (including news syndicates and libraries) 519130 Internet Publishing and Broadcasting</p> <p style="text-align: center;">DATA PROCESSING SERVICES</p> <p>Code</p> <p>518210 Data Processing, Hosting, and Related Services</p>	<p style="text-align: center;">FINANCE AND INSURANCE</p> <p>Code</p> <p>522100 Depository credit intermediation (including commercial banking, savings institutions, and credit unions) 522200 Nondepository credit intermediation (including credit card issuing and sales financing) 522110 Credit card issuing 522220 Sales financing 522291 Consumer lending 522292 Real estate credit 522298 Other nondepository credit intermediation 523000 Securities, commodity contracts, and other financial investments and related activities 523920 Portfolio management 523930 Investment advice 524113 Direct life insurance carriers 524114 Direct health and medical insurance carriers 524126 Direct property and casualty insurance carriers 524130 Reinsurance carriers 524292 Third-party administration of insurance and pension funds 524298 All other insurance-related activities 525100 Insurance and employee benefit funds 525920 Trusts, estates, and agency accounts 525990 Other financial vehicles (including mortgage REITs)</p> <p style="text-align: center;">REAL ESTATE AND RENTAL AND LEASING</p> <p>Code</p> <p>531110 Lessors of residential buildings and dwellings (including equity REITs) 531120 Lessors of nonresidential buildings (except miniwarehouses) (including equity REITs) 531190 Lessors of other real estate property (including equity REITs) 531310 Real estate property managers 531390 Other activities related to real estate 532000 Rental and leasing services 532420 Offices machinery and equipment rental and leasing 533110 Lessors of nonfinancial intangible assets (except copyrighted works)</p> <p style="text-align: center;">PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES</p> <p>Code</p> <p>541100 Legal services 541990 Consumer credit counseling services 541200 Accounting, tax preparation, bookkeeping, and payroll services 541300 Architectural, engineering, and related services 541380 Testing laboratories 541511 Custom computer programming services 541519 Other computer-related services 541610 Management consulting services 541700 Scientific research and development services 541800 Advertising and related services 541860 Direct mail advertising 541900 Other professional, scientific, and technical services</p> <p style="text-align: center;">MANAGEMENT OF COMPANIES AND ENTERPRISES</p> <p>Code</p> <p>551111 Offices of bank holding companies 551112 Offices of other holding companies</p> <p style="text-align: center;">ADMINISTRATIVE AND SUPPORT SERVICES</p> <p>Code</p> <p>561000 Administrative and support services 561300 Employment services 561439 Other business service centers (including copy shops) 561499 All other business support services 561500 Travel arrangement and reservation services 561520 Tour operators 561700 Services to buildings and dwellings</p> <p style="text-align: center;">WASTE MANAGEMENT AND REMEDIATION SERVICES</p> <p>Code</p> <p>562000 Waste management and remediation services (sanitary services)</p>	<p style="text-align: center;">EDUCATIONAL SERVICES</p> <p>Code</p> <p>611420 Computer training 611430 Professional and management development training 611600 Other schools and instruction (other than elementary and secondary schools or colleges and universities, which should select a code to describe their unrelated activities) 611710 Educational support services</p> <p style="text-align: center;">HEALTHCARE AND SOCIAL ASSISTANCE</p> <p>Code</p> <p>621110 Offices of physicians 621300 Offices of other health practitioners 621400 Outpatient care centers 621500 Medical and diagnostic laboratories 621610 Home health care services 621910 Ambulance services 621990 All other ambulatory health care services 623000 Nursing and residential care facilities 623990 Other residential care facilities 624100 Individual and family services 624110 Community centers (except rec. only), youth Adoption agencies 624200 Community food and housing, and emergency and other relief services 624210 Meal delivery programs, soup kitchens, or food banks 624310 Vocational rehabilitation services 624410 Child day care services</p> <p style="text-align: center;">ARTS, ENTERTAINMENT, AND RECREATION</p> <p>Code</p> <p>711110 Theater companies and dinner theaters 711120 Dance companies 711130 Musical groups and artists 711190 Other performing art companies 711210 Spectator sports (including sports clubs and racetracks) 711300 Promoters of performing arts, sports, and similar events 713110 Amusement and theme parks 713200 Gambling industries 713910 Golf courses and country clubs 713940 Fitness and recreational sports centers 713990 All other amusement and recreation industries (including skiing facilities, marinas, and bowling centers)</p> <p style="text-align: center;">ACCOMMODATION AND FOOD SERVICES</p> <p>Code</p> <p>721000 Accommodation 721110 Hotels (except casino hotels) and motels 721210 RV (recreational vehicle) parks and recreational camps 721310 Rooming and boarding houses, dormitories, and workers' camps 722320 Caterers 722440 Drinking places (alcoholic beverages) 722511 Full-service restaurants 722513 Limited-service restaurants 722514 Cafeterias and buffets 722515 Snack and non-alcoholic beverage bars</p> <p style="text-align: center;">OTHER SERVICES</p> <p>Code</p> <p>811000 Repair and maintenance 812300 Drycleaning and laundry services 812900 Other personal services 812930 Parking lots and garages</p> <p style="text-align: center;">OTHER</p> <p>Code</p> <p>900001 Investment activities of section 501(c)(7), (9), or (17) organizations 900002 Rental of personal property 900003 Passive income activities with controlled organizations 900004 Exploited exempt activities 900099 Other activity</p>
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ftb.ca.gov

Credit Chart

Credit Name	Code	Description
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
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 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
Enhanced Oil Recovery – FTB 3546	203	1/3 of the similar federal credit but limited to qualified enhanced oil recovery projects located within California
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. This credit expired on June 30, 2020. All qualified contributions must be made on or before that date.
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 new 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 a taxpayer that hires a full-time employee and pays or incurs wages in a designated census tract or economic development area, and receives a tentative credit reservation for that full-time employee
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California (trusts only)
Prior Year Alternative Minimum Tax – FTB 3510	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 newest 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
Main Street Small Business Tax – FTB 3866	240	The credit is available to qualified small business employers that received a tentative credit reservation from the California Department of Tax and Fee Administration (CDTFA).

Repealed Credit: The expiration dates for the credits listed below have passed. However, these credits had carryover provisions. You may claim these credits only if there is a carryover available from prior years. If you are not required to complete Schedule P (100 or 541), get form FTB 3540, Credit Carryover and Recapture Summary, to figure your credit carryover to future years. For EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA credit carryovers, get form FTB 3805Z, form FTB 3807, form FTB 3808, Manufacturing Enhancement Area Business Booklet, or form FTB 3809. For carryovers related to the original California Motion Picture and Television Production Credit, get form FTB 3541.

Agricultural Products	175	Employer Ridesharing:	Manufacturing Enhancement Area Hiring	211
California Motion Picture and Television Production	223	Large	New Jobs	220
Commercial Solar Electric System	196	Small	Orphan Drug	185
Commercial Solar Energy	181	Transit passes	Political Contributions (trusts only)	184
Community Development Financial Institutions Investment	209	Energy Conservation	Recycling Equipment	174
Donated Fresh Fruits or Vegetables	224	Enterprise Zone Hiring	Residential Rental & Farm Sales (trusts only)	186
Employee Ridesharing	194	Enterprise Zone Sales or Use Tax	Ridesharing	171
Employer Child Care Contribution	190	Environmental Tax	Salmon & Steelhead Trout Habitat Restoration	200
Employer Child Care Program	189	Farmworker Housing Construction	Solar Energy	180
		Local Area Military Base Recovery Area Hiring	Solar Pump	179
		Local Agency Military Base Recovery Area Sales or Use Tax	Targeted Tax Area Hiring	210
		Low-Emission Vehicles	Targeted Tax Area Sales or Use Tax	210
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How to Get California Tax Information

(Keep this page for future use)

Automated Phone Service

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.

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

Where to get General Tax Information

By Internet – You can get answers to Frequently Asked Questions at ftb.ca.gov.

By Phone – 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 current tax rates for corporations?
 - 718 – How do I get an extension of time to file?
 - 722 – When does my corporation file a short period return?
 - 735 – Does an exempt organization have to file FTB 199N, California e-Postcard?
 - 734 – Is my corporation subject to a franchise tax or income tax?
- S corporations**
- 704 – Is an S corporation subject to the minimum franchise tax?
 - 705 – Are S corporations required to file 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

- 723 – I received a bill for \$250. What is this for?

Corporate Dissolution

- 724 – How do I dissolve my corporation?

Miscellaneous

- 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?

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.

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. See the list below 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.

Code

- 817 – California Corporation Tax Forms and Instructions. This booklet contains: Form 100, California Corporation Franchise or Income Tax Return
- 814 – Form 109, California Exempt Organization Business Income Tax Return
- 815 – Form 199, Exempt Organization Return
- 818 – Form 100-ES, Corporation Estimated Tax
- 802 – FTB 3500, Exempt Application Booklet
- 831 – FTB 3500A, Submission of Exemption Request
- 943 – FTB 4058, California Taxpayers’ Bill of Rights

In Person – Many libraries now have internet access. A nominal fee may apply to download, view, and print California forms and publications.

Employees at libraries and post offices 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 the California corporation number, or FEIN, your daytime and evening telephone numbers, and a copy of the notice with your letter. Send your letter to:

EXEMPT ORGANIZATIONS UNIT MS F120
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA 95741-1286

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 it relates to an item on the return.

General Phone Service

Telephone assistance is available year-round from 7 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
TTY/TDD: 800.822.6268 for persons with hearing or speech disability.
711 or 800.735.2929 California relay service
IRS: 800.829.4933 call the IRS for federal tax questions

Asistencia en español

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.

Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos
TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o del habla
711 ó 800.735.2929 servicio de relevo de California
IRS: 800.829.4933 para preguntas sobre impuestos federales

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. FTB 4058, California Taxpayers’ Bill of Rights Information for Taxpayers, includes information on your rights as a California taxpayer, the Taxpayers’ Rights Advocate Program, and how you request written advice from the FTB on whether a particular transaction is taxable. See “Where to Get Tax Forms and Publications,” on this page.

