

Underpayment of Estimated Tax by Individuals and Fiduciaries

2023

5805

Attach this form to the **back** of your Form 540, Form 540NR, or Form 541. Also, check the box for underpayment of estimated tax located on Form 540, line 113; Form 540NR, line 123; or Form 541, line 44, whichever applies.

Name(s) as shown on return

SSN, ITIN, or FEIN

IMPORTANT: In most cases, the Franchise Tax Board (FTB) can figure the penalty for you and you do not have to complete this form. See General Information B.

If you meet **any** of the following conditions, you do not owe a penalty for underpayment of estimated tax. **Do not complete or file this form if:**

- The amount of your tax liability (not including tax on lump-sum distributions and accumulation distribution of trusts) less credits (including the withholding credit) but not including estimated tax payments for either 2022 or 2023 was less than \$500 (or less than \$250 if married/RDP filing a separate return).
- Your 2022 return was for a full 12 months (or would have been if you were required to file) and you did not have any tax liability on that return.
- The amount of your withholding plus your estimated tax payments, **if paid in the required installments**, is at least 90% of the tax shown on your 2023 return or 100% of the tax shown on your 2022 return (110% if California adjusted gross income (AGI) was more than \$150,000 or \$75,000 if married/RDP filing a separate return) **and** you are not using the annualized income installment method. Taxpayers with California AGI equal to or greater than \$1,000,000 (or \$500,000 if married/RDP filing a separate return) must use the tax shown on their 2023 tax return if they do not meet one of the two conditions above.

Part I Questions. All filers must complete this part. Estates and Trusts, see General information E.

1 Are you requesting a waiver of the penalty? If "Yes," provide an explanation below and be sure to check the box on Form 540, line 113; Form 540NR, line 123; or Form 541, line 44. If you need additional space, attach a statement. See General Information C **1** Yes No

2 Did you use the annualized income installment method? If "Yes," see instructions for Part III and be sure to check the box on Form 540, line 113; Form 540NR, line 123; or Form 541, line 44 **2** Yes No

3 Was your California withholding not withheld in equal installments and are you able to show the actual amounts withheld per period and the actual dates withheld? **3** Yes No
 N/A

If "Yes," enter the **actual uneven amounts withheld** on the spaces provided below. The total of the four amounts must equal the total withholding reported on Form 540, line 71 and line 73; Form 540NR, line 81 and line 83; or Form 541, line 29 and line 31.

4/15/23 \$; 6/15/23 \$;
9/15/23 \$; 1/15/24 \$.

4 For estates and trusts: Was the date of death less than two years from the end of the taxable year? See General Information E. **4** Yes No

Part II Required Annual Payment. All filers must complete this part.

- 1 Current year tax. Enter your 2023 tax after credits. See instructions 1 .00
- 2 Multiply line 1 by 90% (.90). 2 .00
- 3 Withholding taxes. **Do not** include any estimated tax payments on this line. See instructions. 3 .00
- 4 Subtract line 3 from line 1. If less than \$500 (or less than \$250 if married/RDP filing a separate return), stop here. You do not owe the penalty. **Do not** file form FTB 5805 4 .00
- 5 Enter the tax shown on your 2022 tax return. See instructions. (110% (1.10) of that amount if the adjusted gross income shown on that return is more than \$150,000, or if married/RDP filing a separate return for 2023, more than \$75,000). 5 .00
- 6 Required annual payment. Enter the **smaller** of line 2 or line 5. (If your California AGI is equal to or greater than \$1,000,000/\$500,000 for married/RDP filing a separate return, use line 2). 6 .00

Short Method

Caution: See the instructions to find out if you can use the short method. If you answered "Yes" to Question 2 in Part I, skip this part and go to Part III. If you answered "No" to Question 2 in Part I **and** you cannot use the short method, go to Worksheet II, Regular Method to Figure Your Underpayment and Penalty, on page 4 of the instructions.

- 7 Enter the amount, if any, from Part II, line 3 above 7 .00
- 8 Enter the total amount, if any, of estimated tax payments you made. 8 .00
- 9 Add line 7 and line 8 9 .00
- 10 **Total underpayment for the year.** Subtract line 9 from line 6. If zero or less, stop here. You do not owe the penalty. **Do not** file form FTB 5805. 10 .00
- 11 Multiply line 10 by .04799165. 11 .00
- 12 • If the amount on line 10 was paid **on or after** 4/15/24, enter -0-.
 • If the amount on line 10 was paid **before** 4/15/24, enter the result of the following computation:

Amount on		Number of days paid				
line 10	X	before 4/15/24	X	.00019		
- 13 **PENALTY.** Subtract line 12 from line 11. Enter the result here and on Form 540, line 113; Form 540NR, line 123; or Form 541, line 44. Also, check the box for "FTB 5805." 13 .00

Part III Annualized Income Installment Method Schedule.

Use this schedule ONLY if you earned taxable income at an UNEVEN RATE during 2023 (see Example A). If you earned your income at approximately the same rate each month (see Example B), then you should not complete this schedule. If you choose to figure the penalty, see Worksheet II, on page 4 of the instructions.

Example A: If you were a commissioned salesperson who earned no income during the first three months of the year, earned most of your income during the following six months, and earned very little during the last three months, you should complete this schedule. You may be able to benefit by using the annualized income installment method. The required installment of estimated tax figured using the annualized method may be less than your required installment figured using the required installment method.

Example B: If you worked all year and earned a monthly salary that did not change much during the year, you should not complete this schedule.

To complete this schedule correctly, you must first complete Side 2, Part II, line 1 through line 6.				
Estates and trusts, do not use the period ending dates shown to the right. Instead, use the following: 2/28/23, 4/30/23, 7/31/23, and 11/30/23.				
Fiscal year filers must adjust dates accordingly.	(a) 1/1/23 to 3/31/23	(b) 1/1/23 to 5/31/23	(c) 1/1/23 to 8/31/23	(d) 1/1/23 to 12/31/23

1 Enter your California adjusted gross income (AGI) for each period. Form 540NR filers, see instructions. Estates or Trusts, enter the amount from Form 541, line 20 attributable to each period. See instructions	1				
2 Annualization amounts. Estates or Trusts, see instructions	2	4	2.4	1.5	1
3 Annualized income. Multiply line 1 by line 2	3				
4 Enter your itemized deductions for the period shown in each column. If you do not itemize deductions, enter -0- here and on line 6. Estates or Trusts, enter -0- here, skip to line 9, and enter the amount from line 3 on line 9	4				
5 Annualization amounts.	5	4	2.4	1.5	1
6 Annualized itemized deductions. Multiply line 4 by line 5. See instructions	6				
7 Enter your standard deduction from your 2023 Form 540 or Form 540NR, line 18. Enter the total standard deduction amount in each column. See instructions	7				
8 Enter line 6 or line 7, whichever is larger	8				
9 Subtract line 8 from line 3	9				
10 Figure the tax on the amount in each column of line 9 using the tax table or the tax rate schedule in the instructions for Form 540, Form 540NR, or Form 541. Also, include any tax from form FTB 3803. Estates or Trusts, see instructions.	10				
11 Enter the total amount of exemption credits from your 2023 Form 540, line 32 or Form 541, line 22. If you filed Form 540NR, see instructions	11				
12 Subtract line 11 from line 10. Form 540NR filers, complete Worksheet I on page 3 of the instructions	12				
13 Enter the total credit amount from your 2023 Form 540, line 47; or Form 541, line 23. Form 540NR filers, see instructions	13				

Part III Annualized Income Installment Method Schedule. continued

	(a) 1/1/23 to 3/31/23	(b) 1/1/23 to 5/31/23	(c) 1/1/23 to 8/31/23	(d) 1/1/23 to 12/31/23
14 a Subtract line 13 from line 12. If zero or less, enter -0- 14a				
b Enter the alternative minimum tax and mental health tax. See instructions. 14b				
c Add line 14a and line 14b 14c				
d Enter the excess SDI from Form 540, line 74 or Form 540NR, line 84 14d				
e Subtract line 14d from line 14c. If zero or less, enter -0- 14e				

15 Applicable percentage 15	27%	63%	63%	90%
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16 Multiply line 14e by line 15 16				
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Complete line 17 through line 23 of each column before you go to the next column.

17 Enter the combined amounts shown on line 23 from all preceding columns. 17				
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18 Subtract line 17 from line 16. If zero or less, enter -0-. 18				
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19 Enter 30% of the amount shown on form FTB 5805, Part II, line 6 in columns (a & d), enter 40% of the amount on line 6 in column b, enter -0- in column c. 19				
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20 Enter the amount from line 22 from the preceding column 20				
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21 Add line 19 and line 20 21				
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22 Subtract line 18 from line 21. If zero or less, enter -0-. 22				
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23 Enter line 18 or line 21, whichever is less, for each column. Transfer these amounts to Worksheet II, line 1, on page 4 of the instructions.				
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(a) 1/1/23 to 3/31/23	(b) 1/1/23 to 5/31/23	(c) 1/1/23 to 8/31/23	(d) 1/1/23 to 12/31/23
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<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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If you use the annualized income installment method for one payment due date, you must use it for all payment due dates. This schedule automatically selects the smaller of your annualized income installment or your regular installment.