

**2009 Business e-file Handbook  
for  
Authorized e-file Providers of California  
Business Returns**

**FTB Pub. 1345B**

**State of California  
Franchise Tax Board  
[ftb.ca.gov](http://ftb.ca.gov)**

# Table of Contents

Section 1	Introduction .....	3
1.1	Welcome.....	3
1.2	Promote Your Business on FTB's Website.....	3
1.3	Program Overview .....	3
1.4	Business e-file Calendar for Forms 100, 100S, and 100W – Taxable Year 2009.....	4
1.5	Business e-file Calendar for Forms 565 and 568 – Taxable Year 2009 .....	5
1.6	Where Can I Get More Information?.....	6
1.7	What's New for Taxable Year 2009? .....	7
1.8	Reminders .....	7
Section 2	CA Business e-file Program Information .....	9
2.1	Acceptable Forms and Occurrences for CA Business e-file .....	9
2.2	Acceptable Federal Forms for CA Business e-file .....	10
2.3	Other Eligible Filing Conditions.....	10
2.4	Exclusions to Electronic Filing .....	10
2.5	Paper Forms.....	11
Section 3	Signing the CA Business e-file Return .....	12
Section 4	Entity Entry Instructions .....	13
Section 5	Standard Abbreviations.....	15
Section 6	Standard State Abbreviations and ZIP Code Ranges .....	16
Section 7	Business Rule Validation .....	17
Section 8	Payment Options.....	18

# Section 1 Introduction

## 1.1 Welcome

Thank you for participating in the California Franchise Tax Board's (FTB) Business e-file Program. Whether you are a new or returning participant, we welcome you aboard.

This publication contains information you will need to process business e-file returns including, what's new for taxable year 2009, a list of acceptable e-file forms, data entry procedures, business rule descriptions, and schema examples. It also defines the format of attachments, provides information about transmission receipts and acknowledgements, defines the signature options, and provides examples of return and attachment sequences. You'll want to familiarize yourself with the contents of this supplement and keep it handy for the e-filing season.

This publication supplements FTB Pub. 1345 *2009 e-file Handbook for Authorized e-file Providers*, which contains the requirements for participation in our e-file Program.

## 1.2 Promote Your Business on FTB's Website

Taxpayers visiting our website can search for Authorized e-file Providers by Zip Code or city name. This service includes contact information such as business name, address, and telephone number for all Electronic Return Originators (EROs) in good standing with our e-file Program. Check out this service at [ftb.ca.gov](http://ftb.ca.gov) and search for e-file provider.

## 1.3 Program Overview

FTB offers e-filing for Corporations, Partnerships and Limited Liability Companies filing Forms 100, 100S, 100W, 565 or 568, plus certain accompanying forms and schedules. In January 2010, we will begin accepting Superseded and/or Amended returns for Form 565 *Partnership Return of Income* and Form 568 *Limited Liability Company Return of Income*, for taxable year beginning on or after January 1, 2009.

## 1.4 Business e-file Calendar for Forms 100, 100S, and 100W – Taxable Year 2009

<b>November 23, 2009</b>	<b>FTB begins accepting test transmissions (PATS Testing)</b>	
<b>January 7, 2010</b>	First day to transmit live FTB 100, 100S, and 100W returns.	
<b>Return Due Date</b>	The <b>law</b> specifies the annual dates for a business entity to file a return. The dates vary between business entity types.	
<b>If the form is</b>	<b>And the classification is</b>	<b>Then the due date is</b>
Form 100	Farmers Cooperative Association	<b>Original</b> – 15 <sup>th</sup> day of the 9 <sup>th</sup> month after the taxable year end <b>Extended</b> – 15 <sup>th</sup> day of the 16 <sup>th</sup> month after the taxable year end
Form 100 Form 100S Form 100W	All other classifications	<b>Original</b> – 15 <sup>th</sup> day of the 3 <sup>rd</sup> month after the taxable year end <b>Extended</b> – 15 <sup>th</sup> day of the 10 <sup>th</sup> month after the taxable year end
<b>15<sup>th</sup> day of the 3<sup>rd</sup> month after the taxable year end</b>	Last day to timely file Form 100, 100S, or 100W original returns	
<b>15<sup>th</sup> day of the 10<sup>th</sup> month after the taxable year end</b>	Last day to timely file Form 100, 100S, or 100W returns on extension	
<b>15<sup>th</sup> day of the 9<sup>th</sup> month after the taxable year end</b>	Last day to timely file Form 100 Farmers Cooperative Association original returns	
<b>15<sup>th</sup> day of the 16<sup>th</sup> month after the taxable year end</b>	Last day to timely file Form 100 Farmers Cooperative Association returns on extension	
<b>20 days past all return due dates</b>	Last day to retransmit rejected timely-filed returns	
<b>Last day to retain returns is dependent upon law</b>	<p><b>Last day for EROs and Transmitters to retain acknowledgment file material for returns e-filed in 2010.</b></p> <p><b>Remember:</b> For each return an ERO files, the ERO must retain the return for four years from the due date of the return or for four years from the date the return is filed, whichever is later. The <i>California e-file Return Authorization for Corporations</i> (FTB 8453-C), must be kept with the return for the same period, unless it is scanned and included with the e-file return.</p>	

FTB accepts and processes Business e-file returns year round. Due to the nature of fiscal filing, we will not shut down the system in October as we do for individual e-filed returns.

## 1.5 Business e-file Calendar for Forms 565 and 568 – Taxable Year 2009

<b>November 23, 2009</b>	<b>FTB begins accepting test transmissions (PATS Testing)</b>
<b>January 7, 2010</b>	First day to transmit live FTB 565 and 568 returns
<b>Return Due Date</b>	The <b>law</b> specifies the annual dates for a business entity to file a return. The dates vary between business entity types.
<b>If the form is</b>	<b>Then the due date is</b>
Form 565	<b>Original</b> – 15 <sup>th</sup> day of the 4 <sup>th</sup> month after the taxable year end <b>Extended</b> – 15 <sup>th</sup> day of the 10 <sup>th</sup> month after the taxable year end
Form 568	<b>Original</b> – 15 <sup>th</sup> day of the 4 <sup>th</sup> month after the taxable year end <b>Extended</b> – 15 <sup>th</sup> day of the 10 <sup>th</sup> month after the taxable year end
<b>15<sup>th</sup> day of the 4<sup>th</sup> month after the taxable year end</b>	Last day to timely file Form 565 or 568 original returns
<b>15<sup>th</sup> day of the 10<sup>th</sup> month after the taxable year end</b>	Last day to timely file Form 565 or 568 extended returns
<b>20 days past all return due dates</b>	Last day to retransmit rejected timely-filed returns
<b>Last day to retain returns is dependent upon law</b>	<b>Last day for EROs and Transmitters to retain acknowledgment file material for returns e-filed in 2010.</b>  <b>Remember:</b> For each return an ERO files, the ERO must retain the return for four years from the due date of the return or for four years from the date the return is filed, whichever is later. The <i>California e-file Return Authorization for Partnerships</i> (FTB 8453-P) or <i>Limited Liability Companies</i> (8453-LLC) must be kept with the return for the same period, unless it is scanned and included with the e-file return.

FTB accepts and processes Business e-file returns year round. Due to the nature of fiscal filing, we will not shut down the system in October as we do for individual e-filed returns.

## 1.6 Where Can I Get More Information?

For Business e-file assistance and information please visit the Tax Professional's area of our website or contact e-Programs Customer Service:

**Website:** [ftb.ca.gov](http://ftb.ca.gov)

**e-Programs Customer Service:**

Phone: 916.845.0353

Fax: 916.845.0287

Email: [e-file@ftb.ca.gov](mailto:e-file@ftb.ca.gov)

Available Monday through Friday, between 8 a.m. and 5 p.m.

Send comments or suggestions regarding the CA Business e-file Program or this publication to:

**Business e-file Coordinator, MS F-284**

**Franchise Tax Board**

**PO Box 1468**

**Sacramento CA 95812-1468**

**Email:** [business.e-file.coordinator@ftb.ca.gov](mailto:business.e-file.coordinator@ftb.ca.gov)

**Assistance for persons with disabilities:** We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD 800.822.6268.

## 1.7 What's New for Taxable Year 2009?

### Business e-file Expansion

In January 2010, we will begin accepting Superseded and/or Amended returns for the Form 565 *Partnership Return of Income* and Form 568 *Limited Liability Company Return of Income*, for taxable year beginning on or after January 1, 2009.

**Superseded Returns:** A superseded return is a return filed subsequent to the originally-filed return within the filing period (including extensions). **Note:** You will not see a checkbox or selection entitled "Superseded Return" available on the paper forms.

**Amended Returns:** An amended return filed subsequent to the originally-filed or superseding return and filed after the expiration of the filing period (including extensions).

### Acceptable Tax Years

We accept the current year and two prior tax years. For example, for the processing year 2010, we will accept Form 100 returns for TY2009, TY2008 and TY2007.

### Forms and Schedule Changes

New Forms:

- Form 3527 *New Jobs Credit*
- Form 3544 *Election to Assign Credit within a Combined Reporting Group*
- Form 3726 *Deferred Intercompany Stock Account (DISA) and Capital Gains Information*
- Form 3802 *Corporate Passive Activity Loss and Credit Limitations*
- Form 3808 *Manufacturing Enhancement Area Credit Summary*

Deleted Forms:

- Form 594- *Notice to Withhold at Source*

## 1.8 Reminders

### CA Business e-file is not mandatory

Although California law requires *individual* income tax returns prepared by certain income tax preparers to be e-filed, this law does not currently apply to business tax returns.

To learn more about Mandatory e-file for individual income tax returns, refer to Section 2.4 of the *2009 e-file Handbook for Authorized e-file Providers* (FTB Pub 1345) or visit our website at [ftb.ca.gov](http://ftb.ca.gov) and search for **mandatory e-file**.

### Verifying Banking Information

To avoid Direct Deposit of Refund (DDRs) and Electronic Funds Withdrawal (EFWs) being returned to the taxpayer's bank, we encourage the use of double entry or other techniques that require the taxpayer to double check the entered bank account and routing number information. This will help ensure the accuracy of the information that is entered or imported from previous requests, return filings, etc.

## Subscription Services

Subscription Services is our free automated service providing you important information by email. You can choose from a variety of topics including:

- Tax News
- e-file News
- Information on Law and Legislation
- And much more

You can add or discontinue your subscription at anytime. For more information, go to our website at [ftb.ca.gov](http://ftb.ca.gov) and search for Subscription Services.

## Estimated Tax, Annual Tax or Estimated LLC Fee Payment Requests with e-file Return

Business e-file provides the ability to send a schedule of EFW requests for future Corporation estimated, or LLC annual tax or estimated fee payments, if applicable, for the return type being filed as part of the e-file return transmission.

## FTB 8453-C – California e-file Return Authorization for Corporations, FTB 8453-P (Partnerships) and FTB 8453-LLC (Limited Liability Companies)

The business taxpayer, ERO, and paid preparer must sign form FTB 8453-C, FTB 8453-P or FTB 8453-LLC prior to the transmission of the e-file return. This form may be retained by the preparer or business taxpayer according to the rules of our program or scanned and included as a PDF attachment to the e-file return. **Do not mail this form to FTB.**

## Automatic Extension to File

We grant an automatic, paperless extension to file a California business tax return to business entities that are in good standing on the original due date and meet all other requirements. No filing of an extension form is required. Corporations receive a seven-month extension and Partnerships/LLCs receive a six-month extension from the original due date of the return.

Suspended corporations are not granted an automatic extension of time to file. An extension is for filing of the return only. Payment of Corporation and Partnership tax and LLC fee is due on the original due date.

If an original return is not filed on or before the extended due date, we will deny the extension and will assess penalties, if applicable, from the original due date. In certain circumstances, the federal government may grant extensions for short-period returns. These extensions may be more than seven months. If the federal law granting the extension is applicable to California, the federal due date will become the due date for the California return.

## SWIFT Mailbox Maintenance Schedule

Transmitters are reminded to empty their (FromFTB) SWIFT mailbox daily. FTB will purge any files that are 24 hours old and have already been downloaded by the Software Developer. Any files that have not been downloaded will be purged after 90 days.

## Planned System Maintenance Schedule

We are reserving Tuesday mornings from 5:00 a.m. – 6:00 a.m. PST for scheduled system maintenance. We plan to consolidate all non-critical maintenance activity into this window. If you receive a transmission error during this time, please try again after 6:00 a.m., PST. We will notify you via email whenever our system is down, or plans to be down outside the normal maintenance window for longer than one hour.

## Section 2 CA Business e-file Program Information

### 2.1 Acceptable Forms and Occurrences for CA Business e-file

The following chart lists the acceptable forms and schedules that may be e-filed with FTB and the maximum number of each type of form or schedule allowed per return.

Form/Schedule	Name	Maximum # of Forms
Form 100	CA Corporation Franchise or Income Tax Return	1
Form 100S	CA S Corporation Franchise or Income Tax Return	1
Form 100W	CA Corporation Franchise or Income Tax Return – Water's Edge Filers	1
Form 100WE	Water's Edge Election	1
Form 565	Partnership Return of Income	1
Form 568	Limited Liability Company Return of Income	1
Form 592-B	Resident and Nonresident Withholding Tax Statement	Unlimited
Form 593	Real Estate Withholding Tax Statement	Unlimited
Form 2416	Schedule of Included Controlled Foreign Corporations (CFC)	1
Form 2424	Water's Edge Foreign Investment Interest Offset	1
Form 3501	Employer Child Care Program/Contribution Credit	1
Form 3521	Low-Income Housing Credit	1
Form 3523	Research Credit	1
Form 3527	New Jobs Credit	1
Form 3540	Credit Carryover Summary	1
Form 3544	Election to Assign Credit Within Combined Reporting Group	Unlimited
Form 3548	Disabled Access Credit for Eligible Small Businesses	1
Form 3725	Assets Transferred from Parent Corporation to Insurance Company Subsidiary	Unlimited
Form 3726	Deferred Intercompany Stock Account (DISA) and Capital Gains Information	Unlimited
Form 3801	Passive Activity Loss Limitations	1
Form 3801-CR	Passive Activity Credit Limitations	1
Form 3802	Corporate Passive Activity Loss and Credit Limitations	1
Form 3805E	Installment Sale Income	Unlimited
Form 3805Q	Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitation - Corp	Unlimited
Form 3805Z	Enterprise Zone Deduction and Credit Summary	Unlimited
Form 3806	Los Angeles Revitalization Zone Deduction and Credit Summary	Unlimited
Form 3807	Local Agency Military Base Recovery Area Deduction and Credit Summary	Unlimited
Form 3808	Manufacturing Enhancement Area Credit Summary	Unlimited
Form 3809	Targeted Tax Area Deduction and Credit Summary	Unlimited
Form 3832	Limited Liability Company Nonresident Members' Consent	1
Form 3834	Interest Computation Under the Look-Back Method for Completed Long-Term Contracts	1
Form 3885	Corporation Depreciation and Amortization	Unlimited
Form 3885L	Depreciation and Amortization	Unlimited
Form 3885P	Depreciation and Amortization	Unlimited
Form 5806	Underpayment of Estimated Tax by Corporations	1
LLC Income Worksheet	Limited Liability Company Income Worksheet	1
SCH B (100S)	S Corporation Depreciation and Amortization	1
SCH C (100S)	S Corporation Tax Credits	1
SCH D (100S)	S Corporation Capital Gains and Losses and Built-In Gains	Unlimited
SCH D (565 & 568)	Capital Gains or Loss	Unlimited

Form/Schedule	Name	Maximum # of Forms
SCH D-1	Sales of Business Property	Unlimited
SCH H (100)	Dividend Income Deduction	1
SCH H (100S)	Dividend Income Deduction	1
SCH H (100W)	Dividend Income Deduction-Water's Edge Filers	1
SCH K-1 (100S)	Shareholder's Share of Income, Deductions, Credits, etc.	Unlimited
SCH K-1 (565)	Partner's Share of Income, Deductions, Credits, etc.	Unlimited
SCH K-1 (568)	Member's Share of Income, Deductions, Credits, etc.	Unlimited
SCH P (100)	Alternative Minimum Tax and Credit Limitations - Corporations	1
SCH P (100W)	Alternative Minimum Tax and Credit Limitations – Water's Edge	1
SCH QS	Qualified Subchapter S Subsidiary (QSub) Information Worksheet	Unlimited
SCH R	Apportionment and Allocation of Income	1
Supplemental SCH R	Supplemental Apportionment and Allocation of Income	Unlimited

## 2.2 Acceptable Federal Forms for CA Business e-file

California Business e-file accepts most applicable federal forms that are acceptable by the IRS Modernized e-file (MeF) Program.

We do **not** require the accompanying federal submission to be accepted by the IRS prior to including it with the state submission; however the federal submission will be validated against the current applicable federal schema.

## 2.3 Other Eligible Filing Conditions

We also allow the following filing conditions:

- Fiscal year returns
- Returns filed with foreign addresses
- Current plus two prior years of Form 100, 100S, 100W, 565 and 568, starting with tax year 2007.
- 52 – 53 weeks filers
- Multiple short period returns within the same tax year

## 2.4 Exclusions to Electronic Filing

We exclude the following returns from CA Business e-file:

- Returns from business taxpayers, preparers, or transmitters who have not been accepted as participants in the IRS e-file Program
- Form 100X Amended corporation returns
- Fiduciary returns (Form 541)
- Bankruptcy returns
- Any condition or requirement, not supported by software that requires the submission of a paper document or form.
- Exempt returns (Form 109 or 199)

## 2.5 Paper Forms

We use the following paper forms in our e-file Program:

- FTB 3586, *Payment Voucher for Corp e-filed Returns*; FTB 3587, *Payment Voucher for LP, LLP, and REMIC e-filed Returns*; FTB 3588, *Voucher for LLC e-filed Returns*.
- FTB 8453-C, *California e-file Return Authorization for Corporations*; FTB 8453-P *California e-file Return Authorization for Partnerships*; FTB 8453-LLC, *California e-file Return Authorization for Limited Liability Companies*

Note: e-file taxpayers use the above forms to sign their return.

## Section 3 Signing the CA Business e-file Return

### General Information

The CA Business e-file Program requires taxpayers and Electronic Return Originators (EROs) to use one of the following signature options for signing electronic returns:

- a. Sign and retain one of the following California e-file Return Authorization forms for the statute of limitations period:
  - Form FTB 8453-C (Corporations)
  - Form FTB 8453-P (Partnerships)
  - Form FTB 8453-LLC (Limited Liability Companies)
  
- b. Sign and scan one of the following California e-file Return Authorization forms and attach it to the e-file return as a PDF:
  - Form FTB 8453-C
  - Form FTB 8453-P
  - Form FTB 8453-LLC

**Do not mail this form to FTB.**

**Note:** FTB does not currently offer e-signature (PIN) options for Business e-file

To obtain copies of the Form 8453-C, 8453-P or 8453-LLC, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **business e-file**.

## Section 4 Entity Entry Instructions

Use these guidelines for programming, and developing procedures for entering name and address information for California Business e-file returns. In some instances, our guidelines differ from those used by the IRS. They also vary slightly from our scannable guidelines.

### General Instructions

- Do not use punctuation or symbols, unless specifically allowed.

**Note:** The only symbols allowed in the entity portion of the return are a slash and a hyphen (dash). If a fraction is part of the street address, enter a forward slash (/).

### Corporation Name Control Field

- Always use the word “**AND**” for the ampersand (&) symbol
- Never use the word “**THE**” when **PRECEDING** the Corporation or Partnership.
- Never space when a space, punctuation, symbols, or special characters are shown.
- Corporation Control [Header][NameControl] consists of the first FOUR (4) characters of the Corporation Name. For example:

**Example:** 10 Eleven Inc.                      **Key:** 10EL

**Example:** Ten Eleven Inc.                      **Key:** TENE

**Example:** The Bunny Patch, Inc.              **Key:** BUNN

**Example:** Joe The Baker                      **Key:** JOET

**Example:** TJ’s                                      **Key:** TJS

**Example:** M & V Enterprises, Inc.              **Key:** MAND

### Name Fields

- Never include spaces in the following fields:
  - Name Control [NameControl]
  - Corporation Name [CorporationName]

### Address Fields

- Use Standard Abbreviations, as shown in Section 6.9, for the suffix of the street name.
- Enter "PMB" followed by the box number in the [StreetAddress2] field if the taxpayer has a Private Mail Box. If the [StreetAddress2] field has other information, enter the PMB at the end of the Street Address field. Never truncate PMB information.
- Enter the suite number in the [StreetAddress] field or [StreetAddress2] field. Include the identifier (Suite, Ste.).
- When entering supplemental information, such as "Care of" name or business name, in the [StreetAddress2] field, omit the words “c/o” and “ATTN:
- Use the standard two-digit abbreviation for the state or U.S. possession in the [State] field (Refer to Section 6.10).

- Apply standard abbreviations if the address exceeds the allowable length.

## Foreign Addresses

- Use the [CA-ForeignAddress] type for foreign addresses.
- Use specific foreign address rules:
  - For Hong Kong, enter "Hong Kong" in the City field and "China" in the Country field.
  - For Singapore, enter "Singapore" in both the City and Country fields.
  - For Baja California, enter "Mexico" in the Country field.
  - For Canada enter "Canada" in the country field followed by a space, then Enter the 2 position Canadian Province abbreviation, followed by a space, then Enter the 6 position alpha numeric postal code (DO NOT space in postal code even when shown). See Section 6.10, Standard State Abbreviations for acceptable Canadian province abbreviations. Also, for Canadian addresses, truncate the city entry after 12 positions, including spaces.

## Section 5 Standard Abbreviations

Use the following abbreviations for the singular or plural form of these words.

<u>Name</u>	<u>ABBR</u>	<u>Name</u>	<u>ABBR</u>	<u>Name</u>	<u>ABBR</u>
Air Force Base	AFB	Garden	GDN	Point	PT
America (n)	AMER	Gateway	GTWY	Post Office Box	PO Box
And/&	/	General Delivery	GEN DEL	Presidio	PRES
Annex	ANX	Grove	GRV	Private Mail Box	PMB
Apartment/Apartame	APT	Headquarters	HQ	Ranch/Rancho	RNCH
Associates/Associatio	ASSOC	Heights	HTS	River	RIV
Avenue/Avenida	AVE	Highland	HGLD	Road	RD
Bank	BK	Highway	HWY	Room	RM
Battalion	BTN	Hospital	HOSP	Route, Rte	RT
Battery	BTRY	Hotel	HTL	R.D., Rural	RR
Beach	BCH	Incorporated	INC	Delivery, RFD,	
Boulevard	BLVD	Industry	IND	R.F.D., R.R, or	
Box	BX	International	INTL	Rural Route	
Branch	BR	Island/Isle	IS	Saint/Sainte	ST
Broadway	BRDWY	Junction	JCT	San/Santo	SN
Building	BLDG	Lake	LK	School	SCH
California	CALIF	Lane	LN	Service	SERV
Caminita	CMNTA	Lodge	LDG	South *	S
Caminito	CMNTO	Loop	LP	Southeast *	SE
Camino	CMNO	Lower	LWR	Southwest *	SW
Canyon	CYN	Management	MGMT	Space	SP
Care of, or In Care Of	%	Manor	MNR	Space Flight Center	SFC
Causeway	CSWY	Martin Luther King (JR)	M L KING	Spring	SPG
Center	CTR	Marine Corps Air Station	MCAS	Squadron	SQD
Central	CTL	Medical	MED	Square	SQ
Circle	CIR	Memorial	MEM	Station	STA
City	CY	Mission	MSN	Street	ST
Coast	CST	Mobile	MBL	Suite	STE
College	CLG	Motel	MTL	Taxpayer Unknown	TAXPAYER UNKNWN
Community	COMM	Mount	MT	Terminal	TERM
Commonwealth	CMNWL	Mountain	MTN	Terrace	TER
Company	CO	National	NAT	Track	TRAK
Convalescent	CONV	Naval	NAV	Trail	TRL
Corporation	CORP	Naval Air Base	NAB	Trailer	TRLR
Country	CNTRY	Naval Air Station	NAS	Trust	TR
County	CNTY	North *	N	Union	UN
Court	CT	Northeast *	NE	University	UNIV
Crossing	XING	Northwest*	NW	Upper	UPR
Department	DEPT	Number/#	NO	Valley	VLY
Division/Divide	DV	One-fourth, or One-quarter	¼	Verdes	VRD
Drive	DR	One-half	½	View	VW
East *	E	Pacific	PAC	Villa/Ville	VL
Estate	EST	Park	PK	Village	VLG
Expressway	EXPY	Parkway	PKY	Vista	VIS
Flat	FLT	Place	PL	Walk	WK
Floor	FL	Plaza	PLZ	Walkway	WKWY
Fort	FT			Way	WY
Freeway	FWY			West *	W



## Section 7 Business Rule Validation

We validate all incoming business tax returns against our list of Business Rules that are published with our Schemas. When a return violates a Business Rule, our system will reject the return and include a message describing the error in the acknowledgement record.

Each Business Rule has a severity of either “Reject and Continue” or “Reject and Stop”:

- When a Rule with the severity of “Reject and Continue” is violated, our system will continue validating the rest of the return and provide a list of the first 100 errors found in the return.
- When a Rule with the severity of “Reject and Stop” is violated, our system will not complete the validation of the return. Only errors found before that point in the return will be listed in the acknowledgement record. (Note: If there are multiple errors for a specific error type (such as, Transmission or Submission error) the system will stop validation at the completion of those errors.

The return acknowledgement contains an element called “CompletedValidation”. If a rule with severity “Reject and stop” is violated, and the value in this field of the acknowledgement is “true” then all business rules have been applied. However, if the value is “false” full validation was not completed. Additional errors may exist in the return, but will not be identified by our system until the return is resubmitted.

The latest updates to the Business Rules associated with the validation of the return, can be found on our website at [ftb.ca.gov](http://ftb.ca.gov).

### Schema Validation Business Rules Example

Rule Number	Parent Schema	Rule Text	Severity	Error Type
X0000-010		Your State return does not match the latest published FTB Schema or is not well formed. You must contact your software provider to resolve this error.	Reject and Stop	XML Error
X0000-020		Your Federal return does not match the latest published IRS schema or is not well formed. You must contact your software provider to resolve this error.	Reject and Stop	XML Error

## Section 8 Payment Options

### Electronic Funds Withdrawal (EFW)

Businesses may elect to pay their current year balance due by EFW. Our e-file program also provides the ability to schedule EFW requests for corporation estimated tax payments, LLC annual tax payments or estimated fee payments as part of the e-file return transmission.

Corporations, Partnerships or LLCs authorize the EFW by signing form FTB 8453-C, FTB 8453-P or FTB 8453-LLC. The EFW request(s) and banking information is transmitted with the e-file return. The entries for the dates and amounts of the EFWs are contained within the e-file return.

### Electronic Funds Transfer (EFT)

If a corporation is enrolled in Franchise Tax Board's (FTB's) EFT program, they may elect to pay their current year balance due through that system.

**Note:** Corporations that meet certain requirements must remit all of their payments through EFT to avoid the EFT penalty. Corporations required to remit payments by Electronic Funds Transfer, may use EFW and be considered in compliance with that requirement.

For more information on FTB's Electronic Funds Transfer Program, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **EFT**.

To cancel an EFW or EFT payment, contact e-Programs Customer Service at 916.845.0353 at least two working days before the date the withdrawal is scheduled to occur.

### Paper Check (FTB Form 3586, 3567 or 3588 payment vouchers)

If a business pays by paper check, provide a completed form FTB 3586 *Payment Voucher for Corp e-filed Returns*, FTB 3587 *Payment Voucher for LP, LLP, and REMIC e-filed Returns* or FTB 3588 *Payment Voucher for LLC e-filed Returns*.

Instruct business taxpayers that want to pay a different amount from the amount printed on form FTB 3586, 3587 or 3588 to line through the pre-printed amount and write in the amount they are paying.

For more information on Business payment options, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **payment options**.