

# Instructions for Automatic Extension for Corporations and Exempt Organizations

1995

3539

## Reminder: 1994 Tax Law Change

Effective for income years beginning on or after January 1, 1994, the water's-edge election fee is no longer required.  
**Note:** Payment of water's-edge election fees for calendar year 1993 (or fiscal years beginning in 1993), is still required.  
**DO NOT** use this form for those payments. Use the 1993 form FTB 3539, Payment Voucher for Automatic Extension for Corporations and Exempt Organizations.

For more information regarding water's-edge reporting, get Form 100-WE, Water's-Edge Booklet and FTB Notice 93-7.

Save the completed worksheet as a permanent part of the corporation's or exempt organization's tax records along with a copy of the return.

**Note:** Exempt pension trusts should use form FTB 3563, Payment Voucher for Automatic Extension for Fiduciaries, if a payment is required.

## General Information

If a corporation, including real estate investment trusts (REITs), real estate mortgage investment conduits (REMICs), regulated investment companies (RICs) and limited liability companies (LLCs) treated as corporations, or an exempt organization in good standing cannot file its California tax return by the original due date, a seven month extension will be allowed automatically without filing a written request. To qualify for the automatic extension, the corporation's or exempt organization's tax return must be filed by the extended due date. The extended due date for corporations is the 15th day of the tenth month following the close of the income year (fiscal year filers) or October 15, 1996 (calendar year filers). The extended due date for exempt organizations is the 15th day of the twelfth month following the close of the taxable year (fiscal year filers) or December 16, 1996 (calendar year filers).

However, to avoid late payment penalties and interest, 100 percent of the tax liability must be paid by the 15th day of the third month (fiscal year corporations), or the 15th day of the fifth month (fiscal year exempt organizations) following the close of the income year or March 15, 1996 (calendar year corporations), or May 15, 1996 (calendar year exempt organizations).

Complete the tax payment worksheet on Side 2 to see if additional tax is due. **Only send in the voucher if a payment is due.**

## Electronic Funds Transfer (EFT)

Corporations that meet certain requirements must remit all of their payments through EFT rather than by paper checks. Corporations that remit an estimated tax payment or extension payment in excess of \$20,000 or that have a total tax liability in excess of \$80,000 in any income year beginning on or after January 1, 1995, must pay through EFT. The Franchise Tax Board will notify corporations that are subject to this requirement. If you are an EFT taxpayer, **DO NOT USE THIS FORM**. Those that wish to participate on a voluntary basis may do so. For more information, call 1-800-852-2753.

## Where to File

If tax is due, and the corporation is not required to use EFT, attach a check or money order for the tax due to form FTB 3539 and **mail only the voucher portion** with the payment to:

**Franchise Tax Board  
P.O. Box 942857  
Sacramento, CA 94257-0551**

## Penalties and Interest

Remember, an extension of time to file the tax return is not an extension of time to pay the tax. If the corporation or exempt organization fails to pay its total tax by the original due date, a late payment penalty plus interest will be added to the tax due. If the corporation or exempt organization does not file its return by the extended due date, the automatic extension will not apply and a late filing penalty plus interest will be assessed.

CUT HERE

(Calendar year corporations — Due March 15, 1996)  
 (Calendar year exempt organizations — Due May 15, 1996)

YEAR

# Payment Voucher for Automatic Extension for Corporations and Exempt Organizations

CALIFORNIA FORM

1995

3539

For income year beginning		MONTH	DAY	YEAR	, and ending		MONTH	DAY	YEAR	3 5 3 9
California corporation number			Federal employer identification number			Tax due				
Corporation/Exempt Organization name						\$	00			
Address										
City		State			ZIP code					

**IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM  
EFT TAXPAYERS, DO NOT USE THIS FORM**

**Payment Voucher 5**

## Combined Reports

If members of a combined unitary group have made or intend to make an election to file a Combined Unitary Group Single Return, only the key corporation designated to file the return should submit form FTB 3539. Payment of at least the minimum franchise tax must be made for each corporation of the combined unitary group that is subject to tax in California.

If members of a combined unitary group intend to file separate returns with the Franchise Tax Board, each member must submit its own form FTB 3539 if there is an amount entered on line 3 of the worksheet.

## Exempt Organizations

The due dates for corporations also apply to the filing of Form 100, California Franchise or Income Tax Return, by political action committees and exempt homeowners' associations.

Political action committees and exempt homeowners' associations that file Form 100 should **not** enter the minimum franchise tax on line 1 of the Tax Payment Worksheet below.

Form 199 Filers:

Form 199, California Exempt Organization Annual Information Statement or Return, requires a \$10 filing fee to be paid with the return on the original or extended due date.

Use form FTB 3539 **only** if paying the fee early. Enter the amount of the fee on line 3 of the Tax Payment Worksheet below.

## How to Complete the Tax Payment Worksheet

- Line 1** - Enter the total tentative tax, including the alternative minimum tax for the income year.
- If filing Form 100 or 100S, the tentative tax may not be less than the minimum franchise tax.
  - If filing Form 109, enter the amount of tax. Form 109 filers are not subject to the minimum franchise tax.
- Line 2** - Enter the estimated tax payments, including prior year overpayment applied as a credit.
- Line 3** - **Tax due.** If the amount on line 2 is more than the amount on line 1, the payments and credits are more than the tax. The corporation or exempt organization has no tax due. **DO NOT SEND THE PAYMENT VOUCHER.** The corporation or exempt organization will automatically qualify for an extension if the tax return is filed by the extended due date. If the amount on line 1 is more than the amount on line 2, then the corporation's or exempt organization's tax is more than its payments and credits. The corporation or exempt organization has tax due.
- Subtract line 2 from line 1. Enter this amount on line 3 below and on form FTB 3539.

### TAX PAYMENT WORKSHEET FOR YOUR RECORDS

1	Total tentative tax. Include alternative minimum tax if applicable. See instructions . . . . .	1		
2	Estimated tax payments including prior year overpayment applied as a credit . . . . .	2		
3	<b>Tax Due.</b> If line 2 is more than line 1, see instructions. If line 1 is more than line 2, subtract line 2 from line 1. Enter the result here and on form FTB 3539 . . . . .	3		