

1996 Corporation Estimated Tax

100-ES

Type or print the income year, corporation number, FEIN, name, address and installment amount in the spaces below.

MONTH	DAY	YEAR	MONTH	DAY	YEAR
For income year beginning			, and ending		

Check here if corporation name or address has changed since last payment.

California corporation number	Federal employer identification number (FEIN)
Corporation name	
Address	
City	State ZIP code

Installment 1	Calendar year — Due April 15, 1996 Fiscal year — Due the 15th day of the 4th month of the income year. See instructions.
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Enter below the amount from Form 100-ES Instructions, Worksheet IV, Installment 1.

Installment 1 amount	
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Return this form with a check or money order payable to: **FRANCHISE TAX BOARD, PO BOX 942857, SACRAMENTO CA 94257-0531**
EFT Taxpayer: Do NOT use this form.

----- CUT HERE -----

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MONTH	DAY	YEAR	MONTH	DAY	YEAR
For income year beginning			, and ending		

Check here if corporation name or address has changed since last payment.

California corporation number	Federal employer identification number (FEIN)
Corporation name	
Address	
City	State ZIP code

Installment 2	Calendar year — Due June 17, 1996 Fiscal year — Due the 15th day of the 6th month of the income year. See instructions.
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Enter below the amount from Form 100-ES Instructions, Worksheet IV, Installment 2.

Installment 2 amount	
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MONTH	DAY	YEAR	MONTH	DAY	YEAR
For income year beginning			, and ending		

Check here if corporation name or address has changed since last payment.

California corporation number	Federal employer identification number (FEIN)
Corporation name	
Address	
City	State ZIP code

Installment 3	Calendar year — Due Sept. 16, 1996 Fiscal year — Due the 15th day of the 9th month of the income year. See instructions.
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Enter below the amount from Form 100-ES Instructions, Worksheet IV, Installment 3.

Installment 3 amount	
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Type or print the income year, corporation number, FEIN, name, address and installment amount in the spaces below.

	MONTH		DAY		YEAR		MONTH		DAY		YEAR	
For income year beginning												
, and ending												

Check here if corporation name or address has changed since last payment.

California corporation number	Federal employer identification number (FEIN)	Installment 4	Calendar year — Due Dec. 16, 1996
Corporation name			Fiscal year — Due the 15th day of the 12th month of the income year. See instructions.
Address		Enter below the amount from Form 100-ES Instructions, Worksheet IV, Installment 4.	
City	State	Installment 4 amount	
	ZIP code		

Return this form with a check or money order payable to: **FRANCHISE TAX BOARD, PO BOX 942857, SACRAMENTO CA 94257-0531**
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Instructions for 1996 Form 100-ES Corporation Estimated Tax

General Information

California has not conformed to the federal estimated tax law changes to estimate basis or the expanded annualization periods. Use California Revenue and Taxation Code (R&TC) Sections 19021 through 19029, and the 1993 Internal Revenue Code (IRC) to determine the estimate tax requirement for California.

Unless stated otherwise the term "corporations," as used in Form 100-ES and in these instructions, includes banks, financial corporations, certain associations, regulated investment companies, real estate investment trusts, exempt organizations with unrelated business taxable income, certain limited liability companies with corporate characteristics, and S corporations.

For corporations that are taxed under Chapter 3 of the California Bank and Corporation Tax Law, the term "income year," as used in Form 100-ES and in these instructions, means taxable year.

Note: Use this form for the calendar year ending December 1996 or fiscal years ending in 1997.

Electronic Funds Transfer

Corporations that meet certain requirements must remit all of their payments through Electronic Funds Transfer (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 (FTB) will notify corporations that are subject to this requirement. Those that wish to participate on a voluntary basis may do so. For more information, call the FTB EFT Section at 916-845-4025.

A Who Must Pay Estimated Tax

One or more payments of estimated tax are required annually from each:

- corporation incorporated or qualified under the laws of California or doing business in California, whether active or inactive, or having income from sources within California, unless otherwise provided by the Bank and Corporation Tax Law;
- bank and national banking association doing business in California; and
- exempt organization or trust with unrelated business income.

Real estate mortgage investment conduits are not required to pay estimated tax. However, use this form to remit the minimum franchise tax which is due by the 15th day of the fourth month of the income year.

Note for first-time filers: The prepayment of tax made to the Secretary of State at the time of incorporation or qualification is for the privilege of "doing business" during the corporation's first income year. Do not claim this

payment as an estimated tax payment or credit against the tax liability shown on the return for any given year. The first tax return the corporation files reports the income of its first income year. The tax shown on that return is for the privilege of doing business in the corporation's second year.

B Where to Mail Estimated Tax

Mail estimated tax installments to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make the check or money order payable to the "Franchise Tax Board." Write the California corporation number and applicable income year on the check or money order.

Note: If the corporation must pay its tax liability using EFT, **do not** send in Form 100-ES. All taxes due must be remitted by EFT to avoid penalties.

C When to Pay Estimated Tax

A corporation subject to franchise tax must pay at least the required minimum franchise tax as an estimated tax installment on the 15th day of the fourth month of the income year.

If the estimated tax exceeds the minimum franchise tax, the corporation must pay the estimated tax in four installments. However, the first installment may not be less than the minimum franchise tax. See General Information H for installment due dates.

A corporation subject to income tax must pay estimated tax in four equal installments. The first installment is due on the 15th day of the fourth month of the income year.

Short-period filers: A corporation with an accounting period of less than twelve months (short period) must pay estimated tax in the number of installments shown in General Information H.

D Underpayment or Late Payment

Generally, an underpayment of estimated tax is the difference between the amount that would be due for each installment of estimated tax if the estimated tax were equal to 95% of the tax shown on the return, prorated to each installment, and the amount actually paid or credited on or before the due date of that installment.

Underpayment or late payment of estimated tax installments will result in an estimate penalty calculated from the due date of each installment until paid, or until the original due date of the return, whichever is earlier. Use form FTB 5806, Underpayment of Estimated Tax by Corporations, to determine if an exception to a penalty exists and to figure the penalty.

E Minimum Franchise Tax

To avoid the imposition of an estimate penalty, a corporation subject to franchise tax

must pay at least the minimum franchise tax shown in the chart below whether the corporation is active, inactive, operates at a loss or files a return for a short period.

- Corporations that are subject to franchise tax \$800
- Qualified inactive gold or quicksilver mining corporations \$25

A combined group filing a single return must pay at least the minimum franchise tax for each corporation in the group that is subject to franchise tax.

There is no minimum franchise tax for:

- corporations that are only subject to income tax if they are not "doing business" in California, and are not incorporated or qualified under the laws of California, but derive income from sources within California (Get FTB Pub. 1060 or FTB Pub. 1063 for more information regarding "doing business");
- credit unions; and
- exempt organizations.

F Exceptions to the Estimate Penalty

If the estimated tax paid is equal to or greater than the amount defined in General Information D, the FTB will not assess an estimate penalty. If an underpayment exists, the FTB will not assess the estimate penalty if the corporation meets any one of the following exceptions.

Caution: The following exceptions do not apply if the estimated tax installments due are not paid on or before the installment due date.

Exception A – Prior year's tax

This exception applies if the amount paid or credited on or before the installment due date equals or exceeds the tax shown on the preceding year's return for a 12 month period, prorated to each installment.

"Large" corporations

"Large" corporations may use this exception for only the first estimated tax installment and must add any reduction in the first estimated tax installment to the second estimated tax installment.

A "large" corporation is any bank or corporation, including a predecessor bank or corporation, that had California net income (computed without regard to the net operating loss deduction) of \$1 million or more for any income year during the three income years immediately preceding the current income year.

Exception B – Tax on annualized current year income

This exception applies if the estimated tax paid on or before the installment due date equals or exceeds 95% of the amount the corporation would owe if its estimated tax was computed on annualized current net income for tax purposes for the months preceding

the installment due date. See Worksheet II on page 3.

Exception C – Tax on annualized seasonal income

This exception applies if the estimated tax paid on or before the installment due date equals or exceeds 95% of the amount the corporation would owe if its estimated tax was computed on annualized seasonal net income

tax purposes for the months preceding the installment due date. See Worksheet III on page 3.

G Revised Estimates

Corporations may revise the estimated tax any time during the income year. If the corporation revises the estimated tax, compute the

amount of each remaining installment (if any) by:

- subtracting from the revised estimated tax, the total estimated tax previously paid; and
- dividing the result by the number of installments remaining as of the date the revision is made.

H Installment Due Dates and Amounts

Accounting Period of 12 Months

Installment	Due Date	Amount payable
1	15th day of the 4th month of the income year	25% of net income multiplied by the applicable estimated tax rate, but not less than the minimum franchise tax, if applicable.
2	15th day of the 6th month of the income year	50% of net income multiplied by the applicable estimated tax rate less amount of prior payment.
3	15th day of the 9th month of the income year	75% of net income multiplied by the applicable estimated tax rate less amount of prior payment.
4	15th day of the 12th month of the income year	100% of net income multiplied by the applicable estimated tax rate less amount of prior payment.

Accounting Period Less Than 12 Months (Short Period)

Fiscal year corporations, adjust dates accordingly.

If income year (calendar year) begins:	Number of Installments Due	Percentage of Estimated Tax Due On or Before			
		April 15	June 17	September 16	December 16
January 1 through January 16	4	25%	50%	75%	100%
January 17 through March 16	3		33⅓%	66⅔%	100%
March 17 through June 15	2			50%	100%
June 16 through September 15	1				100%
September 16 through December 31	None				

Note: The first estimated tax installment may not be less than the minimum franchise tax, if applicable, or the amount from Worksheet IV, Exception C, line 8b.

To compute estimated tax installments, first multiply the estimated net income for tax purposes by the applicable rate:

- corporations, use 9.3%;
- S corporations, use 1.5%;
- banks and financial corporations (calendar year only), use 11.3%;

- financial S corporations (calendar year only), use 3.5%;
- exempt trusts, use personal income tax rate Schedule X (single).

The overpayment from a timely filed prior year return is credited as of the first estimate installment due date or the date of payment, whichever is later.

The overpayment from a delinquent filed prior year return is credited as of the first estimate installment due date, the date of payment or the date the delinquent return was filed, whichever is later.

For more information, refer to federal Rev. Rul. 84-58, 1984-1 C.B. 254.

Corporations may pay any estimated tax installment before the due date.

If the due date falls on a Saturday, Sunday or holiday, the due date is the next week day.

Worksheets for Paying Estimated Tax

Worksheet I. Record of Estimated Tax Payments

Payment	(a) Date	(b) Amount	(c) Overpayment from previous installment	(d) Total amount paid and credited — Add (b) and (c)
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$
4		\$	\$	\$
5		\$	\$	\$
6		\$	\$	\$
Total				\$

Worksheet II. Exception B — Annualized Current Year Income

	Installment 1	Installment 2	Installment 3	Installment 4
1 Circle the number representing the number of months' income included in the installment period computation. (Exempt corporations that file Form 109 see Note below)	1 <u>3</u>	<u>3 or 5</u>	<u>6 or 8</u>	<u>9 or 11</u>
2 Enter the amount of income for the number of months circled above	2 _____	_____	_____	_____
3 Divide the amount on line 2 by the number circled on line 1	3 _____	_____	_____	_____
4 Annualized income for the installment period. Multiply line 3 by 12. Enter here and on worksheet IV, Exception B, line 1b. Complete Worksheet IV	4 _____	_____	_____	_____

Note: Installment months for exempt corporations that file Form 109 are: **2** **2 or 4** **6 or 7** **9 or 10**

Worksheet III. Exception C — Annualized Seasonal Income See specific instructions below.

Section A. Enter the net income for each month of each income year beginning in 1993, 1994, 1995 and 1996 in the table below:

Income years beginning in	Income by month of income year											
	1	2	3	4	5	6	7	8	9	10	11	12
1993												
1994												
1995												
1996												

1 Enter the total net income for tax purposes for any 6 consecutive months of 1993.	1	
2 Enter the total net income for tax purposes for 1993	2	
3 Divide line 1 by line 2.	3	%
4 Enter the total net income for tax purposes for the same 6 consecutive months of 1994	4	
5 Enter the total net income for tax purposes for 1994	5	
6 Divide line 4 by line 5.	6	%
7 Enter the total net income for tax purposes for the same 6 consecutive months of 1995	7	
8 Enter the total net income for tax purposes for 1995	8	
9 Divide line 7 by line 8.	9	%
10 Add the percentages shown on lines 3, 6 and 9.	10	%
11 Base period percentage. Divide line 10 by 3. If the amount is less than 95%, stop here. Exception C does not apply.	11	%

Complete Section B and Section C for each installment of estimated tax only if Exception C applies.

Section B. Determine the annualized seasonal income percentage for each installment.

INSTALLMENT NUMBER: Enter 1, 2, 3 or 4

1 Divide the net income for tax purposes for the first <input type="checkbox"/> months of 1993 by the total taxable income for 1993	1	%
2 Divide the net income for tax purposes for the first <input type="checkbox"/> months of 1994 by the total taxable income for 1994	2	%
3 Divide the net income for tax purposes for the first <input type="checkbox"/> months of 1995 by the total taxable income for 1995	3	%
4 Add the percentages shown on lines 1, 2 and 3 and divide the total by 3	4	%

Enter the percentages from Section B, line 4 on Worksheet IV, Exception C, line 1b.

Section C. Determine the taxable income percentage.

5 Divide the net income for tax purposes for the first <input type="checkbox"/> months of 1993 by the total taxable income for 1993	5	%
6 Divide the net income for tax purposes for the first <input type="checkbox"/> months of 1994 by the total taxable income for 1994	6	%
7 Divide the net income for tax purposes for the first <input type="checkbox"/> months of 1995 by the total taxable income for 1995	7	%
8 Add the percentages shown on lines 5, 6 and 7 and divide the total by 3	8	%

Enter the percentages from Section C, line 8 on Worksheet IV, Exception C, line 7.

Worksheet III Specific Instructions

First complete Section A of Worksheet III to determine if Exception C applies. If Exception C applies, complete Sections B and C for each estimated tax installment. Complete the installment number box in Section B and proceed as instructed in Sections B and C for all four installments.

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Section B and Section C

For each installment, select the appropriate number of months from the chart to the right and enter it in the box for the line shown.

Line	Installment	Months
1, 2 or 3	1	3
	2	5
	3	8
	4	11
5, 6 or 7	1	4
	2	6
	3	9
	4	—

Worksheet IV. Computation of Estimated Tax

Exception A – Regular Corporations

1	Prior year's tax (the return must have been for a full 12 months)	1			
		25% (not less than min.)	50%	75%	100%
2	Installment due. Multiply line 1 by the percentage shown. Be sure to reduce the installment by any amount previously paid or credited.				

Exception A – Large Corporations

3	Prior year's tax	3			
4	Current year's tax	4			
5	Large corporations multiply line 4 by 95%.	5			
		(1) 25% (not less than min.)	(2) 50%	(3) 75%	(4) 100%
6 a	Multiply the greater of line 3 or line 5 by the percentage shown.				
6 b	Multiply line 3 by the percentage shown				
6 c	Installment due. Column (1) – Enter the amount from line 6b. Column (2) – Subtract line 6b, column (1), from line 6a, column (2). Column (3) – Subtract line 6a column (2) from line 6a, column (3). Column (4) – Subtract line 6a column (3) from line 6a, column (4).				

Note: To meet the exception by paying prior year's tax for the first estimate installment and paying the reduction in the first estimate installment with the second estimate installment, the corporation must have paid the amounts in column (1) and column (2).

Exception B (Check applicable boxes) P

		(1) 3 months	(2) <input type="checkbox"/> 3 <input type="checkbox"/> 5 Months	(3) <input type="checkbox"/> 6 <input type="checkbox"/> 8 Months	(4) <input type="checkbox"/> 9 <input type="checkbox"/> 11 Months
1 a	Net income for tax purposes for each period				
1 b	Annualized income from Worksheet II, line 4				
1 c	R&TC Section 23802(e) deduction (S corporations only)				
1 d	Net income. Subtract line 1c from line 1b				
2	Tax. Multiply line 1d by the current tax rate				
3	Tax credits				
4	Subtract line 3 from line 2				
5	Other taxes*				
6	Total tax. Add line 4 and line 5				
7	Percentage required (short period filers: refer to General Information H)	23.75%	47.5%	71.25%	95%
8	Multiply line 6 by line 7				
9	Installment due. Column (1) – Enter the amount from line 8, column (1). Column (2) – Subtract line 8, column (1) from line 8, column (2). Column (3) – Subtract line 8, column (2) from line 8, column (3). Column (4) – Subtract line 8, column (3) from line 8, column (4)				

Exception C

		1st 3 months	1st 5 months	1st 8 months	1st 11 months
1 a	Net income for tax purposes for each period				
1 b	Enter the % from Worksheet III, Section B, line 4	%	%	%	%
1 c	Annualized seasonal income. Divide line 1a by line 1b				
1 d	R&TC Section 23802(e) deduction (S corporations only)				
1 e	Net income. Subtract line 1d from line 1c				
2	Tax. Multiply line 1e by the current tax rate				
3	Tax credits				
4	Subtract line 3 from line 2				
5	Other taxes*				
6	Total tax. Add line 4 and line 5				
7	Enter the % from Worksheet III, Section C, line 8	%	%	%	%
8 a	Multiply line 6 by line 7				
8 b	Installment due. Multiply line 8a by 95%. Be sure to reduce the installment by any amount previously paid or credited				

*Include alternative minimum tax, LIFO recapture tax and credit recapture. In addition, S corporations should include tax from Schedule D and excess net passive income tax. For more information about these taxes, refer to the Form 100 or Form 100S Tax Booklets.