

# 2008 Instructions for Form 541-ES

## Estimated Tax For Fiduciaries

### What's New

**Round Cents to Dollars** – Beginning with the 2007 tax forms, round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25. If you do not round, FTB will disregard the cents. This change helps process your returns quickly and accurately by providing consistency with the electronically filed returns.

### A Purpose

Use Form 541-ES, Estimated Tax For Fiduciaries, to figure and pay estimated tax for an estate or trust. Estimated tax is the amount of tax the fiduciary of an estate or trust expects to owe for the year.

### B Who Must Make Estimated Tax Payments

Generally, a fiduciary of an estate or trust must make 2008 estimated tax payments unless one of the following applies:

- 100% or more of the estate's or trust's 2007 tax was paid by withholding.
- 90% or more of the estate's or trust's 2008 tax will be paid by withholding.

Generally, the required estimated tax amount is based on the lesser of 90% of the current year's tax or 100% of the prior year's tax including AMT, or 110% of that amount if the estate's or trust's AGI on the 2007 return is more than \$150,000.

An estate or trust is not required to make 2008 estimated tax payments if one of the following applies:

- The tax for 2007 (after subtracting withholding and credits) was less than \$200.
- The tax for 2008 (after subtracting withholding and credits) will be less than \$200.
- It is a decedent's estate for any taxable year ending before the date that is two years after the decedent's death.
- It is a trust that was treated as owned by the decedent and if the trust will receive the residue of the decedent's estate under the will (or if no will is admitted to probate, the trust is primarily responsible for paying debts, taxes, and expenses of administration) for any taxable year ending before the date that is two years after the decedent's death.

If the estate or trust must make estimated tax payments, use the Estimated Tax Worksheet on the following page to figure the amount owed.

Real Estate Mortgage Investment Conduit (REMIC) trusts are not required to make estimated payments.

Tax-exempt trusts and nonexempt charitable trusts described in IRC Section 4947(a)(1) should use Form 100-ES, Corporation Estimated Tax.

### C When to Make Estimated Tax Payments

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date. If an estate or trust does not pay enough tax by the due date of each of the payment periods, it may be charged a penalty even if it is due a refund when it files its

income tax return. The payment periods and due dates are:

For the payment period	Due date is:
Jan. 1 through March 31, 2008	April 15, 2008
April 1 through May 31, 2008	June 16, 2008
June 1 through August 31, 2008	September 15, 2008
Sept. 1 through Dec. 31, 2008	January 15, 2009

**Filing an Early Tax Return in Place of the 4th Installment.** If an estate or trust files its 2008 tax return by January 31, 2009, and pays the entire balance due, it does not have to make its last estimated tax payment.

**Annualization Option.** If the estate or trust does not receive its taxable income evenly during the year, it may be to its advantage to annualize the income. This method allows matching estimated tax payments to the actual period when income was earned. Use the annualization schedule included with 2007 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

**Farmers and Fishermen.** If at least 2/3 of gross income for 2007 or 2008 is from farming or fishing, the estate or trust may apply one of the following:

- Pay the total estimated tax by January 15, 2009.
- File Form 541 for 2008 on or before March 1, 2009, and pay the total tax due. In this case, estimated tax payments are not due for 2008. Enclose form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, with Form 541.

**Fiscal Year.** If the estate or trust files on a fiscal year basis, the due dates will be the 15th day of the 4th, 6th, and 9th months of the fiscal year and the first month of the following fiscal year. If the due date is a Saturday, Sunday, or legal holiday, use the next business day.

**Mental Health Services Tax.** If the estate's or trust's taxable income is more than \$1,000,000, compute the Mental Health Services Tax below using **whole dollars only**.

A. Taxable income from Form 541 line 20 . . . . .	_____
B. Less . . . . .	\$(1,000,000)
C. Subtotal . . . . .	_____
D. Multiply line C by 1% . . . . .	x.01
E. <b>Mental Health Services Tax</b> – Enter this amount on line 10 of the 2008 Estimated Tax Worksheet on the next page . . . . .	_____

### D How to Use Form 541-ES Payment Voucher

Use the Estimated Tax Worksheet on the following page and the 2007 Form 541 return as a guide for figuring the 2008 estimated tax payment.

There is a separate payment voucher for each due date. Use the voucher with the correct due date.

Fill in Form 541-ES:

1. Print the estate's or trust's name, the fiduciary's name and title, mailing address, and the estate's or trust's federal employer identification number (FEIN) in the space

provided on Form 541-ES. Use black or blue ink. Print all names and words in CAPITAL LETTERS. If the estate's or trust's name or address is too long to fit in the provided spaces, do not shorten the name or address. Instead, ignore the combed lines and fit the information in the space provided.

Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number. Example: 111 Main Street PMB 123.

2. Enter on the payment line of the voucher only the amount of the current payment. When making payments of estimated tax, be sure to take into account any previous year's overpayment to be credited against the current year's tax, but do not include the overpayment amount in the payment amount.

3. If part of the estimated tax is to be allocated to the beneficiaries per IRC Section 643(g), enclose a copy of Form 541-T, California Allocation of Estimated Tax Payments to Beneficiaries, to Form 541-ES.

4. Make a check or money order payable to the "Franchise Tax Board." Write the FEIN and "2008 Form 541-ES" on the check or money order. Enclose, but do **not** staple the payment with Form 541-ES and mail to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0031

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

5. Keep a record of the payment.

6. **Fiscal year filers:** Fill in the month and year-end information at the top of the voucher.

### E Failure to Make Estimated Tax Payments

If the estate or trust is required to make estimated tax payments and does not, or if it underpays any installment, a penalty will be assessed for that portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of the tax return, whichever is earlier. For more information, get 2007 form FTB 5805.

### F Other Information

**Filing 541-ES on Magnetic Media.** Fiduciaries that make estimated tax payments for more than 200 taxable trusts may submit the estimated tax information on magnetic media or composite listing. For additional information, our general toll-free service is available from within the United States (800) 852-5711 or from outside the United States (916) 845-6500 (not toll-free).

Telephone assistance is available year-round from 7 a.m. until 6 p.m. Monday through Friday. We may modify these hours without notice to meet operational needs.

**Forms By Internet.** You can download, view, and print California tax forms and publications from our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov).

Access other state agencies' Websites through the State Agencies Directory on California's Website at [www.ca.gov](http://www.ca.gov).

**2008 Estimated Tax Worksheet.** Do not file. Keep this worksheet for your records.

1	Enter the estimated amount of adjusted total income you expect in 2008 .....	1	_____	00
2	Enter income distribution deduction. ....	2	_____	00
3	Taxable income of fiduciary. Subtract line 2 from line 1 .....	3	_____	00
4	Tax. Figure the amount by using the 2007 tax rate schedule .....	4	_____	00
5	Additional taxes from: form FTB 5870A, Tax on Accumulation Distribution of Trusts; IRC Section 453A tax, relating to certain dispositions under the installment method; and, IRC Section 641(d) tax on income attributable to S corporation stock held by an Elected Small Business Trust (ESBT) .....	5	_____	00
6	Total. Add line 4 and line 5 .....	6	_____	00
7	Credits. See the instructions for Form 541 for more information about credits you may claim .....	7	_____	00
8	Total. Subtract line 7 from line 6. ....	8	_____	00
9	Enter the alternative minimum tax from Schedule P (541) .....	9	_____	00
10	Mental Health Services Tax from the previous page .....	10	_____	00
11	Enter the total of line 8, line 9, and line 10 .....	11	_____	00
12	<b>a</b> Enter 90% (.90) of line 11. Farmers and fishermen use 66 2/3% (.6667) of line 11 .....	<b>12a</b>	_____	00
	<b>b</b> Enter 100% of the tax shown on your 2007 Form 541, line 28, or 110% (1.10) of that amount if the estate's or trust's AGI on the 2007 return is more than \$150,000, and if less than 2/3 of gross income for 2007 or 2008 is from farming or fishing .....	<b>12b</b>	_____	00
	<b>c</b> Enter the smaller of line 12a or line 12b .....	<b>12c</b>	_____	00
13	California income tax withheld and estimated to be withheld during 2008 .....	13	_____	00
14	Estimated tax. Subtract line 13 from line 12c. If less than \$200, no payment is required .....	14	_____	00
15	Divide line 14 by 4. This is the amount of your required installment. Enter the result here and on each Form 541-ES voucher. See the instructions if income will be earned at an uneven rate during the year. <b>If the amount is zero, do not mail this voucher.</b> .....	15	_____	00

✂ DETACH HERE \_\_\_\_\_ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM \_\_\_\_\_ DETACH HERE ✂

TAXABLE YEAR

CALIFORNIA FORM

**2008 Estimated Tax for Fiduciaries**

File and Pay by Jan.15, 2009

**541-ES**

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust \_\_\_\_\_ FEIN \_\_\_\_\_

Name and title of fiduciary \_\_\_\_\_

Address (including number and street, suite, PO Box, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

**Payment Voucher 4**

If no payment is due, do not mail this form. \_\_\_\_\_ Amount of payment \_\_\_\_\_

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2008 Form 541-ES" on it. Do not combine this payment with payment of your tax due for 2007. Mail this voucher and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

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TAXABLE YEAR

CALIFORNIA FORM

# 2008 Estimated Tax for Fiduciaries

File and Pay by April 15, 2008

## 541-ES

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust \_\_\_\_\_

FEIN \_\_\_\_\_

Name and title of fiduciary \_\_\_\_\_

Address (including number and street, suite, PO Box, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP Code \_\_\_\_\_

**Payment  
Voucher  
1**

If no amount is due, do not mail this form.

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2008 Form 541-ES" on it. **Do not combine this payment with payment of your tax due for 2007.** Mail this voucher and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

Amount of payment

00

1211083

Form 541-ES 2007

✂ DETACH HERE \_\_\_\_\_ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM \_\_\_\_\_ DETACH HERE ✂

TAXABLE YEAR

CALIFORNIA FORM

# 2008 Estimated Tax for Fiduciaries

File and Pay by June 16, 2008

## 541-ES

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust \_\_\_\_\_

FEIN \_\_\_\_\_

Name and title of fiduciary \_\_\_\_\_

Address (including number and street, suite, PO Box, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP Code \_\_\_\_\_

**Payment  
Voucher  
2**

If no amount is due, do not mail this form.

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2008 Form 541-ES" on it. **Do not combine this payment with payment of your tax due for 2007.** Mail this voucher and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

Amount of payment

00

1211083

Form 541-ES 2007

✂ DETACH HERE \_\_\_\_\_ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM \_\_\_\_\_ DETACH HERE ✂

TAXABLE YEAR

CALIFORNIA FORM

# 2008 Estimated Tax for Fiduciaries

File and Pay by Sept. 15, 2008

## 541-ES

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust \_\_\_\_\_

FEIN \_\_\_\_\_

Name and title of fiduciary \_\_\_\_\_

Address (including number and street, suite, PO Box, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP Code \_\_\_\_\_

**Payment  
Voucher  
3**

If no amount is due, do not mail this form.

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2008 Form 541-ES" on it. **Do not combine this payment with payment of your tax due for 2007.** Mail this voucher and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

Amount of payment

00

1211083

Form 541-ES 2007