

2008

Underpayment of Estimated Tax by Individuals and Fiduciaries

5805

Attach this form to the back of your Form 540, Form 540A, Long Form 540NR, or Form 541. Also, fill in the circle for underpayment of estimated tax located on Form 540/540A, line 64; Long Form 540NR, line 71; or Form 541, line 42, 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) less credits (including the withholding credit) but not including estimated tax payments for either 2007 or 2008 was less than \$200 (or less than \$100 if married/RDP filing a separate return).
Your 2007 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 2008 return or 100% of the tax shown on your 2007 return (110% if 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.

Part I Questions. All filers must complete this part.

1 Are you requesting a waiver of the penalty? If "Yes," provide an explanation below and be sure to fill in the circle on Form 540/540A, line 64; Long Form 540NR, line 71; or Form 541, line 42. 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 fill in the circle on Form 540/540A, line 64; Long Form 540NR, line 71; or Form 541, line 42 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:

4/15/08 \$ \_\_\_\_\_; 6/15/08 \$ \_\_\_\_\_; 9/15/08 \$ \_\_\_\_\_; 1/15/09 \$ \_\_\_\_\_.

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.

Table with 3 columns: Line number, Description, and Amount. Lines 1-6 for required annual payment calculation.

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 in the instructions (page 4).

Table with 3 columns: Line number, Description, and Amount. Lines 7-13 for short method calculation and penalty.

**Part III Annualized Income Installment Method Schedule.**

Use this schedule ONLY if you earned taxable income at an UNEVEN RATE during 2008 (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, Regular Method to Figure Your Underpayment and Penalty, 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 equal 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 1, 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: 2/29/08, 4/30/08, 7/31/08, and 11/30/08. Fiscal year filers must adjust dates accordingly.

	(a) 1/1/08 to 3/31/08	(b) 1/1/08 to 5/31/08	(c) 1/1/08 to 8/31/08	(d) 1/1/08 to 12/31/08
<b>1</b> Enter your adjusted gross income (AGI) for each period. Long Form 540NR filers, see instructions. Estates or Trusts, enter the amount from Form 541, line 20 attributable to each period. See instructions . . . . .				
<b>2</b> Annualization amounts. Estates or Trusts, see instructions . . . . .	4	2.4	1.5	1
<b>3</b> Annualized income. Multiply line 1 by line 2. . . . .				
<b>4</b> 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 . . . . .				
<b>5</b> Annualization amounts . . . . .	4	2.4	1.5	1
<b>6</b> Annualized itemized deductions. Multiply line 4 by line 5. See instructions . . . . .				
<b>7</b> Enter your standard deduction from your 2008 Form 540, Long Form 540NR, or Form 540A, line 18. Enter the total standard deduction amount in each column. See instructions . . . . .				
<b>8</b> Enter line 6 or line 7, whichever is <b>larger</b> . . . . .				
<b>9</b> Subtract line 8 from line 3 . . . . .				
<b>10</b> 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 540/540A, Long Form 540NR, or Form 541. Also, include any tax from form FTB 3803. Estates or Trusts, see instructions . . . . .				
<b>11</b> Enter the total amount of exemption credits from your 2008 Form 540/540A, line 21 or or Form 541, line 22. If you filed a Long Form 540NR, see instructions for line 11, Part III. Enter the total exemption credit amount in each column. See instructions . . . . .				
<b>12</b> Subtract line 11 from line 10. Long Form 540NR filers, complete Worksheet I on page 3 of the instructions . . . . .				
<b>13</b> Enter the total credit amount from your 2008 Form 540, line 29; Form 540A, line 28; or Form 541, line 23. Long Form 540NR filers, see instructions . . . . .				
<b>14 a</b> Subtract line 13 from line 12. If zero or less, enter -0- . . . . .				
<b>b</b> Enter the alternative minimum tax and mental health tax. See instructions . . . . .				
<b>c</b> Add line 14a and line 14b . . . . .				
<b>d</b> Enter the excess SDI from Form 540/540A, line 39 or Long Form 540NR, line 46. . . . .				
<b>e</b> Enter the child and dependent care expenses credit amount from Form 540/540A, line 43 or Long Form 540NR, line 50 . . . . .				
<b>f</b> Subtract line 14d and line 14e from line 14c. If zero or less, enter -0- . . . . .				
<b>15</b> Applicable percentage. . . . .	22.5%	45%	67.5%	90%
<b>16</b> Multiply line 14f by line 15 . . . . .				
<b>Complete Line 17 through Line 23 of each column before you go to the next column.</b>				
<b>17</b> Enter the combined amounts shown on line 23 from all preceding columns . . . . .				
<b>18</b> Subtract line 17 from line 16. If zero or less, enter -0- . . . . .				
<b>19</b> In each column, enter 1/4 of the amount on form FTB 5805, Part II, line 6 . . . . .				
<b>20</b> Enter the amount from line 22 from the preceding column . . . . .				
<b>21</b> Add line 19 and line 20 . . . . .				
<b>22</b> Subtract line 18 from line 21. If zero or less, enter -0- . . . . .				
<b>23</b> Enter line 18 or line 21, whichever is less. Transfer these amounts to Worksheet II, Regular Method to Figure Your Underpayment and Penalty, line 1. . . . . ■				

**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.**