

FRANCHISE TAX BOARD
Personal Income Tax Law

Exhibit A-1
Page 1 of 1

Accrual Estimates
(\$ in Millions)

Payments	2006-2007	2007-2008	2008-2009
Estimate Payments	\$190.6	\$261.0	\$281.1
Return Remittances Payments	989.9	933.9	979.0
Other	1,287.7	1,464.8	1,590.8
Withholding (EDD)	1,069.2	1,031.2	989.5
Withholding (FTB)	107.5	72.5	72.5
Total	3,644.9	3,763.4	3,912.9
Refunds	-2,198.5	-2,155.5	-2,134.3
Net	\$1,446.4	\$1,607.9	\$1,778.6

04/21/2008

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FRANCHISE TAX BOARD
PERSONAL INCOME TAX

EXHIBIT A-2
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Trend of 2008 Pipeline

	2007 Actuals	May 2008 Est	2008-2007 Diff	%CH
Tot Returns Proc	16,533,481	16,734,000	200,519	1.21%
Credit Transfers				
Number	510,578	483,000	-27,578	-5.40%
Amount (000)	\$2,880,707	\$2,733,000	-\$147,707	-5.13%
Average	\$5,642.05	\$5,662.91	\$20.86	0.37%
Refunds				
Number	10,525,174	10,332,000	-193,174	-1.84%
Amount (000)	\$9,062,458	\$8,807,000	-\$255,458	-2.82%
Average	\$861.03	\$852.39	-\$8.63	-1.00%
Remittance Ret				
Number	2,984,652	3,182,000	197,348	6.61%
Amount (000)	\$5,991,551	\$6,093,000	\$101,449	1.69%
Average	\$2,007.45	\$1,914.47	-\$92.98	-4.63%

Source: Total Returns, Credit Transfers and Refunds: TI System.
Remittance Returns: MI 1003 System.

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FRANCHISE TAX BOARD
Personal Income Tax

EXHIBIT A-2
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Trend of 2008 Pipeline

Month	Total Returns Processed	Credit Transfers		
		Number of Returns	Amount (000)	
JAN	851,728	3,638	\$20,126	
FEB	4,382,395	20,532	\$42,145	
MAR	8,221,089	68,785	\$87,117	
APR	12,276,170	214,489	\$372,747	
MAY(EST)	13,690,000	284,000	\$571,000	
JUN(EST)	14,737,000	303,000	\$644,000	
JUL(EST)	15,309,000	324,000	\$739,000	
AUG(EST)	15,617,000	344,000	\$839,000	
SEP(EST)	15,838,000	363,000	\$964,000	
OCT(EST)	16,305,000	422,000	\$1,478,000	
NOV(EST)	16,647,000	477,000	\$2,687,000	
DEC(EST)	16,734,000	483,000	\$2,733,000	
Month	Refunds _1		Remittance Returns	
	Number of Claims	Amount (000)	Number of Returns	Amount (000)
JAN	553,555	\$316,113	17,566	\$22,858
FEB	3,365,726	\$2,265,575	169,418	\$97,321
MAR	6,006,359	\$4,195,103	583,317	\$434,891
APR	8,363,387	\$6,140,951	2,707,702	\$4,993,350
MAY(EST)	9,144,000	\$6,818,000	2,839,000	\$5,099,000
JUN(EST)	9,438,000	\$7,064,000	2,886,000	\$5,190,000
JUL(EST)	9,635,000	\$7,294,000	2,922,000	\$5,250,000
AUG(EST)	9,783,000	\$7,505,000	2,972,000	\$5,347,000
SEP(EST)	9,899,000	\$7,691,000	3,006,000	\$5,424,000
OCT(EST)	10,104,000	\$8,113,000	3,154,000	\$6,020,000
NOV(EST)	10,256,000	\$8,699,000	3,174,000	\$6,071,000
DEC(EST)	10,332,000	\$8,807,000	3,182,000	\$6,093,000

_1 Includes refunds of prior year State Disability Insurance overpayments issued pursuant to SB 1682 (Stats. 96-1157).

Source: Total Returns, Credit Transfers and Refunds: TI System.

Remittance Returns: MI 1003 System.

FRANCHISE TAX BOARD
Personal Income Tax

EXHIBIT A-2
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Trend of 2007 Pipeline

Month	Total Returns Processed	Credit Transfers		
		Number of Returns	Amount (000)	
JAN	692,335	4,352	\$25,347	
FEB	3,985,735	19,557	\$42,589	
MAR	7,915,794	90,517	\$125,393	
APR	11,617,471	207,955	\$348,968	
MAY	13,614,999	288,417	\$551,742	
JUN	14,189,665	305,530	\$603,589	
JUL	15,047,705	331,128	\$711,604	
AUG	15,363,035	349,665	\$800,422	
SEP	15,559,384	367,856	\$899,179	
OCT	16,085,338	439,960	\$1,494,959	
NOV	16,441,721	503,997	\$2,823,823	
DEC	16,533,481	510,578	\$2,880,707	
Month	Refunds _1		Remittance Returns	
	Number of Claims	Amount (000)	Number of Returns	Amount (000)
JAN	523,461	\$294,827	15,939	\$22,852
FEB	3,112,456	\$2,080,746	142,659	\$90,900
MAR	5,923,791	\$4,186,252	564,114	\$454,290
APR	8,106,552	\$6,032,440	2,485,086	\$4,812,657
MAY	9,374,815	\$7,008,213	2,662,325	\$5,038,801
JUN	9,572,453	\$7,199,625	2,698,294	\$5,101,344
JUL	9,807,860	\$7,447,464	2,732,649	\$5,164,343
AUG	9,961,976	\$7,655,968	2,767,646	\$5,229,303
SEP	10,065,388	\$7,815,095	2,800,536	\$5,315,090
OCT	10,305,018	\$8,323,525	2,952,083	\$5,910,965
NOV	10,464,500	\$8,910,855	2,972,446	\$5,961,870
DEC	10,525,174	\$9,062,458	2,984,652	\$5,991,551

_1 Includes refunds of prior year State Disability Insurance overpayments issued pursuant to SB 1682 (Stats. 96-1157).

Source: Total Returns, Credit Transfers and Refunds: TI System.

Remittance Returns: MI 1003 System.

FRANCHISE TAX BOARD
Personal Income Tax

EXHIBIT A-2
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Trend of 2006 Pipeline

Month	Total Returns Processed	Credit Transfers		
		Number of Returns	Amount (000)	
JAN	503,420	3,782	\$14,759	
FEB	3,532,983	19,003	\$29,444	
MAR	7,357,280	88,652	\$104,294	
APR	11,106,415	214,511	\$310,353	
MAY	13,281,693	308,240	\$515,097	
JUN	14,493,026	327,547	\$582,602	
JUL	14,810,743	344,682	\$660,142	
AUG	15,072,228	363,703	\$741,450	
SEP	15,285,698	383,630	\$845,508	
OCT	15,745,255	444,094	\$1,245,878	
NOV	16,101,904	510,754	\$2,443,617	
DEC	16,171,330	514,736	\$2,484,012	
Month	Refunds _1		Remittance Returns	
	Number of Claims	Amount (000)	Number of Returns	Amount (000)
JAN	381,990	\$214,826	14,195	\$17,165
FEB	2,756,416	\$1,712,013	143,602	\$76,809
MAR	5,491,334	\$3,619,505	546,007	\$409,897
APR	7,788,385	\$5,427,736	2,257,789	\$4,326,050
MAY	9,096,876	\$6,481,043	2,630,832	\$4,868,117
JUN	9,425,349	\$6,737,116	2,672,857	\$4,926,058
JUL	9,604,017	\$6,934,176	2,708,074	\$4,980,956
AUG	9,733,998	\$7,128,011	2,743,084	\$5,060,127
SEP	9,842,638	\$7,297,586	2,775,242	\$5,132,923
OCT	10,044,457	\$7,697,645	2,917,181	\$5,719,474
NOV	10,204,293	\$8,316,383	2,937,252	\$5,771,872
DEC	10,254,071	\$8,406,211	2,951,696	\$5,797,790

_1 Includes refunds of prior year State Disability Insurance overpayments issued pursuant to SB 1682 (Stats. 96-1157).

Source: Total Returns, Credit Transfers and Refunds: TI System.

Remittance Returns: MI 1003 System.

FRANCHISE TAX BOARD
Personal Income Tax

Exhibit A-3

STATUS OF REFUND CLAIMS REMAINING TO BE PROCESSED
INVENTORY AS OF April 30, 2008
RETURNS NOT ON TAXPAYER INFORMATION SYSTEM

	Number	Amount (Thousands)	
Refund returns in Receiving	833,598	\$688,177	_1
Non-remittance returns in Transcriptions/Imaging	156,727	\$129,386	_1
Claim for Refund returns on Return Validation File	82,786	\$87,246	_2
Total:	1,073,111	\$904,809	

_1 Average April refund of \$826 applied to inventory.

_2 Average refund of \$1,054

FTB/Research 05/01/08

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FRANCHISE TAX BOARD
Personal Income Tax Law
Distribution and Projection of Extension Payments

REMIT EXTENSIONS				
MONTH REC'D	2007 PROCESS YEAR		2008 PROCESS YEAR (Projected May-December) /1	
	VOLUME	AMOUNT (Millions)	VOLUME	AMOUNT (Millions)
January	662	3.9	641	3.7
February	674	1.9	683	2.2
March	2,746	18.6	2,253	32.4
April	268,613	5,704.7	270,435	6306.2
May	6,187	86.5	6,229	95.6
June	1,296	12.3	1,305	13.6
July	958	5.1	964	5.6
August	783	3.0	788	3.3
September	766	4.9	771	5.4
October	1,954	7.4	1,967	8.2
November	640	2.0	644	2.2
December	516	3.7	520	4.0
TOTAL	285,795	5,853.9	287,201	6,482.5

/1 Projected volumes and amounts reflect respective growth for April 2008 over 2007

Source of data: Daily Deposit Summary MI-1003

**FRANCHISE TAX BOARD
PERSONAL INCOME TAX STATISTICS**

EXHIBIT A-5
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Comparison of 2005-2006 Tax Year Statistical Sample Data

Resident Returns

(Returns in Thousands, Amounts in Millions **** Values Smaller than .5 Thousands or .5 Millions respectively)

Data Item	2005		2006*		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
NUMBER OF RETURNS	14,088	14,088	14,383		2.1	
FORM 1040 SOURCES OF INCOME						
Wages, Salaries, Tip	11,789	625,353	12,048	664,957	2.2	6.3
Taxable Interest	6,838	22,245	7,099	31,652	3.8	42.3
Dividend	3,247	20,667	3,318	26,001	2.2	25.8
State Tax Refund	3,046	4,795	3,136	5,135	3.0	7.1
Alimony	60	1,185	62	1,179	3.4	-0.5
Net Business Income	2,584	46,727	2,566	45,420	-0.7	-2.8
Business Income	1,986	52,228	1,960	51,681	-1.3	-1.0
Business Loss	597	5,501	606	6,261	1.6	13.8
Net Capital Gain	2,940	112,846	2,967	117,958	0.9	4.5
Capital Gain	1,666	115,857	1,818	120,632	9.1	4.1
Capital Loss	1,274	3,011	1,149	2,674	-9.8	-11.2
Net Other Gain	186	645	186	308	-0.2	-52.3
Other Gain	90	1,867	84	1,599	-7.0	-14.4
Other Loss	96	1,223	102	1,291	6.2	5.6
IRA Distributions (Taxable)	870	11,537	888	12,811	2.1	11.0
Pension Income (Taxable)	2,086	42,341	2,092	45,082	0.3	6.5
Net Supplemental Income	1,782	63,748	1,862	60,607	4.5	-4.9
Supplemental Income (Schedule E)	1,028	81,751	1,024	84,012	-0.4	2.8
Supplemental Loss (Schedule E)	754	18,003	839	23,405	11.2	30.0
Schedule E						
Rental/Royalties Income	616	12,757	596	12,645	-3.3	-0.9
Rental/Royalties Loss	622	8,170	687	10,164	10.5	24.4
Partnership and S Corp. Income	609	78,093	621	81,453	2.0	4.3
Partnership and S Corp. Loss	528	22,294	531	26,661	0.6	19.6
Estate and Trust Income	101	3,441	95	3,528	-5.7	2.5
Estate and Trust Loss	36	270	27	369	-23.6	36.5
Other Income	28	290	23	283	-17.4	-2.3
Other Loss	15	99	11	108	-27.9	9.5
Net Farm Income/Loss	67	-925	66	-857	-1.6	7.3
Farm Income	20	571	17	679	-16.3	18.9
Farm Loss	47	1,495	49	1,536	4.6	2.8
Unemployment Income	905	3,458	891	3,554	-1.6	2.8
Taxable Social Security Income	1,289	13,310	1,329	14,897	3.1	11.9
Net Other Income	1,294	-4,186	1,307	-3,330	1.0	20.5
Other Income	823	10,330	842	11,456	2.4	10.9
Other Loss	164	14,585	166	14,797	1.1	1.5
TOTAL INCOME	14,077	963,745	14,372	1,025,374	2.1	6.4

Source: 2005 and 2006 Personal Income Tax Statistical Samples

*Preliminary Data

EX-A5 2006 2008-04-22.xls;2006 YRND Sample 08-04-22 GR

**FRANCHISE TAX BOARD
PERSONAL INCOME TAX STATISTICS**

EXHIBIT A-5
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Comparison of 2005-2006 Tax Year Statistical Sample Data

Resident Returns

(Returns in Thousands, Amounts in Millions **** Values Smaller than .5 Thousands or .5 Millions respectively)

Data Item	2005		2006*		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
FORM 1040 ADJUSTMENTS TO INCOME						
Educator Expense	310	79	260	70	-16.1	-11.6
Certain Business Expenses	8	25	10	34	23.3	36.3
Taxpayer IRA Adjustments	385	1,509	390	1,626	1.4	7.8
Student Loan Interest Deduction	707	443	692	504	-2.1	13.8
Tuition and Fees Deduction	559	1,030	373	723	-33.2	-29.8
Health Savings Account	19	53	34	96	76.7	80.5
Moving Expenses	74	188	77	214	3.8	14.0
Half of Self Employment Tax	2,103	3,489	2,160	3,703	2.7	6.1
Health Insurance	546	2,628	528	2,666	-3.2	1.5
Keogh/SEP	201	3,907	203	4,096	0.9	4.8
Interest Penalty	110	32	138	45	25.0	41.5
Alimony Paid	76	1,410	89	1,592	17.4	12.9
Domestic Production	120	332	278	503	131.6	51.4
Archer MSA Deduction (Restored)			37	11		
Jury Duty Pay (New!)			3	1		
Other	146	94	241	65	65.1	-31.2
TOTAL ADJUSTMENTS	3,721	15,219	3,685	15,949	-1.0	4.8
FORM 1040 ADJUSTED GROSS INCOME	14,075	948,526	14,375	1,009,425	2.1	6.4
FORM 1040 ITEMIZED DEDUCTIONS						
Medical Expenses Allowed	1,233	8,737	1,269	9,505	2.9	8.8
State Tax Payment	5,808	46,372	6,016	52,222	3.6	12.6
Real Estate Tax	4,952	19,776	5,093	22,038	2.8	11.4
Personal Property Tax	4,312	1,648	4,474	1,761	3.7	6.9
Other Taxes	1,333	417	1,492	458	11.9	9.9
Mortgage Interest Reported on Form 1098	4,641	71,565	4,823	86,615	3.9	21.0
Mortgage Interest not on Form 1098	177	1,084	179	1,339	1.3	23.5
Points not reported on Form 1098	793	982	738	847	-6.9	-13.8
Investment Interest	264	3,083	271	4,104	2.7	33.1
Total Contributions	5,081	23,869	5,135	27,637	1.1	15.8
Casualty Loss	18	465	12	273	-35.4	-41.2
Unrelated Employee Expenses	2,450	11,298	2,499	11,429	2.0	1.2
Tax Preparation Fees	3,153	951	3,204	1,041	1.6	9.5
Other Expenses	1,616	4,512	1,632	5,123	1.0	13.5
Total Expense	3,904	16,747	3,933	17,574	0.8	4.9
Expenses Allowed	2,045	11,856	2,042	12,286	-0.1	3.6
Miscellaneous Deduction	215	3,150	226	4,024	5.3	27.8
TOTAL ITEMIZED DEDUCTIONS	5,890	184,332	6,122	213,263	3.9	15.7

Source: 2005 and 2006 Personal Income Tax Statistical Samples

*Preliminary Data

EX-A5 2006 2008-04-22.xls;2006 YRND Sample 08-04-22 GR

**FRANCHISE TAX BOARD
PERSONAL INCOME TAX STATISTICS**

EXHIBIT A-5
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Comparison of 2005-2006 Tax Year Statistical Sample Data

Resident Returns

(Returns in Thousands, Amounts in Millions **** Values Smaller than .5 Thousands or .5 Millions respectively)

Data Item	2005		2006*		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
ITEMIZED DEDUCTION ADJUSTMENT						
Federal Itemized Deduction	6,656	197,153	6,815	221,611	2.4	12.4
State Tax Paid	6,561	46,373	6,693	52,309	2.0	12.8
Other Adjustments	418	-497	349	126	-16.6	125.4
Total Itemized Deductions	6,314	150,575	6,479	169,701	2.6	12.7
Itemized Deductions After Limitation**	6,312	143,447	6,478	163,099	2.6	13.7
TOTAL CA DEDUCTIONS	7,320	149,499	7,453	167,910	1.8	12.3
SUBTRACTION ADJUSTMENT						
Wages	37	652	34	572	-8.0	-12.2
California Non-taxable Interest	297	2,044	323	3,128	8.8	53.0
Non-taxable Dividend Income	98	383	104	580	5.7	51.5
State Tax Refund	3,044	4,785	3,144	5,133	3.3	7.3
Business Income	233	501	198	349	-15.2	-30.4
Capital Gains	73	850	79	855	8.5	0.6
Other Gains	34	194	33	179	-3.5	-7.5
IRA Distributions	13	54	11	52	-17.1	-4.2
Pension and Annuities	16	165	14	164	-12.5	-0.6
Rents, Royalties, and Partnerships	313	2,439	274	2,201	-12.6	-9.8
Farm Income	21	77	19	59	-9.5	-22.8
Unemployment Compensation	894	3,420	887	3,538	-0.8	3.4
Social Security Income	1,280	13,358	1,336	15,019	4.3	12.4
Lottery Income	8	535	11	494	35.4	-7.7
Disaster Loss Carryover	1	94	3	113	242.0	20.3
NOL Carryover	99	8,683	102	9,151	3.5	5.4
Other NOL Adjustments	****	18	1	58		223.9
Other Income Adjustments	25	850	31	782	22.5	-8.0
Educator Expense	296	-76	288	-76	-2.6	-0.2
Certain Business Expenses	1	-3	1	-2	7.7	17.9
Student Loan Interest Deduction	364	-191			-100.0	100.0
Tuition and Fees Deduction	511	-976	454	-893	-11.2	8.5
Health Savings Account	19	-53	30	-89	55.6	-68.6
Self-Employed Health Insurance	1	-2	****	****		
Domestic Production	122	-339	281	-508	130.5	-49.7
Other	19	-47	21	-64	11.5	-37.2
Total Adjustments to Income Adjustment	1,073	-1,684	811	-1,608	-24.4	4.5
TOTAL SUBTRACTION	5,747	37,536	5,698	40,926	-0.9	9.0
ADDITION ADJUSTMENT						
Wage	14	370	16	89	11.9	-76.0
Other State Bond Interest	101	906	185	1,485	83.5	63.9
Dividend Income	104	463	71	357	-31.9	-23.0
Alimony	1	16	1	3	45.6	-83.4

**includes itemized smaller than the standard before taxpayer choice

Source: 2005 and 2006 Personal Income Tax Statistical Samples

*Preliminary Data

**FRANCHISE TAX BOARD
PERSONAL INCOME TAX STATISTICS**

EXHIBIT A-5
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Comparison of 2005-2006 Tax Year Statistical Sample Data

Resident Returns

(Returns in Thousands, Amounts in Millions **** Values Smaller than .5 Thousands or .5 Millions respectively)

Data Item	2005		2006*		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
Business Income	53	471	62	453	17.5	-3.8
Capital Gains	121	788	119	831	-1.9	5.4
Other Gains	12	48	13	51	10.7	7.1
Taxable IRA	2	9	2	8	-15.9	-12.9
Taxable Pensions & Annuities	4	32	3	17	-19.5	-45.5
Rents, Royalties, and Partnerships	316	3,579	334	4,058	5.7	13.4
Farm Income	6	62	4	80	-27.1	29.1
Federal Net Operating Loss	114	13,847	123	13,597	7.9	-1.8
Other Income Adjustments	32	273	28	547	-11.9	100.4
Certain Business Expenses	****	-1	1	-2		-76.4
Self-Employed Health Insurance	****	-2	****	****		
Alimony Paid	1	-3	****	-1		72.1
Student Loan Interest Deduction (New!)			9	-4		
Other	****	-1	1	-4		-264.1
Total Adjustments to Income Adjustment	2	-7	11	-10	431.7	-49.5
TOTAL ADDITION	778	20,882	844	21,599	8.5	3.4
CA ADJUSTED GROSS INCOME	14,088	931,810	14,383	990,693	2.1	6.3
CA DEDUCTIONS FROM FORM 540						
Itemized	5,898	142,603	5,976	160,570	1.3	12.6
Standard	8,190	37,853	8,405	40,442	2.6	6.8
TOTAL 540 DEDUCTIONS (calculated)	14,088	180,455	14,382	201,012	2.1	11.4
TAXABLE INCOME	14,088	768,518	14,383	812,005	2.1	5.7
COMPUTED TAX	13,020	45,764	13,237	48,452	1.7	5.9
EXEMPTION CREDIT	13,095	4,680	13,353	5,000	2.0	6.8
RENTER'S CREDIT	1,318	95	1,299	95	-1.4	-0.5
SPECIAL CREDITS	127	792	133	876	4.4	10.6
CA ALTERNATIVE MINIMUM TAX	12	38	10	40	-14.7	4.2
MENTAL HEALTH SERVICES TAX	43	1,191	47	1,281	10.3	7.5
OTHER TAXES	388	80	447	111	15.2	38.1
CA TOTAL TAX LIABILITY	8,639	43,124	8,810	45,716	2.0	6.0
PREPAYMENTS						
Withheld	11,285	28,223	11,644	30,484	3.2	8.0
Real Estate/Other Withholding	106	1,468	67	1,074	-37.1	-26.8
Estimates Paid	1,135	17,125	1,161	18,677	2.3	9.1
Excess SDI	207	54	227	43	9.5	-20.9
CA Child Care Expense Credit	555	171	536	165	-3.4	-3.6
OVERPAYMENT	9,490	9,434	9,848	10,301	3.8	9.2
BALANCE DUE	2,779	5,518	2,785	5,573	0.2	1.0
CREDIT TRANSFERS	426	2,136	426	2,439	-0.1	14.2
USE TAX	30	5	38	7	25.1	31.4
VOLUNTARY CONTRIBUTIONS	100	5	107	4	7.1	-14.8
REFUNDS	9,184	7,291	9,547	7,854	4.0	7.7
PAYMENT DUE	2,785	5,520	2,791	5,576	0.2	1.0

Source: 2005 and 2006 Personal Income Tax Statistical Samples

*Preliminary Data

EX-A5 2006 2008-04-22.xls;2006 YRND Sample 08-04-22 GR

**FRANCHISE TAX BOARD
PERSONAL INCOME TAX STATISTICS**

Comparison of 2005 and 2006 Full Sample Statistical Sample Data

Adjusted Gross Income Class	2005*		2006*		% Change	
	Amount ^a	Average	Amount ^a	Average	Amount	Average
Number of Returns						
Negative to Zero	165		172		3.9%	
1 to 10,000	1,973		1,921		-2.6%	
10,000 to 20,000	2,329		2,295		-1.5%	
20,000 to 50,000	4,693		4,767		1.6%	
50,000 to 100,000	3,014		3,125		3.7%	
100,000 to 200,000	1,393		1,522		9.2%	
200,000 to 500,000	400		448		11.9%	
500,000 to 1,000,000	75		83		10.8%	
1,000,000 and over	46		51		11.7%	
TOTAL	14,088		14,383		2.1%	
Adjusted Gross Income						
Negative to Zero	-9,784	-59,142	-11,900	-69,233	21.6%	17.1%
1 to 10,000	10,673	5,409	10,445	5,438	-2.1%	0.5%
10,000 to 20,000	34,986	15,020	34,445	15,011	-1.5%	-0.1%
20,000 to 50,000	155,672	33,174	158,583	33,266	1.9%	0.3%
50,000 to 100,000	213,351	70,786	220,840	70,672	3.5%	-0.2%
100,000 to 200,000	187,336	134,491	203,926	134,023	8.9%	-0.3%
200,000 to 500,000	115,537	288,962	128,566	287,257	11.3%	-0.6%
500,000 to 1,000,000	50,870	678,860	56,604	681,454	11.3%	0.4%
1,000,000 and over	173,169	3,788,850	189,182	3,705,985	9.2%	-2.2%
TOTAL	931,810	66,143	990,693	68,881	6.3%	4.1%
Taxable Income						
Negative to Zero	0	0	0	0		
1 to 10,000	3,966	2,010	3,672	1,912	-7.4%	-4.9%
10,000 to 20,000	22,227	9,542	21,451	9,348	-3.5%	-2.0%
20,000 to 50,000	114,686	24,440	115,215	24,169	0.5%	-1.1%
50,000 to 100,000	164,414	54,550	167,784	53,693	2.0%	-1.6%
100,000 to 200,000	151,085	108,466	162,410	106,738	7.5%	-1.6%
200,000 to 500,000	100,439	251,202	110,571	247,050	10.1%	-1.7%
500,000 to 1,000,000	47,393	632,454	52,476	631,754	10.7%	-0.1%
1,000,000 and over	164,307	3,594,961	178,427	3,495,292	8.6%	-2.8%
TOTAL	768,518	54,552	812,005	56,457	5.7%	3.5%
Total Tax Liability						
Negative to Zero	5	29	4	25	-13.1%	-16.3%
1 to 10,000	11	5	13	7	25.1%	28.4%
10,000 to 20,000	79	34	69	30	-12.0%	-10.6%
20,000 to 50,000	1,717	366	1,649	346	-4.0%	-5.5%
50,000 to 100,000	5,501	1,825	5,486	1,756	-0.3%	-3.8%
100,000 to 200,000	8,339	5,986	8,632	5,673	3.5%	-5.2%
200,000 to 500,000	7,640	19,109	8,306	18,558	8.7%	-2.9%
500,000 to 1,000,000	4,024	53,701	4,447	53,543	10.5%	-0.3%
1,000,000 and over	15,809	345,883	17,109	335,153	8.2%	-3.1%
TOTAL	43,124	3,061	45,716	3,179	6.0%	3.8%

a: The Number of Returns are in Thousands. The Adjusted Gross Income, Taxable Income, and Total Tax Liability Amounts are in Millions.

Source: 2005 and Preliminary 2006 Personal Income Tax Statistical Samples.

* 2005 Preliminary Data

FRANCHISE TAX BOARD
 Personal Income Tax
 Comparison of Early Returns Processed in 2007 to Total Processed

2006 Tax Year Resident Returns Through April 28, 2007				
Adjusted Gross Income Class	Returns (000)	Adjusted Gross Income (\$ mil)	Taxable Income (\$ mil)	Tax Liability (\$ mil)
Less Than \$0	84.1	(2,671.9)	N/A	0.8
1 to 10,000	1,357.2	7,619.9	2,715.4	8.1
10,001 to 20,000	1,812.0	27,248.7	16,994.4	50.4
20,001 to 50,000	3,816.4	126,099.6	91,953.1	1,228.9
50,001 to 100,000	2,372.6	166,950.7	126,248.4	3,942.6
100,001 to 200,000	1,048.8	140,279.3	111,452.2	5,872.9
200,001 to 500,000	243.1	68,275.3	59,020.7	4,421.5
500,001 to 1,000,000	33.0	22,042.3	20,709.1	1,777.0
1,000,001 and over	12.8	28,757.6	27,826.5	2,662.8
TOTAL	10,780.0	\$584,601.5	\$456,920.0	\$19,964.9
2006 Tax Year Resident Returns Through December 2007				
Adjusted Gross Income Class	Returns (000)	Adjusted Gross Income (\$ mil)	Taxable Income (\$ mil)	Tax Liability (\$ mil)
Less Than \$0	176.1	(11,869.1)	N/A	4.6
1 to 10,000	1,933.8	10,413.3	3,716.6	13.5
10,001 to 20,000	2,281.8	34,212.5	21,255.7	69.1
20,001 to 50,000	4,759.8	157,753.1	114,632.7	1,628.9
50,001 to 100,000	3,125.0	220,647.2	167,447.3	5,406.3
100,001 to 200,000	1,524.0	205,743.0	163,945.7	8,762.8
200,001 to 500,000	448.6	128,940.9	110,914.2	8,333.1
500,001 to 1,000,000	82.5	56,136.9	52,040.1	4,416.3
1,000,001 and over	51.0	189,054.5	178,226.0	17,090.5
TOTAL	14,382.7	\$991,032.2	\$812,178.2	\$45,725.0
Percent of Total				
Adjusted Gross Income Class	Returns	Adjusted Gross Income	Taxable Income	Tax Liability
Less Than \$0	47.7%	22.5%	N/A	16.3%
1 to 10,000	70.2%	73.2%	73.1%	60.0%
10,001 to 20,000	79.4%	79.6%	80.0%	72.9%
20,001 to 50,000	80.2%	79.9%	80.2%	75.4%
50,001 to 100,000	75.9%	75.7%	75.4%	72.9%
100,001 to 200,000	68.8%	68.2%	68.0%	67.0%
200,001 to 500,000	54.2%	53.0%	53.2%	53.1%
500,001 to 1,000,000	39.9%	39.3%	39.8%	40.2%
1,000,001 and over	25.0%	15.2%	15.6%	15.6%
TOTAL	75.0%	59.0%	56.3%	43.7%

Source: Franchise Tax Board Return Merge File
 Detail may not add to total due to rounding

FRANCHISE TAX BOARD

Personal Income Tax

Comparison of Early Returns in 2007 and 2008

2006 Tax Year Returns for Residents Processed Through April 28*, 2007				
Adjusted Gross Income Class	Returns (000)	Adjusted Gross Income (\$ mil)	Taxable Income (\$ mil)	Tax Liability (\$ mil)
Less Than \$0	84.1	(2,671.9)	N/A	0.8
1 to 10,000	1,357.2	7,619.9	2,715.4	8.1
10,001 to 20,000	1,812.0	27,248.7	16,994.4	50.4
20,001 to 50,000	3,816.4	126,099.6	91,953.1	1,228.9
50,001 to 100,000	2,372.6	166,950.7	126,248.4	3,942.6
100,001 to 200,000	1,048.8	140,279.3	111,452.2	5,872.9
200,001 to 500,000	243.1	68,275.3	59,020.7	4,421.5
500,001 to 1,000,000	33.0	22,042.3	20,709.1	1,777.0
1,000,001 and over	12.8	28,757.6	27,826.5	2,662.8
TOTAL	10,780.0	\$584,601.5	\$456,920.0	\$19,964.9
2007 Tax Year Returns for Residents Processed Through April 27*, 2008				
Adjusted Gross Income Class	Returns (000)	Adjusted Gross Income (\$ mil)	Taxable Income (\$ mil)	Tax Liability (\$ mil)
Less Than \$0	91.7	(3,557.6)	N/A	1.1
1 to 10,000	1,491.9	8,168.3	2,813.7	8.8
10,001 to 20,000	1,880.0	28,265.8	17,445.9	48.7
20,001 to 50,000	3,962.0	130,939.6	95,254.9	1,229.2
50,001 to 100,000	2,479.9	174,699.5	131,825.1	4,047.3
100,001 to 200,000	1,152.9	154,865.5	122,206.8	6,317.0
200,001 to 500,000	275.4	77,086.2	66,202.9	4,910.5
500,001 to 1,000,000	35.4	23,635.8	22,132.8	1,897.1
1,000,001 and over	13.9	31,019.7	30,050.1	2,871.7
TOTAL	11,383.0	\$625,122.8	\$487,932.3	\$21,331.3
Percentage Change				
Adjusted Gross Income Class	Returns	Adjusted Gross Income	Taxable Income	Tax Liability
Less Than \$0	9.1%	-33.2%	N/A	39.5%
1 to 10,000	9.9%	7.2%	3.6%	8.3%
10,001 to 20,000	3.8%	3.7%	2.7%	-3.3%
20,001 to 50,000	3.8%	3.8%	3.6%	0.0%
50,001 to 100,000	4.5%	4.6%	4.4%	2.7%
100,001 to 200,000	9.9%	10.4%	9.6%	7.6%
200,001 to 500,000	13.3%	12.9%	12.2%	11.1%
500,001 to 1,000,000	7.4%	7.2%	6.9%	6.8%
1,000,001 and over	8.9%	7.9%	8.0%	7.8%
TOTAL	5.6%	6.9%	6.8%	6.8%

* Matching number of process days in 2008 to 2007 for comparison
 Source: Franchise Tax Board Return Merge File Through 04-27-2008
 Detail may not add to total due to rounding

FRANCHISE TAX BOARD
 Personal Income Tax Statistics
 Special Tax Credits Allowed
 Credit Amount > \$10 million
 2005 - 2006 Tax Years*

Credit	2005		2006		Percent Change	
	Number	Amount (\$ Thousands)	Number	Amount (\$ Thousands)	Number	Amount
Child and Dependent Care	593,611	180,271	551,910	166,073	-7.0	-7.9
Enterprise Zone Hiring and Sales	7,233	135,801	8,952	145,377	23.8	7.1
Other State Tax	116,532	656,714	125,257	725,995	7.5	10.5
Prior Year Alternative Minimum Tax	7,494	38,852	6,770	41,215	-9.7	6.1
Renter's Credit (non-refundable)	1,353,025	96,729	1,377,690	98,477	1.8	1.8
Research	3,273	55,071	3,636	69,232	11.1	25.7
Subtotal	2,081,168	1,163,437	2,074,215	1,246,370	-0.3	7.1

* Largely the listed tax years; also includes amended and prior-year returns that were filed during the same time period

FRANCHISE TAX BOARD
 Personal Income Tax Statistics
 Special Tax Credits Allowed
 Credit Amount < \$10 million
 2005 - 2006 Tax Years**

Credit	2005		2006		Percent Change	
	Number	Amount (\$ Thousands)	Number	Amount (\$ Thousands)	Number	Amount
Agricultural Transportation	62	176	58	318	-6.5	80.1
Child Adoption	1,777	2,013	1,680	1,935	-5.5	-3.9
Commercial Solar Energy Carryover	39	80	36	84	-7.7	5.2
Commercial Solar Electric Carryover	4	2	7	3	75.0	52.2
Community Development Deposit	7	5	19	16	171.4	193.4
Dependent Parent	495	123	594	151	20.0	22.2
Disabled Access	527	44	486	41	-7.8	-6.2
Donation of Agricultural Products Carryover	4	1	10	9	150.0	537.5
Employer Child Care Contribution	4,375	1,843	4,204	1,733	-3.9	-6.0
Employer Child Care Program	358	132	502	105	40.2	-20.6
Enhanced Oil Recovery	136	611	43	292	-68.4	-52.3
Energy Conservation Carryover	1,093	767	1,211	849	10.8	10.8
Enterprise Zone Wages	491	113	510	106	3.9	-6.1
Environmental Tax	8	6	18	2,795	125.0	50323.5
Farm Workers' Housing	a	3	a	4	N/A	27.0
Joint Custody Head of Household	3,666	923	4,356	1,122	18.8	21.5
Joint Strike Fighter Property	a	*	a	5	N/A	N/A
Joint Strike Fighter Wage	14	71	8	21	-42.9	-70.3
Local Agency Military Base Recovery Area	46	394	49	489	6.5	24.1
Long Term Caregiver	114	47	30	13	-73.7	-71.8
Los Angeles Revitalization Zone	305	5,044	255	4,419	-16.4	-12.4
Low-Emission Vehicle	369	281	313	285	-15.2	1.3
Low-Income Housing	615	893	563	1,354	-8.5	51.6
Manufacturing Enhancement Area	25	445	22	510	-12.0	14.6
Manufacturer's Investment	573	4,810	402	3,603	-29.8	-25.1
Natural Heritage Preservation	39	1,495	29	856	-25.6	-42.8
New Infant	84	45	86	51	2.4	12.4
Orphan Drug	8	10	29	26	262.5	150.8
Political Contribution	1,826	671	2,079	695	13.9	3.4
Prison Inmate Labor	10	59	12	174	20.0	197.1
Qualified Senior Head of Household	1,241	422	1,407	528	13.4	25.0
Recycling Equipment	187	145	240	163	28.3	11.9
Residential Rental and Farm Sales Carryover	666	1,227	523	1,111	-21.5	-9.5
Rice Straw	61	263	30	81	-50.8	-69.4
Ridesharing:						
Incentive Carryover	2,957	1,328	2,222	969	-24.9	-27.0
Large Employers	115	67	127	65	10.4	-3.4
Small Employers	62	33	68	25	9.7	-22.5
Transit Pass Carryover	267	110	304	132	13.9	19.7
Vanpool Carryover	634	251	861	378	35.8	50.7
Salmon and Steelhead Trout Habitat	8	5	10	2	25.0	-57.7
Solar Energy Carryover	243	346	221	235	-9.1	-32.3
Solar Pump Carryover	16	87	12	195	-25.0	123.3
Solar Systems Credit	4,543	6,390	1,706	2,018	-62.4	-68.4
Targeted Tax Area	170	4,228	185	4,025	8.8	-4.8
Teachers Retention	340	239	118	85	-65.3	-64.2
Water Conservation Carryover	88	31	110	27	25.0	-14.6
Unidentified Special Credits	26	102	25	153	-3.8	50.0
Subtotal	28,696	36,382	25,786	32,252	-10.1	-11.4
Grand Total	2,109,864	1,199,819	2,100,001	1,278,622	-0.5	6.6

* Less than \$500

^a Omitted for confidentiality reasons

** Largely the listed tax years; also includes amended and prior-year returns that were filed during the same time period

FRANCHISE TAX BOARD
 Personal Income Tax
 Growth in Per Return Income Item Amounts by AGI Class
 2005 to 2006

AGI Classes	Less than \$200,000	\$200,000 and over	All Taxpayers
Growth in Number of Returns	1.35%	11.78%	1.97%
Growth in Per Return Income			
AGI	1.95%	-1.43%	4.06%
Wages	1.77%	1.08%	3.61%
Taxable Interest	37.15%	30.90%	40.31%
Dividends	15.87%	19.55%	25.17%
Business Gain	-7.88%	-8.79%	-5.29%
Business Loss	0.19%	12.78%	6.41%
Capital Gain	-7.59%	-5.71%	1.92%
Capital Loss	-15.48%	-14.99%	-14.47%
Pension & Annuity	16.44%	9.48%	16.60%
Rental Gain	-8.31%	-5.79%	-2.19%
Rental Loss	17.75%	-0.97%	14.53%
Partnership Gain	-2.14%	-7.36%	1.01%
Partnership Loss	-10.15%	17.13%	15.36%
Mortgage Interest Deduction	11.20%	10.36%	12.62%
Charitable Contribution Deduction	-3.59%	-5.14%	0.22%
Taxable Income	1.40%	-2.16%	3.62%
Tax Liability	-0.06%	-6.91%	1.06%

Source: 2005 and 2006 Personal Income Tax Samples

FRANCHISE TAX BOARD

Exhibit A-9

Personal Income Tax

1 of 5

Gross Capital Gains and Losses by Major Asset Category

1986 Through 2006

(In \$ Millions)

Tax Year	Stocks /a	Other securities	Residential Real Estate /b	Non-Residential Real Estate	Other	Total
Gross Gain						
1986	\$ 19,395	\$ 1,276	\$ 6,555	\$ 5,722	\$ 11,923	\$ 44,871
1987	11,158	891	2,127	2,906	9,855	26,937
1988	10,928	897	6,253	2,720	10,313	31,111
1989	9,478	838	6,675	3,332	10,633	30,956
1990	7,895	901	5,103	2,672	7,373	23,944
1991	9,413	1,249	3,514	2,446	6,710	23,331
1992	8,412	1,516	2,775	1,620	8,627	22,949
1993	14,792	1,924	3,394	1,791	7,344	29,245
1994	12,897	1,553	3,680	1,906	8,771	28,807
1995	22,495	2,627	1,360	4,618	6,910	38,010
1996	25,742	2,065	2,517	1,289	14,359	45,973
1997	32,715	3,823	3,493	2,916	18,781	61,728
1998	37,724	4,883	6,837	2,334	28,826	80,604
1999	66,254	5,075	5,969	4,258	36,481	118,037
2000	113,426	6,235	12,499	2,625	30,562	165,347
2001	42,221	3,967	11,574	5,065	23,151	85,978
2002	31,998	3,583	10,580	4,562	17,229	67,952
2003	29,345	3,300	9,577	6,161	22,640	71,023
2004	39,706	3,156	15,492	6,860	31,460	96,575
2005	53,960	5,385	18,943	10,099	51,844	140,231
2006	\$ 55,770	\$ 7,440	\$ 16,421	\$ 7,958	\$ 55,416	\$ 143,004
Gross Loss /c						
1986	\$ 2,453	\$ 436	\$ 83	\$ 179	\$ 1,046	\$ 4,197
1987	5,225	1,180	58	137	1,235	7,835
1988	3,522	1,111	362	178	2,633	7,806
1989	4,136	1,117	510	145	4,428	10,336
1990	4,837	1,225	363	470	1,944	8,839
1991	2,991	2,716	314	218	3,305	9,544
1992	3,214	1,063	738	283	3,486	8,784
1993	5,700	1,385	1,136	946	3,293	12,459
1994	4,820	2,696	1,527	561	4,392	13,996
1995	9,000	2,562	1,859	176	7,117	20,714
1996	6,786	1,379	444	830	5,603	15,041
1997	8,732	1,897	1,001	603	2,710	14,943
1998	13,271	4,319	674	1,061	4,788	24,112
1999	13,557	4,488	430	279	5,865	24,619
2000	39,003	4,209	438	771	6,466	50,887
2001	40,124	7,115	596	345	8,108	56,288
2002	31,260	8,321	450	275	7,340	47,646
2003	14,538	3,211	218	979	4,557	23,503
2004	15,103	2,256	81	276	3,451	21,167
2005	19,336	3,223	364	137	7,616	30,676
2006	\$ 14,546	\$ 3,527	\$ 344	\$ 203	4,583	\$ 23,202

/a Includes capital gain distributions

/b For years prior to 1998, capital gains for sale of primary residences were excluded because they were largely rolled forward.

/c Excludes capital loss carryovers.

Source: California Franchise Tax Board - Capital Assets Samples (various years)

Detail may not add to totals due to rounding

FRANCHISE TAX BOARD
 Personal Income Tax
 Gross Capital Gains and Losses by Holding Period
 2005 and 2006
 (\$ in Millions)

Exhibit A-9
 2 of 5

Holding Periods and Selected Asset Categories	Tax Year				2005 to 2006 Change			
	2005		2006		Gain		Loss	
	Gain	Loss	Gain	Loss	Amount	Percent	Amount	Percent
1 Year or Less								
Stocks /a	\$ 6,275	\$ 8,921	\$ 5,404	\$ 6,561	- \$ 871	-13.9	- \$ 2,360	-26.5
Residential Real Estate	449	67	520	84	71	15.8	17	26.0
NonResidential R/E	262	6	117	3	-145	-55.3	-3	-51.0
Other /b	5,664	5,174	7,290	3,637	1,626	28.7	-1,537	-29.7
Subtotal	\$ 12,649	\$ 14,168	\$ 13,331	\$ 10,285	\$ 682	5.4	- \$ 3,883	-27.4
More Than 1 Year /c								
Stocks /a	\$ 47,685	\$ 10,415	\$ 50,366	\$ 7,985	\$ 2,681	5.6	- \$ 2,429	-23.3
Residential Real Estate	18,494	298	15,901	260	-2,593	-14.0	-38	-12.6
NonResidential R/E	9,837	130	7,841	200	-1,996	-20.3	70	53.4
Other /b	51,565	5,665	55,565	4,472	4,000	7.8	-1,193	-21.1
Subtotal	\$ 127,581	\$ 16,508	\$ 129,673	\$ 12,917	\$ 2,092	1.6	\$ -3,591	-21.8
Total								
Stocks /a	\$ 53,960	\$ 19,336	\$ 55,770	\$ 14,546	\$ 1,810	3.4	- \$ 4,790	-24.8
Residential Real Estate	18,943	364	16,421	344	-2,522	-13.3	-20	-5.5
NonResidential R/E	10,099	137	7,958	203	-2,141	-21.2	66	48.7
Other /b	57,229	10,839	62,855	8,109	5,626	9.8	-2,730	-25.2
TOTAL	\$ 140,231	\$ 30,676	\$ 143,004	\$ 23,202	\$ 2,773	2.0	\$ -7,474	-24.4

/a Includes capital gains distributions.

/b Includes assets sold within partnerships and S corporations, bonds, other nonstock securities, and all remaining asset categories, except capital loss carryovers.

/c Includes transactions with unknown holding periods.

Source: California Franchise Tax Board - Capital Assets Samples (various years)

Detail may not add to totals due to rounding

FRANCHISE TAX BOARD
 Personal Income Tax
 Gross Capital Gains and Losses by Sources
 1986 Through 2006
 (In \$ Millions)

Tax Year	Individuals	Businesses	Flow- Through Entities	Installment sales /a /b	Total
Gross Gain					
1986	\$ 23,621	\$ 6,530	\$ 7,942	\$ 6,878	\$ 44,871
1987	18,170	583	3,884	4,300	26,937
1988	9,198	5,929	8,869	4,115	31,111
1989	11,197	8,594	8,236	2,928	30,956
1990	9,213	6,244	5,745	2,722	23,944
1991	10,974	3,914	5,100	3,343	23,331
1992	11,007	3,081	5,642	3,220	22,949
1993	17,174	3,364	5,851	2,856	29,245
1994	15,471	4,071	6,471	2,794	28,807
1995	26,451	2,691	7,010	1,859	38,010
1996	27,936	3,664	12,055	2,317	45,973
1997	36,134	4,895	16,411	4,289	61,728
1998	48,747	7,530	19,965	4,363	80,604
1999	79,318	7,348	25,119	6,252	118,037
2000	122,977	10,609	26,783	4,977	165,347
2001	48,037	14,164	19,104	4,673	81,305
2002	36,471	12,597	14,723	4,161	67,952
2003	37,749	10,232	17,916	5,126	71,023
2004	54,913	13,778	22,801	5,083	96,575
2005	73,022	21,441	38,992	6,776	140,231
2006	\$ 72,241	\$ 17,765	\$ 46,809	\$ 6,190	\$ 143,004
Gross Loss					
1986	\$ 3,401	\$ 410	\$ 378	\$ 7	\$ 4,197
1987	7,265	66	504	1	7,835
1988	5,914	786	1,105	1	7,806
1989	6,919	1,345	2,072	/c	10,336
1990	6,735	1,022	1,081	/c	8,839
1991	7,507	810	1,225	2	9,544
1992	5,288	2,033	1,453	11	8,784
1993	7,982	2,401	1,792	284	12,459
1994	9,476	2,427	2,042	51	13,996
1995	13,111	4,064	3,501	38	20,714
1996	10,075	1,384	3,582	/c	15,041
1997	11,392	2,063	1,488	0	14,943
1998	20,804	1,899	2,252	0	24,956
1999	20,326	1,151	3,141	2	24,619
2000	44,891	1,285	4,689	22	50,887
2001	49,443	1,204	5,641	0	56,288
2002	41,041	1,047	5,557	1	47,646
2003	18,869	1,659	2,975	0	23,503
2004	18,514	799	1,778	76	21,167
2005	27,094	1,577	2,005	0	30,676
2006	\$ 19,405	\$ 998	\$ 2,795	\$ 4	\$ 23,202

/a The source of 1992 capital gains from installment sales was 50 percent individuals, 46 percent businesses, and 4 percent other.

/b The source of 1992 capital losses from installment sales was distributed 31 percent individuals and 69 percent for businesses.

/c Less than \$0.5 million.

Source: California Franchise Tax Board: Capital Assets Study

Detail may not add to totals due to rounding

FRANCHISE TAX BOARD
 Personal Income Tax
 Capital Gains
 Capital Gains by Year - Resident Taxpayers Only
 (In \$ Millions)

Year	Capital Gains	Capital Loss Carryovers	Capital Gains Taxes
1985	\$ 25,139		
1986	44,344		
1987	20,361		
1988	24,854		
1989	25,867		
1990	22,211		
1991	17,264		
1992	17,265		
1993	19,518		
1994	18,497		
1995	21,187		
1996	33,380		
1997	47,456	\$ 17,499	\$ 3,766
1998	61,370	20,101	4,926
1999	94,096	23,690	7,682
2000	119,975	40,192	10,192
2001	49,108	60,630	3,965
2002	33,404	61,569	2,670
2003	45,763	75,578	3,650
2004	75,454	68,906	6,096
2005	112,743	66,713	9,220
2006	\$ 117,958	\$ 57,524	\$ 9,622

Source: California Franchise Tax Board PIT Samples - various years

FRANCHISE TAX BOARD
 Personal Income Tax
 Capital Gains
 Capital Gains for 2006 - Resident Taxpayers Only

Exhibit A-9
 5 of 5

Adjusted Gross Income Class	Capital Gains (\$ in Millions)	Capital Gains Percentage Distribution	Capital Gains Tax (\$ in Millions)	Adjusted Gross Income (\$ in Millions)	Capital Gains as a Percentage of AGI
Negative to \$0	\$ 1,446	1.23%	0	-\$11,900	
\$1 to \$10,000	46	0.04%	0	10,445	0.44%
\$10,001 to \$30,000	580	0.49%	0	83,706	0.69%
\$30,001 to \$50,000	1,084	0.92%	2	109,322	0.99%
\$50,001 to \$75,000	1,606	1.36%	59	120,882	1.33%
\$75,001 to \$100,000	2,004	1.70%	79	99,958	2.00%
\$100,001 to \$200,000	7,257	6.15%	558	203,926	3.56%
\$200,001 to \$500,000	14,462	12.26%	1,215	128,566	11.25%
\$500,001 and over	89,474	75.85%	7,709	245,787	36.40%
TOTAL	\$ 117,958	100.00%	\$ 9,622	\$ 990,693	11.91%

Source: California Franchise Tax Board 2006 PIT Sample.

FRANCHISE TAX BOARD
 Personal Income Tax
 Changes in Income Distribution
 1993 through 2006

LOWER BOUND ON AGI FOR EACH QUINTILE AND CENTILE									
Quintiles	Number of Returns (thousands)	Top 1%	Top 5%	Top 10%	Top Quintile	4th Quintile	3rd Quintile	2nd Quintile	Bottom Quintile
1993	11,930	\$212,069	\$97,996	\$74,974	\$53,577	\$31,717	\$18,646	\$9,246	\$0
1994	12,158	\$220,718	\$100,440	\$76,469	\$54,224	\$32,027	\$18,772	\$9,466	\$0
1995	12,085	\$236,427	\$105,557	\$78,359	\$54,221	\$31,190	\$18,179	\$9,382	\$0
1996	12,172	\$258,002	\$112,709	\$82,676	\$56,981	\$32,978	\$19,162	\$9,535	\$0
1997	12,473	\$288,120	\$121,650	\$87,705	\$60,253	\$34,631	\$20,163	\$10,109	\$0
1998	12,797	\$310,904	\$128,747	\$92,827	\$63,117	\$36,372	\$21,335	\$10,941	\$0
1999	13,126	\$358,593	\$140,762	\$98,369	\$66,624	\$37,916	\$22,260	\$11,276	\$0
2000	13,441	\$414,010	\$154,260	\$105,456	\$70,511	\$40,022	\$23,594	\$12,078	\$0
2001	13,602	\$354,046	\$147,450	\$105,490	\$71,607	\$40,884	\$24,489	\$12,232	\$0
2002	13,567	\$336,526	\$145,706	\$105,401	\$71,683	\$41,112	\$24,346	\$12,411	\$0
2003	13,624	\$358,916	\$151,297	\$107,903	\$73,051	\$41,447	\$24,727	\$12,879	\$0
2004	13,833	\$404,838	\$160,780	\$113,863	\$75,767	\$43,358	\$25,616	\$13,067	\$0
2005	14,088	\$451,373	\$171,397	\$119,139	\$79,695	\$44,288	\$26,133	\$13,522	\$0
2006	14,383	\$480,940	\$178,185	\$124,081	\$82,684	\$45,942	\$27,254	\$14,064	\$0

Source: Franchise Tax Board. 1993 through 2006 Personal Income Tax Samples.

FRANCHISE TAX BOARD
 Personal Income Tax
 Changes in Income Distribution
 1993 through 2006

Exhibit A-10
 2 of 4

AGI Per Return (Real 2006 Dollars)											
	Income Distribution Segment	Top 1%	Next 4 %	Next 5 %	Top 10%	Top Quintile	4th Quintile	3rd Quintile	2nd Quintile	Bottom Quintile	Overall Per Return AGI
AGI Per Return (Real 2005 dollars)	1993	\$742,814	\$186,481	\$120,423	\$209,086	\$148,874	\$58,976	\$34,996	\$19,437	\$6,954	\$53,847
	1994	\$748,596	\$189,303	\$121,482	\$211,323	\$150,573	\$58,849	\$34,900	\$19,520	\$7,042	\$54,178
	1995	\$843,105	\$196,900	\$123,063	\$224,602	\$156,457	\$56,671	\$33,116	\$18,623	\$6,830	\$54,339
	1996	\$1,026,605	\$209,507	\$128,394	\$250,661	\$170,966	\$58,587	\$34,287	\$19,054	\$6,949	\$57,969
	1997	\$1,173,815	\$223,916	\$134,329	\$274,112	\$184,209	\$60,344	\$35,508	\$19,771	\$7,262	\$61,418
	1998	\$1,319,675	\$234,011	\$139,035	\$295,095	\$195,730	\$62,047	\$36,465	\$20,502	\$7,500	\$64,448
	1999	\$1,674,545	\$255,065	\$145,405	\$342,183	\$221,471	\$63,171	\$37,110	\$20,743	\$7,555	\$70,011
	2000	\$2,088,146	\$273,182	\$151,446	\$393,811	\$248,721	\$64,346	\$37,966	\$21,233	\$7,832	\$75,998
	2001	\$1,296,205	\$238,143	\$141,883	\$295,819	\$197,546	\$62,443	\$36,884	\$20,723	\$7,388	\$64,997
	2002	\$1,104,905	\$227,918	\$138,995	\$271,156	\$184,411	\$61,769	\$36,454	\$20,617	\$7,396	\$62,130
	2003	\$1,204,764	\$233,396	\$139,602	\$283,636	\$190,806	\$61,179	\$36,100	\$20,592	\$7,501	\$63,237
	2004	\$1,476,763	\$246,996	\$143,513	\$318,232	\$208,396	\$61,887	\$36,353	\$20,544	\$7,568	\$66,949
	2005	\$1,751,280	\$261,739	\$147,580	\$353,613	\$227,371	\$62,370	\$36,209	\$20,524	\$7,576	\$70,810
	2006	\$1,757,052	\$262,040	\$146,154	\$353,598	\$226,663	\$61,769	\$35,927	\$20,387	\$7,569	\$70,463
Percentage Change	1993-06	136.5%	40.5%	21.4%	69.1%	52.3%	4.7%	2.7%	4.9%	8.8%	30.9%
	2004-05	18.6%	6.0%	2.8%	11.1%	9.1%	0.8%	-0.4%	-0.1%	0.1%	5.8%
	2005-06	0.3%	0.1%	-1.0%	0.0%	-0.3%	-1.0%	-0.8%	-0.7%	-0.1%	-0.5%

Source: Franchise Tax Board. 1993 through 2006 Personal Income Tax Samples.

FRANCHISE TAX BOARD
 Personal Income Tax
 Changes in Income Distribution
 1993 through 2006

AGI Concentration											
	Income Distribution Segment	Top 1%	Next 4 %	Next 5 %	Top 10%	Top Quintile	4th Quintile	3rd Quintile	2nd Quintile	Bottom Quintile	Total
AGI Concentration	1993	13.8%	13.9%	11.2%	38.8%	55.3%	21.9%	13.0%	7.2%	2.6%	100.0%
	1994	13.8%	14.0%	11.2%	39.0%	55.6%	21.7%	12.9%	7.2%	2.6%	100.0%
	1995	15.5%	14.5%	11.3%	41.3%	57.6%	20.9%	12.2%	6.9%	2.5%	100.0%
	1996	17.7%	14.5%	11.1%	43.2%	59.0%	20.2%	11.8%	6.6%	2.4%	100.0%
	1997	19.1%	14.6%	10.9%	44.6%	60.0%	19.7%	11.6%	6.4%	2.4%	100.0%
	1998	20.5%	14.5%	10.8%	45.8%	60.7%	19.3%	11.3%	6.4%	2.3%	100.0%
	1999	23.9%	14.5%	10.4%	48.9%	63.3%	18.0%	10.6%	5.9%	2.2%	100.0%
	2000	27.5%	14.4%	10.0%	51.8%	65.5%	16.9%	10.0%	5.6%	2.1%	100.0%
	2001	19.9%	14.7%	10.9%	45.5%	60.8%	19.2%	11.3%	6.4%	2.3%	100.0%
	2002	17.8%	14.7%	11.2%	43.6%	59.4%	19.9%	11.7%	6.6%	2.4%	100.0%
	2003	19.1%	14.8%	11.0%	44.9%	60.3%	19.3%	11.4%	6.5%	2.4%	100.0%
	2004	22.1%	14.8%	10.7%	47.5%	62.3%	18.5%	10.9%	6.1%	2.3%	100.0%
	2005	24.7%	14.8%	10.4%	49.9%	64.2%	17.6%	10.2%	5.8%	2.1%	100.0%
	2006	24.9%	14.9%	10.4%	50.2%	64.3%	17.5%	10.2%	5.8%	2.1%	100.0%
Percentage Change	1993-06	11.1%	1.0%	-0.8%	11.4%	9.0%	-4.4%	-2.8%	-1.4%	-0.4%	0.0%
	2004-05	2.7%	0.0%	-0.3%	2.4%	2.0%	-0.9%	-0.6%	-0.3%	-0.1%	0.0%
	2005-06	0.2%	0.1%	0.0%	0.2%	0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%

Source: Franchise Tax Board. 1993 through 2006 Personal Income Tax Samples.

FRANCHISE TAX BOARD
 Personal Income Tax
 Changes in Income Distribution
 1993 through 2006

Tax Concentration											
	Income Distribution Segment	Top 1%	Next 4 %	Next 5 %	Top 10%	Top Quintile	4th Quintile	3rd Quintile	2nd Quintile	Bottom Quintile	Total
Tax Concentration	1993	33.3%	20.9%	12.5%	66.7%	80.5%	13.9%	4.6%	0.9%	0.1%	100.0%
	1994	32.6%	21.2%	12.4%	66.1%	80.7%	13.8%	4.5%	0.9%	0.1%	100.0%
	1995	35.6%	21.6%	12.3%	69.6%	83.1%	12.4%	3.7%	0.7%	0.1%	100.0%
	1996	36.4%	21.4%	12.2%	70.0%	83.1%	12.3%	3.8%	0.7%	0.1%	100.0%
	1997	37.7%	21.2%	11.9%	70.8%	83.6%	11.8%	3.7%	0.7%	0.1%	100.0%
	1998	40.6%	21.2%	11.7%	73.5%	85.2%	10.7%	3.4%	0.7%	0.1%	100.0%
	1999	44.5%	20.3%	10.8%	75.6%	86.9%	9.5%	3.0%	0.6%	0.1%	100.0%
	2000	48.7%	19.4%	10.0%	78.1%	88.2%	8.4%	2.7%	0.6%	0.1%	100.0%
	2001	39.5%	21.5%	11.8%	72.8%	85.3%	10.6%	3.4%	0.7%	0.1%	100.0%
	2002	36.7%	22.1%	12.5%	71.4%	84.6%	11.1%	3.4%	0.7%	0.1%	100.0%
	2003	38.7%	22.2%	12.2%	73.1%	85.7%	10.5%	3.1%	0.7%	0.1%	100.0%
	2004	42.7%	21.6%	11.4%	75.7%	87.1%	9.5%	2.8%	0.6%	0.1%	100.0%
	2005	47.5%	20.3%	10.4%	78.3%	88.6%	8.3%	2.5%	0.5%	0.1%	100.0%
	2006	47.9%	20.4%	10.2%	78.5%	88.5%	8.4%	2.5%	0.5%	0.1%	100.0%
Percentage Change	1993-06	14.6%	-0.6%	-2.2%	11.8%	8.0%	-5.5%	-2.1%	-0.4%	0.0%	0.0%
	2004-05	4.8%	-1.3%	-1.0%	2.6%	1.5%	-1.2%	-0.3%	-0.1%	0.0%	0.0%
	2005-06	0.4%	0.0%	-0.2%	0.2%	-0.1%	0.1%	0.0%	0.0%	0.0%	0.0%

Source: Franchise Tax Board. 1993 through 2006 Personal Income Tax Samples.

Tax-Weighted Distribution of Income by Source
California Residents
Tax Year 2006 (Preliminary Data)

Income Item	Percent Distribution	
	Unweighted	Tax-Weighted**
Wages	66.4%	53.3%
Taxable Interest	3.2%	3.4%
Ordinary Dividend	2.6%	3.4%
Business Income	4.5%	3.3%
Capital Gain	11.8%	20.7%
IRA Distribution	1.3%	0.9%
Pension Income	4.5%	2.9%
Rental/Royalty Income	0.2%	1.0%
Partnership Income	5.5%	9.9%
Other Income	0.1%	1.3%
Adjusted Total Income*	100.0%	100.0%

* Income is Federal Total Income adjusted for income sources exempt from tax in California. Excluded income sources are:

- State tax refund
- Taxable social security income
- Unemployment insurance income

** Per tax return adjustment =
(Total tax minus child and dependent care credit) divided by
adjusted total income

Source : 2006 PIT Sample

FRANCHISE TAX BOARD
Corporation Tax Law

Accrual Estimates
(\$ in Millions)

Payments	2006-2007	2007-2008	2008-2009
Estimate Payments	\$431.0	\$379.1	\$405.5
Return Remittances Payments	423.8	339.5	358.7
Other	457.7	353.4	373.4
Total	1,312.5	1,072.0	1,137.6
Refunds	-1,384.9	-1,461.1	-1,454.4
Total	-\$72.4	-\$389.1	-\$316.8

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FRANCHISE TAX BOARD
Corporation Tax

All Reporting Corporations
Comparison of 2005 to Preliminary 2006 Tax Years Statistical Sample Data
(Amounts in Thousands of Dollars)

Data Item	2005		2006		Percent Change	
	Returns	Amount	Returns	Amount	Returns	Amount
Total State Net Income After Apportionment	651,059	115,372,458	680,093	141,445,854	4.5%	22.6%
Taxable Loss	282,081	47,338,513	295,815	46,299,368	4.9%	-2.2%
Taxable Profit	368,978	162,710,971	384,278	187,745,222	4.1%	15.4%
NOL/Disaster loss	108,370	14,836,567	105,531	15,481,578	-2.6%	4.3%
State Net Income after NOL/Disaster Loss	651,059	100,535,891	680,093	125,964,276	4.5%	25.3%
Tax Before Credits and Alternative Minimum Tax	651,059	10,039,238	680,093	11,837,281	4.5%	17.9%
Tax Credits	7,317	1,434,492	7,476	1,892,559	2.2%	31.9%
Alternative Minimum Tax	2,702	55,153	2,677	84,980	-0.9%	54.1%
Total State Tax	651,059	8,671,190	680,093	10,029,703	4.5%	15.7%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD
Corporation Tax

Comparison by Tax Years
1967 Through Preliminary 2006

Tax Year	Dollars in Thousands							
	Number of Returns				Income Reported for State Taxation		Tax Assessed	
	All Reporting Corporations	Corporations Reporting Net Income	Corporations Reporting Net Loss	Reporting No Income or Loss	All Reporting Corporations	Corporations Reporting Net Income	All Reporting Corporations	Corporations Reporting Net Income
2006	680,093	384,278	243,903	51,911	\$141,445,854	\$187,745,222	\$10,029,703	\$9,809,663
2005	651,059	368,978	232,578	49,503	115,372,458	162,710,971	8,671,190	8,457,437
2004	616,805	344,456	224,542	47,807	82,328,028	130,907,962	7,122,773	6,916,713
2003	589,310	321,594	220,929	46,787	50,819,214	105,077,019	6,226,829	6,021,449
2002	550,853	304,561	206,578	39,714	29,685,925	95,596,901	5,601,171	5,400,429
2001	520,056	294,873	190,570	34,613	17,559,698	93,583,560	5,122,490	4,940,261
2000	497,844	291,396	174,614	31,834	33,859,625	107,881,155	5,912,634	5,740,187
1999	481,036	284,442	166,447	30,147	45,319,141	91,704,716	5,305,286	5,111,496
1998	460,567	272,961	160,269	27,337	50,520,066	86,437,571	5,023,555	4,852,880
1997	443,757	262,193	156,443	25,121	54,167,157	83,705,566	5,203,526	5,040,830
1996	430,796	251,737	155,933	23,126	47,264,188	75,989,249	4,881,666	4,725,216
1995	418,262	239,375	155,296	23,591	42,984,525	68,927,509	4,757,092	4,587,671
1994	414,201	229,352	157,739	27,110	33,105,424	57,424,151	4,284,781	4,123,726
1993	418,108	217,858	170,818	29,432	20,117,987	48,332,148	3,928,594	3,745,763
1992	418,135	213,264	174,740	30,131	16,113,691	44,969,835	3,866,080	3,670,634
1991	432,242	219,405	174,468	38,369	19,045,273	44,177,472	3,861,375	3,674,460
1990	446,890	230,426	167,929	48,535	28,973,557	53,268,162	4,416,308	4,240,292
1989	447,714	229,559	166,445	51,711	32,910,946	52,883,979	4,384,191	4,271,180
1988	448,486	229,226	165,917	53,343	32,372,372	50,752,909	4,264,044	4,190,184
1987	464,186	245,505	164,936	53,745	29,718,893	45,619,163	4,057,893	4,000,107
1986	414,602	216,677	149,684	48,241	25,457,211	40,042,508	3,656,450	3,604,958
1985	388,244	207,388	139,408	41,448	21,119,799	34,308,413	3,359,621	3,294,835
1984	397,854	208,566	149,831	39,456	19,348,558	31,741,861	3,080,442	3,041,383
1983	337,165	184,408	125,149	27,614	16,485,259	26,628,298	2,587,936	2,556,331
1982	326,264	175,054	120,964	30,246	10,744,906	22,827,789	2,223,341	2,191,707
1981	299,215	172,122	101,398	25,695	16,367,137	24,213,913	2,377,610	2,351,249
1980	275,493	165,183	86,482	23,828	20,654,235	25,825,405	2,497,647	2,475,051
1979	248,188	154,468	72,343	21,377	20,734,811	24,825,988	2,301,054	2,282,059
1978	221,527	138,495	63,725	19,307	18,727,933	21,974,367	2,066,579	2,049,715
1977	200,393	124,175	57,949	18,269	14,940,577	17,830,411	1,683,229	1,667,681
1976	184,326	113,614	52,249	16,463	11,915,878	14,807,760	1,390,238	1,375,779
1975	177,665	106,213	53,965	17,487	8,362,261	11,671,553	1,097,939	1,083,238
1974	172,185	102,680	49,962	19,543	8,977,795	11,734,409	1,094,177	1,079,976
1973	165,676	97,377	46,937	21,362	7,911,161	10,207,612	873,720	859,850
1972	158,932	91,055	47,214	20,663	6,465,182	8,561,184	687,618	678,175
1971	151,216	83,664	47,621	19,931	4,804,362	7,249,163	545,901	539,169
1970	145,352	81,340	44,318	19,694	4,385,654	6,711,523	507,475	501,097
1969	136,695	80,348	38,627	17,720	5,642,555	7,476,775	559,643	553,360
1968	128,505	77,238	36,754	14,513	6,003,297	7,254,536	537,280	532,102
1967	125,677	73,433	38,188	14,056	5,252,164	6,455,635	461,812	456,606

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD
Corporation Tax

Comparison by State Net Income Class
Preliminary 2006 Tax Year

Net Income Taxable in California	Dollars in Thousands										
	Returns			Net Income Less Net Loss			Tax Assessed				
	Number	Percent of Total	Percent Cumulative	Amount	Percent of Total	Percent Cumulative	Amount	Percent of Total	Percent Cumulative	Percent Cumulative Reverse	
Net Loss	243,903	35.9%	35.9%	(\$46,299,368)	--	--	\$184,624	1.8%	1.8%	100.0%	
No Income or Loss	51,911	7.6%	43.5%	0	0.0%	0.0%	35,416	0.4%	2.2%	98.2%	
\$1 Under	5,000	75,876	11.2%	54.7%	146,048	0.1%	0.1%	55,030	0.5%	2.7%	97.8%
5,000 Under	10,000	32,767	4.8%	59.5%	254,131	0.1%	0.2%	25,146	0.3%	3.0%	97.3%
10,000 Under	15,000	29,281	4.3%	63.8%	356,862	0.2%	0.4%	24,398	0.2%	3.2%	97.0%
15,000 Under	20,000	22,980	3.4%	67.2%	400,810	0.2%	0.6%	21,463	0.2%	3.5%	96.8%
20,000 Under	25,000	16,333	2.4%	69.6%	363,937	0.2%	0.8%	16,553	0.2%	3.6%	96.5%
25,000 Under	30,000	12,014	1.8%	71.3%	326,819	0.2%	1.0%	13,416	0.1%	3.7%	96.4%
30,000 Under	40,000	24,817	3.6%	75.0%	867,906	0.5%	1.4%	32,477	0.3%	4.1%	96.3%
40,000 Under	50,000	19,932	2.9%	77.9%	895,962	0.5%	1.9%	34,012	0.3%	4.4%	95.9%
50,000 Under	60,000	20,826	3.1%	81.0%	1,132,233	0.6%	2.5%	37,077	0.4%	4.8%	95.6%
60,000 Under	70,000	12,817	1.9%	82.8%	833,795	0.4%	3.0%	21,900	0.2%	5.0%	95.2%
70,000 Under	80,000	10,721	1.6%	84.4%	803,139	0.4%	3.4%	25,822	0.3%	5.3%	95.0%
80,000 Under	90,000	9,674	1.4%	85.8%	819,846	0.4%	3.8%	25,778	0.3%	5.5%	94.7%
90,000 Under	100,000	5,888	0.9%	86.7%	558,149	0.3%	4.1%	15,962	0.2%	5.7%	94.5%
100,000 Under	150,000	25,197	3.7%	90.4%	3,064,670	1.6%	5.8%	83,594	0.8%	6.5%	94.3%
150,000 Under	200,000	12,657	1.9%	92.3%	2,179,259	1.2%	6.9%	56,454	0.6%	7.1%	93.5%
200,000 Under	250,000	8,520	1.3%	93.5%	1,908,848	1.0%	7.9%	49,105	0.5%	7.6%	92.9%
250,000 Under	300,000	6,542	1.0%	94.5%	1,799,724	1.0%	8.9%	48,403	0.5%	8.0%	92.4%
300,000 Under	400,000	7,522	1.1%	95.6%	2,607,960	1.4%	10.3%	70,717	0.7%	8.7%	92.0%
400,000 Under	500,000	5,410	0.8%	96.4%	2,434,563	1.3%	11.6%	71,397	0.7%	9.5%	91.3%
500,000 Under	750,000	6,581	1.0%	97.4%	3,994,649	2.1%	13.7%	113,193	1.1%	10.6%	90.5%
750,000 Under	1,000,000	3,402	0.5%	97.9%	2,951,747	1.6%	15.3%	90,443	0.9%	11.5%	89.4%
1,000,000 Under	1,500,000	4,635	0.7%	98.5%	5,575,315	3.0%	18.3%	197,923	2.0%	13.5%	88.5%
1,500,000 Under	2,000,000	2,290	0.3%	98.9%	3,968,586	2.1%	20.4%	130,375	1.3%	14.8%	86.5%
2,000,000 Under	3,000,000	2,225	0.3%	99.2%	5,409,342	2.9%	23.3%	186,779	1.9%	16.6%	85.2%
3,000,000 Under	4,000,000	1,168	0.2%	99.4%	4,026,453	2.1%	25.4%	153,538	1.5%	18.2%	83.4%
4,000,000 Under	5,000,000	741	0.1%	99.5%	3,325,618	1.8%	27.2%	133,370	1.3%	19.5%	81.8%
5,000,000 Under	10,000,000	1,581	0.2%	99.7%	10,955,123	5.8%	33.0%	436,211	4.3%	23.8%	80.5%
\$10,000,000 And Over		1,882	0.3%	100.0%	125,783,728	67.0%	100.0%	7,639,127	76.2%	100.0%	76.2%
Total	680,093	100.0%	100.0%	\$141,445,854	100.0%	100.0%	\$10,029,703	100.0%	100.0%	100.0%	

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD
Corporation Tax

Comparison by Industry
All Reporting Corporations
2005 and Preliminary 2006 Tax Years

Industry	Income in Thousands				Percent Change	
	2005		2006		Number	Income
	Number	Net Income Less Net Loss	Number	Net Income Less Net Loss		
Agriculture, Forestry, Fishing, and Mining	10,230	\$1,501,025	11,526	\$2,050,416	12.7%	36.6%
Construction	57,780	11,065,578	61,721	10,931,813	6.8%	-1.2%
Manufacturing	45,309	30,251,376	45,217	40,250,174	-0.2%	33.1%
Durable Goods Manufacturing	29,720	12,811,744	30,494	18,030,355	2.6%	40.7%
Nondurable Goods Manufacturing	15,589	17,439,632	14,723	22,219,819	-5.6%	27.4%
Services	267,441	8,897,121	272,949	10,276,819	2.1%	15.5%
Professional, Scientific, and Technical Services	103,744	741,936	112,035	1,204,498	8.0%	62.3%
Administrative Services	15,214	1,722,805	19,677	1,555,903	29.3%	-9.7%
Accommodation and Food Services	24,381	1,671,683	23,708	2,105,210	-2.8%	25.9%
Arts, Entertainment, and Recreation	22,237	997,674	27,724	1,269,447	24.7%	27.2%
Health Services	50,719	2,321,254	53,170	2,926,667	4.8%	26.1%
Other Services	51,146	1,441,769	36,635	1,215,094	-28.4%	-15.7%
Trade	112,217	22,033,286	118,488	25,885,481	5.6%	17.5%
Wholesale Trade	62,019	10,602,980	63,625	13,221,860	2.6%	24.7%
Retail Trade	50,198	11,430,306	54,863	12,663,621	9.3%	10.8%
Finance, Insurance, and Real Estate	118,477	32,572,243	125,627	33,085,406	6.0%	1.6%
Finance, Investment and Insurance	27,657	19,042,918	29,486	22,674,439	6.6%	19.1%
Holding Companies	5,104	3,052,887	5,140	2,677,449	0.7%	-12.3%
Real Estate	85,716	10,476,438	91,001	7,733,518	6.2%	-26.2%
Transportation, Warehousing, and Utilities	15,917	5,211,672	16,375	6,192,737	2.9%	18.8%
Information and Communications	23,688	3,840,157	28,190	12,773,008	19.0%	232.6%
Total	651,059	\$115,372,458	680,093	\$141,445,854	4.5%	22.6%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD
Corporation Tax

Comparison by Industry
Positive Net Income Corporations
2005 and Preliminary 2006 Tax Years

Industry	Income in Thousands				Percent Change	
	2005		2006		Number	Net Income
	Number	Net Income	Number	Net Income		
Agriculture, Forestry, Fishing, and Mining	5,495	\$2,369,413	6,817	\$2,776,404	24.1%	17.2%
Construction	34,681	12,464,349	37,418	12,453,677	7.9%	-0.1%
Manufacturing	25,782	42,177,959	25,420	52,426,999	-1.4%	24.3%
Durable Goods Manufacturing	16,886	21,821,635	17,474	27,477,132	3.5%	25.9%
Nondurable Goods Manufacturing	8,896	20,356,324	7,946	24,949,867	-10.7%	22.6%
Services	151,778	22,151,979	155,047	25,104,224	2.2%	13.3%
Professional, Scientific, and Technical Services	61,801	9,697,138	65,160	11,643,237	5.4%	20.1%
Administrative Services	8,412	2,293,424	9,761	2,255,606	16.0%	-1.6%
Accommodation and Food Services	13,644	2,425,417	12,270	2,782,609	-10.1%	14.7%
Arts, Entertainment, and Recreation	11,449	1,739,187	12,424	2,093,964	8.5%	20.4%
Health Services	29,111	3,709,440	32,800	4,599,710	12.7%	24.0%
Other Services	27,361	2,287,373	22,632	1,729,098	-17.3%	-24.4%
Trade	62,579	27,401,093	66,713	31,173,553	6.6%	13.8%
Wholesale Trade	34,180	13,869,949	36,860	16,326,526	7.8%	17.7%
Retail Trade	28,399	13,531,144	29,853	14,847,027	5.1%	9.7%
Finance, Insurance, and Real Estate	67,639	37,976,846	69,442	39,734,606	2.7%	4.6%
Finance, Investment and Insurance	15,132	21,067,845	16,412	25,058,470	8.5%	18.9%
Holding Companies	3,386	4,395,057	2,713	4,680,094	-19.9%	6.5%
Real Estate	49,121	12,513,944	50,317	9,996,042	2.4%	-20.1%
Transportation, Warehousing, and Utilities	9,134	6,876,618	9,794	7,443,434	7.2%	8.2%
Information and Communications	11,890	11,292,714	13,627	16,632,325	14.6%	47.3%
Total	368,978	\$162,710,971	384,278	\$187,745,222	4.1%	15.4%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD
Corporation Tax

Comparison by Industry
Net Loss or No Income Corporations
2005 and Preliminary 2006 Tax Years

Industry	Loss in Thousands				Percent Change	
	2005		2006		Number	Net Loss or No Income
	Number	Net Loss or No Income	Number	Net Loss or No Income		
Agriculture, Forestry, Fishing, and Mining	4,735	\$868,389	4,709	\$725,988	-0.5%	-16.4%
Construction	23,099	1,398,771	24,303	1,521,863	5.2%	8.8%
Manufacturing	19,527	11,926,583	19,798	12,176,824	1.4%	2.1%
Durable Goods Manufacturing	12,833	9,009,891	13,020	9,446,777	1.5%	4.8%
Nondurable Goods Manufacturing	6,694	2,916,692	6,778	2,730,047	1.3%	-6.4%
Services	115,664	13,254,858	117,902	14,827,407	1.9%	11.9%
Professional, Scientific, and Technical Services	41,944	8,955,202	46,877	10,438,739	11.8%	16.6%
Administrative Services	6,802	570,619	9,915	699,703	45.8%	22.6%
Accommodation and Food Services	10,737	753,734	11,438	677,400	6.5%	-10.1%
Arts, Entertainment, and Recreation	10,788	741,513	15,299	824,517	41.8%	11.2%
Health Services	21,608	1,388,186	20,370	1,673,043	-5.7%	20.5%
Other Services	23,785	845,604	14,003	514,005	-41.1%	-39.2%
Trade	49,638	5,367,808	51,775	5,288,072	4.3%	-1.5%
Wholesale Trade	27,839	3,266,970	26,765	3,104,666	-3.9%	-5.0%
Retail Trade	21,799	2,100,838	25,010	2,183,406	14.7%	3.9%
Finance, Insurance, and Real Estate	50,838	5,404,602	56,184	6,649,200	10.5%	23.0%
Finance, Investment and Insurance	12,525	2,024,926	13,074	2,384,032	4.4%	17.7%
Holding Companies	1,718	1,342,170	2,426	2,002,644	41.2%	49.2%
Real Estate	36,595	2,037,506	40,684	2,262,524	11.2%	11.0%
Transportation, Warehousing, and Utilities	6,782	1,664,945	6,581	1,250,697	-3.0%	-24.9%
Information and Communications	11,797	7,452,557	14,563	3,859,317	23.4%	-48.2%
Total	282,081	\$47,338,513	295,815	\$46,299,368	4.9%	-2.2%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD
Corporation Tax

Comparison by Accounting Period
Preliminary 2006 Tax Year

Accounting Period Ending	Dollars in thousands											
	Corporations Reporting Positive Net Income						All Reporting Corporations					
	Returns		Net Income		Tax Assessed		Returns		Net Income Less Net Loss		Tax Assessed	
	Number	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Number	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Jan 31, 2006	4,927	1.3%	\$7,134,867	3.8%	\$528,983	5.4%	9,981	1.5%	\$6,311,689	4.5%	\$536,538	5.3%
Feb 28, 2006	3,676	1.0%	2,179,326	1.2%	149,105	1.5%	6,909	1.0%	1,794,490	1.3%	151,565	1.5%
Mar 31, 2006	10,715	2.8%	7,151,610	3.8%	451,538	4.6%	20,420	3.0%	4,337,037	3.1%	460,136	4.6%
Apr 30, 2006	3,368	0.9%	2,348,741	1.3%	89,710	0.9%	8,544	1.3%	1,857,329	1.3%	93,831	0.9%
May 31, 2006	4,674	1.2%	2,713,087	1.4%	117,271	1.2%	9,211	1.4%	2,236,346	1.6%	120,879	1.2%
Jun 30, 2006	18,327	4.8%	6,773,818	3.6%	407,321	4.2%	33,750	5.0%	4,542,524	3.2%	419,589	4.2%
Jul 31, 2006	5,433	1.4%	4,697,761	2.5%	221,371	2.3%	12,262	1.8%	3,937,456	2.8%	227,370	2.3%
Aug 31, 2006	5,376	1.4%	1,881,396	1.0%	132,711	1.4%	11,096	1.6%	1,396,242	1.0%	137,374	1.4%
Sep 30, 2006	16,657	4.3%	9,875,274	5.3%	503,214	5.1%	27,974	4.1%	8,405,920	5.9%	512,809	5.1%
Oct 31, 2006	4,857	1.3%	5,397,063	2.9%	208,472	2.1%	10,131	1.5%	4,760,402	3.4%	212,363	2.1%
Nov 30, 2006	3,588	0.9%	2,613,378	1.4%	150,853	1.5%	6,998	1.0%	2,089,060	1.5%	153,604	1.5%
Dec 31, 2006	302,680	78.8%	134,978,901	71.9%	6,849,114	69.8%	522,817	76.9%	99,777,359	70.5%	7,003,645	69.8%
	384,278	100.0%	\$187,745,222	100.0%	\$9,809,663	100.0%	680,093	100.0%	\$141,445,854	100.0%	\$10,029,703	100.0%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD
 Corporation Tax Law
 Special Tax Credits Allowed
 Credit Amount > \$10 million
 2005-2006 Tax Years

Credit	2005		2006		Percent Change
	Number	Amount (\$ Thousands)	Number	Amount (\$ Thousands)	
Enterprise Zone and Program Area Hiring and Sales	3,114	201,230	3,434	219,882	9.3%
Los Angeles Revitalization Zone Carryover	386	11,540	356	8,691	-24.7%
Low-Income Housing	45	41,767	49	49,602	18.8%
Manufacturer's Investment	1,248	164,223	1,032	91,301	-44.4%
Prior Year Alternative Minimum Tax	817	36,114	1,177	29,381	-18.6%
Research	1,824	953,807	2,037	1,242,897	30.3%
Subtotal	7,434	\$ 1,408,681	8,085	\$ 1,641,754	16.5%

FRANCHISE TAX BOARD
 Corporation Tax Law
 Special Tax Credits Allowed
 Credit Amount < \$10 million
 2005-2006 Tax Years

Credit	2005		2006		Percent Change
	Number	Amount (\$ Thousands)	Number	Amount (\$ Thousands)	
Child Care Contribution	81	587	68	468	-20.2%
Child Care Program	22	276	21	227	-17.7%
Commercial Solar Energy	5	75	4	77	2.7%
Community Development Financial Inst. Deposits	4	1,409	4	97	-93.1%
Disabled Access	134	17	141	21	24.9%
Enhanced Oil Recovery	21	1,824	15	8,134	345.9%
Joint Strike Fighter Wage	3	4,117	3	3,792	-7.9%
Local Agency Military Base Recovery Area	21	1,867	25	1,910	2.3%
Recycling Equipment	9	784	8	89	-88.6%
Rice Straw	8	33	6	34	2.5%
Solar Energy	10	121	10	159	31.2%
Solar Energy Systems	51	687	30	190	-72.3%
Solar Pump	8	176	6	292	65.8%
Targeted Tax Area	57	3,699	61	5,070	37.1%
Other	17	5,899	21	3,499	-40.7%
Subtotal	451	21,571	423	24,059	11.5%
Grand Total	7,885	\$ 1,430,252	8,508	\$ 1,665,813	16.5%

Manufacturer's Investment Credits Applied by Industrial Sub-sector

Industrial Sub-sector	2005		2006		Percent Change	
	Returns	Credit Applied (\$ Thousands)	Returns	Credit Applied (\$ Thousands)	Returns	Amount
Food and Kindred Products	103	12,352	91	9,255	-11.7%	-25.1%
Chemicals and Allied Products	24	4,078	11	957	-54.2%	-76.5%
Pharmaceuticals	*	550	*	2,261	NA	311.0%
Oil and Gas Refining and Related Industries	*	4,909	*	4,685	NA	-4.6%
Electrical and Electronic Equipment	131	43,369	100	12,273	-23.7%	-71.7%
Other Manufacturing	739	60,300	644	36,897	-12.9%	-38.8%
Information	*	20,849	*	2,471	NA	-88.1%
Other	233	17,816	170	22,501	-27.0%	26.3%
Total	1,248	164,223	1,032	91,301	-17.3%	-44.4%

* Fewer than 10

Research and Development Credits Applied by Industrial Sub-sector

Industrial Sub-sector	2005		2006		Percent Change	
	Returns	Credit Applied (\$ Thousands)	Returns	Credit Applied (\$ Thousands)	Returns	Amount
Food and Kindred Products	27	2,467	33	5,163	22.2%	109.3%
Chemicals and Allied Products	46	5,550	52	7,307	13.0%	31.7%
Pharmaceuticals	31	201,096	35	166,580	12.9%	-17.2%
Electrical and Electronic Equipment	413	391,362	426	475,075	3.1%	21.4%
Other Manufacturing	430	83,694	524	158,834	21.9%	89.8%
Information	46	70,302	55	102,318	19.6%	45.5%
Other	831	199,336	912	327,619	9.7%	64.4%
Total	1,824	953,807	2,037	1,242,897	11.7%	30.3%

FRANCHISE TAX BOARD
 Corporation Tax
 Net Operating Loss
 Aggregate Data Relating to Bank and Corporation NOLs

Exhibit B-4
 1 of 2

Income Year	NOLs Not Yet Deducted as of Beginning of Year		Taxpayers With NOL Deductions		New NOL Carryforwards		Expirations of NOL Deductions /a	NOLs Not Yet Deducted as of End of Year
	Number of Returns	Amount (\$Mil)	Number of Returns	Amount (\$Mil)	Losses	Amount of Carryforward (\$Mil)	Amount (\$Mil)	Amount (\$Mil)
1987	107,191	9,534	13,713	832	17,326	8,663	-	17,365
1988	182,661	17,365	61,744	1,939	19,475	9,737	-	25,163
1989	213,587	25,163	65,253	2,119	22,440	11,220	1,904	32,361
1990	243,940	32,361	70,607	2,451	26,127	13,064	5,118	37,856
1991	238,525	37,856	35,598	947	28,110	14,055	-	50,964
1992	293,093	50,964	0	0	31,405	15,702	-	66,666
1993	356,665	66,666	58,157	3,052	29,650	14,825	-	78,439
1994	377,489	78,439	106,486	5,142	26,119	13,060	6,143	80,214
1995	373,858	80,214	90,150	5,172	27,778	13,889	6,849	82,082
1996	369,554	82,082	86,426	5,192	30,409	15,205	7,457	84,638
1997	367,656	84,638	84,389	5,864	29,917	14,958	15,618	78,115
1998	359,833	78,115	82,536	5,800	37,359	18,680	23,370	67,625
1999	300,297	67,625	80,580	5,600	48,087	24,044	8,820	77,249
2000	303,568	77,249	79,425	7,226	77,052	41,497	9,544	101,976
2001	316,729	101,976	78,353	6,642	81,361	44,749	10,584	129,499
2002	338,405	129,499	26,605	1,635	69,619	41,771	1,029	168,606
2003	418,147	168,606	0	0	56,463	33,878	-	202,484
2004	503,292	202,484	105,546	10,624	51,822	46,023	9,028	228,855
2005	500,127	228,855	136,176	14,601	51,608	51,608	13,059	252,803
2006	505,895	252,803	121,807	14,638	46,144	46,144	17,418	266,891

/a Includes unused but potentially usable NOL carryforwards due to S-Corp conversions as well as those associated with corporations that are active or have dissolved, merged, been suspended, become inactive, or been subsumed within combined reports.

Source: California Franchise Tax Board, Business Entity Tax System as of April 8, 2008 Detail may not add to totals due to rounding.

FRANCHISE TAX BOARD

Corporation Tax

Net Operating Loss

Distribution of NOL Stocks at the End of 2003 Income Year, by Vintage

Exhibit B-4

2 of 2

Year NOL was Generated	Total NOLs Generated (\$Bil)	Total NOLs Deducted (\$Bil)	Subtractions for Expirations (\$Bil)	NOLs Remaining	
				\$ Amount (\$Bil)	% Share
1985	2.5	0.5	1.9	0.0	0.0
1986	7.1	2.0	5.1	0.0	0.0
1987	8.7	2.5	6.1	0.0	0.0
1988	9.7	2.9	6.8	0.0	0.0
1989	11.2	3.8	7.5	0.0	0.0
1990	13.1	4.6	8.4	0.0	0.0
1991	14.1	7.9	6.2	0.0	0.0
1992	15.7	1.7	14.0	0.0	0.0
1993	14.8	4.4	10.4	0.0	0.0
1994	13.1	4.2	8.8	0.0	0.0
1995	13.9	4.3	9.5	0.0	0.0
1996	15.2	4.6	10.6	0.0	0.0
1997	15.0	4.9	10.1	0.0	0.0
1998	18.7	5.6	13.1	0.0	0.0
1999	24.0	6.6	17.4	0.0	0.0
2000	41.5	9.4	0.0	32.1	12.0
2001	44.7	7.4	0.0	37.4	14.0
2002	41.8	7.5	0.0	34.3	12.9
2003	33.9	6.2	0.0	27.7	10.4
2004	46.0	5.4	0.0	40.7	15.2
2005	51.6	3.0	0.0	48.6	18.2
2006	46.1	0.0	0.0	46.1	17.3
Totals	502.3	99.5	135.9	266.9	100.0

Source: California Franchise Tax Board, Business Entity Tax System as of April 8, 2008

FRANCHISE TAX BOARD
 Bank and Corporation Tax
 California S Corporations and Their Aggregate Income and Tax Liability Characteristics
 2000-2006
 (\$ in Millions)

Income Category of S Corporations	2000	2001	Pct Change	2002	Pct Change	2003	Pct Change	2004	Pct Change	2005	Pct Change	2006	Pct Change
Positive State Net Income S Corporations:													
-- Number	115,119	126,347	9.8	142,051	12.4	158,808	11.8	181,938	14.6	204,653	12.5	214,852	5.0
-- SNI	31,369	29,415	-6.2	30,392	3.3	33,641	10.7	43,587	29.6	51,062	17.2	56,774	11.2
-- Tax Liability	477	450	-5.5	486	7.8	541	11.4	670	23.7	781	16.7	861	10.1
Negative State Net Income S Corporations: /a													
-- Number	68,524	79,583	16.1	91,939	15.5	101,419	10.3	115,319	13.7	126,172	9.4	131,990	4.6
-- SNI	-5,343.7	-6,118	14.5	-6,487	6.0	-6,543	0.9	-7,458	14.0	-7,367	-1.2	-8,500	15.4
-- Tax Liability	45	54	20.0	62	14.9	68	10.0	75	11.0	83	10.2	91	10.3
All S Corporations:													
-- Number	183,643	205,930	12.1	233,990	13.6	260,227	11.2	297,257	14.2	330,825	11.3	346,842	4.8
-- SNI	26,025	23,298	-10.5	23,906	2.6	27,098	13.4	36,129	33.3	43,695	20.9	48,274	10.5
-- Tax Liability	522	504	-3.3	547	8.6	609	11.2	745	22.3	864	16.0	952	10.2

/a Data include corporations reporting zero SNI.

Source: California Franchise Tax Board, Business Entity Tax System as of April, 2006.

/a Data include certain corporations reporting either zero SNI, or neither positive nor negative SNI.

FRANCHISE TAX BOARD
 Bank and Corporation Tax
 California PIT Taxpayers Reporting S Corporation Income and Losses
 2003 through 2006

	Residents			Nonresidents			Total		
	All Taxpayers (000's)	Taxpayers Reporting S Corporation Income (000's)	Share (%)	All Taxpayers (000's)	Taxpayers Reporting S Corporation Income (000's)	Share (%)	All Taxpayers (000's)	Taxpayers Reporting S Corporation Income (000's)	Share (%)
2003	13,624	264.6	1.94%	626	36.0	5.75%	14,250	300.6	2.11%
2004	13,833	258.2	1.87%	680	47.2	6.94%	14,513	305.4	2.10%
2005	14,088	309.9	2.20%	738	36.3	4.92%	14,826	346.2	2.34%
2006	14,383	331.4	2.30%	752	43.0	5.72%	15,135	374.4	2.47%
Year-to-Year Percentage Change									
2003-04	1.53%	-2.42%	-3.89%	8.63%	31.11%	20.70%	1.85%	1.60%	-0.24%
2004-05	1.84%	20.02%	17.85%	8.53%	-23.09%	-29.14%	2.16%	13.36%	10.97%
2005-06	2.09%	6.94%	4.74%	1.90%	18.46%	16.25%	2.08%	8.15%	5.94%

Source: Franchise Tax Board 2006 PIT Sample
 Details may not add up to totals due to rounding.

FRANCHISE TAX BOARD
Bank and Corporation Tax
Aggregate S Corporation Income and Losses Reported by California Taxpayers
2006

Exhibit B-5
3 of 4

Income Category	Residents		Nonresidents		Total	
	Number Returns (a)	Amount (Mil.)	Number Returns (a)	Amount (Mil.)	Number Returns (a)	Amount (Mil.)
Passive Income	57,946	\$5,406	12,878	\$6,052	70,824	\$11,458
Nonpassive Income	178,275	\$29,940	25,050	\$21,441	203,325	\$51,381
Total PIT Returns with Positive S Corporation Income	226,785	\$35,346	33,118	\$27,493	259,903	\$62,839
Passive losses	22,853	\$742	11,270	\$1,673	34,123	\$2,415
Nonpassive losses	121,495	\$7,914	19,127	\$8,475	140,622	\$16,389
Section 179 Deductions	79,880	\$1,507	12,670	\$566	92,550	\$2,073
Total PIT Returns with S Corporation Losses	206,164	\$10,163	32,430	\$10,714	238,594	\$20,877
All PIT Returns with S Corporation Income/Losses	331,404	\$25,183	43,038	\$16,778	374,442	\$41,961

Source: Franchise Tax Board 2006 PIT Sample

Details may not add up to totals due to rounding.

(a) Numbers of returns are not additive because individual taxpayers may report both S Corporation passive and nonpassive positive income and losses.

FRANCHISE TAX BOARD
 Bank and Corporation Tax
 S Corp Income and Losses Reported by California Taxpayers
 2003 - 2006

	Income						Losses								Net Income/Losses	
	Passive		Nonpassive		Total		Passive		Nonpassive		Section 179 Deductions		Total			
	Number Returns	Amount (Mil.)	Number Returns	Amount (Mil.)	Number Returns (a)	Amount (Mil.)	Number Returns	Amount (Mil.)	Number Returns	Amount (Mil.)	Number Returns	Amount (Mil.)	Number Returns (a)	Amount (Mil.)	Number Returns (a)	Amount (Mil.)
2003	50,181	\$4,382	137,870	\$21,539	179,089	\$25,921	21,358	\$697	109,103	\$6,521	70,586	\$1,258	176,688	\$8,477	264,627	\$17,445
2004	50,446	\$4,941	135,877	\$24,974	178,429	\$29,916	19,964	\$727	105,785	\$6,452	66,599	\$1,253	171,956	\$8,433	258,218	\$21,483
2005	57,610	\$5,637	176,024	\$32,010	225,479	\$37,647	23,477	\$1,267	113,656	\$6,551	83,508	\$4,491	198,230	\$12,309	309,869	\$25,338
2006	57,946	\$5,406	178,275	\$29,940	226,785	\$35,346	22,853	\$742	121,495	\$7,914	79,880	\$1,507	206,164	\$10,163	331,404	\$25,183
Year-to-Year Percentage Change																
2003-04	0.53%	12.76%	-1.45%	15.95%	-0.37%	15.41%	-6.53%	4.30%	-3.04%	-1.06%	-5.65%	-0.40%	-2.68%	-0.52%	-2.42%	23.15%
2004-05	14.20%	14.09%	29.55%	28.17%	26.37%	25.84%	17.60%	74.28%	7.44%	1.53%	25.39%	258.42%	15.28%	45.96%	20.00%	17.94%
2005-06	0.58%	-4.10%	1.28%	-6.47%	0.58%	-6.11%	-2.66%	-41.44%	6.90%	20.81%	-4.34%	-66.44%	4.00%	-17.43%	6.95%	-0.61%

Source: Franchise Tax Board 2006 PIT Sample

Details may not add up to totals due to rounding.

(a) Numbers of returns are not additive because individual taxpayers may report both
 S corporation passive and nonpassive positive income and losses.

FRANCHISE TAX BOARD
 Limited Liability Companies (LLCs)
 1994 to 2006
 (\$ in Millions)

	New LLC Registrations /b	LLC Returns			
		Returns Received	LLC Tax Paid	LLC Fee Paid	Total Revenue
1994	920	678	\$0.5	\$0.2	\$0.8
1995	7,817	6,487	5.0	2.3	7.4
1996	12,549	15,877	12.5	10.0	22.5
1997	18,645	28,909	22.8	20.7	43.5
1998	24,898	43,753	35.8	32.7	68.5
1999	26,221	62,736	51.4	86.7	138.1
2000	26,186	80,379	68.0	139.4	207.9
2001	30,964	97,976	78.4	164.9	243.3
2002	35,958	115,144	92.4	184.3	276.7
2003	46,241	138,151	111.3	210.7	322.1
2004	59,165	164,206	133.5	245.9	379.3
2005	70,025	194,952	157.2	285.3	442.5
2006 a/	73,337	221,293	\$182	\$320.0	\$502.0

/a 2006 tax and fee data as of April 12, 2008
 /b Registrations are reported for the year of registration.
 All other amounts are reported on an income year basis.

Sources: Registrations, Secretary of the State,
 Tax data are from FTB Business Entities Section.

FRANCHISE TAX BOARD
 Limited Liability Companies (LLCs)
 (\$ in Millions)

Distribution of LLCs filing a California Tax Return by Industry 2006 Fee Year			
	All LLCs		LLCs with Fee Greater Than Zero
	Number	Percentage	Percentage
Agriculture, Forestry, Fishing	4,489	2.1%	2.6%
Mining	536	0.2%	0.3%
Transportation and Warehousing	3,808	1.7%	2.1%
Construction	8,672	4.0%	3.5%
Manufacturing, Nondurable Goods	2,679	1.2%	2.0%
Manufacturing, Durable Goods	2,874	1.3%	2.2%
Wholesale Trade	6,032	2.8%	4.2%
Retail Trade	7,916	3.6%	4.8%
Information	7,338	3.4%	2.8%
Finance, Investment, and Insurance	16,639	7.6%	7.1%
Real Estate	109,449	50.2%	45.2%
Professional, Scientific, and Technical Services	17,634	8.1%	7.8%
Holding Companies	2,310	1.1%	0.8%
Administrative Services	2,980	1.4%	1.6%
Other Services	8,570	3.9%	3.2%
Health Services	2,988	1.4%	1.9%
Arts, Entertainment, and Recreation	6,151	2.8%	2.1%
Accommodation and Other Services	6,825	3.1%	5.8%
Total	217,890	100.0%	100.0%
Number of LLCs		217,890	53,026

Source: California Franchise Tax Board
 2006 Business Entities Master File

FRANCHISE TAX BOARD
 Limited Liability Companies (LLCs)
 (\$ in Millions)

The Number of LLCs at each Fee Level					
Gross Receipts	Annual Fee	Number of Firms	Percentage of total	Amount Paid	Percentage of total
< 249,999	-	150,613	68.5%	-	0.0%
> 249,999	900	20,970	9.5%	18.83	5.9%
> 499,999	2,500	16,148	7.3%	40.26	12.6%
> 999,999	6,000	19,935	9.1%	119.05	37.3%
> 4,999,999	11,790	4,342	2.0%	50.74	15.9%
> 9,999,999	11,790	2,939	1.3%	34.36	10.8%
> 19,999,999	11,790	2,373	1.1%	27.55	8.6%
> 49,999,999	11,790	2,430	1.1%	28.30	8.9%
Total		219,750	100.0%	319.08	100.0%

Source: California Franchise Tax Board
 Special LLC Sample from 2006 Business Entities Master File

FRANCHISE TAX BOARD
 Corporation Tax
 Large Corporation Payments versus All Corporation Payments
 for Selected Months /1
 (\$ in Millions)

	Large Payments	All Payments	Percentage of All Payments
2001			
January through April	1,291	2,769	47%
May through June	780	1,378	57%
July through September	824	1,533	54%
October through December	786	1,516	52%
2002			
January through April	1,103	2,471	45%
May through June	740	1,282	58%
July through September	999	1,657	60%
October through December	1,081	1,822	59%
2003			
January through April	1,484	2,971	50%
May through June	956	1,547	62%
July through September	1,070	1,849	58%
October through December	1,019	1,776	57%
2004			
January through April	1,984	3,669	54%
January through March	767	1,701	45%
May through June	1,172	1,804	65%
July through September	1,485	2,361	63%
October through December	1,319	2,229	59%
2005			
January through April	4,977	7,032	71%
May through June	1,371	2,094	65%
July through September	1,949	2,844	69%
October through December	1,630	2,540	64%
2006			
January through April	2,127	4,105	52%
January through March	1,195	2,313	52%
May through June	1,375	2,158	64%
July through September	1,981	3,006	66%
October through December	2,006	3,018	66%
2007			
January through April	2,120	4,268	50%
January through March	1,184	2,418	49%
May through June	1,366	2,160	63%
July through September	1,955	3,101	63%
October through December	1,378	2,507	55%
2008			
January through March	1,040	2,247	46%

Source: California Franchise Tax Board Business Entity Tax System.
 /1 Large payments are defined as payments of more than \$1 million.

FRANCHISE TAX BOARD
Corporation Tax
Large Corporation Payments by Month and Industry /1
(\$ in Millions)

Exhibit B-7
2 of 2

	Agriculture, Mining, and Construction	Manufacturing, Durables	Manufacturing, Non-Durables	Banks and Savings and Loans	Other Financial	Trade	Services	Transportation, Communications, and Utilities	Total
January through April Payments									
2006	123	222	357	339	315	305	237	229	2,127
2007	96	293	305	358	303	299	275	192	2,120
Difference	-27	71	-52	19	-11	-6	38	-38	-7
% Difference	-22%	32%	-15%	6%	-4%	-2%	16%	-17%	0%
May through June Payments									
2006	58	128	257	256	183	212	109	171	1,375
2007	35	127	273	247	145	232	180	126	1,366
Difference	-23	-1	16	-10	-38	21	71	-45	-9
% Difference	-40%	-1%	6%	-4%	-21%	10%	65%	-26%	-1%
July through September Payments									
2006	128	224	427	265	259	343	139	197	1,981
2007	92	202	522	278	252	254	216	141	1,955
Difference	-36	-22	95	12	-7	-89	77	-56	-26
% Difference	-28%	-10%	22%	5%	-3%	-26%	55%	-29%	-1%
October through December Payments									
2006	108	173	360	344	254	275	192	301	2,006
2007	52	141	175	202	261	249	144	155	1,378
Difference	-57	-31	-185	-142	8	-26	-48	-146	-628
% Difference	-52%	-18%	-52%	-41%	3%	-10%	-25%	-49%	-31%
January through March Payments									
2007	36	195	104	170	219	173	200	87	1,184
2008	33	282	176	41	121	180	148	58	1,040
Difference	-4	87	72	-129	-98	8	-52	-29	-145
% Difference	-10%	45%	69%	-76%	-45%	4%	-26%	-33%	-12%
Total Payments from above									
2006-07	454	941	1505	1374	1229	1307	877	985	8,672
2007-08	307	1045	1451	1125	1083	1214	963	671	7,858
Difference	-147	103	-54	-249	-147	-93	86	-314	-814
% Difference	-32%	11%	-4%	-18%	-12%	-7%	10%	-32%	-9%

Source: California Franchise Tax Board Business Entity Tax System. Detail may not add to totals due to rounding.

/1 Large payments are defined as payments of more than \$1 million.

FRANCHISE TAX BOARD
Administrative Settlement Activities
July 1, 2007 through
April 14, 2008
(\$ Millions)

Number of Settlement Cases			
Recommended for Settlement			107
Currently in Settlement Inventory (April 14)			115
Total			222
Dollar Amounts Relating to Cases Settled (\$ Millions)			
Amount in Dispute		\$	342.3
Amount Recommended for Settlement		\$	239.5
Sustainment Ratio			70.0%
Monthly Cash Flow (\$ Millions) /1			
Month	Payments	Refunds /2	Net
July	\$ 2.6	\$ -0.5	\$ 2.1
August	2.3	-6.6	-4.3
September	3.1	0.0	3.1
October	1.8	0.0	1.8
November	0.3	-15.3	-15.0
December	0.3	0.0	0.3
January	0.3	-2.0	-1.7
February	3.0	-8.0	-5.0
March	0.2	-5.3	-5.1
April /1	1.0	-0.1	0.9
Total	\$ 14.9	\$ -37.9	\$ -22.9

Source: Settlement Bureau - Legal Branch, April 2007

/1 Cash received and refunds made during current period for all cases including those

/2 Not included in the refund amounts is \$87,615,796 that was held on account per taxpayers request as tax deposits.