

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	\$205.0	\$274.7	\$288.6
Return Remittances Payments	955.4	952.8	987.7
Other	1,467.7	1,656.4	1,775.7
Withholding (EDD)	1,070.3	918.7	789.4
Withholding (FTB)	107.5	110.1	132.2
Total	\$3,805.8	\$3,912.7	\$3,973.5
Refunds	-1,851.2	-1,878.6	-1,718.7
Net	\$1,954.6	\$2,034.1	\$2,254.8

11/12/2007

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FRANCHISE TAX BOARD  
PERSONAL INCOME TAX

Trend of 2007 Pipeline

	2006 Actuals	Dec 2007 Est	2007-2006 Diff	%CH
Tot Returns Proc	16,171,330	16,513,000	341,670	2.11%
Credit Transfers				
Number	514,736	509,000	-5,736	-1.11%
Amount (000)	\$2,484,012	\$2,880,000	\$395,988	15.94%
Average	\$4,825.80	\$5,657.77	\$831.98	17.24%
Refunds				
Number	10,254,071	10,525,000	270,929	2.64%
Amount (000)	\$8,406,211	\$9,032,000	\$625,789	7.44%
Average	\$819.79	\$858.17	\$38.38	4.68%
Remittance Ret				
Number	2,951,696	2,976,000	24,304	0.82%
Amount (000)	\$5,797,790	\$5,974,000	\$176,210	3.04%
Average	\$1,964.22	\$2,007.50	\$43.27	2.20%

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

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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(EST)	16,513,000		509,000	\$2,880,000
		Refunds \_1		Remittance Returns
Month	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(EST)	10,525,000	\$9,032,000	2,976,000	\$5,974,000

\\_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.

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
		Refunds \_1		Remittance Returns
Month	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.

Trend of 2005 Pipeline

Month	Total Returns Processed	Credit Transfers		
			Number of Returns	Amount (000)
JAN	492,428		5,892	\$12,338
FEB	3,500,660		24,341	28,840
MAR	7,181,603		103,070	100,962
APR	10,601,316		224,388	281,670
MAY	12,884,100		322,193	472,925
JUN	14,126,898		347,168	548,956
JUL	14,619,329		369,790	619,639
AUG	14,937,850		397,304	717,669
SEP	15,170,746		423,188	851,466
OCT	15,544,974		479,823	1,247,674
NOV	15,826,414		526,038	2,010,948
DEC	15,917,176		530,163	\$2,037,365
Month	Refunds \_1		Remittance Returns	
	Number of Claims	Amount (000)	Number of Returns	Amount (000)
JAN	373,825	\$192,497	12,380	\$12,855
FEB	2,734,168	1,618,063	96,872	50,075
MAR	5,350,096	3,366,918	497,273	344,000
APR	7,499,454	4,978,405	2,213,732	3,469,052
MAY	8,913,304	6,032,479	2,507,892	3,847,013
JUN	9,256,605	6,277,623	2,555,624	3,955,829
JUL	9,435,474	6,491,839	2,586,105	3,999,857
AUG	9,594,979	6,691,489	2,652,292	4,107,770
SEP	9,727,318	6,890,727	2,679,087	4,157,447
OCT	9,901,295	7,201,492	2,793,908	4,587,796
NOV	10,037,032	7,674,087	2,810,023	4,623,964
DEC	10,090,525	\$7,768,324	2,820,175	\$4,642,161

\\_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 STATISTICS**

EXHIBIT A-3  
PAGE 1 OF 5

Comparison of 2005-2006 Tax Year Statistical Sample Data  
Resident Returns Filed on or Before April 15  
(Returns in Thousands, Amounts in Millions)

Data Item	2005		2006		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
NUMBER OF RETURNS	12,791		13,061		2.1	
FORM 1040 SOURCES OF INCOME						
Wages, Salaries, Tip	10,643	537,060	10,936	571,836	2.7	6.5
Taxable Interest	5,899	12,822	6,517	19,221	10.5	49.9
Dividend	2,721	12,169	3,020	15,960	11.0	31.1
State Tax Refund	2,680	3,417	2,940	3,837	9.7	12.3
Alimony	54	968	56	974	3.5	0.6
Net Business Income	2,027	29,745	2,494	34,627	23.1	16.4
Business Income	1,546	33,180	1,926	38,734	24.6	16.7
Business Loss	481	3,435	568	4,107	18.3	19.6
Net Capital Gain	2,412	47,271	2,739	46,985	13.6	-0.6
Capital Gain	1,373	49,720	1,654	49,467	20.4	-0.5
Capital Loss	1,038	2,449	1,086	2,482	4.6	1.4
Net Other Gain	123	419	134	129	8.3	-69.2
Other Gain	59	949	57	735	-3.2	-22.5
Other Loss	64	530	76	606	19.0	14.4
IRA Distributions (Taxable)	763	9,663	823	11,123	7.9	15.1
Pension Income (Taxable)	1,851	37,737	1,923	40,277	3.9	6.7
Net Supplemental Income	1,301	28,370	1,566	28,588	20.4	0.8
Supplemental Income (Schedule E)	749	36,273	836	39,621	11.7	9.2
Supplemental Loss (Schedule E)	552	7,903	729	11,033	32.1	39.6
Schedule E						
Rental/Royalties Income	471	8,496	521	9,031	10.7	6.3
Rental/Royalties Loss	471	5,329	615	7,743	30.6	45.3
Partnership and S Corp. Income	372	29,486	421	32,700	13.1	10.9
Partnership and S Corp. Loss	297	5,972	342	7,182	15.2	20.3
Estate and Trust Income	56	1,699	58	1,774	3.8	4.4
Estate and Trust Loss	9	59	9	82	8.2	40.2
Other Income	17	131	14	140	-18.9	7.0
Other Loss	9	83	4	50	-54.9	-39.0
Net Farm - Income 1040	50	-346	56	-477	13.9	-37.9
Farm Income	17	417	13	527	-20.1	26.4
Farm Loss	33	763	43	1,005	31.2	31.6
Unemployment Income	818	3,119	781	3,123	-4.5	0.1
Taxable Social Security Income	1,145	11,714	1,197	13,265	4.5	13.2
Net Other Income	1,094	542	1,092	2,575	-0.2	375.4
Other Income	680	6,787	769	7,392	13.1	8.9
Other Loss	105	4,556	120	4,833	14.0	6.1
TOTAL INCOME	12,448	734,670	13,055	792,041	4.9	7.8

**FRANCHISE TAX BOARD  
PERSONAL INCOME TAX STATISTICS**

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Comparison of 2005-2006 Tax Year Statistical Sample Data  
Resident Returns Filed on or Before April 15  
(Returns in Thousands, Amounts in Millions)

Data Item	2005		2006		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
<b>FORM 1040 ADJUSTMENTS TO INCOME</b>						
Educator Expense	285	72	232	62	-18.6	-14.6
Certain Business Expenses	8	24	9	25	20.5	5.3
Taxpayer IRA Adjustments	333	1,294	386	1,579	15.9	22.0
Student Loan Interest Deduction	633	394	663	474	4.8	20.3
Tuition and Fees Deduction	494	917	382	730	-22.7	-20.4
Health Savings Account	15	39	26	66	73.8	69.7
Moving Expenses	67	161	82	211	23.6	30.5
Half of Self Employment Tax	1,541	2,210	2,043	2,819	32.6	27.6
Self Employed Health Insurance	360	1,607	426	1,964	18.6	22.2
Keogh/SEP	131	2,186	150	2,540	15.0	16.2
Interest Penalty	94	26	130	39	37.6	47.9
Alimony Paid	62	941	72	1,061	17.5	12.8
Domestic Production Costs	15	122	211	243	1298.1	98.9
Medical Savings Account*	*	*	38	12	NA	NA
Jury Duty*	*	*	4	1	NA	NA
Other	115	79	185	45	60.9	-43.6
<b>TOTAL ADJUSTMENTS</b>	<b>3,053</b>	<b>10,073</b>	<b>3,505</b>	<b>11,871</b>	<b>14.8</b>	<b>17.8</b>
<b>FORM 1040 ADJUSTED GROSS INCOME</b>	<b>12,439</b>	<b>724,596</b>	<b>13,057</b>	<b>780,171</b>	<b>5.0</b>	<b>7.7</b>
<b>FORM 1040 ITEMIZED DEDUCTIONS</b>						
Medical Expenses Allowed	1,003	6,593	1,196	8,475	19.3	28.6
State Tax Payment	4,932	30,291	5,696	34,053	15.5	12.4
Real Estate Tax	4,281	15,846	4,783	18,959	11.7	19.6
Personal Property Tax	3,156	1,213	4,245	1,655	34.5	36.4
Other Taxes	551	253	1,126	398	104.4	57.5
Mortgage Interest Reported on Form 1098	3,940	58,097	4,513	77,365	14.5	33.2
Mortgage Interest not on Form 1098	141	812	160	1,142	13.7	40.6
Points not reported on Form 1098	667	860	685	784	2.8	-8.9
Investment Interest	164	798	191	1,007	16.7	26.2
Total Contributions	4,350	14,792	4,807	15,521	10.5	4.9
Casualty Loss	17	339	11	211	-33.1	-37.9
Unrelated Employee Expenses	1,797	9,102	2,392	11,190	33.1	22.9
Tax Preparation Fees	2,396	648	3,095	851	29.2	31.4
Other Expenses	1,355	3,399	1,337	2,783	-1.3	-18.1
<b>Total Expense</b>	<b>3,398</b>	<b>13,149</b>	<b>3,825</b>	<b>14,814</b>	<b>12.6</b>	<b>12.7</b>
Expenses Allowed	1,748	9,438	1,968	10,577	12.6	12.1
Miscellaneous Deduction	174	1,981	197	2,543	13.2	28.4
<b>TOTAL ITEMIZED DEDUCTIONS</b>	<b>4,996</b>	<b>137,200</b>	<b>5,786</b>	<b>169,712</b>	<b>15.8</b>	<b>23.7</b>
<b>ITEMIZED DEDUCTION ADJUSTMENT</b>						
Federal Itemized Deduction	5,720	145,444	6,169	172,864	7.8	18.9
State Tax Paid	5,642	30,316	6,072	33,577	7.6	10.8
Other Adjustments	337	-243	298	39	-11.7	116.2
<b>Total Deductions</b>	<b>5,437</b>	<b>115,544</b>	<b>5,940</b>	<b>139,521</b>	<b>9.2</b>	<b>20.8</b>
Itemized Deductions After Limitation	5,441	112,936	5,940	151,618	9.2	34.3
<b>TOTAL CA DEDUCTIONS</b>	<b>6,314</b>	<b>118,011</b>	<b>6,838</b>	<b>141,906</b>	<b>8.3</b>	<b>20.2</b>

\* New

\*\* Returns < 1000, Amount < 500,000

**FRANCHISE TAX BOARD  
PERSONAL INCOME TAX STATISTICS**

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Comparison of 2005-2006 Tax Year Statistical Sample Data  
Resident Returns Filed on or Before April 15  
(Returns in Thousands, Amounts in Millions)

Data Item	2005		2006		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
<b>SUBTRACTION ADJUSTMENT</b>						
Wages	33	555	30	468	-10.4	-15.7
California Non-taxable Interest	239	1,021	273	1,616	14.1	58.3
Non-taxable Dividend Income	82	213	89	224	8.3	5.4
State Tax Refund	2,703	3,428	2,940	3,832	8.8	11.8
Business Income	161	289	157	219	-2.2	-24.4
Capital Gains	52	354	65	319	26.0	-9.9
Other Gains	17	88	22	85	28.6	-3.5
IRA Distributions	14	56	9	53	-36.7	-5.1
Pension and Annuities	16	170	13	131	-16.9	-22.9
Rents, Royalties, and Partnerships	212	889	210	847	-1.2	-4.7
Farm Income	15	52	17	44	10.7	-15.0
Unemployment Compensation	829	3,179	776	3,103	-6.4	-2.4
Social Security Income	1,165	11,973	1,199	13,356	2.9	11.6
Lottery Income	8	474	10	306	29.3	-35.5
Disaster Loss Carryover	1	37	4	69	259.2	87.7
NOL Carryover	56	2,325	65	2,639	16.6	13.5
Other NOL Adjustments	**	9	**	4	-18.0	-60.1
Other Income Adjustments	21	673	25	511	21.3	-24.1
Educator Expense	286	-72	264	-69	-7.5	3.8
Certain Business Expenses	8	-23	1	-2	-86.0	91.7
Student Loan Interest Deduction	331	-173	***	***	***	***
Tuition and Fees Deduction	486	-907	429	-835	-11.8	7.9
Health Savings Account Deduction	15	-39	23	-62	50.2	-60.1
Self-Employed Health Insurance	**	-2	**	**	-74.7	83.4
Domestic Production Costs	16	-124	213	-243	1233.5	-95.8
Other	16	-37	21	-72	28.9	-93.0
Total Adjustments to Income Adjustment	1,007	-1,375	741	-1,268	-26.4	7.8
<b>TOTAL SUBTRACTION</b>	<b>5,104</b>	<b>24,466</b>	<b>5,135</b>	<b>26,618</b>	<b>0.6</b>	<b>8.8</b>
<b>ADDITION ADJUSTMENTS</b>						
Wage	11	319	15	56	40.1	-82.5
Other State Bond Interest	71	305	142	569	100.6	86.4
Dividend Income	75	261	55	174	-27.3	-33.3
Alimony Received	1	10	2	3	95.4	-67.5
Business Income	37	300	53	278	42.9	-7.4
Capital Gains	102	418	112	467	9.5	11.8
Other Gains	7	22	8	24	15.9	10.0
Taxable IRA	2	9	2	11	11.9	18.0
Taxable Pensions & Annuities	3	30	3	4	-1.9	-87.1
Rents, Royalties, and Partnerships	181	1,117	218	1,387	20.2	24.2
Farm Income	3	42	3	41	8.9	-1.7

\*\* Returns < 1000, Amount <500,000

\*\*\* California Conformed to Federal Law effective 2006

**FRANCHISE TAX BOARD  
PERSONAL INCOME TAX STATISTICS**

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Comparison of 2005-2006 Tax Year Statistical Sample Data  
Resident Returns Filed on or Before April 15  
(Returns in Thousands, Amounts in Millions)

Data Item	2005		2006		% Change	
	Returns	Amount	Returns	Amount	Number	Amount
Federal Net Operating Loss	68	4,135	81	4,190	20.1	1.3
Other Income Adjustments	21	138	18	226	-14.7	64.0
Certain Business Expenses	**	-1	1	-2	171.5	-286.0
Self-Employed Health Insurance	**	-2	**	**	-99.7	99.7
Alimony Paid	1	3	**	**	-86.4	-113.7
Jury Duty*	*	*	8	-6	NA	NA
Other	**	-1	**	-1	-28.5	22.9
Total Adjustments to Income Adjustment	1	-6	8	-6	536.1	-3.1
TOTAL ADDITION	525	7,159	643	7,424	22.3	3.7
CA ADJUSTED GROSS INCOME	12,791	717,251	13,061	760,930	2.1	6.1
CA DEDUCTIONS FROM FORM 540						
Itemized	5,077	111,890	5,562	135,363	9.5	21.0
Standard	7,714	35,792	7,497	36,485	-2.8	1.9
TOTAL 540 DEDUCTIONS	12,791	147,682	13,059	171,848	2.1	16.4
TAXABLE INCOME	12,791	577,269	13,061	600,296	2.1	4.0
COMPUTED TAX	11,908	30,427	12,013	31,632	0.9	4.0
EXEMPTION CREDIT	11,929	4,279	12,135	4,744	1.7	10.9
RENTER'S CREDIT	1,254	91	1,106	81	-11.8	-11.3
SPECIAL CREDITS	79	259	94	274	18.6	5.8
CA ALTERNATIVE MINIMUM TAX	8	17	6	15	-20.0	-11.4
MENTAL HEALTH SERVICES TAX	20	353	22	358	7.3	1.5
OTHER TAXES	348	66	436	93	25.2	41.6
CA TOTAL TAX LIABILITY	7,849	27,706	7,741	28,804	-1.4	4.0
PREPAYMENTS						
Withheld	10,468	23,045	10,525	24,455	0.5	6.1
Real Estate/Other Withholding	77	1,002	51	721	-33.4	-28.1
Estimates Paid	808	5,259	881	5,830	9.0	10.9
Excess SDI	175	43	202	36	15.7	-16.2
CA Child Care Expense Credit	520	163	576	181	10.8	10.8
OVERPAYMENT	8,721	6,401	8,859	7,097	1.6	10.9
BALANCE DUE	2,510	4,596	2,516	4,679	0.3	1.8
CREDIT TRANSFERS	268	419	279	473	4.2	12.8
USE TAX	27	2	37	4	35.5	127.8
VOLUNTARY CONTRIBUTIONS	96	4	94	4	-1.6	-8.0
REFUNDS	8,516	5,978	8,649	6,619	1.6	10.7
PAYMENT DUE	2,515	4,598	2,524	4,682	0.3	1.8

\* New

\*\* Returns < 1000, Amount <500,000

**FRANCHISE TAX BOARD  
PERSONAL INCOME TAX STATISTICS**

Comparison of 2005-2006 Tax Year Statistical Sample Data  
Resident Returns Filed on or Before April 15

Adjusted Gross Income Class	2005		2006		% Change	
	Amount <sup>a</sup>	Average	Amount <sup>a</sup>	Average	Amount	Average
<b>Number of Returns</b>						
Negative to Zero	109		110		1.3%	
1 to 10,000	1,796		1,806		0.6%	
10,000 to 20,000	2,163		2,076		-4.0%	
20,000 to 50,000	4,385		4,454		1.6%	
50,000 to 100,000	2,756		2,863		3.9%	
100,000 to 200,000	1,213		1,336		10.1%	
200,000 to 500,000	301		341		13.2%	
500,000 to 1,000,000	47		52		9.3%	
1,000,000 and over	22		23		8.0%	
TOTAL	12,791		13,061		2.1%	
<b>Adjusted Gross Income</b>						
Negative to Zero	-3,022	-27,809	-3,553	-32,272	17.6%	16.0%
1 to 10,000	9,801	5,458	9,611	5,321	-1.9%	-2.5%
10,000 to 20,000	32,542	15,047	31,221	15,040	-4.1%	0.0%
20,000 to 50,000	145,284	33,132	148,326	33,302	2.1%	0.5%
50,000 to 100,000	194,523	70,580	203,277	71,011	4.5%	0.6%
100,000 to 200,000	161,925	133,518	179,421	134,330	10.8%	0.6%
200,000 to 500,000	85,948	285,274	96,885	284,053	12.7%	-0.4%
500,000 to 1,000,000	31,651	670,902	34,779	674,536	9.9%	0.5%
1,000,000 and over	58,599	2,717,912	60,963	2,617,011	4.0%	-3.7%
TOTAL	717,251	56,074	760,930	58,261	6.1%	3.9%
<b>Taxable Income</b>						
Negative to Zero	0	0	0	0		
1 to 10,000	3,681	2,050	3,287	1,820	-10.7%	-11.2%
10,000 to 20,000	20,885	9,657	19,127	9,214	-8.4%	-4.6%
20,000 to 50,000	108,208	24,677	105,982	23,795	-2.1%	-3.6%
50,000 to 100,000	151,351	54,916	152,857	53,397	1.0%	-2.8%
100,000 to 200,000	131,363	108,317	143,461	107,408	9.2%	-0.8%
200,000 to 500,000	75,364	250,144	84,088	246,534	11.6%	-1.4%
500,000 to 1,000,000	29,804	631,757	32,679	633,806	9.6%	0.3%
1,000,000 and over	56,640	2,627,070	58,815	2,524,800	3.8%	-3.9%
TOTAL	577,297	45,133	600,296	45,962	4.0%	1.8%
<b>Total Tax Liability</b>						
Negative to Zero	1	6	1	8	47.2%	45.3%
1 to 10,000	10	6	12	7	20.3%	19.5%
10,000 to 20,000	73	34	60	29	-18.5%	-15.1%
20,000 to 50,000	1,617	369	1,438	323	-11.1%	-12.5%
50,000 to 100,000	5,057	1,835	4,910	1,715	-2.9%	-6.5%
100,000 to 200,000	7,223	5,956	7,647	5,725	5.9%	-3.9%
200,000 to 500,000	5,738	19,046	6,320	18,530	10.1%	-2.7%
500,000 to 1,000,000	2,553	54,120	2,791	54,130	9.3%	0.0%
1,000,000 and over	5,434	252,019	5,626	241,505	3.5%	-4.2%
TOTAL	27,706	2,166	28,804	2,205	4.0%	1.8%

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

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Selected Income Items for California Residents  
 2006 Tax Year Estimates  
 (\$ in Millions)

Income Item	Timely		Extension		Total		Preliminary Federal Percent Growth /b
	Amount	Percent Growth	Amount /a	Percent Growth	Amount	Percent Growth	
Taxable Income:	600,296	4.0%	202,320	5.8%	802,616	4.4%	6.9%
Wages:	571,836	6.5%	95,304	8.4%	667,140	6.7%	5.7%
Business Income, Gains:	38,734	16.7%	22,570	18.8%	61,304	17.5%	
Business Income, Losses:	-4,107	19.6%	-2,506	21.7%	-6,613	20.4%	
Net Business Income:	34,627	16.4%	20,064	18.4%	54,691	17.2%	2.1%
Capital Gains:	49,467	-0.5%	66,852	1.2%	116,319	0.5%	
Capital Losses:	-2,482	1.3%	-574	3.1%	-3,056	1.7%	
Net Capital Gains:	46,985	-0.6%	66,277	1.2%	113,262	0.5%	10.3%
Interest:	19,221	49.9%	14,347	52.6%	33,568	51.0%	34.8%
Partnership and S-corp Income, Gains:	32,700	10.9%	54,833	12.9%	87,533	12.1%	
Partnership and S-Corp. Losses:	-7,182	20.3%	-19,968	22.4%	-27,150	21.8%	
Net Partnership and S-Corp Income:	25,518	8.5%	34,865	8.0%	60,383	8.2%	6.0%
Taxable IRA Distributions:	11,123	15.1%	2,195	17.1%	13,318	15.4%	11.2%
Taxable Pension Distributions:	40,277	6.7%	4,957	8.6%	45,234	6.9%	7.4%

\* Extension wages for 2006 (EW) is calculated by  $EW = \text{Ratio} * TW * ET / TT$ , where TW is 2006 Timely Wages, ET is 2006 Extension Taxable Income, TT is 2006 Timely Taxable income, and Ratio =  $[\text{2005 Extension wages} / \text{2005 Extension Income}] / [\text{2005 Timely Wages} / \text{2005 Timely Income}]$ . The extension amount for each of the other listed income items is calculated in a similar fashion. The calculated ratio for each of the income items for 2006 is as follows: Wages - 0.4985; Business Income, Gains - 1.7289; Business Income, Losses - 1.8108; Capital Gains - 4.0098; Capital Losses 0.6535, Interest - 2.2672; Partnership and S-corp Income, Gain - 4.9754; Partnership and S-corp Income, Losses - 8.2492; Taxable IRA Distributions - 0.5856; Taxable Pension Distributions - 0.3652.

/b Estimated from returns through 9/30/07 divided by returns through 9/30/06.

Sources: PIT Return Merge File, Return Validation File and PIT Sample

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Extensions  
 1990-2006 Tax Years

Tax Year	Extension Returns	Annual Growth
1990	903,132	--
1991	955,877	5.8%
1992	982,559	2.8%
1993	862,132	-12.3%
1994	867,132	0.6%
1995	930,166	7.3%
1996	993,270	6.8%
1997	981,890	-1.1%
1998	958,291	-2.4%
1999	990,993	3.4%
2000	1,128,216	13.8%
2001	1,240,678	10.0%
2002	1,150,012	-7.3%
2003	1,313,972	14.3%
2004	1,243,712	-5.3%
2005	1,221,495	-1.8%
2006	1,344,094	10.0%

Source: FTB, PIT Returns Transactions file, Report MI-1002. Figures for 2006 represent returns filed after April 16 and processed by November 19, 2007.

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Comparison of Estimates Made in December 2006  
 and PIT Sample Actuals for California Residents 2005 Tax Year  
 (\$ in Millions)

Exhibit A-4  
 Page 3 of 4

2005 Data Item	Estimate*	Actual	Difference	Percent Difference
Taxable Income	749,757	768,456	18,699	2.5%
Wages	618,598	625,017	6,419	1.0%
Business Income	49,200	52,179	2,979	6.1%
Business Losses	-5,566	-5,495	71	-1.3%
Capital Gains	107,938	115,749	7,811	7.2%
Capital Losses	-2,927	-3,006	-79	2.7%
Interest	21,508	22,227	719	3.3%
Partnership & S-Corp. Income	72,613	78,073	5,460	7.5%
Partnership & S-Corp. Losses	-20,594	-22,288	-1,694	8.2%
Taxable IRA Distributions	11,605	11,537	-68	-0.6%
Taxable Pension Distributions	41,815	42,301	486	1.2%
2004 Data Item	Estimate*	Actual	Difference	Percent Difference
Taxable Income	692,976	695,108	2,132	0.3%
Wages	601,727	592,014	-9,713	-1.6%
Business Income	49,066	46,315	-2,751	-5.6%
Business Losses	-5,576	-5,392	184	-3.3%
Capital Gains	78,822	78,779	-43	-0.1%
Capital Losses	-3,524	-3,325	199	-5.6%
Interest	16,972	16,334	-638	-3.8%
Partnership & S-Corp. Income	67,126	63,494	-3,632	-5.4%
Partnership & S-Corp. Losses	-19,728	-18,467	1,261	-6.4%
Taxable IRA Distributions	10,434	10,662	228	2.2%
Taxable Pension Distributions	39,968	39,980	12	0.0%
2003 Data Item	Estimate*	Actual	Difference	Percent Difference
Taxable Income	618,688	619,151	463	0.1%
Wages	558,756	556,685	-2,071	-0.4%
Business Income	47,022	44,176	-2,846	-6.1%
Business Losses	-5,619	-5,408	211	-3.8%
Capital Gains	49,482	49,440	-42	-0.1%
Capital Losses	-3,917	-3,880	37	-0.9%
Interest	16,312	16,851	539	3.3%
Partnership & S-Corp. Income	56,756	55,161	-1,595	-2.8%
Partnership & S-Corp. Losses	-20,648	-18,404	2,244	-10.9%
Taxable IRA Distributions	9,507	9,273	-234	-2.5%
Taxable Pension Distributions	39,285	38,910	-375	-1.0%

Source: Personal Income Tax Statistical Sample  
 Personal Income Tax Extension Study

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Stability of Source Income Ratios /a  
 1994 - 2005

Year	Wages	Business Income, Gains	Business Losses	Capital Gains	Capital Losses	Interest	Partnership Income	Partnership Losses	Taxable IRA Distributions	Taxable Pension Distributions
1994	0.7048	2.8461	3.2448	4.1493	1.3474	2.1989	6.0306	13.8692	1.1533	0.5939
1995	0.6775	2.4893	2.5660	4.1166	1.2733	1.8293	3.8703	6.0063	0.8534	0.4880
1996	0.6362	2.2718	2.9382	3.9955	1.3098	1.5777	3.7356	4.0479	0.8215	0.4156
1997	0.6121	2.1488	2.2500	3.6344	1.1026	1.5381	4.7900	10.3042	0.8370	0.3893
1998	0.5871	2.1482	2.5283	3.2344	0.9216	1.4975	5.0783	8.7766	0.7365	0.3937
1999	0.553	1.9980	2.0201	3.4535	0.9338	1.4379	4.2710	8.5807	0.5540	0.3788
2000	0.5312	1.7447	2.0521	3.2980	0.8526	1.4567	3.9963	8.5436	0.6003	0.3293
2001	0.6238	1.8824	1.9896	3.7412	0.8432	1.7362	4.9418	9.8379	0.6500	0.3817
2002	0.6000	2.3421	2.5562	3.9987	0.9602	2.3179	5.7429	10.7680	0.7167	0.4106
2003	0.5801	1.9400	2.2942	3.9764	0.9080	2.5226	5.4430	9.1087	0.5938	0.3654
2004	0.5081	1.6158	2.0760	3.9188	0.6535	2.2672	4.8951	8.1940	0.6727	0.3616
2005	0.4945	1.7289	1.8108	4.0098	0.6867	2.2147	4.9754	8.2492	0.5856	0.3652
Mean	0.5924	2.0963	2.3605	3.7939	0.9827	1.8829	4.8142	8.8572	0.7312	0.4061
Std. Deviation	0.0642	0.3545	0.4235	0.3179	0.2303	0.3955	0.7308	2.4147	0.1682	0.0708
Std. Error	0.1084	0.1691	0.1794	0.0838	0.2343	0.2101	0.1518	0.2726	0.2301	0.1742

/a Ratio is equal to:

(Extension Item / Extension Taxable Income)

(Timely Item / Timely Taxable Income).

FRANCHISE TAX BOARD  
 Personal Income Tax by AGI Class  
 Comparison of Resident Returns 2005 Tax Year  
 (Volumes Thousands, Amounts Millions)

Exhibit A-5  
 1 of 4

Adjusted Gross Income Class		2005 Returns Processed End of November 2006	2005 PIT Sample	Percent Change
<b>RETURN VOLUMES</b>				
Neg Agi -	-	171	165	-3.3
1	10,000	1,971	1,974	0.1
	10,001	2,312	2,329	0.8
	20,001	4,689	4,693	0.1
	50,001	3,016	3,014	-0.1
	100,001	1,386	1,393	0.5
	200,001	398	400	0.4
	500,001	74	75	1.4
	1,000,001	45	46	1.3
	& over			
<b>TOTAL</b>		<b>14,062</b>	<b>14,088</b>	<b>0.2</b>
Adjusted Gross Income Class		2005 Returns Processed End of November 2006	2005 PIT Sample	Percent Change
<b>ADJUSTED GROSS INCOME</b>				
Neg Agi -	-	-9,578	-9,782	2.1
1	10,000	10,594	10,673	0.7
	10,001	34,628	34,985	1.0
	20,001	155,169	155,672	0.3
	50,001	212,448	213,351	0.4
	100,001	186,276	187,336	0.6
	200,001	114,734	115,532	0.7
	500,001	50,213	50,868	1.3
	1,000,001	171,051	173,113	1.2
	& over			
<b>TOTAL</b>		<b>925,536</b>	<b>931,746</b>	<b>0.7</b>
Adjusted Gross Income Class		2005 Returns Processed End of November 2006	2005 PIT Sample	Percent Change
<b>TAX LIABILITY</b>				
Neg Agi -	-	5	5	-8.1
1	10,000	13	11	-16.8
	10,001	76	79	3.4
	20,001	1,691	1,717	1.5
	50,001	5,439	5,501	1.1
	100,001	8,279	8,338	0.7
	200,001	7,587	7,640	0.7
	500,001	3,971	4,024	1.3
	1,000,001	15,619	15,803	1.2
	& over			
<b>TOTAL</b>		<b>42,679</b>	<b>43,119</b>	<b>1.0</b>

Source: FRANCHISE TAX BOARD, Return History Report , PIT Sample 2004 AGIC Residents, Data as of November 30, 2006

FRANCHISE TAX BOARD  
 Personal Income Tax  
 California Resident Returns  
 2004, 2005 and 2006  
 Tax Years  
 (Returns Thousands, Amounts Millions)

Exhibit A -5  
 2 of 4

Tax Year	Number of Returns	Adjusted Gross Income	Deductions	Taxable Income	Alternative Minimum Tax	Total Tax
2004	13,799	833,308	154,910	687,626	45	35,598
2005	14,062	925,536	172,202	762,907	44	42,679
2006	14,359	988,782	190,313	810,223	39	45,584
2004-05 % CHANGE	1.9	11.1	11.2	10.9	-1.7	19.9
2005-06 % CHANGE	2.1	6.8	10.5	6.2	-10.9	6.8

Source: FRANCHISE TAX BOARD, Return History Report  
 Data as of November 30, 2005, 2006 & 2007

FRANCHISE TAX BOARD  
 Personal Income Tax  
 California Resident Returns  
 2006 Tax Year  
 (2007 Process Year)  
 (Returns Thousands, Amounts Millions)

Exhibit A-5  
 3 of 4

Adjusted Gross Income Class	Number of Returns	Adjusted Gross Income	Deductions	Taxable Income	Alternative Minimum Tax	Total Tax	Refund Requests	Transfer Requests	
Negative AGI -	-	175	-11,760	0	0	3	5	123	21
1	10,000	1,930	10,394	6,684	3,711	0	13	94	5
10,001	20,000	2,278	34,151	12,931	21,219	0	69	373	7
20,001	50,000	4,753	157,532	43,050	114,481	1	1,627	1,732	42
50,001	100,000	3,121	220,342	53,111	167,229	2	5,399	2,674	100
100,001	200,000	1,522	205,420	41,717	163,703	6	8,750	1,724	175
200,001	500,000	448	128,660	17,977	110,681	11	8,316	667	289
500,001	1,000,000	82	55,951	4,078	51,873	6	4,402	189	239
1,000,001	& over	51	188,092	10,765	177,327	11	17,004	551	1,541
Total		14,359	988,782	190,313	810,223	39	45,584	8,129	2,420

Source: FRANCHISE TAX BOARD, Return History Report  
 Data as of November 30, 2007

FRANCHISE TAX BOARD  
 Personal Income Tax by AGI Class  
 California Resident Returns  
 2005 and 2006 Tax Years  
 (Returns Thousands, Amounts Millions)

Adjusted Gross Income Class		2005 Returns	2006 Returns	Percent Change
<b>RETURN VOLUMES</b>				
Neg Agi -	-	171	175	2.6
1	10,000	1,971	1,930	-2.1
	10,001	2,312	2,278	-1.5
	20,001	4,689	4,753	1.4
	50,001	3,016	3,121	3.5
	100,001	1,386	1,522	9.8
	200,001	398	448	12.5
	500,001	74	82	11.3
	1,000,001 & over	45	51	12.6
	<b>TOTAL</b>	<b>14,062</b>	<b>14,359</b>	<b>2.1</b>
Adjusted Gross Income Class		2005 Adjusted Gross Income	2006 Adjusted Gross Income	Percent Change
<b>ADJUSTED GROSS INCOME</b>				
Neg Agi -	-	(9,578)	(11,760)	22.8
1	10,000	10,594	10,394	-1.9
	10,001	34,628	34,151	-1.4
	20,001	155,169	157,532	1.5
	50,001	212,448	220,342	3.7
	100,001	186,276	205,420	10.3
	200,001	114,734	128,660	12.1
	500,001	50,213	55,951	11.4
	1,000,001 & over	171,051	188,092	10.0
	<b>TOTAL</b>	<b>925,536</b>	<b>988,782</b>	<b>6.8</b>
Adjusted Gross Income Class		2005 Total Tax	2006 Total Tax	Percent Change
<b>TAX LIABILITY</b>				
Neg Agi -	-	5	5	-13.2
1	10,000	13	13	6.4
	10,001	76	69	-9.3
	20,001	1,691	1,627	-3.8
	50,001	5,439	5,399	-0.7
	100,001	8,279	8,750	5.7
	200,001	7,587	8,316	9.6
	500,001	3,971	4,402	10.9
	1,000,001 & over	15,619	17,004	8.9
	<b>TOTAL</b>	<b>42,679</b>	<b>45,584</b>	<b>6.8</b>

Source: FRANCHISE TAX BOARD, Return History Report  
 Data as of November 30, 2006 & 2007

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Changes in Income Composition  
 1988 through 2005  
 (Billions of Dollars)

YEAR	AGI Threshold	AGI		WAGES		INTEREST INCOME		BUSINESS INCOME		CAPITAL GAINS		SCHEDULE E INCOME		RETIREMENT INCOME	
	Top 5 percent	All Returns (billion)	Top 5 percent (billion)	All Returns (billion)	Top 5 percent (billion)	All Returns (billion)	Top 5 percent (billion)	All Returns (billion)	Top 5 percent (billion)	All Returns (billion)	Top 5 percent (billion)	All Returns (billion)	Top 5 percent (billion)	All Returns (billion)	Top 5 percent (billion)
1988	\$81,365	\$401.9	\$120.1	\$287.5	\$63.8	\$25.4	\$13.5	\$19.9	\$7.1	\$23.9	\$20.1	\$9.0	\$9.6	\$18.0	\$3.0
1989	\$87,630	\$438.9	\$126.4	\$316.3	\$66.5	\$33.5	\$19.3	\$26.0	\$9.8	\$24.8	\$19.4	\$10.7	\$11.9	\$20.1	\$3.1
1990	\$89,707	\$442.9	\$130.3	\$325.5	\$71.9	\$31.0	\$17.2	\$24.5	\$10.3	\$20.8	\$17.3	\$11.2	\$12.7	\$25.7	\$3.5
1991	\$91,982	\$439.8	\$122.2	\$329.9	\$72.2	\$28.7	\$15.9	\$25.2	\$9.5	\$16.3	\$12.3	\$10.1	\$12.0	\$26.7	\$3.5
1992	\$94,261	\$448.9	\$128.3	\$339.2	\$79.1	\$21.4	\$11.5	\$25.4	\$9.8	\$16.4	\$12.1	\$12.2	\$12.9	\$30.1	\$4.0
1993	\$98,048	\$448.0	\$123.8	\$339.2	\$74.9	\$17.0	\$8.8	\$25.5	\$9.7	\$18.5	\$13.8	\$13.8	\$13.4	\$31.0	\$3.8
1994	\$100,452	\$455.9	\$126.7	\$343.7	\$75.9	\$16.7	\$8.3	\$27.6	\$9.8	\$17.3	\$12.8	\$15.8	\$16.1	\$35.0	\$4.1
1995	\$105,570	\$475.2	\$142.6	\$353.7	\$83.7	\$18.5	\$10.1	\$26.8	\$10.2	\$20.3	\$16.9	\$18.4	\$17.1	\$36.2	\$4.8
1996	\$112,709	\$519.5	\$166.9	\$376.6	\$90.7	\$19.3	\$10.7	\$28.4	\$10.9	\$32.8	\$27.3	\$23.3	\$21.5	\$38.6	\$5.2
1997	\$121,650	\$576.4	\$194.2	\$407.6	\$100.2	\$19.9	\$11.5	\$31.1	\$11.7	\$46.3	\$38.4	\$27.7	\$24.9	\$42.7	\$6.4
1998	\$128,747	\$631.9	\$218.3	\$440.0	\$110.2	\$21.4	\$12.0	\$35.8	\$12.9	\$56.8	\$47.9	\$31.1	\$28.0	\$47.3	\$7.1
1999	\$140,765	\$725.7	\$279.6	\$489.4	\$133.1	\$21.0	\$12.4	\$36.1	\$13.5	\$92.8	\$80.8	\$36.8	\$32.2	\$51.5	\$8.0
2000	\$154,285	\$837.5	\$350.5	\$555.0	\$164.8	\$24.2	\$14.9	\$38.8	\$15.3	\$119.3	\$106.2	\$41.3	\$35.7	\$55.8	\$8.8
2001	\$147,460	\$759.8	\$263.1	\$551.1	\$143.7	\$23.5	\$14.5	\$37.9	\$13.8	\$48.6	\$44.0	\$44.4	\$38.2	\$56.8	\$7.7
2002	\$145,603	\$735.4	\$238.7	\$544.2	\$132.7	\$18.0	\$11.1	\$38.5	\$14.3	\$33.1	\$30.4	\$46.2	\$40.5	\$57.5	\$7.5
2003	\$151,297	\$766.2	\$259.5	\$555.4	\$137.3	\$16.3	\$10.4	\$40.3	\$14.1	\$44.6	\$41.3	\$50.3	\$43.4	\$58.5	\$7.3
2004	\$160,780	\$849.4	\$312.7	\$590.4	\$149.9	\$15.6	\$10.6	\$41.9	\$15.2	\$73.5	\$68.1	\$57.5	\$51.3	\$62.2	\$8.1
2005	\$172,176	\$942.1	\$370.9	\$624.3	\$160.9	\$21.4	\$11.3	\$48.6	\$16.8	\$110.9	\$100.0	\$68.2	\$61.3	\$66.7	\$9.3

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Changes in Income Composition  
 1988 through 2005

YEAR	AGI Threshold	WAGES		INTEREST INCOME		BUSINESS INCOME		CAPITAL GAINS		SCHEDULE E INCOME		RETIREMENT INCOME	
	Top 5 percent	All Returns	Top 5 percent	All Returns	Top 5 percent	All Returns	Top 5 percent	All Returns	Top 5 percent	All Returns	Top 5 percent	All Returns	Top 5 percent
1988	\$81,365	71.5%	53.1%	6.3%	11.2%	5.0%	5.9%	6.0%	16.7%	2.2%	8.0%	4.5%	2.5%
1989	\$87,630	72.1%	52.6%	7.6%	15.3%	5.9%	7.8%	5.7%	15.3%	2.4%	9.4%	4.6%	2.4%
1990	\$89,707	73.5%	55.2%	7.0%	13.2%	5.5%	7.9%	4.7%	13.3%	2.5%	9.7%	5.8%	2.7%
1991	\$91,982	75.0%	59.1%	6.5%	13.0%	5.7%	7.7%	3.7%	10.1%	2.3%	9.8%	6.1%	2.9%
1992	\$94,261	75.6%	61.7%	4.8%	8.9%	5.7%	7.6%	3.6%	9.4%	2.7%	10.1%	6.7%	3.1%
1993	\$98,048	75.7%	60.5%	3.8%	7.1%	5.7%	7.8%	4.1%	11.2%	3.1%	10.8%	6.9%	3.0%
1994	\$100,452	75.4%	59.9%	3.7%	6.6%	6.1%	7.7%	3.8%	10.1%	3.5%	12.7%	7.7%	3.3%
1995	\$105,570	74.4%	58.7%	3.9%	7.1%	5.6%	7.1%	4.3%	11.8%	3.9%	12.0%	7.6%	3.4%
1996	\$112,709	72.5%	54.3%	3.7%	6.4%	5.5%	6.5%	6.3%	16.4%	4.5%	12.9%	7.4%	3.1%
1997	\$121,650	70.7%	51.6%	3.5%	5.9%	5.4%	6.0%	8.0%	19.8%	4.8%	12.8%	7.4%	3.3%
1998	\$128,747	69.6%	50.5%	3.4%	5.5%	5.7%	5.9%	9.0%	21.9%	4.9%	12.8%	7.5%	3.2%
1999	\$140,765	67.4%	47.6%	2.9%	4.4%	5.0%	4.8%	12.8%	28.9%	5.1%	11.5%	7.1%	2.9%
2000	\$154,285	66.3%	47.0%	2.9%	4.3%	4.6%	4.4%	14.2%	30.3%	4.9%	10.2%	6.7%	2.5%
2001	\$147,460	72.5%	54.6%	3.1%	5.5%	5.0%	5.2%	6.4%	16.7%	5.8%	14.5%	7.5%	2.9%
2002	\$145,603	74.0%	55.6%	2.4%	4.6%	5.2%	6.0%	4.5%	12.7%	6.3%	17.0%	7.8%	3.2%
2003	\$151,297	72.5%	52.9%	2.1%	4.0%	5.3%	5.4%	5.8%	15.9%	6.6%	16.7%	7.6%	2.8%
2004	\$160,780	69.5%	47.9%	1.8%	3.4%	4.9%	4.9%	8.7%	21.8%	6.8%	16.4%	7.3%	2.6%
2005	\$172,176	66.3%	43.4%	2.3%	3.1%	5.2%	4.5%	11.8%	27.0%	7.2%	16.5%	7.1%	2.5%

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Gross Capital Gains and Their Components:  
 1988 through 2005  
 (In \$ Million)

Tax Year	Stocks /a	Other Securities	Residential Real Estate /b	Non-Residential Real Estate	Other	Total
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	30,561	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	31,361	96,575
2005	\$ 53,960	\$ 5,385	\$ 18,943	\$ 10,099	\$ 51,844	\$ 140,231

/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.

Source: California Franchise Tax Board: Capital Assets Study

Detail may not add to totals due to rounding

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Gross Capital Losses/a and Their Components:  
 1988 through 2005  
 (In \$ Million)

Tax Year	Stocks	Other Securities	Non-Residential			Total
			Real Estate	Real Estate	Other	
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

/a Excludes capital loss carryovers.

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  
 Business Sale Gains vs. Trading Gains /a /b  
 1989 through 2005  
 (In \$ Billion)

Year	Business Sale Gains	Trading Gains	Total	Percent Business Sale Gains
1989	2.44	6.42	8.86	28%
1991	2.72	6.24	8.96	30%
1992	1.47	5.83	7.30	20%
1993	3.47	9.50	12.97	27%
1994	3.05	8.71	11.75	26%
1995	5.64	14.89	20.53	27%
1996	8.00	17.10	25.10	32%
1997	9.85	18.07	27.93	35%
1998	14.08	23.65	37.72	37%
1999	28.99	37.25	66.24	44%
2000	51.50	49.10	100.60	51%
2001	18.11	22.66	40.77	44%
2002	9.66	21.53	31.19	31%
2003	11.36	17.47	28.84	39%
2004	17.45	20.62	38.07	46%
2005	26.71	23.13	49.84	54%

/a Business Sale Gains are gains that are either greater than five million dollars or gains for which the ratio of gains over selling price is more than 98%. Trading Gains are the remaining gains.

/b Excludes capital gains distributions

Source: California Franchise Tax Board: Capital Asset Study

Detail may not add to totals due to rounding

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Capital Gains  
 Holding Periods for Stock Trading Gains /a /b  
 1989 through 2005

Year	1 Year or Less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 to 7 years	7 to 8 years	8 to 9 years	More Than 9 Years	Total Gain (\$Million)
1989	21.9%	14.9%	9.6%	7.5%	6.6%	4.9%	3.7%	3.1%	2.6%	25.3%	6,417
1991	30.6%	12.9%	9.2%	8.7%	6.0%	4.3%	4.1%	2.6%	2.6%	18.9%	6,240
1992	34.3%	15.6%	7.3%	7.3%	4.6%	5.2%	3.9%	2.3%	3.7%	15.7%	5,829
1993	34.2%	15.8%	9.5%	7.5%	6.3%	3.3%	7.8%	2.9%	2.2%	10.5%	9,504
1994	29.1%	19.2%	12.6%	7.4%	5.2%	5.1%	2.9%	3.5%	2.1%	12.9%	8,706
1995	38.3%	17.9%	9.5%	4.3%	3.4%	6.0%	2.6%	1.4%	7.6%	9.1%	14,892
1996	41.3%	17.4%	10.8%	8.3%	3.9%	2.6%	2.5%	1.6%	1.5%	10.0%	17,104
1997	33.2%	20.4%	9.1%	6.1%	5.0%	5.2%	2.7%	3.2%	1.6%	13.6%	18,074
1998	31.8%	20.3%	10.8%	7.3%	6.2%	2.8%	2.3%	1.4%	2.3%	14.8%	23,645
1999	35.8%	21.6%	10.7%	6.9%	5.0%	4.0%	2.1%	2.8%	1.6%	9.7%	37,246
2000	35.0%	24.5%	11.8%	6.5%	4.5%	2.3%	4.2%	1.4%	1.2%	8.8%	49,111
2001	18.0%	24.7%	13.5%	8.3%	9.1%	5.7%	3.8%	2.5%	1.5%	12.8%	22,862
2002	13.2%	10.1%	13.1%	7.9%	7.7%	8.6%	2.8%	7.1%	3.9%	25.6%	21,532
2003	24.0%	17.1%	9.7%	9.2%	4.3%	3.8%	4.4%	10.6%	1.9%	15.0%	17,474
2004	26.5%	22.8%	8.8%	6.6%	7.2%	4.1%	2.7%	1.5%	3.3%	16.4%	20,615
2005	22.6%	19.9%	14.0%	6.4%	6.9%	5.2%	5.5%	3.2%	1.4%	14.9%	23,126
	29.4%	18.4%	10.6%	7.3%	5.7%	4.6%	3.6%	3.2%	2.6%	14.6%	

/a Business Sale Gains are gains that are either greater than five million dollars or gains for which the ratio of gains over selling price is more than 98%. Trading Gains are the remaining gains.

/b Excludes capital gains distributions

Source: California Franchise Tax Board: Capital Asset Study

Detail may not add to totals due to rounding

FRANCHISE TAX BOARD  
 Personal Income Tax  
 Capital Gains  
 Holding Periods for Stock Business Sale Gains /a /b  
 1989 through 2005

Year	1 Year or Less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 to 7 years	7 to 8 years	8 to 9 years	More Than 9 Years	Total Gain (\$Million)
1989	7.0%	14.6%	7.7%	24.5%	5.6%	3.2%	5.6%	6.1%	2.7%	22.9%	2,440
1991	4.8%	16.3%	6.7%	12.0%	6.3%	3.6%	9.1%	8.4%	3.0%	29.8%	2,719
1992	13.2%	17.8%	6.8%	8.6%	6.4%	4.8%	6.4%	6.9%	3.1%	26.0%	1,470
1993	7.3%	7.7%	4.7%	24.0%	7.2%	6.5%	7.1%	2.9%	5.8%	26.9%	3,471
1994	6.5%	11.4%	7.3%	9.9%	7.6%	8.0%	6.4%	3.8%	5.6%	33.5%	3,045
1995	5.4%	8.7%	10.8%	8.1%	8.1%	6.0%	4.6%	4.8%	8.5%	34.9%	5,636
1996	5.1%	12.3%	10.9%	7.0%	6.3%	8.3%	4.2%	4.5%	5.0%	36.5%	7,998
1997	7.2%	7.9%	11.1%	7.9%	5.8%	7.8%	4.6%	2.7%	5.0%	40.1%	9,851
1998	8.6%	10.7%	10.0%	8.4%	8.2%	10.4%	5.4%	4.3%	3.6%	30.4%	14,078
1999	3.8%	16.3%	16.3%	15.6%	8.6%	6.3%	4.0%	2.2%	2.5%	24.4%	28,995
2000	4.7%	19.9%	19.3%	14.5%	9.4%	6.3%	3.9%	3.0%	2.3%	16.5%	51,464
2001	3.3%	14.2%	14.7%	14.4%	9.0%	6.5%	4.5%	3.5%	3.4%	26.5%	17,903
2002	3.6%	7.8%	5.5%	10.9%	6.8%	6.8%	10.9%	5.4%	3.9%	38.5%	9,656
2003	6.5%	7.8%	7.6%	11.6%	9.5%	5.7%	6.2%	5.7%	5.7%	33.8%	11,364
2004	1.5%	10.4%	15.6%	9.9%	7.5%	14.6%	9.0%	3.0%	3.8%	24.7%	17,453
2005	1.3%	15.1%	22.0%	8.4%	5.9%	13.1%	6.9%	2.1%	4.0%	21.2%	26,709
	5.6%	12.4%	11.1%	12.2%	7.4%	7.4%	6.2%	4.3%	4.3%	29.1%	

/a Business Sale Gains are gains that are either greater than five million dollars or gains for which the ratio of gains over selling price is more than 98%. Trading Gains are the remaining gains.

/b Excludes capital gains distributions

Source: California Franchise Tax Board: Capital Asset Study

Detail may not add to totals due to rounding

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

Credit	Preliminary 2005*		Preliminary 2006*		Percent Change	
	Number	Amount (\$ Thousands)	Number	Amount (\$ Thousands)	Number	Amount
Child and Dependent Care	588,854	178,893	548,169	164,943	-6.9	-7.8
Enterprise Zone Hiring and Sales	6,506	103,883	8,282	121,711	27.3	17.2
Other State Tax	108,277	485,908	118,826	578,066	9.7	19.0
Prior Year Alternative Minimum Tax	6,881	34,631	6,368	34,106	-7.5	-1.5
Renter's Credit (non-refundable)	1,342,470	95,972	1,369,249	97,875	2.0	2.0
Research	2,724	39,740	3,269	54,678	20.0	37.6
Subtotal	2,055,712	939,027	2,054,163	1,051,379	-0.1	12.0

\* Preliminary data (processed returns through November 11, 2006 and November 10, 2007)

\*\* 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	Preliminary 2005*		Preliminary 2006*		Percent Change	
	Number	Amount (\$ Thousands)	Number	Amount (\$ Thousands)	Number	Amount
<b>Current Credits</b>						
Child Adoption	1,731	1,934	1,656	1,897	-4.3	-1.9
Community Development Deposit	7	5	19	16	171.4	193.4
Dependent Parent	482	120	582	147	20.7	22.9
Disabled Access	485	41	456	39	-6.0	-4.7
Donation of Agricultural Products Carryover	4	1	10	9	150.0	537.5
Employer Child Care Program	290	92	433	91	49.3	-0.8
Employer Child Care Contribution	4,203	1,748	4,085	1,675	-2.8	-4.2
Enhanced Oil Recovery	111	365	38	218	-65.8	-40.3
Enterprise Zone Wages	442	102	443	90	0.2	-11.9
Environmental Tax	7	4	16	2,541	128.6	71905.0
Farm Workers' Housing	a	3	a	4	N/A	27.0
Joint Custody Head of Household	3,602	906	4,312	1,110	19.7	22.5
Joint Strike Fighter Property	a	b	a	5	N/A	N/A
Joint Strike Fighter Wage	13	69	8	21	-38.5	-69.5
Local Agency Military Base Recovery Area	39	320	37	395	-5.1	23.5
Long Term Caregiver	110	45	28	12	-74.5	-72.7
Low-Income Housing	584	585	542	1,336	-7.2	128.2
Manufacturing Enhancement Area	20	328	18	446	-10.0	36.0
Natural Heritage Preservation	38	1,296	26	617	-31.6	-52.4
Prison Inmate Labor	10	59	12	174	20.0	197.1
Qualified Senior Head of Household	1,228	417	1,396	522	13.7	25.1
Rice Straw	59	186	30	81	-49.2	-56.8
Solar or Wind Energy Systems Credit	4,370	5,905	1,638	1,901	-62.5	-67.8
Targeted Tax Area	145	3,669	155	3,641	6.9	-0.8
Teachers Retention	317	225	109	75	-65.6	-66.6
<b>Repealed Credits with Carryover Provisions</b>						
Agricultural Transportation	60	174	58	318	-3.3	82.2
Commercial Solar Electric Carryover	4	2	7	3	75.0	52.2
Commercial Solar Energy Carryover	36	76	34	82	-5.6	7.9
Energy Conservation Carryover	1,085	759	1,204	847	11.0	11.6
Los Angeles Revitalization Zone	262	3,902	218	3,677	-16.8	-5.8
Low-Emission Vehicle	368	280	309	282	-16.0	0.8
Manufacturer's Investment	492	3,385	354	3,103	-28.0	-8.3
New Infant	84	45	84	50	0.0	10.0
Orphan Drug	8	10	28	26	250.0	149.0
Political Contribution	1,774	665	2,029	678	14.4	1.9
Recycling Equipment	187	145	239	162	27.8	11.1
Residential Rental and Farm Sales Carryover	648	1,165	509	1,039	-21.5	-10.8
<b>Ridesharing:</b>						
Large Employers	115	67	126	65	9.6	-3.6
Small Employers	62	33	68	25	9.7	-22.5
Transit Pass Carryover	265	110	304	132	14.7	20.0
Vanpool Carryover	633	250	858	376	35.5	50.1
Incentive Carryover	2,947	1,322	2,211	963	-25.0	-27.1
Salmon and Steelhead Trout Habitat	8	5	9	2	12.5	-59.5
Solar Energy Carryover	232	332	215	188	-7.3	-43.2
Solar Pump Carryover	15	87	11	165	-26.7	89.1
Water Conservation Carryover	88	31	107	26	21.6	-16.6
Unidentified Special Credits	23	62	21	9	-8.7	-84.9
<b>Subtotal</b>	<b>27,695</b>	<b>31,332</b>	<b>25,058</b>	<b>29,279</b>	<b>-9.5</b>	<b>-6.6</b>
<b>Grand Total</b>	<b>2,083,407</b>	<b>970,359</b>	<b>2,079,221</b>	<b>1,080,659</b>	<b>-0.2</b>	<b>11.4</b>

<sup>a</sup> Omitted for confidentiality reasons

<sup>b</sup> Less than \$500

\* Preliminary data (processed returns through November 11, 2006 and November 10, 2007)

\*\* 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  
Projected Mental Health Fund Adjustment /a

Fiscal Year	Projected Amount of General Fund Transfer for Mental Health Fund (\$ millions)
July 2006	-83.6
July 2007	-423.5
July 2008	-436.8
July 2009	-517.2

/a Based on most current available return processing information, DOF Economic forecast as of the May 2007 revise, and the most current estimate of PIT cash flows.

Source: Franchise Tax Board

**FRANCHISE TAX BOARD**  
**Personal Income Tax**

Form 541  
Fiduciary Tax Liability Revenue  
1987 through preliminary 2006

Tax Year	Number	Amount (\$ millions)
1987	50,198	\$137.5
1988	68,215	151.6
1989	76,951	144.6
1990	69,752	132.6
1991	71,313	122.3
1992	67,371	121.4
1993	73,151	109.3
1994	68,692	127.3
1995	79,510	167.7
1996	93,806	191.6
1997	97,071	283.0
1998	106,679	409.8
1999	109,481	469.4
2000	142,778	595.2
2001	86,198	283.3
2002	71,496	228.1
2003	76,067	320.9
2004	94,435	530.6
2005	108,115	734.2
2006p	107,558	\$563.4

p: Preliminary - total increase to tax year 2005 reported liability since last November was \$248.4 million.

Source: TI Master File through November 18, 2007

Tax-Weighted Distribution of Income by Source  
California Residents  
Tax Year 2005

Income Item	Percent Distribution	
	Unweighted	Tax-Weighted**
Wages	66.4%	53.3%
Taxable Interest	2.4%	2.4%
Ordinary Dividend	2.2%	2.8%
Business Income	5.1%	3.8%
Capital Gain	11.9%	21.1%
IRA Distribution	1.2%	0.9%
Pension Income	4.5%	2.8%
Rental/Royalty Income	0.5%	1.0%
Partnership Income	5.9%	10.5%
Other Income	0.0%	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 : 2005 Corporation Sample

FRANCHISE TAX BOARD  
Corporation Tax Law

Accrual Estimates  
(\$ in Millions)

Payments	2006-2007	2007-2008	2008-2009
Estimate Payments	\$344.4	\$325.5	\$336.6
Return Remittances Payments	420.0	355.4	364.9
Other	590.7	580.4	595.9
Total	1,355.1	1,261.2	1,297.5
Refunds	-1,356.7	-1,404.2	-1,411.2
Total	-\$1.6	-\$143.0	-\$113.8

11/12/2007

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Franchise Tax Board  
 Corporation Tax  
 Refund Requests in Inventory at the End of November

Exhibit B-2  
 Page 1 of 1

Refund Amount	2006	
	Number of Returns	Aggregate Amount
\$0 - 4,999	2,817	\$2,557,196
5,000 - 9,999	290	2,082,247
10,000 - 49,999	449	10,385,097
50,000 - 499,999	440	53,504,726
\$500,000 and over	93	309,882,149
Subtotal	4,089	378,411,415
Amended Returns	29	1,403,243
LLC Returns	1,594	5,447,630
Total Inventory	5,712	\$385,262,288

Source: Business Entities Section, ICBS & Receiving

FRANCHISE TAX BOARD  
Corporation Tax

All Reporting Corporations  
Comparison of 2004 to 2005 Tax Years Statistical Sample Data  
(Amounts in Thousands of Dollars)

Data Item	2004		2005		Percent Change	
	Returns	Amount	Returns	Amount	Returns	Amount
Gross Receipts	487,297	\$44,227,307,772	530,576	\$37,306,906,220	8.9%	-15.6%
Less: Cost of Goods Sold	281,646	37,810,156,044	302,673	32,714,440,399	7.5%	-13.5%
Gross Profit	487,812	6,417,151,728	531,365	4,592,465,819	8.9%	-28.4%
Total Income	537,858	8,751,052,659	578,305	7,747,419,699	7.5%	-11.5%
Total Deductions	572,850	7,796,219,816	613,187	6,333,083,403	7.0%	-18.8%
Net Income Before State Adjustments	563,688	915,367,641	604,333	1,332,633,915	7.2%	45.6%
Net Income After State Adjustments	581,075	1,158,889,710	612,130	937,634,220	5.3%	-19.1%
Apportioning Corporations						
Total Nonbusiness Income	5,547	18,515,220	3,962	19,813,526	-28.6%	7.0%
Total Business Income	69,617	1,112,170,408	61,611	874,556,291	-11.5%	-21.4%
Nonbusiness Income Allocated to Calif	2,636	790,362	1,847	1,722,382	-29.9%	117.9%
Business Income Apportioned to Calif	57,387	56,822,024	50,451	79,588,593	-12.1%	40.1%
State Net Income: Apportioning Corporations	57,721	59,109,201	51,252	83,104,583	-11.2%	40.6%
State Net Income: Nonapportioning Corporations	559,084	23,218,827	599,807	32,267,875	7.3%	39.0%
Total State Net Income After Apportionment	616,805	82,328,028	651,059	115,372,458	5.6%	40.1%
Taxable Loss	272,349	48,579,934	282,081	47,338,513	3.6%	-2.6%
Taxable Profit	344,456	130,907,962	368,978	162,710,971	7.1%	24.3%
NOL/Disaster loss	82,854	10,783,941	108,370	14,836,567	30.8%	37.6%
State Net Income after NOL/Disaster Loss	616,805	71,544,087	651,059	100,535,891	5.6%	40.5%
Tax Before Credits and Alternative Minimum Tax	616,805	8,182,101	651,059	10,039,238	5.6%	22.7%
Tax Credits	6,742	1,113,026	7,317	1,434,492	8.5%	28.9%
Alternative Minimum Tax	2,494	53,698	2,702	55,153	8.3%	2.7%
Total State Tax	616,805	7,122,773	651,059	8,671,190	5.6%	21.7%
Apportioning Corporations	57,721	5,506,343	51,252	6,841,310	-11.2%	24.2%
Nonapportioning Corporations	559,084	1,616,430	599,807	1,829,880	7.3%	13.2%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD  
Corporation Tax

Comparison by Tax Years  
1966 Through 2005

Income 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
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	291,436	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	414,884	230,354	157,580	26,950	32,896,807	58,078,963	4,292,227	4,132,595
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
1966	124,690	73,076	35,664	15,950	5,642,850	6,637,755	390,355	385,212

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD  
Corporation Tax

Comparison by State Net Income Class  
2005 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	232,578	35.7%	35.7%	(\$47,338,513)	--	--	\$181,268	2.1%	2.1%	100.0%	
No Income or Loss	49,503	7.6%	43.3%	0	0.0%	0.0%	32,485	0.4%	2.5%	97.9%	
\$1 Under	5,000	77,071	11.8%	55.2%	151,132	0.1%	0.1%	57,403	0.7%	3.1%	97.5%
5,000 Under	10,000	33,351	5.1%	60.3%	244,986	0.2%	0.2%	25,633	0.3%	3.4%	96.9%
10,000 Under	15,000	26,864	4.1%	64.4%	334,352	0.2%	0.4%	22,091	0.3%	3.7%	96.6%
15,000 Under	20,000	19,609	3.0%	67.4%	344,771	0.2%	0.7%	19,672	0.2%	3.9%	96.3%
20,000 Under	25,000	18,415	2.8%	70.3%	412,395	0.3%	0.9%	20,159	0.2%	4.1%	96.1%
25,000 Under	30,000	15,626	2.4%	72.7%	428,886	0.3%	1.2%	20,687	0.2%	4.4%	95.9%
30,000 Under	40,000	24,509	3.8%	76.4%	853,793	0.5%	1.7%	30,988	0.4%	4.7%	95.6%
40,000 Under	50,000	14,808	2.3%	78.7%	656,146	0.4%	2.1%	23,834	0.3%	5.0%	95.3%
50,000 Under	60,000	16,312	2.5%	81.2%	895,120	0.6%	2.7%	29,254	0.3%	5.3%	95.0%
60,000 Under	70,000	13,775	2.1%	83.3%	891,267	0.5%	3.2%	25,880	0.3%	5.6%	94.7%
70,000 Under	80,000	10,767	1.7%	85.0%	804,988	0.5%	3.7%	21,687	0.3%	5.9%	94.4%
80,000 Under	90,000	8,639	1.3%	86.3%	729,894	0.4%	4.1%	23,033	0.3%	6.2%	94.1%
90,000 Under	100,000	5,803	0.9%	87.2%	550,063	0.3%	4.5%	17,543	0.2%	6.4%	93.8%
100,000 Under	150,000	22,763	3.5%	90.7%	2,779,872	1.7%	6.2%	80,914	0.9%	7.3%	93.6%
150,000 Under	200,000	11,896	1.8%	92.5%	2,060,215	1.3%	7.5%	58,285	0.7%	8.0%	92.7%
200,000 Under	250,000	8,340	1.3%	93.8%	1,867,315	1.1%	8.6%	52,852	0.6%	8.6%	92.0%
250,000 Under	300,000	5,798	0.9%	94.7%	1,588,901	1.0%	9.6%	43,738	0.5%	9.1%	91.4%
300,000 Under	400,000	7,364	1.1%	95.8%	2,556,778	1.6%	11.2%	68,183	0.8%	9.9%	90.9%
400,000 Under	500,000	4,489	0.7%	96.5%	2,006,608	1.2%	12.4%	60,209	0.7%	10.6%	90.1%
500,000 Under	750,000	6,507	1.0%	97.5%	4,023,423	2.5%	14.9%	127,410	1.5%	12.0%	89.4%
750,000 Under	1,000,000	3,626	0.6%	98.1%	3,119,525	1.9%	16.8%	94,968	1.1%	13.1%	88.0%
1,000,000 Under	1,500,000	3,536	0.5%	98.6%	4,319,374	2.7%	19.4%	130,772	1.5%	14.6%	86.9%
1,500,000 Under	2,000,000	2,116	0.3%	98.9%	3,644,600	2.2%	21.7%	110,016	1.3%	15.9%	85.4%
2,000,000 Under	3,000,000	2,091	0.3%	99.2%	5,111,678	3.1%	24.8%	181,430	2.1%	18.0%	84.1%
3,000,000 Under	4,000,000	1,140	0.2%	99.4%	3,948,029	2.4%	27.2%	136,133	1.6%	19.6%	82.0%
4,000,000 Under	5,000,000	660	0.1%	99.5%	2,933,981	1.8%	29.0%	101,840	1.2%	20.7%	80.4%
5,000,000 Under	10,000,000	1,449	0.2%	99.7%	10,172,621	6.3%	35.3%	403,983	4.7%	25.4%	79.3%
\$10,000,000 And Over		1,654	0.3%	100.0%	105,280,258	64.7%	100.0%	6,468,840	74.6%	100.0%	74.6%
Total		651,059	100.0%	100.0%	\$115,372,458	100.0%	100.0%	\$8,671,190	100.0%	100.0%	100.0%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD  
Corporation Tax

Comparison by Industry  
All Reporting Corporations  
2004 and 2005 Tax Years

Industry	Income in Thousands				Percent Change	
	2004		2005			
	Number	Net Income Less Net Loss	Number	Net Income Less Net Loss	Number	Income
Agriculture, Forestry, Fishing, and Mining	9,688	\$1,514,317	10,230	\$1,501,025	5.6%	-0.9%
Construction	54,636	7,649,309	57,780	11,065,578	5.8%	44.7%
Manufacturing	40,733	18,314,196	45,309	30,251,376	11.2%	65.2%
Durable Goods Manufacturing	25,647	5,705,336	29,720	12,811,744	15.9%	124.6%
Nondurable Goods Manufacturing	15,086	12,608,860	15,589	17,439,632	3.3%	38.3%
Services	251,407	5,002,442	267,441	8,897,121	6.4%	77.9%
Professional, Scientific, and Technical Services	107,816	(634,348)	103,744	741,936	-3.8%	217.0%
Administrative Services	16,128	1,197,684	15,214	1,722,805	-5.7%	43.8%
Accommodation and Food Services	20,136	688,242	24,381	1,671,683	21.1%	142.9%
Arts, Entertainment, and Recreation	21,912	848,762	22,237	997,674	1.5%	17.5%
Health Services	41,838	2,006,886	50,719	2,321,254	21.2%	15.7%
Other Services	43,577	895,216	51,146	1,441,769	17.4%	61.1%
Trade	117,725	18,880,470	112,217	22,033,286	-4.7%	16.7%
Wholesale Trade	59,934	9,684,284	62,019	10,602,980	3.5%	9.5%
Retail Trade	57,791	9,196,186	50,198	11,430,306	-13.1%	24.3%
Finance, Insurance, and Real Estate	102,644	27,327,565	118,477	32,572,243	15.4%	19.2%
Finance, Investment, and Insurance	22,475	18,116,790	27,657	19,042,918	23.1%	5.1%
Holding Companies	7,179	1,863,497	5,104	3,052,887	-28.9%	63.8%
Real Estate	72,990	7,347,278	85,716	10,476,438	17.4%	42.6%
Transportation, Warehousing, and Utilities	13,058	1,938,964	15,917	5,211,672	21.9%	168.8%
Information and Communications	26,914	1,700,765	23,688	3,840,157	-12.0%	125.8%
Total	616,805	\$82,328,028	651,059	\$115,372,458	5.6%	40.1%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD  
Corporation Tax

Comparison by Industry  
Positive Net Income Corporations  
2004 and 2005 Tax Years

Industry	Income in Thousands				Percent Change	
	2004		2005		Number	Net Income
	Number	Net Income	Number	Net Income		
Agriculture, Forestry, Fishing, and Mining	5,554	\$2,074,412	5,495	\$2,369,413	-1.1%	14.2%
Construction	33,604	9,038,379	34,681	12,464,349	3.2%	37.9%
Manufacturing	21,290	31,232,400	25,782	42,177,959	21.1%	35.0%
Durable Goods Manufacturing	13,831	15,581,184	16,886	21,821,635	22.1%	40.1%
Nondurable Goods Manufacturing	7,459	15,651,216	8,896	20,356,324	19.3%	30.1%
Services	142,525	18,453,785	151,778	22,151,979	6.5%	20.0%
Professional, Scientific, and Technical Services	59,801	8,084,836	61,801	9,697,138	3.3%	19.9%
Administrative Services	9,788	1,896,542	8,412	2,293,424	-14.1%	20.9%
Accommodation and Food Services	9,689	1,489,390	13,644	2,425,417	40.8%	62.8%
Arts, Entertainment, and Recreation	14,041	1,624,108	11,449	1,739,187	-18.5%	7.1%
Health Services	26,945	3,638,664	29,111	3,709,440	8.0%	1.9%
Other Services	22,261	1,720,245	27,361	2,287,373	22.9%	33.0%
Trade	67,570	23,591,712	62,579	27,401,093	-7.4%	16.1%
Wholesale Trade	36,168	12,534,831	34,180	13,869,949	-5.5%	10.7%
Retail Trade	31,402	11,056,881	28,399	13,531,144	-9.6%	22.4%
Finance, Insurance, and Real Estate	56,027	33,770,165	67,639	37,976,846	20.7%	12.5%
Finance, Investment, and Insurance	12,064	21,122,751	15,132	21,067,845	25.4%	-0.3%
Holding Companies	3,486	3,173,064	3,386	4,395,057	-2.9%	38.5%
Real Estate	40,477	9,474,350	49,121	12,513,944	21.4%	32.1%
Transportation, Warehousing, and Utilities	7,191	3,635,987	9,134	6,876,618	27.0%	89.1%
Information and Communications	10,697	9,111,122	11,890	11,292,714	11.2%	23.9%
Total	344,458	\$130,907,962	368,978	\$162,710,971	7.1%	24.3%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD  
Corporation Tax

Comparison by Industry  
Net Loss or No Income Corporations  
2004 and 2005 Tax Years

Industry	Loss in Thousands				Percent Change	
	2004		2005		Number	Net Loss or No Income
	Number	Net Loss or No Income	Number	Net Loss or No Income		
Agriculture, Forestry, Fishing, and Mining	4,133	\$560,095	4,735	\$868,389	14.6%	55.0%
Construction	21,032	1,389,069	23,099	1,398,771	9.8%	0.7%
Manufacturing	19,443	12,918,204	19,527	11,926,583	0.4%	-7.7%
Durable Goods Manufacturing	11,816	9,875,848	12,833	9,009,891	8.6%	-8.8%
Nondurable Goods Manufacturing	7,627	3,042,356	6,694	2,916,692	-12.2%	-4.1%
Services	108,884	13,451,344	115,664	13,254,858	6.2%	-1.5%
Professional, Scientific, and Technical Services	48,019	8,719,185	41,944	8,955,202	-12.7%	2.7%
Administrative Services	6,340	698,859	6,802	570,619	7.3%	-18.3%
Accommodation and Food Services	10,446	801,148	10,737	753,734	2.8%	-5.9%
Arts, Entertainment, and Recreation	7,870	775,345	10,788	741,513	37.1%	-4.4%
Health Services	14,893	1,631,778	21,608	1,388,186	45.1%	-14.9%
Other Services	21,316	825,029	23,785	845,604	11.6%	2.5%
Trade	50,155	4,711,242	49,638	5,367,808	-1.0%	13.9%
Wholesale Trade	23,766	2,850,547	27,839	3,266,970	17.1%	14.6%
Retail Trade	26,389	1,860,695	21,799	2,100,838	-17.4%	12.9%
Finance, Insurance, and Real Estate	46,616	6,442,600	50,838	5,404,602	9.1%	-16.1%
Finance, Investment, and Insurance	10,410	3,005,961	12,525	2,024,926	20.3%	-32.6%
Holding Companies	3,693	1,309,567	1,718	1,342,170	-53.5%	2.5%
Real Estate	32,513	2,127,072	36,595	2,037,506	12.6%	-4.2%
Transportation, Warehousing, and Utilities	5,867	1,697,023	6,782	1,664,945	15.6%	-1.9%
Information and Communications	16,217	7,410,357	11,797	7,452,557	-27.3%	0.6%
Total	272,347	\$48,579,934	282,081	\$47,338,513	3.6%	-2.6%

Source: Corporation Statistical Sample

FRANCHISE TAX BOARD  
Corporation Tax

Comparison by Accounting Period  
2005 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, 2005	4,215	1.1%	\$5,631,426	3.5%	\$425,933	5.0%	7,339	1.1%	\$4,789,193	4.2%	\$428,370	4.9%
Feb 28, 2005	3,174	0.9%	1,038,136	0.6%	62,998	0.7%	6,183	0.9%	644,653	0.6%	65,435	0.8%
Mar 31, 2005	12,069	3.3%	5,554,573	3.4%	360,785	4.3%	22,007	3.4%	249,689	0.2%	368,137	4.2%
Apr 30, 2005	4,084	1.1%	1,342,213	0.8%	66,534	0.8%	7,724	1.2%	788,943	0.7%	69,368	0.8%
May 31, 2005	3,744	1.0%	2,077,330	1.3%	92,476	1.1%	7,352	1.1%	1,660,706	1.4%	94,976	1.1%
Jun 30, 2005	18,128	4.9%	5,913,518	3.6%	345,981	4.1%	31,341	4.8%	3,651,469	3.2%	358,197	4.1%
Jul 31, 2005	5,066	1.4%	3,783,292	2.3%	143,125	1.7%	11,083	1.7%	3,155,145	2.7%	147,510	1.7%
Aug 31, 2005	3,596	1.0%	1,849,378	1.1%	121,469	1.4%	7,604	1.2%	1,449,008	1.3%	124,847	1.4%
Sep 30, 2005	16,936	4.6%	6,119,848	3.8%	338,793	4.0%	29,666	4.6%	4,476,224	3.9%	348,835	4.0%
Oct 31, 2005	5,227	1.4%	2,503,733	1.5%	118,482	1.4%	11,670	1.8%	1,429,107	1.2%	123,223	1.4%
Nov 30, 2005	4,973	1.3%	2,754,880	1.7%	168,867	2.0%	6,785	1.0%	2,091,014	1.8%	170,614	2.0%
Dec 31, 2005	287,766	78.0%	124,142,644	76.3%	6,211,994	73.5%	502,305	77.2%	90,987,307	78.9%	6,371,678	73.5%
	368,978	100.0%	\$162,710,971	100.0%	\$8,457,437	100.0%	651,059	100.0%	\$115,372,458	100.0%	\$8,671,190	100.0%

Source: Corporation Statistical Sample

**FRANCHISE TAX BOARD  
CORPORATION TAX**

Preliminary 2006 Tax Year Data Compared to Preliminary 2005 Tax Year  
by Accounting Period  
(Return Volumes in Thousands, Amounts in \$Millions)

APE	2005 Tax Year \1			2006 Tax Year \1			Growth	
	All Corporations			All Corporations			All Corporations	
	#	SNI	TAX	#	SNI	TAX	SNI	TAX
Jan	9	5,014	448	9	6,251	527	1,236	79
Feb	7	686	68	7	1,773	146	1,087	78
Mar	20	99	372	19	4,261	429	4,162	57
Apr	8	733	66	8	1,904	88	1,171	22
May	9	1,608	91	8	2,245	112	637	21
Jun	30	3,393	335	29	4,289	390	896	55
Jul	8	3,215	145	8	3,791	216	576	71
Aug	8	1,424	123	8	1,429	126	5	3
Sep	24	4,386	336	24	8,181	488	3,795	153
Oct	11	1,791	116	10	4,559	205	2,768	89
Nov	7	1,961	158	6	1,943	145	-18	-12
Dec Prelim	468	89,425	6,459	498	94,860	6,750	5,435	291
Dec Final	502	90,987	6,372	N/A	N/A	N/A	N/A	N/A
Preliminary Total	608	113,734	8,716	633	135,485	9,621	21,751	905
Tax Year Total \2,\3	651	115,372	8,671	677	130,757	9,607	15,384	936

APE	2005 Tax Year \1			2006 Tax Year \1			Growth	
	Positive Income Corps			Positive Income Corps			Positive Inc Corps	
	#	SNI	TAX	#	SNI	TAX	SNI	TAX
Jan	5	5,890	444	5	7,034	522	1,144	77
Feb	4	1,058	65	4	2,103	143	1,045	78
Mar	11	5,520	364	11	6,711	422	1,191	58
Apr	4	1,281	63	4	2,302	85	1,021	22
May	5	2,018	88	4	2,603	109	585	21
Jun	17	5,671	324	16	6,274	380	602	55
Jul	4	3,824	142	4	4,529	213	705	71
Aug	4	1,829	120	4	1,772	123	-56	3
Sep	14	6,011	327	14	9,578	480	3,567	153
Oct	7	2,551	113	6	5,251	201	2,700	89
Nov	4	2,582	155	3	2,438	143	-144	-12
Dec Prelim	277	121,434	6,301	294	126,778	6,590	5,345	289
Dec Final	288	124,143	6,212	N/A	N/A	N/A	N/A	N/A
Preliminary Total	356	159,668	8,507	370	177,373	9,411	17,705	904
Tax Year Total \2,\3	369	162,711	8,457	383	171,777	9,395	9,066	938

\1 2005 data through November 18, 2006. 2006 data through November 17, 2007.

\2 Note that for 2005, Tax Year Total SNI for All Returns exceeded Preliminary Total SNI by 1.4%, while for Positive Income returns, Tax Year Total SNI exceeded Preliminary by 1.9%. Similarly Tax Year Total TAX for all returns fell behind Preliminary TAX by 0.5% and 0.6% for All and Positive Income Corps, respectively. For 2006, changes from Preliminary to Tax Year Total SNI are estimated at -3.5% and -3.2% for All and Positive Income Corps, respectively. Decreases from Preliminary to Tax Year Total TAX are estimated at 0.1% and 0.2% for All and Positive Income Corps, respectively.

\3 For All Corporations TAX and Positive Income Corps SNI and TAX, Tax Year Total estimates were obtained by calculating the ratio of the current year to the previous year amount for large corporations, and applying it to the previous year amount for large corporations for which returns had still not posted. This was added to the Preliminary Total and the resulting total was then adjusted by the ratio of the previous year's actual total to estimated total.

Source: Business Entities Tax System

FRANCHISE TAX BOARD  
 Corporation Tax  
 California S Corporations and Their Aggregate Income and Tax Liability Characteristics  
 1999-2006  
 (\$ in Millions)

Exhibit B-5  
 1 of 1

Income Category of S Corporations	2000	2001	Pct Change	2002	Pct Change	2003	Pct Change	2004	Pct Change	2005	Pct Change	2006 /a	Pct Change
<b>Positive State Net Income S Corporations:</b>													
-- Number	115,119	126,347	9.8	142,051	12.4	158,808	11.8	181,226	14.1	202,172	11.6	218,393	8.0
-- SNI	31,369	29,415	-6.2	30,392	3.3	33,641	10.7	43,528	29.4	50,922	17.0	56,329	10.6
-- Tax Liability	477	450	-5.5	486	7.8	541	11.4	675	24.8	785	16.3	864	10.1
<b>Negative State Net Income S Corporations: /b</b>													
-- Number	68,524	79,583	16.1	91,939	15.5	101,419	10.3	113,783	12.2	122,545	7.7	133,005	8.5
-- SNI	-5,343.7	-6,118	14.5	-6,487	6.0	-6,543	0.9	-7,408	13.2	-8,235	11.2	-10,061	22.2
-- Tax Liability	45	54	20.0	62	14.9	68	10.0	75	10.0	81	8.7	85	5.3
<b>All S Corporations:</b>													
-- Number	183,643	205,930	12.1	233,990	13.6	260,227	11.2	295,009	13.4	324,717	10.1	351,388	8.2
-- SNI	26,025	23,298	-10.5	23,906	2.6	27,098	13.4	36,120	33.3	42,687	18.2	46,447	8.8
-- Tax Liability	522	504	-3.3	547	8.6	609	11.2	750	23.1	866	15.5	950	9.7

/a Raw Data for 2006 were incomplete and, thus, the numbers shown on this exhibit for 2006 are calculated by adjusting the raw S-Corporation amounts by the percentage difference between the incomplete amounts presented last year and the actual 2005 amounts.

/b Data include corporations reporting zero SNI.

Source: California Franchise Tax Board, Business Entity Tax System as of November 20, 2007.

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

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	2,971	31,293
1990	243,940	31,293	70,607	2,451	26,127	13,064	7,987	33,918
1991	238,525	33,918	35,598	947	28,110	14,055	-	47,026
1992	293,093	47,026	0	0	31,405	15,702	-	62,729
1993	356,665	62,729	58,157	3,052	29,650	14,825	-	74,501
1994	377,489	74,501	106,486	5,142	26,119	13,060	2,205	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	7,476	84,619
1997	367,656	84,619	84,389	5,864	29,917	14,958	15,304	78,410
1998	359,833	78,410	82,536	5,800	37,359	18,680	23,652	67,637
1999	300,297	67,637	80,580	5,600	48,087	24,044	8,815	77,266
2000	303,568	77,266	79,413	7,245	77,103	41,525	9,508	102,037
2001	316,694	102,037	78,324	6,763	44,976	44,672	10,519	129,428
2002	338,276	129,428	26,582	1,637	69,498	41,699	1,028	168,462
2003	417,905	168,462	0	0	56,124	33,675	-	202,137
2004	502,688	202,137	104,972	10,614	51,505	45,739	9,031	228,231
2005	498,986	228,231	134,445	14,481	60,823	60,823	12,971	261,601
2006	503,316	261,601	116,397	14,971	45,969	45,969	17,224	275,374

/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 16 2007 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

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	7.4	0.0	0.0
1990	13.1	4.7	8.4	0.0	0.0
1991	14.1	7.9	6.1	0.0	0.0
1992	15.7	1.7	14.0	0.0	0.0
1993	14.8	4.5	10.3	0.0	0.0
1994	13.1	4.3	8.8	0.0	0.0
1995	13.9	4.4	9.5	0.0	0.0
1996	15.2	4.7	10.5	0.0	0.0
1997	15.0	4.9	10.0	0.0	0.0
1998	18.7	5.7	13.0	0.0	0.0
1999	24.0	6.8	17.2	0.0	0.0
2000	41.5	9.4	0.0	32.1	11.6
2001	44.7	7.2	0.0	37.5	13.6
2002	41.7	7.4	0.0	34.3	12.5
2003	33.7	6.2	0.0	27.5	10.0
2004	45.7	5.4	0.0	40.3	14.7
2005	60.8	3.1	0.0	57.7	20.9
2006	46.0	0.0	0.0	46.0	16.7
Totals	510.7	100.0	135.4	275.4	100.0

Source: California Franchise Tax Board, Business Entity Tax System as of April 16 2007

FRANCHISE TAX BOARD  
Corporation Tax  
Alternative Minimum Tax  
2002 through 2006 Income Years

Industry	2002 AMT			2003 AMT			2004 AMT			2005 AMT			2006 AMT			Percent Change	
	Number	Amount (\$ mil)	Average (\$ 000)	Number	Amount (\$ mil) /a	Average (\$ 000)	2005 to 2006										
																Number	Amount
Agric, Forestry, Fishing, and Mining	64	2.0	31.0	41	1.6	39.3	64	2.0	31.3	111	2.2	19.4	120	2.8	23.1	8.5	29.6
Construction	234	1.9	8.1	167	1.7	10.5	206	1.9	9.2	317	2.7	8.5	371	4.2	11.3	17.0	55.3
Manufacturing																	
Durable Goods	174	2.0	11.4	97	1.2	12.8	272	8.6	31.6	423	9.1	21.5	472	14.9	31.5	11.7	63.5
Nondurable Goods	118	1.9	15.9	79	2.7	34.6	141	5.1	36.2	187	5.1	27.4	196	11.1	56.6	4.8	116.8
Services																	
Professional, Scientific, and Technical	121	1.7	13.7	61	8.0	131.1	245	3.1	12.7	355	8.2	23.0	380	12.4	32.6	7.1	51.4
Other Services	173	0.9	5.0	89	0.3	3.4	270	1.7	6.3	317	2.6	8.0	332	2.7	8.2	4.7	7.0
Trade																	
Retail Trade	118	1.3	10.8	58	0.7	12.1	125	3.7	29.6	181	2.9	15.9	165	3.2	19.3	-8.7	10.7
Wholesale Trade	136	2.4	17.6	75	1.6	21.3	197	2.2	11.2	292	3.5	12.1	313	7.3	23.4	7.2	107.4
Finance, Insurance, and Real Estate																	
Finance, Investment and Insurance	43	0.4	8.4	32	0.9	26.9	85	4.4	51.8	117	1.7	14.4	124	4.3	34.3	6.0	151.6
Holding Companies	39	2.6	67.5	26	1.0	38.5	96	4.5	46.9	142	6.1	42.9	168	10.9	64.8	18.1	78.4
Real Estate	159	1.6	9.8	90	0.5	5.0	201	4.6	22.9	225	4.7	20.7	222	3.0	13.3	-1.3	-36.6
Transport, Warehousing, and Utilities	59	1.1	18.4	49	1.1	21.8	95	1.3	13.7	115	2.4	20.9	123	1.9	15.4	6.8	-21.3
Information and Communications	41	0.7	16.9	21	4.5	213.1	96	3.8	39.6	148	5.6	37.8	138	4.7	34.2	-6.6	-15.5
Total /b	1,481	20.3	13.7	885	25.8	29.7	2,093	46.9	17.3	2,941	56.8	17.3	3,157	84.1	17.3	7.3	48.1

/a 2006 AMT is incomplete. The raw 2006 number has been adjusted upward by 18% to reflect estimated amount of AMT that would be reported on returns that have yet to be processed

/b Total includes corporations in the above industries and in unknown industry

Source: California Franchise Tax Board, Business Entity Tax System as of November 16, 2007

FRANCHISE TAX BOARD  
 Corporation Tax  
 Special Tax Credits Allowed  
 Selected Credits  
 2005-2006 Tax Years

Credit	Preliminary 2005*		Preliminary 2006**		Final 2005	Final 2006 \2
	Number	Amount (\$Thousands)	Number	Amount (\$Thousands)	Amount (\$Thousands)	Amount (\$Thousands)
Enterprise Zone and Program Area Hiring and Sales	2,890	176,926	3,144	175,387	197,275	215,249
Local Area Military Base Revitalization Area	22	6,468	21	1,766	8,092	2,167
Los Angeles Revitalization Zone	367	8,678	334	7,755	11,545	9,518
Low-Income Housing	37	37,596	42	45,384	41,767	55,699
Manufacturer's Investment	1,186	116,634	983	63,855	164,541	78,368
Prior Year Alternative Minimum Tax	778	33,409	1,103	22,254	36,168	27,312
Research	1,698	718,370	1,851	973,475	953,432	1,194,726
Targeted Tax Area	55	3,652	54	3,690	3,699	4,529
Other	350	14,887	396	88,622	27,735	108,764
Preliminary Total	7,383	1,116,620	7,928	1,382,188	Not Applicable	Not Applicable
Tax Year Total \1	8,027	1,432,463	8,620	1,696,332	1,432,463	1,696,332

Note: The 2006 Tax Year Total and the Final 2006 column are estimates which account for returns that are still being processed.

\1Tax Year Total for 2005 was determined to be 28.3% greater than Preliminary Total. For 2006, Tax Year Total is estimated to be 22.7% greater than Preliminary Total.

\2 Estimated using ratios of Preliminary individual credit amounts to Preliminary total, and applied to estimated total

\* Preliminary data (returns processed through November 18, 2006)

\*\*Preliminary data (returns processed through November 17, 2007)

Source: Business Entities Tax System

FRANCHISE TAX BOARD  
 Corporation Tax  
 Special Tax Credits Allowed  
 Selected Credits  
 2005 Tax Year  
 (\$ million)

Enterprise Zone Credit	
Available	\$965
Used	\$197
Carryforward	\$768
Manufacturer's Investment Credit	
Available	\$851
Used	\$165
Carryforward	\$686
Research Credit	
Available	\$10,028
Carryover from previous years	\$7,778
Generated in current year	\$2,250
Used	\$953
Carryforward	\$9,075

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

	Total Payments		
	Large Payments	All Payments	Percentage of All Payments
2000			
January through April	1,256	2,701	47%
May through June	882	1,508	58%
July through September	1,111	1,999	56%
October through December	1,071	1,901	56%
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%
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%
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%
May through June	1,366	2,160	63%
July through September	1,955	3,101	63%

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 Estimate Payments by Month and Industry /1  
 (\$ Millions)

	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	96	161	224	238	232	177	159	96	1,384
2007	73	187	224	244	218	203	185	105	1,438
Difference	-23	26	0	5	-13	26	26	9	54
% Difference	-24%	16%	0%	2%	-6%	15%	16%	9%	4%
May through June Payments									
2006	58	101	244	250	185	172	100	161	1,271
2007	27	118	270	247	135	186	171	108	1,262
Difference	-31	17	26	-4	-50	14	71	-53	-9
% Difference	-53%	17%	11%	-1%	-27%	8%	71%	-33%	-1%
July through September Payments									
2006	125	209	383	262	250	306	110	192	1,836
2007	79	190	495	273	249	239	201	140	1,866
Difference	-46	-20	113	12	-1	-66	91	-52	30
% Difference	-37%	-9%	29%	4%	0%	-22%	83%	-27%	2%
Total Payments from above									
January-September 2006	279	471	851	751	667	655	368	450	4,491
January-September 2007	179	494	989	764	603	629	557	353	4,567
Difference	-100	23	138	13	-64	-26	188	-97	76
% Difference	-36%	5%	16%	2%	-10%	-4%	51%	-22%	2%

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

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

FRANCHISE TAX BOARD  
 Limited Liability Companies (LLCs)  
 1994 to 2005  
 (\$ 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	58,097	164,206	\$ 133.5	\$ 245.9	\$ 379.3
2005	70,025	194,952	\$ 157.2	\$ 285.3	\$ 442.5
2006 a/	73,337	197,651	\$ 164.1	\$ 285.6	\$ 449.7

/a 2006 tax and fee data are Incomplete. They include returns processed through November 20, 2007.  
 /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)

<b>Distribution of LLCs filing a California Tax Return by Industry 2006 Fee Year</b>				
	All LLCs		LLCs with Fee Greater Than Zero	
	Number	Percentage	Number	Percentage
Agriculture, Forestry, Fishing	4,121	2.1%	1,605	2.6%
Mining	479	0.2%	177	0.3%
Transportation and Warehousing	3,411	1.8%	1,303	2.1%
Construction	7,762	4.0%	1,929	3.1%
Manufacturing, Nondurable Goods	2,335	1.2%	1,109	1.8%
Manufacturing, Durable Goods	2,563	1.3%	1,252	2.0%
Wholesale Trade	5,419	2.8%	2,432	3.9%
Retail Trade	7,056	3.6%	2,879	4.6%
Information	6,385	3.3%	1,588	2.5%
Finance, Investment, and Insurance	14,283	7.4%	4,639	7.4%
Real Estate	98,669	50.8%	29,599	47.2%
Professional, Scientific, and Technical Services	15,686	8.1%	4,839	7.7%
Holding Companies	1,957	1.0%	492	0.8%
Administrative Services	2,650	1.4%	1,001	1.6%
Other Services	7,329	3.8%	1,845	2.9%
Health Services	2,608	1.3%	1,179	1.9%
Arts, Entertainment, and Recreation	5,394	2.8%	1,339	2.1%
Accommodation and Other Services	6,193	3.2%	3,453	5.5%
<b>Total</b>	<b>194,300</b>	<b>100.0%</b>	<b>62,660</b>	<b>100.0%</b>
<b>Number of LLCs</b>	<b>195,878</b>		<b>53,026</b>	

Source: California Franchise Tax Board  
 2006 Business Entities Master File

<b>The Number of LLCs at Each Fee Level</b>			
Total Income	Annual Fee	Number of Firms	Percentage of Total
Less than \$250,000	\$ -	132,852	67.8%
\$250,000 to \$499,999	\$ 17,513,590	19,513	9.7%
\$500,000 to \$999,999	\$ 37,228,280	14,944	7.6%
\$999,999 to \$4,999,999	\$ 107,915,210	18,089	9.6%
Greater than \$4,999,999	\$ 122,092,630	10,480	5.3%
		195,878	100.0%

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

FRANCHISE TAX BOARD  
Administrative Settlement Activities  
January through November 9, 2007

(\$Millions)

Number of Settlement Cases			
Recommended for Settlement	104		
Currently in Settlement Inventory	135		
Total	239		
Dollar Amounts Relating to Cases Settled			
Amount in Dispute	\$	727.6	
Amount Recommended for Settlement /1	\$	526.2	
Sustainment Ratio		72.3%	
Monthly Cash Flow /2 , /3			
Month	Payments	Refunds	Net
January	\$ 0.1	\$ -9.1	\$ -9.1
February	1.3	-0.2	1.1
March	1.7	-0.1	1.7
April	1.4	-11.1	-9.7
May	0.5	-96.0	-95.5
June	0.6	0.0	0.5
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	\$ 0.1	\$ -6.6	-6.5
Total	\$ 15.5	\$ -130.2	\$ -114.7

Source: Settlement Bureau - Legal Branch, Data for activities through November 9, 2007.

/1 Includes credit balances and denied refunds

/2 Cash flow data is current through November 9, 2007.

/3 Cash received and refunds made during current period for all cases including those settled in prior periods as well as for settlements in progress.