

FRANCHISE TAX BOARD
Personal Income Tax
Stability of Source Income Ratios /a
1994 - 2009

Exhibit A-4
Page 4 of 4

| 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 |
| 2006 | 0.4617 | 0.9478 | 1.4871 | 4.0792 | 0.2190 | 1.8339 | 4.2274 | 7.6897 | 0.4301 | 0.3382 |
| 2007 | 0.4376 | 1.5257 | 1.8920 | 4.8927 | 0.6907 | 1.9578 | 5.6381 | 16.0868 | 0.5242 | 0.2921 |
| 2008 | 0.5266 | 1.8404 | 2.3018 | 6.5897 | 0.8775 | 2.3602 | 6.8566 | 19.2783 | 0.8193 | 0.3951 |
| 2009 | 0.5598 | 2.0331 | 2.2468 | 5.6230 | 0.9946 | 2.8981 | 6.3499 | 10.4437 | 0.8970 | 0.4289 |
| Mean | 0.5684 | 1.9689 | 2.2659 | 4.1694 | 0.9109 | 1.9778 | 5.0526 | 9.9866 | 0.7153 | 0.3955 |
| Std. Deviation | 0.0742 | 0.4349 | 0.4342 | 0.8682 | 0.2806 | 0.4354 | 0.9135 | 3.7281 | 0.1781 | 0.0690 |
| Std. Error | 0.1306 | 0.2209 | 0.1916 | 0.2082 | 0.3080 | 0.2201 | 0.1808 | 0.3733 | 0.2490 | 0.1746 |

/a Ratio is equal to:

$$\frac{(\text{Extension Item} / \text{Extension Taxable Income})}{(\text{Timely Item} / \text{Timely Taxable Income})}$$

FRANCHISE TAX BOARD
Personal Income Tax
Projected Mental Health Fund Adjustment /a

Exhibit A-5
Page 1 of 1

| Fiscal Year | Projected Amount of General Fund Transfer for Mental Health (\$ millions) |
|--------------------|--|
| July 2006 | -83.6 |
| July 2007 | -423.5 |
| July 2008 | -425.7 |
| July 2009 | -581.4 |
| July 2010 | -239.0 |
| July 2011 | 64.5 |
| July 2012 | -143.3 |
| July 2013 | -399.5 |
| Total | -2,231.5 |

/a Based on most current available return processing information, DOF Economic forecast as of the October 2011 planning estimate, and the most

FRANCHISE TAX BOARD
Personal Income Tax
Form 541
Fiduciary Tax Liability Revenue
1991 Through Preliminary 2010

Exhibit A-6
Page 1 of 1

| Tax Year | Number | Amount (\$ millions) |
|-----------------|---------------|---------------------------------|
| 1991 | 71,314 | 122.3 |
| 1992 | 67,375 | 121.4 |
| 1993 | 73,156 | 109.3 |
| 1994 | 68,700 | 127.3 |
| 1995 | 79,516 | 167.7 |
| 1996 | 93,821 | 191.6 |
| 1997 | 97,100 | 283.1 |
| 1998 | 106,719 | 409.8 |
| 1999 | 109,544 | 469.5 |
| 2000 | 142,922 | 605.0 |
| 2001 | 86,380 | 284.5 |
| 2002 | 71,777 | 230.0 |
| 2003 | 76,637 | 329.8 |
| 2004 | 95,588 | 545.7 |
| 2005 | 110,678 | 766.7 |
| 2006 | 124,081 | 997.7 |
| 2007 | 133,878 | 1,263.0 |
| 2008 | 81,953 | 525.9 |
| 2009 | 71,258 | 414.5 |
| 2010p | 71,192 | 362.7 |

p: Preliminary

Total increase to tax year 2009 reported liability since
last November was \$190.0 million

FRANCHISE TAX BOARD
Revenues from FTB Withholding Programs
(\$ Millions)

Exhibit A-7
Page 1 of 1

| | | Withholding Deposits | Revenue from all Withholding Programs | Real Estate Withholding | All Other Withholding |
|-------------|------------|---------------------------------|--|------------------------------------|----------------------------------|
| 2011 | NOV | 33.4 | 33.5 | 22.2 | 11.4 |
| | OCT | 39.6 | 39.5 | 26.4 | 13.2 |
| | SEP | 105.9 | 115.0 | 22.0 | 93.0 |
| | AUG | 37.9 | 35.0 | 4.1 | 30.9 |
| | JUL | 39.3 | 42.2 | 29.0 | 13.2 |
| | JUN | 102.1 | 94.8 | 25.7 | 69.0 |
| | MAY | 65.6 | 35.6 | 21.2 | 14.5 |
| | APR | 87.8 | 47.4 | 14.8 | 32.5 |
| | MAR | 29.2 | 38.9 | 20.8 | 18.0 |
| | FEB | 30.2 | 27.1 | 16.9 | 10.2 |
| | JAN | 144.2 | 111.6 | 28.9 | 82.7 |
| | TOT | 715.2 | 620.6 | 232.0 | 388.6 |
| 2010 | DEC | 70.2 | 82.1 | 33.3 | 48.8 |
| | NOV | 33.0 | 35.7 | 29.8 | 5.8 |
| | OCT | 35.5 | 34.2 | 25.8 | 8.4 |
| | SEP | 92.7 | 91.1 | 27.1 | 64.0 |
| | AUG | 32.8 | 35.4 | 24.1 | 11.3 |
| | JUL | 42.5 | 38.9 | 28.9 | 9.9 |
| | JUN | 90.6 | 82.2 | 28.7 | 53.5 |
| | MAY | 49.2 | 34.0 | 21.8 | 12.2 |
| | APR | 85.1 | 68.5 | 25.8 | 42.7 |
| | MAR | 32.1 | 33.4 | 21.1 | 12.3 |
| | FEB | 31.4 | 23.5 | 18.1 | 5.4 |
| | JAN | 105.3 | 66.6 | 23.0 | 43.6 |
| | TOT | 697.9 | 625.5 | 307.5 | 318.0 |
| 2009 | DEC | 48.8 | 40.5 | 21.8 | 18.6 |
| | NOV | 28.2 | 26.0 | 23.5 | 2.5 |
| | OCT | 37.0 | 34.7 | 23.7 | 11.1 |
| | SEP | 63.5 | 63.0 | 21.9 | 41.1 |
| | AUG | 32.9 | 33.0 | 26.8 | 6.3 |
| | JUL | 33.7 | 31.8 | 24.2 | 7.6 |
| | JUN | 51.5 | 38.7 | 20.3 | 18.4 |
| | MAY | 32.3 | 60.8 | 24.5 | 36.3 |
| | APR | 72.0 | 36.1 | 17.9 | 18.2 |
| | MAR | 24.7 | 22.3 | 16.3 | 6.0 |
| | FEB | 30.7 | 39.7 | 19.1 | 20.6 |
| | JAN | 83.1 | 83.7 | 35.6 | 48.0 |
| TOT | 538.4 | 510.3 | 275.7 | 234.6 | |
| 2008 | TOT | 844.4 | 818.6 | 532.1 | 286.4 |
| 2007 | TOT | 1,383.5 | 1399.7 | 1069.2 | 330.5 |

Source: MIS Report & WSCS Revenue Report

FRANCHISE TAX BOARD
Personal Income Tax
Nonresident Total Tax Liability
Tax Years 1998 Through 2010

Exhibit A-8
1 of 1

| Tax Year | Number of Returns | Total Tax Liability (Thousands) |
|-----------------|--------------------------|--|
| 1998 | 589,326 | \$1,115,774 |
| 1999 | 590,407 | \$1,187,977 |
| 2000 | 636,000 | \$1,509,854 |
| 2001 | 623,887 | \$1,254,106 |
| 2002 | 608,143 | \$1,845,020 |
| 2003 | 626,181 | \$1,371,429 |
| 2004 | 680,451 | \$1,685,546 |
| 2005 | 738,171 | \$2,179,969 |
| 2006 | 752,481 | \$2,288,095 |
| 2007 | 827,997 | \$2,695,219 |
| 2008 | 803,822 | \$2,272,404 |
| 2009 | 755,884 | \$2,016,555 |
| 2010* | 798,456 | \$2,167,585 |

* data through November 27, 2011
Source: Return Merge

FRANCHISE TAX BOARD
Personal Income Tax
Changes in Income Composition
1988 through 2009

Exhibit A-9
1 of 2

| YEAR | AGI Threshold | AGI | | WAGES | | INTEREST INCOME | | BUSINESS INCOME | | CAPITAL GAINS | | SCHEDULE E INCOME | | RETIREMENT INCOME | |
|------|---------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
| | Top 5 percent | All Returns (billions) | Top 5 percent (billions) | All Returns (billions) | Top 5 percent (billions) | All Returns (billions) | Top 5 percent (billions) | All Returns (billions) | Top 5 percent (billions) | All Returns (billions) | Top 5 percent (billions) | All Returns (billions) | Top 5 percent (billions) | All Returns (billions) | Top 5 percent (billions) |
| 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 | \$238.6 | \$544.2 | \$132.7 | \$16.4 | \$7.2 | \$39.0 | \$14.4 | \$33.2 | \$30.4 | \$48.5 | \$42.5 | \$57.4 | \$7.5 |
| 2003 | \$151,297 | \$766.8 | \$259.5 | \$555.4 | \$137.3 | \$15.4 | \$7.3 | \$41.3 | \$14.4 | \$45.3 | \$41.4 | \$54.2 | \$46.7 | \$58.2 | \$7.3 |
| 2004 | \$160,782 | \$850.5 | \$312.7 | \$590.5 | \$149.9 | \$14.9 | \$7.8 | \$42.8 | \$15.5 | \$47.6 | \$68.1 | \$62.0 | \$55.1 | \$62.1 | \$8.1 |
| 2005 | \$171,530 | \$941.6 | \$372.1 | \$623.9 | \$161.4 | \$20.3 | \$10.8 | \$47.7 | \$16.8 | \$111.3 | \$100.5 | \$69.4 | \$62.3 | \$66.7 | \$9.3 |
| 2006 | \$178,201 | \$1,002.6 | \$398.6 | \$663.1 | \$173.3 | \$28.9 | \$15.5 | \$46.7 | \$15.7 | \$116.5 | \$105.4 | \$68.5 | \$63.0 | \$72.3 | \$10.2 |
| 2007 | \$186,568 | \$1,076.3 | \$432.5 | \$710.4 | \$189.3 | \$33.5 | \$17.1 | \$45.2 | \$16.1 | \$128.8 | \$116.0 | \$70.1 | \$64.6 | \$79.9 | \$11.4 |
| 2008 | \$183,323 | \$997.7 | \$358.3 | \$713.1 | \$186.8 | \$26.5 | \$12.6 | \$43.9 | \$15.3 | \$54.7 | \$52.3 | \$70.3 | \$63.9 | \$85.7 | \$12.1 |
| 2009 | \$176,423 | \$912.8 | \$306.9 | \$675.4 | \$177.2 | \$19.6 | \$9.2 | \$40.8 | \$13.5 | \$27.6 | \$26.0 | \$68.5 | \$60.7 | \$84.7 | \$10.6 |

FRANCHISE TAX BOARD
Personal Income Tax
Changes in Income Composition
1988 through 2009

Exhibit A-9
2 of 2

| 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% | 2.2% | 3.0% | 5.3% | 6.0% | 4.5% | 12.7% | 6.6% | 17.8% | 7.8% | 3.1% |
| 2003 | \$151,297 | 72.4% | 52.9% | 2.0% | 2.8% | 5.4% | 5.5% | 5.9% | 16.0% | 7.1% | 18.0% | 7.6% | 2.8% |
| 2004 | \$160,782 | 69.4% | 47.9% | 1.8% | 2.5% | 5.0% | 5.0% | 8.8% | 21.8% | 7.3% | 17.6% | 7.3% | 2.6% |
| 2005 | \$171,530 | 66.3% | 43.4% | 2.2% | 2.9% | 5.1% | 4.5% | 11.8% | 27.0% | 7.4% | 16.7% | 7.1% | 2.5% |
| 2006 | \$178,201 | 66.1% | 43.5% | 2.9% | 3.9% | 4.7% | 3.9% | 11.6% | 26.4% | 6.8% | 15.8% | 7.2% | 2.6% |
| 2007 | \$186,568 | 66.0% | 43.8% | 3.1% | 4.0% | 4.2% | 3.7% | 12.0% | 26.8% | 6.5% | 14.9% | 7.4% | 2.6% |
| 2008 | \$183,323 | 71.5% | 52.1% | 2.7% | 3.5% | 4.4% | 4.3% | 5.5% | 14.6% | 7.0% | 17.8% | 8.6% | 3.4% |
| 2009 | \$176,423 | 74.0% | 57.7% | 2.1% | 3.0% | 4.5% | 4.4% | 3.0% | 8.5% | 7.5% | 19.8% | 9.3% | 3.5% |

FRANCHISE TAX BOARD

Exhibit A-10

Personal Income Tax

1 of 5

Gross Capital Gains and Their Components:

1988 through 2009

(\$ Millions)

| 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 |
| 2006 | 55,770 | 7,440 | 16,421 | 7,958 | 55,416 | 143,004 |
| 2007 | 60,194 | 9,797 | 10,413 | 6,510 | 66,643 | 153,556 |
| 2008 | 41,537 | 9,194 | 7,064 | 4,068 | 45,754 | 107,616 |
| 2009 | 20,917 | 7,220 | 3,632 | 2,749 | 21,844 | 56,362 |

/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

Exhibit A-10

Personal Income Tax

2 of 5

Gross Capital Losses/a and Their Components:

1988 through 2009

(\$ Millions)

| Tax Year | Stocks | Other Securities | Residential Real Estate | Non-Residential Real Estate | Other | Total |
|-----------------|---------------|-------------------------|--------------------------------|------------------------------------|--------------|--------------|
| 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 | 4,582 | 23,202 |
| 2007 | 11,169 | 4,108 | 511 | 377 | 6,675 | 22,839 |
| 2008 | 43,263 | 27,159 | 2,580 | 983 | 37,378 | 111,362 |
| 2009 | 17,771 | 10,968 | 2,507 | 1,305 | 20,700 | 53,251 |

/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

Exhibit A-10

Personal Income Tax

3 of 5

Capital Gains**Business Sale Gains Vs. Trading Gains****1989-2009**

(\$ Billions)

| 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% |
| 2006 | 23.15 | 25.69 | 48.83 | 47% |
| 2007 | 22.69 | 28.33 | 51.02 | 44% |
| 2008 | 17.49 | 21.65 | 39.14 | 45% |
| 2009 | 8.51 | 12.13 | 20.64 | 41% |

/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

FRANCHISE TAX BOARD

Personal Income Tax

Capital Gains

Holding Periods for Stock Trading Gains /a /b

1989 through 2009

Exhibit A-10

4 of 5

| 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% | 6417 |
| 1991 | 30.6% | 12.9% | 9.2% | 8.7% | 6.0% | 4.3% | 4.1% | 2.6% | 2.6% | 18.9% | 6240 |
| 1992 | 34.3% | 15.6% | 7.3% | 7.3% | 4.6% | 5.2% | 3.9% | 2.3% | 3.7% | 15.7% | 5829 |
| 1993 | 34.2% | 15.8% | 9.5% | 7.5% | 6.3% | 3.3% | 7.8% | 2.9% | 2.2% | 10.5% | 9504 |
| 1994 | 29.1% | 19.2% | 12.6% | 7.4% | 5.2% | 5.1% | 2.9% | 3.5% | 2.1% | 12.9% | 8706 |
| 1995 | 38.3% | 17.9% | 9.5% | 4.3% | 3.4% | 6.0% | 2.6% | 1.4% | 7.6% | 9.1% | 14892 |
| 1996 | 41.3% | 17.4% | 10.8% | 8.3% | 3.9% | 2.6% | 2.5% | 1.6% | 1.5% | 10.0% | 17104 |
| 1997 | 33.2% | 20.4% | 9.1% | 6.1% | 5.0% | 5.2% | 2.7% | 3.2% | 1.6% | 13.6% | 18074 |
| 1998 | 31.8% | 20.3% | 10.8% | 7.3% | 6.2% | 2.8% | 2.3% | 1.4% | 2.3% | 14.8% | 23645 |
| 1999 | 35.8% | 21.6% | 10.7% | 6.9% | 5.0% | 4.0% | 2.1% | 2.8% | 1.6% | 9.7% | 37246 |
| 2000 | 35.0% | 24.5% | 11.8% | 6.5% | 4.5% | 2.3% | 4.2% | 1.4% | 1.2% | 8.8% | 49111 |
| 2001 | 18.0% | 24.7% | 13.5% | 8.3% | 9.1% | 5.7% | 3.8% | 2.5% | 1.5% | 12.8% | 22862 |
| 2002 | 13.2% | 10.1% | 13.1% | 7.9% | 7.7% | 8.6% | 2.8% | 7.1% | 3.9% | 25.6% | 21532 |
| 2003 | 24.0% | 17.1% | 9.7% | 9.2% | 4.3% | 3.8% | 4.4% | 10.6% | 1.9% | 15.0% | 17474 |
| 2004 | 26.5% | 22.8% | 8.8% | 6.6% | 7.2% | 4.1% | 2.7% | 1.5% | 3.3% | 16.4% | 20615 |
| 2005 | 22.6% | 19.9% | 14.0% | 6.4% | 6.9% | 5.2% | 5.5% | 3.2% | 1.4% | 14.9% | 23126 |
| 2006 | 19.9% | 19.3% | 13.6% | 9.0% | 5.0% | 3.7% | 4.2% | 2.5% | 3.4% | 19.4% | 25686 |
| 2007 | 21.1% | 19.0% | 12.8% | 11.3% | 7.3% | 4.5% | 4.0% | 2.6% | 1.9% | 15.5% | 28333 |
| 2008 | 24.3% | 13.1% | 10.1% | 8.0% | 7.3% | 5.5% | 2.0% | 2.9% | 3.4% | 23.4% | 21646 |
| 2009 | 41.9% | 7.4% | 7.0% | 5.0% | 4.5% | 3.6% | 3.0% | 2.9% | 1.3% | 23.2% | 12130 |
| Average | 28.9% | 17.7% | 10.7% | 7.5% | 5.8% | 4.5% | 3.6% | 3.1% | 2.6% | 15.8% | |

/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 Business Sale Gains /a /b

1989 through 2009

Exhibit A-10

5 of 5

| 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% | 2440 |
| 1991 | 4.8% | 16.3% | 6.7% | 12.0% | 6.3% | 3.6% | 9.1% | 8.4% | 3.0% | 29.8% | 2719 |
| 1992 | 13.2% | 17.8% | 6.8% | 8.6% | 6.4% | 4.8% | 6.4% | 6.9% | 3.1% | 26.0% | 1470 |
| 1993 | 7.3% | 7.7% | 4.7% | 24.0% | 7.2% | 6.5% | 7.1% | 2.9% | 5.8% | 26.9% | 3471 |
| 1994 | 6.5% | 11.4% | 7.3% | 9.9% | 7.6% | 8.0% | 6.4% | 3.8% | 5.6% | 33.5% | 3045 |
| 1995 | 5.4% | 8.7% | 10.8% | 8.1% | 8.1% | 6.0% | 4.6% | 4.8% | 8.5% | 34.9% | 5636 |
| 1996 | 5.1% | 12.3% | 10.9% | 7.0% | 6.3% | 8.3% | 4.2% | 4.5% | 5.0% | 36.5% | 7998 |
| 1997 | 7.2% | 7.9% | 11.1% | 7.9% | 5.8% | 7.8% | 4.6% | 2.7% | 5.0% | 40.1% | 9851 |
| 1998 | 8.6% | 10.7% | 10.0% | 8.4% | 8.2% | 10.4% | 5.4% | 4.3% | 3.6% | 30.4% | 14078 |
| 1999 | 3.8% | 16.3% | 16.3% | 15.6% | 8.6% | 6.3% | 4.0% | 2.2% | 2.5% | 24.4% | 28995 |
| 2000 | 4.7% | 19.9% | 19.3% | 14.5% | 9.4% | 6.3% | 3.9% | 3.0% | 2.3% | 16.5% | 51464 |
| 2001 | 3.3% | 14.2% | 14.7% | 14.4% | 9.0% | 6.5% | 4.5% | 3.5% | 3.4% | 26.5% | 17903 |
| 2002 | 3.6% | 7.8% | 5.5% | 10.9% | 6.8% | 6.8% | 10.9% | 5.4% | 3.9% | 38.5% | 9656 |
| 2003 | 6.5% | 7.8% | 7.6% | 11.6% | 9.5% | 5.7% | 6.2% | 5.7% | 5.7% | 33.8% | 11364 |
| 2004 | 1.5% | 10.4% | 15.6% | 9.9% | 7.5% | 14.6% | 9.0% | 3.0% | 3.8% | 24.7% | 17453 |
| 2005 | 1.3% | 15.1% | 22.0% | 8.4% | 5.9% | 13.1% | 6.9% | 2.1% | 4.0% | 21.2% | 26709 |
| 2006 | 1.8% | 7.7% | 8.7% | 10.3% | 6.9% | 8.7% | 6.8% | 9.9% | 3.5% | 35.8% | 23146 |
| 2007 | 2.9% | 7.2% | 10.2% | 16.0% | 9.2% | 4.6% | 4.7% | 6.3% | 6.1% | 32.8% | 22691 |
| 2008 | 2.9% | 4.8% | 11.5% | 15.1% | 8.4% | 5.4% | 5.1% | 4.0% | 6.6% | 36.2% | 17494 |
| 2009 | 4.8% | 10.7% | 8.1% | 11.1% | 8.7% | 3.8% | 5.7% | 5.8% | 4.2% | 37.1% | 8510 |
| Average | 5.1% | 11.5% | 10.8% | 12.4% | 7.6% | 7.0% | 6.0% | 4.8% | 4.4% | 30.4% | |

FRANCHISE TAX BOARD

Exhibit A-11

Personal Income Tax

Page 1 of 1

Tax-Weighted Distribution of Income by Source

California Residents

Tax Years 2007-2009

| Income Item | Percent Distribution | | | | | |
|-------------------------------|----------------------|--------|--------|----------------|--------|--------|
| | Unweighted | | | Tax-Weighted** | | |
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Wages | 66.4% | 73.0% | 76.2% | 53.0% | 61.3% | 67.3% |
| Taxable Interest | 3.5% | 3.0% | 2.4% | 3.6% | 2.9% | 2.3% |
| Ordinary Dividend | 2.8% | 2.8% | 2.2% | 3.8% | 3.6% | 2.8% |
| Business Income | 4.1% | 4.2% | 4.4% | 3.0% | 3.3% | 3.3% |
| Capital Gain | 12.3% | 5.7% | 3.2% | 21.4% | 11.4% | 6.0% |
| IRA Distribution | 1.4% | 1.8% | 1.5% | 1.0% | 1.3% | 1.1% |
| Pension Income | 4.6% | 5.4% | 6.1% | 2.9% | 3.5% | 4.1% |
| Rental/Royalty Income | 0.2% | 0.3% | 0.3% | 0.9% | 1.2% | 1.0% |
| Partnership Income | 4.8% | 4.6% | 5.1% | 9.2% | 10.3% | 10.9% |
| Other Income | 0.0% | -0.7% | -1.5% | 1.2% | 1.2% | 1.2% |
| Adjusted Total Income* | 100.0% | 100.0% | 100.0% | 100.0% | 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 : 2007-2009 PIT Samples

**FRANCHISE TAX BOARD
Corporation Tax Law**

**Accrual Estimates
(\$ in Millions)**

| Payments | 2010-2011 | 2011-2012 | 2012-2013 |
|--|------------------|------------------|------------------|
| Estimate Payments | \$528.5 | \$520.1 | \$495.0 |
| Return Remittances Payments | 374.1 | 423.1 | 470.2 |
| Other | 424.7 | 464.5 | 515.4 |
| Total | 1,327.3 | 1,407.7 | 1,480.5 |
| Refunds | -1,237.5 | -1,279.8 | -1,308.7 |
| Budget Net | \$89.8 | \$127.9 | \$171.9 |
| GAAP Adjustments* | -\$1,343.8 | -\$1,010.4 | -\$696.1 |
| GAAP Net | -\$1,254.0 | -\$882.5 | -\$524.3 |

*Included: Chapter 751 Statutes of 2008 change to Sept estimated payments,
Accelerated revenue estimate payments, Net final payments, &
LCUP corporate penalty refunds

11/14/2011

(ss)Accrual 1111.xlsx

Reported in July 2011

**Accrual Estimates
(\$ in Millions)**

| Payments | 2009-2010 | 2010-2011 | 2011-2012 |
|--|------------------|------------------|------------------|
| Estimate Payments | \$616.0 | \$555.3 | \$530.7 |
| Return Remittances Payments | 368.7 | 430.5 | 468.9 |
| Other | 365.0 | 423.3 | 487.0 |
| Total | 1,349.7 | 1,409.1 | 1,486.5 |
| Refunds | -1,100.3 | -1,259.0 | -1,418.7 |
| Budget Net | \$249.4 | \$150.1 | \$67.8 |
| GAAP Adjustments* | -\$1,142.4 | -\$1,362.9 | -\$1,018.0 |
| GAAP Net | -\$893.1 | -\$1,212.8 | -\$950.2 |

*Included: Chapter 751 Statutes of 2008 change to Sept estimated payments,
Accelerated revenue estimate payments, Net final payments, &
LCUP corporate penalty refunds

07/20/2011

(ss)Accrual 0711.xls

**FRANCHISE TAX BOARD
Corporation Tax Law**

Exhibit B-1
Page 2 of 2

**GAAP Adjustments Breakdown
(\$ in Millions)**

| | 2010-2011 | 2011-2012 | 2012-2013 |
|---|------------------|------------------|------------------|
| Chapter 751 Statutes of 2008 change to Sept estimated payments | -\$207.9 | -\$207.1 | -\$202.8 |
| LCUP corporate penalty refunds | -\$775.9 | -\$615.9 | -\$435.9 |
| Accelerated revenue estimate payments | -\$778.0 | -\$610.2 | -\$518.2 |
| Net final payments | \$418.0 | \$422.8 | \$460.8 |

11/15/2011

(ss)Accrual 1111.xlsx

Reported in July 2011

**GAAP Adjustments Breakdown
(\$ in Millions)**

| | 2009-2010 | 2010-2011 | 2011-2012 |
|---|------------------|------------------|------------------|
| Chapter 751 Statutes of 2008 change to Sept estimated payments | -\$255.2 | -\$317.8 | -\$309.5 |
| LCUP corporate penalty refunds | -\$865.8 | -\$792.6 | -\$669.3 |
| Accelerated revenue estimate payments | -\$473.7 | -\$675.7 | -\$491.0 |
| Net final payments | \$452.3 | \$423.2 | \$451.7 |

7/21/2011

(ss)Accrual 0711.xls

**FRANCHISE TAX BOARD
Corporation Tax**

Exhibit B-2
Page 1 of 1

Refund Requests in Inventory as of end of November 21, 2011

| Refund Amount | 2010 | |
|----------------------------|--------------------------|-------------------------|
| | Number of Returns | Aggregate Amount |
| \$0 - 4,999 | 499 | \$565,257 |
| 5,000 - 9,999 | 68 | 471,104 |
| 10,000 - 49,999 | 163 | 4,128,336 |
| 50,000 - 499,999 | 227 | 40,463,892 |
| \$500,000 and over | 121 | 369,207,499 |
| Subtotal | 1,078 | 414,836,088 |
| Amended Returns | 34 | 600,570 |
| Partnership Returns | 3,678 | 502,657 |
| LLC Returns | 2,223 | 8,456,958 |
| Total Inventory | 7,013 | \$424,396,273 |

Source: Business Entities Section, ICBS & Receiving

**FRANCHISE TAX BOARD
CORPORATION TAX**

**Preliminary 2010 Tax Year Data Compared to
Preliminary 2009 Tax Year by Accounting Period
(Return Volume in Thousands, Amount in \$Millions)**

| APE | 2009 Tax Year \1 | | | 2010 Tax Year \1 | | | Growth | |
|----------------------|------------------|--------|-------|------------------|---------|-------|------------------|------|
| | All Corporations | | | All Corporations | | | All Corporations | |
| | # | SNI | TAX | # | SNI | TAX | SNI | TAX |
| Jan | 8 | 3,001 | 317 | 8 | 3,798 | 388 | 797 | 71 |
| Feb | 6 | 763 | 123 | 6 | 221 | 80 | -542 | -42 |
| Mar | 17 | -1,592 | 234 | 16 | -289 | 222 | 1,303 | -11 |
| Apr | 7 | 531 | 73 | 6 | 559 | 85 | 29 | 13 |
| May | 7 | 1,924 | 165 | 7 | 2,307 | 166 | 382 | 1 |
| Jun | 26 | 1,093 | 356 | 25 | 3,293 | 388 | 2,200 | 32 |
| Jul | 7 | 2,157 | 202 | 7 | 3,906 | 251 | 1,749 | 49 |
| Aug | 7 | 875 | 115 | 7 | 1,190 | 119 | 315 | 4 |
| Sep | 20 | 8,621 | 751 | 20 | 11,035 | 847 | 2,414 | 96 |
| Oct | 9 | 2,037 | 214 | 9 | 2,288 | 188 | 251 | -26 |
| Nov | 5 | 1,056 | 214 | 5 | 165 | 44 | -891 | -171 |
| Dec Prelim | 542 | 31,551 | 5,128 | 557 | 60,973 | 5,139 | 29,422 | 11 |
| Dec Final | 607 | 35,756 | 5,255 | N/A | N/A | N/A | N/A | N/A |
| Preliminary Total | 661 | 52,018 | 7,891 | 672 | 89,447 | 7,918 | 37,428 | 26 |
| Tax Year Total \2,\3 | 728 | 55,367 | 7,858 | 739 | 102,758 | 8,108 | 47,391 | 250 |

| APE | 2009 Tax Year \1 | | | 2010 Tax Year \1 | | | Growth | |
|----------------------|-----------------------|---------|-------|-----------------------|---------|-------|--------------------|------|
| | Positive Income Corps | | | Positive Income Corps | | | Positive Inc Corps | |
| | # | SNI | TAX | # | SNI | TAX | SNI | TAX |
| Jan | 4 | 4,209 | 314 | 4 | 5,124 | 384 | 915 | 71 |
| Feb | 3 | 1,577 | 120 | 3 | 1,022 | 78 | -555 | -42 |
| Mar | 9 | 3,195 | 222 | 8 | 3,106 | 214 | -89 | -7 |
| Apr | 3 | 1,144 | 70 | 3 | 1,300 | 82 | 155 | 12 |
| May | 4 | 2,817 | 162 | 3 | 2,846 | 163 | 29 | 1 |
| Jun | 13 | 4,583 | 344 | 12 | 5,309 | 377 | 726 | 33 |
| Jul | 3 | 3,783 | 199 | 3 | 4,591 | 248 | 808 | 49 |
| Aug | 3 | 1,490 | 110 | 3 | 1,751 | 116 | 261 | 6 |
| Sep | 10 | 10,693 | 735 | 10 | 12,538 | 835 | 1,844 | 99 |
| Oct | 4 | 3,113 | 202 | 5 | 3,293 | 184 | 179 | -18 |
| Nov | 3 | 1,974 | 211 | 3 | 774 | 41 | -1,201 | -170 |
| Dec Prelim | 301 | 86,164 | 4,871 | 324 | 103,695 | 4,903 | 17,532 | 32 |
| Dec Final | 329 | 96,560 | 5,021 | N/A | N/A | N/A | N/A | N/A |
| Preliminary Total | 360 | 124,742 | 7,560 | 381 | 145,347 | 7,626 | 20,605 | 65 |
| Tax Year Total \2,\3 | 387 | 135,422 | 7,569 | 408 | 162,230 | 7,936 | 26,808 | 367 |

\1 2009 data through November 13, 2010. 2010 data through November 13, 2011.

\2 Note that for 2009, Tax Year Total SNI for All Returns was greater than Preliminary Total SNI by 6.4%, while for Positive Income returns, Tax Year Total SNI exceeded Preliminary by 8.6%. Similarly Tax Year Total TAX was less than Preliminary TAX by 0.4%. All Corporations, and greater than Preliminary TAX by 0.1%. For 2010, changes from Preliminary to Tax Year Total SNI are estimated at 14.9% and 11.6% for All and Positive Income Corps, respectively. Increases from Preliminary to Tax Year Total TAX are estimated at 2.4% and 4.1% 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
Special Tax Credits Allowed
Selected Credits
2009 - 2010 Tax Years

| Credit | Preliminary 2009* | | Preliminary 2010** | | Final 2009 | Final 2010 \2 |
|--|-------------------|-------------------------|--------------------|-------------------------|-------------------------|-------------------------|
| | Number | Amount (\$Thousands) | Number | Amount (\$Thousands) | Amount (\$Thousands) | Amount (\$Thousands) |
| Enterprise Zone and Program Area Hiring and Sales | 4,287 | 210,780 | 5,216 | 313,410 | 266,009 | 348,061 |
| Local Area Military Base Revitalization Area | 24 | 1,877 | 21 | 1,333 | 2,186 | 1,480 |
| Los Angeles Revitalization Zone | 171 | 2,159 | 148 | 2,294 | 2,515 | 2,548 |
| Low-Income Housing | 19 | 31,295 | 21 | 38,845 | 52,826 | 43,140 |
| Manufacturer's Investment | 373 | 10,579 | 402 | 20,622 | 14,700 | 22,902 |
| Prior Year Alternative Minimum Tax | 832 | 18,444 | 746 | 23,013 | 23,306 | 25,558 |
| Research | 2,160 | 796,668 | 2,730 | 1,407,361 | 992,887 | 1,562,960 |
| Targeted Tax Area | 55 | 3,611 | 55 | 3,152 | 6,424 | 3,501 |
| Other | 1,652 | 112,474 | 2,141 | 112,576 | 12,853 | 125,022 |
| Preliminary Total | 9,573 | 1,187,888 | 11,480 | 1,922,607 | Not Applicable | Not Applicable |
| Tax Year Total \1 | 9,685 | 1,291,811 | 11,614 | 2,135,172 | 1,373,706 | 2,135,172 |

Note: The 2010 Tax Year Total and the Final 2010 column are estimates which account for returns that are still being processed.

\1Tax Year Total for 2009 was determined to be 6.3% greater than Preliminary Total. For 2010, Tax Year Total is estimated to be 11.0% 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 13, 2010)

**Preliminary data (returns processed through November 13, 2011)

Source: Business Entities Tax System

FRANCHISE TAX BOARD
Bank and Corporation Tax
California S Corporations: Aggregate Income and Tax Liability
2003-2010
(\$ in Millions)

Exhibit B-8
Page 1 of 1

| Income Category of S Corporations | 2003 | 2004 | Pct Change | 2005 | Pct Change | 2006 | Pct Change | 2007 | Pct Change | 2008 | Pct Change | 2009 | Pct Change | 2010/a | Pct Change |
|--|---------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|
| Positive State Net Income S Corporations | | | | | | | | | | | | | | | |
| -- Number | 158,808 | 181,938 | 14.6 | 206,461 | 13.5 | 224,572 | 8.8 | 235,329 | 4.8 | 238,380 | 1.3 | 239,603 | 0.5 | 261,604 | 9.2 |
| -- SNI | 33,641 | 43,587 | 29.6 | 51,255 | 17.6 | 57,593 | 12.4 | 58,245 | 1.1 | 51,156 | -12.2 | 41,952 | -18.0 | 46,751 | 11.4 |
| -- Tax Liability | 541 | 670 | 23.7 | 784 | 17.0 | 872 | 11.3 | 882 | 1.1 | 802 | -9.1 | 666 | -17.0 | 729 | 9.5 |
| Positive State Net Income Tax Liability = Minimum Tax | | | | | | | | | | | | | | | |
| -- Number | | | | | | | | | | 145,574 | | 154,315 | 6.0 | 170,170 | 10.3 |
| -- SNI | | | | | | | | | | 3,975 | | 4,043 | 1.7 | 6,027 | 49.1 |
| -- Tax Liability | | | | | | | | | | 111 | | 119 | 6.8 | 129 | 8.7 |
| Negative State Net Income S Corporations: /b | | | | | | | | | | | | | | | |
| -- Number | 101,419 | 115,319 | 13.7 | 129,549 | 12.3 | 143,290 | 10.6 | 155,937 | 8.8 | 166,876 | 7.0 | 168,982 | 1.3 | 161,970 | -4.1 |
| -- SNI | -6,543 | -7,458 | 14.0 | -8,457 | 13.4 | -9,091 | 7.5 | -12,056 | 32.6 | -14,498 | 20.3 | -13,786 | -4.9 | -10,802 | -21.6 |
| -- Tax Liability | 68 | 75 | 11.0 | 84 | 12.2 | 98 | 16.1 | 108 | 10.2 | 119 | 10.4 | 123 | 3.6 | 120 | -3.2 |
| All S Corporations: | | | | | | | | | | | | | | | |
| -- Number | 260,227 | 297,257 | 14.2 | 336,010 | 13.0 | 367,862 | 9.5 | 391,266 | 6.4 | 405,256 | 3.6 | 408,585 | 0.8 | 423,574 | 3.7 |
| -- SNI | 27,098 | 36,129 | 33.3 | 31,725 | -12.2 | 48,502 | 52.9 | 46,189 | -4.8 | 36,657 | -20.6 | 28,166 | -23.2 | 35,949 | 27.6 |
| -- Tax Liability | 609 | 745 | 22.3 | 868 | 16.5 | 970 | 11.8 | 990 | 2.1 | 921 | -6.9 | 789 | -14.3 | 849 | 7.5 |

/a Data for 2010 are incomplete. They include returns processed through November 21, 2011.

/b Data include corporations reporting zero SNI.

Source: California Franchise Tax Board, Business Entity Tax System.

FRANCHISE TAX BOARD

Exhibit B-9

Corporation Tax

1 of 2

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 | 61,736 | 1,939 | 19,475 | 9,737 | - | 25,163 |
| 1989 | 213,587 | 25,163 | 65,132 | 2,119 | 22,440 | 11,220 | 1,904 | 32,361 |
| 1990 | 243,940 | 32,361 | 70,541 | 2,451 | 26,127 | 13,064 | 5,118 | 37,856 |
| 1991 | 238,525 | 37,856 | 35,577 | 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 | 90,149 | 5,172 | 27,778 | 13,889 | 6,849 | 82,082 |
| 1996 | 369,554 | 82,082 | 86,426 | 5,192 | 30,409 | 15,205 | 7,516 | 84,579 |
| 1997 | 367,656 | 84,579 | 84,389 | 5,864 | 29,917 | 14,958 | 15,735 | 77,938 |
| 1998 | 359,833 | 77,938 | 82,544 | 5,800 | 37,512 | 18,756 | 23,545 | 67,349 |
| 1999 | 300,330 | 67,349 | 80,601 | 5,600 | 48,141 | 24,070 | 8,886 | 76,934 |
| 2000 | 303,627 | 76,934 | 79,466 | 6,258 | 76,883 | 41,402 | 9,612 | 102,467 |
| 2001 | 316,837 | 102,467 | 78,439 | 6,317 | 80,748 | 44,411 | 10,655 | 129,905 |
| 2002 | 338,607 | 129,905 | 26,645 | 1,574 | 69,470 | 41,682 | 1,041 | 168,973 |
| 2003 | 418,644 | 168,973 | 0 | 0 | 56,597 | 33,958 | - | 202,931 |
| 2004 | 504,450 | 202,931 | 106,475 | 10,985 | 52,582 | 46,732 | 9,098 | 229,580 |
| 2005 | 501,895 | 229,580 | 134,495 | 14,771 | 62,757 | 62,757 | 13,210 | 264,356 |
| 2006 | 510,105 | 264,356 | 125,214 | 14,975 | 49,979 | 49,979 | 17,542 | 281,818 |
| 2007 | 536,631 | 281,818 | 122,762 | 12,321 | 64,469 | 64,469 | - | 333,966 |
| 2008 | 596,607 | 333,966 | 116,572 | 5,746 | 98,770 | 98,770 | - | 426,990 |
| 2009 | 659,008 | 426,990 | 115,710 | 3,045 | 99,215 | 99,215 | - | 523,160 |
| 2010 | 718,679 | 523,160 | 122,181 | 2,997 | 59,617 | 59,617 | - | 579,781 |

/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 November 17, 2011. Detail may not add to totals due to rounding.

FRANCHISE TAX BOARD
Corporation Tax
Net Operating Loss

Exhibit B-9
2 of 2

Distribution of NOL Stocks at the End of 2009 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 | 3.7 | 7.5 | 0.0 | 0.0 |
| 1990 | 13.1 | 4.6 | 8.5 | 0.0 | 0.0 |
| 1991 | 14.1 | 7.8 | 6.3 | 0.0 | 0.0 |
| 1992 | 15.7 | 1.7 | 14.0 | 0.0 | 0.0 |
| 1993 | 14.8 | 4.4 | 10.5 | 0.0 | 0.0 |
| 1994 | 13.1 | 4.2 | 8.9 | 0.0 | 0.0 |
| 1995 | 13.9 | 4.3 | 9.6 | 0.0 | 0.0 |
| 1996 | 15.2 | 4.5 | 10.7 | 0.0 | 0.0 |
| 1997 | 15.0 | 4.8 | 10.1 | 0.0 | 0.0 |
| 1998 | 18.8 | 5.5 | 13.2 | 0.0 | 0.0 |
| 1999 | 24.1 | 6.5 | 17.5 | 0.0 | 0.0 |
| 2000 | 41.4 | 10.6 | 0.0 | 30.8 | 5.3 |
| 2001 | 44.4 | 9.0 | 0.0 | 35.4 | 6.1 |
| 2002 | 41.7 | 9.5 | 0.0 | 32.2 | 5.5 |
| 2003 | 34.0 | 8.0 | 0.0 | 25.9 | 4.5 |
| 2004 | 46.7 | 8.1 | 0.0 | 38.6 | 6.7 |
| 2005 | 62.8 | 6.8 | 0.0 | 56.0 | 9.7 |
| 2006 | 50.0 | 5.2 | 0.0 | 44.7 | 7.7 |
| 2007 | 64.5 | 3.0 | 0.0 | 61.5 | 10.6 |
| 2008 | 98.8 | 1.9 | 0.0 | 96.9 | 16.7 |
| 2009 | 99.2 | 1.1 | 0.0 | 98.1 | 16.9 |
| 2010 | 59.6 | 0.0 | 0.0 | 59.6 | 10.3 |
| Totals | 839.7 | 123.1 | 136.9 | 579.8 | 100.0 |

Source: California Franchise Tax Board, Business Entity Tax System as of November 17, 2011

FRANCHISE TAX BOARD
SNI by Corporation Type
1991 - 2009

SNI By Year for Financial vesus Non-Financial C Corporations
Corporations with SNI>0

| Years | Financial | | Non-Financial | |
|-------|-----------|------------------|---------------|-------------------|
| | Number | Amount | Number | Amount |
| 2009 | 6,674 | \$14,845,932,292 | 133,710 | \$77,195,060,174 |
| 2008 | 8,971 | \$16,794,167,551 | 151,786 | \$94,237,908,400 |
| 2007 | 8,553 | \$21,385,306,306 | 160,144 | \$100,626,670,609 |
| 2006 | 8,525 | \$24,781,672,716 | 162,164 | \$104,758,612,523 |
| 2005 | 8,780 | \$21,714,051,403 | 161,545 | \$89,277,140,178 |
| 2004 | 7,730 | \$20,493,927,738 | 160,766 | \$67,197,925,958 |
| 2003 | 6,700 | \$19,416,308,487 | 151,104 | \$51,573,366,429 |
| 2002 | 8,063 | \$17,326,953,786 | 156,533 | \$47,675,708,778 |
| 2001 | 8,035 | \$13,323,006,060 | 161,356 | \$51,107,317,110 |
| 2000 | 8,850 | \$11,884,177,187 | 162,160 | \$64,256,447,541 |
| 1999 | 9,490 | \$10,118,478,109 | 176,953 | \$54,635,072,833 |
| 1998 | 12,112 | \$11,294,250,101 | 164,424 | \$51,691,321,219 |
| 1997 | 12,472 | \$11,990,126,628 | 162,294 | \$51,948,761,555 |
| 1996 | 17,772 | \$9,271,095,871 | 156,106 | \$49,929,010,027 |
| 1995 | 17,466 | \$9,417,836,120 | 156,865 | \$47,305,479,572 |
| 1994 | 19,239 | \$9,857,624,499 | 155,430 | \$38,167,841,396 |
| 1993 | 12,762 | \$7,934,443,873 | 156,257 | \$33,242,899,644 |
| 1992 | 16,986 | \$7,885,560,922 | 150,990 | \$29,814,305,823 |
| 1991 | 18,986 | \$6,180,596,126 | 157,466 | \$32,293,671,173 |

SNI By Year for Financial vesus Non-Financial C Corporations
Corporations with SNI<=0

| Years | Financial | | Non-Financial | |
|-------|-----------|-------------------|---------------|-------------------|
| | Number | Amount | Number | Amount |
| 2009 | 9,488 | -\$16,121,538,203 | 158,923 | -\$49,849,383,522 |
| 2008 | 12,966 | -\$34,357,294,630 | 159,632 | -\$46,526,882,495 |
| 2007 | 11,198 | -\$8,775,688,885 | 157,288 | -\$38,655,703,402 |
| 2006 | 10,894 | -\$3,812,646,521 | 155,171 | -\$34,194,375,562 |
| 2005 | 9,571 | -\$3,066,742,576 | 154,141 | -\$37,191,352,336 |
| 2004 | 10,365 | -\$3,891,828,992 | 155,241 | -\$37,776,477,605 |
| 2003 | 8,758 | -\$4,771,174,926 | 154,271 | -\$42,810,331,940 |
| 2002 | 7,915 | -\$4,685,237,030 | 152,019 | -\$54,495,548,484 |
| 2001 | 7,998 | -\$4,739,214,755 | 140,591 | -\$65,247,617,121 |
| 2000 | 8,835 | -\$4,963,465,587 | 131,579 | -\$63,643,018,533 |
| 1999 | 8,915 | -\$2,974,051,047 | 129,050 | -\$39,016,501,028 |
| 1998 | 9,978 | -\$3,053,439,300 | 119,987 | -\$28,476,237,998 |
| 1997 | 10,888 | -\$3,733,910,961 | 115,470 | -\$21,977,494,935 |
| 1996 | 13,868 | -\$5,365,146,349 | 117,372 | -\$19,477,901,477 |
| 1995 | 13,985 | -\$5,066,316,902 | 116,656 | -\$17,184,215,124 |
| 1994 | 15,658 | -\$5,899,385,277 | 126,433 | -\$14,868,655,768 |
| 1993 | 15,627 | -\$7,355,734,133 | 137,165 | -\$16,849,161,437 |
| 1992 | 16,534 | -\$6,638,710,607 | 139,192 | -\$17,892,520,378 |
| 1991 | 16,615 | -\$4,372,554,143 | 150,879 | -\$16,966,113,437 |

Source: Corp Samples 1991-2009

FRANCHISE TAX BOARD
SNI by Corporation Type
1991 - 2009

SNI By Year for Financial versus Non-financial S Corporations
Corporations with SNI>0

| Years | Financial | | Non-Financial | |
|-------|-----------|-----------------|---------------|------------------|
| | Number | Amount | Number | Amount |
| 2009 | 10,859 | \$3,239,034,786 | 235,362 | \$40,141,947,723 |
| 2008 | 8,827 | \$4,279,511,407 | 222,309 | \$47,552,986,776 |
| 2007 | 10,282 | \$5,250,122,170 | 216,865 | \$53,561,294,151 |
| 2006 | 10,263 | \$4,364,879,785 | 205,238 | \$53,114,878,884 |
| 2005 | 9,773 | \$3,884,485,428 | 188,881 | \$47,936,955,574 |
| 2004 | 7,867 | \$3,856,634,993 | 168,111 | \$39,420,543,520 |
| 2003 | 9,602 | \$3,438,464,471 | 154,188 | \$30,648,880,014 |
| 2002 | 6,824 | \$2,553,893,731 | 133,141 | \$28,040,344,924 |
| 2001 | 5,799 | \$2,819,049,547 | 119,684 | \$26,334,187,413 |
| 2000 | 4,516 | \$2,728,941,758 | 115,870 | \$29,011,588,843 |
| 1999 | 4,292 | \$2,185,962,802 | 93,708 | \$24,765,202,480 |
| 1998 | 4,210 | \$1,811,569,430 | 92,215 | \$21,640,429,907 |
| 1997 | 7,277 | \$1,922,657,279 | 80,150 | \$17,844,020,347 |
| 1996 | 4,875 | \$1,170,496,744 | 72,983 | \$15,618,646,466 |
| 1995 | 6,938 | \$956,876,856 | 57,481 | \$11,227,645,057 |
| 1994 | 5,109 | \$724,412,553 | 49,574 | \$8,674,272,735 |
| 1993 | 6,351 | \$580,286,256 | 42,487 | \$6,574,518,521 |
| 1992 | 5,154 | \$434,143,043 | 40,135 | \$6,835,825,065 |
| 1991 | 4,258 | \$247,351,625 | 38,695 | \$5,455,853,000 |

SNI By Year for Financial versus Non-financial S Corporations
Corporations with SNI<=0

| Years | Financial | | Non-Financial | |
|-------|-----------|-------------------|---------------|-------------------|
| | Number | Amount | Number | Amount |
| 2009 | 8,871 | -1,267,551,886.00 | 163,787 | -\$12,816,329,398 |
| 2008 | 6,332 | -971,678,489.00 | 151,536 | -\$13,087,703,029 |
| 2007 | 6,516 | -1,095,511,913.00 | 139,091 | -\$10,453,109,686 |
| 2006 | 5,488 | -740,254,772.00 | 126,620 | -\$7,948,260,566 |
| 2005 | 4,673 | -302,132,501.00 | 113,696 | -\$6,778,285,576 |
| 2004 | 3,739 | -423,699,676.00 | 103,004 | -\$6,487,928,058 |
| 2003 | 4,542 | -479,709,873.00 | 100,144 | -\$6,196,589,063 |
| 2002 | 4,727 | -444,813,350.00 | 81,632 | -\$6,285,377,549 |
| 2001 | 4,042 | -451,999,831.00 | 72,552 | -\$5,585,030,105 |
| 2000 | 2,819 | -523,478,353.00 | 63,215 | -\$4,891,567,885 |
| 1999 | 2,506 | -294,345,538.00 | 56,124 | -\$4,100,677,120 |
| 1998 | 2,074 | -288,539,220.00 | 55,569 | -\$4,099,288,088 |
| 1997 | 5,145 | -359,304,719.00 | 50,061 | -\$3,467,697,997 |
| 1996 | 5,689 | -383,434,073.00 | 42,130 | -\$3,498,578,855 |
| 1995 | 4,349 | -292,939,259.00 | 44,034 | -\$3,322,625,578 |
| 1994 | 4,697 | -461,961,147.00 | 38,061 | -\$3,088,724,915 |
| 1993 | 4,669 | -444,483,271.00 | 42,790 | -\$3,564,782,601 |
| 1992 | 4,902 | -324,738,656.00 | 44,243 | -\$4,000,174,085 |
| 1991 | 3,081 | -423,328,668.00 | 42,262 | -\$3,370,203,030 |

Source: Corp Samples 1991-2009

FRANCHISE TAX BOARD
Business Entities Tax
Minimum Tax Paid by Business Entities
and Alternative Minimum Tax Paid by Corporations
2005 - 2010
(\$ in Millions)

Exhibit B-11
1 of 1

| Minimum Tax | | | | | | | | | | |
|--------------------|-----------------------|--------------------|-----------------------|--------------------|--------------------------|--------------------|--------------------------------|--------------------|--------------------------|--------------------|
| Tax year | C Corporations | | S corporations | | Limited Liability | | Limited Partnerships /c | | Limited Liability | |
| | Returns | Amount (\$) | Returns | Amount (\$) | Returns | Amount (\$) | Returns | Amount (\$) | Returns | Amount (\$) |
| 2005 | 263,717 | 228 | 232,676 | 186 | 202,644 | 162 | 54,653 | 44 | 4,345 | 3 |
| 2006 | 265,255 | 230 | 254,573 | 204 | 221,277 | 177 | 54,558 | 44 | 3,995 | 3 |
| 2007 | 266,188 | 227 | 280,026 | 224 | 246,327 | 197 | 54,761 | 44 | 3,792 | 3 |
| 2008 | 267,663 | 226 | 296,301 | 237 | 266,730 | 213 | 56,492 | 45 | 3,870 | 3 |
| 2009 | 258,656 | 219 | 330,243 | 264 | 281,634 | 225 | 57,081 | 46 | 3,664 | 3 |

Source: BETS and Corp. Sample

Note: The annual tax of \$800 does not apply to general partnerships.

| Alternative Minimum Tax | | | | |
|--------------------------------|----------------|---------------|----------------|---------------|
| Tax year | C Corps | | S corps | |
| | Returns | Amount | Returns | Amount |
| 2005 | 2,702 | 55 | 530 | 11 |
| 2006 | 2,803 | 74 | 469 | 16 |
| 2007 | 2,409 | 77 | 752 | 22 |
| 2008 | 1,219 | 34 | 211 | 13 |
| 2009 | 1,084 | 42 | 203 | 6 |