

2009 Instructions for Form 541-ES

Estimated Tax For Fiduciaries

What's New

Estimated Tax Payments

Estimated tax payments due for each taxable year beginning on or after January 1, 2009, are now required to be 30% of the required estimated tax liability for the 1st and 2nd required installments and 20% of the required estimated tax liability for the 3rd and 4th required installments. Prior to this law change, estimated tax payments were made in four equal (25%) payments.

Estates and trusts with a 2009 adjusted gross income equal to or greater than \$1,000,000 may no longer compute estimated tax payments based on 100% of the tax shown on the return of the preceding year.

Estates and trusts with a tax liability less than \$500 do not need to make estimated tax payments.

General Information

Round Cents to Dollars – Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25. If you do not round, the Franchise Tax Board (FTB) will disregard the cents.

A Purpose

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

B Who Must Make Estimated Tax Payments

Generally, a fiduciary of an estate or trust must make 2009 estimated tax payments unless:

- 100% or more of the estate's or trust's 2008 tax was paid by withholding; or
- 90% or more of the estate's or trust's 2009 tax will be paid by withholding.

Generally, the required estimated tax amount is based on the lesser of 90% of the current year's tax or 100% of the prior year's tax including AMT, or 110% of that amount if the estate's or trust's adjusted gross income (AGI) on the 2008 return is more than \$150,000.

Limit on Prior Years Tax

Estates or trusts with a 2009 adjusted gross income equal to or greater than \$1,000,000 must figure the estimated tax payments based on the estate or trust's 2009 tax liability.

An estate or trust is not required to make 2009 estimated tax payments if:

- The tax for 2008 (after subtracting withholding and credits) was less than \$500.
- The tax for 2009 (after subtracting withholding and credits) will be less than \$500.
- It is a decedent's estate for any taxable year ending before the date that is two years after the decedent's death.
- It is a trust that was treated as owned by the decedent and if the trust will receive the residue of the decedent's estate under the will (or if no will is admitted to probate, the trust is

primarily responsible for paying debts, taxes, and expenses of administration) for any taxable year ending before the date that is two years after the decedent's death.

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

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

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

C When to Make Estimated Tax Payments

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

For the payment period	Due date is:
Jan. 1 through March 31, 2009	April 15, 2009
April 1 through May 31, 2009	June 15, 2009
June 1 through August 31, 2009	September 15, 2009
Sept. 1 through Dec. 31, 2009	January 15, 2010

Filing an Early Tax Return in Place of the 4th Installment. If an estate or trust files its 2009 tax return by January 31, 2010, and pays the entire balance due, it does not have to make its last estimated tax payment.

Annualization Option. If the estate or trust does not receive its taxable income evenly during the year, it may be to its advantage to annualize the income. This method allows matching estimated tax payments to the actual period when income was earned. Use the annualization schedule included with 2008 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

Farmers and Fishermen. If at least 2/3 of gross income for 2008 or 2009 is from farming or fishing, the estate or trust may apply one of the following:

- Pay the total estimated tax by January 15, 2010.
- File Form 541, California Fiduciary Income Tax Return, for 2009 on or before March 1, 2010, and pay the total tax due. In this case, estimated tax payments are not due for 2009. Enclose form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, with Form 541.

Fiscal Year. If the estate or trust files on a fiscal year basis, the due dates will be the 15th day of the 4th, 6th, and 9th months of the fiscal year and the first month of the following fiscal year. When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

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

A. Taxable income from Form 541 line 20	
B. Less	\$(1,000,000)
C. Subtotal	
D. Multiply line C by 1%	x .01
E. Mental Health Services Tax – Enter this amount on line 10 of the 2009 Estimated Tax Worksheet on the next page	

D How to Use Form 541-ES

Use the Estimated Tax Worksheet on the next page and the 2008 Form 541 return as a guide for figuring the 2009 estimated tax payment.

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

Fill in Form 541-ES:

1. Print the estate's or trust's name, the fiduciary's name and title, mailing address, and the estate's or trust's federal employer identification number (FEIN) in the space provided on Form 541-ES. Use black or blue ink. Print all names and words in CAPITAL LETTERS. If the estate's or trust's name or address is too long to fit in the provided spaces, do not shorten the name or address. Instead, ignore the combed lines and fit the information in the space provided.
Include the Private Mail Box (PMB) in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.
2. Enter on the payment line of the form only the amount of the current payment. When making payments of estimated tax, be sure to take into account any previous year's overpayment to be credited against the current year's tax, but do not include the overpayment amount in the payment amount.
3. If part of the estimated tax is to be allocated to the beneficiaries per IRC Section 643(g), enclose a copy of Form 541-T, California Allocation of Estimated Tax Payments for Beneficiaries, to Form 541-ES.
4. Make a check or money order payable to the "Franchise Tax Board." Write the FEIN and "2009 Form 541-ES" on the check or money order. Enclose, but do **not** staple the payment with Form 541-ES and mail to:
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0031
Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.
5. Keep a record of the payment.
6. **Fiscal year filers:** Fill in the month and year-end information at the top of the form.

E Failure to Make Estimated Tax Payments

If the estate or trust is required to make estimated tax payments and does not, or if it underpays any installment, a penalty will be assessed for that portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of the tax return, whichever is earlier. For more information, get 2008 form FTB 5805.

F Other Information

Filing 541-ES on Magnetic Media. Fiduciaries that make estimated tax payments for more than 200 taxable trusts may submit the estimated tax information on magnetic media or composite listing. For additional information, our general toll-free service is available from within the United States 800.852.5711 or from outside the United States 916.845.6500 (not toll-free).

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

Access by Internet. You can download, view, and print California tax forms and publications from our website at ftb.ca.gov.

Access other state agencies' websites through the State Agencies Directory on California's website at ca.gov.

2009 Estimated Tax Worksheet. Do not file. Keep this worksheet for your records.

1	Enter the estimated amount of adjusted total income you expect in 2009	1	00
2	Enter income distribution deduction	2	00
3	Taxable income of fiduciary. Subtract line 2 from line 1	3	00
4	Tax. Figure the amount by using the 2008 tax rate schedule	4	00
5	Additional taxes from: form FTB 5870A, Tax on Accumulation Distribution of Trusts; IRC Section 453A tax, relating to certain dispositions under the installment method; and, IRC Section 641(d) tax on income attributable to S corporation stock held by an Elected Small Business Trust (ESBT)	5	00
6	Total. Add line 4 and line 5	6	00
7	Credits. See the instructions for Form 541 for more information about credits you may claim	7	00
8	Total. Subtract line 7 from line 6	8	00
9	Enter the alternative minimum tax from Schedule P (541)	9	00
10	Mental Health Services Tax Worksheet, line E	10	00
11	Enter the total of line 8, line 9, and line 10	11	00
12	a Enter 90% (.90) of line 11. Farmers and fishermen use 66 2/3% (.6667) of line 11	12a	00
	b Enter 100% of the tax shown on your 2008 Form 541, line 28, or 110% (1.10) of that amount if the estate's or trust's AGI on the 2008 Form 541 is more than \$150,000, and if less than 2/3 of gross income for 2008 or 2009 is from farming or fishing	12b	00
	c Enter the smaller of line 12a or line 12b. If the 2009 AGI is \$1,000,000 or more, enter the amount from line 12a.	12c	00
13	California income tax withheld and estimated to be withheld during 2009	13	00
14	Estimated tax. Subtract line 13 from line 12c. If less than \$500, no payment is required	14	00
15	Multiply line 14 by 30% (.30). Enter the amount on the 1st and 2nd installment of your Form 541-ES. Multiply the amount on line 14 by 20% (.20). Enter the result on the 3rd and 4th installments of your Form 541-ES. See the instructions if income will be earned at an uneven rate during the year. If the amount is zero, do not mail this form.		

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

TAXABLE YEAR

CALIFORNIA FORM

2009 Estimated Tax for Fiduciaries

File and Pay by Jan.15, 2010

541-ES

Fiscal year filers, enter year ending: month _____ year _____

Name of estate or trust

FEIN

Name and title of fiduciary

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

City

State

ZIP Code

Payment Form 4

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

Amount of payment

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2009 Form 541-ES" on it. Do not combine this payment with payment of your tax due for 2008. Mail this form and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

00

TAXABLE YEAR

CALIFORNIA FORM

2009 Estimated Tax for Fiduciaries

File and Pay by April 15, 2009

541-ES

Fiscal year filers, enter year ending: month _____ year _____

Name of estate or trust

FEIN

Name and title of fiduciary

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

City

State

ZIP Code

**Payment
Form
1**

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

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2009 Form 541-ES" on it. Do not combine this payment with payment of your tax due for 2008. Mail this form and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

Amount of payment

00

1211093

Form 541-ES 2008

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

TAXABLE YEAR

CALIFORNIA FORM

2009 Estimated Tax for Fiduciaries

File and Pay by June 15, 2009

541-ES

Fiscal year filers, enter year ending: month _____ year _____

Name of estate or trust

FEIN

Name and title of fiduciary

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

City

State

ZIP Code

**Payment
Form
2**

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

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2009 Form 541-ES" on it. Do not combine this payment with payment of your tax due for 2008. Mail this form and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

Amount of payment

00

1211093

Form 541-ES 2008

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

TAXABLE YEAR

CALIFORNIA FORM

2009 Estimated Tax for Fiduciaries

File and Pay by Sept. 15, 2009

541-ES

Fiscal year filers, enter year ending: month _____ year _____

Name of estate or trust

FEIN

Name and title of fiduciary

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

City

State

ZIP Code

**Payment
Form
3**

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

Make your check or money order payable to the "Franchise Tax Board." Write the FEIN and "2009 Form 541-ES" on it. Do not combine this payment with payment of your tax due for 2008. Mail this form and your check or money order to: 541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031

Amount of payment

00

1211093

Form 541-ES 2008