



# California

Forms & Instructions

## 3808

### 2013

Manufacturing Enhancement Area  
Business Booklet

**This booklet contains:**

**Form FTB 3808**, Manufacturing Enhancement Area  
Credit Summary

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State of California  
**Franchise Tax Board**

# Instructions for Form FTB 3808 Manufacturing Enhancement Area Businesses

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2009**, and to the California Revenue and Taxation Code (R&TC).

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## What's New

**Single-Sales Factor Formula** – For taxable years beginning on or after January 1, 2013, Revenue and Taxation Code (R&TC) Section 25128.7 requires all business income of an apportioning trade or business, other than an apportioning trade or business under R&TC Section 25128(b), to apportion its business income to California using the single-sales factor formula. For more information, get Schedule R, Apportionment and Allocation of Income or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **law changes**. However, business income apportioned to the Manufacturing Enhancement Area (MEA) continues to be apportioned based on the property and payroll factors.

**Expired Manufacturing Enhancement Area** – The MEA has expired as of December 31, 2012. Taxpayers can no longer generate/incur MEA hiring credits for qualified employees hired on or after January 1, 2013. Any unused credit may be carried over and applied against the tax on MEA business income in the current year and future years until exhausted. However, qualified taxpayers can generate/incur MEA hiring credits for qualified employees hired prior to the MEA expiration date for wages paid or incurred within the 60-month period of the MEA hiring credit.

**MEA Credits Carryover Period** – The portion of any MEA hiring credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first.

**Minimum Wage Increased** – Beginning on and after July 1, 2014, the minimum wage for all industries shall not be less than \$9 per hour.

## General Information

In general, for taxable years beginning on or after January 1, 2010, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2009. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California R&TC in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

**New Jobs Credit** – For taxable years beginning on or after January 1, 2009, and before January 1, 2014, a new jobs credit against the net tax (individuals) or tax (corporations) is allowed for a qualified employer in the amount of \$3,000 for each qualified full-time employee hired during the taxable year that increases the employer's number of full-time employees over the previous year. This is determined on an annual full-time equivalent basis. Any credits not used in the taxable year may be carried forward up to eight years. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **new jobs** or get form FTB 3527, New Jobs Credit.

**Important:** An employee that is a qualified employee for the MEA hiring credit is not a qualified employee for the New Jobs credit.

### Limitation

If a taxpayer owns an interest in a disregarded business entity, the amount of the MEA hiring credit that can be utilized is limited to the difference between the taxpayer's regular tax computed with the income of the disregarded entity, and the taxpayer's regular tax computed without the income of the disregarded entity. For more information on disregarded business entities, get Form 568, Limited Liability Company Tax Booklet.

### Minimum Wage

The California minimum wage is \$8 per hour. Beginning on and after July 1, 2014, the minimum wage for all industries shall not be less than \$9 per hour.

## Pass-Through Entities

For purposes of this booklet, the term "pass-through entity" refers to an S corporation, estate, trust, partnership, and limited liability company (LLC). References to "partnerships" include LLCs classified as partnerships.

**Assignment of Credits** – For taxable years beginning on or after July 1, 2008, credit earned by members of a combined reporting group may be assigned to an affiliated corporation that is a member of the same combined reporting group. A credit assigned may only be claimed by the affiliated corporation against its tax in taxable years beginning on or after January 1, 2010.

For more information, see instructions for Schedule Z, Computation of Credit Limitations, on page 10, Assignment of Credit, or get form FTB 3544, Election to Assign Credit Within Combined Reporting Group, or form FTB 3544A, List of Assigned Credit Received and/or Claimed by Assignee or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **credit assignment**.

## Introduction

### Economic Development Area (EDA) Tax Incentives

California has established four types of EDAs that have related tax incentives. These incentives have been established to stimulate growth and development in selected areas that are economically depressed. EDA tax incentives apply only to certain business transactions that are undertaken after an EDA has received final designation from the California Department of Housing & Community Development (HCD). Final designation is when the HCD designates an area to be an EDA. Tax incentives are available to individuals and businesses operating or investing within the geographic boundaries of the following EDAs:

- Enterprise Zones (EZs)
- Local Agency Military Base Recovery Areas (LAMBRAs)
- Manufacturing Enhancement Areas (MEAs) (designation date expired on December 31, 2012)
- Targeted Tax Area (TTA) (designation date expired on December 31, 2012)

Additional information on the EDAs can be found in the following FTB tax booklets:

- EZ tax incentives, FTB 3805Z, Enterprise Zone Business Booklet
- LAMBRA tax incentives, FTB 3807, Local Agency Military Base Recovery Area Business Booklet
- TTA tax incentives, FTB 3809, Targeted Tax Area Business Booklet (designation date expired on December 31, 2012)

## Reporting Requirement

California statutes require the Franchise Tax Board (FTB) to provide information to the California Legislature regarding the number of businesses using the EDA tax incentives, types of EDA tax incentives being used, and the EDAs in which the businesses are claiming the tax incentives.

Complete items A through I on Side 1 of form FTB 3808, Manufacturing Enhancement Area Credit Summary, as applicable. This information will be used to meet the FTB's statutory reporting requirement.

## Purpose

This booklet provides specific information on the available MEA tax incentive. Taxpayers investing or operating within an MEA may be eligible for a hiring credit if, both the taxpayer and the hired employee meet the requirements of R&TC Sections 17053.47 and 23622.8. Use this booklet to determine the correct amount of hiring credit that a business may claim for operating or investing in a trade or business within an MEA. Complete the worksheets and Schedule Z in this booklet for the MEA hiring credit. Then enter the hiring credit amount on form FTB 3808.

## Manufacturing Enhancement Area Designation

California's two MEAs are the cities of **Brawley** and **Calexico**, located in Imperial County. These cities received their final designation as MEAs effective January 1, 1998. The MEA designation expired on December 31, 2012. The program offers a special tax incentive to encourage business and stimulate job creation in the area.

**Note:** Qualified taxpayers continue to qualify for MEA hiring credit after the MEA expiration date if wages paid or incurred with respect to qualified employees who are employed by the qualified taxpayer within the MEA during the 60-month period prior to the MEA expiration date. For more information, see R&TC Sections 17053.47(b)(1)(D) and 23622.8(b)(1)(D).

The geographic boundaries of an MEA are used to determine whether the tax incentive is available to a business in a specified location. For business eligibility or zone related information, including questions regarding MEA geographic boundaries, contact the local zone program manager in which the business is located. Go to [hcd.ca.gov](http://hcd.ca.gov) and search for **directory of zone contacts** for Directory of Economic Development Areas.

For information that is zone-specific, but not tax-specific, you may contact the HCD. See page 20 for the HCD contact information.

## Forms List

Forms referred to in this booklet include:

Form 100	California Corporation Franchise or Income Tax Return
Form 100S	California S Corporation Franchise or Income Tax Return
Form 100W	California Corporation Franchise or Income Tax Return — Water's-Edge Filers
Form 109	California Exempt Organization Business Income Tax Return
Form 540	California Resident Income Tax Return
Long Form 540NR	California Nonresident or Part-Year Resident Income Tax Return
Form 541	California Fiduciary Income Tax Return
Form 565	Partnership Return of Income
Form 568	Limited Liability Company Return of Income
Schedule CA (540)	California Adjustments — Residents
Schedule CA (540NR)	California Adjustments — Nonresidents or Part-Year Residents
Schedule P	Alternative Minimum Tax and Credit Limitations
FTB Pub. 1061	Guidelines for Corporations filing a Combined Report S Corporation Tax Credit
Schedule C (100S)	Shareholder's Share of Income, Deductions, Credits, etc.
Schedule K-1 (100S)	Beneficiary's Share of Income, Deductions, Credits, etc.
Schedule K-1 (541)	Partner's Share of Income, Deductions, Credits, etc.
Schedule K-1 (565)	Member's Share of Income, Deductions, Credits, etc.
Schedule K-1 (568)	Member's Share of Income, Deductions, Credits, etc.
Schedule R	Apportionment and Allocation of Income
FTB 3544	Election to Assign Credit Within Combined Reporting Group
FTB 3544A	List of Assigned Credit Received and/or Claimed by Assignee

## Who Can Claim the MEA Tax Incentive?

The MEA hiring credit is available to individuals, sole proprietors, corporations, estates, trusts, and partnerships operating or investing in a business located within the designated MEA.

To take advantage of the hiring credit, a completed VoucherCert 10-07 must be obtained from the local agency responsible for verifying employee eligibility. Do not file VoucherCert 10-07 with your tax return. Keep it for your records. See the Manufacturing Enhancement Area Designation section for more information on contacting your local agency.

## How to Claim the Credit

To claim the MEA hiring credit, complete form FTB 3808 and attach it to your California tax return.

Attach a separate form FTB 3808 for each business you operate or invest in that is located within an MEA. Also, complete the following schedule and/or worksheets to report credits incurred:

- Corporations complete Schedule Z and all the worksheets, except for Worksheet II, Section B.
- Sole proprietors complete Schedule Z and all the worksheets.
- Trusts, estates and partnerships, complete Worksheet I and Worksheet II, Section A.
- Individual investors receiving pass-through MEA credits, complete Worksheet II, Section B and Schedule Z. All other investors, complete Worksheet II, Section A and Schedule Z.

Schedule Z is on Side 2 of form FTB 3808.

To assist with the processing of the tax return, indicate that the business operates or invests within an MEA by doing the following:

- Form 540 filers: Claim the MEA tax incentive on Form 540, lines 43 through 45, as applicable.
- Long Form 540NR filers: Claim the MEA tax incentive on Long Form 540NR, lines 58 through 60, as applicable.
- Form 100 filers: Claim the MEA tax incentive on Form 100, line 26, and line 27, as applicable.
- Form 100S filers: Claim the MEA tax incentive on Form 100S, line 24, and line 25, as applicable.
- Form 100W filers: Claim the MEA tax incentive on Form 100W, line 26, and line 27, as applicable.
- Form 109 filers: Check the "Yes" box for the MEA question I at the top of Form 109, Side 1.

Be sure to keep all completed worksheets and supporting documents for your records.

## Form FTB 3808 – Instructions for items A through I

- For corporations, estates, trusts, partnerships, LLCs classified as partnerships, exempt organizations, and sole proprietors, complete items A through I.
- Investors of pass-through entities, complete items A through D. See form FTB 3808, Side 1 for more information.

### Standard Industrial Classification (SIC) and Principal Business Activity (PBA) Codes

To qualify for the MEA hiring credit, you must be engaged in a trade or business within the selected SIC listed on pages 15 and 16 of this booklet. Enter the SIC code of

the establishment that qualifies you to take this credit on form FTB 3808, Side 1. If your business has more than one establishment, and if more than one of them qualifies you to take this credit, enter the SIC code that best represents your primary qualifying establishment.

For taxable years beginning on or after January 1, 1998, the PBA codes are based on the North American Industry Classification System published by the United States Office of Management and Budget. The PBA codes are listed on page 17 through page 19. Enter the PBA code of your principal activity on form FTB 3808, Side 1.

## Part I – Hiring Credit and Recapture

### Vouchering

Employers hiring qualified employees get the VoucherCert 10-07 from the local agency responsible for verifying employee eligibility. Do not file VoucherCert 10-07 with your tax return. Keep the voucher for your records.

Legislation was enacted that authorizes a local agency during 2014 to accept applications for vouchers for employees that meet the eligibility requirements, but all vouchers must be issued by the local agency on or before December 31, 2014.

For vouchering questions, you may contact the HCD at 916.263.2945.

### Line 1 Hiring Credit

The MEA has expired as of December 31, 2012. Taxpayers can no longer generate/incur MEA hiring credits for qualified employees hired on or after January 1, 2013. Any unused credit may be carried over and applied against the tax on MEA business income in the current year and future years until exhausted. **However**, qualified taxpayers can generate/incur MEA hiring credits for qualified employees hired prior to the MEA expiration date for wages paid or incurred within the 60-month period of the MEA hiring credit.

The portion of any MEA hiring credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first.

A qualified taxpayer conducting a trade or business within an MEA may claim a hiring credit for wages paid or incurred to hire certain disadvantaged individuals. Qualified taxpayers must meet all of the following:

- Be engaged in a line of business described in Standard Industrial Classification (SIC) Codes 0211 through 0291, Code 0723, or Codes 2011 through 3999 of the Standard Industrial Classification Manual, 1987 Edition.

- Conduct a trade or business within the MEA.
- Have at least 50% of its workforce that was hired after the MEA designation, be residents of the county in which the MEA is located at the time of hire.
- Have at least 30% of the qualified county resident workforce described above be qualified disadvantaged individuals.

A “qualified disadvantaged individual” is an individual who at the time hired was any of the following:

- a. A person receiving or determined to be eligible to receive services funded by the federal Job Training Partnership Act (JTPA), or its successor.
- b. Any voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985 (GAIN), or its successor.
- c. A person who has been certified eligible by the Employment Development Department under the federal Targeted Jobs Tax Credit Program, or its successor, whether or not this program is in effect.

An employer may claim a credit for the qualified wages paid or incurred to a qualified disadvantaged individual who meets all of the following:

- Was hired after the MEA received its final designation.
- Spends at least 90% of his or her work time for the qualified employer on activities directly related to the conduct of a qualified trade or business activity within the boundaries of the MEA.
- Performs at least 50% of the work for the qualified employer within the boundaries of the MEA.

The percentage of wages used to compute the credit depends on the number of years the employee works for the employer in the MEA. The applicable percentage begins at 50% and declines 10% for each year of employment. After the fifth year of employment, no credit can be generated.

Wages that qualify for the hiring credit are those wages paid or incurred to hire a qualified disadvantaged individual for the consecutive 60-month period beginning on the first day the individual commenced employment with the employer. For an employer that operates a business that has regularly occurring seasonal or intermittent employment decreases and increases, reemployment of an individual is not a new hire; rather, it is a continuation of the prior employment and does not constitute commencement of employment for the qualified wages test.

The credit is based on the smaller of the following:

- The actual hourly rate paid or incurred by the employer for work performed by the employee during the taxable year.
- 150% of the minimum hourly wage established by the Industrial

Welfare Commission.

Where the California minimum wage is higher than the federal minimum wage, the California minimum wage is used for purposes of computing the MEA hiring credit. The current minimum wage is \$8.00 per hour. For purposes of computing the MEA hiring credit, 150% of the minimum wage is \$12.00 per hour.

### Example:

John Anderson was hired on January 1, 2012. John’s hourly rate for the first month was the minimum wage (\$8.00). At the beginning of the second month, his hourly rate increased to \$8.50. In the third month, John’s hourly rate increased to \$12.50. The hourly rate that qualifies for the credit is limited to 150% of the minimum wage, or \$12.00 per hour. The amount of qualified wages is computed as follows:

Month(s)	Hours x per month	Hourly = rate allowed	Qualified wages per month
1	175	\$ 8.00	\$1,400.00
2	170	8.50	\$1,445.00
3	170	12.00	\$2,040.00

### Record Keeping

Retain a copy of the VoucherCert 10-7 and the documentation given to the vouchering agency. In addition, for each qualified employee, keep records and a schedule of the first 60 months of employment showing (at least) the following:

- Employee’s name.
- Date the employee was hired.
- The employee’s address at the time of hire.
- Number of hours the employee worked for each month of employment.
- Smaller of the hourly rate of pay for each month of employment or 150% of the minimum wage.
- Location of the employee’s job site and duties performed.
- Total qualified wages per month for each month of employment.

### Line 2 Credit Recapture

Employers recapture (add back to the tax liability) the amount of credit attributable to an employee’s wages if the employer terminates the employee at anytime during the longer of the following:

- The first 270 days of employment (whether or not consecutive).
- 90 days of employment plus 270 calendar days.

Employers of seasonal employees recapture the amount of hiring credit attributable to the employee’s wages if both of the following apply:

- The employer terminates the employee before the completion of 270 days of employment.
- The 270 days is during the 60-month period beginning the day the employee commences employment with



the employer.

A “day of employment” means any day the employee receives wage compensation (including a paid sick day, holiday, or vacation day).

Employers add to the current year’s tax the amount of credit claimed in the year of termination and all prior years in which the credit was claimed for the terminated employee.

The credit recapture does not apply if the termination of employment was any of the following:

- Voluntary on the part of the employee.
- In response to misconduct of the employee. See Cal Code Regs., tit. 22 sections 1256-30 to 1256-43, for further information on misconduct.
- Caused by the employee becoming disabled, (unless the employee was able to return to work and the employer did not offer to reemploy the individual).
- Carried out so that other qualified individuals could be hired, creating a net increase in both the number of qualified employees and the number of hours worked.
- Due to a substantial reduction in the employer’s trade or business operations.

## Instructions for Worksheet I – Hiring Credit & Recapture

### Section A – Credit Computation

**Line 1, column (a)** – Enter the name of each qualified employee. Attach additional schedule(s) if necessary.

**Line 1, column (b) through column (f)** – Enter in the appropriate columns the qualified wages paid or incurred during the taxable year for each qualified employee listed in column (a).

**Line 2, column (b) through column (f)** – Add the amounts in each column. The cumulative qualified wages used to compute the MEA hiring credit cannot exceed \$2,000,000. This limit applies for **each** taxable year.

**Line 3, column (b) through column (f)** – Multiply the total in each column of line 2 by the percentage in each column.

**Line 5** – The MEA hiring credit is reduced by the amount of the federal jobs tax credit from the Work Opportunity Tax Credit (WOTC) claimed for this year. The reduction applies for those employees who are hired on or after January 1, 2010, and before August 31, 2011 (excluding unemployed veterans and disconnected youth as described in IRC Section 51[d][14]).

No other California jobs tax credit may be claimed for the same wage expense paid to employees shown in line 1, column (a).

**Important:** An employee that is a qualified employee for the MEA hiring credit is not a

qualified employee for the New Jobs credit.

**Line 6** – For partnerships, enter the amount from line 6, on form FTB 3808, Side 1, Part I, line 1. Also, include the current year hiring credit amount on Forms 565 and 568, Schedule K, line 15f and the distributive share of the credit to partners and members on Schedule K-1, line 15f. In addition, add the entire amount of the credit on Schedule K, line 1, column (c).

For corporations, individuals, estates, and trusts, enter the amount from line 6 on Schedule Z, as follows:

- Part II, line 6B, column (b) for corporations, individuals, and estates and trusts.
- Part III, line 7, column (b) for S corporations.
- Part IV, line 8, column (b) for corporations and S corporations subject to paying only the minimum franchise tax.

**Important:** Affiliated corporations that received credits assigned under R&TC Section 23663, do not include the assigned credits received on this worksheet. Those credits are entered and tracked on form FTB 3544A.

#### Credit Limitations

- The cumulative qualified wages used to compute the MEA hiring credit cannot exceed \$2,000,000. This limit applies for **each** taxable year, regardless of the number of qualified disadvantaged individuals employed.
- Businesses must reduce any deduction for wages by the amount of the MEA hiring credit on Worksheet I, Section A, line 6.
- S corporations may claim only 1/3 of the credit against the 1.5% entity-level tax (3.5% for financial S corporations). S corporations can pass through 100% of the credit to their shareholders. S corporations must reduce their wage deduction by 1/3 of the amount on Worksheet I, Section A, line 6 and on Form 100S, line 7. In addition, the S corporation must make an adjustment for the entire amount of the credit on Schedule K (100S), line 1, column (c).

**Example:** In 2013, an S corporation qualified for a \$3,000 MEA hiring credit. The S corporation can claim a credit for \$1,000 ( $\$3,000 \times 1/3$ ). On Form 100S, Schedule K, line 1, column (c), the S corporation would add \$3,000 to the S corporation’s ordinary income or loss to reflect the credit passed through to the shareholder(s).

- The amount of hiring credit claimed may not exceed the amount of tax on the MEA business income in any year. Use Schedule Z to compute the credit limitation.
- Where a wage expense qualifies for the MEA hiring credit as well as another credit, the business may claim only one credit for that wage expense.
- The business may carry over any unused

hiring credit to future years until the credit is exhausted. In the case of an S corporation, 1/3 of the credit can be carried over if it cannot be used in the current year. The remaining 2/3 must be disregarded and may not be carried over.

For more information about the treatment of credits for S corporations, see instructions for Schedule Z.

### Section B – Credit Recapture

**Line 1, column (a)** – Enter the name of the terminated employee. Attach additional schedule(s) if necessary.

**Line 1, column (b)** – Enter the amount of credit recapture for each employee listed in column (a).

**Line 2** – Enter the amount from line 2, column (b) on form FTB 3808, Side 1, line 2.

Also, include the amount of hiring credit recapture on your California tax return or schedule as follows:

- Form 100, Schedule J, line 5.
- Form 100S, Schedule J, line 5 and Schedule K-1 (100S), line 17d.
- Form 100W, Schedule J, line 5.
- Form 109, Schedule K, line 4.
- Form 540, line 63.
- Long Form 540NR, line 73.
- Form 541, line 21b and Schedule K-1 (541), line 14d.
- Form 565, Schedule K, line 20c and Schedule K-1 (565), line 20c.
- Form 568, Schedule K, line 20c and Schedule K-1 (568), line 20c.

Indicate that you included the hiring credit recapture on your tax return by writing “**FTB 3808**”, in the space provided on the schedule or form.

Partnerships must identify the recapture amounts for their partners and members on Schedule K-1 (565 or 568).

S corporation shareholders must recapture the portion of credit that was previously claimed, based on the terminated employee’s wages. S corporations must also identify the recapture amount for shareholders on Schedule K-1 (100S). This amount will differ from the amount recaptured by the S corporation on Form 100S, Schedule J.

### Part II – Portion of Business Attributable to the Manufacturing Enhancement Area

The MEA tax incentive is limited to the tax on business income attributable to operations within the area. If the business is located within and outside an MEA, or in more than one MEA, you must determine the portion of total business income that is attributable to each MEA.

**Worksheet I Hiring Credit & Recapture — Manufacturing Enhancement Area**

**Section A Credit Computation**

		Qualified wages paid or incurred for year of employment				
(a)	(b)	(c)	(d)	(e)	(f)	
Employee's name	1st year	2nd year	3rd year	4th year	5th year	
<b>1</b>						
<b>2</b> Total. See instructions . . . . .	.50	.40	.30	.20	.10	
<b>3</b> Multiply line 2 by the percentage for each column. See instructions . . . . .						
<b>4</b> Add line 3, column (b) through column (f) . . . . .					<b>4</b>	
<b>5</b> Enter the amount of the 2013 federal jobs tax credit allowed. See instructions. . . . .					<b>5</b>	
<b>6</b> Subtract line 5 from line 4. See instructions . . . . . You cannot take the MEA hiring credit as well as another credit for the same wage expense.					<b>6</b>	

**Section B Credit Recapture**

(a)	(b)
Terminated employee's name	Recapture amount
<b>1</b>	
<b>2</b> Total amount of credit recapture. Add the amounts in column (b). See line 2 instructions for where to report the amount on your California tax return. . . . .	<b>2</b>

**Business Income vs. Nonbusiness Income**

Only business income is apportioned to the MEA to determine the incentive limitation. Business income is defined as income arising from transactions and activities in the regular course of the trade or business. Business income includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the regular trade or business operations. Nonbusiness income is all income other than business income. See Cal. Code Regs., tit. 18 section 25120 for further references and examples of nonbusiness income.

**For corporations and entities doing business in and outside of the Manufacturing Enhancement Area**, use Worksheet II, Section A, to determine the MEA apportionment factor to determine the amount of business income attributable to the former MEA. Pass-through entities must report to their shareholders, beneficiaries, partners, and members the following items:

1. The distributive (or pro-rata for S corporations) share of the business income apportioned to the MEA.
2. The distributive (or pro-rata for S corporations) share of the business capital gains and losses apportioned to the MEA included in item 1.

3. The distributive (or pro rata for S corporation) share of the MEA property and payroll to corporate partners, members, shareholders, beneficiaries. Report these items as other income on Schedule K-1 (100S, 541, 565, or 568). **For an individual**, use Worksheet II, Section B to determine business income attributable to the MEA. Business income includes but is not limited to, California business income or loss from federal Form 1040, Schedules C,D,E,F, and California Schedule D-1 (or federal Form 4797, Sales of Business Property, if California Schedule D-1 is not needed), as well as wages. Be sure to include casualty losses, disaster losses, and any business deductions reported on federal Form 1040, Schedule A as itemized deductions.

Generally, all income which arises from the conduct of trade or business operations of a taxpayer is business income.

If you elected to carry back part or all of your current year disaster loss under IRC Section 165(j)(1), do not include the amount of the loss that was carried back in your current year business income from the MEA.

## Apportionment

Business income is apportioned to an MEA by multiplying the total California business income of the taxpayer by a fraction. The fraction consists of the numerator which is the property factor plus the payroll factor, and the denominator, which is two. If a taxpayer conducts business in more than one MEA, the MEA apportionment factor and credit limitations are computed separately for each MEA.

### Property Factor

Property is defined as the average value of all real and tangible personal property owned or rented by the business and used during the taxable year to produce business income.

Property owned by the business is valued at its original cost. Original cost is the basis of the property for federal income tax purposes (prior to any federal adjustment) at the time of acquisition by the business, adjusted for subsequent capital additions or improvements and partial dispositions because of sale or exchange. Allowance for depreciation is not considered.

Rented property is valued at eight times the net annual rental rate. The net annual rental rate for any item of rented property is the total rent paid for the property, less aggregate annual subrental rates paid by subtenants.

### Payroll Factor

Payroll is defined as the total amount paid to the business's employees for compensation for the production of business income during the taxable year.

Compensation means wages, salaries, commissions, and any other form of payment paid directly to employees for personal services.

Payments made to independent contractors or any other person not properly classified as an employee are excluded.

### Compensation Within the MEA

Compensation is considered to be within the MEA if any of the following tests are met:

1. The employee's services are performed within the geographical boundaries of the MEA.
2. The employee's services are performed within and outside the MEA, but the services performed outside the MEA are incidental to the employee's service within the MEA.

**Incidental** means any temporary or transitory service rendered in connection with an isolated transaction.

3. If the employee's services are performed within and outside the MEA, the employee's compensation is attributed to the MEA if any of the following tests are met:

- A. The employee's base of operations is within the MEA.
- B. There is no base of operations in any other part of the state in which some part of the service is performed, and the place from which the service is directed or controlled is within the MEA.
- C. The base of operations or the place from which the service is directed or controlled is not in any other part of the state in which some part of the service is performed and the employee's residence is within the MEA.

**Base of operations** is the permanent place from which the employees start work and customarily return in order to receive instruction from the taxpayer or communications from their customers or persons; to replenish stock or other material; to repair equipment; or to perform any other functions necessary in the exercise of their trade or profession at some other point or points.

### Corporations Filing a Combined Report

When determining the income attributable to the MEA, the business income of each corporation doing business in the MEA is the business income apportioned to California as determined under combined report mechanics. For more information on combined reports, get FTB Pub. 1061. Each corporation computes the income attributable to the MEA by multiplying California business by the MEA apportionment factor computed in Worksheet II, Section A. The MEA property and payroll factors used in the determination of MEA business income includes only the taxpayer's California amounts in the denominator. When determining the loss attributable to the MEA, the business income is the total unitary business income. Get FTB Pub. 1061 for more information on combined reports. Each corporation computes the loss attributable to the MEA by multiplying the unitary business income by the MEA apportionment factor computed in Worksheet II, Section B. The MEA property and payroll factors used to determine the MEA income includes only the taxpayer's overall amounts from all its business operations in the denominator.

Each corporation doing business in the MEA compute the business income attributable to the MEA according to their own apportioned California business income and interstate apportionment factors.

### Example: Computation of MEA business income apportioned to each entity operating within the MEA

Parent Corporation A has two subsidiaries, B and C. Corporations A and B operate within an MEA. The combined group operates

within and outside California and apportions its income to California using Schedule R. Assume the combined group's business income apportioned to California was \$1,000,000 and Corporation A and B's share of California business income is \$228,000 and \$250,000 respectively. Corporation A and B's separate MEA and separate California property and payroll factor amounts are shown in the example below.

Business income apportioned to the MEA was determined as follows:

	A	B
<b>Property Factor</b>		
MEA Property	\$1,000,000	\$ 800,000
California Property	\$1,000,000	\$1,200,000
<b>Apportionment %</b>	100%	66.66%
<b>Payroll Factor</b>		
MEA Payroll	\$ 800,000	\$ 800,000
California Payroll	\$ 800,000	\$1,000,000
<b>Apportionment %</b>	100%	80%
<b>Average Apport. %</b>	100%	73.33%
<i>(Property + Payroll Factors)</i>		
	2	
<b>Apportioned Business Income</b>	\$ 228,000	\$ 250,000
<b>MEA Business Income</b>	\$ 228,000	\$ 183,325

## Instructions for Worksheet II Income or Loss Apportionment – Manufacturing Enhancement Area

If the business operates solely within a single MEA and all its property and payroll are solely within that single MEA, enter 100% (1.00) on Section A, line 4, column (c). Do not complete the rest of Worksheet II.

### Section A – Income Apportionment

Use Worksheet II, Section A, Income Apportionment, to determine the amount of business income apportioned to the MEA. The apportioned MEA business income determines the amount of the tax incentive that can be used. A taxpayer's MEA business income is its **California business income** multiplied by the specific MEA apportionment percentage computed in Worksheet II, Section A.

#### Property Factor

When determining the income apportioned to the MEA, the numerator of the property factor is the average value of the real and tangible personal property owned or rented by the business and used within the MEA during the taxable year to produce MEA business income, see Worksheet II, Section A, column (b). The denominator of the property factor is the total average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable year within California, see Worksheet II, Section A, column (a).

**Worksheet II Income or Loss Apportionment – Manufacturing Enhancement Area**

**Section A Income Apportionment**

Use Worksheet II, Section A, if your business has net income from sources within and outside an MEA.

	(a) Total within California	(b) Total within an MEA	(c) Percentage within an MEA column (b) ÷ column (a)
<b>PROPERTY FACTOR</b>			
<b>1 Average</b> yearly value of owned real and tangible personal property used in the business (at original cost). See instructions for more information. Exclude property not connected with the business and the value of construction in progress.			
Inventory . . . . .			
Buildings . . . . .			
Machinery and equipment . . . . .			
Furniture and fixtures . . . . .			
Delivery equipment . . . . .			
Land . . . . .			
Other tangible assets (attach schedule). . . . .			
Rented property used in the business. See instructions			
<b>Total property values</b> . . . . .			
<b>PAYROLL FACTOR</b>			
<b>2</b> Employees' wages, salaries, commissions, and other compensation related to business income included in the tax return.			
<b>Total payroll</b> . . . . .			
<b>3</b> Total percentage - sum of the percentages in column (c)			
<b>4</b> Average apportionment percentage (1/2 of line 3). Enter here and on form FTB 3808, Side 1, line 3 . . . . .			

The average apportionment percentage shown on line 4 represents the portion of the taxpayer's total business that is attributable to activities conducted within the MEA. Factors with zero balances in the totals of column (a) will not be included in the computation of the average apportionment percentage. For example, if the taxpayer does not have any payroll within or outside the MEA, the average apportionment percentage would be computed by dividing line 3 by one instead of by two as normally instructed.

**Payroll Factor**

When determining income apportioned to the MEA, the numerator of the payroll factor is the taxpayer's total compensation paid to the employees for working within the MEA during the taxable year, see Worksheet II, Section A, column (b). The denominator of the payroll factor is the taxpayer's total compensation paid to employees working in the Manufacturing Enhancement Area, see Worksheet II, Section A, column (a).

**Section B – Income or Loss**

Form 540 and Long Form 540NR filers, use Worksheet II, Section B to determine the amount to enter on Schedule Z, Part I, line 1 and line 3.

Do not include disaster losses in any amounts used in the table.

Only California source business income is apportioned to the MEA.

The first step is to determine which portion of the taxpayer's net income is "business income" and which portion is "nonbusiness income," since only business income is apportioned to the MEA. See Part II on page 5, Portion of Business Attributable to the Manufacturing Enhancement Area, for a complete discussion of business and nonbusiness income.

Business income or loss reported on federal Form 1040 Schedules C, C-EZ, E, F, and other schedules are reported on lines 6 through line 9. Line 11 and line 12 report business gains or losses reported on Schedule D and Schedule D-1. All business income and losses should be adjusted for any differences between California and federal amounts as shown on the Schedule CA (540 or 540NR).

**Part I – Individual Income and Expense Items**

**Wages**

Taxpayers with wages from a company located within and outside an MEA must determine the MEA wage income by entering the percentage of the time that they worked within the MEA in column (b). The percentage of time should be for the same period the wages entered on line 1 were earned. This percentage must be determined based on their record of time and events such as a travel log or entries in a daily planner.

**Part II – Pass-Through Income or Loss**

**Individuals with a K-1**

The individual partner, member, or shareholder completes Worksheet II, Section B, Part II, Pass-Through Income or Loss, and Schedule Z, Computation of Credit Limitation.

**Multiple Pass-Through Entities**

If you are a shareholder, beneficiary, partner, or member in multiple pass-through entities with businesses located within and outside an MEA from which you received MEA tax incentives, see the example below for computing business income in the MEA.

**Example:**

Pass-through entity	Trade or business income from Schedule K-1 (100S, 541, 565, or 568)	Entity's MEA apportionment percentage	MEA apportioned income
ABC, Inc.	\$40,000	80%	\$32,000
A, B, & C	30,000	10%	3,000
ABC, LLC	10,000	50%	5,000
<b>Total</b>			<b>\$40,000</b>

**Part III – Taxpayer's Trade or Business**

**Business Income or Loss**

Use business income or loss from federal Form 1040 Schedules C, C-EZ, E, and F, plus California adjustments from Schedule CA (540 or 540NR) for each trade or business. Also, include business capital gains and losses from Schedule D and business gains and losses from Schedule D-1 as adjusted on Schedule CA (540 or 540NR).



**Worksheet II Income or Loss Apportionment – Manufacturing Enhancement Area (continued)**

**Section B Income or Loss Apportionment**

**Part I Individual Income and Expense Items.** See instructions.

	(a) Amount	(b) Percentage of time providing services in the MEA	(c) Apportioned amount (a) x (b)
1 Wages . . . . .			
2 Employee business expenses . . . . .			
3 Total. Combine line 1, column (c) and line 2, column (c) . . . . .			

**Part II Pass-Through Income or Loss.** See instructions.

(a) Name of entity	(b) Distributive or pro-rata share of business income or loss apportioned to the MEA from Schedule K-1 (100S, 541, 565, or 568) including capital gains and losses
4	
5 Total. Add line 4, column (b) . . . . .	

**Part III Taxpayer's Trade or Business.** See instructions.

	(a) Business income or loss	(b) Apportionment Percentage for the MEA	(c) Apportioned income or loss (a) x (b)
6 Schedule C or C-EZ . . . . .			
7 Schedule E (Rentals) . . . . .			
8 Schedule F . . . . .			
9 Other business income or loss . . . . .			
10 Total. Add line 6 through line 9, column (c) . . . . .			

	(a) Business gain or loss	(b) Apportionment Percentage for the MEA	(c) Apportioned gain or loss (a) x (b)
11 Schedule D . . . . .			
12 Schedule D-1 . . . . .			
13 Total. Add line 11, column (c) and line 12, column (c) . . . . .			
14 Total. Add line 3, line 10, and line 13, column (c), and line 5, column (b). See instructions . . . . .			

**Income Computation**

**Located Entirely Within the MEA**

**Line 6 – Line 9:** If your business operation reported on federal Form 1040 Schedule C, C-EZ, E, F, or other schedule is entirely within the MEA, enter the income or loss from this activity in column (a) and enter 1.00 in column (b).

**Line 11 and Line 12:** If the gain or loss reported on Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted entirely within the MEA, enter the gain or loss reported in column (a) and enter 1.00 in column (b).

**Located Entirely Within California**

**Line 6 – Line 9:** If your business operation reported on federal Form 1040 Schedule C, C-EZ, E, F, or other schedule is entirely within California, enter the income or loss from this activity in column (a). To determine the apportionment percentage in column (b), complete Worksheet II, Section A.

Enter the percentage from Worksheet II, Section A, line 4, column (c) on Worksheet II, Section B, column (b).

**Line 11 and Line 12:** If the gain or loss reported on Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted entirely within California, enter the gain or loss reported in column (a). To determine the apportionment percentage in column (b), complete Worksheet

II, Section A. Enter the percentage from Worksheet II, Section A, line 4, column (c) on Worksheet II, Section B, column (b).

**Located Within and Outside California and the MEA**

**Line 6 – Line 9:** If your business operation reported on federal Form 1040 Schedule C, C-EZ, E, F, or other schedule is within and outside the MEA and California, get California Schedule R and complete line 1 through line 18b and line 28 through line 31. Enter the amount from Schedule R, line 18b and line 31 on column (a) of this worksheet. To determine the apportionment percentage in column (b), complete Worksheet II, Section A. Enter the percentage from Worksheet II, Section A, line 4, column (c) on Worksheet II, Section B, column (b).

When computing Schedule R, disregard any reference to Form 100, Form 100W, Form 565, or Form 568. Also, disregard any reference to Schedules R-3, R-4, or R-5.

Nonresidents that have an apportioning business that operates within the MEA should have already computed Schedule R, and can use those amounts when that schedule is referenced. Residents must complete a Schedule R in order to determine their California source business income for purposes of the MEA credit computation.

**Line 11 and Line 12:** If the gain or loss reported on Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted within and outside the MEA and California, get Schedule R and complete Schedule R-1. Multiply the gain or loss reported by the apportionment percentage on Schedule R-1, Part A, line 2 or Part B, line 5 and enter the result in column (a). To determine the apportionment percentage in column (b), complete Worksheet II, Section A. Enter the percentage from Worksheet II, Section A, line 4, column (c) on Worksheet II, Section B, column (b).

**Line 14** – If, in computing your income or loss, the result on line 14, column (c), is a **negative** amount, you do not have any business income attributable to the MEA. You cannot use any of the MEA hiring credit in the current taxable year. If the amount on line 14, column (c), is a **positive** amount, enter the amount on Schedule Z, Part I, line 1 and line 3 (skip line 2).

## Schedule Z – Computation of Credit Limitations

The amount of the MEA hiring credit you can claim on your California tax return is limited by the amount of tax attributable to the MEA business income. The amount of tax attributable to the MEA business income is computed in this schedule. For corporations and other entities doing business in the MEA, the MEA business income is computed in this schedule using the MEA apportionment factor formula computed on Worksheet II, Section A. For individuals, the MEA business income is computed on Worksheet II, Sections B.

### Assignment of Credit

For taxable years beginning on or after July 1, 2008, credit earned by members of a combined reporting group may be assigned to an affiliated corporation that is a member of the same combined reporting group. A credit assigned may only be claimed by the affiliated corporation against its tax in taxable years beginning on or after January 1, 2010.

The eligible assignee shall be treated as if it originally generated the assigned credit. Any credit limitations or restrictions that applied to the assignor will also apply to the eligible assignee. The amount of MEA credits you may claim on your California tax return is limited to the tax attributable to a specific MEA. For zone credits assigned, the assignee must have a tax liability as a result of income generated in the same zone that the original credit was generated. For example, if the original credit was generated in the Calxico MEA of the assignor, the assignee must have a tax liability on the income attributable to the Calxico MEA in order to use the assigned credit. For more information, get form FTB 3544, or form FTB 3544A or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **credit assignment**.

### Other Limitations

If a taxpayer owns an interest in a disregarded business entity, the amount of the credit that can be utilized is limited to the difference between the taxpayer's regular tax computed with the income of the disregarded entity, and the taxpayer's regular tax computed without the income of the disregarded entity. Partnerships allocate the credit among the partners according to the partner's distributive share as determined in a written partnership agreement. See R&TC Section 17039(e)(2).

The MEA hiring credit you are otherwise eligible to claim may be limited. Do not apply the credit against the minimum franchise tax (corporations and S corporations), the annual tax (partnerships and QSub) the alternative minimum tax (corporations, exempt organizations, individuals, and fiduciaries), the built-in gains tax (S corporations), or the excess net passive income tax (S corporations).

Refer to the credit instructions in your tax booklet for more information.

### S Corporations and the Application of the MEA Hiring Credit

An S corporation may use its MEA hiring credit to reduce the MEA tax at both the corporate and shareholder levels.

An S corporation may use 1/3 of the MEA hiring credit to reduce the tax on the S corporation's MEA business income. In addition, S corporation shareholders may claim their pro-rata share of the entire amount of the MEA hiring credits computed under the Personal Income Tax Law.

**Example:** In 2013, an S corporation qualified for a \$3,000 MEA hiring credit. The S corporation will be able to use 1/3 of the credit ( $\$3,000 \times 1/3 = \$1,000$ ) to offset the tax on the corporation's MEA business income.

The S corporation will also pass through a \$3,000 MEA hiring credit to its shareholders to offset their individual tax (computed under the Personal Income Tax Law) on the MEA business income.

S corporations should attach form FTB 3808 to Form 100S to claim the MEA tax credit. If form FTB 3808 is not attached to the tax return, the credit may be disallowed.

Shareholders should attach Schedule(s) K-1 (100S) to their individual tax returns.

### Carryover

If the amount of credit available this year exceeds your MEA tax, you may carry over any excess credit to future years until exhausted. The portion of any MEA hiring credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first. Apply the carryover to the earliest taxable year(s) possible. In no event can the credit be carried back and applied against a prior year's tax. Generally, the credit cannot be transferred to another taxpayer, unless:

- There was a qualifying merger.
- The credit qualifies under R&TC Section 23663 for assignment to an affiliated corporation. For additional information, get form FTB 3544, or form FTB 3544A.

For S corporations, the amount of the 1/3 credit that is in excess of the 1.5% entity-level MEA tax (3.5% for financial S corporations) in the current year may also be carried forward and used in future years to offset the S corporation entity-level tax. See the instructions for Schedule Z, Part III for more information.

If a C corporation had unused credit carryovers when it elected S corporation status, the carryovers were reduced to 1/3 and transferred to the S corporation. The remaining 2/3 were disregarded. The allowable carryovers may be used to offset the 1.5% tax on net income in accordance with the respective carryover rules. These C corporation carryovers may not be passed through to shareholders. For more information, get Schedule C (100S), S Corporation Tax Credits.

### Credit Code

Use credit code **211** to claim the MEA hiring credit on your tax return. Using an incorrect code may cause a delay in allowing the credit.

## Instructions for Schedule Z – Computation of Credit Limitations

### Reporting Requirements of S Corporations, Estates, Trusts, and Partnerships

- Partnerships and LLC's treated as partnerships do not complete Schedule Z. However, the partners and members of these types of entities should compute their MEA income from all sources by completing the Schedule Z in order to determine the amount of the MEA hiring credit that they may claim on their California tax return. For individual partners, report the distributive share of all the business income apportioned to the MEA. For corporate partners, report the distributive share of the MEA property and payroll. Report these items as other information on Schedule K-1 (565).
- S corporations and their shareholders must complete Schedule Z.
- Report to shareholders, beneficiaries, partners, and members, the distributive or pro-rata share of business income, loss, and deductions apportioned to the MEA; and
- Separately state any distributive or pro-rata share of business capital gains and losses apportioned to the MEA included in the amount above.

### S Corporations

Complete only Part I and Part III of Schedule Z if your entity-level tax before credits is more than the minimum franchise tax.

### Corporations and S Corporations subject to the minimum franchise tax only

Complete only Part IV of Schedule Z.

**All others:** Complete Part I and Part II of Schedule Z.

## Part I – Computation of Credit Limitations

**Line 1** – Enter all trade or business income. See Part II, Portion of Business Attributable to the Manufacturing Enhancement Area, for the definition of business income.

**Line 2** – If your business is located entirely within the MEA, enter 1.

Specifically, this percentage is the apportionment percentage computed by the entity using Worksheet II, Section A, and it represents the percentage of the entity's business income attributable to the MEA.

**Line 4a** – Compute the tax as if the MEA taxable income represented all of your taxable income.

### Individuals

Use the tax table or tax rate schedule in your tax booklet for your filing status.

### Exempt Organizations

Use the applicable tax rate in your tax booklet.

### Corporations and S Corporations

Use the applicable tax rate.

If the amount on line 4a is the minimum franchise tax (\$800), you cannot use your MEA hiring credit this year. You should complete Part IV of Schedule Z to compute the amount of credit carryover.

### Example: Determination of MEA Income for Shareholders, Partners, or Members of Pass-Through Entities

John Anderson is vice president of ABC, Inc., an S corporation that has two locations: one within an MEA and one outside an MEA. Eighty percent (80%) of the S corporation's business income is attributable to the MEA.

This percentage was determined by ABC, Inc. using Worksheet II, Section A, when ABC's S corporation tax return (Form 100S) was prepared.

John divides his time equally (50/50) between the two offices of ABC, Inc. Jackie Anderson (John's spouse/RDP) works for ABC, Inc. at its office located in the MEA.

John and Jackie Anderson have the following items of California income and expense for the 2013 taxable year:

John's salary from ABC, Inc. . . . . \$100,000  
 Jackie's salary from ABC, Inc. . . . . 75,000  
 Interest on savings account . . . . . 1,000  
 Dividends . . . . . 3,000  
 Schedule K-1 (100S) from ABC, Inc.:  
     Ordinary income . . . . . 40,000

John's unreimbursed employee expenses from Schedule A . . . . . (2,000)

The Anderson's MEA income (total amount to be reported on line 3) is computed as follows:

John's MEA salary  
 (\$100,000 x 50%) . . . . . \$50,000  
 Jackie's MEA salary  
 (\$75,000 x 100%) . . . . . 75,000  
 Pass-through ordinary income from  
 ABC, Inc. (\$40,000 x 80%) . . . . . 32,000  
 John's unreimbursed employee business  
 expenses (\$2,000 x 50%) . . . . . (1,000)  
 Total MEA income  
 (Schedule Z, Part I, line 3) . . . . . \$156,000

The standard deduction and personal or dependency exemptions are not included in the computation of MEA business income since they are not related to trade or business activities.

John and Jackie must compute the tax (to be entered on Schedule Z, Part I, line 4a) on the total MEA income of \$156,000 (as if it represents all of their income).

### Line 4b – Corporations and S Corporations:

If the amount on line 4b is the minimum franchise tax (\$800), you cannot use your MEA hiring credit this year. You should complete Part IV of Schedule Z to compute the amount of credit carryover.

### Example: Part II

The ABC Business has \$8,000 of tax. The business computed a credit limitation based on the MEA income of \$7,000 on Schedule Z, line 5.

The business has the following credits:

Hiring credit — \$500 and a \$300 carryover from a prior year

Schedule Z, Part II would be computed as follows:

### Part II Limitation of Credits for Corporations, Individuals, Estates, and Trusts. See instructions.

	(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit assigned from form FTB 3544 col. (g)	(e) Total credit sum of col. (b) plus col. (c), minus col. (d)	(f) Limitation based on MEA business income	(g) Credit used on Sch. P Can never be greater than col. (e) or col. (f)	(h) Total credit carryover col. (e) minus col. (f)
6	Hiring Credit	A				7,000	800	
		B	500	300	—0—	800		—0—

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## Part II – Limitation of Credits for Corporations, Individuals, Estates, and Trusts

Individuals that received a Schedule K-1, complete Schedule Z, Part II, using the information from the Schedule K-1.

Corporations, individuals, estates, or trusts, use Schedule Z, Part II. Corporations and S corporations that are subject to paying only the minimum franchise tax, use Schedule Z, Part IV.

**Line 6A, column (f)** – Enter the amount from line 5. This is the amount of limitation based on the tax on MEA business income.

**Line 6A, column (g)** – Enter the amount of credit that is used on Schedule P (100, 100W, 540, 540NR, or 541), column (b). The amount cannot be greater than the amount on line 6A, column (f) or the amount computed on line 6B, column (e). Enter this amount on form FTB 3808, Side 1, line 1.

**Line 6B, column (b)** – Enter the amount of the current year credit that was computed on Worksheet I. Individuals enter the current year hiring credit from the Schedule K-1.

**Line 6B, column (c)** – Enter the amount of the total prior year carryover credit. This is the amount of credit that was previously figured on Worksheet I in the prior year, minus the amount that was allowed to be taken on the prior year tax return.

**Line 6B, column (d)** – Enter the amount of credit assigned to affiliated corporations that are members of the same combined reporting group from form FTB 3544, column (g). Only C corporations who completed the form will enter an amount in this column. Individuals, and Estates and Trusts, leave blank and go to column (e) instructions.

**Line 6B, column (e)** – Add the amount of the current year credit on line 6B, column (b) and the amount of the total prior year carryover on line 6B, column (c), then subtract the amount of the total credit assigned on line 6B, column (d).

**Line 6B, column (f)** – Compare the amounts on line 6A, column (f) and line 6A, column (g). Enter the smaller amount.

**Line 6B, column (h)** – Subtract the amount on line 6B, column (f) from the amount on line 6B, column (e). Enter the result on line 6B, column (h). This is the amount of credit that can be carried over to future years. This carryover includes both the Schedule P (100, 100W, 540, 540NR, or 541) limitation and the limitation based on MEA business income.

## Part III – Limitation of Credits for S Corporations Only

Use Part III of schedule Z only if you are an S corporation.

**Line 7, column (b)** – Enter the amount of credit computed this year from Worksheet I. Also, enter this amount on Form 100S as follows:

- Schedule C, line 4
- Schedule K, line 13d

You may need to adjust your Schedule C (100S) to reflect the MEA tax limitation (Part I, line 5) on your credit after completing this worksheet.

**Line 7, column (c)** – Multiply the amount on line 7, column (b) by 1/3. Enter this amount in column (c). The amount in column (c) is the maximum amount of the current year credit that may be used by the S corporation to offset its 1.5% entity-level tax (3.5% for financial S corporations).

**Line 7, column (d)** – Enter the amount of the total prior year carryover of the credit (this is the amount of credit that was previously figured on Worksheet I in the prior year, minus the amount that was allowed to be taken on the prior year tax return).

**Line 7, column (e)** – Add the amount of the current year credit on line 7, column (c) and the amount of the total prior year carryover on line 7, column (d).

**Line 7, column (f)** – Enter the amount of credit that was used by the S corporation in the current year to offset its 1.5% entity-level tax (3.5% for financial S corporations). Enter this amount on form FTB 3808, Side 1, line 1.

**Line 7, column (g)** – Subtract the amount in column (f) from the amount in column (e). This is the amount of credit that can be carried over to future years and used by the S corporation.

## Part IV – Limitation of Credits for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax

Use Part IV of Schedule Z if you are a corporation or S corporation subject to paying only the minimum franchise tax.

**Line 8, column (b)** – Enter the amount of current year credit that was computed on Worksheet I. **S corporations** may enter only 1/3 of the amount from Worksheet I.

**Line 8, column (c)** – Enter the amount of the total prior year carryover of the credit. This is the amount of credit that was previously figured on Worksheet I in the prior year, minus the amount that was allowed to be taken on the prior year tax return.

**Line 8, column (d)** – Enter the amounts of credits assigned to affiliated corporations that are members of the same combined reporting group from form FTB 3544, column (g). Only C corporations who completed the form will enter an amount in this column. S corporations, leave blank and go to column (e) instructions.

**Line 8, column (e)** – Add the amount of the current year credit on line 8, column (b) and the amount of the total prior year carryover on line 8, column (c), then subtract the amount of credit assigned on line 8, column (d). This is the amount of credit that can be carried over to future years.



# Manufacturing Enhancement Area Credit Summary

**2013**

**3808**

Attach to your California tax return.

SSN or ITIN or California corporation number

Name(s) as shown on return

FEIN

Qualified taxpayer's SIC code. See instructions.  \_\_\_\_\_

California Secretary of State (SOS) file number

**A. Check the appropriate box for your entity type:**

- Individual     Estate     Trust     C corporation     S corporation     Partnership
- Exempt organization     Limited liability company     Limited liability partnership

**B.** Enter the name of the Manufacturing Enhancement Area (MEA) business: \_\_\_\_\_

**C.** Enter the address (actual location) where the MEA business is conducted:  
\_\_\_\_\_

**D.** Enter the name of the MEA in which the business and/or investment activity is located.  
\_\_\_\_\_

**E.** Enter the six-digit Principal Business Activity Code of the MEA Business .....  \_\_\_\_\_

**F.** Total number of employees in the MEA ..... \_\_\_\_\_

**G.** Number of employees included in the computation of the hiring credit, if claimed ..... \_\_\_\_\_

**H.** Gross annual receipts of the business ..... \_\_\_\_\_

**I.** Total asset value of the business ..... \_\_\_\_\_

**Part I Hiring Credit and Recapture** (Complete Schedule Z on Side 2 before you complete this part.)

**1** Hiring credit from Schedule Z, line 6A, column (g) or line 7, column (f) ..... **1** \_\_\_\_\_

**2** Recapture of hiring credit from Worksheet I, Section B, line 2, column (b) ..... **2** \_\_\_\_\_

**Part II Portion of Business Attributable to the Manufacturing Enhancement Area**

**3** Enter the average apportionment percentage of your business that is in the MEA from Worksheet II, Section A, line 4. If your operation is entirely within one MEA, the average apportionment percentage is 100% (1.00) ..... **3** \_\_\_\_\_

**Schedule Z Computation of Credit Limitations — Manufacturing Enhancement Area**

**Part I Computation of Credit Limitations.** See instructions.

<b>1</b>	Trade or business income. <b>Individuals:</b> Enter the amount from Worksheet II, Section B, line 14, column (c) on this line and on line 3 (skip line 2). See instructions. Corporations which file a combined report, enter the taxpayer's business income apportioned to California (see form FTB 3808, Part II instructions) . . . . .	<input checked="" type="radio"/>	<b>1</b>
<b>2</b>	Corporations: Enter the average apportionment percentage from Worksheet II, Section A, line 4. See instructions. . . . .		<b>2</b>
<b>3</b>	Multiply line 1 by line 2. . . . .		<b>3</b>
<b>4 a</b>	Compute the amount of tax due using the amount on line 3. See instructions. . . . .		<b>4a</b>
<b>b</b>	Enter the amount of tax from Form 540, line 35; Long Form 540NR, line 42; Form 541, line 21; Form 100, line 24; Form 100W, line 24; Form 100S, line 22; or Form 109, line 10. Corporations and S corporations, see instructions . . . . .		<b>4b</b>
<b>5</b>	Enter the smaller of line 4a or line 4b. This is the limitation based on the MEA income. Go to Part II, Part III, or Part IV. See instructions. . . . .	<input checked="" type="radio"/>	<b>5</b>

**Part II Limitation of Credits for Corporations, Individuals, Estates, and Trusts.** See instructions.

(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit assigned from form FTB 3544 col. (g)	(e) Total credit sum of col. (b) plus col. (c), minus col. (d)	(f) Limitation based on MEA business income	(g) Credit used on Sch. P Can never be greater than col. (e) or col. (f)	(h) Total credit carryover col. (e) minus col. (f)
<b>6</b> Hiring Credit	A						
	B						

**Part III Limitation of Credits for S Corporations Only.** See instructions.

(a) Credit name	(b) Credit amount	(c) S corporation credit col. (b) multiplied by 1/3	(d) Total prior year carryover	(e) Total credit col. (c) plus col. (d)	(f) Credit used this year by S corporation	(g) Carryover col. (e) minus col. (f)
<b>7</b> Hiring Credit						

**Part IV Limitation of Credits for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax.** See instructions.

(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit assigned from form FTB 3544 col. (g)	(e) Total credit carryover sum of col. (b) plus col. (c), minus col. (d)
<b>8</b> Hiring Credit				

Refer to page 3 for information on how to claim the credit.

# Standard Industrial Classification Manual, 1987 Edition (Partial Listing)

The Standard Industrial Classification (SIC) Manual classifies business activities based upon establishments, which are defined in the SIC Manual as an economic unit, generally at a single physical location, where business is conducted, or where services or industrial operations are performed. A taxpayer's enterprise may consist of more than one establishment. The SIC Manual provides the following examples of establishments: A factory, mill, store, hotel, movie theater, mine, farm, ranch, bank, railroad depot, airline terminal, sales office, warehouse, or central administrative office. Where distinct and separate economic activities are performed at a single physical location (such as construction activities operated out of the same physical location as a lumber yard), each activity should be treated as a separate establishment where: (1) No one industry description in the SIC Manual includes such combined activities; (2) The employment in each economic activity is significant; and (3) Separate reports are prepared on the number of employees, their wages and salaries, sales or receipts, property and equipment, and other types of

financial data, such as financial statements, job costing, and profit center accounting.

The SIC Manual is organized using a hierarchical structure. First by division, next by two-digit major groups within each division, then by three-digit industry groups within each major group, and finally by four-digit industry codes within each industry group.

For purposes of this publication, SIC Codes 0211 through 0291, Code 0723, or Codes 2011 through 3999 are listed since only taxpayers with establishments in these industry codes qualify for the MEA hiring credit.

The complete Standard Industrial Classification Manual, 1987 Edition, is available for purchase from:

NATIONAL TECHNICAL INFORMATION SERVICE  
5301 Shawnee Road  
Alexandria, Virginia 22312  
Order No. PB 87-100012

Or to view this manual, go to [osha.gov](http://osha.gov) and search for **SIC code**.

## The four-digit industry codes within Division D of the SIC Manual are: (nec means "not elsewhere classified")

3291	Abrasive products	0251	Broiler, fryer, and roaster chickens	2298	Cordage & twine	3069	Fabricated rubber products, nec
2891	Adhesives & sealants	2231	Broadwoven fabric mills, wool	2653	Corrugated & solid fiber boxes	3441	Fabricated structural metal
2879	Agricultural chemicals, nec	3991	Brooms & brushes	3961	Costume jewelry	2399	Fabricated textile products, nec
3563	Air & gas compressors	3995	Burial caskets	2074	Cottonseed oil	3523	Farm machinery & equipment
3728	Aircraft parts & equipment, nec	3578	Calculating & accounting equipment	2021	Creamery butter	3965	Fasteners, buttons, needles, & pins
3724	Aircraft engines & engine parts			0723	Crop preparation services for market	2875	Fertilizers, mixing only
3721	Aircraft	2064	Candy & other confectionery products	3466	Crowns & closures	2655	Fiber cans, drums, & similar products
2812	Alkalies & chlorine			3643	Current-carrying wiring devices	2262	Finishing plants, manmade
3354	Aluminum extruded products	2062	Cane sugar refining	2391	Curtains & draperies	2261	Finishing plants, cotton
3355	Aluminum rolling & drawing, nec	2033	Canned fruits & vegetables	3087	Custom compound purchased resins	2269	Finishing plants, nec
3365	Aluminum foundries	2091	Canned & cured fish & seafood			3211	Flat glass
3353	Aluminum sheet, plate, & foil	2032	Canned specialties	3281	Cut stone & stone products	2087	Flavoring extracts & syrups, nec
3363	Aluminum die-casting	2394	Canvas & related products	3421	Cutlery	2041	Flour & other grain mill products
3483	Ammunition, except for small arms, nec	3955	Carbon paper & inked ribbons	2865	Cyclic crudes & intermediates	3824	Fluid meters & counting devices
		2895	Carbon black	0241	Dairy farms	3492	Fluid power valves & hose fittings
3826	Analytical instruments	3624	Carbon & graphite products	2034	Dehydrated fruits, vegetables, & soups	2026	Fluid milk
0273	Animal aquaculture	3592	Carburetors, pistons, rings, & valves	3843	Dental equipment & supplies	3594	Fluid power pumps & motors
0279	Animal specialties, nec	2273	Carpets & rugs	2675	Die-cut paper products	3593	Fluid power cylinders & actuators
2077	Animal & marine fats & oils	2823	Cellulosic manmade fiber	2085	Distilled & blended liquors	2657	Folding paperboard boxes
2387	Apparel belts	3241	Cement, hydraulic	2047	Dog & cat food	2099	Food preparations, nec
2389	Apparel & accessories, nec	3253	Ceramic wall & floor tile	3942	Dolls & stuffed toys	3556	Food products machinery
3446	Architectural metal work	2043	Cereal breakfast foods	2591	Drapery hardware & blinds & shades	3131	Footwear cut stock
3292	Asbestos products	2022	Cheese, natural & processed	2023	Dry, condensed, & evaporated dairy products	3149	Footwear, except rubber, nec
2952	Asphalt felts & coatings	2899	Chemical preparations, nec			2092	Fresh/frozen prepared fish/seafood
2951	Asphalt paving mixtures & blocks	2067	Chewing gum			2053	Frozen bakery products, except bread
3581	Automatic vending machines	2131	Chewing & smoking tobacco	2079	Edible fats & oils, nec	2038	Frozen specialties, nec
2396	Automotive & apparel trimmings	0252	Chicken eggs	3641	Electric lamps	2037	Frozen fruits & vegetables
3465	Automotive stampings	2066	Chocolate & cocoa products	3634	Electric housewares & fans	0271	Fur-bearing animals and rabbits
2673	Bags: plastic, laminated, & coated	2111	Cigarettes	3699	Electrical equipment & supplies, nec	2371	Fur goods
2674	Bags: uncoated paper & multiwall	2121	Cigars	3629	Electrical industrial apparatus, nec	2599	Furniture & fixtures, nec
3562	Ball & roller bearings	3255	Clay refractories	3845	Electromedical equipment	3944	Games, toys, & children's vehicles
0211	Beef cattle feedlots	2295	Coated fabrics, not rubberized	3313	Electrometallurgical products	3053	Gaskets, packing, & sealing devices
0212	Beef cattle, except feedlots	3316	Cold finishing of steel shapes	3679	Electronic components, nec	0291	General farms, primarily animal
2063	Beet sugar	2754	Commercial printing, gravure	3678	Electronic connectors	3569	General industrial machinery, nec
2836	Biological products except diagnostic substances	2752	Commercial printing, lithographic	3671	Electron tubes	0219	General livestock, nec
		2759	Commercial printing, nec	3675	Electronic capacitors	2369	Girls' & children's outerwear, nec
2782	Blankbooks & looseleaf binders	3582	Commercial laundry equipment	3676	Electronic resistors	2361	Girls' & children's dresses, blouses
3312	Blast furnace & steel mills	3646	Commercial lighting fixtures	3677	Electronic coils & transformers	3221	Glass containers
3564	Blowers & fans	3669	Communication equipment	3571	Electronic computers	3321	Gray & ductile iron foundries
3732	Boat building & repairing	3577	Computer peripheral equipment, nec	3534	Elevators & moving stairways	2771	Greeting cards
3452	Bolts, nuts, rivets, & washers	3575	Computer terminals	3694	Engine electrical equipment	3764	Guided missile & space vehicle parts
2731	Book publishing	3572	Computer storage devices	2677	Envelopes		
2732	Book printing	3271	Concrete block & brick	3822	Environmental controls		
2789	Bookbinding & related work	3272	Concrete products, nec	2892	Explosives		
2086	Bottled & canned soft drinks	3531	Construction machinery	2381	Fabric dress & work gloves		
2342	Bras, girdles, & allied garments	2679	Converted paper products, nec	3499	Fabricated metal products, nec		
2051	Bread, cake, & related products	3535	Conveyors & conveying equipment	3443	Fabricated plate work (boiler shops)		
3251	Brick & structural clay tile	2052	Cookies & crackers	3498	Fabricated pipe & fittings		
2211	Broadwoven fabric mills, cotton	3351	Copper rolling & drawing				
2221	Broadwoven fabric mills, manmade	3366	Copper foundries				

(continued on next page)

3761	Guided missiles & space vehicles	2322	Men's & boys' underwear & nightwear	3269	Pottery products, nec	3841	Surgical & medical instruments
2861	Gum & wood chemicals			0254	Poultry hatcheries	3842	Surgical appliances & supplies
3275	Gypsum products	2326	Men's & boys' work clothing	0259	Poultry and eggs, nec	3613	Switchgear & switchboard apparatus
3423	Hand & edge tools, nec	2311	Men's & boys' suits & coats	2015	Poultry slaughtering & processing		
3996	Hardsurface floor coverings, nec	2514	Metal household furniture	3568	Power transmission equipment, nec	2822	Synthetic rubber
2429	Hardware, nec	3549	Metalworking machinery, nec	3546	Power-driven handtools	3795	Tanks & tank components
2426	Hardwood dimensions & flooring mills	3398	Metal heat treating	3448	Prefabricated metal buildings	3661	Telephone & telegraph apparatus
		3411	Metal cans	2452	Prefabricated wood buildings	3552	Textile machinery
2435	Hardwood veneer & plywood	3412	Metal barrels, drums, & pails	2045	Prepared flour mixes & doughs	2393	Textile bags
2353	Hats, caps, & millinery	3431	Metal sanitary ware	2048	Prepared feeds, nec	2299	Textile goods, nec
3433	Heating equip, except electric	3497	Metal foil & leaf	3652	Prerecorded records & tapes	2284	Thread mills
0213	Hogs	3479	Metal coating & allied services	3229	Pressed & blown glass, nec	2282	Throwing & winding mills
3536	Hoists, cranes, & monorails	3469	Metal stampings, nec	3399	Primary metal products, nec	2296	Tire cord & fabrics
0272	Horses and other equines	3442	Metal door, sash, & trim	3339	Primary nonferrous metals, nec	3011	Tires & inner tubes
2252	Hosiery, nec	2431	Millwork	3334	Primary aluminum	2141	Tobacco stemming & redrying
2392	House furnishings, nec	3296	Mineral wool	3331	Primary copper	2844	Toilet preparations
3142	House slippers	3295	Minerals, ground or treated	3692	Primary batteries, dry & wet	3612	Transformers, except electronic
3651	Household audio & video equipment	3523	Mining machinery	3672	Printed circuit boards	3799	Transportation equipment, nec
		2741	Misc publishing	2893	Printing ink	3792	Travel trailers & campers
3635	Household vacuum cleaners	3449	Misc metal work	3555	Printing trades machinery	3713	Truck & bus bodies
3631	Household cooking appliances	3496	Misc fabricated wire products	3823	Process control instruments	3715	Truck trailers
3633	Household laundry equipment	2451	Mobile homes	3231	Products of purchased glass	3511	Turbines & turbines generator sets
3639	Household appliances, nec	3716	Motor homes	2531	Public building & related furniture	0253	Turkey and turkey eggs
2519	Household furniture, nec	3711	Motor vehicles & car bodies	2611	Pulp mills	2791	Typesetting
3632	Household refrigerators & freezers	3621	Motor & generators	3561	Pumps & pumping equipment	3082	Unsupported plastic profile shapes
2024	Ice cream & frozen desserts	3714	Motor vehicle parts & accessories	3663	Radio, TV, & communications equipment	3081	Unsupported plastic film & sheet
3491	Industrial valves	3751	Motorcycles, bicycles, & parts			2512	Upholstered household furniture
2819	Industrial inorganic chem, nec	3931	Musical instruments	3743	Railroad equipment	3494	Valves & pipe fittings, nec
3599	Industrial machinery, nec	2441	Nailed wood boxes & shook	2061	Raw sugar cane	2076	Vegetable oil mills, nec
2869	Industrial organic chem, nec	2241	Narrow fabric mills	3273	Ready-mixed concrete	3647	Vehicular lighting equipment
3537	Industrial trucks & tractors	2711	Newspapers	2493	Reconstituted wood products	3261	Vitreous plumbing fixtures
2813	Industrial gases	2873	Nitrogenous fertilizers	3585	Refrigeration & heating equipment	3262	Vitreous china table & kitchenware
3543	Industrial patterns	3297	Nonclay refractories	3625	Relays & industrial controls	3873	Watches, clocks, & parts
3567	Industrial furnaces & ovens	3644	Noncurrent-carrying wiring devices	3645	Residential lighting fixtures	2385	Waterproof outerwear
2816	Inorganic pigments	3369	Nonferrous foundries, nec	2044	Rice milling	2257	Weft knit fabric mills
3825	Instruments to measure electricity	3364	Nonferrous die-casting, except aluminum	2095	Roasted coffee	3548	Welding apparatus
3519	Internal combustion engines, nec			2384	Robes & dressing gowns	2046	Wet corn milling
2835	In vitro & in vivo diagnostic substances	3357	Nonferrous wiredrawing & insulating	3547	Rolling mill machinery	2084	Wines, brandy, & brandy spirits
				3052	Rubber & plastic hose & belting	3495	Wire springs
3462	Iron & steel forging	3356	Nonferrous rolling & drawing, nec	3021	Rubber & plastic footwear	2337	Women's & misses' suits & coats
3915	Jewelers' materials & lapidary work	3341	Nonferrous metals	2068	Salted & roasted nuts & seeds	2335	Women's, juniors', & misses' dresses
3911	Jewelry, precious metal	3463	Nonferrous forging	2656	Sanitary food containers		
2253	Knit outerwear mills	3299	Nonmetallic mineral products, nec	2676	Sanitary paper products	2341	Women's & children's underwear
2254	Knit underwear mills	2297	Nonwoven fabrics	2013	Sausages & other prepared meats	2251	Women's hosiery, except socks
2259	Knitting mills, nec	3579	Office machines, nec	3425	Saw blades & handsaws	2339	Women's & misses' outerwear, nec
3821	Laboratory apparatus & furniture	2522	Office furniture, except wood	2421	Sawmills & planing mills, general	2331	Women's & misses' blouses & shirts
2258	Lace & warp knit fabric mills	3533	Oil & gas field machinery	3596	Scales & balances, except laboratory	3171	Women's handbags and purses
3083	Laminated plastic plate & sheet	3851	Ophthalmic goods			3144	Women's footwear, except athletic
3524	Lawn & garden equipment	3827	Optical instruments & lenses	2397	Schiffli machine embroideries		
3952	Lead pencils & art goods	3489	Ordnance & accessories, nec	3451	Screw machine products	2491	Wood preserving
3199	Leather goods, nec	2824	Organic fibers, noncellulosic	3812	Search & navigation equipment	2499	Wood products, nec
2386	Leather & sheep-lined clothing	3565	Packaging machinery	3674	Semiconductors & related devices	2434	Wood kitchen cabinets
3111	Leather tanning & finishing	2851	Paints & allied products	3263	Semivitreous table & kitchenware	2541	Wood partitions & fixtures
3151	Leather gloves & mittens	3554	Paper industries machinery	3589	Service industry machinery, nec	2521	Wood office furniture
3648	Lighting equipment	2621	Paper mills	2652	Setup paperboard boxes	2517	Wood TV & radio cabinets
3274	Lime	2671	Paper coated & laminated, packaging	0214	Sheep and goats	2449	Wood containers, nec
2411	Logging			3444	Sheet metal work	2511	Wood household furniture
2992	Lubricating oils & greases	2672	Paper coated & laminated, nec	3731	Ship building & repairing	2448	Wood pallets & skids
3161	Luggage	2631	Paperboard mills	3993	Signs & advertising specialties	3553	Woodworking machinery
2098	Macaroni, spaghetti, & noodles	2542	Partitions & fixtures, except wood	3914	Silverware and plate ware	3844	X-ray apparatus & tubes
3541	Machine tools, metal cutting types	3951	Pens & mechanical pencils	3484	Small arms	2281	Yarn spinning mills
3545	Machine tool accessories	2721	Periodicals	3482	Small arms ammunition		
3542	Machine tools, metal forming type	3172	Personal leather goods, nec	2841	Soap & other detergents		
3695	Magnetic & optical recording media	2911	Petroleum refining	2436	Softwood veneer & plywood		
3322	Malleable iron foundries	2999	Petroleum & coal products, nec	2075	Soybean oil mills		
2083	Malt	2834	Pharmaceutical preparations	3769	Space vehicle equipment & parts		
2082	Malt beverages	2874	Phosphatic fertilizers	3764	Space propulsion units & parts		
2761	Manifold business forms	3861	Photographic equipment & supplies	2429	Special product sawmills, nec		
2097	Manufactured ice	2035	Pickles, sauces, & salad dressing	3544	Special dies, tools, jigs, & fixtures		
3999	Manufacturing industries, nec	3085	Plastic bottles	3559	Special industry machinery, nec		
3953	Marking devices	3086	Plastic foam products	3566	Speed changers, drives, & gears		
2515	Mattresses & bedsprings	2821	Plastic materials & resins	3949	Sporting & athletic goods, nec		
3586	Measuring & dispensing pumps	3084	Plastic pipe	2678	Stationery products		
3829	Measuring & controlling devices, nec	3088	Plastic plumbing fixtures	3493	Steel springs, except wire		
2011	Meat packing plants	3089	Plastic products, nec	3315	Steel wire & related products		
3061	Mechanical rubber goods	2796	Platemaking service	3317	Steel pipe & tubes		
2833	Medicinal & botanicals	3471	Plating & polishing	3325	Steel foundries, nec		
2325	Men's & boys' trousers & slacks	2395	Pleating & stitching	3324	Steel investment foundries		
3143	Men's footwear, except athletic	3432	Plumbing fixture fittings & trim	3691	Storage batteries		
2323	Men's & boys' neckwear	2842	Polishes & sanitation goods	3259	Structural clay products, nec		
2329	Men's & boys' clothing, nec	3264	Porcelain electrical supplies	2439	Structural wood members, nec		
2321	Men's & boys' shirts	2096	Potato chips & similar snacks	2843	Surface active agents		



# FTB 3808

## Principal Business Activity Codes

This list of principal business activities and their associated codes is designed to classify a business by the type of activity in which it is engaged to facilitate the administration of the California Revenue and Taxation Code. For taxable years beginning on or after January 1, 1998, these principal business activity codes are based on the North American Industry Classification System published by the United States Office of Management and Budget, 1997 Edition.

For purposes of qualifying for the MEA tax incentive, refer to the Standard Industrial Classification Manual, 1987 Edition and the partial listing on pages 15 and 16 of this booklet.

### Agriculture, Forestry, Fishing, and Hunting

Code	Description
<b>Crop Production</b>	
111100	Oilseed & Grain Farming
111210	Vegetable & Melon Farming (including potatoes & yams)
111300	Fruit & Tree Nut Farming
111400	Greenhouse, Nursery, & Floriculture Production
111900	Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet, & all other crop farming)
<b>Animal Production</b>	
112111	Beef Cattle Ranching & Farming
112112	Cattle Feedlots
112120	Dairy Cattle & Milk Production
112210	Hog & Pig Farming
112300	Poultry & Egg Production
112400	Sheep & Goat Farming
112510	Aquaculture (including shellfish & finfish farms & hatcheries)
112900	Other Animal Production
<b>Forestry and Logging</b>	
113110	Timber Tract Operations
113210	Forest Nurseries & Gathering of Forest Products
113310	Logging
<b>Fishing, Hunting and Trapping</b>	
114110	Fishing
114210	Hunting & Trapping
<b>Support Activities for Agriculture and Forestry</b>	
115110	Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)
115210	Support Activities for Animal Production
115310	Support Activities for Forestry

### Mining

211110	Oil & Gas Extraction
212110	Coal Mining
212200	Metal Ore Mining
212310	Stone Mining & Quarrying
212320	Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying
212390	Other Nonmetallic Mineral Mining & Quarrying
213110	Support Activities for Mining

### Utilities

221100	Electric Power Generation, Transmission & Distribution
221210	Natural Gas Distribution
221300	Water, Sewage, & Other Systems
221500	Combination Gas & Electric

### Construction

Code	Description
<b>Construction of Buildings</b>	
236110	Residential Building Construction
236200	Nonresidential Building Construction
<b>Heavy and Civil Engineering Construction</b>	
237100	Utility System Construction
237210	Land Subdivision
237310	Highway, Street, & Bridge Construction
237990	Other Heavy & Civil Engineering Construction
<b>Specialty Trade Contractors</b>	
238100	Foundation, Structure, & Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, & siding)
238210	Electrical Contractors
238220	Plumbing, Heating, & Air-Conditioning Contractors
238290	Other Building Equipment Contractors
238300	Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, & finish carpentry)
238900	Other Specialty Trade Contractors (including site preparation)

### Manufacturing

<b>Food Manufacturing</b>	
311110	Animal Food Mfg
311200	Grain & Oilseed Milling
311300	Sugar & Confectionery Product Mfg
311400	Fruit & Vegetable Preserving & Specialty Food Mfg
311500	Dairy Product Mfg
311610	Animal Slaughtering and Processing
311710	Seafood Product Preparation & Packaging
311800	Bakeries, Tortilla & Dry Pasta Mfg
311900	Other Food Mfg (including coffee, tea, flavorings, & seasonings)
<b>Beverage and Tobacco Product Manufacturing</b>	
312110	Soft Drink & Ice Mfg
312120	Breweries
312130	Wineries
312140	Distilleries
312200	Tobacco Manufacturing
<b>Textile Mills and Textile Product Mills</b>	
313000	Textile Mills
314000	Textile Product Mills
<b>Apparel Manufacturing</b>	
315100	Apparel Knitting Mills

315210	Cut & Sew Apparel Contractors
315220	Men's & Boys' Cut & Sew Apparel Mfg
315240	Women's, Girls' and Infants' Cut and Sew Apparel Mfg
315280	Other Cut & Sew Apparel Mfg
315990	Apparel Accessories & Other Apparel Mfg
<b>Leather and Allied Product Manufacturing</b>	
316110	Leather & Hide Tanning & Finishing
316210	Footwear Mfg (including rubber & plastics)
316990	Other Leather & Allied Product Mfg
<b>Wood Product Manufacturing</b>	
321110	Sawmills & Wood Preservation
321210	Veneer, Plywood, & Engineered Wood Product Mfg
321900	Other Wood Product Mfg
<b>Paper Manufacturing</b>	
322100	Pulp, Paper, & Paperboard Mills
322200	Converted Paper Product Mfg
<b>Printing and Related Support Activities</b>	
323100	Printing & Related Support Activities
<b>Petroleum and Coal Products Manufacturing</b>	
324110	Petroleum Refineries (including integrated)
324120	Asphalt Paving, Roofing, & Saturated Materials Mfg
324190	Other Petroleum & Coal Products Mfg
<b>Chemical Manufacturing</b>	
325100	Basic Chemical Mfg
325200	Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg
325300	Pesticide, Fertilizer, & Other Agricultural Chemical Mfg
325410	Pharmaceutical & Medicine Mfg
325500	Paint, Coating, & Adhesive Mfg
325600	Soap, Cleaning Compound, & Toilet Preparation Mfg
325900	Other Chemical Product & Preparation Mfg
<b>Plastics and Rubber Products Manufacturing</b>	
326100	Plastics Product Mfg
326200	Rubber Product Mfg
<b>Nonmetallic Mineral Product Manufacturing</b>	
327100	Clay Product & Refractory Mfg
327210	Glass & Glass Product Mfg
327300	Cement & Concrete Product Mfg
327400	Lime & Gypsum Product Mfg
327900	Other Nonmetallic Mineral Product Mfg
<b>Primary Metal Manufacturing</b>	
331110	Iron & Steel Mills & Ferroalloy Mfg
331200	Steel Product Mfg from Purchased Steel
331310	Alumina & Aluminum Production & Processing
331400	Nonferrous Metal (except Aluminum) Production & Processing
331500	Foundries
<b>Fabricated Metal Product Manufacturing</b>	
332110	Forging & Stamping
332210	Cutlery & Handtool Mfg
332300	Architectural & Structural Metals Mfg
332400	Boiler, Tank, & Shipping Container Mfg
332510	Hardware Mfg
332610	Spring & Wire Product Mfg
332700	Machine Shops, Turned Product, & Screw, Nut, & Bolt Mfg

332810	Coating, Engraving, Heat Treating, & Allied Activities
332900	Other Fabricated Metal Product Mfg
<b>Machinery Manufacturing</b>	
333100	Agriculture, Construction, & Mining Machinery Mfg
333200	Industrial Machinery Mfg
333310	Commercial & Service Industry Machinery Mfg
333410	Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg
333510	Metalworking Machinery Mfg
333610	Engine, Turbine, & Power Transmission Equipment Mfg
333900	Other General Purpose Machinery Mfg
<b>Computer and Electronic Product Manufacturing</b>	
334110	Computer & Peripheral Equipment Mfg
334200	Communications Equipment Mfg
334310	Audio & Video Equipment Mfg
334410	Semiconductor & Other Electronic Component Mfg
334500	Navigational, Measuring, Electromedical, & Control Instruments Mfg
334610	Manufacturing & Reproducing Magnetic & Optical Media
<b>Electrical Equipment, Appliance, and Component Manufacturing</b>	
335100	Electric Lighting Equipment Mfg
335200	Household Appliance Mfg
335310	Electrical Equipment Mfg
335900	Other Electrical Equipment & Component Mfg
<b>Transportation Equipment Manufacturing</b>	
336100	Motor Vehicle Mfg
336210	Motor Vehicle Body & Trailer Mfg
336300	Motor Vehicle Parts Mfg
336410	Aerospace Product & Parts Mfg
336510	Railroad Rolling Stock Mfg
336610	Ship & Boat Building
336990	Other Transportation Equipment Mfg
<b>Furniture and Related Product Manufacturing</b>	
337000	Furniture & Related Product Manufacturing
<b>Miscellaneous Manufacturing</b>	
339110	Medical Equipment & Supplies Mfg
339900	Other Miscellaneous Manufacturing

### Wholesale Trade

<b>Merchant Wholesalers, Durable Goods</b>	
423100	Motor Vehicle & Motor Vehicle Parts & Supplies
423200	Furniture & Home Furnishings
423300	Lumber & Other Construction Materials
423400	Professional & Commercial Equipment & Supplies
423500	Metal & Mineral (except Petroleum)
423600	Household Appliances and Electrical & Electronic Goods
423700	Hardware, & Plumbing & Heating Equipment & Supplies
423800	Machinery, Equipment, & Supplies
423910	Sporting & Recreational Goods & Supplies
423920	Toy & Hobby Goods & Supplies
423930	Recyclable Materials
423940	Jewelry, Watch, Precious Stone, & Precious Metals
423990	Other Miscellaneous Durable Goods

<b>Code</b>	
<b>Merchant Wholesalers, Nondurable Goods</b>	
424100	Paper & Paper Products
424210	Drugs & Druggists' Sundries
424300	Apparel, Piece Goods, & Notions
424400	Grocery & Related Products
424500	Farm Product Raw Materials
424600	Chemical & Allied Products
424700	Petroleum & Petroleum Products
424800	Beer, Wine, & Distilled Alcoholic Beverages
424910	Farm Supplies
424920	Book, Periodical, & Newspapers
424930	Flower, Nursery Stock, & Florists' Supplies
424940	Tobacco & Tobacco Products
424950	Paint, Varnish, & Supplies
424990	Other Miscellaneous Nondurable Goods
<b>Wholesale Electronic Markets and Agents and Brokers</b>	
425110	Business to Business Electronic Markets
425120	Wholesale Trade Agents & Brokers
<b>Retail Trade</b>	
<b>Motor Vehicle and Parts Dealers</b>	
441110	New Car Dealers
441120	Used Car Dealers
441210	Recreational Vehicle Dealers
441222	Boat Dealers
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers
441300	Automotive Parts, Accessories, & Tire Stores
<b>Furniture and Home Furnishings Stores</b>	
442110	Furniture Stores
442210	Floor Covering Stores
442291	Window Treatment Stores
442299	All Other Home Furnishings Stores
<b>Electronics and Appliance Stores</b>	
443141	Household Appliance Stores
443142	Electronics Stores (including Audio, Video, Computer, and Camera Stores)
<b>Building Material and Garden Equipment and Supplies Dealers</b>	
444110	Home Centers
444120	Paint & Wallpaper Stores
444130	Hardware Stores
444190	Other Building Material Dealers
444200	Lawn & Garden Equipment & Supplies Stores
<b>Food and Beverage Stores</b>	
445110	Supermarkets and Other Grocery (except Convenience) Stores
445120	Convenience Stores
445210	Meat Markets
445220	Fish & Seafood Markets
445230	Fruit & Vegetable Markets
445291	Baked Goods Stores
445292	Confectionery & Nut Stores
445299	All Other Specialty Food Stores
445310	Beer, Wine, & Liquor Stores
<b>Health and Personal Care Stores</b>	
446110	Pharmacies & Drug Stores
446120	Cosmetics, Beauty Supplies, & Perfume Stores
446130	Optical Goods Stores
446190	Other Health & Personal Care Stores
<b>Gasoline Stations</b>	
447100	Gasoline Stations (including convenience stores with gas)

<b>Code</b>	
<b>Clothing and Clothing Accessories Stores</b>	
448110	Men's Clothing Stores
448120	Women's Clothing Stores
448130	Children's & Infants' Clothing Stores
448140	Family Clothing Stores
448150	Clothing Accessories Stores
448190	Other Clothing Stores
448210	Shoe Stores
448310	Jewelry Stores
448320	Luggage & Leather Goods Stores
<b>Sporting Goods, Hobby, Book, and Music Stores</b>	
451110	Sporting Goods Stores
451120	Hobby, Toy, & Game Stores
451130	Sewing, Needlework, & Piece Goods Stores
451140	Musical Instrument & Supplies Stores
451211	Book Stores
451212	News Dealers & Newsstands
<b>General Merchandise Stores</b>	
452110	Department stores
452900	Other General Merchandise Stores
<b>Miscellaneous Store Retailers</b>	
453110	Florists
453210	Office Supplies & Stationery Stores
453220	Gift, Novelty, & Souvenir Stores
453310	Used Merchandise Stores
453910	Pet & Pet Supplies Stores
453920	Art Dealers
453930	Manufactured (Mobile) Home Dealers
453990	All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)
<b>Nonstore Retailers</b>	
454110	Electronic Shopping & Mail-Order Houses
454210	Vending Machine Operators
454310	Fuel Dealers (including Heating Oil and Liquefied Petroleum)
454390	Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)
<b>Transportation and Warehousing</b>	
<b>Air, Rail, and Water Transportation</b>	
481000	Air Transportation
482110	Rail Transportation
483000	Water Transportation
<b>Truck Transportation</b>	
484110	General Freight Trucking, Local
484120	General Freight Trucking, Long-distance
484200	Specialized Freight Trucking
<b>Transit and Ground Passenger Transportation</b>	
485110	Urban Transit Systems
485210	Interurban & Rural Bus Transportation
485310	Taxi Service
485320	Limousine Service
485410	School & Employee Bus Transportation
485510	Charter Bus Industry
485990	Other Transit & Ground Passenger Transportation
<b>Pipeline Transportation</b>	
486000	Pipeline Transportation
<b>Scenic &amp; Sightseeing Transportation</b>	
487000	Scenic & Sightseeing Transportation

<b>Code</b>	
<b>Support Activities for Transportation</b>	
488100	Support Activities for Air Transportation
488210	Support Activities for Rail Transportation
488300	Support Activities for Water Transportation
488410	Motor Vehicle Towing
488490	Other Support Activities for Road Transportation
488510	Freight Transportation Arrangement
488990	Other Support Activities for Transportation
<b>Couriers and Messengers</b>	
492110	Couriers
492210	Local Messengers & Local Delivery
<b>Warehousing and Storage</b>	
493100	Warehousing & Storage (except lessors of miniwarehouses & self-storage units)
<b>Information</b>	
<b>Publishing Industries (except Internet)</b>	
511110	Newspaper Publishers
511120	Periodical Publishers
511130	Book Publishers
511140	Directory & mailing list Publishers
511190	Other Publishers
511210	Software Publishers
<b>Motion Picture and Sound Recording Industries</b>	
512100	Motion Picture & Video Industries (except video rental)
512200	Sound Recording Industries
<b>Broadcasting (except Internet)</b>	
515100	Radio & Television Broadcasting
515210	Cable & Other Subscription Programming
<b>Telecommunications</b>	
517000	Telecommunications (including paging, cellular, satellite, cable & other program distribution, resellers, other telecommunications, & internet service providers)
<b>Data Processing Services</b>	
518210	Data Processing, Hosting, & Related Services
<b>Other Information Services</b>	
519100	Other Information Services (including news syndicates libraries, internet publishing & broadcasting)
<b>Finance and Insurance</b>	
<b>Depository Credit Intermediation</b>	
522110	Commercial Banking
522120	Savings Institutions
522130	Credit Unions
522190	Other Depository Credit Intermediation
<b>Nondepository Credit Intermediation</b>	
522210	Credit Card Issuing
522220	Sales Financing
522291	Consumer Lending
522292	Real Estate Credit (including mortgage bankers & originators)
522293	International Trade Financing
522294	Secondary Market Financing
522298	All Other Nondepository Credit Intermediation
<b>Activities Related to Credit Intermediation</b>	
522300	Activities Related to Credit Intermediation (including loan brokers, checks, clearing, & money transmitting)

<b>Code</b>	
<b>Securities, Commodity Contracts, and Other Financial Investments and Related Activities</b>	
523110	Investment Banking & Securities Dealing
523120	Securities Brokerage
523130	Commodity Contracts Dealing
523140	Commodity Contracts Brokerage
523210	Securities & Commodity Exchanges
523900	Other Financial Investment Activities (including portfolio management & investment advice)
<b>Insurance Carriers and Related Activities</b>	
524130	Reinsurance Carriers
524140	Direct Life, Health, & Medical Insurance Carriers
524150	Direct Insurance & Reinsurance (except Life, Health, & Medical) Carriers
524210	Insurance Agencies & Brokerages
524290	Other Insurance Related Activities (including third-party administration of insurance and pension funds)
<b>Funds, Trusts, and Other Financial Vehicles</b>	
525100	Insurance & Employee Benefit Funds
525910	Open-End Investment Funds (Form 1120-RIC)
525920	Trusts, Estates, & Agency Accounts
525990	Other Financial Vehicles (including mortgage REITs & closed-end investment funds)
"Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under <b>Management of Companies (Holding Companies)</b> below.	
<b>Real Estate and Rental and Leasing</b>	
<b>Real Estate</b>	
531110	Lessors of Residential Buildings & Dwellings (including equity REITs)
531120	Lessors of Nonresidential Buildings (except Miniwarehouses) (including equity REITs)
531130	Lessors of Miniwarehouses & Self-Storage Units (including equity REITs)
531190	Lessors of Other Real Estate Property (including equity REITs)
531210	Offices of Real Estate Agents & Brokers
531310	Real Estate Property Managers
531320	Offices of Real Estate Appraisers
531390	Other Activities Related to Real Estate
<b>Rental and Leasing Services</b>	
532100	Automotive Equipment Rental & Leasing
532210	Consumer Electronics & Appliances Rental
532220	Formal Wear & Costume Rental
532230	Video Tape & Disc Rental
532290	Other Consumer Goods Rental
532310	General Rental Centers
532400	Commercial & Industrial Machinery & Equipment Rental & Leasing
<b>Lessors of Nonfinancial Intangible Assets (except copyrighted works)</b>	
533110	Lessors of Nonfinancial Intangible Assets (except copyrighted works)



Code

**Professional, Scientific, and Technical Services**

**Legal Services**

- 541110 Offices of Lawyers
- 541190 Other Legal Services

**Accounting, Tax Preparation, Bookkeeping, and Payroll Services**

- 541211 Offices of Certified Public Accountants
- 541213 Tax Preparation Services
- 541214 Payroll Services
- 541219 Other Accounting Services

**Architectural, Engineering, and Related Services**

- 541310 Architectural Services
- 541320 Landscape Architecture Services
- 541330 Engineering Services
- 541340 Drafting Services
- 541350 Building Inspection Services
- 541360 Geophysical Surveying & Mapping Services
- 541370 Surveying & Mapping (except Geophysical) Services
- 541380 Testing Laboratories

**Specialized Design Services**

- 541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)

**Computer Systems Design and Related Services**

- 541511 Custom Computer Programming Services
- 541512 Computer Systems Design Services
- 541513 Computer Facilities Management Services
- 541519 Other Computer Related Services

**Other Professional, Scientific, and Technical Services**

- 541600 Management, Scientific, & Technical Consulting Services
- 541700 Scientific Research & Development Services
- 541800 Advertising & Related Services
- 541910 Marketing Research & Public Opinion Polling
- 541920 Photographic Services
- 541930 Translation & Interpretation Services
- 541940 Veterinary Services
- 541990 All Other Professional, Scientific, & Technical Services

**Management of Companies (Holding Companies)**

- 551111 Offices of Bank Holding Companies
- 551112 Offices of Other Holding Companies

**Administrative and Support and Waste Management and Remediation Services**

**Administrative and Support Services**

- 561110 Office Administrative Services
- 561210 Facilities Support Services
- 561300 Employment Services
- 561410 Document Preparation Services
- 561420 Telephone Call Centers
- 561430 Business Service Centers (including private mail centers & copy shops)
- 561440 Collection Agencies
- 561450 Credit Bureaus
- 561490 Other Business Support Services (including repossession services, court reporting, & stenotype services)

Code

- 561500 Travel Arrangement & Reservation Services
- 561600 Investigation & Security Services
- 561710 Exterminating & Pest Control Services
- 561720 Janitorial Services
- 561730 Landscaping Services
- 561740 Carpet & Upholstery Cleaning Services
- 561790 Other Services to Buildings & Dwellings
- 561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)

**Waste Management and Remediation Services**

- 562000 Waste Management & Remediation Services

**Educational Services**

- 611000 Educational Services (including schools, colleges, & universities)

**Health Care and Social Assistance**

**Offices of Physicians and Dentists**

- 621111 Offices of Physicians (except mental health specialists)
- 621112 Offices of Physicians, Mental Health Specialists
- 621210 Offices of Dentists

**Offices of Other Health Practitioners**

- 621310 Offices of Chiropractors
- 621320 Offices of Optometrists
- 621330 Offices of Mental Health Practitioners (except Physicians)
- 621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists
- 621391 Offices of Podiatrists
- 621399 Offices of All Other Miscellaneous Health Practitioners

**Outpatient Care Centers**

- 621410 Family Planning Centers
- 621420 Outpatient Mental Health & Substance Abuse Centers
- 621491 HMO Medical Centers
- 621492 Kidney Dialysis Centers
- 621493 Freestanding Ambulatory Surgical & Emergency Centers
- 621498 All Other Outpatient Care Centers

**Medical and Diagnostic Laboratories**

- 621510 Medical & Diagnostic Laboratories

**Home Health Care Services**

- 621610 Home Health Care Services

Code

**Other Ambulatory Health Care Services**

- 621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)

**Hospitals**

- 622000 Hospitals

**Nursing and Residential Care Facilities**

- 623000 Nursing & Residential Care Facilities

**Social Assistance**

- 624100 Individual & Family Services
- 624200 Community Food & Housing, & Emergency & Other Relief Services
- 624310 Vocational Rehabilitation Services
- 624410 Child Day Care Services

**Arts, Entertainment, and Recreation**

**Performing Arts, Spectator Sports, and Related Industries**

- 711100 Performing Arts Companies
- 711210 Spectator Sports (including sports clubs & racetracks)
- 711300 Promoters of Performing Arts, Sports, & Similar Events
- 711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures
- 711510 Independent Artists, Writers, & Performers

**Museums, Historical Sites, and Similar Institutions**

- 712100 Museums, Historical Sites, & Similar Institutions

**Amusement, Gambling, and Recreation Industries**

- 713100 Amusement Parks & Arcades
- 713200 Gambling Industries
- 713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)

**Accommodation and Food Services**

**Accommodation**

- 721110 Hotels (except Casino Hotels) & Motels
- 721120 Casino Hotels (except casino hotels)
- 721191 Bed & Breakfast Inns
- 721199 All Other Traveler Accommodation
- 721210 RV (Recreational Vehicle) Parks & Recreational Camps
- 721310 Rooming & Boarding Houses

Code

**Food Services and Drinking Places**

- 722300 Special Food Services (including food service contractors & caterers)
- 722410 Drinking Places (Alcoholic Beverages)
- 722511 Full-Service Restaurants
- 722513 Limited Service Restaurants
- 722514 Cafeterias and Buffets
- 722515 Snack and Non-alcoholic Beverage Bars

**Other Services**

**Repair and Maintenance**

- 811110 Automotive Mechanical & Electrical Repair & Maintenance
- 811120 Automotive Body, Paint, Interior, & Glass Repair
- 811190 Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes)
- 811210 Electronic & Precision Equipment Repair & Maintenance
- 811310 Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance
- 811410 Home & Garden Equipment & Appliance Repair & Maintenance
- 811420 Reupholstery & Furniture Repair
- 811430 Footwear & Leather Goods Repair
- 811490 Other Personal & Household Goods Repair & Maintenance

**Personal and Laundry Services**

- 812111 Barber Shops
- 812112 Beauty Salons
- 812113 Nail Salons
- 812190 Other Personal Care Services (including diet & weight reducing centers)
- 812210 Funeral Homes & Funeral Services
- 812220 Cemeteries & Crematories
- 812310 Coin-Operated Laundries & Drycleaners
- 812320 Drycleaning & Laundry Services (except Coin-Operated)
- 812330 Linen & Uniform Supply
- 812910 Pet Care (except Veterinary) Services
- 812920 Photofinishing
- 812930 Parking Lots & Garages
- 812990 All Other Personal Services

**Religious, Grantmaking, Civic, Professional, and Similar Organizations (including condominium and homeowners associations)**

- 813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations

# How to Get California Tax Information

**(Keep This Page For Future Use)**

## Your Rights as a Taxpayer

Our goal at the FTB is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how you can request written advice from the FTB on whether a particular transaction is taxable. See "Where to Get Tax Forms and Publications" below.

## Where to Get Tax Forms and Publications

**By Internet** – You can download, view, and print California tax forms and publications at [ftb.ca.gov](http://ftb.ca.gov).

Access other state agencies' websites at [ca.gov](http://ca.gov).

**By phone** – To order California tax forms and publications, call our automated phone service. To order a form:

- Refer to the list in your tax booklet and find the code for the form you want to order.
- Call 800.338.0505 and follow the instructions.

Allow two weeks to receive your order. If you live outside California, allow three weeks to receive your order.

**In person** – Many post offices and libraries provide free California personal income tax booklets during the filing season.

Employees at post offices and quick print businesses cannot provide tax information or assistance.

**By mail** – Write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

## Letters

If you write to us, be sure your letter includes your federal employer identification number (FEIN), California Secretary of State (SOS) file number, California corporation number, social security number (SSN) or individual taxpayer identification number (ITIN), your daytime and evening telephone numbers, and a copy of the notice (if applicable). Send your letter to:

CORRESPONDENCE, ANALYSIS, SUPPORT  
AND EDUCATION SECTION MS F-283  
FRANCHISE TAX BOARD  
PO BOX 1468  
SACRAMENTO CA 95812-1468

We will respond to your letter within ten weeks. In some cases, we may need to call you for additional information.

Do not attach correspondence to your tax return unless the correspondence relates to an item on your tax return.

## Internet and Telephone Assistance

Telephone assistance is available year-round from 7 a.m. until 5 p.m. Monday through Friday, except holidays. Hours subject to change.

Website: [ftb.ca.gov](http://ftb.ca.gov)  
Telephone: 800.852.5711  
from within the United States  
916.845.6500  
from outside the United States  
TTY/TDD: 800.822.6268  
for persons with hearing or  
speech impairments

### Asistencia Por Internet y Teléfono

Asistencia telefónica está disponible todo el año durante las 7 a.m. y las 5 p.m. lunes a viernes, excepto días festivos. Las horas están sujetas a cambios.

Sitio web: [ftb.ca.gov](http://ftb.ca.gov)  
Teléfono: 800.852.5711  
dentro de los Estados Unidos  
916.845.6500  
fuera de los Estados Unidos  
TTY/TDD: 800.822.6268  
personas con discapacidades  
auditivas y del habla

## MEA Contact Information

For business eligibility or zone related information, including questions regarding MEA geographic boundaries and vouchering, contact the the HCD or the local zone program manager in which the business is located. Go to [hcd.ca.gov](http://hcd.ca.gov) and search for **directory of zone contacts** for Directory of Economic Development Areas.

For information that is zone-specific but not tax-specific, contact the HCD at:

DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE  
ENTERPRISE ZONE PROGRAMS  
2020 WEST EL CAMINO AVENUE,  
SUITE 650  
SACRAMENTO CA 95833

**Mailing address**  
PO BOX 952054  
SACRAMENTO CA 94252-2054

Website: [hcd.ca.gov](http://hcd.ca.gov)  
Telephone: 916.263.2945  
Fax: 916.263.2765

or for tax-specific information contact:

FRANCHISE TAX BOARD  
Website: [ftb.ca.gov](http://ftb.ca.gov)  
Telephone: 916.845.3464