

2015 Instructions for Form FTB 3593

Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and to the California Revenue and Taxation Code (R&TC).

General Information

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. 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 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 Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

A Purpose

A corporation or an exempt organization that expects a net operating loss (NOL) in the 2016 taxable year can file form FTB 3593, Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback, to extend the time for payment of tax for the immediately preceding 2015 taxable year. This includes extending the time for payment of a tax deficiency. The payment of tax that can be postponed cannot exceed the expected overpayment from the carryback of the NOL.

Only payments of tax that are required to be paid after the filing of form FTB 3593 are eligible for extension. **Do not** file this form if all the required payments have been paid or were required to have been paid.

Form FTB 3593 will reduce or eliminate the amount of tax to be deposited when form FTB 3539, Payment for Automatic Extension for Corporations and Exempt Organizations, or form FTB 3586, Payment Voucher for Corporations and Exempt Organizations e-filed Returns, is filed.

For more information, see R&TC Section 19131.5 or get federal Form 1138, Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback.

B Who Can File

Corporations filing Form 100, California Corporation Franchise or Income Tax Return; 100S, California S Corporation Franchise or Income Tax Return; 100W, California Corporation Franchise or Income Tax Return - Water's-Edge Filers; and exempt organizations filing Form 109, California Exempt Organization Business Income Tax Return; can file form FTB 3593 to extend the time for payment of taxes.

Combined Reporting – Corporations that file a combined report can file form FTB 3593. The parent or key corporation should file form FTB 3593 for the members in the combined reporting group.

C When to File

File form FTB 3593 after the start of the taxable year of the expected NOL but before the tax of the preceding taxable year is required to be paid.

Period of extension – In general, the extension for paying the tax expires at the end of the month in which the return for the taxable year of the expected NOL is required to be filed (including extensions).

Termination of extension – The Franchise Tax Board (FTB) can terminate the extension if it believes that any part of the form contains erroneous or unreasonable information. The FTB can also terminate the extension if it believes it may not be able to collect the tax.

Interest – Interest is charged on postponed amounts from the dates that the payments would normally be due. The interest is figured at the underpayment rate specified in R&TC Section 19521.

D Where to File

File form FTB 3593 **separately** and mail to the following address:

FRANCHISE TAX BOARD
PO BOX 1570
RANDHO CORDOVA CA 95741-1570

E Period Covered

Fill in the taxable year box at the top of the form to show the taxable year for which the extension of time for payment of taxes is requested.

Specific Line Instructions

Additional information – Use the additional information field for "Owner/Representative/Attention" name, and other supplemental address information only.

Foreign address – If the corporation has a foreign address, follow the country's practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. **Do not** abbreviate the country name.

Item B – Check each box as appropriate to indicate whether this form is an initial form FTB 3593 or a revised form FTB 3593.

Revised form FTB 3593. If the corporation previously filed form FTB 3593 and later finds information that will change the amount of the expected NOL, the corporation can file a revised form FTB 3593. If the amount of the NOL is increased based on the new information, the corporation can postpone the payment of a larger amount of tax as long as the larger amount has not yet been paid or is not yet required to be paid.

If the amount of the NOL is reduced because of the new information, the corporation must pay the tax to the extent that the amount of tax postponed on the original filing exceeds the amount of tax postponed on the revised filing.

Line 2 – The amount of the expected NOL must be based on all of the facts relating to the operation of the corporation. Consider the following items when estimating the amount of the expected NOL:

1. The number and dollar amounts of the corporation's Government contracts that have been canceled,
2. Profit and loss statements, and
3. Other factors peculiar to the corporation's operations.

See R&TC Section 24416.20 and form FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations - Corporations, to help determine the amount of the expected NOL. Limitations apply to (a) the amount of taxable income of a new loss corporation for any taxable year ending after an ownership change that may be offset by any pre-change NOLs and (b) the use of preacquisition losses of one corporation to offset recognized built-in gains of another corporation. For more information, see IRC Sections 382 and 384 and the related regulations.

Line 3 – Enter the reduction of previously determined tax attributable to the carryback, for taxable years before the taxable year of the NOL. Previously determined tax is generally:

1. The amount shown on the return, plus any amounts assessed as deficiencies before form FTB 3593 is filed, minus
2. Any abatements, credits, or refunds allowed or made before form FTB 3593 is filed.

See IRC Section 1314(a).

Attach a schedule showing how the reduction was figured. See the instructions for Form 100, Form 100S, Form 100W, and Form 109, for information on figuring the NOL deduction and recomputing the tax.

Line 6a – For the taxable year shown on line 4, enter on line 6a the total of:

1. The total tax shown on the return, plus
2. Any amount assessed as a deficiency (or as interest or a penalty) prior to the filing of this form FTB 3593.

Line 6b – Enter the total of the following:

1. The amount of tax paid or required to be paid before the date this form is filed. This includes any amount assessed as a deficiency or as interest or a penalty if this form is filed more than 10 days after notice and demand for payment was made, plus
2. The amount of refunds, credits, and abatements made before the date this form is filed.

Keep a copy of this form for the corporation's or exempt organization's records.