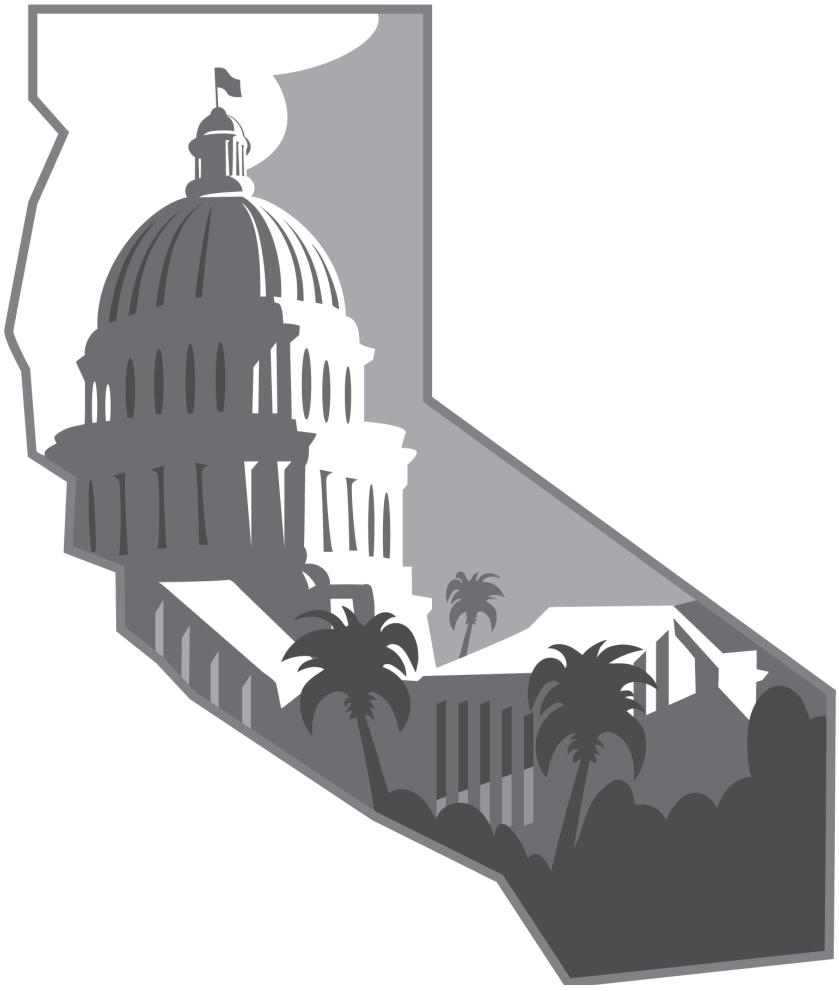
STATE OF CALIFORNIA
Franchise Tax Board

568

2025

California
Forms & Instructions



Limited Liability Company Tax Booklet

This booklet contains:

Form 568, Limited Liability Company Return of Income

California e file

For more information regarding e-file, go to **ftb.ca.gov** and search for **business efile.**

Members of the Franchise Tax Board

Malia M. Cohen, Chair
Ted Gaines, Member
Joe Stephenshaw, Member

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Business e-file

Business e-file is available for the following returns:

- **Form 568, Limited Liability Company Return of Income**
- Form 565, Partnership Return of Income
- Form 100, California Corporation Franchise or Income Tax Return, including combined reports
- Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers, including combined reports
- Form 100S, California S Corporation Franchise or Income Tax Return
- Form 100X, Amended Corporation Franchise or Income Tax Return
- Form 109, California Exempt Organization Business Income Tax Return
- Form 199, California Exempt Organization Annual Information Return

For more information, go to **ftb.ca.gov** and search for **business efile.**

2025 Instructions for Form 568, Limited Liability Company Return of Income

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2025,** and to the California Revenue and Taxation Code (R&TC).

In general, for taxable years beginning on or after January 1, 2025, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2025. 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), California Adjustments — Residents, or Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, 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 instructions. Taxpayers should not consider the instructions as authoritative law.

What's New

Reporting Requirements – Taxpayers may need to file form FTB 4197, Information on Tax Expenditure Items, with the tax return to report tax expenditure items as part of the Franchise Tax Board's (FTB's) annual reporting requirements under R&TC Section 41. To determine if you have an R&TC Section 41 reporting requirement, see the R&TC Section 41 Reporting Requirements section or get form FTB 4197.

Federal Tax Changes Under One Big Beautiful Bill Act (OBBBA) – In general, California R&TC **does not** conform to the OBBBA.

Program 4.0 California Motion Picture and Television Production Credit – For taxable years beginning on or after January 1, 2025, R&TC Sections 17053.98.1 and 23698.1 allow a new film credit, Program 4.0, against tax. The credit is allocated and certified by the California Film Commission (CFC). The qualified taxpayer can:

- Offset the credit against income tax liability.
- Sell the credit to an unrelated party (independent films only).
- Assign the credit to an affiliated corporation.
- Apply the credit against qualified sales and use taxes.

For more information, get form FTB 3541, California Motion Picture and Television Production Credit, form FTB 3551, Sale of Credit Attributable to an Independent Film, go to **ftb.ca.gov** and search for **motion picture**, or go to the CFC website at **film.ca.gov**.

Elective Tax for Pass-Through Entities and Credit for Qualified Taxpayers Extended – For taxable years beginning on or after January 1, 2026, and before January 1, 2031, the pass-through entity (PTE) elective tax and credit for qualified taxpayers is extended. For taxable years beginning on or after January 1, 2026, qualified PTEs that do not make the required June 15 prepayment or make a prepayment less than the amount due can still make the election, however, the amount of credit allowed to the qualified taxpayer is reduced by 12.5% of the qualified taxpayer's pro rata share of the unpaid amount due. For more information, see R&TC Sections 17052.11, 19910, 19912, 19914, and 19916.

Single Sales Factor Apportionment for Financial Institutions – For taxable years beginning on or after January 1, 2025, California law removes savings and loan and banking or financial business activities from the definition of qualified business activities for purposes of apportionment. For more information, see R&TC Section 25128 and get Schedule R, Apportionment and Allocation of Income.

Wildfire Disaster Settlement Exclusion – For taxable years beginning on or after January 1, 2021, and before January 1, 2030, California law allows a qualified taxpayer an exclusion from gross income for any qualified amount received from a settlement entity in connection with a qualified wildfire disaster in California. If a qualified taxpayer included income for a qualified amount received from a settlement entity in a prior taxable year, the taxpayer can file an amended return for that year within the normal statute of limitations. For more information, see Specific Line Instructions and R&TC Sections 17138.7 and 24309.2.

Chiquita Canyon Elevated Temperature Landfill Event Exclusion – For taxable years beginning on or after January 1, 2024, and before January 1, 2029, California law allows an exclusion from gross income for any Chiquita Canyon elevated temperature landfill event payment amount received by a taxpayer. If a taxpayer included income for a Chiquita Canyon elevated temperature landfill event payment amount received in a prior taxable year, the taxpayer can file an amended return for that year within the normal statute of limitations. For more information, see Specific Line Instructions and R&TC Sections 17157.5 and 24309.9.

R&TC Section 41 Reporting Requirements

Taxpayers should file form FTB 4197 with the tax return to report tax expenditure items as part of the FTB's annual reporting requirements under R&TC Section 41. "Tax expenditure" means a credit, deduction, exclusion, exemption, or any other tax benefit provided for by the state. The FTB uses information from form FTB 4197 for reports required by the California Legislature. Taxpayers that have a reporting requirement for any of the following should file form FTB 4197:

- For taxable years beginning on or after January 1, 2024, and before January 1, 2029, qualified taxpayers who benefited from the exclusion from gross income for any amount received as a California qualified wildfire loss mitigation payment through the California Wildfire Mitigation Financial Assistance Program.
- For taxable years beginning on or after January 1, 2020, and before January 1, 2028, qualified taxpayers who benefited from the exclusion from gross income for any qualified amount received in a settlement from Pacific Gas and Electric (PG&E) Company or its subsidiary relating to the 2019 Kincade Fire.
- For taxable years beginning on or after January 1, 2020, and before January 1, 2028, qualified taxpayers who benefited from the exclusion from gross income for any qualified amount received in a settlement from PG&E Company or its subsidiary relating to the 2020 Zogg Fire.
- For taxable years beginning before January 1, 2027, qualified taxpayers who benefited from the exclusion from gross income for any amount received in a settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire.
- For taxable years beginning before January 1, 2030, a limited liability company (LLC) that is a small business solely owned by a deployed member of the United State Armed Forces that meet the requirements to be exempted from the annual tax.
- For taxable years beginning on January 1, 2022, and before January 1, 2027, taxpayers who benefited from the exclusion of gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program.

For more information, get form FTB 4197.

General Information

A Important Information

LLCs Classified as Partnerships File Form 568

LLCs may be classified for tax purposes as a partnership, a corporation, or a disregarded entity. The LLC must file the appropriate California tax return for its classification. LLCs classified as a:

- Partnership file Form 568, Limited Liability Company Return of Income.
- General corporation file Form 100, California Corporation Franchise or Income tax Return.
- S corporation file Form 100S, California S Corporation Franchise or Income Tax Return.
- Disregarded entities, see General Information S, Check-the-Box Regulations.

LLCs classified as partnerships should **not** file Form 565, Partnership Return of Income.

The LLC will file Form 565 only if it meets an exception. For more information, see the exception in General Information D, Who Must File.

Postponement of Certain Tax-Related Deadlines – Beginning on or after June 27, 2024, the Director of Finance shall determine when Internal Revenue Code Section 7508A, related to postponement of certain federal tax-related deadlines, applies for California purposes to a taxpayer affected by a state of emergency declared by the Governor or a federally declared disaster. Impacted taxpayers can request an additional relief period if the state postponement period expires before the federal postponement period by filing form FTB 3872, California Disaster Relief Request for Postponement of Tax Deadlines. For more information, get form FTB 3872 and see R&TC Section 18572.

Wildfire Relief Payment – For taxable years beginning after December 31, 2019, and before January 1, 2026, the Federal Disaster Tax Relief Act of 2023, allows an exclusion from gross income for any amount received by an individual as a qualified wildfire relief payment. Generally, California law **does not** conform. If any qualified amount was excluded from income for federal purposes and California law provides no similar exclusion, include that amount in income for California purposes.

Use Tax – For taxable years beginning on or after January 1, 2023, and before January 1, 2029, you may not report business purchases subject to use tax on your income tax return if you make more than $10,000 in purchases subject to use tax (excluding vehicles, vessels, and aircraft) per calendar year and have not paid use tax on those purchases to a retailer engaged in business in California or to a retailer authorized by the California Department of Tax and Fee Administration to collect the tax. For other use tax requirements, see Specific Line Instructions and R&TC Section 6225.

Elective Tax for Pass-Through Entities (PTE) and Credit for Qualified Taxpayers – For taxable years beginning on or after January 1, 2021, and before January 1, 2026, California law allows an entity taxed as a partnership or an "S" corporation to annually elect to pay an elective tax at a rate of 9.3% based on its qualified net income. The election shall be made on an original, timely filed return and is irrevocable for the taxable year.

The law allows a credit against the personal income tax to a taxpayer, other than a partnership, that is a partner, shareholder, or member of a qualified entity that elects to pay the elective tax, in an amount equal to 9.3% of the partner's, shareholder's, or member's pro rata share or distributive share and guaranteed payments of qualified net income subject to the election made by the qualified entity. A disregarded business entity and its partners or members cannot claim the credit, except for a disregarded single member limited liability company (SMLLC) that is owned by an individual, fiduciary, estate, or trust subject to personal income tax. For more information, go to **ftb.ca.gov** and search for **pte elective tax** and get the following PTE elective tax forms and instructions:

- Form FTB 3893, Pass-Through Entity Elective Tax Payment Voucher
- Form FTB 3804, Pass-Through Entity Elective Tax Calculation
- Form FTB 3804-CR, Pass-Through Entity Elective Tax Credit

Loophole Closure and Small Business and Working Families Tax Relief Act of 2019 – The federal Tax Cuts and Jobs Act (TCJA) signed into law on December 22, 2017, made changes to the Internal Revenue Code (IRC). California Revenue and Taxation Code does not conform to all of the changes. In general, for taxable years beginning on or after January 1, 2019, California conforms to the following TCJA provisions:

- California Achieving a Better Life Experience (ABLE) Program
- Student loan discharged on account of death or disability
- Federal Deposit Insurance Corporation (FDIC) Premiums
- Excess employee compensation

IRC Section 338 Election – For taxable years beginning on or after July 1, 2019, California requires taxpayers to use their federal IRC Section 338 election treatment for certain stock purchases treated as asset acquisitions or deemed election where purchasing corporation acquires asset of target corporation. If an election has not been made by a taxpayer under IRC Section 338, the taxpayer shall not make a separate state election for California.

New Partnership Audit Regime – For federal purposes, the Bipartisan Budget Act of 2015 replaced the Tax Equity and Fiscal Responsibility Act of 1982, creating a centralized partnership audit regime, and generally transferring the liability for the tax due to the partnership. All partnerships with taxable years beginning after 2017 are subject to this new regime unless an eligible partnership elects out. For California purposes, taxable years beginning on or after January 1, 2018, partnerships are required to report each change or correction made by the Internal Revenue Service (IRS), to the FTB, for the reviewed year within six months after the date of each final federal determination, and will generally be liable for the tax due.

Paperless Schedule K-1 – The FTB discontinued the Paperless Schedules K-1 (568) program due to the increasing support of our business e-file program. For more information regarding the California business e-file program, go to **ftb.ca.gov** and search for **business efile**.

Extension Due Date – The extension period for an LLC classified as a partnership to file its tax return has changed from six months to seven months. See General Information E, When and Where to File, for more information.

Penalty for Non-Registered, Suspended, or Forfeited LLC – The FTB will assess a $2,000 penalty against a non-qualified foreign LLC that is doing business within the state while not registered to do business within the state, or while suspended or forfeited.

Business e-file – California law requires business entities that file an original or amended tax return that is prepared using preparation software to electronically file (e-file) their tax return with the FTB. For more information, go to **ftb.ca.gov** and search for **business efile**.

Web Pay – LLCs can make payments online using Web Pay for Businesses. LLCs can make an immediate payment or schedule payments up to a year in advance. For more information, go to **ftb.ca.gov/pay**. **Do not** file form FTB 3588, Payment Voucher for LLC e-filed Returns.

Credit Card – LLCs can use a Discover, MasterCard, Visa, or American Express card to pay business taxes. Go to **officialpayments.com**. Official Payments Corporation charges a convenience fee for using this service. **Do not** file form FTB 3588.

Electronic Funds Withdrawal (EFW) – LLCs can make an annual tax, estimated fee, or extension payment using tax preparation software. Check with your software provider to determine if they support EFW for annual tax, estimated fee, or extension payments.

Payments and Credits Applied to Use Tax – If an LLC includes use tax on its income tax return, payments and credits will be applied to use tax first, then towards franchise or income tax, interest, and penalties. For more information, see General Information W, California Use Tax and Specific Instructions.

Like-Kind Exchanges – In general, for taxable years beginning on or after January 1, 2025, California law conforms to IRC Section 1031 limiting the nonrecognition of gain or loss on like-kind exchanges to real property held for productive use or investment.

California Like-Kind Exchanges – California requires taxpayers who exchange real property located in California for like-kind property located outside of California under IRC Section 1031, to file an annual information return with the FTB. For more information, get form FTB 3840, California Like-Kind Exchanges, or go to **ftb.ca.gov** and search for **like kind.**

Apportioning Trade or Business – "Apportioning trade or business" means a distinct trade or business whose business income is required to be apportioned because it has income derived from sources within this state and from sources outside this state. An apportioning trade or business can be conducted in many forms, including, but not limited to, the following:

(A) A corporation that is a taxpayer.
(B) A combined reporting group that includes at least one taxpayer member.
(C) A nonunitary division of a member of a combined reporting group that includes at least one taxpayer member.
(D) A partnership that is partially owned by but not unitary with either (1) a partner that is a corporation that is a taxpayer, or (2) a member of a combined reporting group that includes at least one taxpayer member.

(E) A disregarded entity that is not unitary with an owner that is either (1) a corporation that is a taxpayer, or (2) a member of a combined reporting group that includes at least one taxpayer member.
(F) A sole proprietorship that is operated by an individual who is not a resident of California.
(G) A partnership that is operated by one or more individual(s) who are not residents of California.

For more information, get Schedule R, Apportionment and Allocation of Income.

Gross Receipts – R&TC Section 25120 was amended to add the definition of gross receipts. For a complete definition of "gross receipts", refer to R&TC Section 25120(f), or go to **ftb.ca.gov** and search for **25120**.

Single-Sales Factor Formula – 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 or go to **ftb.ca.gov** and search for **single sales factor**.

Market Assignment – R&TC Section 25136 requires all taxpayers to assign sales, other than sales of tangible personal property, using market assignment. For more information, get Schedule R or go to **ftb.ca.gov** and search for **market assignment**.

Doing Business – A taxpayer is doing business if it actively engages in any transaction for the purpose of financial or pecuniary gain or profit in California or if **any** of the following conditions are satisfied:

- The taxpayer is organized or commercially domiciled in California.
- The sales as defined in R&TC Section 25120(e) or (f), of the taxpayer in California, including sales by the taxpayer's agents and independent contractors, exceed the lesser of $757,070 or 25% of the taxpayer's total sales.
- The real property and tangible personal property of the taxpayer in California exceed the lesser of $75,707 or 25% of the taxpayer's total real property and tangible personal property.
- The amount paid in California by the taxpayer for compensation, as defined in R&TC Section 25120(c), exceeds the lesser of $75,707 or 25% of the total compensation paid by the taxpayer.

In determining the amount of the taxpayer's sales, property, and payroll for doing business purposes, include the taxpayer's pro rata share of amounts from partnerships and S corporations. These amounts are reported on the member's Schedule K-1 on Table 2, Part C.

Partnerships and LLCs are considered doing business in California if they have a general partner or member doing business on their behalf in California. Likewise, general partners are considered doing business in California if the partnership is doing business in this state. Members of an LLC doing business in California are considered doing business in California if the members have any ability or authority, directly or indirectly, to influence or participate in the management or operation of the LLC. For more information, see R&TC Section 23101 or go to **ftb.ca.gov** and search for **doing business**.

Backup Withholding – With certain limited exceptions, payers that are required to withhold and remit backup withholding to the IRS are also required to withhold and remit to the FTB on income sourced to California. If the payee has backup withholding, the payee must contact the FTB to provide a valid Taxpayer Identification Number (TIN), before filing the tax return. Failure to provide a valid TIN may result in a denial of the backup withholding credit. For more information, go to **ftb.ca.gov** and search for **backup withholding**.

Suspension/Forfeiture – LLCs are suspended or forfeited for failure to file or failure to pay. See General Information V, Suspension/Forfeiture, for more information.

Estimated Fee for LLCs

The LLC must estimate the fee it will owe for the year and make an estimated fee payment by the 15th day of the 6th month of the current taxable year. LLCs will use form FTB 3536, Estimated Fee for LLCs, to remit the estimated fee. A penalty will apply if the LLC's estimated fee payment is less than the fee owed for the year. The penalty is equal to 10% of the amount of the LLC fee owed for the year over the amount of the timely estimated fee payment. A penalty will not be imposed if the estimated fee paid by the due date is equal to or greater than the total amount of the fee of the LLC for the preceding taxable year.

The LLC fee remains due and payable by the due date of the LLC's return. LLCs will use form FTB 3536 to pay by the due date of the LLC's return, any amount of LLC fee owed that was not paid as a timely estimated fee payment. If the taxable year of the LLC ends prior to the 15th day of the 6th month of the taxable year, no estimated fee payment is due, and the LLC fee is due on the due date of the LLC's return. See General Information F, Limited Liability Company Tax and Fee, for more information.

LLC Fee

The LLC fee is based on total California source income rather than on worldwide total income. For more information, see Schedule IW, LLC Income Worksheet Instructions, included in this booklet.

Series LLC

A series LLC is a single LLC that has separate allocations of assets each within its own series. When filing form FTB 3522, LLC Tax Voucher, write "Series LLC # ___" after the name for each series. In addition, write "Series LLC" in black or blue ink on the top right margin of the voucher. Only the first series to pay tax or file a return may use a California Secretary of State (SOS) file number. On all other series, enter zeros for the entity identification number on the first voucher and we will assign a number and notify each series. Get FTB 3556 LLC MEO, Limited Liability Company Filing Information, for more information.

Paid Preparer Authorization

An LLC can designate a paid preparer to discuss the tax return with the FTB. For more information, see General Information M, Signatures.

Business Entity Name and Identification Number

In order to expedite processing, be sure to use the business entity name as it appears with the California SOS and a valid California identification number.

Providing California and Federal Returns

The FTB may request copies of California or federal returns that are subject to or related to a federal examination. Generally, the California statute of limitations is four years from the due date of the return or from the date filed, whichever is later. However, the statute is extended in situations in which an individual or a business entity is under examination by the IRS. For more information concerning the extended statute of limitations, due to a federal examination, see General Information J, Amended Return.

The FTB recommends keeping copies of returns and records that verify income, deductions, adjustments, or credits reported, for at least the minimum time required under the statute of limitations. However, some records should be kept much longer. For example, members should keep records substantiating their basis in an LLC and LLCs should keep records to figure the basis of its assets.

Federal/State Differences

For LLCs classified as partnerships, California tax law generally conforms to federal tax law in the area of partnerships (IRC, Subchapter K – Partners and Partnerships). However, there are some differences:

- In general, California does not conform to all of the changes under the OBBBA.
- California does not conform to the federal modifications to amortization of research and experimental expenditures (IRC Section 174).
- In general, California does not conform to the American Rescue Plan Act (ARPA) of 2021.
- In general, California does not conform to the Consolidated Appropriations Act (CAA), 2021.

The Federal TCJA signed into law on December 22, 2017 made changes to the IRC. In general, California R&TC **does not** conform to the changes. California taxpayers continue to follow the IRC as of the specified date of January 1, 2025, with modifications. The following is a non-exhaustive list of the TCJA changes:

- California does not conform to the expanded definition of IRC Section 179 property for certain depreciable tangible personal property related to furnishing lodging and for qualified real property for improvements to nonresidential real property.

- California does not conform to the deferral and exclusion of capital gains reinvested or invested in qualified opportunity zone funds.
- California does not conform to the exclusion of a patent, invention, model or design, and secret formula or process from the definition of capital asset.
- California does not conform to the new federal deduction for qualified business income of pass-through entities under IRC section 199A.
- California does not conform to IRC Section 951A, which relates to global intangible low-taxed income.

Additional federal/state differences may occur for the following:

- California does not conform to the qualified small business stock deferral and gain exclusion under IRC Section 1045 and IRC Section 1202.
- IRC Section 168(k) relating to the depreciation deduction for certain assets.
- An $800 annual tax is generally imposed on limited partnerships (LPs), LLCs, limited liability partnerships (LLPs), and real estate mortgage investment conduits (REMICs) that are partnerships or classified as partnerships for tax purposes.
- Distributions to certain nonresident partners are subject to withholding for California tax.
- Deductions for taxes paid to other states are not allowed.
- California follows federal law by requiring partnerships to use a required taxable year. However, California does not conform to the federal required payment provision.
- California law has specific provisions concerning the distributive share of partnership taxable income allocable to California, with special apportionment formulas for professional partnerships.
- California law modifies the federal definitions for unrealized receivables and substantially appreciated inventory items.
- California has not conformed to the provisions relating to the federal Tax Equity and Fiscal Responsibility Act (TEFRA).
- California has not adopted the federal definition of small partnerships, as defined in IRC Section 6231.

This list is not intended to be all-inclusive of the federal and state differences. For more information, refer to the R&TC.

Partnership Converting to a Corporation – IRS Revenue Ruling 2009-15 was released which explains that in certain situations, a partnership that converts to a corporation under Section 301.7701-3(c)(1)(i) or under a state law formless conversion statute is eligible to make an S election effective for the corporation's first taxable year.

LLC Taxed as a Corporation

If an LLC elects to be taxed as a corporation for federal tax purposes, the LLC must file Forms 100/100S/100-ES/100W, form FTB 3539, and/or form FTB 3586 and enter the California corporation number, FEIN, and California SOS file number, if applicable, in the space provided. The FTB will (1) assign an identification number to an LLC that files as a corporation, and (2) notify the LLC with the identification number upon receipt of the first estimated tax payment, tax payment, or the first tax return. The LLC will be subject to the applicable provisions of the Corporation Tax Law and should be considered a corporation for purpose of all instructions unless otherwise indicated.

Conversion to an LLC

A partnership (or other business entity) that converts to an LLC during the year must file two California returns. Even if the partners/members and the business operations remain the same, the partnership should file Form 565, (or the appropriate form) for the beginning of the year to the date of change. For the remainder of the year, the newly converted LLC must file Form 568. See General Information I, Accounting Periods, for further instructions.

California Disclosure Obligations

If the LLC was involved in a reportable transaction, including a listed transaction, the LLC may have a disclosure requirement. Attach the federal Form 8886, Reportable Transaction Disclosure Statement, to the back of the California return along with any other supporting schedules. If this is the first time the reportable transaction is disclosed on the return, send a duplicate copy of the federal Form 8886 to the address below:

TAX SHELTER FILING
ABS 389 MS F340
FRANCHISE TAX BOARD
PO BOX 1673
SACRAMENTO CA 95812-9900

The FTB may impose penalties if the LLC fails to file federal Form 8886, federal Form 8918, Material Advisor Disclosure Statement, or any other required information. A material advisor is required to provide a reportable transaction number to all taxpayers and material advisors for whom the material advisor acts as a material advisor.

For more information, go to **ftb.ca.gov** and search for **disclosure obligation**.

Claim of Right

If the LLC had to repay an amount that was included in income in an earlier year, under a claim of right, the LLC may be able to deduct the amount repaid from its income for the year in which it was repaid. Or, if the amount the LLC repaid is more than $3,000, the LLC may be able to take a credit against its tax for the year in which it was repaid. For more information, see the Repayments section of federal Pub. 525, Taxable and Nontaxable Income.

California Tax Information on the Internet

You can download, view, and print California tax forms and publications at **ftb.ca.gov/forms**.

Federal Tax Information on the Internet

The IRS has federal forms and publications available to download, view, and print at **irs.gov**.

State Agencies' Websites

Access other California state agency websites at **ca.gov**.

Joint Agency Website

For additional business tax information, go to **taxes.ca.gov**, sponsored by the Board of Equalization (BOE), California Department of Tax and Fee Administration (CDTFA), Employment Development Department (EDD), the FTB, and the IRS.

B Introduction

LLCs combine traditional corporate and partnership characteristics. LLC members are afforded all of the following:

- Limited liability with the extent of a member's liability limited to the member's equity investment.
- Flexible management alternatives.
- Liberal membership qualification requirements.

LLCs classified as partnerships for tax purposes generally will determine their California income, deductions, and credits under the Personal Income Tax Law. They will be subject to an annual tax as well as the LLC fee based on total California income. See General Information F, Limited Liability Company Tax and Fee, and Schedule IW instructions included in this booklet, for more information.

LLCs organized in California are vested with all the rights and powers enjoyed by a natural person in carrying out business affairs. However, California law does not allow the formation or registration of LLCs (foreign or domestic) in California to render any type of professional service for which a license, certification, or registration is required under the Business and Professions Code or the Chiropractic Act, with the exception of insurance agents and insurance brokers.

California law requires LLCs not organized in the state of California to register with the California SOS before entering into any intrastate business in California. The laws of the state or foreign country in which the LLC is organized generally govern the internal affairs of the LLC. The

California SOS may not deny recognition of an LLC because the laws of the organization's home state or foreign country differ from California's laws, except in the case of professional service LLCs, which are not allowed to register as LLCs in California.

For more information about organizing and registering an LLC, contact:

CALIFORNIA SECRETARY OF STATE
BUSINESS ENTITIES SECTION
PO BOX 944260
SACRAMENTO CA 94244-2600
Telephone: 916.657.5448

or go to **sos.ca.gov**.

C Purpose

Use Form 568 to:

- Determine the amount of the LLC fee (including a disregarded entity's fee) based on total California income.
- Report the LLC fee.
- Report the annual tax.
- Report and pay any nonconsenting nonresident members' tax.
- Report income, deductions, gains, losses, etc., from the operation of a multiple member LLC that has elected to be classified as a partnership.

Use Form 568 as the return for calendar year 2025 or any fiscal year beginning in 2025.

D Who Must File

An LLC may be classified for tax purposes as a partnership, a corporation, or a disregarded entity. The LLC should file the appropriate California return.

Form 568 must be filed by every LLC that is not taxable as a corporation if any of the following apply:

- The LLC is doing business in California.
- The LLC is organized in California.
- The LLC is organized in another state or foreign country, but registered with the California SOS.
- The LLC has income from California sources (Nonregistered foreign LLCs, see Exceptions to Filing Form 568, below).

An LLC is not required to file a tax return and is not subject to the annual tax and LLC fee if both the following are true:

- The LLC's taxable year is 15 days or less.
- The LLC did not conduct business in the state during the 15 day period.

Registration

LLCs that are formed in California, are required to file articles of organization with the California SOS before doing business in this state.

LLCs organized under the laws of another state or foreign country are required to register with the California SOS before entering into intrastate business in California.

Nonregistered foreign (i.e., not organized in California) LLCs that are general partners in a limited partnership doing business in California are considered doing business in California. Nonregistered foreign (i.e., not organized in California) LLCs that are members of an LLC doing business in California are considered doing business in California if the nonreigstered foreign LLC members have any ability or authority, directly or indirectly, to influence or participate in the management or operation of the LLC.

Regardless of where the trade or business of the LLC is primarily conducted, an LLC is considered to be doing business in California if any of its members, managers, or other agents are conducting business in California on behalf of the LLC.

Exceptions to Filing Form 568:

- The LLC elected to be taxed as a corporation for federal tax purposes.
- The LLC is a single member limited liability company (SMLLC) that was treated as an association taxable as a corporation prior to January 1, 1997, for California tax purposes, and did not elect to change that tax treatment in the current taxable year.
- Nonregistered foreign (i.e., not organized in California) LLCs (excluding disregarded entities/single member LLCs) that are not doing business, but are deriving income from California or filing to report an election on behalf of a California resident, file Form 565 instead of Form 568.
- A single-member, nonregistered foreign (i.e., not organized in California) LLC classified as disregarded which is not doing business in California, need not file Form 565 or Form 568.

LLCs classified as a general corporation file Form 100, California Corporation Franchise or Income Tax Return. LLCs classified as an S corporation file Form 100S, California S Corporation Franchise or Income Tax Return. For LLCs classified as disregarded entities, see General Information S, Check-the-Box Regulations.

The LLC is still required to file Form 568 if the LLC is registered in California even if both of the following apply:

- The LLC is not actively doing business in California.
- The LLC does not have California source income.

The LLC's filing requirement will be satisfied by doing all of the following:

1. Completing Form 568 with all supplemental schedules.
2. Completing and attaching California Schedules K-1 (568) for members with California addresses.
3. Writing "SB 1106 Filing" in black or blue ink at the top of Form 568, Side 1.
4. Entering the total number of members in Question K on Side 2 of the Form 568.

Certain publicly traded partnerships treated as corporations under IRC Section 7704 must file Form 100.

A resident member of an out-of-state LLC taxed as a partnership not required to file Form 568, may be required to furnish a copy of federal Form 1065, U.S. Return of Partnership Income, to substantiate the member's share of LLC income or loss.

E When and Where to File

An LLC must file Form 568, pay any nonconsenting nonresident members' tax, and pay any amount of the LLC fee owed that was not paid as an estimated fee with form FTB 3536, by the original due date of the LLC's return.

For LLCs classified as partnerships, the original due date of the return is the 15th day of the 3rd month following the close of the taxable year.

SMLLCs

- For SMLLCs owned by pass-through entities (S corporations, partnerships, and LLCs classified as partnerships), the original due date of the return is the 15th day of the 3rd month following the close of the taxable year.
- For all other SMLLCs, the original due date of the return is the 15th day of the 4th month following the close of the taxable year of the owner.

For more information, see R&TC Section 18633.5.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

Extensions

California does not require the filing of written applications for extensions. All LLCs in good standing that are classified as partnerships have an automatic seven month extension to file. If the LLC cannot file its Form 568 by the return's due date, the LLC is granted an automatic seven month extension unless the LLC is suspended or forfeited.

SMLLCs disregarded for tax purposes will be granted an automatic six month extension, with the exception of an SMLLC owned by a partnership or an LLC that is classified as a partnership for California tax purposes, which will be granted an automatic seven month extension. For more information see R&TC Section 18567.

However, the automatic extension does not extend the time to pay the LLC fee or nonconsenting nonresident members' tax.

If the LLC is filing the return under extension, get form FTB 3537, Payment for Automatic Extension for LLCs, to submit the required payments.

PAYMENTS

- Mail Form 568 with **payment** to:

  FRANCHISE TAX BOARD
  PO BOX 942857
  SACRAMENTO CA 94257-0501

- E-Filed returns: Pay electronically using Web Pay, credit card, EFW, or mail form FTB 3588, Payment Voucher for LLC e-filed Returns, with **payment** to:

  FRANCHISE TAX BOARD
  PO BOX 942857
  SACRAMENTO CA 94257-0531

Using black or blue ink, make the check or money order payable to the "**Franchise Tax Board**." Write the LLC's California SOS file number, FEIN, and "2025 Form 568" on the check or money order.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

Do not attach a copy of the return with the balance due payment if the LLC already filed a return for the same taxable year.

REFUNDS

- Mail Form 568 requesting a **refund** to:

  FRANCHISE TAX BOARD
  PO BOX 942857
  SACRAMENTO CA 94257-0500

RETURN WITHOUT PAYMENT or PAID ELECTRONICALLY

- Mail Form 568 **without a payment or paid electronically** to:

  FRANCHISE TAX BOARD
  PO BOX 942857
  SACRAMENTO CA 94257-0500

Electronic Funds Withdrawal
LLCs can make an annual tax, estimated fee, or extension payment using tax preparation software. Check with your software provider to determine if they support EFW for annual tax, estimated fee, or extension payments.

Annual Limited Liability Company Tax
If the 2025 annual tax of $800 was not paid on or before the 15th day of the 4th month after the beginning of the taxable year (fiscal year) or April 15, 2025 (calendar year), the tax should be sent using the 2025 form FTB 3522, as soon as possible. **Do not** use the 2026 form FTB 3522.

If the LLC's taxable year is 15 days or less and it did not conduct business in the state during the 15 day period, see the instructions for Exceptions to Filing Form 568 in General Information D, Who Must File, in this booklet.

Also see General Information G, Penalties and Interest, for the additional amount that is now due. To assure proper application of the tax payment to the LLC account, **do not** send the $800 annual tax with Form 568.

The 2026 $800 annual tax is due on or before the 15th day of the 4th month after the **beginning** of the 2026 taxable year (fiscal year) or April 15, 2025 (calendar year). The payment is sent with form FTB 3522. **Do not mail the $800 annual tax with Form 568**. When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

Private Delivery Services
California law conforms to federal law regarding the use of certain designated private delivery services to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. See the instructions for federal Form 1065 for a list of designated delivery services. If a private delivery service is used, address the return to:

FRANCHISE TAX BOARD
SACRAMENTO CA 95827

Caution: Private delivery services cannot deliver items to PO boxes. If using one of these services to mail any item to the FTB, **Do not** use an FTB PO box.

F Limited Liability Company Tax and Fee

The definition of limited liability company has been revised to exclude certain title holding companies that are tax exempt provided that they are treated as partnerships or disregarded entities for tax purposes. As such they are not liable for the annual LLC tax and fee.

Enter all payment types (overpayment from prior year, annual tax, fee, etc.) made for the 2025 taxable year on the applicable line of Form 568.

Annual Limited Liability Company Tax
LLCs are subject to an $800 annual tax if they are doing business in California or have articles of organization accepted, or a certificate of registration issued by the California SOS. The annual tax is prepaid for the privilege of doing business in California, and is due and payable on or before the 15th day of the 4th month after the **beginning** of the taxable year. The annual tax must be paid for each taxable year until the appropriate papers are filed. See General Information Q, Cancelling a Limited Liability Company, for more information.

Use form FTB 3522 to submit the $800 annual tax payment. Using black or blue ink, make the check or money order payable to the "Franchise Tax Board." Write the LLC's California SOS file number, FEIN, and "2026 FTB 3522" on the check or money order.

If the 15th day of the 4th month of an existing foreign LLC's taxable year has passed before the existing foreign LLC commences business in California or registers with the California SOS, the annual tax should be paid immediately after commencing business or registering with the California SOS.

Deployed Military Exemption – For taxable years beginning on or after January 1, 2020, and before January 1, 2030, an LLC that is a small business solely owned by a deployed member of the United States Armed Forces shall not be subject to the annual tax if the owner is deployed during the taxable year and the LLC operates at a loss or ceases operation. LLCs exempt from the annual tax should print "Deployed Military" in black or blue ink in the top margin of the tax return.

For the purposes of this exemption:

(A) "Deployed" means being called to active duty or active service during a period when the United States is engaged in combat or homeland defense. "Deployed" does not include either of the following:
  - Temporary duty for the sole purpose of training or processing.
  - A permanent change of station.

(B) "Operates at a loss" means an LLC's expenses exceed its receipts.

(C) "Small business" means an LLC with two hundred fifty thousand dollars ($250,000) or less of total income from all sources derived from or attributable to California.

If the LLC is claiming Deployed Military Exemption, enter zero on line 2 and line 3 of Form 568. See the Specific Instructions for Form 568 for more details.

Limited Liability Company Fee
In addition to the annual tax, every LLC must pay a fee if the total California annual income is equal to or greater than $250,000. For more information, see Schedule IW instructions included in this booklet.

The LLC must estimate the fee it will owe for the year and make an estimated fee payment by the 15th day of the 6th month of the current taxable year. LLCs use form FTB 3536, to remit the estimated fee. A penalty will apply if the LLC's estimated fee payment is less than the fee owed for the year. The penalty is equal to 10% of the amount of the LLC fee owed for the year over the amount of the timely estimated fee payment. A penalty will not be imposed if the estimated fee paid by the due date is equal to or greater than the total amount of the fee of the LLC for the preceding taxable year.

The LLC fee remains due and payable by the due date of the LLC's return. LLCs will use form FTB 3536 to pay by the due date of the LLC's return, any amount of LLC fee owed that was not paid as a timely estimated fee payment. If the taxable year of the LLC ends prior to the 15th day of the 6th month of the taxable year, no estimated fee payment is due, and the LLC fee is due on the due date of the LLC's return. Use the following chart to compute the fee:

If total California annual income from Form 568, Side 1, line 1 is:		The fee is:
Equal to or over –	but not over –	
$ 250,000	$ 499,999	$ 900
500,000	999,999	2,500
1,000,000	4,999,999	6,000
5,000,000	and over	11,790

If you have a total California annual income of $250,000 or greater, you must report a fee.

To determine the LLC fee, see the Specific Line Instructions for line 1.

If the FTB determines multiple LLCs were formed for the primary purpose of reducing fees, the LLC's total income from all sources that are reportable to California could include the aggregate total income of all commonly controlled LLC members. "Commonly controlled" means control of more than 50% of the capital interests or profit interests of the taxpayer and any other LLC or partnership by the same persons.

Series LLCs
If the laws of the state where the LLC is formed provide for the designation of series of interests (for example, a Delaware Series LLC) and: (1) the holders of the interests in each series are limited to the assets of that series upon redemption, liquidation, or termination, and may share in the income only of that series, and (2) under home state law, the payment of the expenses, charges, and liabilities of each series is limited to the assets of that series, then each series in a series LLC is considered a separate LLC and must file its own Form 568 and pay its own separate LLC annual tax and fee, if it is registered or doing business in California.

Nonconsenting Nonresident Members' Tax
Every nonresident member must sign a form FTB 3832, Limited Liability Company Nonresident Members' Consent. The LLC returns the signed form with Form 568. If a nonresident member fails to sign form FTB 3832, the LLC is required to pay tax on that member's distributive share of income at the highest marginal rate. Any amount paid by the LLC will be considered a payment made by the nonresident member.

The tax may be reduced by the amount of tax previously withheld and paid by the LLC with respect to each nonconsenting nonresident member.

Reminder: All nonresident members must file a California tax return. The completion of form FTB 3832 does not satisfy the nonresident member's California filing requirement. Corporate members are also considered doing business in California and may have additional filing requirements. For more information, get FTB Pub. 1060, Guide for Corporations Starting Business in California. Nonresident individuals may qualify to file a group Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, and should get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR.

If the LLC's return is being filed on or before the original due date of the return, the LLC completes the Schedule T, Nonconsenting Nonresident (NCNR) Members' Tax Liability. See the Specific Instructions for Schedule T in this booklet for more information.

If the LLC owes NCNR tax and is unable to complete Form 568 on or before the original due date, it must complete form FTB 3537. For more information on when the NCNR members' tax along with the voucher must be received by, get form FTB 3537.

G Penalties and Interest

Failure to Comply with Filing Requirements
Unless failure is due to a reasonable cause, a penalty will be assessed if the LLC is required to file a Form 568 and either of the following apply:

- The LLC fails to file the return on time, including extensions.
- The LLC files a return, including Schedules K-1 (568), that fails to show all the information required.

The amount of the penalty for each month, or part of a month (for a maximum of twelve months), that the failure continues, is $18 multiplied by the total number of members in the LLC during any part of the taxable year for which the return is due. Interest will be charged on the penalty from the date the notice of tax due is mailed until the date the return is filed.

For "small partnerships," as defined in IRC Section 6231, the federal exception to the imposition of penalties for failure to file partnership returns does not apply for California purposes. For more information, see R&TC Section 19172.

Failure to File a Timely Return
Any LLC that fails to file Form 568 on or before the extended due date is assessed a penalty. The penalty is 5% of the unpaid tax (which includes the LLC fee and nonconsenting nonresident members' tax) for each month, or part of the month, the return remains unfiled from the due date of the return until filed. The penalty may not exceed 25% of the unpaid tax. If an LLC does not file its return by the extended due date, the automatic extension will not apply and the late filing penalty will be assessed from the original due date of the return. See R&TC Section 19131 for more information.

Failure to Pay by the Due Date
The failure-to-pay penalty is imposed from the due date of the return or the due date of the payment. Since any amount of the LLC fee due which was not paid as an estimated fee payment, and the nonconsenting nonresident members' tax are due with the return, the penalty is calculated from the original due date of the return. The annual tax payment date is the 15th day of the 4th month during the taxable year, so the penalty is calculated from this date. The penalty for each item is calculated separately.

The failure-to-pay penalty begins at 5%. Every month or fraction thereof the amount is not paid the penalty increases 0.5%. The penalty continues to increase for 40 months, thereby maximizing at 25%. See R&TC Section 19132 for more information.

If an LLC is subject to both the penalty for failure to file a timely return and the penalty for failure to pay the total tax by the due date, a combination of the two penalties may be assessed, but the total penalty may not exceed 25% of the unpaid tax. However, the penalty for failure to comply with the filing requirements will be assessed in addition to the penalty for failure to file a timely return and the penalty for failure to pay the total tax by the due date. The FTB may waive the late payment penalty based on reasonable cause. Reasonable cause is presumed when 90% of the tax is paid by the original due date of the return.

If the LLC underpays the estimated fee, a penalty of 10% will be added to the fee. The underpayment amount will be equal to the difference between the total amount of the fee due for the taxable year less the amount paid by the due date. A penalty will not be imposed if the estimated fee paid by the due date is equal to or greater than the total amount of the fee of the LLC for the preceding taxable year.

Interest
Interest is due and payable on any tax due if not paid by the original due date. Interest is also due on some penalties. The automatic extension of time to file does not stop interest from accruing. California follows federal rules for the calculation of interest. Get FTB Pub. 1138, Business Entity Refund/Billing Information, for more information.

Other Penalties/Fees
A penalty may also be charged if a payment is returned for insufficient funds. In addition, fees may be charged for the cost of collection.

H Accounting Methods

Compute ordinary income or loss by the accounting method regularly used to maintain the LLC's books and records. This method must clearly reflect the LLC's income or loss.

LLCs given permission to change their accounting method for federal purposes should see IRC Section 481 for information relating to the adjustments required by changes in accounting method.

Generally, an LLC may not use the cash method of accounting if the LLC has a corporate member, averages annual gross receipts of more than $5 million, or is a tax shelter. For exceptions, see IRC Section 448.

The mark-to-market accounting method is required for securities dealers. The IRC Section 481 adjustment is taken into account ratably over five years beginning with the first income year.

I Accounting Periods

LLC returns normally must be filed for an accounting period that includes 12 full months. A short period return must be filed if the LLC is created or terminated within the taxable year. In that case, write "Short Period" in black or blue ink at the top of Form 568, Side 1.

For information on the required taxable year of a partnership that also applies to LLCs, see the instructions for federal Form 1065.

J Amended Return

If, after the LLC files its return, it becomes aware of changes it must make, the LLC should file an amended Form 568 and an amended Schedule K-1 (568) for each member, if applicable. Check the amended return box in Item H(3) Form 568, Side 1. Give a corrected Schedule K-1 (568) with box G(2) checked and label "Amended" to each affected member. If the LLC originally filed a Form 540NR group nonresident member return, the LLC should file an amended Form 540NR.

Attach a statement that identifies the line number of each amended item, the corrected amount or treatment of the item, and an explanation of the reason(s) for each change.

If the LLC's federal return is changed for any reason, the federal change may affect the LLC's California return. This would include changes made because of an examination. The LLC must file an amended return within six months of the final federal determination if the LLC fee or tax a member owes has been affected. The LLC should attach a copy of the federal Revenue Agent's Report or other notice of the adjustments to the return. The LLC should inform the members that they may also be required to file amended returns within six months from the date of the final federal determination.

K Required Information Returns

Every LLC must file information returns if, in the course of its trade or business, any of the following occur:

- The LLC makes payments to one person of rents, salaries, wages, annuities, or other fixed or determinable income during one calendar year totaling $600 or more.
- The LLC pays an individual or one payee interest and dividends totaling $10 or more during one calendar year.
- The LLC receives cash payments over $10,000.

Payments of any amount by a broker, dealer, or barter exchange agent must also be reported.

LLCs must report payments made to California residents by providing copies of federal Form 1099 (series). For nonresidents, see the reporting and withholding requirements on Form 592, Resident and Nonresident Withholding Statement; Form 592-B, Resident and Nonresident Withholding Tax Statement, Form 592-F, Foreign Partner or Member Annual Return, Form 592-PTE, Pass-Through Entity Annual Withholding Return. Get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines, for more information.

LLCs must submit a copy of federal Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business, within 15 days after the date of the transaction.

LLCs must report interest paid on municipal bonds that are issued by a state other than California or a municipality other than a California municipality that are held by California taxpayers. Entities paying interest to California taxpayers on these types of bonds are required to report interest payments aggregating $10 or more paid after January 1, 2025. Information returns will be due June 1, 2026. For more information, get form FTB 4800 MEO, Interest and Interest-Dividend Payment Reporting Requirement Letter.

LLCs must use form FTB 3834, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts, to report interest due or to be refunded under the look-back method on long-term contracts. If you are filing form FTB 3834 to compute the interest due or to be refunded under the Look-Back method, attach a copy of form FTB 3834 to Form 568.

Any information returns required for federal purposes under IRC Sections 6038, 6038A, 6038B, and 6038D are also required for California purposes. Attach the information returns to the Form 568 when filed. If the information returns are not provided, penalties may be imposed under R&TC Sections 19141.2 and 19141.5.

All information returns, unless otherwise noted, are mailed separately from the Form 568. Information returns should be sent to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0500

L Special Items

California LLC tax law generally follows federal partnership tax law for LLCs classified as partnerships, in all of the following areas:

- IRC Section 702(a) items
- Elections
- Distributions of unrealized receivables and inventory
- Members' dealings with the LLC
- Contributions to the LLC
- Income of foreign nonresident members subject to withholding, Form 592-A, Form 592-B, and Form 592-F
- Basis and at-risk rules
- Passive activity limitations
- Net operating loss deduction by a member of the LLC (an LLC is not allowed the deduction)
- Publicly traded partnerships
- Long-term contracts
- Installment sales
- Vacation pay
- Amortization of past service costs
- Distributions of contributed property by an LLC
- Recognition of precontribution gain in certain LLC distributions to members

See the instructions for federal Form 1065 for specific information about these areas.

M Signatures

Form 568 is not considered a valid return unless it is signed by an authorized member or manager of the LLC. If a receiver, trustee in bankruptcy, or assignee controls the organization's property or business, that individual must sign the return.

Include an authorized member or manager's phone number and email address in case the FTB needs to contact the LLC for information needed to process this return. By providing this information the FTB will be able to process the return or issue the refund faster.

Paid Preparer's Information

Anyone who is paid to prepare the LLC return must sign the return and complete the "Paid Preparer's Use Only" area of the return.

All of the following must be completed by the paid preparer:

- Complete the required preparer information. Tax preparers must provide their preparer tax identification number (PTIN).
- Sign in the space provided for the preparer's signature.
- Give the LLC a copy of the return in addition to the copy to be filed with the FTB.

An individual who prepares the return and does not charge the LLC should not sign the LLC return.

Paid Preparer Authorization

If the LLC wants to allow the paid preparer to discuss its 2025 Form 568 with the FTB, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer's Use Only" section of the return. It does not apply to the firm, if any, shown in that section.

If the "Yes" box is checked, the LLC is authorizing the FTB to call the paid preparer to answer any questions that may arise during the processing of its return. The LLC is also authorizing the paid preparer to:

- Give the FTB any information that is missing from the return.
- Call the FTB for information about the processing of the return or the status of any related refund or payments.
- Respond to certain FTB notices about math errors, offsets, and return preparation.

The LLC is not authorizing the paid preparer to receive any refund check, bind the LLC to anything (including any additional tax liability), or otherwise represent the LLC before the FTB.

The authorization will automatically end no later than the due date (without regard to extensions) for filing the LLC's 2026 tax return. If the LLC wants to expand the paid preparer's authorization, go to **ftb.ca.gov/poa**. If the LLC wants to revoke the authorization before it ends, notify the FTB in writing or call 800.852.5711.

N Group Returns

Nonresident Group Returns

Nonresident members of an LLC doing business or deriving income from sources in California may elect to file a group nonresident return (R&TC Section 18535).

- Group nonresident returns may include less than two nonresident individuals.
- Nonresident individuals with more than $1,000,000 of California taxable income are eligible to be included in group nonresident returns.
- An additional 1% tax will be assessed on resident and nonresident individuals who have California taxable income over $1,000,000.

Get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR, for more information.

O LLC Investment Partnerships

Income of nonresident members, including banks and corporations, derived from "qualifying investment securities" of an LLC that qualifies as an "investment partnership" is considered income from sources other than California, except as noted Nonresident individuals or foreign members generally will not be taxed on this income. The LLC should inform its nonresident individuals or foreign members if all or a portion of their distributive share of income is from "qualifying investment securities" of an "investment partnership" and whether it is sourced to California. See the instructions for Question L, included in this booklet, for definitions of "investment partnership" and "qualifying investment securities."

However, for apportioning purposes, income from an LLC that is an investment partnership (LLC investment partnership) is generally considered business income (see Appeal of Estate of Marion Markus, Cal. St. Bd. of Equal., May 6, 1986). LLC investment partnerships that are doing business within and outside California should apportion California source income using California Schedule R. LLC investment partnerships that are doing business solely within California should treat all business income of the LLC investment partnership as California source income.

LLC investment partnerships that have California source income should show on Schedule K-1 (568), column (e) each member's distributive share of California source income.

Generally, members who are nonresident individuals would not record this income as California source income. However, there are two exceptions to the general rule when a nonresident individual may have California source income from an LLC investment partnership. Nonresident individual members will be taxed on their distributive shares of income from the "LLC investment partnership" if the income from the qualifying investment securities is interrelated with either of the following:

- Any other business activity of the nonresident member.
- Any other entity in which the nonresident member owns an interest that is separate and distinct from the investment activity of the partnership and that is conducted in California.

Nonresident individual members will be taxed on their distributive share of investment income from an LLC investment partnership if the qualifying securities were purchased with working capital of a trade or business the nonresident owns an interest in and that is conducted in California (R&TC Section 17955).

Corporations that are members in an LLC investment partnership are not generally taxed on their distributive share of LLC income, provided that the income from the LLC is the corporation's only California source income. However, the corporation will be taxed on its distributive share of California source income from the LLC if either of the following apply:

- The corporation participates in the management of the investment activities of the LLC investment partnership.
- The corporation has income derived from or attributable to sources within this state other than income from the LLC investment partnership.

P Nonresident Members

An LLC with multiple members is required to file form FTB 3832 with Form 568 when one or more of its members is a nonresident of California. Form FTB 3832 is signed by the nonresident individuals and foreign entity members to show their consent to California's jurisdiction to tax their distributive share of income attributable to California sources.

File form FTB 3832 for either of the following:

- The first taxable period for which the LLC became subject to tax with nonresident members.
- Any taxable period during which the LLC had a nonresident member who has not signed a form FTB 3832.

Separate forms for an individual (or groups of individuals) are permissible. The LLC must maintain and have available for examination a form FTB 3832 signed by each nonresident member.

The LLC must pay the tax for every nonresident member that did not sign a form FTB 3832. The LLC is responsible for paying the tax on that nonresident member's distributive share of income determined at the highest marginal rate for that member. See General Information F, Limited Liability Company Tax and Fee, for more information.

The tax may be reduced by the amount of tax previously withheld and paid by the LLC with respect to each nonconsenting nonresident member.

If the LLC fails to timely pay the tax of such nonresident member, the LLC shall be subject to penalties and interest (R&TC Sections 19132 and 19101). Any amount paid by the LLC on behalf of a nonresident individual or foreign entity member will be considered a payment made by the member.

An LLC may recover from the nonresident member the tax it paid on behalf of the nonresident member.

To claim credit for the tax, the nonresident member needs to attach a copy of the Schedule K-1 (568) to their California income tax return.

Nonresidents or Part-Year Residents

Nonresidents pay tax to California only on their California taxable income. For more information, get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency.

CAUTION: The requirements and procedures discussed above are not related to the nonresident withholding requirements discussed under General Information R, Withholding Requirements.

Q Cancelling a Limited Liability Company

In general, LLCs are required to pay the $800 annual tax and file a California return until the appropriate papers are filed. In order to cancel an LLC, the following steps must be taken:

1. File a timely final California return (Form 568) with the FTB and pay the $800 annual tax for the taxable year of the final return.
2. File Form LLC-4/7, Certificate of Cancellation, with the California SOS. The California SOS also requires a domestic LLC to file Form LLC-3, Certificate of Dissolution. Contact the California SOS for more details.

The Form LLC-4/7's effective date will stop the assessment of the $800 annual tax for future taxable years. If Form LLC-4/7 is filed after the taxable year ending date, a subsequent year return and an additional $800 tax may be required.

The annual tax will not be assessed if the LLC meets all of the following requirements:

- The LLC files a timely **Final** Limited Liability Company Return of Income, for the preceding taxable year, including extension.
- The LLC did not do business in California after the final taxable year.
- The LLC files the appropriate documents for cancellation with the California SOS within 12 months of the timely filed **Final** Limited Liability Company Return of Income.

Short Form Cancellation

Domestic LLCs organized in California can file a Limited Liability Company Form LLC-4/8, Short Form Cancellation Certificate, if the following requirements are met:

- Form LLC-4/8 is being filed within 12 months from the date the Articles of Organization were filed with the SOS.
- The domestic LLC has no debts or other liabilities (other than tax liability).

- The known assets have been distributed to the persons entitled thereto or no known assets have been acquired.
- The final tax return or a final annual tax return has been or will be filed with the FTB.
- The domestic LLC has not conducted any business from the time of the filing of the Articles of Organization.
- A majority of the managers or members, or if there are no managers or members, the person or a majority of the persons who signed the Articles of Organization, voted to dissolve the domestic LLC.
- If the domestic LLC received payments for interests from investors, those payments have been returned to those investors.

The LLC must file SOS Form LLC-4/8, with the SOS. The LLC must include a statement that all of the items above have been completed before the California SOS will cancel the LLC. If available, attach an endorsed SOS filed copy of Form LLC-4/8 to the first tax return.

Where to File: Completed forms along with the applicable fees, if any, can be mailed to:

CALIFORNIA SECRETARY OF STATE
BUSINESS ENTITIES FILINGS UNIT
PO Box 944260
SACRAMENTO CA 94244-2600

or delivered in person (drop off) to the Sacramento office:

CALIFORNIA SECRETARY OF STATE
BUSINESS ENTITIES FILINGS UNIT
1500 11th STREET
SACRAMENTO CA 95814

This form is filed only in the Sacramento office.

Additional information
For more information on how to cancel your Limited Liability Company:

By phone: 916.657.5448

Office hours are Monday through Friday, 8 a.m. to 5 p.m. (excluding state holidays).

Website: **sos.ca.gov**

If the LLC is being cancelled to be converted to another type of business entity, be sure to file the appropriate forms with the California SOS.

Get FTB Pub. 1038, Guide to Dissolve, Surrender, or Cancel a California Business Entity, for more information.

Short Period Return
If the LLC is filing a short period return for 2025 and the 2025 forms are not available, the LLC must use the 2024 Form 568 and change the taxable year.

R Withholding Requirements

Foreign (non-U.S.) Nonresident Members
As described in IRC Section 1446 and modified by R&TC Section 18666, if an LLC has any income or gain from a trade or business within California, and if any portion of that income or gain is allocable under IRC Section 704 to a foreign (non U.S.) nonresident member, the LLC is required to withhold tax on the allocable amount.

State and Federal Differences Regarding Foreign (non-U.S.) Nonresident Members
California generally conforms to IRC Section 1446 and corresponding federal rulings and procedures. The main differences between California and federal laws in this area are:

a. The California withholding rate is 8.84% for C corporations and 12.3% for individuals, partnerships, LLCs, and fiduciaries. An additional 1% tax rate will be included if a non-corporate foreign partner has taxable income over $1 million dollars. The excess income amount over $1 million dollars will be taxed at 1%.
b. Income attributable to the disposition of California real property is subject to withholding under R&TC Section 18662.

Domestic (U.S.) Nonresident Members
An LLC is required to withhold funds for income or franchise taxes when it makes a distribution of income to a domestic (U.S.) nonresident member (R&TC Section 18662). This includes prior year income that should have been, but was not previously reported as income from California sources on the member's California income tax return. However, withholding is not required if distributions of income from California sources to the member are $1,500 or less during the calendar year or if the FTB directs the payer not to withhold.

Domestic (U.S.) nonresident members include individuals who are nonresidents of California and corporations that are not qualified to do business in California or do not have a permanent place of business in California. Domestic nonresident members also include nonresident estates, trusts, partnerships, and LLCs that do not have a permanent place of business in California. Foreign nonresident members covered under R&TC Section 18666 are not domestic nonresident members.

LLCs with income from both within and outside California must make a reasonable estimate of the ratio, to be applied to the distributions, that approximates the ratio of California source income to total income. The ratio for the prior year will generally be accepted as reasonable in determining the California part of the distribution subject to withholding. LLCs are required to withhold tax at a rate of 7% of distributions (including property) of income from California sources made to domestic nonresident members. For more information, get Schedule R.

The FTB has administrative authority to allow reduced withholding rates, including waivers, when requested in writing. These authorizations may be one-time, annual, or for a longer period. Waivers or reduced withholding rates will normally be approved when distributions are made by publicly traded partnerships and on distributions to brokerage firms, tax-exempt organizations, and tiered LLCs.

No withholding of tax is required if the distribution is a return of capital or does not represent taxable income for the current or prior years. Although a waiver is not required in this situation, if upon examination the FTB determines that tax withholding was required on a distribution, the LLC may be liable for the amount that should have been withheld including interest and penalties.

Send waiver requests and inquiries to:

WITHHOLDING SERVICES AND COMPLIANCE, MS F182
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: **888**.792.4900 or
916.845.4900

Waivers may also be submitted online. Go to **ftb.ca.gov** and search **588 online**.

Report withholding on Forms 592, 592-B, 592-F, and 592-PTE. Withholding payments are remitted with Forms 592-A, 592-Q, and 592-V, Payment Voucher for Resident and Nonresident Withholding.

The taxable income of nonresident members is the distributive share of California sourced LLC income, not the distributed amount. For more information, get FTB Pub. 1017.

The nonresident withholding requirements and procedures discussed above are not related to the nonconsenting nonresident members' tax paid by an LLC on behalf of nonresident members as discussed under General Information P, Nonresident Members.

S Check-the-Box Regulations

California generally conforms to the federal entity classification regulations (commonly known as "check-the-box" regulations). These regulations allow certain unincorporated entities to choose tax treatment as a partnership, a corporation, or an SMLLC (SB 1234; Stats. 1997, Ch. 608).

Generally, any elections made for federal purposes under the federal "check-the-box" regulations are treated as California elections. No separate elections are allowed. If federal Form 8832, Entity Classification Election, is filed with the federal return, a copy should be attached to the electing entity's California return for the year in which the election is effective. The entity should file the appropriate California return.

An "eligible entity" may choose its classification. An eligible entity is a business entity that is not a trust, a corporation organized under any federal or state statute, a foreign entity specifically listed as a per se corporation, or other special business entities. Other special business entities under the IRC include publicly traded partnerships, REMICs, financial asset securitization investment trusts (FASITs), or regulated

investment companies (RICs). An eligible entity with two or more owners will be a partnership for tax purposes unless it elects to be taxed as a corporation. For tax purposes, an eligible entity with a single owner will be disregarded. If the separate existence of an entity is disregarded, its activities are treated as activities of the owner and reported on the appropriate California return.

Exceptions

The exception to the general rule exists under R&TC Section 23038(b)(2)(C) in the case of an eligible business entity.

The exception does not apply to a business entity which, during the 60 month period preceding January 1, 1997, was appropriately classified as an association taxable as a corporation and met all of the following conditions:

- The business entity was not doing business in California.
- The business entity did not derive income from sources within California.
- The business entity had no members who were residents of California.

The eligible business entities are generally:

1) Business trusts that were classified as corporations under California law, but were classified as partnerships for federal tax purposes for taxable years beginning before January 1, 1997.
2) Previously existing foreign SMLLCs that were classified as corporations under California law but claimed to be partnerships for federal tax purposes for taxable years beginning before January 1, 1997.

These business trusts and previously existing foreign SMLLCs will continue to be classified as corporations for California tax purposes and must continue to file Form 100, unless they make an irrevocable election to be classified or disregarded the same as they are for federal tax purposes. See form FTB 3574, Special Election for Business Trusts and Certain Foreign Single Member LLCs, and Cal. Code Regs., tit. 18 sections 23038(a)-(b).

California regulations make the classification of business entities under federal regulations (Treas. Reg. Sections 301.7701-1 through 301.7701-3) generally applicable to California. If an eligible entity is disregarded for federal tax purposes, it is also disregarded for state tax purposes, except that an SMLLC must still pay a tax and fee, file a return, and limit tax credits.

Filing Requirements for Disregarded Entities

An SMLLC is required to complete Form 568, Side 1, Side 2, Side 3, Side 7 (Schedule IW), and pay the annual tax and LLC fee (if applicable). If a nonresident has not signed the single member LLC consent on Side 3, then the SMLLC is required to complete Schedule T on Side 4.

However, if either of the following two items below are met, Schedule B and Schedule K are also required to be filed:

- The income or loss amount reported on Schedule B, line 1 or line 3 through line 11, is $3,000,000 or more.
- The "Total distributive income/payment items," Schedule K, line 21a, is greater than or equal to $3,000,000 OR less than or equal to $-3,000,000.

Note: If the SMLLC does not meet the 3 million criteria for filing Schedule B (568) and Schedule K (568), the SMLLC is still required to complete Schedule IW.

If Schedule K (568) is required to be filed, disregarded entities should prepare Schedule K (568) by entering the amount of the corresponding Member's share of Income, Deductions, Credits, etc. attributable to the activities of the disregarded entity from the member's federal Form 1040 or 1040-SR, including Schedules B, C, D, E, F, and Federal Schedule K, or Federal Form 1120 or 1120S (of the owner). SMLLCs do not complete Schedule K-1 (568). The single owner would include the various items of income, deductions, credits, etc., of the SMLLC on the tax return filed by the owner.

Utilization of credits attributable to the SMLLC is limited to the regular tax liability on the income attributable to the activities of the SMLLC. The limitation on the SMLLC's credits is the difference between: 1) The regular tax liability of the single owner computed with the items of income, deductions, etc., attributable to the SMLLC; and 2) The regular tax liability of the single owner computed without the items of income, deductions, etc., attributable to the SMLLC. It is the responsibility of the single owner to limit the credits on the owner's tax return. The single owner should be prepared to furnish information supporting the use of any credits attributable to the SMLLC.

The owner of the SMLLC should perform the following steps to determine the SMLLC's credit limitation:

- Compute the owner's tax with the SMLLC income, and the owner's tax without the SMLLC income.
- Complete Schedule P (100, 100W, 540, 540NR, or 541), up to the line where the credit is to be taken.
- Determine the credit to be utilized. The amount allowed is the lesser of either of the following:
  1. The total credit or the limitation based on the LLC's business income.
  2. The net tax balance that may be offset by credits on Schedule P (100, 100W, 540, 540NR, or 541) on the line above the line where the credit is to be taken.

The following example shows the credit limit calculation for an SMLLC that is owned by a C corporation. The SMLLC has a Research credit of $4,000. The computation of the C corporation's regular tax liability with the SMLLC income is $5,000. The computation of the C corporation's regular tax liability without the SMLLC income is $3,000. The difference in tax is $2,000, which is the C corporation's credit limitation on all LLC credits. The owner of the SMLLC then performs the following steps:

1. Completes Schedule P (100), Side 2, down to line 4, column (c). The amount is $1,000.
2. Enters the limitation amount from Schedule P (100), Side 2, line 4, column (c) in column (f) of the table on this page.
3. Enters the following amounts from the table on this page on the Schedule P (100):
   - $4,000 from column (d) of the table on this page, to Schedule P (100), Side 2, line 5, column (a);
   - $1,000 from column (f) of the table on this page, to Schedule P (100), Side 2, line 5, column (b);
   - $3,000 from column (g) of the table on this page, to Schedule P (100), Side 2, line 5, column (d).

(a) Credit name	(b) Credit amount	(c) Total prior year credit carry-over	(d) Total credit: add col. (b) & col. (c)	(e) Limitation based on LLC business income	(f) Credit used on Sch P, but not greater than col. (d) or col. (e)	(g) Carry col. (d) minus the smaller of col. (e) or col. (f)
Research	$4,000	0	$4,000	$2,000	$1,000	$3,000

T Substitute Schedules

The LLC needs approval from the FTB to use a substitute Schedule K-1 (568). The substitute schedule must include the Member's Instructions for Schedule K-1 (568) or other prepared specific instructions. For more information and access to form FTB 1096, Agreement to Comply with FTB Pub. 1098, Annual Requirements and Specifications; or FTB Pub. 1098, Annual Requirements and Specifications for the Development and Use of Substitute, Scannable, Absolute Positioning, and Reproduced Tax Forms, email the FTB's Substitute Forms Program at **SubstituteForms@ftb.ca.gov**.

U Property Subject to IRC Section 179 Recapture

California will follow the revised federal instructions (with some exceptions) for reporting the sale, exchange, or disposition of property for which an IRC Section 179 expense deduction was claimed in prior years by a partnership, LLC, or S corporation.

If there is gain from the sale, exchange, or disposition of property for which an IRC Section 179 expense deduction was claimed in a prior year, special rules apply. Members should follow the instructions in federal Form 4797, Sales of Business Property.

LLCs should follow the instructions in federal Form 4797 with the exception that the amount of gain on property subject to the IRC Section 179 recapture must be included in the total income for the LLC.

The gain on property subject to the IRC Section 179 recapture should be reported on the Schedule K (568) and Schedule K-1 (568) as supplemental information as instructed on the federal Form 4797.

The LLC must provide all of the following information with respect to a disposition of business property if an IRC Section 179 expense deduction was claimed in prior years:

1. Description of the property.
2. Date the property was acquired and placed in service.
3. Date the property was sold or other disposition.
4. Gross sales price or amount realized.
5. Cost or other basis plus expense of sale (not including the entity's basis reduction in the property due to IRC Section 179 expense deduction).
6. Depreciation allowed or allowable (not including the IRC Section 179 expense deduction).
7. Amount of IRC Section 179 expense deduction (if any).
8. An indication if the disposition is from a casualty or theft.
9. If this is an installment sale, compute the installment amount by using the method provided in form FTB 3805E, Installment Sale Income.

V Suspension/Forfeiture

If an LLC does not file Form 568 and/or does not pay any tax, penalty, or interest due, its powers, rights, and privileges may be suspended (in the case of a domestic LLC) or forfeited (in the case of a foreign LLC). Also, any contracts entered into during suspension or forfeiture are voidable at the request of any party to the contract other than the suspended or forfeited LLC. Such contracts will remain voidable and unenforceable unless the LLC applies for relief from contract voidability and the FTB grants relief. See R&TC Sections 23301, 23305.1, and 23305.2 for more information.

W California Use Tax

General Information

Use tax has been in effect in California since July 1, 1935. It applies to purchases of property from out-of-state sellers and is similar to sales tax paid on purchases made in California. If the LLC has not already paid all use tax due to the California Department of Tax and Fee Administration, it may be able to report and pay the use tax due on its state income tax return. However, LLCs required to hold a California seller's permit or to otherwise register with the California Department of Tax and Fee Administration for sales and use tax purposes may not report use tax on their state income tax return. See the information below and the instructions for line 13 of the income tax return.

In general, LLCs must pay California use tax on purchases of merchandise for use in California, made from out-of-state sellers, for example, by telephone, online, by mail, or in person.

LLCs must pay California use tax on taxable items if:

- The seller does not collect California sales or use tax, and
- The LLC uses, gifts, stores, or consumes the item in California.

Example: The LLC purchases a conference table from a company in North Carolina. The company ships the table from North Carolina to the LLC's address in California for the LLC's use, and does not charge California sales or use tax. The LLC owes use tax on the purchase.

However, not all purchases require the LLC to pay use tax. For example, the LLC would include purchases of office equipment, but not exempt purchases of food products or prescription medicine.

For more information on nontaxable and exempt purchases, the LLC may refer to Publication 61, *Sales and Use Taxes: Tax Expenditures*, on the California Department of Tax and Fee Administration's website at **cdtfa.ca.gov**.

For more information about California use tax, refer to the California Department of Tax and Fee Administration's website at **cdtfa.ca.gov** and type "**Find Information About Use Tax**" in the search bar.

Complete the Use Tax Worksheet on page 16 to calculate the amount due.

Extensions to File. If the LLC requests an extension to file its tax return, wait until the LLC files its tax return to report the purchases subject to use tax and to make the use tax payment.

Interest, Penalties, and Fees. Failure to timely report and pay use tax due may result in the assessment of interest, penalties, and fees.

Application of Payments. For purchases made during taxable years starting on or after January 1, 2015, payments and credits reported on an income tax return will be applied first to the use tax liability, instead of income tax liabilities, penalties, and interest.

Changes in Use Tax Reported. Do not file an Amended Limited Liability Company Return of Income to revise the use tax previously reported. If the LLC has changes to the amount of use tax previously reported on the original tax return, contact the California Department of Tax and Fee Administration.

For assistance with use tax questions, go to the California Department of Tax and Fee Administration's website at **cdtfa.ca.gov** or call their Customer Service Center at 800.400.7115 (TTY:711) (for hearing and speech disabilities). For California income tax information, contact the Franchise Tax Board at **ftb.ca.gov**.

Specific Instructions

Form 568

Fill In All Applicable Lines and Schedules

Enter any items specially allocated to the members on the applicable line of the member's Schedule K-1 (568) and the total amounts on the applicable lines of Schedule K (568). **Do not** enter these items directly on Form 568, Side 4, Schedule A or Schedule D (568). **Do not** apply the apportionment factor to the items on Schedule K (568).

Whole numbers should be shown on the return and accompanying schedules.

Name, Address, California SOS File Number, and FEIN

Before mailing, make sure entries have been made for all of the following:

- California SOS file number
- Federal employer identification number (FEIN)
- LLC legal or trade name (use legal name filed with the California SOS) and address, include Private Mail Box (PMB) number, if applicable.

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

Foreign Address

If the limited liability company 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 G – Total Assets at End of Taxable Year

See the instructions for Schedule L – Balance Sheets – before completing this item.

If the LLC is required to complete this item, enter the total assets at the end of the LLC's taxable year. This is determined by the accounting method regularly used to maintain the LLC's books and records. If there are no assets at the end of the taxable year, enter $0.

Item H(2) – Final Return

If the LLC is filing a final year tax return, check the "Final Return" box on Form 568, Side 1, Item H(2), and check the "A final Schedule K-1 (568)" box for Item G(1) on Schedule K-1 (568). Attach a statement that explains the reason for the termination or liquidation of the LLC.

Item H(4) Protective claim

Check the box if this Form 568 is being filed as a protective claim for refund. A protective claim is a claim for refund filed before the expiration of the statute of limitations for which a determination of the claim depends on the resolution of some other disputed issues, such as pending state or federal litigation or audit. For more information on how to file a protective claim, go to **ftb.ca.gov** and search for **protective claim.**

Question I

All LLCs **must** answer all three questions. The questions provide information regarding changes in control or ownership of legal entities owning or under certain circumstances leasing California real property (R&TC Section 64). (Real property includes land, buildings, structures, fixtures - see R&TC Section 104).

If any of the answers are "**Yes**," a *Statement of Change in Control and Ownership of Legal Entities*, must be filed with the State of California;

failure to do so within 90 days of the event date will result in penalties. The form for this statement is form BOE-100-B, filed with the California State Board of Equalization. Get this form and information from the BOE website (**boe.ca.gov**) by searching for Legal Entity Ownership Program (LEOP).

There may be a change in ownership or control if, during this year, one of the following occurred with respect to this LLC (or any legal entity in which it holds a controlling or majority interest):

- The percentage of ownership interests transferred to or owned or controlled by, **one** person or **one** legal entity cumulatively exceeded 50%.
- The total ownership interests transferred to or held by **one** irrevocable trust or trust beneficiary cumulatively exceeded 50%.
- This LLC, (or any legal entity in which it holds a controlling or majority interest,) cumulatively acquired ownership or control of more than 50% of the LLC or other ownership interests in any legal entity.
- As of the end of this year, cumulatively more than 50% of the total ownership interests have been transferred in one or more transactions since an interest in California real property was transferred to the LLC that was excluded from property tax reassessment under R&TC Section 62(a)(2) which established an original co-owners' interest status.

For purposes of these questions, leased real property is a leasehold interest in taxable real property: (1) leased for a term of 35 years or more (including renewal options), if not leased from a government agency; or (2) leased for any term, if leased from a government agency. For LLC's, ownership interest is measured by a member's interest in both the capital and profits interests in the LLC.

R&TC Section 64(e) requires this information for use in determining whether a change in ownership has occurred under section 64(c) and (d); it is used by the LEOP.

Schedule IW, LLC Income Worksheet Instructions

For purposes of this worksheet, "Total California Income" means total income from all sources derived from or attributable to this state. The definition of total income for purposes of calculating the LLC fee excludes all allocations, distributions, or gains from another LLC that was already subject to the LLC fee. "Total income" means gross income, plus the cost of goods sold that are paid or incurred in connection with the trade or business of the taxpayer attributed to California. Total income from all sources derived or attributable to this state is determined using the rules for assigning sales under R&TC Sections 25135 and 25136 and the regulations thereunder, as modified by regulations under R&TC Section 25137, if applicable, other than those provisions that exclude receipts from the sales factor.

If the SMLLC does not meet the 3 million criteria for filing Schedule B (568) and Schedule K (568), the SMLLC is still required to complete Schedule IW. Disregarded entities that do not meet the filing requirements to complete Schedule B or Schedule K should prepare Schedule IW by entering the California amounts attributable to the disregarded entity from the member's federal Schedule B, C, D, E, F (Form 1040), or additional schedules associated with other activities. For example, if an SMLLC has IRC Section 1231 gains, the SMLLC will need to get the amount from the schedule containing that information, such as Schedule D-1, and enter the amount on line 14 of the Schedule IW.

Determining Total Income From All Sources Derived From or Attributable to California

Use only amounts that are from sources derived from or attributable to California when completing lines 1-17 of this worksheet. If the LLC business is wholly within California, the total income amount is assigned to California and is entered on Schedule IW. If the LLC conducts business within and outside of California, the LLC must assign its total income, item by item, to California based on the following rules:

Sales of Tangible Property

Total income from sales of tangible personal property with a destination in California (except sales to the U. S. Government) are attributable to California if the property is delivered or shipped to a purchaser within California regardless of the freight on board point or other conditions of sale. Total income from sales of tangible personal property (except sales to the U. S. Government) which are shipped from an office, store, warehouse, factory, or other place of storage within California are assigned to California unless the seller is taxable in the state of destination. Any transportation of goods by vehicle is a form of shipment, whether the vehicle is owned by the seller, the purchaser, or a common carrier. If a seller transfers possession of goods to a purchaser at the purchaser's place of business in California, the sale is a California sale. However, if goods are transferred to the purchaser's employee or agent at some other location in California and the purchaser immediately transports the goods to another state, the sale is not a California sale. (See FTB Legal Ruling 95-3).

Total income from sales of tangible personal property to the U.S. Government are attributable to California if the property is shipped from California even if the taxpayer is taxable in the state of destination. Only sales for which the U.S. Government makes direct payment to the seller according to the terms of a contract constitute sales to the U.S. Government. Thus, as a general rule, sales by a subcontractor to the prime contractor, the party to the contract with the U.S. Government, do not constitute sales to the U.S. Government.

Sales of Other Than Sales of Tangible Personal Property

Market Assignment – R&TC Section 25136 requires all taxpayers to assign sales, other than sales of tangible personal property, using market assignment.

The market assignment method and single-sales factor apportionment may result in California sourced income or apportionable business income if a taxpayer is receiving income from intangibles or services from California sources. Such income includes:

1. Sales from services to the extent that the purchaser of the service receives the benefit of the service in California.
2. Sales of intangible property to California to the extent that the intangible property is used in California. For marketable securities, the sales are in California if the customer is in California.
3. Sales from the sale, lease, rental, or licensing of real property if the real property is located in California.
4. Sales from the rental, lease, or licensing of tangible personal property if the property is located in California.

For more information, see R&TC Section 25136 and Cal. Code Regs., tit. 18 section 25136-2, get Schedule R or go to **ftb.ca.gov** and search for **market assignment**.

Alternative Methods. There are alternative methods to assign total income to California that apply to specific industries. These rules are contained in the regulations adopted pursuant to R&TC Section 25137. If the LLC is in one of these lines of business, the sale assignment methodology employed in the regulation applicable to the LLC's line of business should be used to determine total income derived from or attributable to California.

The rules contained in R&TC Section 25137(c) that serve to remove items from assignment in their totality are not applicable to the determination of income derived from or attributable to California.

The definition of "Total Income" excludes allocations, distributions, or gains to an LLC from another LLC, if that allocation, distribution, or gain was already subject to the LLC fee. Do not include any income on the worksheet that has already been subject to the LLC fee.

Pass-through Entities. LLCs with ownership interest in a pass-through entity, other than an LLC, must report their distributive share of the pass-through entity's "Total Income from all sources derived from or attributable to this state." Their distributive share must include the matching cost of goods sold and any deductions that are subtracted from gross ordinary income to obtain net ordinary income. The matching cost of goods sold must be entered on line 3b and any deductions on line 3c. If you received Schedule K-1s (565) with Table 3 information, include the sum of the Table 3 amounts on Schedule IW, lines 3b, 3c, 8b, and 9b as follows:

Sum of all Table 3, lines 1a, add to line 3b
Sum of all Table 3, lines 1b, add to line 3c
Sum of all Table 3, lines 2, add to line 8b
Sum of all Table 3, lines 3, add to line 9b

All Table 3 amounts come from partnerships and LLCs that have filed Form 565.

Lines 1b, 2b, 3b, 3c, and 17 may not be negative numbers. LLCs that are disregarded entities compute the "Total Income" on Schedule IW. Use the applicable lines.

Form 568

Line 1 – Total Income from Schedule IW, LLC Income Worksheet
Enter the LLC's "Total California Income" as computed on line 17 of Schedule IW. The amount entered on Form 568, line 1, may not be a negative number.

Line 2 – Limited Liability Company Fee
Enter the amount of the LLC fee. The LLC must pay a fee if the total California income is equal to or greater than $250,000.

Enter zero if the LLC is claiming Deployed Military Exemption. See General Information F, Limited Liability Company Tax and Fee, for more details.

The LLC must estimate the fee it will owe for the year and make an estimated fee payment by the 15th day of the 6th month of the current taxable year. **When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.** LLCs will use form FTB 3536, to remit the estimated fee. LLCs will also use form FTB 3536 to pay by the due date of the LLC's return, any amount of LLC fee owed that was not paid as a timely estimated fee payment. A penalty will apply if the LLC's estimated fee payment is less than the fee owed for the year. A penalty will not be imposed if the estimated fee paid by the due date is equal to or greater than the total amount of the fee of the LLC for the preceding taxable year. See General Information G, Penalties and Interest, for more details.

Line 3 – 2025 Annual Limited Liability Company Tax
Enter the $800 annual tax. This tax was due the 15th day of the 4th month (fiscal year) or April 15, 2025 (calendar year), after the beginning of the LLC's 2025 taxable year and paid with the 2025 form FTB 3522. **When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.** If the annual LLC tax was not paid within the prescribed time period, penalties and interest are now due. See General Information G, Penalties and Interest, for more details.

Enter zero on line 3 if the LLC is claiming Deployed Military Exemption.

Line 4 – Pass-through entity elective tax
Enter the total amount of elective tax from form FTB 3804, Part I, Elective Tax, line 3.

Line 5 – Nonconsenting Nonresident Members' Tax Liability
Enter the total tax computed on Schedule T from Side 4 of Form 568. The LLC is responsible for paying the tax of nonconsenting nonresident members and nonconsenting owners of disregarded entities. Treat a nonconsenting owner of a disregarded entity in the same manner as a nonconsenting nonresident member. See the Specific Line Instructions for Schedule T.

The nonconsenting nonresident members' tax paid by an LLC on behalf of a nonresident is allocated to the nonresident member on Schedule K-1 (568).

Line 6 – Partnership Level Tax
Use this line to report the Partnership Level Tax (PLT) for California purposes resulting from changes or corrections made by IRS under its centralized partnership audit regime. PLT is typically reported on an amended return. See R&TC Section 18622.5(d)(1)(A) for how to compute the PLT for state tax purposes.

Line 8 – Amount paid with form FTB 3537 and 2025 form FTB 3522 and form FTB 3536
Enter the amount paid with form FTB 3537 and 2025 form FTB 3522 and form FTB 3536. If the LLC is a nonconsenting nonresident member of another LLC, an amount will be entered on line 15e of the Schedule K-1 from that LLC. In addition to amounts paid with form FTB 3537 and 2025 form FTB 3522 and form FTB 3536, the amount from line 15e of the Schedule K-1 may be claimed on line 8, but may not exceed the amount on line 5.

Line 9 – Amounts paid for pass-through entity elective tax
Enter any payments made for pass-through entity elective tax for the 2025 taxable year. This includes electronic payments and payments made with form FTB 3893. This also includes elective tax payments made with the entity's return. The elective tax payment cannot be combined with the entity's other tax payments.

Line 11 – Withholding (Form 592-B and/or 593)
If the LLC was withheld upon by another entity, the LLC can either allocate the entire withholding credit to all its members or claim a portion on line 11 (not to exceed the total tax and fee due) and allocate the remaining portion to all its members. If the LLC claims any of the amount withheld, attach Form 592-B or Form 593, Real Estate Withholding Statement, to the front lower portion of the LLC return. The LLC must file Form 592, 592-F, or 592-PTE, and Form 592-B to allocate any remaining withholding credit to its members. For additional information, get FTB Pub. 1017.

Line 13 – Use Tax
As explained under General Information W, California use tax applies to purchases of merchandise from out-of-state sellers (for example, purchases made by telephone, online, by mail, or in person) where sales or use tax was not paid and those items were used in California. For questions on whether a purchase is taxable, go to the California Department of Tax and Fee Administration's website at **cdtfa.ca.gov**, or call their Customer Service Center at 800.400.7115 (TTY:711) (for hearing and speech disabilities).

Note: The following businesses are required to report purchases subject to use tax directly to the California Department of Tax and Fee Administration and may not report use tax on their income tax return:

- Businesses that have, or are required to hold, a California seller's permit.
- Businesses that make more than $10,000 in purchases subject to use tax per calendar year and have not paid use tax on those purchases to a retailer engaged in business in California or to a retailer authorized by the California Department of Tax and Fee Administration to collect the tax.
- Businesses that are registered or required to be registered with the California Department of Tax and Fee Administration to report use tax.

An LLC that is not required to report purchases subject to use tax directly to the California Department of Tax and Fee Administration may, with some exceptions, report use tax on its Limited Liability Company Return of Income. To report use tax on the tax return, complete the Use Tax Worksheet on this page.

Note: An LLC may not report use tax on its income tax return for certain types of transactions. These types of purchases are listed in the instructions for completing Worksheet, line 1.

If the LLC owes use tax but does not report it on the income tax return, the LLC must report and pay the tax to the California Department of Tax and Fee Administration. For information on how to report use tax directly to the California Department of Tax and Fee Administration, go to their website at **cdtfa.ca.gov** and type "**Find Information About Use Tax**" in the search bar.

Failure to timely report and pay the use tax due may result in the assessment of interest, penalties, and fees.

Use Tax Worksheet
Round all amounts to the nearest whole dollar.

1.	Enter purchases from out-of-state sellers made without payment of California sales/use tax. See worksheet instructions.	$ .00
2.	Enter the applicable sales and use tax rate. See worksheet instructions.	
3.	Multiply line 1 by the tax rate on line 2. Enter result here . . .	$ .00
4.	Enter any sales or use tax paid to another state for purchases included on line 1. See worksheet instructions	$ .00
5.	Total Use Tax Due. Subtract line 4 from line 3. Enter the amount here and on line 13. If the amount is less than zero, enter -0-	$ .00

Worksheet, Line 1, Purchases Subject to Use Tax
Report purchases of items that would have been subject to sales tax if purchased from a California retailer unless your receipt shows that California tax was paid directly to the retailer. For example, generally, purchases of clothing would be included, but not exempt purchases of food products or prescription medicine. For more information on nontaxable and exempt purchases, visit the California Department of Tax and Fee Administration's website at **cdtfa.ca.gov**.

- Include handling charges.
- **Do not** include any other state's sales or use tax paid on the purchases.
- Enter only purchases made during the year that correspond with the tax return the LLC is filing.

Note: Do not report the following types of purchases on the LLC's income tax return:

- Vehicles, vessels, and trailers that must be registered with the Department of Motor Vehicles.
- Mobile homes or commercial coaches that must be registered annually as required by the Health and Safety Code.
- Vessels documented with the U.S. Coast Guard.
- Aircraft.
- Rental receipts from leasing machinery, equipment, vehicles, and other tangible personal property to its customers.
- Cigarettes and tobacco products when the purchaser is registered with the California Department of Tax and Fee Administration as a cigarette and/or tobacco products consumer.

Worksheet, Line 2, Sales and Use Tax Rate
Enter the sales and use tax rate applicable to the place in California where the property is used, stored, or otherwise consumed. If the LLC does not know the applicable city or county sales and use tax rate, please go to the California Department of Tax and Fee Administration's website at **cdtfa.ca.gov** and type "**City and County Sales and Use Tax Rates**" in the search bar or call their Customer Service Center at 800.400.7115 (TTY:711) (for hearing and speech disabilities).

Worksheet, Line 4, Credit for Tax Paid to Another State
This is a credit for tax paid to other states on purchases reported on line 1. The LLC can claim a credit up to the amount of tax that would have been due if the purchase had been made in California. For example, if the LLC paid $8.00 sales tax to another state for a purchase, and would have paid $6.00 in California, the LLC can only claim a credit of $6.00 for that purchase.

Line 20 – Penalties and Interest
Enter penalties and interest. See General Information G, Penalties and Interest.

Line 21 – Total Amount Due
Enter the total amount due. See General Information E, When and Where to File.

Item J – Principal Business Activity (PBA) Code
California uses the six-digit PBA code from the Principal Business Activity Codes chart included in this booklet.

For example, if, as its principal business activity, the partnership (a) purchases raw materials, (b) subcontracts out for labor to make a finished product from the raw materials, and (c) retains title to the goods, the partnership is considered to be a manufacturer and must enter "Manufacturer" on the business activity line and on the principal business activity code line, one of the codes (311110 through 339900) listed under "Manufacturing" on the list, *Principal Business Activity Codes*.

Question K
Enter the maximum number of members in the LLC at any time during the taxable year. For multiple member LLCs, the number of Schedules K-1 (568) attached to the Form 568 must equal the number of members entered on Question K. **Do not** use abbreviations or terms such as "**various**."

Question L through Question GG
Check the "Yes" or "No" box. SMLLCs are excluded from providing a Schedule K-1 (568).

Question L
An "investment partnership" is a partnership that meets both of the following criteria:

1. No less than 90% of the cost of the partnership's total assets consist of the following:
   - Qualifying investment securities.
   - Deposits at banks or other financial institutions.
   - Office equipment and office space reasonably necessary to carry on the activities of an investment partnership.
2. No less than 90% of the partnership's gross income is from interest, dividends, and gains from the sale or exchange of "qualifying investment securities."

"Qualifying investment securities" include all of the following:

- Common and preferred stock, as well as debt securities convertible into common stock.
- Bonds, debentures, and other debt securities.
- Foreign and domestic currency deposits or equivalents and securities convertible into foreign securities.
- Mortgage-backed or asset-backed securities secured by governmental agencies.
- Repurchase agreements and loan participations.
- Foreign currency exchange contracts and forward and futures contracts on foreign currencies.
- Stock and bond index securities and futures contracts, and other similar securities.
- Regulated futures contracts.
- Options to purchase or sell any of the preceding qualified investment securities, except regulated futures contracts.

"Qualifying investment securities" do not include an interest in a partnership, unless the partnership qualifies as an "investment partnership." See R&TC Sections 17955 and 23040.1 and General Information O, Investment Partnerships, for more information.

Question N
If Question N is answered "Yes," see the federal partnership instructions concerning an election to adjust the basis of the LLC's assets under IRC Section 754.

Question P
California requires taxes to be withheld from certain payments or allocations of income and sent to the FTB (R&TC Sections 18662 and 18666). If the LLC does not withhold and, upon examination, the FTB determines that withholding was required, the LLC may be liable for the tax and penalties. The reference to Forms 592, 592-A, 592-B, 592-F, and 592-PTE relates to LLC withholding. If you need additional information concerning LLC withholding, see General Information K, Required Information Returns, and General Information R, Withholding Requirements, in this booklet.

Question U
See General Information S, Check-the-Box Regulations, for the filing requirements for disregarded entities.

Question V
Federal Form 8886, Reportable Transaction Disclosure Statement, must be attached to any return on which the LLC has claimed or reported income from, or a deduction, loss, credit, or other tax benefit attributable to, participation in a reportable transaction. If the LLC is required to file this form with the federal return, attach a copy to the LLC's Form 568. **Do not** attach copies of federal Schedule K-1 (1065).

A material advisor is required to provide a reportable transaction number to all taxpayers and material advisors for whom the material advisor acts as a material advisor.

A Reportable Transaction is any transaction as defined in R&TC Section 18407 and Treas. Reg. 1.6011-4 and includes, but is not limited to:

- A Confidential Transaction, which is offered to a taxpayer under conditions of confidentiality and for which the taxpayer has paid a minimum fee.
- A transaction with contractual protections which provides the taxpayer with the right to a full or partial refund of fees if all or part of the intended tax consequences from the transaction are not sustained.
- A loss transaction is any transaction resulting in the taxpayer claiming a loss under IRC Section 165 of at least $10 million in any single taxable year or $20 million in any combination of taxable years for partnerships that have only corporation as partners (looking through any partners that are themselves partnerships), whether or not any losses pass through to one or more partners. $2 million in any single taxable year or $4 million in any combination of taxable years for all other partnerships.
- A transaction with a significant book-tax difference (entered into prior to August 3, 2007). Beginning January 6, 2006, this transaction was no longer required to be disclosed on federal Form 8886. See IRS Notice 2006-06.

- A transaction where the taxpayer is claiming a tax credit of greater than $250,000 and held the asset for less than 45 days (entered into prior to August 3, 2007).
- A transaction of interest is a transaction that is the same as or substantially similar to one of the types of transactions that has been identified by the IRS as a transaction of interest (entered into on or after November 2, 2006).
- A Listed Transaction is a specific reportable transaction, or one that is substantially similar, which has been identified by the IRS or the FTB to be a tax avoidance transaction.

Question CC
Check the "Yes" or "No" box to indicate if the LLC is deferring any income from the disposition of assets. If "Yes," enter the four-digit year in which the assets were disposed (ex. 2025) on line CC (2). If there are multiple years, write "see attached" on the line and attach a schedule listing the years. This question is applicable if the LLC is deferring any income from a disposition of assets in the current taxable year or prior taxable years.

Question DD
Check the box for the type(s) of previously deferred income the LLC is reporting. If there are multiple sources of income, check the box for the appropriate items and attach a schedule listing the income type and year of disposition. If the LLC is reporting "Other" types of previously deferred income, check the box for "Other" and attach a schedule listing the income type and year of disposition. This question is applicable if the LLC is reporting previously deferred income in the current taxable year or prior taxable years.

Question EE
LLCs doing business under a name other than that entered on Side 1 of Form 568 must enter the doing business as (DBA) name in Question EE. If the LLC is doing business under multiple DBA's attach a schedule listing all DBA's. Leave Question EE blank if the LLC is not using DBA's to conduct business.

Question FF
Check the "Yes" or "No" box to indicate if the LLC operated as another entity type such as a Corporation, S Corporation, General Partnership, Limited Partnership, LLC, or Sole Proprietorship in the previous five (5) years. If "Yes," enter prior FEIN(s) if different, business name(s), and entity type(s) for prior returns filed with the FTB and/or IRS on line FF (2). If there are multiple entries, write "see attached" on the line and attach a schedule listing the prior FEINs, business names, and entity types.

Question GG
Check "Yes" or "No" if the LLC previously operated outside California. Check "Yes" or "No" if this is the LLC's first year of doing business in California.

Question JJ
Check the applicable box if activities were aggregated for at-risk purposes or grouped for passive activity purposes. Get the instructions for federal Form 1065, under At-Risk Limitations and Grouping Activities, for more information.

Question KK – Do Not Round Cents to Dollars
On line (3), do not round cents to the nearest whole dollar. Enter the amounts with dollars and cents as actually remitted.

Single Member LLC Information and Consent
Complete all requested information and provide the identification number of the entity (Federal TIN/SSN or FEIN/CA Corp no./CA SOS File no.) that will report the items of income, deductions, credits, etc., of the disregarded entity. The owner will be responsible for limiting any credits attributable to the disregarded entity. Check the box for the entity type of the ultimate owner of the SMLLC. **Note:** Check exempt organization if the owner is a pension plan, charitable organization, insurance company, or a government entity.

The LLC must treat the failure of the sole owner to sign this consent in the same manner as the failure of a nonresident member to sign form FTB 3832. See the Specific Line Instructions for Schedule T.

If the single member of the LLC signs the consent, only complete Form 568, Side 1, Side 2, Side 3, Side 7 (Schedule IW), and pay the amount due.

Schedules B & K are **required** to be filed if any of the following are met:

- The income or loss amount reported on Schedule B, line 1 or line 3 through line 11, is $3,000,000 or more.
- The "Total distributive income/payment items," Schedule K, line 21a, is greater than or equal to $3,000,000 OR less than or equal to $-3,000,000.

See Instructions for Schedule IW for more information.

Multiple member LLCs will complete the remaining schedules, as appropriate.

Single member LLCs (SMLLCs) **do not** complete form FTB 3832. An SMLLC consents to be taxed under California jurisdiction by signing the Single Member LLC Information and Consent on Form 568. Multiple member LLCs must complete and sign form FTB 3832.

Schedule A – Cost of Goods Sold

California's reporting requirements for LLCs are generally the same as the federal reporting requirements for partnerships. Follow the instructions for federal Form 1125-A, Cost of Goods Sold.

Schedule B – Income and Deductions

Line 1 through Line 12
California's reporting requirements for LLCs classified as partnerships are generally the same as the federal reporting requirements for partnerships.

Follow the instructions for federal Form 1065 and include only trade or business activity income on line 1 through line 12. However, for California tax purposes, business income of the LLC is defined using the rules set forth in R&TC Section 25120. Therefore, certain income that may be portfolio income for federal purposes may be included as business income for California sourcing purposes. **Do not** include rental activity income or portfolio income on these lines. Rental activity income and portfolio income are separately reported on Schedule K (568) and Schedule K-1 (568). Rental real estate activities are also reported on federal Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation. Attach a copy of federal Form 8825 to Form 568. **Use California amounts** and attach a statement reconciling any differences between federal and California amounts.

Use worldwide amounts determined under California law when completing these lines.

Form 568, Schedule B, line 4 through line 11 have been separated to report total gains and total losses. Net amounts are no longer reported. **List total gains and total losses separately, even if listed together on federal forms.** For example, the LLC is required to report a $100 Other Income item and a <$20> Other Loss item. The $100 Other Income item must be reported on line 10 and the <$20> Other Loss item loss must be reported as a negative number on line 11.

Line 6 – Total Farm Profit

Line 7 – Total Farm Loss
Enter on line 6 the LLC's total farm profit from federal Schedule F (Form 1040), Profit or Loss From Farming, line 34, Net farm profit or (loss). Enter on line 7 the LLC's total farm loss from federal Schedule F (Form 1040), line 34. Attach federal Schedule F to Form 568. If the amount includable for California purposes is different from the amount on federal Schedule F, enter the California amount and attach an explanation of the difference.

Line 8 – Total Gain from Schedule D-1

Line 9 – Total Loss from Schedule D-1
Include only ordinary gains or losses from the sale, exchange, or involuntary conversion of assets used in a trade or business activity. Ordinary gains or losses from the sale, exchange, or involuntary conversion of rental activity assets must be reported separately on Schedule K (568) and Schedule K-1 (568), generally as part of the net income (loss) from the rental activity.

An LLC that is a member in another LLC or partner in a partnership must include on Schedule D-1, Sales of Business Property, its share of ordinary gains (losses) from sales, exchanges, or involuntary conversions (other than casualties or thefts) of the other LLC's or partnership's trade or business assets.

Line 13 through Line 22
California's reporting requirements for LLCs are generally the same as the federal reporting requirements for partnerships.

Follow the instructions for federal Form 1065 and include only trade or business activity deductions on line 13 through line 21. Line 21 (Other Deductions) includes repairs, rents and taxes. **Do not** include any rental activity expenses or deductions that are allocable to portfolio income on these lines. Rental activity deductions and deductions allocable to portfolio income are separately reported on Schedule K (568) and Schedule K-1 (568).

Use worldwide amounts determined under California law when completing these lines.

Federal reporting requirements for organization and syndication expenses and uniform capitalization rules apply for California.

For taxable years beginning on or after January 1, 2014, California does not allow a business expense deduction for any fine or penalty paid or incurred by an owner of a professional sports franchise assessed or imposed by the professional sports league that includes that franchise. If the LLC deducted the fine or penalty for federal purposes, do not include the deduction for California purposes.

Claim of Right. To claim the deduction, enter the amount on line 21. If you elect to take the credit instead of the deduction, remember to use the California tax rate and add the credit amount to the total on line 12, Total payments (Form 568, Side 1). To the left of this total, write "IRC 1341" and the amount of the credit.

Line 17a – Depreciation and Amortization
Enter on line 17a, only the total depreciation and amortization claimed on assets used in a trade or business activity. Complete and attach form FTB 3885L, Depreciation and Amortization, to figure depreciation and amortization. Transfer the total from form FTB 3885L, line 6, to Form 568, Side 4, line 17a, or federal Form 8825, as appropriate (use California amounts).

Do not include any expense deduction for depreciable property (IRC Section 179) on this line. This expense is not deducted by the LLC. Instead, the expense is passed through separately to the members and is reported on line 12 of Schedule K (568) and Schedule K-1 (568).

Schedule T – Nonconsenting Nonresident Members' Tax Liability

Use Schedule T to compute the nonconsenting nonresident members' tax liability to be paid by the LLC. List the names and identification numbers of all nonresident members who have not signed a form FTB 3832 or a nonresident single member who has not signed the SMLLC Information and Consent on Side 3 of Form 568, and have not consented to be subject to California tax. Also, list the nonresident members' distributive share of income.

To compute the amount of tax that must be paid by the LLC on behalf of a nonconsenting nonresident member, multiply such member's distributive share of income by the following rates:

- 8.84% if the member is a C corporation.
- 12.3% if the member is an individual, partnership, LLC, estate, or trust.
- 1.5% if the member is an S corporation.

Each member's Nonconsenting Nonresident Members' Tax may be reduced by the amount of tax previously withheld under R&TC Section 18662 and paid by the LLC on behalf of such member.

Multiply column (c) by column (d) and put the result in column (e) for each nonconsenting nonresident member. Reduce column (e) by the amount in column (f) and put the net amount in column (g) for each nonconsenting nonresident member. Column (g) cannot be less than zero.

The tax being paid by the LLC on behalf of nonconsenting nonresident members is due by the original due date of the return.

Reminder: All members must file a California tax return. The completion of Schedule T or form FTB 3832 does not satisfy the member's California filing requirement. Corporate members are also considered doing business in California and may have additional filing requirements. For additional information get FTB Pub. 1060, Guide for Corporations Starting Business in California. Nonresident individuals may qualify to file a group Form 540NR and should get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR.

Schedule L – Balance Sheets

If Question 4a through Question 4c on federal Form 1065, Schedule B, are all answered "Yes" and the LLC has 10 or fewer members, the LLC is not required to complete Schedules L, M-1, M-2, or Item G on Side 1 of Form 568 or Item K on Schedule K-1 (568).

California's reporting requirements for LLCs classified as partnerships, are the same as the federal reporting requirements for partnerships. The amounts reported on the balance sheet should agree with the books and records of the LLC and should include all amounts whether or not subject to taxation. Attach a statement explaining any differences between federal and state amounts or the balance sheet and the LLC's books and records. Follow the instructions for federal Form 1065, Schedule L.

Schedule M-1 – Reconciliation of Income (Loss) per Books With Income (Loss) per Return, and Schedule M-2 – Analysis of Members' Capital Accounts

If the LLC is required to complete Schedule M-1 and Schedule M-2, the amounts shown should agree with the LLC's books and records and the balance sheet amounts. Attach a statement explaining any differences.

Use worldwide amounts determined under California law when completing Schedule M-1. Also, the amounts on Schedule M-2 should equal the total of the amounts reported in Item K, columns (c), (d), and (e), of all the members' Schedules K-1 (568). If the sum of all members' schedules K-1 do not equal the corresponding M-2 lines attach a statement explaining the difference.

Net Income (Loss) Reconciliation for Certain LLCs. For taxable years beginning on or after January 1, 2014, the IRS allows LLCs with at least $10 million but less than $50 million in total assets at tax year end to file Schedule M-1 (Form 1065) in place of Schedule M-3 (Form 1065), Parts II and III. However, Schedule M-3 (Form 1065), Part I, is required for these LLCs. **For California purposes**, the LLC must complete the California Schedule M-1, **and** attach either of the following:

- A copy of the federal Schedule M-3 (Form 1065) and related attachments to the California Limited Liability Company Return of Income.
- A complete copy of the federal return.

The FTB will accept the federal Schedule M-3 (Form 1065) in a spreadsheet format if more convenient.

Schedule O – Amounts from Liquidation Used to Capitalize a Limited Liability Company

Complete Schedule O if "initial return" is checked in Question H of Form 568.

Schedule O is a summary of the entities liquidated to capitalize the LLC and the amount of gains recognized in such liquidations.

Include the complete names and identification numbers of all entities liquidated. Check the appropriate box for the type of entity liquidated. Include the amount of liquidation gains recognized in order to capitalize the LLC.

Schedule K (568) and Schedule K-1 (568) – Member's Share of Income, Deductions, Credits, etc.

Purpose of Schedules
Schedule K (568) is a summary schedule for the LLC's income, deductions, credits, etc. and Schedule K-1 (568) shows each member's distributive share. The line items for both of these schedules are the same unless otherwise noted.

One copy of each Schedule K-1 (568) must be attached to the Form 568 when it is filed.

Be sure to give each member a copy of their respective Schedule K-1 (568). The LLC should also include a copy of the Member's Instructions for Schedule K-1 (568) or specific instructions for each item reported. These items should be provided to the member on or before the due date of the Form 568.

Refer to the Schedule K Federal/State Line References chart, in this booklet, and Specific Line Instructions when completing California Schedule K (568) and Schedule K-1 (568).

Other Loan Forgiveness
Under federal law, the CAA, 2021 allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision, with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, enter the total amount of those expenses deducted on the applicable line(s) as a column (c) adjustment.

Paycheck Protection Program Loans Forgiveness
Under federal law, the CAA, 2021 allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, enter that amount on the applicable line(s) as a column (c) adjustment.

Also, the ARPA expands PPP eligibility to include "additional covered nonprofit entities" which includes certain Code 501(c) nonprofit organizations and Internet-only news publishers and Internet-only periodical publishers. California law does not conform to this expansion of PPP eligibility. If you met the PPP eligibility requirements and excluded the amount from gross income for federal purposes, enter that amount on the applicable line(s) as a column (c) adjustment.

Shuttered Venue Operator Grant
Under federal law, the CAA, 2021 allows deductions for eligible expenses paid for with grant amounts. California law conforms to this federal provision, with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, enter the total amount of those expenses deducted on the applicable line(s) as a column (c) adjustment.

Special Reporting for R&TC Section 41
Beginning in taxable year 2020, partners, members, shareholders, or beneficiaries of pass-through entities conducting a commercial cannabis activity licensed under the California Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) should file form FTB 4197, Information on Tax Expenditure Items. The FTB uses information from form FTB 4197 for reports required by the California Legislature.

If the LLC conducted a commercial cannabis business activity licensed under the California MAUCRSA, or received flow-through income from another pass-through entity in that business, attach a schedule to the Schedule K-1 (568) showing the breakdown of the following information:

- The member's share of total deductions related to the cannabis business, including deductions from Ordinary Income.
- The member's share of total credits related to the cannabis business.

Get form FTB 4197 for more information.

Schedule K (568) Only
Disregarded entities – Schedule K is only required to be filed if any of the following is met:

- The income or loss amount reported on Schedule B, line 1 or line 3 through line 11, is $3,000,000 or more.
- The "Total distributive income/payment items," Schedule K, line 21a, is greater than or equal to $3,000,000 OR less than or equal to $-3,000,000.

If Schedule K (568) is required to be filed, prepare Schedule K by entering the amount of the corresponding Member's share of Income, Deductions, Credits, etc. attributable to the activities of the disregarded entity from the Member's federal Form 1040 or 1040-SR including Schedule B, Interest and Ordinary Dividends, Schedule C, Profit or Loss from Business (Sole Proprietorship), Schedule D, Capital Gains and Losses, Schedule E, Supplemental Income and Loss, and Schedule F, federal Schedule K, or federal Form 1120 or 1120S, of the owner.

In column (b) on Schedule K (568), Members' Shares of Income, Deductions, Credits, etc., enter the amounts from federal Schedule K (1065), Partners' Distributive Share Items.

In column (c), enter the adjustments resulting from differences between California and federal law (not adjustments related to California source income). In column (d), enter the worldwide income computed under California law.

For members to comply with the requirements of IRC Section 469, trade or business activity income (loss), rental activity income (loss), and portfolio income (loss) must be considered separately by the member. Rental activity income (loss) and portfolio income (loss) are not reported on Form 568, Side 4 so that these amounts are not combined with trade or business activity income (loss). Use Schedule K, lines 2, 3, 5, 6, 7, 8, 9, and 11a to report these amounts.

Compliance with LLC Filing Requirements
To help ensure the accurate and timely processing of the LLC's Form 568, verify the following:

- A Schedule K-1 (568) has been attached to Form 568 for each member included on Form 568, Side 2, Question K. LLCs eligible for the reduced filing program, see General Information D, Who Must File.
- The attached Schedule K-1 (568) contains the member's correct name, address, and identifying number.
- Items A through K are completed on Schedule K-1 (568).
- The appropriate entity type box on Schedule K-1 (568), Side 1, Question A, is checked for each member.
- All attached Schedules K-1 (568) reconcile to Schedule K.
- The member's percentage, on Schedule K-1 (568), Question C, is expressed in decimal format and carried to four decimal places (i.e., 33.5432). Do not print fractions, percentage symbols (%), or use terms such as "**Various**" or "**Formula**".
- Substitute computer-generated Schedule K-1 (568) forms **must** be approved by the FTB.

Schedule K-1 (568) Only
The Schedule K-1 (568) details each member's distributive share of the LLC's income, deductions, credits, etc. The LLC completes the entire Schedule K-1 (568) by filling out the member's and LLC's information (name, address, identifying numbers), Questions A through K and the member's distributive share of items.

For members with PMB addresses, include the designation number in the member's address area. Precede the number (or letter) with "PMB."

For each individual member, enter the member's social security number (SSN) or Individual Taxpayer Identification Number (ITIN). For all other members enter their FEIN. However, if a member is an individual retirement arrangement (IRA), enter the identifying number of the custodian of the IRA. **Do not** enter the SSN or ITIN of the person for whom the IRA is maintained.

The LLC files one California Schedule K-1 (568) for each member with the LLC return and gives one copy to the appropriate member. **Do not** attach federal Schedules K-1 (1065). The LLC should also provide each member with a copy of either the Member's Instructions for Schedule K-1 (568) or specific instructions for each item reported.

Determining the Source of the LLC's Income for a Resident Member
A resident member should include the entire distributive share of LLC income in their California income. If the LLC apportions its income, the member may be entitled to a tax credit for taxes paid to other states. The member should be referred to the California Schedule S, Other State Tax Credit, for more information.

Determining the Source of the LLC's Income for a Nonresident Member

Business Income: Regardless of the classification of income for federal purposes, the LLC's income from California sources is determined in accordance with California law (Cal. Code Regs., tit. 18 section 17951-4).

The California source income from a trade or business of a Nonresident Member is determined as follows:

- A trade or business wholly within California, then income from that trade or business is California source income;
- A business within and outside California, but the part within the state is so separate and distinct that it can be separately accounted for, then only that separate income from within the state is California source income; or
- A single trade or business within and outside California, then California source business income of that trade or business is determined by apportionment.

The LLC should apportion business income using the Uniform Division of Income for Tax Purposes Act (R&TC Sections 25120 through 25139). Special rules apply if the LLC has nonbusiness income.

Nonbusiness Income: Nonbusiness income attributable to real or tangible personal property (such as rents, royalties, or gains or losses) located in California is California source income (Cal. Code Regs., tit. 18 section 17951-3 and R&TC Sections 25124 and 25125). Enter this information on the appropriate line of Schedule K-1 (568). If the LLC believes it may have a unitary member, the information for that member should also be entered in Schedule K-1 (568), Table 2, Part B, for that member.

The source of nonbusiness income attributable to intangible property depends upon the member's state of residence or commercial domicile. Individuals generally source this income to their state of residence and corporations to their commercial domicile, R&TC Sections 17951 through 17955.

Because the determination of the source of intangible nonbusiness income must be made at the member level, this income is not entered on Schedule K-1 (568), column (e). It is only entered in Table 1.

Completing Schedule K-1 (568)

Questions A through K
See the instructions for federal Form 1065, Specific Instructions, Schedule K-1 Only, Part II, Information About the Partner, for more information on completing Question A through Question K.

Question A, Schedule K-1 (568)
Check the appropriate box to indicate the member's entity type. Exempt organizations should check the exempt organization box regardless of legal form.

If the member is a Disregarded Entity (DE) check the DE box and enter the DE owner's name and TIN.

Question B, Schedule K-1 (568)
Check the appropriate box to indicate whether this member is foreign or not.

Question C, Schedule K-1 (568)
Percentages must be 4 to 7 characters in length and have a decimal point before the final 4 characters. For example, 50% is represented as 50.0000, 5% as 5.0000, 100% as 100.0000. **Do not** enter a fraction, the percentage symbol (%), or the term ''**Various**" or "**Formula**".

Question D, Schedule K-1 (568)
For more information on completing Question D, get the instructions for federal Form 1065, Specific Instructions, Schedule K-1 Only, Part II, Information About the Partner.

Question E, Schedule K-1 (568)
Enter the reportable transaction number, and/or the tax shelter registration number if applicable. See instructions for Form 568, Question V, for more information.

Question F(1), Schedule K-1 (568)
If the "YES" box is checked on Form 568, Question T, then check the box for Question F(1) on Schedule K-1 (568).

Question F(2), Schedule K-1 (568)
If the "YES" box is checked on Form 568, Question L, then check the box for Question F(2) on Schedule K-1 (568).

Question G(1), Schedule K-1 (568)
If the LLC is filing a final year tax return, check the "Final Return" box on Form 568, Side 1, Item H(2), and check the "A final Schedule K-1 (568)" box for Item G(1) on Schedule K-1 (568). Attach a statement that explains the reason for the termination, or liquidation of the limited liability company.

Question I, Schedule K-1 (568)
Check the appropriate box to indicate whether the member contributed property with a built-in gain or loss during the tax year. If the "Yes" box is checked, attach a statement that contains the following information. For more information, get the Instructions for federal Form 1065.

Question J, Schedule K-1 (568)
The LLC should report the member's share of net unrecognized section 704(c) gains or losses, both at the beginning and at the end of the LLC's tax year. For more information, get the Instructions for federal Form 1065.

Question K, Schedule K-1 (568)
Beginning in taxable year 2021, all LLCs must report members' capital accounts according to the tax basis method using California amounts on California Schedule K-1 (568). Current year net income/loss and other increases/decreases are now separately reported in columns (c) and (d), respectively. For more information on member tax basis capital account reporting, get the Instructions for the federal Form 1065, Specific Instructions, Schedule K-1 Only, Part II, Information about the Partner, Item L.

Completing Member's Distributive Share, Column (b) through Column (e)

- **In column (b)**, enter the amounts from federal Schedule K-1 (1065).
- **In column (c)**, enter the adjustments resulting from differences between California and federal law for each specific line item.
- **In column (d)**, enter the result of combining column (b) and column (c). This is total income under California law.

Column (e) is used to report California source or apportioned amounts and credits. Include the following items in this column:

For Individuals:

1. Income from separate businesses, trades, or professions conducted wholly within California, Cal. Code Regs., tit. 18 section 17951-4(a).
2. Income from a trade or business conducted within and outside California, when the part of business conducted within California can be separately accounted for, Cal. Code Regs., tit. 18 section 17951-4(b).
3. Nonbusiness income from real and tangible property located in California. Enter the member's share of nonbusiness income from real and tangible property located in California in column (e).
4. Income from a trade or business conducted within and outside California. Enter the amount of business income apportioned to California according to Schedule R. This includes intangible income attributable to the business, trade, or profession, Cal. Code Regs., tit. 18 section 17951-4(d) and R&TC Sections 25128 through 25137. Business income of an apportioning trade or business, other than an apportioning trade or business described in R&TC Section 25128(b), is apportioned to this state by multiplying the business income by the sales factor. Apportioning LLCs should complete Schedule R and attach it to Form 568.
5. California credits.

For Corporations and Other Business Entities:

1. Income from a trade or business conducted within and outside California. See #4 above For Individuals.
2. Nonbusiness income from real and tangible property located in California. Enter the member's share of nonbusiness income from real and tangible property located in California in column (e). If the LLC believes it may have a unitary member, enter this income in Table 2, Part B.
3. California credits.

For all members, nonbusiness income from intangible property should not be entered in column (e). Enter this income in Table 1. For more information, see Member's Instructions for Schedule K-1 (568).

Column (d) and Column (e): Schedule K-1 (568), column (d), includes the member's distributive share of total LLC income, deductions, gains, or losses under California law. Column (e) includes only income, deductions, gains or losses that are apportioned or sourced to California. The computation of these amounts is a matter of law and regulation. The residency of the member is not a factor in the computation of amounts to be included in column (d) and column (e).

For an LLC that is doing business wholly within California, column (e) will generally be the same as column (d), except for nonbusiness intangible income (for example, nonbusiness interest, dividends, gain, or loss from sales of securities).

For an LLC that is doing business within and outside California, the amounts in column (d) and column (e) may be different.

If the LLC knows the member is a resident individual, then the LLC answers "Yes" to Question H on Schedule K-1 (568), and completes column (d), only. Otherwise, the LLC should complete column (e) for all other members.

Completing Table 1
Complete Table 1 only if the LLC has nonbusiness intangible income. If the LLC has nonbusiness intangible income, and knows that the member is a resident individual, then the LLC does not need to complete Table 1 for the member.

Completing Table 2
The LLC will complete Table 2, Parts A to C for unitary members and Table 2 Part C for all non-unitary members. Table 2 does not need to be completed for non-unitary individuals.

The LLC will complete Table 2, Part C to report the member's distributive share of property, payroll and sales **Total within California**.

The members will use Table 2, Part C to determine if they meet threshold amount of California property, payroll and sales for doing business threshold in California. See General Information A, Important Information, regarding Doing Business for more information.

Special Rules for Members and LLCs in a Single Unitary Business
Special rules apply if the LLC and a member are engaged in a single unitary business. In that case, a unitary member will not use the income information shown in column (e). Instead, the member's distributive share of business income is combined with the member's own business income. The combined business income is apportioned using an apportionment formula that consists of an aggregate of the member's share of the apportionment factors from the LLC and the member's own apportionment factors, Cal. Code Regs., tit. 18 section 25137-1. The determination of whether a single sales factor or 3-factor apportionment formula applies to the combined income will be made at the member level. The member's distributive share of business income and property, payroll, and sales factors are entered in Table 2.

If the LLC knows that all of the members are unitary with the LLC, the LLC need not complete column (e) or attach Schedule R. For further information, see Member's Instructions for Schedule K-1 (568).

Special Rules for Members and LLC in a Non-Unitary Business
If the apportioning trade or business conducted by a member is not unitary with the apportioning trade or business of the LLC, the LLC apportions its business income separately using Schedules R-1, R-2, R-3, and R-4 only. The different items of business income as apportioned to California are entered in column (e).

Special Reporting Requirements for Passive Activities
If items of income (loss), deduction, or credit from more than one activity are reported on Schedule K-1 (568), the LLC must attach a statement to Schedule K-1 (568) for each activity that is a passive activity to the member. Rental activities are passive activities to all members; trade or business activities may be passive activities to some members. The attachment must include all the information explained in the instructions for federal Schedule K-1 (1065).

Specific Line Instructions

The California Schedule K (568) generally follows the federal Schedule K (1065). Where California and federal laws are the same, the instructions for California Schedule K (568) refer to the instructions for federal Schedule K (1065).

When completing the California Schedule K (568) and Schedule K-1 (568), refer to the Schedule K Federal/State Line References chart (included in this booklet).

Line 1 through Line 11
See the instructions for federal Form 1065, Specific Instructions Schedules K and K-1, and Schedule K-1 (568) Income (Loss), line 1 through line 11. Form 568, Schedule K and Schedule K-1 lines 10a and 10b have been separated to report total gains and total losses, and lines 11b and 11c have been separated to report total other income and losses. Net amounts are no longer reported. For example, the partnership is required to report a $100 IRC Section 1231 gain item and a <$60> IRC Section 1231 loss item. The $100 IRC Section 1231 gain item must be reported on line 10a and the <$60> IRC Section 1231 loss item must be reported as a negative number on line 10b.

Energy conservation rebates, vouchers, or other financial incentives are excluded from income.

Schedule K (568) must include all income and losses from the LLC activities as determined under California laws and regulations. Any differences reported between the federal and California amounts should be related to differences in the tax laws. **Do not** apply the apportionment formula to the income or losses on Schedule K (568).

California Venues Grant. For taxable years beginning on or after September 1, 2020 and before January 1, 2030, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Venues Grant Program that is administered by CalOSBA. Federal law has no similar exclusion. Enter the amount of this type of income on line 11b, column (c).

Qualified Opportunity Zone Funds. The TCJA established Opportunity Zones. IRC Sections 1400Z-1 and 1400Z-2 provide a temporary deferral of inclusion of gross income for capital gains reinvested in a qualified opportunity fund, and exclude capital gains from the sale or exchange of an investment in such funds. California **does not** conform to the deferral and exclusion of capital gains reinvested or invested in federal opportunity zone funds under IRC Sections 1400Z-1 and 1400Z-2, and has no similar provisions. If, for California purposes, gains from investment in qualified opportunity zone property had been included in income during previous taxable year, do not include the gain in the current year income.

Wildfire Disaster Settlement Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any qualified amount received from a settlement entity in connection with a qualified wildfire disaster in California. If any qualified amount was included for federal purposes, exclude that amount for California purposes on line 11b, column (c).

Chiquita Canyon Elevated Temperature Landfill Event Exclusion. California law allows an exclusion from gross income for any Chiquita Canyon elevated temperature landfill event payment amount received by a taxpayer. If any qualified amount was included for federal purposes, exclude that amount for California purposes on line 11b, column (c).

Wildfire Mitigation Payment. California law allows a qualified taxpayer an exclusion from gross income for any amount received as a California qualified wildfire loss mitigation payment through the California Wildfire Mitigation Financial Assistance Program. If any qualified amount was included for federal purposes, exclude that amount for California purposes on line 11b, column (c).

Kincade Wildfire Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any qualified amount received in a settlement from PG&E Company or its subsidiary relating to the 2019 Kincade Fire. If any amount was included for federal purposes, exclude the amount for California purposes on line 11b, column (c).

Zogg Wildfire Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any qualified amount received in a settlement from PG&E Company or its subsidiary relating to the 2020 Zogg Fire. If any amount was included for federal purposes, exclude the amount for California purposes on line 11b, column (c).

Thomas and Woolsey Wildfires Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any amount received in settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire. If any amount was included for federal purposes, exclude that amount for California purposes on line 11b, column (c).

Fire Victims Trust Exclusion. California law allows a qualified taxpayer an exclusion from gross income for any amount received from the Fire Victims Trust. If any amount was included for federal purposes, exclude that amount for California purposes on line 11b, column (c).

Turf replacement water conservation program. California law allows an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, local government, or state agency for participation in a turf replacement water conservation program. If any amount was included for federal purposes, exclude that amount for California purposes on line 11b, column (c).

Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant. California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program that is established by Section 12100.975 of the Government Code. If any amount was included for federal purposes, exclude that amount for California purposes on 11b, column (c).

Financial Incentive for Seismic Improvement. California law allows an income exclusion for loan forgiveness, grants, credits, rebates, vouchers, or other financial incentive issued by the California Residential Mitigation Program or California Earthquake Authority to assist a residential property owner or occupant with expenses paid, or obligations incurred, for earthquake loss mitigation. If any amount was included for federal purposes, exclude that amount for California purposes on line 11b, column (c).

IRC Section 951A income. California **does not** conform to IRC Section 951A. If, for federal purposes, global intangible low-taxed income (GILTI) was included make an adjustment on line 11b, column (c).

Small Business COVID-19 Relief Grant Program. California allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the COVID-19 Relief Grant under Executive Order No. E 20/21-182 and the California Small Business COVID-19 Relief Grant Program established by Section 12100.83 of the Government Code. If any amount was included for federal purposes, exclude that amount for California purposes.

Line 1, column (c)
An adjustment to increase the business income of a service LLC to reflect the guaranteed payment deduction adjustment required by Cal. Code Regs., tit. 18 section 17951-4(g) should be made here.

Line 10a and Line 10b
Enter on lines 10a and 10b the amounts shown on Schedule D-1, line 7. **Do not** include specially allocated ordinary gains and losses, or net gains (losses) from involuntary conversions due to casualties or thefts on this line. Instead, report them on line 11b or 11c, along with a schedule and explanation.

If the LLC has more than one activity and the amount on line 10a or line 10b is a passive activity amount to the member, attach a statement to Schedule K-1 (568), that identifies the activity to which IRC Section 1231 gain (loss) relates.

Deductions

Line 12 through Line 13
See the instructions for federal Form 1065, Specific Instructions Schedules K and K-1, and Schedule K-1 (568), Deductions, line 12 and line 13a through line 13f.

IRC Section 179 expense deductions are subject to different rules for California. See instructions for form FTB 3885L.

Line 13a and 13b Contributions
Enter on lines 13a and 13b the total amount of charitable cash contributions and charitable noncash contributions made by the LLC during its taxable year on Schedule K (568) and each member's distributive share on Schedule K-1 (568). Attach an itemized list to both schedules that show the amount subject to the 50%, 30%, and 20% limitations.

For taxable years beginning after December 31, 2017, and before January 1, 2026, the 50% limitation under IRC Section 170(b) for cash contributions to public charities and certain private foundations is increased to 60% for federal purposes. California does not conform. The limitation for California is 50%.

Members are allowed a deduction for contributions to qualified organizations as provided in IRC Section 170. California law conforms to the federal law, relating to the denial of the deduction for lobbying activities, club dues, and employee remuneration in excess of one million dollars.

California conforms to IRC Section 170(f)(8) substantiation requirement for charitable contributions.

For taxable years beginning on or after January 1, 2017, and before January 1, 2028, do not include any amounts taken into account for the College Access Tax credit as a contribution deduction on line 13a.

Line 13c – Investment Interest Expense
This line must be completed whether or not a member is subject to the investment interest rules. Enter the interest paid or accrued to purchase or carry property held for investment. Property held for investment includes property that produces portfolio income (interest, dividends, annuities, royalties, etc.). Therefore, interest expense allocable to portfolio income should be reported on line 13c of Schedule K (568) and Schedule K-1 (568) rather than line 13e of Schedule K (568) and Schedule K-1 (568).

Property held for investment includes a member's interest in a trade or business activity that is not a passive activity to the LLC and in which the member does not materially participate. An example would be the rule concerning a member's working interest in an oil and gas property (i.e., the member's interest is not limited if the member does not materially participate in the oil and gas activity). Investment interest does not include interest expense allocable to a passive activity. For more information get form FTB 3526, Investment Interest Expense Deduction.

Line 14
The information reported on line 14 of the federal Schedule K (1065), and box 14 of the federal Schedule K-1 (1065), does not apply to California and therefore there is no line 14.

Credits

California line numbers are different from federal line numbers in this section.

Line 15a – Total Withholding
Add the total amounts on all member's Schedule K-1 (568). If taxes were withheld by the LLC or if there is a pass-through withholding credit from another entity or backup withholding, the LLC must provide each affected member (including California residents) a completed Form 592-B. Members must attach Form 592-B to the front of their California tax return to claim the withheld amounts. Schedule K-1 (568) may **not** be used to claim this withholding credit.

Line 15b through Line 15d
These lines relate to rental activities. Use line 15f to report credits related to trade or business activities.

Line 15b – Low-Income Housing Credit
A credit may be claimed by owners of residential rental projects providing low-income housing (IRC Section 42). Generally, the credit is effective for buildings placed in service after 1986. Get form FTB 3521, Low-Income Housing Credit, for more information.

Line 15c – Credits Other Than Line 15b Related to Rental Real Estate Activities
Report any information that the members need to figure credits related to a rental real estate activity, other than the low-income housing credit. Attach to each member's Schedule K-1 (568) a statement showing the amount to be reported and the applicable form on which the amount should be reported.

Line 15d – Credits Related to Other Rental Activities
Use this line to report information that the members need to figure credits related to a rental activity. Attach to each member's Schedule K-1 (568) a statement showing the amount to be reported and the applicable form on which the amount should be reported.

Line 15e – Nonconsenting Nonresident Member's Tax Paid by LLC, Schedule K-1 (568) only
If income tax was paid by the LLC on behalf of a nonresident member who did not sign form FTB 3832, the amount paid is entered on the member's Schedule K-1 (568), line 15e. This is not a distributive share item, it is only reported on the specific nonresident member's Schedule K-1. Members must attach a copy of Schedule K-1 (568) to their California income tax return to claim the tax paid by the LLC on their behalf.

If income tax was paid by an LLC on behalf of a member that is an LLC and form FTB 3832 is not signed on behalf of the member LLC, the amount paid by an LLC is entered on the member LLC's Schedule K-1 (568), line 15e. Part of this amount or this entire amount may be reported on Form 568, line 7 (see instructions). Any remaining withholding credit

is allocated to all members according to their LLC interest. Individual members must attach a copy of the following to their California tax return to claim their share of the tax paid by the LLC on behalf of the member LLC:

- The Schedule K-1 (568) previously issued to the member LLC by its LLC
- The Schedule K-1 (568) issued by the member LLC, that paid the LLC tax, to its members.

Line 15f – Other Credits
Attach a schedule showing each member's allocable share of any credit or credit information that is related to a trade or business activity.

Credits that may be reported on line 15f (depending on the type of activity they relate to) include:

- California Competes Tax Credit. Get form FTB 3531.
- California Motion Picture and Television Production. Get form 3541.
- Cannabis Equity Tax Credit. Get form FTB 3821.
- College Access Tax Credit. Get form FTB 3592.
- Disabled Access Credit for Eligible Small Businesses. Get form FTB 3548.
- Donated Agricultural Products Transportation Credit. Get form FTB 3547.
- High-Road Cannabis Tax Credit. Get form FTB 3820.
- Homeless Hiring Credit. Get form FTB 3831.
- Natural Heritage Preservation Credit. Get form FTB 3503.
- New California Motion Picture and Television Production Credit. Get form FTB 3541.
- New Donated Fresh Fruits or Vegetables Credit. Get form FTB 3814.
- New Employment Credit. Get form FTB 3554.
- Pass-Through Entity Elective Tax Credit. The PTE Elective Tax Credit is not a pass-through item, but should still be reported on Schedule K-1 (568), line 15f and attached schedule. Get form FTB 3804-CR.
- Prison Inmate Labor Credit. Get form FTB 3507.
- Program 3.0 California Motion Picture and Television Production Credit. Get form FTB 3541.
- Program 4.0 California Motion Picture and Television Production Credit. Get form FTB 3541.
- Research Credit. Get form FTB 3523.
- Soundstage Filming Credit. Get form FTB 3541.
- State Historic Rehabilitation Credit. Get form FTB 3835.

All credit forms are available at **ftb.ca.gov/forms**.

The Other Credits line may also include the distributive share of net income taxes paid to other states by the LLC. Subject to limitations of R&TC Sections 18001 and 18006, members may claim a credit against their individual income tax for net income taxes paid by the LLC to another state. The amount of tax paid must be supported by a schedule of payments and evidence of tax liability by the LLC to the other states. Refer the members to California Schedule S for more information.

Line 16
The information reported on line 16 of the federal Schedule K (1065) and box 16 of the federal Schedule K-1 (1065), Foreign Transactions, do not apply to California and therefore there is no line 16.

Alternative Minimum Tax (AMT) Items

Line 17a through Line 17f
Enter each member's distributive share of income and deductions that are adjustments and tax preference items. Get Schedule P (100, 100W, 540, 540NR, or 541), Alternative Minimum Tax and Credit Limitations, to determine amounts and for other information.

California law conforms to the federal law eliminating the deduction for contributions of appreciated property as an item of tax preference. As a result, taxpayers no longer need to include in their computation of Alternative Minimum Taxable Income the amount by which any allowable deduction for contributions of appreciated property exceeds the taxpayer's adjusted basis in the contributed property.

For additional information, see instructions for federal Schedule K (1065), Alternative Minimum Tax (AMT) Items, line 17a through line 17f. For differences between federal and California law for alternative minimum tax (AMT), see R&TC Section 17062.

Tax-Exempt Income and Nondeductible Expenses

Line 18a through Line 18c – Tax-exempt Income and Nondeductible Expenses
Enter on Schedule K (568), the amounts of tax-exempt interest income, other tax-exempt income, and nondeductible expenses from federal Schedule K (1065), lines 18a, 18b, and 18c. Enter on Schedule K-1 (568), the amounts of tax-exempt income, other tax-exempt income, and nondeductible expenses, from federal Schedule K-1 (1065), box 18. The LLC should give each member a description and the amount of the member's share for each item applicable to California in this category.

Distributions

Line 19a and Line 19b – Distributions
Enter on Schedule K (568), the amounts of cash and marketable securities, and other property from federal Schedule K (1065), line 19a and line 19b. Enter on Schedule K-1 (568), the amounts of cash and marketable securities, and other property from federal Schedule K-1 (1065), box 19.

Other Information

Line 20a and line 20b – Investment Income and Investment Expenses
These lines must be completed whether or not a partner is subject to the investment interest rules.

Enter on line 20a only the investment income included on line 5, line 6, line 7, and line 11a of Schedule K (568) and Schedule K-1 (568). Enter on line 20b only investment expenses included on line 13e of Schedule K (568) and Schedule K-1 (568).

If items of investment income or expenses are included in the amounts that are required to be passed through separately to the member on Schedule K-1 (568), items other than the amounts included on line 5 through line 9, line 11a, and line 13e of Schedule K-1 (568), give each member a statement identifying these amounts.

Investment income includes gross income from property held for investment, gain attributable to the disposition of property held for investment, and other amounts that are gross portfolio income. Investment income and investment expenses generally do not include any income or expenses from a passive activity.

Property subject to a net lease is not treated as investment property because it is subject to the passive loss rules. **Do not** reduce investment income by losses from passive activities.

Investment expenses are deductible expenses (other than interest) directly connected with the production of investment income. Get the instructions for form FTB 3526 for more information.

Line 20c – Other Information
Enter the recaptured amount if the LLC completed the credit recapture portion for any of the following forms:

- FTB 3835, State Historic Rehabilitation Tax Credit
- FTB 3531, California Competes Tax Credit –Enter only the recaptured amount used. Get the instructions for form FTB 3531, Part III,Credit Recapture, for more information.
- FTB 3554, New Employment Credit

See the instructions for the federal Schedule K (1065), line 20c, Other Items and Amounts. For credit recaptures attach a schedule including credit recapture names and amounts.

The gain on property subject to the IRC Section 179 Recapture should be reported on the Schedule K as supplemental information as instructed on the federal Form 4797.

The LLC must provide all of the following information with respect to a disposition of business property if an IRC Section 179 expense deduction was claimed in prior years:

a. Description of the property.
b. Date the property was acquired.
c. Date the property was sold.
d. Gross sales price.
e. Cost or other basis plus expense of sale (not including the LLC's basis reduction in the property due to IRC Section 179 expense deduction).

f. Depreciation allowed or allowable (not including the IRC Section 179 expense deduction).
g. Amount of IRC Section 179 expense deduction (if any) passed through to each member for the property and the LLC's taxable year(s) in which the amount was passed through.
h. An indication if the disposition is from a casualty or theft.
i. If this is an installment sale, any information needed to complete form FTB 3805E.

Line 21 - More Than One At-Risk Activity, Schedule K-1 (568) only
If the LLC conducted more than one at-risk activity, the LLC is required to provide certain information separately for each at-risk activity to its members. Get the Instructions for federal Form 1065, Specific Instructions, Schedule K and Schedule K-1, Part III, Line 22.

Line 22 - More Than One Passive Activity, Schedule K-1 (568) only
If the LLC conducted more than one activity (determined for purposes of the passive activity loss and credit limitations), the LLC is required to provide information separately for each activity to its members. Get the Instructions for federal Form 1065, Specific Instructions, Schedule K and Schedule K-1, Part III, Line 23.

Supplemental Information
The LLC may need to report supplemental information that is not specifically requested on the Schedule K-1 (568) separately to each member. If the LLC has supplemental information not included in lines 1 through 20b, write "See attached" on line 20c, column (b) and column (d) and provide a schedule with the details.

Members may need to obtain the amount of their proportionate interest of aggregate gross receipts, less returns and allowances, from the LLC.

The gain or loss on property subject to the IRC Section 179 Recapture should be reported on Schedule K-1 as supplemental information as instructed on the federal Form 4797.

The LLC must provide all of the following information with respect to a disposition of business property if an IRC section 179 expense deduction was claimed in prior years:

a. Description of the property.
b. Date the property was acquired.
c. Date the property was sold.
d. The members pro-rata share of the gross sales price.
e. The members pro-rata share of the cost or other basis plus expense of sale (**not** including the entity's basis reduction in the property due to IRC Section 179 expense deduction).
f. The members pro-rata share of the depreciation allowed or allowable (**not** including the IRC Section 179 expense deduction).
g. The members pro-rata share of the amount of IRC 179 expense deduction (if any) passed through to the member for the property and the LLC's taxable year(s) in which the amount was passed through.
h. An indication if the disposition is from a casualty or theft.
i. If this is an installment sale, any information needed to complete form FTB 3805E. The LLC also must separately report the member's pro-rata share of all payments in future taxable years. (Installment payments received for installment sales made in prior taxable years should be reported in the same manner used in prior taxable years).

Alternative minimum taxable income does not include income, positive and negative adjustments, and preference items attributed to any trade or business of a qualified taxpayer who has gross receipts, less returns and allowances, during the taxable year of less than $1,000,000 from all trades or businesses in which the taxpayer is an owner or has an ownership interest. The LLC should provide the member's proportionate interest of aggregate gross receipts on Schedule K-1 (568), line 20c.

For purposes of R&TC Section 17062(b)(4), "aggregate gross receipts, less returns and allowances" means the sum of all of the following:

- The gross receipts of the trades or businesses which the taxpayer owns.
- The proportionate interest of the gross receipts of the trades or businesses which the taxpayer owns.
- The proportionate interest of the pass-through entity's gross receipts in which the taxpayer holds an interest.

"Gross receipts, less returns and allowances" means the sum of the gross receipts from the production of business income, as defined in R&TC Section 25120(a), and the gross receipts from the production of nonbusiness income, as defined in R&TC Section 25120(d).

R&TC Section 25120 was amended to add the definition of gross receipts. For a complete definition of "gross receipts", refer to R&TC Section 25120(f), or go to **ftb.ca.gov** and search for **25120**.

For purposes of this section, "pass-through entity" means a partnership (as defined by R&TC Section 17008), an S corporation, a regulated investment company (RIC), a real estate investment trust (REIT) and a REMIC. See R&TC Section 17062 for more information.

Also show on line 20c a statement noting each of the following:

1. Each member's distributive share of business income apportioned to an EZ, LAMBRA, MEA, or TTA.
2. Each member's distributive share of business capital gain or loss included in 1 above.

Analysis (Schedule K (568) only)

Line 21a and Line 21b
See the federal instructions for Schedule K (1065), Analysis of Net Income (Loss).

Other Member Information (Schedule K-1 (568) only)

Table 1
Enter the member's share of nonbusiness income from intangibles. Because the source of this income must be determined at the member level, do not enter income in this category in column (e). If the income (loss) for an income item is a mixture of income (loss) in different subclasses (for example, short-term and long-term capital gain), attach a supplemental statement providing a breakdown of income (loss) in each subclass.

Enter nonbusiness income from intangibles in Table 1 net of related expenses. **Do not** include expenses offset against nonbusiness income from intangibles in column (e).

Table 2
The LLC will complete Table 2, Parts A to C for unitary members and Table 2, Part C for all non-unitary members. Table 2 does not need to be completed for non-unitary individuals.

The final determination of unity is made at the member level. If the LLC and the member are unitary, or if the LLC is uncertain as to whether it is unitary with the member, it should furnish the information in Table 2.

Part A. Enter the member's distributive share of the LLC's business income. The member will then add that income to its own business income and apportion the combined business income.

"Business income" is defined by Cal. Code Regs., tit. 18 section 25120(a) as income arising in the regular course of the taxpayer's trade or business. Business income includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitutes integral parts of the taxpayer's regular trade or business.

Part B. Enter the member's share of nonbusiness income from real and tangible property that is located in California. Because this income has a California source, this income should also be included on the appropriate line in column (e).

Nonbusiness income is all income other than business income.

Part C. Enter the member's distributive share of the LLC's payroll, property, and sales factors.

The LLC will complete Table 2, Part C to report the member's distributive share of property, payroll and sales **Total within California**.

The members will use Table 2, Part C to determine if they meet threshold amount of California property, payroll and sales for doing business threshold in California. See General Information regarding Doing Business for more information.

Schedule K Federal/State Line References

The following chart cross-references the line items on the federal Schedule K (1065) to the appropriate line items on the California Schedule K (568). For more information, see the Specific Line Instructions for Schedule K (568) in this booklet, and get Schedule K-1 (568), Member's Share of Income, Deductions, Credits, etc.

Federal Schedule K (1065)		CA Schedule K (568)	
Line	**Items**	**Line**	**Items**
1	Ordinary business income (loss)	**1**	Ordinary income (loss) from trade or business activities
2	Net rental real estate income (loss)	**2**	Net income (loss) from rental real estate activities
3a	Other gross rental income (loss)	**3a**	Gross income (loss) from other rental activities
3b	Expenses from other rental activities	**3b**	Less expenses
3c	Other net rental income (loss)	**3c**	Net income (loss) from other rental activities
4a	Guaranteed payments for services	**4a**	Guaranteed payments – Services
4b	Guaranteed payments for capital	**4b**	Guaranteed payments – Capital
4c	Total guaranteed payments	**4c**	Guaranteed payments – Total
5	Interest income	**5**	Interest income
6a	Ordinary dividends	**6**	Dividends
6b	Qualified dividends	**–**	Included in line 6 above
6c	Dividend equivalents	**–**	Not applicable
7	Royalties	**7**	Royalties
8	Net short-term capital gain (loss)	**8**	Net short-term capital gain (loss)
9a	Net long-term capital gain (loss)	**9**	Net long-term capital gain (loss)
9b	Collectibles 28% gain (loss)	**–**	Included in line 8 and line 9 above, as applicable
9c	Unrecaptured section 1250 gain	**–**	Included in line 8 and line 9 above, as applicable
10	Net section 1231 gain (loss)	**10a**	Total gain under IRC Section 1231 (other than due to casualty or theft)
–	Included in line 10 above	**10b**	Total loss under IRC Section 1231 (other than due to casualty or theft)
–	Included in line 11 below	**11a**	Other portfolio income (loss)
11	Other income (loss)	**11b**	Total other income
–	Included in line 11 above	**11c**	Total other loss
12	Section 179 deduction	**12**	Expense deduction for recovery property (IRC Section 179)
13a	Cash contributions	**13a**	Cash contributions
13b	Noncash contributions	**13b**	Noncash contributions
13c	Investment interest expense	**13c**	Investment interest expense
13d	Section 59(e)(2) expenditures: (2) Amount (1) Type	**13d**	1. Total expenditures to which IRC Section 59(e) election may apply 2. Type of expenditures
	Included in line 13e below	**13e**	Deductions related to portfolio income
13e	Other deductions	**13f**	Other deductions
14a-c	Self-employment	**–**	*Not applicable*
15a	Low-income housing credit (section 42(j)(5))	**15a**	Withholding on LLC allocated to all members
15b	Low-income housing credit (other)	**15b**	Low-income housing credit
15c	Qualified rehabilitation expenditures (rental real estate)	**15c**	Credits other than the credit shown on line 15b related to rental real estate activities
15d	Other rental real estate credits	**15d**	Credit(s) related to other rental activities
15e	Other rental credits	**15e**	Nonconsenting nonresident members' tax paid by LLC
15f	Other credits	**15f**	Other credits
16a-b	International transactions	**–**	*Not applicable*
17a	Post-1986 depreciation adjustment	**17a**	Depreciation adjustment on property placed in service after 1986
17b	Adjusted gain or loss	**17b**	Adjusted gain or loss
17c	Depletion (other than oil and gas)	**17c**	Depletion (other than oil and gas)
17d	Oil, gas, and geothermal properties – gross income	**17d**	Gross income from oil, gas, and geothermal properties
17e	Oil, gas, and geothermal properties – deductions	**17e**	Deductions allocable to oil, gas, and geothermal properties
17f	Other AMT items	**17f**	Other alternative minimum tax items
18a	Tax-exempt interest income	**18a**	Tax-exempt interest income
18b	Other tax-exempt income	**18b**	Other tax-exempt income
18c	Nondeductible expenses	**18c**	Nondeductible expenses
19a	Distributions of cash and marketable securities	**19a**	Distributions of money (cash and marketable securities)
19b	Distributions of other property	**19b**	Distributions of property other than money
20a	Investment income	**20a**	Investment income
20b	Investment expenses	**20b**	Investment expenses
20c	Other items and amounts	**20c**	Other information
21	Total foreign taxes paid or accrued	**–**	*Not applicable*

TAXABLE YEAR **2025**

Limited Liability Company Return of Income

CALIFORNIA FORM **568**

For calendar year 2025 or fiscal year beginning (m m / d d / y y y y) and ending (m m / d d / y y y y). RP

Limited liability company name (type or print)

A California Secretary of State (SOS) file number

Additional information

B FEIN

Street address (suite, room, PO box)

PMB no.

City (If the LLC has a foreign address, see instructions.)

State

ZIP code

Foreign country name

Foreign province/state/county

Foreign postal code

E Check accounting method

● **(1)** ☐ Cash **(2)** ☐ Accrual **(3)** ☐ Other (attach explanation)

F Date business started in CA (m m / d d / y y y y)

G Enter total assets at end of year. See instructions.

● $

H Check the applicable box

● **(1)** ☐ Initial return **(2)** ☐ **FINAL RETURN** **(3)** ☐ Amended return **(4)** ☐ Protective claim

I **(1)** During this taxable year, did this LLC acquire control or majority ownership (more than a 50% interest) in another legal entity?

If yes, did the acquired entity(ies) own California real property (i.e., land, buildings), lease such property for a term of 35 years or more, or lease such property from a government agency for any term? **If yes to both questions, answer yes**. . . . . ● ☐ Yes ☐ No

(2) During this taxable year, did another person or legal entity acquire control or majority ownership (more than a 50% interest) of this LLC or any legal entity in which the partnership holds a controlling or majority interest?

If yes, did the acquired entity(ies) own California real property (i.e., land, buildings), lease such property for a term of 35 years or more, or lease such property from a government agency for any term? **If yes to both questions, answer yes**. . ● ☐ Yes ☐ No

(3) Has California real property (i.e., land, buildings) transferred to the LLC that was excluded from property tax reassessment under Revenue and Taxation Code Section 62(a)(2)?

If yes, during this taxable year, has more than 50% of the LLC's ownership interests cumulatively transferred in one or more transactions and it was not reported on a previous year's tax return? **If yes to both questions, answer yes**. . . . . ● ☐ Yes ☐ No

(Yes requires filing of BOE-100-B statement, penalties may apply– see instructions.)

Enclose, but do not staple, any payment.

Complete Schedule IW, LLC Income Worksheet (on Side 7) first to determine line 1.

		Whole dollars only	
1	Total income from Schedule IW, Limited Liability Company Income Worksheet. See instructions	1	00
2	Limited Liability Company fee. See instructions.	2	00
3	2025 annual Limited Liability Company tax. See instructions	3	00
4	Pass-through entity elective tax. See instructions	4	00
5	Nonconsenting nonresident members' tax liability from Schedule T (Side 4)	5	00
6	Partnership level tax. If IRS concluded a centralized audit for this year, see instructions. If not, leave blank.	6	00
7	**Total tax and fee.** Add line 2, line 3, line 4, line 5, and line 6.	7	00
8	Amount paid with form FTB 3537 and 2025 form FTB 3522 and form FTB 3536.	8	00
9	Amounts paid for pass-through entity elective tax	9	00
10	Overpayment from prior year allowed as a credit.	10	00
11	Withholding (Form 592-B and/or 593).	11	00
12	**Total payments.** Add line 8, line 9, line 10 and line 11	12	00
13	**Use tax. This is not a total line.** See instructions.	13	00
14	Payments balance. If line 12 is more than line 13, subtract line 13 from line 12	14	00
15	**Use tax balance.** If line 13 is more than line 12, subtract line 12 from line 13	15	00
16	**Tax and fee due.** If line 7 is more than line 14, subtract line 14 from line 7	16	00
17	**Overpayment.** If line 14 is more than line 7, subtract line 7 from line 14	17	00

		Whole dollars only
18	Amount of line 17 to be credited to 2025 tax or fee	**18** 00
19	**Refund.** If the total of line 18 is less than line 17, subtract the total from line 17	**19** .00
20	Penalties and interest. See instructions	**20** 00
21	**Total amount due.** Add line 15, line 16, line 18, and line 20, then subtract line 17 from the result.	**21** .00

J Principal business activity code (**Do not** leave blank)
Business activity _____ Product or service _____

K Enter the maximum number of members in the LLC at any time during the year. For multiple member LLCs, attach a California Schedule K-1 (568) for each of these members

		Yes	No
L	Is this LLC an investment partnership? See General Information O	☐	☐
M	**(1)** Is this LLC apportioning or allocating income to California using Schedule R?	☐	☐
	(2) If "No," was this LLC registered in California without earning any income sourced in this state during the taxable year?	☐	☐
N	Was there a distribution of property or a transfer (for example, by sale or death) of an LLC interest during the taxable year?	☐	☐
P	**(1)** Does the LLC have any foreign (non-U.S.) nonresident members?	☐	☐
	(2) Does the LLC have any domestic (non-foreign) nonresident members?	☐	☐
	(3) Were Form 592, Form 592-A, Form 592-B, Form 592-F, and Form 592-PTE filed for these members?	☐	☐
Q	Are any members in this LLC also LLCs or partnerships?	☐	☐
R	Is this LLC under audit by the IRS or has it been audited in a prior year?	☐	☐
S	Is this LLC a member or partner in another multiple member LLC or partnership? If "Yes," complete Schedule EO, Part I.	☐	☐
T	Is this LLC a publicly traded partnership as defined in IRC Section 469(k)(2)?	☐	☐
U	**(1)** Is this LLC a business entity disregarded for tax purposes?	☐	☐
	(2) If "Yes," see instructions and complete Side 1, Side 2, Side 3, Schedule B, Side 5, and Side 7, if applicable. Are there credits or credit carryovers attributable to the disregarded entity?	☐	☐
	(3) If "Yes" to U(1), does the disregarded entity have total income derived from or attributable to California that is less than the LLC's total income from all sources?	☐	☐
V	Has the LLC included a Reportable Transaction, or Listed Transaction within this return? (See instructions for definitions). If "Yes," complete and attach federal Form 8886 for each transaction.	☐	☐
W	Did this LLC file the Federal Schedule M-3 (federal Form 1065)?	☐	☐
X	Is this LLC a direct owner of an entity that filed a federal Schedule M-3?	☐	☐
Y	Does the LLC have a beneficial interest in a trust or is it a grantor of a Trust? If "Yes," attach schedule of trusts and federal identification numbers.	☐	☐
Z	Does this LLC own an interest in a business entity disregarded for tax purposes? If "Yes," complete Schedule EO, Part II.	☐	☐
AA	Is any member of the LLC related (as defined in IRC Section 267(c)(4)) to any other member of the LLC?	☐	☐
BB	Is any member of the LLC a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other member?	☐	☐

(continued on Side 3)

(continued from Side 2)

CC **(1)** Is the LLC deferring any income from the disposition of assets? (see instructions) . . . . . ● ☐ Yes ☐ No

(2) If "Yes," enter the year of asset disposition . . . . . ●

DD Is the LLC reporting previously deferred Income from: (see instructions) . . . . . ● ☐ Installment Sale ● ☐ IRC §1031 ● ☐ IRC §1033 ● ☐ Other

EE "Doing business as" name. See instructions: . . . . . ● _____

FF **(1)** Has this LLC operated as another entity type such as a Corporation, S Corporation, General Partnership, Limited Partnership, or Sole Proprietorship in the previous five (5) years? . . . . . ● ☐ Yes ☐ No

(2) If "Yes", provide prior FEIN(s) if different, business name(s), and entity type(s) for prior returns filed with the FTB and/or IRS (see instructions): _____

GG **(1)** Has this LLC previously operated outside California? . . . . . ● ☐ Yes ☐ No

(2) Is this the first year of doing business in California? . . . . . ● ☐ Yes ☐ No

HH Is the LLC a section 721(c) partnership, as defined in Treasury Regulations Section 1.721(c)-1T(b)(14)? . . . . . ☐ Yes ☐ No

II At any time during the tax year, were there any transfers between the LLC and its members subject to the disclosure requirements of Regulations section 1.707-8? . . . . . ☐ Yes ☐ No

JJ Check if the LLC: (1) ☐ Aggregated activities for IRC Section 465 at-risk purposes

(2) ☐ Grouped activities for IRC Section 469 passive activity purposes

KK (1) Has this business entity previously filed an unclaimed property Holder Remit Report with the State Controller's Office? . . . . . ● ☐ Yes ☐ No

(2) If "Yes," when was the last report filed? (mm/dd/yyyy) ● _____ (3) Amount last remitted ■ $_____ . _____

Single Member LLC Information and Consent — Complete only if the LLC is disregarded.

● Federal TIN/SSN

Sole Owner's name (as shown on owner's return)

FEIN/CA Corp no./CA SOS File no.

◉

Street address, City, State, and ZIP code

● What type of entity is the ultimate owner of this SMLLC? See instructions. Check only one box:

☐ **(1)** Individual ☐ **(2)** C Corporation ☐ **(3)** Pass-Through (S corporation, partnership, LLC classified as a partnership)

☐ **(4)** Estate/Trust ☐ **(5)** Exempt Organization

Member's Consent Statement: I consent to the jurisdiction of the State of California to tax my LLC income and agree to file returns and pay tax as may be required by the Franchise Tax Board.

Signature ▶ Date

Sign Here

Our privacy notice can be found in annual tax booklets or online. Go to **ftb.ca.gov/privacy** to learn about our privacy policy statement, or go to **ftb.ca.gov/forms** and search for 1131 to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of authorized member or manager ▶ | Date | Telephone

Authorized member or manager's email address (optional) | ●

Paid Preparer's Use Only

Preparer's name ●

Preparer's signature ▶ | Date | Check if self employed ☐ | PTIN ●

Firm's name (or yours, if self-employed) and address ▶ | Firm's FEIN ●

Telephone ●

May the FTB discuss this return with the preparer shown above (see instructions)? . . . . . ● ☐ Yes ☐ No

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1		00
2	Purchases less cost of items withdrawn for personal use	2		00
3	Cost of labor	3		00
4	Additional IRC Section 263A costs. Attach schedule	4		00
5	Other costs. Attach schedule	5		00
6	**Total**. Add line 1 through line 5	6		00
7	Inventory at end of year	7		00
8	**Cost of goods sold**. Subtract line 7 from line 6. Enter here and on Schedule B, line 2	8		00

9 a Check all methods used for valuing closing inventory:
(1) ☐ Cost **(2)** ☐ Lower of cost or market as described in Treas. Reg. Section 1.471-4 **(3)** ☐ Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) **(4)** ☐ Other. Specify method used and attach explanation _____

b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ☐

c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the LLC? ☐ Yes ☐ No

d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule B Income and Deductions

Caution: Include **only** trade or business income and expenses on line 1a through line 22 below. See the instructions for more information.

Income	1	**a** Gross receipts or sales $ _____ **b** Less returns and allowances $ _____ **c** Balance	●	1c	00
	2	Cost of goods sold (Schedule A, line 8)	◉	2	00
	3	GROSS PROFIT. Subtract line 2 from line 1c	●	3	00
	4	Total ordinary income from other LLCs, partnerships, and fiduciaries. Attach schedule	●	4	00
	5	Total ordinary loss from other LLCs, partnerships, and fiduciaries. Attach schedule	●	5	00
	6	Total farm profit. Attach federal Schedule F (Form 1040)	●	6	00
	7	Total farm loss. Attach federal Schedule F (Form 1040)	●	7	00
	8	Total gains included on Schedule D-1, Part II, line 17 (**gain only**)	●	8	00
	9	Total losses included on Schedule D-1, Part II, line 17 (**loss only**)	●	9	00
	10	Other income. Attach schedule	●	10	00
	11	Other loss. Attach schedule	●	11	00
	12	**Total income (loss)**. Combine line 3 through line 11	●	12	00
Deductions	13	Salaries and wages (other than to members)	◉	13	00
	14	Guaranteed payments to members	◉	14	00
	15	Bad debts	●	15	00
	16	Deductible interest expense not claimed elsewhere on return	◉	16	00
	17	**a** Depreciation and amortization. Attach form FTB 3885L $ _____ **b** Less depreciation reported on Schedule A and elsewhere on return $ _____ **c** Balance	●	17c	00
	18	Depletion. Do not deduct oil and gas depletion		18	00
	19	Retirement plans, etc		19	00
	20	Employee benefit programs		20	00
	21	Other deductions. Attach schedule	●	21	00
	22	**Total deductions**. Add line 13 through line 21	●	22	00
	23	Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12	●	23	00

Schedule T Nonconsenting Nonresident Members' Tax Liability. Attach additional sheets if necessary.

(a) Member's name	(b) SSN, ITIN, or FEIN	(c) Distributive share of income	(d) Tax rate	(e) Member's total tax due (see instructions)	(f) Amount withheld by this LLC on this member – reported on Form 592-B	(g) Member's net tax due

Total the amount of tax due. Enter the total here and on Side 1, line 4. If less than zero enter -0- _____

Schedule K **Members' Shares of Income, Deductions, Credits, etc.**

		(a) Distributive share items		(b) Amounts from federal K (1065)	(c) California adjustments	(d) Total amounts using California law
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	●		◉
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825	2	◉		◉
	3 a	Gross income (loss) from other rental activities	3a	◉		◉
	b	Less expenses. Attach schedule	3b			
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	◉		●
	4	Guaranteed payments a Services	4a			
	b	Capital	4b			
	c	Total	4c	◉		●
	5	Interest income	5	◉		●
	6	Dividends	6	◉		●
	7	Royalties	7	◉		●
	8	Net short-term capital gain (loss). Attach Schedule D (568)	8	◉		●
	9	Net long-term capital gain (loss). Attach Schedule D (568)	9	◉		●
	10 a	Total gain under IRC Section 1231 (other than due to casualty or theft)	10a	◉		●
	b	Total loss under IRC Section 1231 (other than due to casualty or theft)	10b	◉		●
	11 a	Other portfolio income (loss). Attach schedule	11a	◉		◉
	b	Total other income. Attach schedule	11b	◉		◉
	c	Total other loss. Attach schedule	11c	◉		◉
Deductions	12	Expense deduction for recovery property (IRC Section 179). Attach schedule	12	◉		◉
	13 a	Cash contributions	13a	◉		◉
	b	Noncash contributions	13b	◉		◉
	c	Investment interest expense	13c	◉		●
	d 1	Total expenditures to which IRC Section 59(e) election may apply	13d1	◉		◉
	2	Type of expenditures _____	13d2			
	e	Deductions related to portfolio income	13e	◉		◉
	f	Other deductions. Attach schedule	13f	◉		◉
Credits	15 a	Withholding on LLC allocated to all members	15a			◉
	b	Low-income housing credit	15b			◉
	c	Credits other than the credit shown on line 15b related to rental real estate activities. Attach schedule	15c			◉
	d	Credits related to other rental activities. Attach schedule	15d			◉
	e	Nonconsenting nonresident members' tax paid by LLC	15e			◉
	f	Other credits. Attach schedule	15f			●
Alternative Minimum Tax (AMT) Items	17 a	Depreciation adjustment on property placed in service after 1986	17a			◉
	b	Adjusted gain or loss	17b			◉
	c	Depletion (other than oil and gas)	17c			◉
	d	Gross income from oil, gas, and geothermal properties	17d			◉
	e	Deductions allocable to oil, gas, and geothermal properties	17e			◉
	f	Other alternative minimum tax items. Attach schedule	17f			◉
Other Information	18 a	Tax-exempt interest income	18a			◉
	b	Other tax-exempt income	18b			●
	c	Nondeductible expenses	18c			◉
	19 a	Distributions of money (cash and marketable securities)	19a			◉
	b	Distribution of property other than money	19b			◉
	20 a	Investment income	20a			◉
	b	Investment expenses	20b			◉
	c	Other information. See instructions	20c			◉
Analysis	21 a	Total distributive income/payment items. Combine lines 1, 2, 3c and 4c through 11c. From the result, subtract the sum of lines 12 through 13f	21a	◉		●

b Analysis of members:	(a) Corporate	(b) Individual i. Active	(b) Individual ii. Passive	(c) Partnership	(d) Exempt Organization	(e) Nominee/Other	(f) LLC
Members	◉	◉	◉	◉	◉	◉	

Schedule L **Balance Sheets.** See instructions before completing Schedules L, M-1, and M-2.

Assets	Beginning of taxable year (a)	Beginning of taxable year (b)	End of taxable year (c)	End of taxable year (d)
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule				
7 a Loans to members				
b Mortgage and real estate loans				
8 Other investments. Attach schedule				
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	
10 a Depletable assets				
b Less accumulated depletion	( )		( )	
11 Land (net of any amortization)				
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
13 Other assets. Attach schedule				
14 **Total** assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				
19 a Loans from members				
b Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities. Attach schedule				
21 Members' capital accounts				
22 **Total** liabilities and capital				

Schedule M-1 **Reconciliation of Income (Loss) per Books With Income (Loss) per Return.** Use total amount under California law. See instructions.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c not recorded on books this year. Itemize		a Tax-exempt interest $	
3 Guaranteed payments (other than health insurance)		b Other $	
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13f. Itemize:		c Total. Add line 6a and line 6b	
a Depreciation $		7 Deductions included on Schedule K, line 1 through line 13f not charged against book income this year. Itemize:	
b Travel and entertainment $		a Depreciation $	
c Annual LLC tax $		b Other $	
d Other $		c Total. Add line 7a and line 7b	
e Total. Add line 4a through line 4d		8 Total. Add line 6c and line 7c	
5 Total of line 1 through line 4e		9 Income (loss) (Schedule K, line 21a.) Subtract line 8 from line 5	

Schedule M-2 **Analysis of Members' Capital Accounts.** Use California amounts.

1 Balance at beginning of year		5 Total of line 1 through line 4	
2 Capital contributed during year		6 Distributions: a Cash	
a Cash		b Property	
b Property		7 Other decreases. Itemize	
3 Net income (loss) per books		8 Total of line 6 and line 7	
4 Other increases. Itemize		9 Balance at end of year. Subtract line 8 from line 5	

Schedule O **Amounts from Liquidation used to Capitalize a Limited Liability Company.** (Complete only if initial return box is checked on Side 1, Question H.)

Name of entity liquidated (if more than one, attach a schedule) _____

Type of entity: ☐ **(1)** C Corporation ☐ **(2)** S Corporation ☐ **(3)** Partnership ☐ **(4)** Limited Partnership ☐ **(5)** Sole Proprietor ☐ **(6)** Farmer

Entity identification number(s): FEIN _____ SSN or ITIN _____ CA Corp. No. _____ CA SOS File No. _____

Amount of liquidation gains recognized to capitalize the LLC _____

Schedule IW Limited Liability Company (LLC) Income Worksheet

Enter your California income amounts on the worksheet. All amounts entered must be assigned for California law differences. **Use only amounts that are from sources derived from or attributable to California when completing lines 1-17 of this worksheet.** If your business is both within and outside of California, see Schedule IW instructions to assign the correct amounts to California. If the LLC is wholly within California, the total income amount is assigned to California and is entered beginning with line 1a. If the single member LLC (SMLLC) does not meet the 3 million criteria for filing Schedule B (568) and Schedule K (568), the SMLLC is still required to complete Schedule IW. Disregarded entities that do not meet the filing requirements to complete Schedule B or Schedule K should prepare Schedule IW by entering the California amounts attributable to the disregarded entity from the member's federal Schedule B, C, D, E, F (Form 1040), or additional schedules associated with other activities. **Do not enter amounts on this worksheet that have already been reported by another LLC to determine its fee.**

See instructions on page 15 of the Form 568 Booklet for more information on how to complete Schedule IW.

1 a Total California income from Form 568, Schedule B, line 3. See instructions ... **1a** _____

b Enter the California cost of goods sold from Form 568, Schedule B, line 2 and from federal Schedule F (Form 1040) (plus California adjustments) associated with the receipts assigned to California on lines 1a and 4. ... **1b** _____

2 a If the answer to Question U(1) on Form 568 Side 2, is "Yes", include the gross income of this disregarded entity that is not included in lines 1 and 8 through 16 ... **2a** _____

b Enter the cost of goods sold of disregarded entities associated with the receipts assigned to California on line 2a ... **2b** _____

3 a LLC's distributive share of ordinary income from pass-through entities ... **3a** _____

b Enter the LLC's distributive share of cost of goods sold from other pass-through entities associated with the receipt assigned to California on line 3a (see Schedule K-1s (565), Table 3, line 1a) ... **3b** _____

c Enter the LLC's distributive share of deductions from other pass-through entities associated with the receipt assigned to California on line 3a (see Schedule K-1s (565), Table 3, line 1b) ... **3c** _____

4 Add gross farm income from federal Schedule F (Form 1040). Use California amounts ... **4** _____

5 Enter the total of other income (not loss) from Form 568, Schedule B, line 10 ... **5** _____

6 Enter the total gains (not losses) from Form 568, Schedule B, line 8. ... **6** _____

7 Add line 1a through line 6 ... **7** _____

8 California rental real estate

a Enter the total rental real estate income from federal Form 8825, line 20a ... **8a** _____

b Enter the total gross rents from all Schedule K-1s (565), Table 3, line 2 ... **8b** _____

c Add line 8a and line 8b ... **8c** _____

9 Other California rentals.

a Enter the amount from Schedule K (568), line 3a ... **9a** _____

b Enter the amount from all Schedule K-1s (565), Table 3, line 3. ... **9b** _____

c Add lines 9a and 9b ... **9c** _____

10 California interest. Enter the amount from Form 568, Schedule K, line 5 ... **10** _____

11 California dividends. Enter the amount from Form 568, Schedule K, line 6 ... **11** _____

12 California royalties. Enter the amount from Form 568, Schedule K, line 7 ... **12** _____

13 California capital gains. Enter the capital gains (not losses) included in the amounts from Form 568, Schedule K, lines 8 and 9 ... **13** _____

14 California 1231 gains. Enter the amount of total gains (not losses) from Form 568, Schedule K, line 10a ... **14** _____

15 Other California portfolio income (not loss). Enter the amount from Form 568, Schedule K, line 11a ... **15** _____

16 Other California income (not loss) not included in line 5. Enter the amount from Form 568, Schedule K, line 11b ... **16** _____

17 Total California income. Add lines 7, 8c, 9c, 10, 11, 12, 13, 14, 15, and 16. Line 17 may not be a negative number. Enter here and on Form 568, Side 1, line 1. If less than zero enter -0- ... **17** _____

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Form 568
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. These principal business activity codes are based on the North American Industry Classification System.

Using the list of activities and codes below, determine from which activity the limited liability company (LLC) derives the largest percentage of its "total receipts." Total receipts is defined as the sum of gross receipts or sales plus all other income. If the LLC purchases raw materials and supplies them to a subcontractor to produce the finished product, but retains title to the product, the LLC is considered a manufacturer and must use one of the manufacturing codes (311110-339900).

Once the principal business activity is determined, entries must be made on Form 568, Item J. Enter a description of the principal product or service of the LLC. For the business entity code, enter the six-digit code selection from the list below.

Agriculture, Forestry, Fishing, and Hunting

Code

Crop Production
- 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)

Animal Production
- 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

Forestry and Logging
- 113110 Timber Tract Operations
- 113210 Forest Nurseries & Gathering of Forest Products
- 113310 Logging

Fishing, Hunting and Trapping
- 114110 Fishing
- 114210 Hunting & Trapping

Support Activities for Agriculture and Forestry
- 115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)
- 115210 Support Activities for Animal Production (including farriers)
- 115310 Support Activities For Forestry

Mining
- 211120 Crude Petroleum Extraction
- 211130 Natural Gas Extraction
- 212110 Coal Mining
- 212200 Metal Ore Mining
- 212310 Stone Mining & Quarrying
- 212320 Sand, Gravel, Clay, & Ceramic & Refractory Mineral 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

Construction of Buildings
- 236110 Residential Building Construction
- 236200 Nonresidential Building Construction

Heavy and Civil Engineering Construction
- 237100 Utility System Construction
- 237210 Land Subdivision
- 237310 Highway, Street, & Bridge Construction
- 237990 Other Heavy & Civil Engineering Construction

Specialty Trade Contractors
- 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

Food Manufacturing
- 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)

Beverage and Tobacco Product Manufacturing
- 312110 Soft Drink & Ice Mfg
- 312120 Breweries
- 312130 Wineries
- 312140 Distilleries
- 312200 Tobacco Manufacturing

Textile Mills and Textile Product Mills
- 313000 Textile Mills
- 314000 Textile Product Mills

Apparel Manufacturing
- 315100 Apparel Knitting Mills

Code
- 315210 Cut & Sew Apparel Contractors
- 315250 Cut & Sew Apparel Mfg (except Contractors)
- 315990 Apparel Accessories & Other Apparel Mfg

Leather and Allied Product Manufacturing
- 316110 Leather & Hide Tanning & Finishing
- 316210 Footwear Mfg (including rubber & plastics)
- 316990 Other Leather & Allied Product Mfg

Wood Product Manufacturing
- 321110 Sawmills & Wood Preservation
- 321210 Veneer, Plywood, & Engineered Wood Product Mfg
- 321900 Other Wood Product Mfg

Paper Manufacturing
- 322100 Pulp, Paper, & Paperboard Mills
- 322200 Converted Paper Product Mfg

Printing and Related Support Activities
- 323100 Printing & Related Support Activities

Petroleum and Coal Products Manufacturing
- 324110 Petroleum Refineries (including integrated)
- 324120 Asphalt Paving, Roofing, & Saturated Materials Mfg
- 324190 Other Petroleum & Coal Products Mfg

Chemical Manufacturing
- 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

Plastics and Rubber Products Manufacturing
- 326100 Plastics Product Mfg
- 326200 Rubber Product Mfg

Nonmetallic Mineral Product Manufacturing
- 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

Primary Metal Manufacturing
- 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

Fabricated Metal Product Manufacturing
- 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

Code
- 332900 Other Fabricated Metal Product Mfg

Machinery Manufacturing
- 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

Computer and Electronic Product Manufacturing
- 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

Electrical Equipment, Appliance, and Component Manufacturing
- 335100 Electric Lighting Equipment Mfg
- 335200 Household Appliance Mfg
- 335310 Electrical Equipment Mfg
- 335900 Other Electrical Equipment & Component Mfg

Transportation Equipment Manufacturing
- 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

Furniture and Related Product Manufacturing
- 337000 Furniture & Related Product Manufacturing

Miscellaneous Manufacturing
- 339110 Medical Equipment & Supplies Mfg
- 339900 Other Miscellaneous Manufacturing

Wholesale Trade

Merchant Wholesalers, Durable Goods
- 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

Code

Merchant Wholesalers, Nondurable Goods

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 Products & Electronic Cigarettes
424950 Paint, Varnish, & Supplies
424990 Other Miscellaneous Nondurable Goods

Wholesale Trade Agents & Brokers

425120 Wholesale Trade Agents & Brokers

Retail Trade

Motor Vehicle and Parts Dealers

441110 New Car Dealers
441120 Used Car Dealers
441210 Recreational Vehicle Dealers
441222 Boat Dealers
441227 Motorcycle, ATV, & All Other Motor Vehicle Dealers
441300 Automotive Parts, Accessories, & Tire Retailers

Building Material and Garden Equipment and Supplies Dealers

444110 Home Centers
444120 Paint & Wallpaper Retailers
444140 Hardware Retailers
444180 Other Building Material Dealers
444200 Lawn & Garden Equipment & Supplies Retailers

Food and Beverage Retailers

445110 Supermarkets & Other Grocery Retailers (except convenience)
445131 Convenience Retailers
445132 Vending Machine Operators
445230 Fruit & Vegetable Retailers
445240 Meat Retailers
445250 Fish & Seafood Retailers
445291 Baked Goods Retailers
445292 Confectionery & Nut Retailers
445298 All Other Specialty Food Retailers
445320 Beer, Wine, & Liquor Retailers

Furniture and Home Furnishings Retailers

449110 Furniture Retailers
449121 Floor Covering Retailers
449122 Window Treatment Retailers
449129 All Other Home Furnishings Retailers

Electronics and Appliance Retailers

449210 Electronics & Appliance Retailers (including computers)

General Merchandise Retailers

455110 Department Stores
455210 Warehouse Clubs, Supercenters, & Other General Merch. Retailers

Health and Personal Care Retailers

456110 Pharmacies & Drug Retailers
456120 Cosmetics, Beauty Supplies, & Perfume Retailers
456130 Optical Goods Retailers
456190 Other Health & Personal Care Retailers

Gasoline Stations & Fuel Dealers

457100 Gasoline Stations (including convenience stores with gas)
457210 Fuel Dealers (including Heating Oil & Liquefied Petroleum)

Code

Clothing and Accessories Retailers

458110 Clothing & Clothing Accessories Retailers
458210 Shoe Retailers
458310 Jewelry Retailers
458320 Luggage & Leather Goods Retailers

Sporting, Hobby, Book, Musical Instrument & Miscellaneous Retailers

459110 Sporting Goods Retailers
459120 Hobby, Toys, & Game Retailers
459130 Sewing, Needlework, & Piece Goods Retailers
459140 Musical Instrument & Supplies Retailers
459210 Book Retailers & News Dealers (including newsstands)
459310 Florists
459410 Office Supplies & Stationery Retailers
459420 Gift, Novelty, & Souvenir Retailers
459510 Used Merchandise Retailers
459910 Pet & Pet Supplies Retailers
459920 Art Dealers
459930 Manufactured (Mobile) Home Dealers
459990 All Other Miscellaneous Retailers (including tobacco, candle, & trophy retailers)

Nonstore Retailers

Nonstore retailers sell all types of merchandise using such methods as Internet, mail-order catalogs, interactive television, or direct sales. These types of Retailers should select the PBA associated with their primary line of products sold. For example, establishments primarily selling prescription and non-prescription drugs, select PBA code *456110 Pharmacies & Drug Retailers.*

Transportation and Warehousing

Air, Rail, and Water Transportation

481000 Air Transportation
482110 Rail Transportation
483000 Water Transportation

Truck Transportation

484110 General Freight Trucking, Local
484120 General Freight Trucking, Long-distance
484200 Specialized Freight Trucking

Transit and Ground Passenger Transportation

485110 Urban Transit Systems
485210 Interurban & Rural Bus Transportation
485310 Taxi and Ridesharing Services
485320 Limousine Service
485410 School & Employee Bus Transportation
485510 Charter Bus Industry
485990 Other Transit & Ground Passenger Transportation

Pipeline Transportation

486000 Pipeline Transportation

Scenic & Sightseeing Transportation

487000 Scenic & Sightseeing Transportation

Support Activities for Transportation

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

Code

Couriers and Messengers

492110 Couriers & Express Delivery Services
492210 Local Messengers & Local Delivery

Warehousing and Storage

493100 Warehousing & Storage (except lessors of miniwarehouses & self- storage units)

Information

Motion Picture and Sound Recording Industries

512100 Motion Picture & Video Industries (except video rental)
512200 Sound Recording Industries

Publishing Industries

513110 Newspaper Publishers
513120 Periodical Publishers
513130 Book Publishers
513140 Directory & Mailing List Publishers
513190 Other Publishers
513210 Software Publishers

Broadcasting & Content Providers & Telecommunications

516100 Radio & Television Broadcasting Stations
516210 Media Streaming, Social Networks, & Other Content Providers
517000 Telecommunications (including Wired, Wireless, Satellite, Cable & Other Program Distribution, Resellers, Agents, Other Telecommunications, & Internet Service Providers)

Data Processing, Web Search Portals, & Other Information Services

518210 Computing Infrastructure Providers, Data Processing, Web Hosting & Related Services
519200 Web Search Portals, Libraries, Archives, & Other Info. Services

Finance and Insurance

Depository Credit Intermediation

522110 Commercial Banking
522130 Credit Unions
522180 Saving Institutions & Other Depository Credit Intermediation

Nondepository Credit Intermediation

522210 Credit Card Issuing
522220 Sales Financing
522291 Consumer Lending
522292 Real Estate Credit (including mortgage bankers & originators)
522299 Intl, Secondary Market, & Other Nondepos. Credit Intermediation

Activities Related to Credit Intermediation

522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)

Securities, Commodity Contracts, and Other Financial Investments and Related Activities

523150 Investment Banking & Securities Intermediation
523160 Commodity Contracts Intermediation
523210 Securities & Commodity Exchanges
523900 Other Financial Investment Activities (including portfolio management & investment advice)

Code

Insurance Carriers and Related Activities

524110 Direct Life, Health, & Medical Insurance Carriers
524120 Direct Insurance (except Life, Health, & Medical) Carriers
524210 Insurance Agencies & Brokerages
524290 Other Insurance Related Activities (including third-party administration of insurance and pension funds)

Funds, Trusts, and Other Financial Vehicles

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 **Management of Companies (Holding Companies)**

Real Estate and Rental and Leasing

Real Estate

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

Rental and Leasing Services

532100 Automotive Equipment Rental & Leasing
532210 Consumer Electronics & Appliances Rental
532281 Formal Wear & Costume Rental
532282 Video Tape & Disc Rental
532283 Home Health Equipment Rental
532284 Recreational Goods Rental
532289 All Other Consumer Goods Rental
532310 General Rental Centers
532400 Commercial & Industrial Machinery & Equipment Rental & Leasing

Lessors of Nonfinancial Intangible Assets (except copyrighted works)

533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)

Professional, Scientific, and Technical Services

Legal Services

541110 Offices of Lawyers
541190 Other Legal Services

Code

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 & Services

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, Public Relations, & 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 Childcare 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
- 721191 Bed & Breakfast Inns
- 721199 All Other Traveler Accommodation
- 721210 RV (Recreational Vehicle) Parks & Recreational Camps
- 721310 Rooming & Boarding Houses Dormitories, & Workers' Camps

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, Grill buffets, & Buffets
- 722515 Snack & 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
- 813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations (including condominium and homeowners associations)

Other
- 999000 Unclassified Establishments (unable to classify)

How to Get California Tax Information

Automated Phone Service

Use our automated phone service to get recorded answers to many of your questions about California taxes and to order California business entity tax forms and publications. This service is available in English and Spanish to callers with touch-tone telephones. Have paper and pencil ready to take notes.

Telephone: 800.338.0505 from within the United States
916.845.6500 from outside the United States

If you need an answer to any of the following questions, call 800.338.0505, select "Business Entity Information," then "Frequently Asked Questions." Follow the recorded instructions, and enter the three digit code when you are instructed to do so.

750 How do I organize or register a LLC?
752 What tax forms do I use to file as an LLC?
753 When is the annual tax payment due?

General Phone Service

Telephone assistance is available year-round from 8 a.m. until 5 p.m. Monday through Friday, except holidays. Hours subject to change.

Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

California Relay Services: 711 or 800.735.2929 for persons with hearing or speaking limitations.

IRS: 800.829.4933 for federal tax questions

Asistencia En Español:

Asistencia telefónica está disponible durante todo el año desde las 8 a.m. hasta las 5 p.m. de lunes a viernes, excepto días feriados. Las horas están sujetas a cambios.

Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos

Servicio de Retransmisión de California: 711 o 800.735.2929 para personas con limitaciones auditivas o del habla.

IRS: 800.829.4933 para preguntas sobre impuestos federales

Letters

If you write to us, be sure your letter includes your California SOS file number, your FEIN, your daytime and evening telephone numbers, and a copy of the notice. Send your letter to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0500

We will respond to your letter within ten weeks. In some cases, we may need to call you for additional information. **Do not** attach your letter to your California return.

Where to Get Tax Forms and Publications

By Internet – You can download, view, and print California tax forms and publications at **ftb.ca.gov/forms**.

Our California Tax Service Center website offers California business tax information and forms for the BOE, CDTFA, EDD, FTB, and IRS at **taxes.ca.gov**.

You can also download, view, and print federal forms and publications at **irs.gov**.

By phone – Call our automated phone service at the number listed on this page and follow the recorded instructions.

By mail – Allow two weeks to receive your order. If you live outside California, allow three weeks to receive your order. Write to:

TAX FORMS REQUEST UNIT MS D120
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

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

Employees at libraries and post offices cannot provide tax information or assistance.

Your Rights As A Taxpayer

The FTB's goals include making certain that your rights are protected so that you have the highest confidence in the integrity, efficiency, and fairness of our state tax system. For more information get FTB 4058, California Taxpayers' Bill of Rights – Information for Taxpayers. See "Where To Get Income Tax Forms and Publications," on this page. To request FTB 4058 by phone, enter code 943.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to **ftb.ca.gov/privacy** to learn about our privacy policy statement, or go to **ftb.ca.gov/forms** and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection - Aviso de Privacidad del Franchise Tax Board sobre la Recaudación. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

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