

**Answers to Commonly Asked Questions
For Corporations Not Incorporated or Qualified to do Business in California
But Subject To Franchise Tax**

My corporation is not a California corporation and we had no business activities in California. Why have I received this notice?

We have received income information from federal tax returns, the Board of Equalization, the Employment Development Department, and/or other income sources. The information indicates that your corporation has California business activities and may have a filing requirement in California.

My corporation had no income or operated at a loss for the year in question. Is a California franchise tax return and tax still due?

Even if the corporation operates at a loss, a corporation that does business in California must annually file a California Corporation Franchise Tax Return (Form 100), or California S-Corporation Franchise Tax Return (Form 100S), and pay at least the minimum franchise tax.

My corporation has ceased doing business and has no assets. Why are you requesting a tax return?

Even if a corporation has ceased doing business, it must file a final tax return, pay all outstanding tax liabilities, penalties, interest and all other amounts due.

How does a business entity qualify to do business in the State of California?

For information and/or procedures on how to qualify to do business in California, contact the Office of the Secretary of State, Document Filing Support Unit, 1500 11th Street, Sacramento, CA 95814 or by telephone (916) 657-5448.

If you need assistance, additional information, or tax forms or publications, call our toll-free number (800) 852-5711 or visit our website at www.ftb.ca.gov.