



December 2, 2019

**FTB Notice-2019-07**

**SUBJECT: Automatic Seven-Month Extension-Forms 100 and 100W**

**PURPOSE:**

To specify pursuant to section 18604 of the Revenue and Taxation Code<sup>1</sup>, the Franchise Tax Board (FTB) will allow an automatic seven-month extension to all taxpayers in good standing filing Forms 100 (including REITs, REMICs, and RICs) and 100W, for taxable years beginning on or after January 1, 2019. However, the automatic seven-month extension does not apply to S Corporations.

**BACKGROUND:**

Section 18604 allows FTB to grant a reasonable extension of time, not to exceed seven months, for filing a return for taxpayers subject to the Corporation Tax Law in Part 11 of the Revenue and Taxation Code, in a manner and form as FTB may determine.

FTB Notice 92-11 (Oct. 23, 1992) provided a seven-month extension to the 15<sup>th</sup> day of the 10<sup>th</sup> month for C Corporation returns due beginning in 1993. AB 1775 (Stats. 2016, Ch. 348) conformed California law to corresponding federal law, changing the original due date for C Corporation returns from the 15<sup>th</sup> day of the 3<sup>rd</sup> month following the close of the taxable year to the 15<sup>th</sup> day of the 4<sup>th</sup> month following the close of the taxable year, for taxable years beginning on or after January 1, 2016. Following the change in due date, FTB Notice 2016-04 (Nov. 4, 2016) clarified that FTB would not extend the due date beyond the 15<sup>th</sup> day of the 10<sup>th</sup> month following the close of the taxable year, thus providing an automatic six-month extension for C Corporation returns.

**PROCEDURE:**

For taxable years beginning on or after January 1, 2019, FTB will allow an automatic seven-month extension to file a return, without the need to file a written request, if the return is filed within seven months of the original due date. The seven-month extension period applies to all Part 11 taxpayers in good standing filing Forms 100 (including REITs, REMICs, and RICs) and 100W. This granting of the extension is conditioned on the filing of a return within the automatic extension period. Finally, as the automatic seven-month extension does not apply to S Corporations, the extended filing due date

---

<sup>1</sup> Unless otherwise stated, statutory references refer to the Revenue and Taxation Code.

for S Corporations will remain the 15<sup>th</sup> day of the 9<sup>th</sup> month after the close of the taxable year.

This extension of time to file is not an extension of time to pay. Tax is due on the original due date of the return, without regard to extension. A delinquent (failure to file) penalty will not be imposed on any return filed by the extended due date. However, if the return is not filed by the extended due date, no extension exists, and the penalty amount will be computed based on the original due date.

This Notice supersedes FTB Notice 2016-04 (Nov. 4, 2016) and FTB Notice 92-11 (Oct. 23, 1992) for taxable years beginning on or after January 1, 2019.

The principal author of this notice is Brad J. Coutinho of the Franchise Tax Board, Legal Division. For further information regarding this notice, contact Mr. Coutinho at P.O. Box 1720, Rancho Cordova, CA 95741-1720.