

# Instructions for Form FTB 3539

## Automatic Extension for Corporations and Exempt Organizations

### General Information

Use form FTB 3539 only if:

- You cannot file your 2003 California (CA) return by the original due date; and
- You owe tax for the 2003 taxable year.

Use the worksheet on the following page to determine if you owe tax.

- If you do not owe tax, there is nothing to file at this time and no need to complete or mail this voucher.
- If you owe tax, complete the voucher and mail it along with your check or money order to the Franchise Tax Board (FTB) by the original due date of the CA tax return.

If a corporation, including real estate investment trusts (REITs), real estate mortgage investment conduits (REMICs), regulated investment companies (RICs), limited liability companies (LLCs) electing to be treated as corporations, or an exempt organization in good standing, cannot file its CA tax return by the original due date, a seven month extension to file will be allowed automatically without submitting a written request. To qualify for the automatic extension, the corporation or exempt organization must file its CA tax return by the extended due date and its powers, rights, and privileges must not be suspended or forfeited by the FTB or the California Secretary of State (SOS) as of the original due date.

The extended due date for corporations is the 15th day of the 10th month following the close of the taxable year (fiscal year filers) or October 15, 2004 (calendar year filers). The extended due date for exempt organizations filing Form 199 or Form 109 is the 15th day of the 12th month following the close of the taxable year (fiscal year filers) or December 15, 2004 (calendar year filers).

The extended due date for an employee's trust defined in IRC Section 401(a) and an IRA filing Form 109 is the 15th day of the 11th month after the end of the taxable year (fiscal year filers) or November 15, 2004 (calendar year filers).

**Note:** An extension of time to file the CA tax return is not an extension of time to pay the tax.

To avoid late payment penalties and interest, 100% of the tax liability must be paid by the 15th day of the 3rd month (fiscal year corporations), or the 15th day of the 5th month (fiscal

year exempt organizations) following the close of the taxable year or March 15, 2004 (calendar year corporations), or May 17, 2004 (calendar year exempt organizations). Employees' trusts and IRAs must pay 100% of the tax liability by the 15th day of the 4th month after the end of the taxable year.

Save the completed worksheet as a permanent part of the corporation's or exempt organization's tax records along with a copy of the CA tax return.

### Electronic Funds Transfer (EFT)

Corporations or exempt organizations that meet certain requirements must remit all of their payments through EFT rather than by paper checks to avoid the EFT penalty. Corporations or exempt organizations that remit an estimated tax payment or extension payment in excess of \$20,000 or that have a total tax liability in excess of \$80,000 must remit all of their payments through EFT. The FTB will notify corporations or exempt organizations that are subject to this requirement. Those that do not meet these requirements and wish to participate on a voluntary basis may do so. If you are an EFT taxpayer, complete the worksheet for your records. **Do Not Send The Payment Voucher.** For more information, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov), call (916) 845-4025, or get FTB Pub. 3817, Electronic Funds Transfer Program Information Guide.


### Where to File

If tax is due and the corporation or exempt organization is not required to use EFT, attach a check or money order for the tax due to form FTB 3539. Write the California corporation number or FEIN and 2003 FTB 3539 on the check or money order. Mail only the voucher portion with the payment to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0551

### Private Mailbox (PMB) Number

If the corporation or exempt organization leases a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

DETACH HERE ——— IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM ——— DETACH HERE 

(Calendar year corporations — Due March 15, 2004) (Fiscal year filers — see instructions)  
(Employees' trust and IRA — Due April 15, 2004)  
(Calendar year exempt organizations — Due May 17, 2004)

TAXABLE YEAR **2003** **Payment Voucher for Automatic Extension** CALIFORNIA FORM **3539 (CORP)**  
**for Corporations and Exempt Organizations**

For calendar year 2003 or fiscal year beginning month \_\_\_\_\_ day \_\_\_\_\_ year 2003, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

California corporation number	Federal employer identification number	Tax Due	
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Corporation/exempt organization name

Address	PMB no.	Type of form filed.
City	State	<input type="checkbox"/> Form 100/100W <input type="checkbox"/> Form 100S <input type="checkbox"/> Form 109 <input type="checkbox"/> Form 199
	ZIP Code	

IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM

EFT TAXPAYERS, DO NOT MAIL THIS FORM

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FTB 3539 2003

## Penalties and Interest

- If the corporation or exempt organization fails to pay its total tax by the original due date, a late payment penalty plus interest will be added to the tax due.
- If the corporation or exempt organization does not file its CA tax return by the extended due date, or the corporation's powers, rights, and privileges have been suspended or forfeited by the FTB or the California SOS, as of the original due date, the automatic extension will not apply and a delinquency penalty plus interest will be assessed from the original due date of the CA tax return.
- If the corporation or exempt organization is required to remit all of its payments through EFT and pays by another method, a 10% non-compliance penalty will be assessed.

## Combined Reports

- If members of a combined unitary group have made or intend to make an election to file a combined unitary group single return, only the key corporation designated to file the return should submit form FTB 3539. The key corporation must include payment of at least the minimum franchise tax for each corporation of the combined unitary group that is subject to the franchise tax in California.
- If members of a combined unitary group intend to file separate returns with the FTB, each member must submit its own form FTB 3539 if there is an amount entered on line 3 of the Tax Payment Worksheet.
- If any member of a combined unitary group meets the requirements for mandatory EFT, all members must remit their payments through EFT, regardless of their filing election.

## Exempt Organizations

- **Form 100 filers:**  
The due dates for corporations also apply to the filing of Form 100, California Corporation Franchise or Income Tax Return, by political action committees and exempt homeowners' associations.  
Political action committees and exempt homeowners' associations that file Form 100 should not enter the minimum franchise tax on line 1 of the Tax Payment Worksheet.
- **Form 199 Filers:**  
Generally, Form 199, California Exempt Organization Annual Information Return, requires a \$10 filing fee to be paid with the return on the original or extended due date.  
Use form FTB 3539 only if paying the fee early. Enter the amount of the fee on line 3 of the Tax Payment Worksheet.
- **Form 109 Filers:**  
The due dates for filing Form 109, California Exempt Organization Business Income Return, depend on the type of organization filing the return. Employees' pension trusts and IRAs (including education IRAs) must file on or before the 15th day of the 4th month after the close of their taxable year. All other exempt organizations (except homeowners' associations and political organizations) must file on or before the 15th day of the 5th month after the close of their taxable year.

### TAX PAYMENT WORKSHEET FOR YOUR RECORDS

<b>1</b> Total tentative tax. Include alternative minimum tax if applicable. See instructions .....	<b>1</b>		
<b>2</b> Estimated tax payments including prior year overpayment applied as a credit .....	<b>2</b>		
<b>3</b> Tax Due. If line 2 is more than line 1, see instructions. If line 1 is more than line 2, subtract line 2 from line 1. Enter the result here and on form FTB 3539 .....	<b>3</b>		

## How to Complete the Tax Payment Worksheet

**Line 1** – Enter the total tentative tax, including the alternative minimum tax, if applicable, for the taxable year.

- If filing Form 100, Form 100W, or Form 100S, and subject to franchise tax, the tentative tax may not be less than the minimum franchise tax and Qualified Subchapter S Subsidiary (QSub) annual tax (S corporations only).
- If filing Form 100, Form 100W, or Form 100S, and subject to income tax, enter the amount of tax. Corporations subject to the income tax do not pay the minimum franchise tax.
- If a corporation incorporates or qualifies to do business in California on or after January 1, 2000, the corporation will compute its tax liability for the first taxable year by multiplying its state net income by the appropriate tax rate and will not be subject to the minimum franchise tax. The corporation will become subject to minimum franchise tax beginning in its second taxable year.
- If filing Form 109, enter the amount of tax. Form 109 filers are not subject to the minimum franchise tax.

**Line 2** – Enter the estimated tax payments, including prior year overpayment applied as a credit. S corporations include any QSub annual tax payments.

### Line 3

**Tax due.** If the amount on line 1 is more than the amount on line 2, then the corporation's or exempt organization's tentative tax is more than its payments and credits. The corporation or exempt organization has tax due.

Subtract line 2 from line 1. Enter this amount on line 3 and on form FTB 3539.

If the amount on line 2 is more than the amount on line 1, the payments and credits are more than the tentative tax. The corporation or exempt organization has no tax due. **DO NOT SEND THE PAYMENT VOUCHER.** The corporation or exempt organization will automatically qualify for an extension if the California tax return is filed by the extended due date and the corporation and or exempt organization is in good standing with the FTB and SOS.