

**Form at bottom of page.** ■

**IF PAID ELECTRONICALLY: DO NOT FILE THIS FORM**

**WHERE TO FILE:** Using black or blue ink, make check or money order payable to the "Franchise Tax Board." Write the California corporation number, FEIN, or CA SOS file number and "2018 FTB 3539" on the check or money order. Detach form below. Enclose, but **do not** staple, the payment with the form and mail to:

**FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0531**

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

**WHEN TO FILE:** **Calendar year C corporations — File and Pay by April 15, 2019**  
**Calendar year S corporations — File and Pay by March 15, 2019**  
**Calendar year exempt organizations — File and Pay by May 15, 2019**  
**Employees' trust and IRA — File and Pay by April 15, 2019**  
**Fiscal year filers — See instructions**

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.

**ONLINE SERVICES:** Make payments online using Web Pay for Businesses. Corporations or exempt organizations can make an immediate payment or schedule payments up to a year in advance. Go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay) for more information.

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

**CAUTION:** You may be required to pay electronically, see instructions.

TAXABLE YEAR

**2018**

**Payment for Automatic Extension  
for Corporations and Exempt Organizations**

CALIFORNIA FORM

**3539 (CORP)**

# 2018 Instructions for Form FTB 3539

## Payment for Automatic Extension for Corporations and Exempt Organizations

### General Information

Use form FTB 3539, Payment for Automatic Extension for Corporations and Exempt Organizations, **only** if both of the following apply:

- The corporation or exempt organization cannot file its 2018 California (CA) tax return by the original due date.
- The corporation or exempt organization owes tax for the 2018 taxable year.

If a limited liability company (LLC) elects to be taxed as a corporation for federal tax purposes, the LLC must file form FTB 3539, and enter the California corporation number, Federal Employer Identification Number (FEIN), and California Secretary of State (CA SOS) file number, if applicable, in the space provided. The Franchise Tax Board (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, first 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.

For taxable years beginning on or after January 1, 2016, the original due date for a C corporation to file its tax return changed to the 15th day of the 4th month following the close of the taxable year. The original tax return due dates for S corporations and exempt organizations remain unchanged.

The extension period for filing C corporation, S corporation, and exempt organization tax returns changed from seven months to six months. Get FTB Notice 2016-04 for more information. A corporation or an exempt organization that expects a Net Operating Loss (NOL) in the 2019 taxable year, can file form FTB 3593, Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback, to extend the time for payment of taxes for the immediately preceding 2018 taxable year. This includes extending the time for payment of a tax deficiency. The payment of tax that can be postponed cannot exceed the expected overpayment from the carryback of the NOL. For more information, get form FTB 3593. Use the **Tax Payment Worksheet** included in these instructions to determine if the corporation or exempt organization owes tax.

*continued on next page*

### Payment of Tax Dates

<u>Form Filed</u>	<u>Calendar Year Filers</u>	<u>Fiscal Year Filers: 15th day of the</u>
Form 100 or 100W . . . . .	April 15, 2019 . . . . .	4th month following the close of the taxable year
Form 100S . . . . .	March 15, 2019 . . . . .	3rd month following the close of the taxable year
Form 100 for farmers' cooperative . . . . .	September 16, 2019 . . . . .	9th month following the close of the taxable year
Form 199 or 109, generally . . . . .	May 15, 2019 . . . . .	5th month following the close of the taxable year
Form 109 for employee's trust (IRC 401(a)) or IRA . . . . .	April 15, 2019 . . . . .	4th month following the close of the taxable year

**Note:** Form 100, 100W, 100S, or 109 filers that meet the requirements for filing form FTB 3593 may extend the time for payment of taxes and are not subject to late payment penalties. However, the imposition of interest is mandatory. See Tax Payment Worksheet, line 3 instructions, for more information.

### Extended Filing Dates

The extended date for filing the return is as follows:

<u>Form Filed</u>	<u>Calendar Year Filers</u>	<u>Fiscal Year Filers: 15th day of the</u>
Form 100 or 100W . . . . .	October 15, 2019 . . . . .	10th month following the close of the taxable year
Form 100S . . . . .	September 16, 2019 . . . . .	9th month following the close of the taxable year
Form 100 for farmers' cooperative . . . . .	March 16, 2020 . . . . .	15th month following the close of the taxable year
Form 199 or 109, generally . . . . .	November 15, 2019 . . . . .	11th month following the close of the taxable year
Form 109 for employee's trust (IRC 401(a)) or IRA . . . . .	October 15, 2019 . . . . .	10th month following the close of the taxable year

1. An extension of time to file the CA tax return is not an extension of time to pay the tax.
2. 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 corporation or exempt organization does not owe tax, **do not** file form FTB 3539. However, the corporation or exempt organization must file its return by the extended due date listed on the prior page.

If the corporation or exempt organization owes tax, they can pay electronically using one of the options listed below.

(See Electronic Funds Transfer section to see if the corporation or exempt organization is required to pay electronically.)

- **Electronic Funds Transfer (eft):** For payment options, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **eft**. **Do not** file form FTB 3539.
- **Electronic Funds Withdrawal (EFW):** Corporations can make an extension payment using tax preparation software. EFW is not available for exempt organizations. Check with the software provider to determine if they support EFW for extension payments. **Do not** file FTB 3539.
- **Web Pay:** Make payments online using Web Pay for Businesses. Corporations or exempt organizations can make an immediate payment or schedule payments up to a year in advance. Go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay). **Do not** file form FTB 3539.
- **Credit Card:** Use Discover, MasterCard, Visa, or American Express Card to pay your business taxes. Go to [officialpayments.com](http://officialpayments.com). Official Payments Corp. charges a convenience fee for using this service. **Do not** file form FTB 3539.

If the corporation or exempt organization will not pay the tax due electronically through EFT, EFW, Web Pay, or credit card, complete form FTB 3539, make a check or money order, and see Where to File section for further instructions. The payment must be paid by the original due date of the return to avoid late payment penalties and interest. For more information, see Penalties and Interest section.

If a corporation (including real estate investment trusts (REITs), real estate mortgage investment conduits (REMICs), regulated investment companies (RICs), 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 six-month extension to file is granted 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 CA SOS as of the original due date.

## Electronic Funds Transfer

Corporations or exempt organizations remitting an estimated tax payment or extension payment in excess of \$20,000 or having a total tax liability in excess of \$80,000 must remit all of their payments through EFT. Once a corporation or an exempt organization meets the threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically to avoid a 10% non-compliance penalty. The first payment that would trigger the mandatory EFT requirement does not have to be made electronically. Corporations required to remit payments electronically may use EFW, Web Pay, or credit card and be considered in compliance with that requirement.

The FTB notifies corporations or exempt organizations that are subject to this requirement. Those that do not meet these requirements may participate on a voluntary basis. If the corporation or exempt organization pays electronically, complete the worksheet for the corporation's or exempt organization's records. **Do not mail form FTB 3539**. See General Information section for additional information regarding electronic payment options. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **eft**, or call 916.845.4025.

## Where to File

If tax is due and the corporation or exempt organization is not paying electronically through EFT, EFW, Web Pay, or credit card, using black or blue ink, make the check or money order payable to the "Franchise Tax Board" for the amount of the tax due. Write the California corporation number, FEIN, or CA SOS file number and "2018 FTB 3539" on the check or money order. Enclose, but **do not** staple, the payment with the form FTB 3539 and mail to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0531

Mail them to the FTB by the original due date of the return to avoid late payment penalties and interest. For more information, see Penalties and Interest section.

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

### Private Mail Box (PMB)

Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

## Penalties and Interest

- If the corporation or exempt organization fails to meet estimate payment requirements, it may incur an estimate penalty. For more information, get Form 100-ES, Corporation Estimate Tax.
- If the corporation or exempt organization fails to pay its total tax liability by the original due date, the corporation or exempt organization will incur a late payment penalty plus interest. The FTB may waive the late payment penalty based on reasonable cause. Reasonable cause is presumed when 90% of the tax shown on the return, but not less than minimum franchise tax if applicable, is paid by the original due date of the return. However, the imposition of interest is mandatory.
- If the corporation or exempt organization does not file its CA tax return by the extended due date, or if the corporation's powers, rights, and privileges have been suspended or forfeited by the FTB or the CA 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 electronically 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 electronically, regardless of their filing election.

## Exempt Organizations

- **Form 100 filers** – The due dates for corporations also apply to political action committees and exempt homeowners' associations that file Form 100, California Corporation Franchise or Income Tax Return.
- 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** – 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 Tax 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.

## 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, 100W, or 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, 100W, or 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, 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.
- If filing Form 199, use form FTB 3539 only if paying the filing fee of \$10 early. Skip line 1 and line 2, and enter the amount of the filing fee on line 3 of the Tax Payment Worksheet, and on form FTB 3539.

### Line 2

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

### Line 3

#### Excess payments

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 mail form FTB 3539.** The corporation or exempt organization will automatically qualify for an extension if the CA tax return is filed by the extended due date and the corporation or exempt organization is in good standing with the FTB and CA SOS.

#### Tax due

If the amount on line 1 is more than the amount on line 2, the corporation 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.

#### Form FTB 3593, Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback

If the corporation or exempt organization expects to have an NOL in the 2019 taxable year and will carryback the NOL to the 2018 taxable year, it can reduce the amount to be remitted to the extent of the overpayment resulting from the carryback, provided all other prior year tax liabilities have been fully paid. Reduce line 3, Tax due amount by the amount of tax for which the time for payment is extended from form FTB 3593, line 6c, and enter the result on the Amount of payment line of form FTB 3539.

## TAX PAYMENT WORKSHEET (Keep for your records.)

<b>1</b> Total tentative tax. Include alternative minimum tax if applicable. See instructions . . . . .	<b>1</b>		00
<b>2</b> Estimated tax payments including prior year overpayment applied as a credit. . . . .	<b>2</b>		00
<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. If form FTB 3593 is filed to extend the time for payment, see instructions . . . . .	<b>3</b>		00

Save the completed Tax Payment Worksheet as a permanent part of the corporation’s or exempt organization’s tax records, along with a copy of the CA tax return.