

# 2020 Instructions for Form 100X

## Amended Corporation Franchise or Income Tax Return

### What's New

#### Deployed Military Exemption –

For taxable years beginning on or after January 1, 2020, and before January 1, 2030, a corporation that is a small business solely owned by a deployed member of the United States Armed Forces shall not be subject to the minimum franchise tax if the owner is deployed during the taxable year and the corporation operates at a loss or ceases operation. Corporations exempt from the minimum franchise tax should write "Deployed Military" in black or blue ink in the top margin of the tax return. For more information, get Form 100, California Corporation Franchise or Income Tax Return, or Form 100S, California S Corporation Franchise or Income Tax Return instructions.

#### Net Operating Loss Suspension –

For taxable years beginning on or after January 1, 2020, and before January 1, 2023, California has suspended the net operating loss (NOL) carryover deduction. Corporations may continue to compute and carryover an NOL during the suspension period. **However**, corporations with taxable income of less than \$1,000,000 or with disaster loss carryovers are **not** affected by the NOL suspension rules. For more information, get form FTB 3805Q, Net Operating Loss Computation and NOL and Disaster Limitations – Corporations.

#### Credit Limitation – For taxable years

beginning on or after January 1, 2020, and before January 1, 2023, there is a \$5,000,000 limitation on the application of credits for taxpayers. The total of all credits including the carryover of any credit for the taxable year may not reduce the "tax" by more than \$5,000,000. For taxpayers included in a combined report, the limitation is applied at the group level. The credits disallowed due to the limitation may be carried over. The carryover period for disallowed credits is extended by the number of taxable years the credit was not allowed. This limitation does not apply to the Low Income Housing Credit.

any business entity that files an original or amended tax return that is prepared using tax preparation software, to electronically file (e-file) their tax return with the FTB. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **business efile**.

#### Small Business Method of Accounting Election

For taxable years beginning on or after January 1, 2019, California conforms to certain provisions of the Tax Cuts and Jobs Act (TCJA) relating to changes to accounting methods for small businesses.

A small business may elect to apply the small business accounting method changes to taxable years beginning on or after January 1, 2018 and before January 1, 2019. Taxpayers make the election by providing the following information to the FTB:

1. Include a statement with their original or amended California tax return stating the taxpayers' intent to make a Small Business Method of Accounting election(s).
2. On the top of the first page of the original or amended tax return, print "AB 91 – Small Business Method of Accounting Election" in black or blue ink.
3. Mail returns to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0500

#### A Purpose

Use Form 100X to amend a previously filed Form 100, Form 100S, or Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers.

A claim for refund of an overpayment of tax should be made by filing Form 100X.

If the corporation is filing an amended tax return in response to a billing notice the corporation received, the corporation will continue to receive billing notices until the amended tax return is accepted. In addition, the corporation must pay the assessed tax before the corporation can claim a refund for any part of the assessed tax.

#### B When to File

File Form 100X only after the original tax return has been filed. Corporations must file a claim for refund within four years from the original due date of the tax return, or four years from the date of a timely filed tax return, or within one year from the date the tax was paid, whichever is later. Tax returns filed before the due date are considered as filed on the original due date.

If the Internal Revenue Service (IRS) examines and changes the federal corporate tax, the corporation must report those changes to the FTB within six months of the final federal determination by using either of the following method:

- Filing Form 100X.
- Sending a letter with copies of the federal changes to:

CORPORATION RAR  
FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0501

With either method, the corporation must include a copy of the final federal determination and all underlying data and schedules that explain or support the federal adjustments. Most penalties assessed by the IRS also apply under California law. If penalties are included in a payment with the amended tax return, see the instructions for line 19, Penalties and interest.

#### C Electronic Payments

##### Electronic Funds Transfer (EFT)

Corporations 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 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 electronic funds withdrawal (EFW), Web Pay or credit card and be considered in compliance with that requirement. The FTB notifies corporations that are subject to this requirement. Those that do not meet these requirements may participate on a voluntary basis. Indicate which taxable year the payment should be applied to when paying electronically. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **eft** or call 916.845.4025.

##### Web Pay

Corporations can make payments online using Web Pay for Businesses. Corporations 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.

##### Credit Card

Corporations can use a Discover, MasterCard, Visa, or American Express Card to pay business taxes. Go to [officialpayments.com](http://officialpayments.com). [Official Payments Corporation](http://OfficialPayments-Corporation) charges a convenience fee for using this service.

#### D Where to File

##### Payments

If a tax is due and the corporation is **not** required to make the payment electronically (by EFT, EFW, Web Pay, or credit card):

- Mail Form 100X with **payment to**:  
FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0501

### General Information

Unless otherwise stated, the term "corporation" as used in Form 100X, Amended Corporation Franchise or Income Tax Return, and in these instructions includes banks, financial corporations, S corporations, exempt homeowners' associations, political organizations, limited liability companies and limited liability partnerships classified as corporations.

#### Business e-file

The Franchise Tax Board (FTB) offers e-filing for corporations filing Form 100X. Check with software providers to see if they support business e-filing.

For taxable years beginning on or after January 1, 2014, California law requires

- e-filed returns: Mail form FTB 3586, Payment Voucher for Corporations and Exempt Organizations 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 California corporation number, the appropriate taxable year, and “Form 100X” 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 corporation e-filed Form 100X.

#### Refunds

Mail Form 100X requesting a refund to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0500

#### Return Without Payment or Paid Electronically

Mail Form 100X without a payment or paid by EFT, EFW, Web Pay or credit card to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0500

#### 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 1120, U.S. Corporation Income Tax Return, for a list of designated delivery services. 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.

Mail the amended tax return to:

FRANCHISE TAX BOARD  
SACRAMENTO CA 95827

## Specific Line Instructions

#### Additional Information

Use the additional information field for “Owner/Representative/Attention” name, and other supplemental address information only.

#### Foreign Address

If the corporation 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.

## Questions

**B and C** – The corporation must report to the FTB any changes made by the IRS to any item on the tax return or the taxpayer’s account, including changes to gross income,

deductions, penalty, credit or tax, whether or not the change results in additional tax for California for the same or any other taxable year within six months of the date of the final federal determination.

If the IRS adjustments result in a refund for California, generally the corporation must file a claim for refund within two years of the IRS final determination date.

Be sure to include a complete copy of the final federal determination and all supporting computations and schedules, along with a schedule of the adjustments as applicable to the corporation’s California tax liability. For more information, get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California.

**D, E, and F** – Check the appropriate box to indicate whether this Form 100X is being filed to amend a Form 100, Form 100W, or Form 100S. If filing an amended return for Form 100S, enter the maximum number of shareholders in the S corporation at any time during the taxable year.

**G** – Check the “Yes” box if this Form 100X 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.

**H** – Corporations are not allowed to elect or terminate a water’s-edge election on an amended tax return. For information on how to elect or terminate a water’s-edge election, get the Form 100W instructions for the taxable year being amended.

## Part I and Part II

**Column (a)** – Enter the amounts as shown on the original or last previously amended tax return, or if the tax return was adjusted or examined, enter the amounts that were determined by the FTB as a result of the examination, whichever occurred later.

**Column (b)** – Enter the net increase or the net decrease for each line changed. List each change on Side 2, Part V, line 2 and provide an explanation and supporting schedules for each change.

**Column (c)** – Add any increase in column (b) to the amount in column (a) or subtract any decrease in column (b) from the amount in column (a) and enter the result in column (c). If there is no change, enter the amount from column (a) in column (c).

## Part I Income and Deductions

#### Line 5 – Net income (loss) from Schedule R

If the corporate taxpayer apportions its business income to California and there is a net change in the amount of net business income (loss) after state adjustments apportioned to the corporate taxpayer, then the corporate taxpayer must recompute and attach

Schedule R, Apportionment and Allocation of Income.

## Part II Computation of Tax, Penalties, and Interest

For more information such as applicable tax rates or instructions on how to determine net operating loss deduction, alternative minimum tax (AMT), excess net passive income tax, etc., get Form 100, Form 100W, or Form 100S instructions for the taxable year being amended.

#### Line 7 – Net operating loss (NOL) deduction

The NOL carryover deduction is suspended for 2020, 2021, and 2022 taxable years, if the taxpayer’s taxable income is \$1,000,000 or more. The taxpayer may continue to compute and carryover an NOL during the suspension period. **However**, taxpayers with taxable income of less than \$1,000,000 or with disaster loss carryovers are **not** affected by the NOL suspension rules. For more information, get form FTB 3805Q.

For taxable years beginning on or after January 1, 2019, NOL carrybacks are **not** allowed.

#### Line 8 – EZ, TTA, or LAMBRA NOL deduction

The EZ, LAMBRA, or TTA NOL carryover deduction is suspended for the 2020, 2021, and 2022 taxable years, if the taxpayer’s taxable income is \$1,000,000 or more.

Get the following forms for more information:

- FTB 3805Z, Enterprise Zone Deduction and Credit Summary
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary
- FTB 3809, Targeted Tax Area Deduction and Credit Summary

#### Line 11, column (c) – Correct amount of tax

Do not enter less than the minimum franchise tax, unless an exception applies. For more information on the type of entities that are subject to, or not subject to the minimum franchise tax, see the instructions under the Franchise or Income Tax section and Minimum Franchise Tax section included in Form 100, Form 100W, or Form 100S tax booklets.

Include QSub taxes on this line, if applicable.

#### Line 14 – Alternative minimum tax

This applies to Form 100 or Form 100W filers only.

Enter in column (b) the net increase or net decrease in AMT between the original and amended Schedule P (100), Alternative Minimum Tax and Credit Limitations – Corporations, or Schedule P (100W), Alternative Minimum Tax and Credit Limitations – Water’s-Edge Filers. Be sure to attach the amended Schedule P (100) or Schedule P (100W) to Form 100X.

### Line 17 – Other adjustments to tax

Complete form FTB 3834, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts, for interest adjustments under the look-back method of completed long-term contracts. Enter the net increase or net decrease to the interest due or to be refunded in column (b). Attach the amended form FTB 3834 to Form 100X.

Also, enter in column (b) the net increase or net decrease of any credit recapture, LIFO recapture, or tax on installment sales. For more information, see Form 100, Form 100W, or Form 100S, Schedule J, Add-on Taxes and Recapture of Tax Credits, or Form 100, Form 100W, or Form 100S instructions.

### Line 19 – Penalties and interest

**Line 19 (a)** – Enter the net increase or net decrease of any penalties being reported on the amended tax return.

The corporation cannot reduce the estimated tax penalty previously assessed, even if the corporation reduces the tax due if this amended tax return is filed after the original filing due dates, including extensions.

**Line 19 (b)** – Enter the net increase or net decrease of interest being reported on the amended tax return.

**Line 19 (c)** – Enter the total of line 19, column (a) and column (b).

If the corporation does not compute the interest due, the FTB will figure any interest due and bill the corporation. Interest accrues on the unpaid tax from the original due date of the tax return to the date paid. For the applicable interest rates, get FTB Pub. 1138, Business Entity Refund/Billing Information.

### Large Corporate Understatement of Tax Penalty (LCUP)

Corporations are subject to LCUP for the understatement of tax if that understatement exceeds the greater of:

- \$1 million or
- 20% of the tax shown on an original or amended return filed on or before the original or extended due date of the return for the taxable year.

The amount of the penalty is equal to 20% of the understatement of tax. See R&TC Section 19138 for exceptions to the LCUP. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **lcup**.

## Part III Payments and Credits

Enter any payments or credits on the appropriate line.

If the corporation elected to report use tax on the original tax return, **do not** include the amount of use tax paid with the original return on Part III.

### Line 25 – Other payments

Enter any payments made that are not listed on the lines above. For example, if the corporation made a tax deposit payment with form FTB 3577, Pending Audit Tax Deposit Voucher for Corporations, for this taxable year

and wants to apply all or part of the tax deposit payment.

## Part IV Amount Due or Refund

### Line 29 – Amount due

Using black or blue ink, make the check or money order payable to the “Franchise Tax Board” for the amount shown on line 29. Write the California corporation number, applicable taxable year, and “Form 100X” on the check or money order. Enclose, but **do not** staple, the check or money order with the Form 100X.

If the corporation must pay its tax liability using EFT, all payments must be remitted by EFT, EFW, Web Pay, or credit card to avoid penalties. See General Information C, Electronic Payments, for more information.

### Line 30 – Refund

If the corporation is entitled to a refund larger than the amount claimed on the original tax return, line 30 will show the amount of refund. The FTB will figure any interest due and will include it in the refund. If the corporation is claiming a refund for interest previously paid, include the interest amount on line 19.

## Part V Explanation of Changes

### Line 1

If the original tax return was filed using a different corporation name, address, California corporation number, and/or federal employer identification number (FEIN), enter the name, address, California corporation number, and FEIN used on the original tax return on this line.

### Line 2

Explain in detail any changes made to the amounts listed in Side 1, column (a). Include in the explanation the line number references for both the original and amended tax returns and any detailed computations. Include a copy of the federal Form 1120X, Amended U.S. Corporation Income Tax Return, and schedules if a change was made to the federal tax return. Include the corporation's name and California corporation number on all attachments.

## Signatures

### Phone Number

Include an officer's phone number in case the FTB needs to contact the corporation 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.

### Preparer Tax Identification Numbers (PTIN)

Tax preparers must provide their PTIN on the tax returns they prepared. Preparers who want a PTIN should go to the IRS website at [irs.gov](http://irs.gov) and search for **ptin**.

## 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](http://ftb.ca.gov/forms).

**By Telephone** – You can order current year California tax forms from 6 a.m. to 10 p.m. weekdays, 6 a.m. to 4:30 p.m. Saturdays, except holidays. Call 800.338.0505 and follow the recorded instructions. Allow two weeks to receive your order. If you live outside of California, allow three weeks to receive your order.

**By Mail** – Write to:

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

### General Phone Service

Telephone assistance is available year-round from 7 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

**TTY/TDD:** 800.822.6268 for persons with hearing or speech disability  
711 or 800.735.2929 California relay service

IRS: 800.829.4933 call the IRS for federal tax questions

### Asistencia en español:

Asistencia telefónica está disponible durante todo el año desde las 7 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

**TTY/TDD:** 800.822.6268 para personas con discapacidades auditivas o del habla  
711 ó 800.735.2929 servicio de relevo de California

IRS: 800.829.4933 para preguntas sobre impuestos federales