

2018
**Local Agency Military Base Recovery Area
Business Booklet**

3807

California Forms & Instructions

Members of the Franchise Tax Board

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This booklet contains:

Form FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary



STATE OF CALIFORNIA
Franchise Tax Board

2018 Instructions for Form FTB 3807

Local Agency Military Base Recovery Area Businesses

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and to the California Revenue and Taxation Code (R&TC).

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General Information

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to ftb.ca.gov and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

Repeal of Geographically Targeted Economic Development Area Tax Incentives

The California legislature repealed and made changes to all of the Geographically Targeted Economic Development Area (G-TEDA) Tax Incentives. Enterprise Zones (EZ) and

Local Agency Military Base Recovery Areas (LAMBRA) were repealed on January 1, 2014. The Targeted Tax Areas (TTA) and Manufacturing Enhancement Areas (MEA) both expired on December 31, 2012. For more information, go to ftb.ca.gov and search for **repeal tax incentives**.

LAMBRA Incentives Repealed

For taxable years beginning on or after January 1, 2014, taxpayers cannot generate the following LAMBRA incentives:

- Sales or Use Tax Credit
- Business Expense Deduction
- Net Operating Loss (NOL)

However, taxpayers can claim the sales or use tax credit carryover or NOL carryover deduction from previous years.

LAMBRA Hiring Credit

For taxable years beginning on or after January 1, 2014, taxpayers cannot generate any LAMBRA hiring credit. **However**, qualified taxpayers within the LAMBRA who hired qualified employees on or before December 31, 2013, and paid or incurred qualified wages during the 60-month period immediately following the hire date, shall continue to qualify for the hiring credit.

LAMBRA Credits Carryover Period

The portion of any LAMBRA sales or use tax credit or hiring credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first. Any hiring credits generated in the current taxable year for employees hired on or before December 31, 2013, and unusable in the current taxable year, may be carried over to the succeeding 10 taxable years.

Minimum Wage

For any employer who employs **25 or fewer employees**, the California minimum wage is:

- \$10.50 per hour from January 1, 2018, through December 31, 2018.
- \$11.00 per hour from January 1, 2019, through December 31, 2019.

For any employer who employs **26 or more employees**, the California minimum wage is:

- \$11.00 per hour from January 1, 2018, through December 31, 2018.
- \$12 per hour from January 1, 2019, through December 31, 2019.

Pass-Through Entities

For purposes of this booklet, the term “pass-through entity” refers to an S corporation, estate, trust, partnership, and limited liability company (LLC). References to “partnerships” include LLCs classified as partnerships.

Single-Sales Factor Formula

R&TC Section 25128.7 requires all business income of an apportioning trade or business,

other than an apportioning trade or business under R&TC Section 25128(b), to apportion its business income to California using the single-sales factor formula. For more information, get Schedule R, Apportionment and Allocation of Income, or go to ftb.ca.gov and search for **single sales factor**. **However**, business income apportioned to the LAMBRA continues to be apportioned based on the property and payroll factors.

Assignment of Credits

Credit earned by members of a combined reporting group may be assigned to an affiliated corporation that is an eligible member of the same combined reporting group. A credit assigned may only be claimed by the affiliated corporation against its tax liability.

For more information, see instructions for Schedule Z, Computation of Credit Limitations, on page 13, Assignment of Credit; get form FTB 3544, Election to Assign Credit Within Combined Reporting Group; form FTB 3544A, List of Assigned Credit Received and/or Claimed by Assignee; or go to ftb.ca.gov and search for **credit assignment**.

Introduction

Economic Development Area (EDA) Tax Incentives

California established four types of EDAs that had related tax incentives. These incentives were established to stimulate growth and development in selected areas that were economically depressed. EDA tax incentives applied only to certain business transactions that were undertaken after an EDA had received final designation from the Housing and Community Development (HCD). Final designation was when the HCD designated an area to be an EDA. Tax incentives were available to individuals and businesses that operated or invested within the geographic boundaries of the following EDAs:

- Enterprise Zones (repealed on January 1, 2014)
- Local Agency Military Base Recovery Areas (repealed on January 1, 2014)
- Manufacturing Enhancement Areas (designation expired on December 31, 2012)
- Targeted Tax Areas (designation expired on December 31, 2012)

Additional information on other EDAs can be found in the following FTB tax booklets:

- FTB 3805Z, Enterprise Zone Business Booklet
- FTB 3808, Manufacturing Enhancement Area Business Booklet
- FTB 3809, Targeted Tax Area Business Booklet

References in this booklet to the "LAMBRA" are interpreted as "the boundaries of the former LAMBRA as it existed on December 31, 2013."

Reporting Requirement

California statutes require the Franchise Tax Board (FTB) to provide information to the California Legislature regarding the number of businesses using the EDA tax incentives, types of EDA tax incentives being used, and the EDAs in which the businesses are claiming the tax incentives.

Complete items A through I on Side 1 of form FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary, as applicable. This information will be used to meet the FTB's statutory reporting requirement.

Purpose

This booklet provides specific information on the types of available LAMBRA tax incentives. Taxpayers operating or investing in a business located within a designated LAMBRA may be eligible for the following credit and/or claim the following credit carryover and carryover deduction:

- Hiring Credit
- Sales or Use Tax Credit Carryover
- NOL Carryover Deduction

Use this booklet to determine the correct amount of credits and deductions that a business may claim for operating or investing in a business located within a designated LAMBRA. Complete the worksheets in this booklet for each credit and deduction for which the business is eligible. Then enter the total credits and deductions on form FTB 3807.

LAMBRA Designation

LAMBRA were established to stimulate growth and development in areas that experienced military base closures. These are the designated LAMBRA with their designation dates. **Note:** All LAMBRA are repealed as of January 1, 2014.

Southern California Logistics Airport
Designation Date: 2/1/1996

Castle Airport
(formerly Castle Air Force Base)
Designation Date: 6/1/1996

Mare Island
(formerly Mare Island Naval Base)
Designation Date: 1/1/1999

San Bernardino International Airport
and Trade Center
Designation Date: 4/1/2000

Alameda Point
(formerly Alameda Naval Air Station)
Designation Date: 6/1/2000

Mather/McClellan
(formerly Mather Field/McClellan Park)
Designation Date: 7/1/2000

San Diego Naval Training Center
(formerly Liberty Station)
Designation Date: 6/1/2001

Tustin Legacy
(formerly Tustin Marine Corps Air Station
in Tustin)
Designation Date: 9/1/2001

For the most updated information regarding the correct LAMBRA designation periods, and for questions regarding business eligibility or zone related information, and geographic boundaries, contact the HCD or the local program manager in which the business is located. Go to hcd.ca.gov and search for **directory of zone contacts** to find Directory of Economic Development Areas.

For information that is zone-specific but not tax-specific, you may contact the HCD. See LAMBRA Contact Information on page 22.

Forms List

The titles of forms referred to in this booklet are:

Form 100	California Corporation Franchise or Income Tax Return
Form 100S	California S Corporation Franchise or Income Tax Return
Form 100W	California Corporation Franchise or Income Tax Return – Water's-Edge Filers
Form 109	California Exempt Organization Business Income Tax Return
Form 540	California Resident Income Tax Return
Long Form 540NR	California Nonresident or Part-Year Resident Income Tax Return
Form 541	California Fiduciary Income Tax Return
Form 565	Partnership Return of Income
Form 568	Limited Liability Company Return of Income
Schedule CA (540)	California Adjustments – Residents
Schedule CA (540NR)	California Adjustments – Nonresidents or Part-Year Residents
Schedule P (540)	Alternative Minimum Tax and Credit Limitations – Residents
Schedule P (540NR)	Alternative Minimum Tax and Credit Limitations – Nonresidents and Part-Year Residents
Schedule R	Apportionment and Allocation of Income
FTB Pub. 1061	Guidelines for Corporations filing a Combined Report S Corporation Tax Credits
Schedule C (100S)	Sales of Business Property
Schedule D-1 (100S)	Shareholder's Share of Income, Deductions, Credits, etc.
Schedule K-1 (541)	Beneficiary's Share of Income, Deductions, Credits, etc.

Schedule K-1 (565)	Partner's Share of Income, Deductions, Credits, etc.
Schedule K-1 (568)	Member's Share of Income, Deductions, Credits, etc.
FTB 3544	Election to Assign Credit Within Combined Reporting Group
FTB 3544A	List of Assigned Credit Received and/or Claimed by Assignee

Who Can Claim the LAMBRA Tax Incentives?

The LAMBRA credits and deductions are available to individuals, sole proprietors, corporations, estates, trusts, and partnerships operating or investing in a business located within a designated LAMBRA.

How to Claim Deductions and Credits

To claim any LAMBRA deduction or credit, **attach** a completed form FTB 3807 to your California tax return.

Attach a separate form FTB 3807 for each business you operate or invest in that is located within a LAMBRA. Also complete the following schedule and/or worksheets to report credits and deductions incurred:

- Corporations: Complete Schedule Z and all the worksheets, except for Worksheet III, Income or Loss Apportionment - LAMBRA, Section B.
- Sole proprietors: Complete Schedule Z and all the worksheets.
- Trusts, estates, and partnerships: Complete Worksheet IIA, Hiring Credit and Recapture - LAMBRA, and Worksheet III, Section A.
- Individual investors receiving pass-through LAMBRA **credits**: Complete Worksheet III, Section B and Schedule Z. All other investors complete Worksheet III, Section A and Schedule Z.
- Individual investors receiving a pass-through **loss**, and having an overall **NOL**: Complete Worksheet III, Section B and Worksheet IV, Computation of NOL Carryover and Carryover Limitations - LAMBRA. All other investors complete Worksheet IV.

Schedule Z is on Side 2 of form FTB 3807.

Note: There is no Worksheet I for this booklet. Claim LAMBRA business tax incentives on the following tax returns:

Form 540 filers:	Form 540, lines 43 through 45, as applicable.
Long Form 540NR filers:	Long Form 540NR, lines 58 through 60, as applicable.
Form 100 filers:	Form 100, line 20, and lines 24 through 26, as applicable.
Form 100S filers:	Form 100S, line 18, and lines 22 through 24, as applicable.

Form 100W filers: Form 100W, line 20, and lines 24 through 26, as applicable.

Form 109 filers: Check the “Yes” box for the LAMBRA Question I at the top of Form 109, Side 1.

Keep all completed worksheets and supporting documents for your records.

Form FTB 3807 – Instructions for Items A through I

For corporations, estates, trusts, partnerships, exempt organizations, and sole proprietors, who operate a business in the LAMBRA, complete items A through I.

Investors of pass-through entities, complete items A through D.

Principal Business Activity (PBA) Codes

The PBA codes are based on the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget. Use the PBA and NAICS codes in the chart listed on pages 19 through 21 to classify your business. Enter the PBA code of the business on form FTB 3807, Side 1.

Part I – Credits and Recapture

Line 1a – Hiring Credit

Note: All LAMBRA are repealed as of January 1, 2014.

For employers engaged in a trade or business in a repealed LAMBRA, the hiring credit can be taken for qualified employees hired on or before December 31, 2013, for the full 60-month period of the hiring credit. The hiring credit may not be taken for any employees hired on or after January 1, 2014. Hiring credits and carryovers may still be claimed to the extent of business income apportioned to the former repealed LAMBRA. The portion of any credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first. Any hiring credits generated in the current taxable year for employees hired on or before December 31, 2013, and unusable in the current taxable year, may be carried over to the succeeding 10 taxable years.

Employers hiring qualified employees, were required to obtain VoucherCert 10-07 from the local agency responsible for verifying employee eligibility on or before December 31, 2014. Do not file VoucherCert 10-07 with your tax return. Keep the voucher for your records. For vouchering questions, go to hcd.ca.gov and search for **vouchering**.

Employers conducting a trade or business within a LAMBRA may claim the hiring credit for hiring a qualified disadvantaged individual or a qualified displaced employee.

Qualified Disadvantaged Individual

A qualified disadvantaged individual is an individual who meets all of the following:

- Was hired after the LAMBRA received its final designation.
- Spends at least 90% of work time for the qualified employer on activities directly related to the conduct of a trade or business located within the LAMBRA.
- Performs at least 50% of the work for the qualified employer within the boundaries of the LAMBRA.
- Anyone who immediately before starting work for the employer was any of the following:
 1. A person who has been determined eligible for services under the federal Job Training Partnership Act (JTPA).
 2. A person eligible to be a voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985 (GAIN).
 3. An economically disadvantaged individual 16 years of age or older.
 4. A qualified dislocated worker.
 5. An individual who is enrolled in or has completed a state rehabilitation plan.
 6. A service-connected disabled veteran.
 7. A veteran of the Vietnam era.
 8. A veteran who recently separated from military service.
 9. An ex-offender.
- 10. A person who is a recipient of any of the following:
 - Federal Supplemental Security Income (SSI) benefits.
 - Aid to Families with Dependent Children (AFDC).
 - Supplemental Nutrition Assistance Program (SNAP).
 - State and local general assistance.
- 11. A Native American.

Qualified Displaced Employee

A qualified displaced employee is an individual who meets all of the following:

- Was hired after the LAMBRA received its final designation.
- Spends at least 90% of work time for the qualified employer on activities directly related to the conduct of a trade or business located within the LAMBRA.
- Performs at least 50% of the work for the qualified employer within the boundaries of the LAMBRA.
- Is a civilian or military employee of a base or former base who has been displaced as a result of a federal base closure act.

For more information, refer to the federal JTPA or its successor, the Workforce Investment Act (WIA).

The percentage of wages used to compute the credit depends on the number of years the employee works for the employer in the LAMBRA. The applicable percentage begins at 50% and declines 10% for each year of employment. After the fifth year of employment, no credit can be generated.

Qualified Wages

Qualified wages means the wages paid or incurred by the employer during the taxable year to a qualified disadvantaged individual or a qualified displaced employee that does not exceed 150% of the minimum wage. The wages must be paid or incurred on or after the designation date.

Wages that qualify for the hiring credit are those wages paid to a qualified employee for the consecutive 60-month period beginning on the first date the employee commenced employment with the employer. For this purpose, commencement of employment or the hire date is the first day of employment for which the individual receives wages/compensation. For an employer that operates a business that has regularly occurring seasonal or intermittent employment decreases and increases, reemployment of an individual is not a new hire; rather, it is a continuation of the prior employment and does not constitute commencement of employment for the qualified wages test. Qualified wages are the smaller of the following:

- The actual hourly rate paid or incurred by the employer for work performed by the employee during the taxable year.
- 150% of the minimum hourly wage established by the Industrial Welfare Commission.

Where the California minimum wage is higher than the federal minimum wage, the California minimum wage is used for purposes of computing the LAMBRA hiring credit.

For any employer who employs 25 or fewer employees, the California minimum wage is \$10.50 per hour from January 1, 2018 through December 31, 2018. For purposes of computing the EZ hiring credit, 150% of the minimum wage is \$15.75 per hour. For more information in regard to the California minimum wage, see General Information.

For the example below, the minimum wage prior to July 1, 2014, was \$8.00 per hour. For purposes of computing the LAMBRA hiring credit, 150% of the minimum wage was \$12.00 per hour.

Example:

John Anderson was hired on January 1, 2013. John's hourly rate for the first month was the minimum wage \$8.00. At the beginning of the second month, his hourly rate increased to \$8.50. In the third month, John's hourly rate increased to \$12.50. The hourly rate that qualifies for the credit is limited to 150% of the minimum wage, or \$12.00 per hour. The amount of qualified wages is computed as follows:

Month(s)	Hours per month	x	Hourly rate allowed	=	Qualified wages per month
1	175		\$ 8.00		\$1,400.00
2	170		8.50		\$1,445.00
3	170		12.00		\$2,040.00

Record Keeping

Retain a copy of VoucherCert 10-07 and the documentation given to the vouchering agency. In addition, for each qualified employee, keep a schedule for the first 60 months of employment showing (at least) the following:

- Employee's name.
- Date the employee was hired.
- Number of hours the employee worked for each month of employment.
- Smaller of the hourly rate of pay for each month of employment or 150% of the minimum wage.
- Total qualified wages per month for each month of employment.
- Records of any other federal or state subsidies you may have received for hiring the qualified employee.
- Location of the employee's job site and duties performed.

Line 1b – Hiring Credit Recapture

Employers recapture (add back to the tax liability) the amount of credit attributable to an employee's wages if you terminate an employee at any time during the longer of the following:

- The first 270 days of employment (whether or not consecutive).
- 90 days of employment plus 270 calendar days.

Employers of seasonal employees, recapture the amount of hiring credit attributable to the employee's wages if both of the following apply:

- The employer terminates the employee before the completion of 270 days of employment.
- The 270 days is during the 60-month period beginning the day the employee commences employment with the employer.

A "day of employment" means any day the employee receives wage compensation (including a paid sick day, holiday, or vacation day).

Employers add to the current year's tax the amount of credit claimed in the year of termination and all prior years in which the credit was claimed for the terminated employee.

The credit recapture does not apply if the termination of employment was any of the following:

- Voluntary on the part of the employee.
- In response to misconduct of the employee.
- Caused by the employee becoming disabled (unless the employee was able to return to work and the employer did not offer to re-employ the individual).
- Carried out so that other qualified individuals could be hired, creating a net increase in both the number of qualified employees and the number of hours worked.
- Due to a substantial reduction in the employer's trade or business operations.

Instructions for Worksheet IIA – Hiring Credit and Recapture

Section A – Credit Computation

Line 1, column (a) – Enter the name of each qualified employee. Attach additional schedule(s) if necessary.

Line 1, column (b) through column (f) – Enter in the appropriate column, the qualified wages paid or incurred during the taxable year to each qualified employee listed in column (a).

Line 2, column (b) through column (f) – Add the amount of qualified wages in each column.

Line 3, column (b) through column (f) – Multiply the total in each column of line 2 by the percentage in each column.

Line 5 – If you can claim the federal jobs tax credit from the Work Opportunity Tax Credit (WOTC) on your 2018 federal tax return then reduce the LAMBRA hiring credit by that amount. The reduction applies for those employees who are hired on or after January 1, 2010, and before August 31, 2011, (excluding unemployed veterans and disconnected youths as described in IRC Section 51(d)(14)).

No other California jobs tax credit may be claimed for the same wage expense paid to the employees shown in line 1, column (a).

Line 6 – For partnerships, enter the amount from line 6 on form FTB 3807, Side 1, Part I, line 1a. Also, include the current year hiring credit amount on Forms 565 and 568, Schedule K, line 15f and the distributive share of the credit to partners and members on Schedule K-1, line 15f. In addition, add the entire amount of the credit on Schedule K, line 1, column (c).

For corporations, individuals, estates, and trusts, enter the amount from line 6 on Schedule Z, as follows:

- Part II, line 8B, column (b) for corporations, individuals, estates, and trusts.
- Part III, line 10, column (b) for S corporations.
- Part IV, line 12, column (b) for corporations and S corporations subject to paying only the minimum franchise tax.

Important: Affiliated corporations that received credits assigned under R&TC Section 23663, do not enter the assigned credits received on this worksheet. Those credits are entered and tracked on form FTB 3544A.

Credit Limitations

- The cumulative qualified wages used to compute the credit cannot exceed \$2,000,000. The limit applies for **each** taxable year, regardless of the number of qualified disadvantaged individuals employed.
- The amount of hiring credit claimed may not exceed the amount of tax on LAMBRA business income in any year. Use Schedule Z to compute the credit limitation.

- The portion of any credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first.
- Businesses reduce any deduction for wages by the amount of this credit.
- In the case where the business is qualified to take the LAMBRA hiring credit as well as another credit (e.g., EZ, MEA, or TTA hiring credit) for the same wage expense, the business may only claim one credit.
- S corporations may claim only 1/3 of the LAMBRA hiring credit against the 1.5% entity-level tax (3.5% for financial S corporations.) S corporations can pass through 100% of the credit to their shareholders. S corporations reduce their wage deduction by 1/3 of the amount on Worksheet IIA, Section A, line 6 and on Form 100S, line 7. In addition, the S corporation must make an adjustment for the entire amount of the credit on Schedule K (100S), line 1, column (c).

Example: In 2018, an S corporation qualified for a \$3,000 LAMBRA hiring credit. The S corporation can claim a credit for \$1,000 and reduce its wage deduction by \$1,000 ($\$3,000 \times 1/3$) on Form 100S, line 7. On Form 100S, Schedule K, line 1, column (c), the S corporation would add \$3,000 to the S corporation's ordinary income or loss to reflect the credit passed through to the shareholder(s).

For additional information about the treatment of credits for S corporations, see instructions for Schedule Z.

Section B – Credit Recapture

Line 1, column (a) – Enter the name of the terminated employee. Attach additional schedule(s) if necessary.

Line 1, column (b) – Enter the amount of credit recapture for each employee listed in column (a).

Line 2 – Enter the amount from line 2, column (b) on form FTB 3807, Side 1, Part I, line 1b.

Also include the amount of hiring credit recapture on your California tax return or schedule as follows:

- Form 100, Schedule J, line 5.
- Form 100S, Schedule J, line 5 and Schedule K-1 (100S), line 17d.
- Form 100W, Schedule J, line 5.
- Form 109, Schedule K, line 4.
- Form 540, line 63.
- Long Form 540NR, line 73.
- Form 541, line 37 and Schedule K-1 (541), line 14d.
- Form 565, Schedule K, line 20c and Schedule K-1 (565), line 20c.
- Form 568, Schedule K, line 20c and Schedule K-1 (568), line 20c.

Indicate that you included the hiring credit recapture on your tax return by writing "FTB 3807" in the space provided on the schedule or form.

Partnerships identify the recapture amounts for their partners and members on Schedule K-1 (565 or 568).

S corporation shareholders recapture the portion of the credit that was previously claimed, based on the terminated employee's wages. Also identify the recapture amount for shareholders on Schedule K-1 (100S). This amount will differ from the amount recaptured by the S corporation on Form 100S, Schedule J.

FTB 3807, Part I, Line 1c – Sales or Use Tax Credit Carryover

All LAMBRA's are repealed as of January 1, 2014. For taxable years beginning on or after January 1, 2014, taxpayers cannot generate any sales or use tax credit.

Credit Limitations

- A sales or use tax credit carryover may be claimed to the extent of business income apportioned to the former LAMBRA. Use Schedule Z to compute the credit limitation.
- The portion of any credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first.

For information about the treatment of credits for S corporations, see instructions for Schedule Z inside this booklet.

Part II – Portion of Business Attributable to the LAMBRA

LAMBRA business tax credits are limited to the tax on business income attributable to operations within the LAMBRA. LAMBRA deductions are limited to the business income attributable to operations within the LAMBRA. If the business is located within and outside a LAMBRA or in more than one LAMBRA, determine the portion of total business operations that are attributable to each LAMBRA. If a taxpayer conducts businesses in more than one LAMBRA, the LAMBRA apportionment factor and credit limitations are computed separately for each LAMBRA.

Business Income vs. Nonbusiness Income

Business income is defined as income arising from transactions and activities in the regular course of the trade or business. Business income includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations. Nonbusiness income is all income other

than business income. See Cal. Code Regs., tit. 18 section 25120 for further references and examples of nonbusiness income.

For corporations and entities doing business in and outside of the LAMBRA, use Worksheet III, Section A to determine the LAMBRA apportionment factor to determine the amount of business income attributable to the LAMBRA.

Pass-through entities report to their shareholders, beneficiaries, partners, and members the following items:

1. The distributive (or pro-rata for S corporations) share of the business income apportioned to the LAMBRA.
2. The distributive (or pro-rata for S corporations) share of the business capital gains and losses apportioned to the LAMBRA included in item 1.
3. The distributive (or pro-rata for S corporation) share of the LAMBRA property and payroll to corporate partners, members, shareholders, beneficiaries.

Report these items as other information on Schedule K-1 (100S, 541, 565 or 568.)

For an individual, use Worksheet III, Section B to determine business income attributable to the LAMBRA. Business income includes but is not limited to California business income or loss from federal Form 1040 (Schedule C, Profit or Loss from Business (Sole Proprietorship); Schedule C-EZ, Net

Worksheet IIA Hiring Credit and Recapture – LAMBRA

Section A Credit Computation. You cannot take the LAMBRA hiring credit and another credit for the same wage expense.

Qualified wages paid or incurred for year of employment					
(a)	(b)	(c)	(d)	(e)	(f)
Employee's name	1st year	2nd year	3rd year	4th year	5th year
1					
2 Total. See instructions					
3 Multiply line 2 by the percentage in each column. See instructions50	.40	.30	.20	.10
4 Add the amounts on line 3, column (b) through column (f)					4
5 Enter the amount of 2018 federal jobs tax credit allowed. See instructions.					5
6 Subtract the amount on line 5 from the amount on line 4 and enter the result here. See instructions.					6

Section B Credit Recapture

(a)	(b)
Terminated employee's name	Recapture amount
1	
2 Total amount of credit recapture. Add the amounts in column (b). See instructions for where to report on your California tax return.	2

Profit from Business; Schedule D, Capital Gains and Losses; Schedule E, Supplemental Income and Loss; Schedule F, Profit or Loss from Farming) and California Schedule D-1, Sales of Business Property or federal Form 4797, Sales of Business Property, if California Schedule D-1 is not needed, as well as wages. Be sure to include casualty losses, disaster losses, and any business deductions reported on federal Form 1040, Schedule A, Itemized Deductions.

Generally, all income which arises from the conduct of trade or business operations of a taxpayer is business income.

If you elected to claim part or all of your current year disaster loss under IRC Section 165(i)(1) on prior year's tax return, do not include the amount of the loss that was claimed in your current year business income from the LAMBRA.

Apportionment

Business income is apportioned to the LAMBRA by multiplying the **total California business income** of the taxpayer by a fraction. The numerator is the property factor plus the payroll factor, and the denominator is two. Loss is apportioned to the LAMBRA by multiplying the taxpayer's **total overall business loss** by a fraction. If a taxpayer conducts a business in more than one LAMBRA, the LAMBRA apportionment factor and credit limitations are computed separately for each LAMBRA.

Property Factor

Property is defined as the average value of all real and tangible personal property owned or rented by the business and used during the taxable year to produce business income.

Property owned by the business is valued at its original cost. Original cost is the basis of the property for federal income tax purposes (prior to any federal adjustment) at the time of acquisition by the business, adjusted for subsequent capital additions or improvements and partial dispositions because of sale or exchange. Allowance for depreciation is not considered.

Rented property is valued at eight times the net annual rental rate. The net annual rental rate for any item of rented property is the total rent paid for the property, less aggregate annual subrental rates paid by subtenants.

Payroll Factor

Payroll is defined as the total amount paid to the business's employees as compensation for the production of business income during the taxable year.

Compensation means wages, salaries, commissions, and any other form of remuneration paid directly to employees for personal services. Payments made to independent contractors or any other person not properly classified as an employee are excluded.

Compensation Within the LAMBRA

Compensation is considered to be within the LAMBRA if any of the following conditions are met:

1. The employee services are performed within the geographical boundaries of the LAMBRA.
2. The employee services are performed within and outside the LAMBRA, but the services performed outside the LAMBRA are incidental to the employee services within the LAMBRA.
3. If employee services are performed within and outside the LAMBRA, employee compensation is attributed to the LAMBRA if any of the following items are met:

- A. The employee's base of operations is within the LAMBRA.
- B. There is no base of operations in any other part of the state in which some part of the service is performed, and the place from which the service is directed or controlled is within the LAMBRA.
- C. The base of operations or the place from which the service is directed or controlled is not in any other part of the state in which some part of the service is performed and the employee's residence is within the LAMBRA.

Base of operations is the permanent place from which employees start work and customarily return in order to receive instruction from the taxpayer or communications from their customers or other persons; to replenish stock or other material; to repair equipment; or to perform any other functions necessary in the exercise of their trade or profession at some other point or points.

Corporations Filing a Combined Report

When determining the income attributable to the LAMBRA, the business income of each corporation doing business in the LAMBRA is the business income apportioned to California as determined under combined report mechanics. For more information on combined reports, get FTB Pub. 1061. Each corporation computes the income attributable to the LAMBRA by multiplying California business income by LAMBRA apportionment factor computed in Worksheet III, Section A. LAMBRA property and payroll factors used in the determination of LAMBRA business income includes only the taxpayer's California amounts in the denominator.

Each corporation doing business in the LAMBRA computes the business income attributable to the LAMBRA according to their own apportioned California business income and interstate apportionment factors.

Example: Computation of LAMBRA business income apportioned to each entity operating within the LAMBRA

Parent Corporation A has two subsidiaries, B and C. Corporations A and B operate within the LAMBRA. The combined group operates within and outside California and apportions its income to California using Schedule R. Assume the combined group's business income apportioned to California was \$1,000,000 and Corporation A's and B's share of California business income is \$228,000 and \$250,000, respectively. Corporation A's and B's separate LAMBRA and separate California property and payroll factor amounts are shown below.

Business income apportioned to the LAMBRA was determined as follows:

	A	B
Property Factor		
LAMBRA property	\$1,000,000	\$ 800,000
California property	\$1,000,000	\$1,200,000
Apportionment %	100%	66.66%
Payroll Factor		
LAMBRA payroll	\$ 800,000	\$ 800,000
California payroll	\$ 800,000	\$1,000,000
Apportionment %	100%	80%
Average Apportionment % (Property + Payroll Factors) 2	100%	73.33%
Apportioned Business Income	\$ 228,000	\$ 250,000
LAMBRA business Income (Average Apportionment % X California Business Income)	\$ 228,000	\$ 183,325

Instructions for Worksheet III – Income or Loss Apportionment

If the business operates solely within a single LAMBRA and all its property and payroll are solely within that single LAMBRA, enter 100% (1.00) on Section A, line 4, column (c). **Do not** complete the rest of Worksheet III.

Section A – Income Apportionment

Use Worksheet III, Section A, to determine the amount of business income apportioned to the LAMBRA. The apportioned LAMBRA business income determines the amount of the tax incentives that can be used. A taxpayer's LAMBRA business income is its California business income multiplied by the specific LAMBRA apportionment percentage computed in Worksheet III, Section A.

Property Factor

When determining the income apportioned to the LAMBRA, the numerator of the property factor is the average value of the real and tangible personal property owned or rented by the business and used within the LAMBRA during the taxable year to produce LAMBRA business income. See Worksheet III, Section A, column (b). The denominator of the property factor is the total average value of all the taxpayer's real and tangible personal property

owned or rented and used during the taxable year within California. See Worksheet III, Section A, column (a).

Payroll Factor

When determining income apportioned to the LAMBRA, the numerator of the payroll factor is the taxpayer's total compensation paid to the employees for working within the LAMBRA during the taxable year. See Worksheet III, Section A, column (b). The denominator of the payroll factor is the taxpayer's total compensation paid to **employees working in California**. See Worksheet III, Section A, column (a).

Section B – Income or Loss Apportionment

Form 540 and Form 540NR filers, use Worksheet III, Section B to determine the amount to enter on the following:

- Worksheet IV, line 1 and line 6
- Schedule Z, Part I, line 1 and line 3

Do not include disaster losses in any amounts used in the table.

Only California source business income is apportioned to the LAMBRA. A taxpayer's LAMBRA business income is its California apportioned business income computed using Schedule R, multiplied by the specific LAMBRA apportionment percentage computed using Worksheet III, Section A.

The first step is to determine which portion of the taxpayer's net income is "business income" and which portion is "nonbusiness income." Only business income is apportioned to the LAMBRA. See Part II, Portion of Business Attributable to the LAMBRA, for a complete discussion of business and nonbusiness income.

Part I – Individual Income and Expense Items

Wages

Taxpayers with wages from a company located within and outside a LAMBRA must determine the LAMBRA wage income by entering the percentage of time that they worked within the LAMBRA in column (b). The percentage of time should be for the same period the wages entered on line 1 were earned. This percentage must be determined based on their record of time and events such as a travel log or entries in a daily planner.

Part II – Pass-Through Income or Loss

Individuals with a Schedule K-1

The individual partner, member, or shareholder completes Worksheet III, Section B, Part II, and Schedule Z.

Multiple Pass-Through Entities

If you are a shareholder, beneficiary, partner, or member in multiple pass-through entities with businesses located within and outside a LAMBRA from which you received LAMBRA

business tax incentives, see the example below for computing business income in the LAMBRA.

Example:

Pass-through entity	Trade or business income from Schedule K-1 (100S, 541, 565, or 568)	Entity's LAMBRA apportionment percentage	LAMBRA apportioned income
ABC, Inc.	\$40,000	80%	\$32,000
A, B, & C	30,000	10%	3,000
ABC, LLC	10,000	50%	5,000
Total			\$40,000

Part III – Taxpayer's Trade or Business

Business Income or Loss

Use business income or loss from federal Form 1040 Schedules C, C-EZ, E, and F, plus California adjustments from Schedule CA (540 or 540NR) for each trade or business. Also include business capital gains and losses from California Schedule D and business gains and losses from Schedule D-1 (or federal Form 4797, if California Schedule D-1 is not needed) as adjusted on Schedule CA (540 or 540NR).

Income Computation

Located Entirely Within the LAMBRA

Line 6 – Line 9: If your business operation reported on federal Form 1040 Schedule C, C-EZ, E, F, or other schedule is entirely within the LAMBRA, enter the income or loss from this activity in column (a), and enter 1.00 in column (b).

Line 11 and Line 12: If the gain or loss reported on Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted entirely within the LAMBRA, enter the gain or loss reported in column (a) and enter 1.00 in column (b).

Located Entirely Within California

Line 6 – Line 9: If your business operation reported on federal Form 1040 Schedule C, C-EZ, E, F, or other schedule is entirely within California, enter the income or loss from this activity in column (a). To determine the apportionment percentage in column (b), complete Worksheet III, Section A. Enter the percentage from Worksheet III, Section A, line 4, column (c) on Worksheet III, Section B, column (b).

Line 11 and Line 12: If the gain or loss reported on Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted entirely within California, enter the gain or loss reported in column (a). To determine the apportionment percentage in column (b), complete Worksheet III, Section A. Enter the percentage from Worksheet III, Section A, line 4, column (c) on Worksheet III, Section B, column (b).

Located Within and Outside the LAMBRA and California

Line 6 – Line 9: If your business operation reported on federal Form 1040 Schedule C, C-EZ, E, F, or other schedule is within and outside the LAMBRA and California, get Schedule R and complete line 1 through line 18b and line 28 through line 31. Enter the amount from Schedule R, line 18b and line 31 in column (a) of this worksheet. To determine the apportionment percentage in column (b), complete Worksheet III, Section A. Enter the percentage from Worksheet III, Section A, line 4, column (c) on Worksheet III, Section B, column (b).

When computing Schedule R, disregard any reference to Forms 100, 100S, 100W, 100X, 565, or 568. Also disregard any reference to Schedules R-3, Net Income (Loss) from the Rental of Nonbusiness Property; R-4, Gain (Loss) from the Sale of Nonbusiness Assets; or R-5, Computation of Interest Offset.

Nonresidents who have an apportioning business that operates within the LAMBRA should have already computed Schedule R, and can use those amounts when that schedule is referenced.

Residents complete a Schedule R in order to determine their California source business income for purposes of the LAMBRA credit computation.

Line 11 and Line 12: If the gain or loss reported on Schedule D or Schedule D-1 as adjusted on Schedule CA (540 or 540NR) was attributed to an asset used in an activity conducted within and outside a LAMBRA and California, get Schedule R and complete Schedule R-1, Apportionment Formula. Multiply the gain or loss reported by the percentage on Schedule R-1, Part A, line 2 or Part B, line 5 and enter the result in column (a). To determine the apportionment percentage in column (b), complete Worksheet III, Section A. Enter the percentage from Worksheet III, Section A, line 4, column (c) on Worksheet III, Section B, column (b).

Line 14: If you are computing the LAMBRA business income and the result on Worksheet III, Section B, line 14, column (c) is a **positive** amount and:

- You have LAMBRA NOL carryovers, enter the amount on Worksheet IV, line 1 and line 6 (skip line 2 through line 5).
- You have LAMBRA credits or credit carryovers, enter the amount on Schedule Z, Part 1, line 1 and line 3 (skip line 2).

If the amount is **negative**, you do not have any business income attributable to the LAMBRA and you cannot utilize any LAMBRA NOL carryover, credit(s), or credit carryover(s) in the current taxable year.

Part III – Net Operating Loss (NOL) Carryover and Deduction

All LAMBRAAs are repealed as of January 1, 2014. Taxpayers can no longer generate a LAMBRA NOL beginning on or after January 1, 2014. However, taxpayers can claim an NOL carryover deduction from prior years.

A business that operates or invests within a LAMBRA that generated an NOL in a taxable year beginning before January 1, 2008, can carry the NOL forward 15 years. For NOLs incurred in taxable years beginning on or after January 1, 2008, California has extended the NOL carryover period to 20 taxable years following the year of the loss.

Financial institutions using the bad debt reserve method may carryover the loss for a maximum of five taxable years. In addition, up to 100% of the NOL generated in a LAMBRA can be carried forward.

For taxable years beginning in 2010 and 2011, California suspended the NOL carryover deduction. Taxpayers continued to compute and carryover NOLs during the suspension period. **However**, corporations with net income after state adjustments (pre-apportioned

income) or individuals with modified adjusted gross income of less than \$300,000, or with disaster loss carryovers were not affected by the NOL suspension rules.

If corporations are required to be included in a combined report, the 2010 and 2011 NOL limitation amount of \$300,000 or more shall apply to the aggregate amount of pre-apportioned income for all members included in the combined report.

Corporations use Form 100 or Form 100W, line 17, or Form 100S, line 14 less line 16, to determine net income after state adjustments (pre-apportioned income).

Individuals use the amount shown on your federal tax return for the same taxable year without regard to the federal NOL deduction (Form 540/540NR, line 13, plus the federal NOL deduction listed on Schedule CA (540/540NR) column C, line 21c).

For taxable years beginning in 2008 and 2009, California suspended the NOL carryover deduction. Taxpayers continued to compute and carryover NOL during the suspension period. **However**, corporations with taxable income or individuals with net business income of less than \$500,000 or with disaster

loss carryovers were not affected by the NOL suspension rules.

The carryover periods for any NOL or NOL carryover, for which a deduction is disallowed because of the 2008 – 2011 suspensions, are extended by:

- One year for losses incurred in taxable years beginning on or after January 1, 2010, and before January 1, 2011.
- Two years for losses incurred in taxable years beginning before January 1, 2010.
- Three years for losses incurred in taxable years beginning before January 1, 2009.
- Four years for losses incurred in taxable years beginning before January 1, 2008.

For more information, get form FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations (Corporations), or form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations (Individuals).

For taxable years beginning in 2002 and 2003, California suspended the NOL carryover deduction. Taxpayers continued to carryover an NOL during the suspension period. The carryover period for suspended losses was extended by two years for losses incurred

Worksheet III Income or Loss Apportionment – LAMBRA

Section A – Income Apportionment

Use Worksheet III, Section A, if your business has net income from sources within and outside a LAMBRA.	(a) Total within California	(b) Total within a LAMBRA	(c) Percentage within a LAMBRA column (b) ÷ column (a)
PROPERTY FACTOR			
1 Average yearly value of owned real and tangible personal property used in the business (at original cost). See instructions. Exclude property not connected with the business and the value of construction in progress.			
Inventory			
Buildings			
Machinery and equipment			
Furniture and fixtures			
Delivery equipment			
Land			
Other tangible assets (attach schedule).			
Rented property used in the business. See instructions.			
Total property values			
PAYROLL FACTOR			
2 Employees' wages, salaries, commissions, and other compensation related to business income included in the return.			
Total payroll			
3 Total percentage, sum of the percentages in column (c)			
4 Average apportionment percentage (1/2 of line 3). Enter here and on form FTB 3807, Side 1, line 2			

The average apportionment percentage shown on line 4 represents the portion of the taxpayer's total business that is attributable to activities conducted within the LAMBRA. Factors with zero balances in the totals of column (a) will not be included in the computation of the average apportionment percentage. For example, if the taxpayer does not have any payroll within or outside the LAMBRA, the average apportionment percentage would be computed by dividing line 3 by one instead of by two as normally instructed.

before January 1, 2002, and by one year for losses incurred on or after January 1, 2002, and before January 1, 2003. The deduction for disaster losses was not affected by the NOL suspension rules.

The business cannot generate NOLs from activities within the LAMBRA area before the first taxable year beginning on or after the date the LAMBRA is officially designated.

Limitation

A LAMBRA NOL carryover deduction can offset only business income attributable to operations within the LAMBRA.

Election

If you elected and designated the carryover category (general or specific, EZ, or LAMBRA NOL) on the original tax return for the year of a loss, file form FTB 3807 for each year in which a LAMBRA NOL deduction is being taken. The election is **irrevocable**.

If you elected the LAMBRA NOL deduction, you are prohibited by law from carrying over any other type of NOL, relating to LAMBRA activities, from this year.

Alternative Minimum Tax

Taxpayers claiming a LAMBRA NOL carryover deduction, determine your NOL for alternative minimum tax (AMT) purposes. Use Schedule P (100, 100W, 540, 540NR, or 541) to compute the NOL for AMT purposes.

S Corporations

LAMBRA NOLs incurred prior to becoming an S corporation cannot be used against S corporation income. See IRC Section 1371(b).

However, an S corporation is allowed to deduct a LAMBRA NOL incurred after the S election is made. An S corporation may use the NOL carryover as a deduction against income

subject to the 1.5% entity-level tax (3.5% for financial S corporations). The expenses (and income) giving rise to the loss are also passed through to the shareholders in the year the loss is incurred.

Combined Report

Corporations that are members of a unitary group filing a combined report, separately compute the loss carryover for each corporation in the group (R&TC Section 25108) using their individual apportionment factors. Unlike the NOL treatment on a federal consolidated tax return, a loss carryover for one member included in a combined report may not be applied to the intrastate apportioned income of another member included in a combined report.

Worksheet III Income or Loss Apportionment – LAMBRA (continued)

Section B Income or Loss Apportionment

Part I Individual Income and Expense Items. See instructions.

	(a) Amount	(b) Percentage of time providing services in the LAMBRA	(c) Apportioned amount column (a) x column (b)
1 Wages			
2 Employee business expenses			
3 Total. Combine line 1, column (c) and line 2, column (c)			

Part II Pass-Through Income or Loss. See instructions

(a) Name of entity	(b) Distributive or pro-rata share of business income or loss apportioned to the LAMBRA from Schedule K-1 (100S, 541, 565, or 568) including capital gains and losses
4	
5 Total. Add line 4, column (b)	

Part III Taxpayer's Trade or Business. See instructions.

	(a) Business income or loss	(b) Apportionment percentage for the LAMBRA	(c) Apportioned income or loss column (a) x column (b)
6 Schedule C or C-EZ			
7 Schedule E (Rentals)			
8 Schedule F			
9 Other business income or loss			
10 Total. Add line 6 through line 9, column (c)			

	(a) Business gain or loss	(b) Apportionment percentage for the LAMBRA	(c) Apportioned gain or loss column (a) x column (b)
11 Schedule D			
12 Schedule D-1			
13 Total. Add line 11, column (c) and line 12, column (c)			
14 Total. Add line 3, line 10, and line 13, column (c), and line 5, column (b)			

Water's-Edge Taxpayer

R&TC Section 24416(c) imposes a limitation on the NOL deduction if the NOL is generated during a non-water's edge tax year. The NOL carryover is limited to the lesser of the NOL or the re-computed NOL. The re-computed NOL carryover is determined by computing the income and factors of the original worldwide combined reporting group, as if the water's-edge election had been in force for the year of the loss. R&TC Section 24416(c) serves as a limitation. If this section applies, the NOL carryover for each corporation may only be decreased, not increased.

Instructions for Worksheet IV – Computation of NOL Carryover and Carryover Limitations

Individuals, exempt trusts, and corporations with current year income and prior year LAMBRA NOL carryover complete Worksheet IV.

A LAMBRA NOL carryover deduction can offset only business income attributable to operations within the LAMBRA. Use this worksheet to compute the LAMBRA NOL carryover deduction for individuals, exempt trusts, and corporations.

Line 1 – See Part II for a complete discussion of business and nonbusiness income.

Form 540 and Form 540NR filers:

Be sure to include casualty losses, disaster losses, and any business deductions reported on Schedule A as itemized deductions.

Exception: If you elected to claim part or all of your current year disaster loss under IRC Section 165(i)(1) on prior year's return, do not include the amount of loss that was claimed in your current year business income for the LAMBRA.

Line 2 – In modifying your income, deduct your capital losses only up to your capital gains. Enter as a positive number any net capital losses included in line 1.

Line 3 – Corporations reduce income by the disaster loss deduction and the deduction for excess net passive income.

Line 6 – This is your modified taxable income (MTI). Reduce this amount by your LAMBRA NOL carryover deduction. The LAMBRA NOL carryover deduction may not be larger than your MTI. If your MTI is a loss in the current year or if it limits the amount of NOL you may use this year, carry over the NOL to future years.

Line 7 – Enter the amount from line 6 in line 7, column (d). If this amount is zero or negative, transfer the amounts from line 8b through 8q, column (b) to column (e). Go to line 9.

Line 8a through 8q: Enter the amounts on line 8a through line 8q as positive numbers.

In column (c), enter the smaller of the amount in column (b) or the amount in column (d) from the previous line.

In column (d), enter the result of subtracting column (c) from the balance on the previous line in column (d).

In column (e), enter the result of subtracting the amount in column (c) from the amount in column (b), as applicable.

Example:

(b) Carryover from prior year	(c) Amount deducted this year	(d) Balance available to offset losses	(e) LAMBRA NOL carryover
		\$5,000	
\$ 500	\$ 500	4,500	\$ 0

Line 9 – Total the amounts in column (b) and column (e). Enter the totals from column (b) and column (e) on form FTB 3807, Side 1, line 3a and line 3c, accordingly.

Your LAMBRA NOL carryover deduction for 2018 is the total of column (c). Enter this amount on your California tax return or schedule as follows:

- Form 100, line 20
- Form 100S, line 18
- Form 100W, line 20
- Form 109, line 6
- Schedule CA (540), line 21e, column B
- Schedule CA (540NR), line 21e, column B

Schedule Z – Computation of Credit Limitations

Credit Limitations

The amount of credit you can claim on your California tax return is limited by the amount of tax attributable to LAMBRA business income. The amount of tax attributable to the LAMBRA business income is computed in this schedule. For corporations and other entities doing business in the LAMBRA, the LAMBRA business income is computed in this schedule using the LAMBRA apportionment factor formula computed on Worksheet III, Section A. For individuals, the LAMBRA business income is computed on Worksheet III, Sections B. Use Schedule Z on form FTB 3807, Side 2 to compute this limitation.

Assignment of Credit

Credit earned by members of a combined reporting group may be assigned to an affiliated corporation that is an eligible member of the same combined reporting group. A credit assigned may only be claimed by the affiliated corporation against its tax liabilities.

The eligible assignee shall be treated as if it originally generated the assigned credit. Any credit limitations or restrictions that applied to the assignor will also apply to the eligible assignee. The amount of LAMBRA credits you may claim on your California tax return is limited to the tax attributable to a specific LAMBRA. For zone credits assigned, the assignee must have a tax liability as a result of income generated in the same zone that the original credit was generated.

Other Limitations

If a taxpayer owns an interest in a disregarded business entity, the amount of the credit that can be utilized is limited to the difference between the taxpayer's regular tax computed with the income of the disregarded entity, and the taxpayer's regular tax computed without the income of the disregarded entity. Partnerships allocate the credit among the partners according to the partner's distributive share as determined in a written partnership agreement. See R&TC Section 17039(e)(2).

Credits you are otherwise eligible to claim may be limited. Do not apply credits against the minimum franchise tax (corporations and S corporations), the annual tax (partnerships, LLCs classified as partnerships, and QSub), the alternative minimum tax (corporations, exempt organizations, individuals, and fiduciaries), the built-in gains tax (S corporations), or the excess net passive income tax (S corporations).

Refer to the credit instructions in your tax booklet for more information.

S Corporations and the Application of LAMBRA Credits

An S corporation may use its LAMBRA credits to reduce LAMBRA business tax both at the corporate and shareholder levels. An S corporation may use 1/3 of the LAMBRA credits to reduce the tax on the S corporation's LAMBRA business income. In addition, S corporation shareholders may claim their pro-rata share of the entire amount of the LAMBRA credits computed under the Personal Income Tax Law.

Example: In 2018, an S corporation qualified for a \$3,000 LAMBRA hiring credit. The S corporation will be able to use 1/3 of the credit ($\$3,000 \times 1/3 = \$1,000$) to offset the tax on the corporation's LAMBRA business income. The S corporation will also pass through a \$3,000 credit to its shareholders to offset their individual tax (computed under the Personal Income Tax Law) on LAMBRA business income.

S corporations should attach form FTB 3807 to Form 100S, California S Corporation Franchise or Income Tax Return, to claim the tax credits.

Shareholders should attach Schedule(s) K-1 (100S), to their individual tax return.

Carryover

If the amount of hiring credit available this year exceeds your LAMBRA business tax, you may carry over any excess credit to future years. The portion of any hiring credit or sales or use tax credit remaining for carryover to taxable years beginning on or after January 1, 2014, shall be carried over only to the succeeding 10 taxable years if necessary, or until the credit is exhausted, whichever occurs first.

Apply the carryover to the earliest taxable year possible. In no event can the credit be carried back and applied against a prior year's tax. Generally, the credit cannot be transferred to another taxpayer, unless:

Worksheet IV Computation of NOL Carryover and Carryover Limitations – LAMBRA. See instructions.

1 Enter the amount from Form 100, line 17 or Form 100W, line 17; Form 100S, combined amounts of line 14 and line 16; or Form 109, line 1 or line 4. Form 540 and Long Form 540NR filers, enter the total from Worksheet III, Section B, line 14, column (c) on line 1 and line 6 (skip line 2 through line 5). See instructions. Corporations which file a combined report, enter the taxpayer's business income assigned to California (see instructions Part II)	1	
2 a Form 100, Form 100W, Form 100S, and Form 109 filers: Enter any nonbusiness income included in line 1 as a negative number. Form 540 and Long Form 540NR filers leave blank	2a	
b Form 100, Form 100W, Form 100S, and Form 109 filers: Enter any nonbusiness losses included in line 1 as a positive number. Form 540 and Long Form 540NR filers leave blank	2b	
c Combine line 2a and line 2b	2c	
3 Form 100 and Form 100W filers: Enter the amount from Form 100 or Form 100W, line 21. Form 100S filers: Enter the total of the amounts from Form 100S, line 16 and line 19. Form 540, Long Form 540NR, and Form 109 filers: Enter -0-. Enter this amount as a negative number	3	
4 Combine line 1, line 2c, and line 3. If zero or less, enter -0- on line 6	4	
5 Enter the average apportionment percentage from Worksheet III, Section A, line 4 . . .	5	
6 Modified taxable income. Multiply line 4 by line 5. See instructions	6	

(a) Description	(b) Carryover from prior year	(c) Amount deducted this year	(d) Balance available to offset losses	(e) LAMBRA NOL carryover to future years
7 Modified taxable income from line 6				
8a LAMBRA NOL carryover beginning in 1997				
8b LAMBRA NOL carryover beginning in 1998				
8c LAMBRA NOL carryover beginning in 1999				
8d LAMBRA NOL carryover beginning in 2000				
8e LAMBRA NOL carryover beginning in 2001				
8f LAMBRA NOL carryover beginning in 2002				
8g LAMBRA NOL carryover beginning in 2003				
8h LAMBRA NOL carryover beginning in 2004				
8i LAMBRA NOL carryover beginning in 2005				
8j LAMBRA NOL carryover beginning in 2006				
8k LAMBRA NOL carryover beginning in 2007				
8l LAMBRA NOL carryover beginning in 2008				
8m LAMBRA NOL carryover beginning in 2009				
8n LAMBRA NOL carryover beginning in 2010				
8o LAMBRA NOL carryover beginning in 2011				
8p LAMBRA NOL carryover beginning in 2012				
8q LAMBRA NOL carryover beginning in 2013				
9 Total the amounts in columns (b), (c), and (e). See instructions				

- There was a qualifying merger.
- The credit qualifies under R&TC Section 23663 for assignment to an affiliated corporation. For additional information, get form FTB 3544, or form FTB 3544A.

For S corporations, the amount of the 1/3 of hiring credit that is in excess of the 1.5% entity-level tax (3.5% for financial S corporations) in the current year may also be carried forward and used in future years to offset the 1.5% entity-level tax (3.5% for financial S corporations). See the instructions for Schedule Z, Part III for more information.

If a C corporation had unused credit carryovers when it elected S corporation status, the carryovers were reduced to 1/3 and transferred to the S corporation. The remaining 2/3 were disregarded. The allowable carryovers may be used to offset the 1.5% tax on net income in accordance with the respective carryover rules. These C corporation carryovers may not be passed through to shareholders. For more information, get Schedule C (100S), S Corporation Tax Credits.

Credit Code

Use credit code **198** to claim the LAMBRA hiring credit and sales or use tax credit carryover. Using an incorrect code may cause a delay in allowing the credit(s).

Instructions for Schedule Z – Computation of Credit Limitations

Reporting Requirements of S Corporations, Estates, Trusts, and Partnerships

- Partnerships and LLCs treated as partnerships do not complete Schedule Z. However, the partners and members of these types of entities should compute their LAMBRA income from all sources by completing the Schedule Z to determine the amount of LAMBRA credits that they may claim on their California tax returns. For individual partners, report the distributive share of all the business income apportioned to the LAMBRA. For corporate partners, report the distributive share of the LAMBRA property and payroll. Report these items as other information on Schedule K-1(565).
- S corporations and their shareholders complete Schedule Z.
- Report to shareholders, beneficiaries, partners, and members, the distributive or pro-rata share of business income, loss, and deductions apportioned to the LAMBRA.
- Separately state the distributive or pro-rata share of any business capital gains and losses apportioned to the LAMBRA included in the amount above.

S Corporations

Complete Part I and Part III of Schedule Z if the S corporation’s tax before credits is more than the minimum franchise tax.

Corporations and S Corporations subject to the minimum franchise tax only

Complete only Part IV of Schedule Z.

All others: Complete Part I and Part II of Schedule Z.

Part I – Computation of Credit Limitations

For filers with NOL carryovers:

- Complete Worksheet IV first if you have an NOL carryover.
- Then complete Schedule Z if you have any LAMBRA credits.

If you do not have any NOL carryovers:

- Individuals: Go to Worksheet III, Section B. Follow the worksheet instructions. Enter the amount from Worksheet III, Section B, line 14, column (c) on Schedule Z, Part I, line 1 and line 3 (skip line 2).
- Corporations: Follow the instructions for line 1 on the next page.

Only business income is apportioned to the LAMBRA to determine the incentive limitation. Business income is defined as income arising from transactions and activities in the regular course of the trade or business. Business income includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the regular trade or business operations. Nonbusiness income is all income other than business income. See Cal Code Regs., tit 18 section 25120 for further references and examples of nonbusiness income.

For corporations filing a combined report, the business income of each corporation doing business in the LAMBRA is the business income apportioned to California as determined under combined report mechanics. Get FTB Pub. 1061 for more information on combined reports and entity income apportionment.

Line 1 – Enter all trade or business income. See Part II for the definition of trade or business income.

Line 2 – If your business is located entirely within the LAMBRA, enter 1.

This percentage is the apportionment percentage computed by the entity using Worksheet III, Section A, and represents the percentage of the entity’s business income attributable to the LAMBRA.

Line 6a – Compute the tax as if the LAMBRA taxable income represented all of your taxable income.

Individuals

Use the tax table or tax rate schedule in your tax booklet for your filing status.

Exempt organizations

Use the applicable tax rate in your tax booklet.

Corporations and S Corporations

Use the applicable tax rate.

If the amount on line 6a is the minimum franchise tax (\$800), you cannot use your

LAMBRA credit carryovers this year. You should complete Part IV of Schedule Z to figure the amount to carryover.

Example: Determination of LAMBRA Business Income for Shareholders, Partners, or Members of Pass-Through Entities

John Anderson is vice president of ABC, Inc., an S corporation that has two locations: one within the LAMBRA and one outside the LAMBRA. Eighty percent (80%) of the S corporation’s business is attributable to the LAMBRA.

This percentage was determined by ABC, Inc. using Worksheet III, Section A, when ABC’s California S corporation tax return (Form 100S) was prepared. John divides his time equally (50/50) between the two offices of ABC, Inc.

Jackie Anderson (John’s spouse/RDP) works for ABC, Inc. at its office located within the LAMBRA.

John and Jackie Anderson have the following items of California income and expense for the 2018 taxable year:

John’s salary from ABC, Inc.	\$100,000
Jackie’s salary from ABC, Inc.	75,000
Interest on savings account	1,000
Dividends	3,000
Schedule K-1 (100S) from ABC, Inc.:	
Ordinary income	40,000

John’s unreimbursed employee expenses from federal Schedule A . . (2,000)

The Anderson’s LAMBRA business income (total amount to be reported on line 3) is computed as follows:

John’s LAMBRA salary (\$100,000 x 50%)	\$50,000
Jackie’s LAMBRA salary (\$75,000 x 100%)	75,000
Pass-through ordinary income from ABC, Inc. (\$40,000 x 80%)	32,000
John’s unreimbursed employee business expenses (2,000 x 50%)	(1,000)
Total LAMBRA business income (Schedule Z, Part I, line 3)	\$156,000

The standard deduction and personal or dependency exemptions are not included in the computation of LAMBRA business income since they are not related to trade or business activities.

John and Jackie must compute the tax (to be entered on Schedule Z, Part I, line 6a) on the total LAMBRA business income of \$156,000 (as if it represents all of their income).

Line 6b – Corporations and S corporations

If the amount on line 6b is the minimum franchise tax (\$800), the corporation cannot use its LAMBRA credits this year. The corporation should complete Part IV of Schedule Z to compute the amount of credit carryover.

Part II – Limitation of Credits for Corporations, Individuals, Estates, and Trusts

Use Part II of Schedule Z if you are a corporation, individual, estate, or trust.

Corporations and S corporations that are subject to paying only the minimum franchise tax, go to Part IV of the Schedule Z.

Individuals that received a Schedule K-1, complete Schedule Z, Part II, using the information from the Schedule K-1.

Line 8A, column (f) – Enter the amount from line 7. This is the amount of limitation based on the tax on LAMBRA business income.

Line 8A, column (g) – Enter the amount of credit that is used on Schedule P (100, 100W, 540, 540NR, or 541), column (b). The amount cannot be greater than the amount on line 8A, column (f) or the amount computed on line 8B, column (e). Enter this amount on form FTB 3807, Side 1, line 1a.

Line 8B, column (b) – Enter the amount of the current year credit that was computed on Worksheet IIA, Section A, line 6. Individuals enter the current year hiring credit from the Schedule K-1.

Line 8B, column (c) – Enter the amount of the total prior year carryover of the credit. This is the amount of credit that was previously computed on Worksheet IIA, Section A in the prior year, minus the amount that was allowed to be taken on the prior year return.

Line 8B, column (d) – Enter the amount of credit assigned to affiliated corporations that are members of the same combined reporting group from form FTB 3544, column (g). Only C corporations who completed the form will enter an amount in this column. Individuals, and Estates and Trusts, leave blank and go to column (e) instructions.

Line 8B, column (e) – Add the amount of the current year credit on line 8B, column (b) and the amount of the total prior year carryover on line 8B, column (c), then subtract the amount of the total assigned credit on line 8B, column (d), if any.

Line 8B, column (f) – Compare the amounts on line 8A, column (f) and line 8A, column (g). Enter the smaller amount.

Line 8B, column (h) – Subtract the amount on line 8B, column (f) from the amount on line 8B, column (e). Enter the result on line 8B, column (h). This is the amount of credit that can be carried over to future years.

This carryover includes both the Schedule P (100, 100W, 540, 540NR, or 541) limitation and the limitation based on LAMBRA business income.

Line 9A, column (f) – Subtract the amount on line 8B, column (f) from the amount on line 8A, column (f). If the result is zero, your remaining credits are limited and must be carried over to future years. In this case, enter the amount from line 9B, column (e) on line 9B, column (h).

Line 9A, column (g) – Enter the amount of credit that is used on Schedule P (100, 100W, 540, 540NR, or 541), column (b). The amount cannot be greater than the amount on line 9A, column (f) or the amount computed on line 9B, column (e). Enter this amount on form FTB 3807, Side 1, line 1c.

Line 9B, column (c) – Enter the amount of the total prior year credit carryover from prior year Schedule Z, Part II, line 9B, column (h).

Line 9B, column (d) – Enter the amount of credit assigned to affiliated corporations that are members of the same combined reporting group from form FTB 3544, column (g). Only C corporations who completed the form will enter an amount in this column. Individuals, and Estates and Trusts, leave blank and go to column (e) instructions.

Line 9B, column (e) – Subtract the amount of the total credit assigned on line 9B, column (d), if any, from the amount of the total prior year carryover on line 9B, column (c).

Line 9B, column (f) – Compare the amounts on line 9A, column (f) and line 9A, column (g). Enter the smaller amount.

Line 9B, column (h) – Subtract the amount on line 9B, column (f) from the amount on line 9B, column (e). Enter the result on line 9B, column (h). This is the amount of credit that can be carried over to future years. This carryover includes both the Schedule P (100, 100W, 540, 540NR, or 541) limitation and the limitation based on LAMBRA business income.

Part III – Limitation of Credits for S Corporations Only

Use Part III of Schedule Z only if you are an S corporation. Adjust Schedule C (100S) to reflect the LAMBRA business tax limitation (Part I, line 7) after completing this worksheet.

Line 10, column (b) – Enter the amount of the current year credit that was computed on Worksheet IIA in column (b) for line 10. Also include this amount on Form 100S, Side 6, Schedule K, line 13d.

Line 10, column (c) – Multiply the amount on line 10, column (b) by $\frac{1}{3}$. Enter the result in column (c). The amount in column (c) is the maximum amount of the current year credit that may be used by the S corporation to offset its 1.5% entity-level tax (3.5% for financial S corporations). Also include this amount on Schedule C, Form 100S.

Line 10, column (d) – Enter the amount of the total prior year credit carryover. This is the amount of credit that was previously computed on the prior year Worksheet IIA, minus the amount that was allowed to be taken on the prior year return.

Line 11, column (d) – Enter the amount of the total prior year credit carryover from prior year Schedule Z, Part III, line 11, column (g).

Line 10 and Line 11, column (e) – Add the amounts of the current year credits in column (c) as applicable, and the total prior year carryovers in column (d).

Line 10 and Line 11, column (f) – Enter the amount of credit that was used by the S corporation in the current year to offset its 1.5% entity-level tax (3.5% for financial S corporations). Enter the amount in column (f) for line 10 and line 11 on form FTB 3807, Side 1, line 1a and line 1c, as applicable.

Line 10 and Line 11, column (g) – Subtract the amount in column (f) for each line from the amounts in column (e). These are the amounts of credits that can be carried over to future years and used by the S corporation.

Part IV – Limitation of Credits for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax

Use Part IV of Schedule Z if the corporation or S corporation is subject to paying only the minimum franchise tax.

Line 12, column (b) – Enter the amount of the current year credit that was computed on Worksheet IIA on line 12, column (b). S corporations may only enter $\frac{1}{3}$ of the amount from Worksheet IIA on line 12, column (b).

Line 12, column (c) – Enter the amount of the total prior year credit carryover. This is the amount of credit that was previously computed on Worksheet IIA in the prior year, minus the amount that was allowed to be taken on the prior year return. S corporations may only enter $\frac{1}{3}$ of the amount from Worksheet IIA.

Line 13, column (c) – Enter the amount of the total prior year credit carryover from prior year Schedule Z, Part IV, line 13, column (e).

Line 12 and Line 13, column (d) – Enter the amounts of credits assigned to affiliated corporations that are members of the same combined reporting group from form FTB 3544, column (g). Only C corporations who completed the form will enter an amount in this column. S corporations, leave blank and go to column (e) instructions.

Line 12 and Line 13, column (e) – Add the amounts in column (b), if any, and column (c) for line 12 and line 13, then subtract the amounts in column (d), if any, for line 12 and line 13. These are the amounts of credits that can be carried over to future years.

Example: Part II

Assume the ABC Business has \$8,000 of tax. The business computed a credit limitation based on LAMBRA business income of \$7,000 on Schedule Z, line 7. The business has the following credits:

Hiring credit — \$ 500

Sales or use tax credit carryover — \$9,000

Schedule Z, Part II would be computed as follows:

Part II Limitation of Credits for Corporations, Individuals, Estates, and Trusts. See Instructions.

(a) Credit name		(b) Credit amount	(c) Total prior year carryover	(d) Total credit assigned from form FTB 3544, col. (g)	(e) Total credit sum of col. (b) plus col. (c), minus col. (d)	(f) Limitation based on LAMBRA business income	(g) Credit used on Sch. P Can never be greater than col. (e) or col. (f)	(h) Total credit carryover col. (e) minus col. (f)
8	Hiring credit	A				7,000	500	
		B	500	-0-	500	500		-0-
9	Sales or use tax credit	A				6,500	6,500	
		B		9,000	-0-	9,000	6,500	2,500

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Visit our website:

ftb.ca.gov

Local Agency Military Base Recovery Area Deduction and Credit Summary

Attach to your California tax return.

Name(s) as shown on your California tax return

SSN or ITIN CA Corporation no. FEIN

California Secretary of State (SOS) file number

A. Check the appropriate box for your entity type:

- Individual Estate Trust C corporation S corporation Partnership Exempt organization Limited liability company Limited liability partnership

B. Enter the name of the Local Agency Military Base Recovery Area (LAMBRA) business:

C. Enter the address (actual location) where the LAMBRA business is conducted:

D. Enter the name of the LAMBRA in which the business and/or investment activity is located.

E. Principal Business Activity Code of the LAMBRA business

F. Total number of employees in the LAMBRA.

G. Number of employees included in the computation of the hiring credit, if claimed

H. Gross annual receipts of the business.

I. Total asset value of the business.

Part I Credits and Recapture (Complete Worksheet IIA and Schedule Z on Side 2 before you complete this part.)

- 1 Hiring and sales or use tax credits claimed on the current year tax return: a Hiring credit from Schedule Z, line 8A, column (g) or line 10, column (f) 1a b Hiring credit recapture from Worksheet IIA, Section B, line 2, column (b) 1b c Sales or use tax credit carryover from Schedule Z, line 9A, column (g) or line 11, column (f) 1c d Add line 1a and line 1c 1d

Part II Portion of Business Attributable to the LAMBRA. See instructions.

2 Enter the average apportionment percentage of your business that is in the LAMBRA from Worksheet III, Section A, line 4 . 2

Part III Net Operating Loss (NOL) Carryover and Deduction. See Instructions.

- 3 a Enter the total NOL carryover from prior years from Worksheet IV, line 9, column (b) 3a b Enter the total NOL deduction used in the current year from Worksheet IV, line 9, column (c). Enter this amount on Schedule CA (540 or 540NR), line 21e, column B; Form 100, line 20; Form 100W, line 20; Form 100S, line 18; or Form 109, line 6. 3b c Enter the total NOL to carryover to future years from Worksheet IV, line 9, column (e). 3c

Schedule Z Computation of Credit Limitations – LAMBRA

Part I Computation of Credit Limitations. See instructions.

1 Trade or business income. Individuals: Enter the amount from Worksheet III, Section B, line 14, column (c) on this line and on line 3 (skip line 2). See instructions. Corporations which file a combined report, enter the taxpayer's business income apportioned to California (see instructions for form FTB 3807, Part II)	1
2 Corporations: Enter the average apportionment percentage from Worksheet III, Section A, line 4. See instructions	2
3 Multiply line 1 by line 2	3
4 Enter the LAMBRA NOL deduction from Worksheet IV, line 9, column (c)	4
5 LAMBRA taxable income. Subtract line 4 from line 3	5
6 a Compute the amount of tax due using the amount on line 5. See instructions	6a
b Enter the amount of tax from Form 540, line 35; Long Form 540NR, line 42; Form 541, line 21; Form 100, line 23; Form 100W, line 23; Form 100S, line 21; or Form 109, line 10. Corporations, combined groups, and S corporations, see instructions	6b
7 Enter the smaller of line 6a or line 6b. This is the limitation based on LAMBRA business income. Go to Part II, Part III, or Part IV and see instructions	7

Part II Limitation of Credits for Corporations, Individuals, Estates, and Trusts. See instructions.

(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit assigned from form FTB 3544, col. (g)	(e) Total credit sum of col. (b) plus col. (c), minus col. (d)	(f) Limitation based on LAMBRA business income	(g) Credit used on Sch. P Can never be greater than col. (e) or col. (f)	(h) Total credit carryover col. (e) minus col. (f)
8 Hiring credit	A						
	B						
9 Sales or use tax credit	A						
	B						

Part III Limitation of Credits for S Corporations Only. See instructions.

(a) Credit name	(b) Credit amount	(c) S corporation credit col. (b) multiplied by 1/3	(d) Total prior year carryover	(e) Total credit col. (c) plus col. (d)	(f) Credit used this year by S corporation	(g) Carryover col. (e) minus col. (f)
10 Hiring credit						
11 Sales or use tax credit						

Part IV Limitation of Credits for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax. See instructions.

(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit assigned from form FTB 3544, col. (g)	(e) Total credit carryover sum of col. (b) plus col. (c) minus col. (d)
12 Hiring credit				
13 Sales or use tax credit				

Refer to page 3 for information on how to claim deductions and credits.

FTB 3807

Principal Business Activity Codes

This list of principal business activities and their associated codes is designed to classify a business by the type of activity in which it is engaged to facilitate the administration of the California Revenue and Taxation Code. These principal business activity codes are based on the North American Industry Classification System published by the United States Office of Management and Budget.

Agriculture, Forestry, Fishing, and Hunting

Code

Crop Production

- 11110 Oilseed & Grain Farming
- 11120 Vegetable & Melon Farming (including potatoes & yams)
- 11130 Fruit & Tree Nut Farming
- 11140 Greenhouse, Nursery, & Floriculture Production
- 11190 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet, & all other crop farming)

Animal Production

- 11211 Beef Cattle Ranching & Farming
- 11212 Cattle Feedlots
- 11210 Dairy Cattle & Milk Production
- 11220 Hog & Pig Farming
- 11230 Poultry & Egg Production
- 11240 Sheep & Goat Farming
- 11250 Aquaculture (including shellfish & finfish farms & hatcheries)
- 11290 Other Animal Production

Forestry and Logging

- 11310 Timber Tract Operations
- 11320 Forest Nurseries & Gathering of Forest Products
- 11330 Logging

Fishing, Hunting and Trapping

- 11410 Fishing
- 11420 Hunting & Trapping

Support Activities for Agriculture and Forestry

- 11510 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)
- 11520 Support Activities for Animal Production
- 11530 Support Activities for Forestry

Mining

- 21110 Crude Petroleum Extraction
- 211130 Natural Gas Extraction
- 21210 Coal Mining
- 21220 Metal Ore Mining
- 21230 Stone Mining & Quarrying
- 212320 Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying
- 212390 Other Nonmetallic Mineral Mining & Quarrying
- 21310 Support Activities for Mining

Utilities

- 22110 Electric Power Generation, Transmission & Distribution
- 22120 Natural Gas Distribution
- 22130 Water, Sewage, & Other Systems
- 22150 Combination Gas & Electric

Construction

Code

Construction of Buildings

- 236110 Residential Building Construction
- 236200 Nonresidential Building Construction

Heavy and Civil Engineering Construction

- 237100 Utility System Construction
- 237210 Land Subdivision
- 237310 Highway, Street, & Bridge Construction
- 237990 Other Heavy & Civil Engineering Construction

Specialty Trade Contractors

- 238100 Foundation, Structure, & Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, & siding)
- 238210 Electrical Contractors
- 238220 Plumbing, Heating, & Air-Conditioning Contractors
- 238290 Other Building Equipment Contractors
- 238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, & finish carpentry)
- 238900 Other Specialty Trade Contractors (including site preparation)

Manufacturing

Food Manufacturing

- 31110 Animal Food Mfg
- 31120 Grain & Oilseed Milling
- 311300 Sugar & Confectionery Product Mfg
- 311400 Fruit & Vegetable Preserving & Specialty Food Mfg
- 311500 Dairy Product Mfg
- 311610 Animal Slaughtering and Processing
- 311710 Seafood Product Preparation & Packaging
- 311800 Bakeries, Tortilla & Dry Pasta Mfg
- 311900 Other Food Mfg (including coffee, tea, flavorings, & seasonings)

Beverage and Tobacco Product Manufacturing

- 312110 Soft Drink & Ice Mfg
- 312120 Breweries
- 312130 Wineries
- 312140 Distilleries
- 312200 Tobacco Manufacturing

Textile Mills and Textile Product Mills

- 313000 Textile Mills
- 314000 Textile Product Mills

Apparel Manufacturing

- 315100 Apparel Knitting Mills

Code

- 315210 Cut & Sew Apparel Contractors
- 315220 Men's & Boys' Cut & Sew Apparel Mfg
- 315240 Women's, Girls' and Infants' Cut & Sew Apparel Mfg
- 315280 Other Cut & Sew Apparel Mfg
- 315990 Apparel Accessories & Other Apparel Mfg

Leather and Allied Product Manufacturing

- 316110 Leather & Hide Tanning & Finishing
- 316210 Footwear Mfg (including rubber & plastics)
- 316990 Other Leather & Allied Product Mfg

Wood Product Manufacturing

- 321110 Sawmills & Wood Preservation
- 321210 Veneer, Plywood, & Engineered Wood Product Mfg
- 321900 Other Wood Product Mfg

Paper Manufacturing

- 322100 Pulp, Paper, & Paperboard Mills
- 322200 Converted Paper Product Mfg

Printing and Related Support Activities

- 323100 Printing & Related Support Activities

Petroleum and Coal Products Manufacturing

- 324110 Petroleum Refineries (including integrated)
- 324120 Asphalt Paving, Roofing, & Saturated Materials Mfg
- 324190 Other Petroleum & Coal Products Mfg

Chemical Manufacturing

- 325100 Basic Chemical Mfg
- 325200 Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg
- 325300 Pesticide, Fertilizer, & Other Agricultural Chemical Mfg
- 325410 Pharmaceutical & Medicine Mfg
- 325500 Paint, Coating, & Adhesive Mfg
- 325600 Soap, Cleaning Compound, & Toilet Preparation Mfg
- 325900 Other Chemical Product & Preparation Mfg

Plastics and Rubber Products Manufacturing

- 326100 Plastics Product Mfg
- 326200 Rubber Product Mfg

Nonmetallic Mineral Product Manufacturing

- 327100 Clay Product & Refractory Mfg
- 327210 Glass & Glass Product Mfg
- 327300 Cement & Concrete Product Mfg
- 327400 Lime & Gypsum Product Mfg
- 327900 Other Nonmetallic Mineral Product Mfg

Primary Metal Manufacturing

- 331110 Iron & Steel Mills & Ferroalloy Mfg
- 331200 Steel Product Mfg from Purchased Steel
- 331310 Alumina & Aluminum Production & Processing
- 331400 Nonferrous Metal (except Aluminum) Production & Processing
- 331500 Foundries

Fabricated Metal Product Manufacturing

- 332110 Forging & Stamping
- 332210 Cutlery & Handtool Mfg
- 332300 Architectural & Structural Metals Mfg
- 332400 Boiler, Tank, & Shipping Container Mfg
- 332510 Hardware Mfg
- 332610 Spring & Wire Product Mfg
- 332700 Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg

Code

- 332810 Coating, Engraving, Heat Treating, & Allied Activities
- 332900 Other Fabricated Metal Product Mfg

Machinery Manufacturing

- 333100 Agriculture, Construction, & Mining Machinery Mfg
- 333200 Industrial Machinery Mfg
- 333310 Commercial & Service Industry Machinery Mfg
- 333410 Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg
- 333510 Metalworking Machinery Mfg
- 333610 Engine, Turbine, & Power Transmission Equipment Mfg
- 333900 Other General Purpose Machinery Mfg

Computer and Electronic Product Manufacturing

- 334110 Computer & Peripheral Equipment Mfg
- 334200 Communications Equipment Mfg
- 334310 Audio & Video Equipment Mfg
- 334410 Semiconductor & Other Electronic Component Mfg
- 334500 Navigational, Measuring, Electromedical, & Control Instruments Mfg
- 334610 Manufacturing & Reproducing Magnetic & Optical Media

Electrical Equipment, Appliance, and Component Manufacturing

- 335100 Electric Lighting Equipment Mfg
- 335200 Major Household Appliance Mfg
- 335310 Electrical Equipment Mfg
- 335900 Other Electrical Equipment & Component Mfg

Transportation Equipment Manufacturing

- 336100 Motor Vehicle Mfg
- 336210 Motor Vehicle Body & Trailer Mfg
- 336300 Motor Vehicle Parts Mfg
- 336410 Aerospace Product & Parts Mfg
- 336510 Railroad Rolling Stock Mfg
- 336610 Ship & Boat Building
- 336990 Other Transportation Equipment Mfg

Furniture and Related Product Manufacturing

- 337000 Furniture & Related Product Manufacturing

Miscellaneous Manufacturing

- 339110 Medical Equipment & Supplies Mfg
- 339900 Other Miscellaneous Manufacturing

Wholesale Trade

Merchant Wholesalers, Durable Goods

- 423100 Motor Vehicle & Motor Vehicle Parts & Supplies
- 423200 Furniture & Home Furnishings
- 423300 Lumber & Other Construction Materials
- 423400 Professional & Commercial Equipment & Supplies
- 423500 Metal & Mineral (except Petroleum)
- 423600 Household Appliances and Electrical & Electronic Goods
- 423700 Hardware, & Plumbing & Heating Equipment & Supplies
- 423800 Machinery, Equipment, & Supplies
- 423910 Sporting & Recreational Goods & Supplies
- 423920 Toy & Hobby Goods & Supplies
- 423930 Recyclable Materials
- 423940 Jewelry, Watch, Precious Stone, & Precious Metals
- 423990 Other Miscellaneous Durable Goods

Code

Merchant Wholesalers, Nondurable Goods

424100 Paper & Paper Products

424210 Drugs & Druggists' Sundries

424300 Apparel, Piece Goods, & Notions

424400 Grocery & Related Products

424500 Farm Product Raw Materials

424600 Chemical & Allied Products

424700 Petroleum & Petroleum Products

424800 Beer, Wine, & Distilled Alcoholic Beverages

424910 Farm Supplies

424920 Book, Periodical, & Newspapers

424930 Flower, Nursery Stock, & Florists' Supplies

424940 Tobacco & Tobacco Products

424950 Paint, Varnish, & Supplies

424990 Other Miscellaneous Nondurable Goods

Wholesale Electronic Markets and Agents and Brokers

425110 Business to Business Electronic Markets

425120 Wholesale Trade Agents & Brokers

Retail Trade

Motor Vehicle and Parts Dealers

441110 New Car Dealers

441120 Used Car Dealers

441210 Recreational Vehicle Dealers

441222 Boat Dealers

441228 Motorcycle, ATV, and All Other Motor Vehicle Dealers

441300 Automotive Parts, Accessories, & Tire Stores

Furniture and Home Furnishings Stores

442110 Furniture Stores

442210 Floor Covering Stores

442291 Window Treatment Stores

442299 All Other Home Furnishings Stores

Electronics and Appliance Stores

443141 Household Appliance Stores

443142 Electronics Stores (including Audio, Video, Computer, and Camera Stores)

Building Material and Garden Equipment and Supplies Dealers

444110 Home Centers

444120 Paint & Wallpaper Stores

444130 Hardware Stores

444190 Other Building Material Dealers

444200 Lawn & Garden Equipment & Supplies Stores

Food and Beverage Stores

445110 Supermarkets and Other Grocery (except Convenience) Stores

445120 Convenience Stores

445210 Meat Markets

445220 Fish & Seafood Markets

445230 Fruit & Vegetable Markets

445291 Baked Goods Stores

445292 Confectionery & Nut Stores

445299 All Other Specialty Food Stores

445310 Beer, Wine, & Liquor Stores

Health and Personal Care Stores

446110 Pharmacies & Drug Stores

446120 Cosmetics, Beauty Supplies, & Perfume Stores

446130 Optical Goods Stores

446190 Other Health & Personal Care Stores

Gasoline Stations

447100 Gasoline Stations (including convenience stores with gas)

Code

Clothing and Clothing Accessories Stores

448110 Men's Clothing Stores

448120 Women's Clothing Stores

448130 Children's & Infants' Clothing Stores

448140 Family Clothing Stores

448150 Clothing Accessories Stores

448190 Other Clothing Stores

448210 Shoe Stores

448310 Jewelry Stores

448320 Luggage & Leather Goods Stores

Sporting Goods, Hobby, Book, and Music Stores

451110 Sporting Goods Stores

451120 Hobby, Toy, & Game Stores

451130 Sewing, Needlework, & Piece Goods Stores

451140 Musical Instrument & Supplies Stores

451211 Book Stores

451212 News Dealers & Newsstands

General Merchandise Stores

452200 Department Stores

452300 General Merchandise Stores, incl. Warehouse Clubs and Supercenters

Miscellaneous Store Retailers

453110 Florists

453210 Office Supplies & Stationery Stores

453220 Gift, Novelty, & Souvenir Stores

453310 Used Merchandise Stores

453910 Pet & Pet Supplies Stores

453920 Art Dealers

453930 Manufactured (Mobile) Home Dealers

453990 All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)

Nonstore Retailers

454110 Electronic Shopping & Mail-Order Houses

454210 Vending Machine Operators

454310 Fuel Dealers (including Heating Oil and Liquefied Petroleum)

454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)

Transportation and Warehousing

Air, Rail, and Water Transportation

481000 Air Transportation

482110 Rail Transportation

483000 Water Transportation

Truck Transportation

484110 General Freight Trucking, Local

484120 General Freight Trucking, Long-distance

484200 Specialized Freight Trucking

Transit and Ground Passenger Transportation

485110 Urban Transit Systems

485210 Interurban & Rural Bus Transportation

485310 Taxi Service

485320 Limousine Service

485410 School & Employee Bus Transportation

485510 Charter Bus Industry

485990 Other Transit & Ground Passenger Transportation

Pipeline Transportation

486000 Pipeline Transportation

Scenic & Sightseeing Transportation

487000 Scenic & Sightseeing Transportation

Code

Support Activities for Transportation

488100 Support Activities for Air Transportation

488210 Support Activities for Rail Transportation

488300 Support Activities for Water Transportation

488410 Motor Vehicle Towing

488490 Other Support Activities for Road Transportation

488510 Freight Transportation Arrangement

488990 Other Support Activities for Transportation

Couriers and Messengers

492110 Couriers

492210 Local Messengers & Local Delivery

Warehousing and Storage

493100 Warehousing & Storage (except lessors of miniwarehouses & self-storage units)

Information

Publishing Industries (except Internet)

511110 Newspaper Publishers

511120 Periodical Publishers

511130 Book Publishers

511140 Directory & Mailing List Publishers

511190 Other Publishers

511210 Software Publishers

Motion Picture and Sound Recording Industries

512100 Motion Picture & Video Industries (except video rental)

512200 Sound Recording Industries

Broadcasting (except Internet)

515100 Radio & Television Broadcasting

515210 Cable & Other Subscription Programming

Telecommunications

517000 Telecommunications (including paging, cellular, satellite, cable & other program distribution, resellers, other telecommunications, & internet service providers)

Data Processing Services

518210 Data Processing, Hosting, & Related Services

Other Information Services

519100 Other Information Services (including news syndicates libraries, internet publishing & broadcasting)

Finance and Insurance

Depository Credit Intermediation

522110 Commercial Banking

522120 Savings Institutions

522130 Credit Unions

522190 Other Depository Credit Intermediation

Nondepository Credit Intermediation

522210 Credit Card Issuing

522220 Sales Financing

522291 Consumer Lending

522292 Real Estate Credit (including mortgage bankers & originators)

522293 International Trade Financing

522294 Secondary Market Financing

522298 All Other Nondepository Credit Intermediation

Activities Related to Credit Intermediation

522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)

Securities, Commodity Contracts, and Other Financial Investments and Related Activities

523110 Investment Banking & Securities Dealing

Code

523120 Securities Brokerage

523130 Commodity Contracts Dealing

523140 Commodity Contracts Brokerage

523210 Securities & Commodity Exchanges

523900 Other Financial Investment Activities (including portfolio management & investment advice)

Insurance Carriers and Related Activities

524140 Direct Life, Health, & Medical Insurance Carriers

524150 Direct Insurance (except Life, Health, & Medical) Carriers

524210 Insurance Agencies & Brokerages

524290 Other Insurance Related Activities (including third-party administration of insurance and pension funds)

Funds, Trusts, and Other Financial Vehicles

525100 Insurance & Employee Benefit Funds

525910 Open-End Investment Funds (Form 1120-RIC)

525920 Trusts, Estates, & Agency Accounts

525990 Other Financial Vehicles (including mortgage REITs & closed-end investment funds)

"Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under **Management of Companies (Holding Companies)** on next page.

Real Estate and Rental and Leasing

Real Estate

531110 Lessors of Residential Buildings & Dwellings (including equity REITs)

531120 Lessors of Nonresidential Buildings (except Miniwarehouses) (including equity REITs)

531130 Lessors of Miniwarehouses & Self-Storage Units (including equity REITs)

531190 Lessors of Other Real Estate Property (including equity REITs)

531210 Offices of Real Estate Agents & Brokers

531310 Real Estate Property Managers

531320 Offices of Real Estate Appraisers

531390 Other Activities Related to Real Estate

Rental and Leasing Services

532100 Automotive Equipment Rental & Leasing

532210 Consumer Electronics & Appliances Rental

532281 Formal Wear & Costume Rental

532282 Video Tape & Disc Rental

532283 Home Health Equipment Rental

532284 Recreational Goods Rental

532289 All Other Consumer Goods Rental

532310 General Rental Centers

532400 Commercial & Industrial Machinery & Equipment Rental & Leasing

Lessors of Nonfinancial Intangible Assets (except copyrighted works)

533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)

Professional, Scientific, and Technical Services

Legal Services

541110 Offices of Lawyers

541190 Other Legal Services

Code
Accounting, Tax Preparation, Bookkeeping, and Payroll Services
541211 Offices of Certified Public Accountants
541213 Tax Preparation Services
541214 Payroll Services
541219 Other Accounting Services

Architectural, Engineering, and Related Services
541310 Architectural Services
541320 Landscape Architecture Services
541330 Engineering Services
541340 Drafting Services
541350 Building Inspection Services
541360 Geophysical Surveying & Mapping Services
541370 Surveying & Mapping (except Geophysical) Services
541380 Testing Laboratories

Specialized Design Services
541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)

Computer Systems Design and Related Services
541511 Custom Computer Programming Services
541512 Computer Systems Design Services
541513 Computer Facilities Management Services
541519 Other Computer Related Services

Other Professional, Scientific, and Technical Services
541600 Management, Scientific, & Technical Consulting Services
541700 Scientific Research & Development Services
541800 Advertising & Related Services
541910 Marketing Research & Public Opinion Polling
541920 Photographic Services
541930 Translation & Interpretation Services
541940 Veterinary Services
541990 All Other Professional, Scientific, & Technical Services

Management of Companies (Holding Companies)
551111 Offices of Bank Holding Companies
551112 Offices of Other Holding Companies

Administrative and Support and Waste Management and Remediation Services
Administrative and Support Services
561110 Office Administrative Services
561210 Facilities Support Services
561300 Employment Services
561410 Document Preparation Services
561420 Telephone Call Centers
561430 Business Service Centers (including private mail centers & copy shops)
561440 Collection Agencies
561450 Credit Bureaus
561490 Other Business Support Services (including repossession services, court reporting, & stenotype services)

Code
561500 Travel Arrangement & Reservation Services
561600 Investigation & Security Services
561710 Exterminating & Pest Control Services
561720 Janitorial Services
561730 Landscaping Services
561740 Carpet & Upholstery Cleaning Services
561790 Other Services to Buildings & Dwellings
561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)

Waste Management and Remediation Services
562000 Waste Management & Remediation Services

Educational Services
611000 Educational Services (including schools, colleges, & universities)

Health Care and Social Assistance
Offices of Physicians and Dentists
621111 Offices of Physicians (except mental health specialists)
621112 Offices of Physicians, Mental Health Specialists
621210 Offices of Dentists

Offices of Other Health Practitioners
621310 Offices of Chiropractors
621320 Offices of Optometrists
621330 Offices of Mental Health Practitioners (except Physicians)
621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists
621391 Offices of Podiatrists
621399 Offices of All Other Miscellaneous Health Practitioners

Outpatient Care Centers
621410 Family Planning Centers
621420 Outpatient Mental Health & Substance Abuse Centers
621491 HMO Medical Centers
621492 Kidney Dialysis Centers
621493 Freestanding Ambulatory Surgical & Emergency Centers
621498 All Other Outpatient Care Centers

Medical and Diagnostic Laboratories
621510 Medical & Diagnostic Laboratories

Home Health Care Services
621610 Home Health Care Services

Code
Other Ambulatory Health Care Services
621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)

Hospitals
622000 Hospitals

Nursing and Residential Care Facilities
623000 Nursing & Residential Care Facilities

Social Assistance
624100 Individual & Family Services
624200 Community Food & Housing, & Emergency & Other Relief Services
624310 Vocational Rehabilitation Services
624410 Child Day Care Services

Arts, Entertainment, and Recreation
Performing Arts, Spectator Sports, and Related Industries
711100 Performing Arts Companies
711210 Spectator Sports (including sports clubs & racetracks)
711300 Promoters of Performing Arts, Sports, & Similar Events
711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures
711510 Independent Artists, Writers, & Performers

Museums, Historical Sites, and Similar Institutions
712100 Museums, Historical Sites, & Similar Institutions

Amusement, Gambling, and Recreation Industries
713100 Amusement Parks & Arcades
713200 Gambling Industries
713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)

Accommodation and Food Services
Accommodation
721110 Hotels (except Casino Hotels) & Motels
721120 Casino Hotels
721191 Bed & Breakfast Inns
721199 All Other Traveler Accommodation
721210 RV (Recreational Vehicle) Parks & Recreational Camps
721310 Rooming & Boarding Houses, Dormitories, & Workers' Camps

Code
Food Services and Drinking Places
722300 Special Food Services (including food service contractors & caterers)
722410 Drinking Places (Alcoholic Beverages)
722511 Full-Service Restaurants
722513 Limited-Service Restaurants
722514 Cafeterias and Buffets
722515 Snack and Non-alcoholic Beverage Bars)

Other Services
Repair and Maintenance
811110 Automotive Mechanical & Electrical Repair & Maintenance
811120 Automotive Body, Paint, Interior, & Glass Repair
811190 Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes)
811210 Electronic & Precision Equipment Repair & Maintenance
811310 Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance
811410 Home & Garden Equipment & Appliance Repair & Maintenance
811420 Reupholstery & Furniture Repair
811430 Footwear & Leather Goods Repair
811490 Other Personal & Household Goods Repair & Maintenance

Personal and Laundry Services
812111 Barber Shops
812112 Beauty Salons
812113 Nail Salons
812190 Other Personal Care Services (including diet & weight reducing centers)
812210 Funeral Homes & Funeral Services
812220 Cemeteries & Crematories
812310 Coin-Operated Laundries & Drycleaners
812320 Drycleaning & Laundry Services (except Coin-Operated)
812330 Linen & Uniform Supply
812910 Pet Care (except Veterinary) Services
812920 Photofinishing
812930 Parking Lots & Garages
812990 All Other Personal Services

Religious, Grantmaking, Civic, Professional, and Similar Organizations
813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations (including condominium and homeowners associations)

How to Get California Tax Information

(Keep This Page For Future Use)

Your Rights as a Taxpayer

Our goal at the FTB is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how you can request written advice from the FTB on whether a particular transaction is taxable. See "Where to Get Tax Forms and Publications" below.

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.

Access other state agencies' websites at ca.gov.

By phone – To order current year California tax forms and publications, call our automated phone service. Refer to the list in your tax booklet and find the code for the form you want to order. Call 800.338.0505 and follow the recorded instructions.

Allow two weeks to receive your order. If you live outside California, allow three weeks to receive your order.

In person – Many post offices and libraries provide free California personal income tax booklets during the filing season.

Employees at libraries, post offices and libraries, and quick print businesses cannot provide tax information or assistance.

By mail – Write to:

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

Letters

If you write to us, be sure your letter includes your federal employer identification number (FEIN), California Secretary of State (SOS) file number, California corporation number, social security number (SSN) or individual taxpayer identification number (ITIN), your daytime and evening telephone numbers, and a copy of the notice (if applicable). Send your letter to:

CORRESPONDENCE, ANALYSIS, SUPPORT
AND EDUCATION SECTION MS F-283
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

We will respond to your letter within ten weeks. In some cases, we may need to call you for additional information.

Do not attach correspondence to your tax return unless the correspondence relates to an item on your tax return.

Internet and Telephone Assistance

Telephone assistance is available year-round from 7 a.m. until 5 p.m. Monday through Friday, except holidays. Hours subject to change.

Website: ftb.ca.gov
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

Asistencia Por Internet y Teléfono

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.

Sitio web: ftb.ca.gov
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

LAMBRA Contact Information

For business eligibility or zone related information, including questions regarding LAMBRA geographic boundaries and vouchering, contact the HCD or the local zone program manager in which the business is located. Go to hcd.ca.gov and search for **directory of zone contacts** to find Directory of Economic Development Areas.

For information that is zone-specific but not tax-specific, contact the HCD at:

DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
ENTERPRISE ZONE PROGRAMS
2020 WEST EL CAMINO AVENUE SUITE 650
SACRAMENTO, CA 95833

Mailing address
PO BOX 952054
SACRAMENTO CA 94252-2054

Website: hcd.ca.gov
Telephone: 916.274-0575
Fax: 916.263.2764

or for tax-specific information contact:

FRANCHISE TAX BOARD
Website: ftb.ca.gov
Telephone: 916.845.3464