

2024 Instructions for Form 100-ES

Corporation Estimated Tax

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).

What's New

e-file Form 109 – For taxable years beginning on or after January 1, 2023, the Franchise Tax Board (FTB) offers e-file for exempt organizations filing Form 109, California Exempt Organization Business Income Tax Return. Check with your software provider to see if they support exempt organization e-file.

General Information

Use California Revenue and Taxation Code (R&TC) Sections 19011, 19021, 19023, 19025 through 19027, and 19142 through 19161 to determine the estimated tax requirement for California.

Use Form 100-ES, Corporation Estimated Tax, for the calendar year ending December 31, 2024, or fiscal years ending in 2025. Complete Form 100-ES using black or blue ink. Check only one box on Form 100-ES to indicate if the estimate payment is for Form 100, California Corporation Franchise or Income Tax Return; Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers; Form 100S, California S Corporation Franchise or Income Tax Return; or Form 109, California Exempt Organization Business Income Tax Return.

If the business entity **does not** owe any tax, **do not** mail this form with a zero balance. If a business entity pays electronically, **do not** mail this form.

Corporations

Unless stated otherwise, the term "corporations," as used in Form 100-ES and in these instructions, includes banks, financial corporations, certain associations, regulated investment companies, real estate investment trusts, exempt organizations with unrelated business taxable income, exempt homeowners' associations with non-exempt function income, limited liability companies (LLCs) and limited partnerships (LPs) that have elected to be taxed as corporations for federal tax purposes, and S corporations.

LLC Election

If an LLC elects to be taxed as a corporation for federal tax purposes, the LLC must file Form 100-ES and enter the California corporation number, federal employer identification number (FEIN), and California Secretary of State (SOS) file number, if applicable, in the space provided. The FTB will (1) assign an identification number to an LLC that files as a corporation, and (2) notify the LLC with the identification number upon receipt of the first estimated tax payment, first tax payment, or the first tax return. The LLC will be subject to the applicable provisions of the Corporation Tax Law and should be considered a corporation for the purpose of all instructions unless otherwise indicated.

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. Get Schedule R, Apportionment and Allocation of Income, or R&TC Section 25128.7 for more information.

Market Assignment

R&TC Section 25136 requires **all** taxpayers to assign sales, other than sales of tangible personal property, based on the market assignment rule. For more information, get Schedule R, or go to **ftb.ca.gov** and search for **market assignment**.

Private Mail Box (PMB)

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

A Purpose

Use Form 100-ES to figure and pay estimated tax for a corporation. Estimated tax is the amount of tax the corporation expects to owe for the taxable year.

B Who Must Pay Estimated Tax

One or more payments of estimated tax are required annually from each:

- Corporation incorporated or qualified under the laws of California or doing business in California, whether active, inactive, or having income from sources within California, unless otherwise provided by the Corporation Tax Law.
- LLC or LP electing to be treated as a corporation for tax purposes.
- Bank and national banking association doing business in California.
- Exempt organization or trust with unrelated business income.
- Exempt homeowners' association with non-exempt function income.

An S corporation that is a parent of a Qualified Subchapter S Subsidiary (QSub) is required to pay the \$800 annual tax for each QSub that is:

- Incorporated in California.
- Qualified to do business in California.
- Doing business in California.

The QSub annual tax is due and payable when the S corporation's first estimated tax payment is due. If the QSub is acquired during the taxable year, the QSub annual tax is due with the S corporation's next estimated tax payment after the date of the QSub election or acquisition. The QSub annual tax is subject to the estimated tax rules and penalties.

Enter the total amount of QSub annual tax paid in the space for QSub Tax Amount. Enter the estimated installment payment amount in the space for Estimated Tax Amount. Combine the two amounts and enter the total payment of

both QSub annual tax and regular estimated tax in the space for Total Installment Amount. Real estate mortgage investment conduits (REMICs) are not required to pay estimated tax. However, use this form to remit the minimum franchise tax due by the 15th day of the 4th month of the taxable year.

Financial asset securitization investment trusts (FASITs) are subject to the \$800 minimum tax. Get Form 100, Corporation Tax Booklet, for more information.

C Estimated Tax and Tax Rates

R&TC Section 19023 defines tax, for purposes of California estimate payments, to include alternative minimum tax, S corporation taxes from Schedule D (100S), S Corporation Capital Gains and Losses and Built-In Gains, excess net passive income, the QSub annual tax, credit recapture, and the minimum franchise tax. This definition of tax **does not** conform to the federal definition of tax. Also, taxable income for S corporations includes the R&TC Section 23802(e) deduction for passive investment income and built-in gains.

To compute estimated tax liability, multiply the estimated net income for tax purposes by the applicable rate:

- Corporations, use 8.84%.
- S corporations, use 1.5%.
- Banks and financial corporations, use 10.84%.
- Financial S corporations, use 3.5%.
- Exempt trusts, use personal income tax rate Schedule X (single) inside California 540, Personal Income Tax Booklet.

D Installment Due Dates and Amounts

Estimated tax is payable in four installments. The installments are due and payable by the 15th day of the 4th, 6th, 9th, and 12th month of the taxable year. When the due date falls on a weekend or holiday, the deadline to file and pay without a penalty is extended to the next business day.

Corporations may pay any estimated tax installment before the due date.

The amount of each installment is the applicable percentage of the total estimated tax due (estimated income multiplied by the appropriate tax rate). Corporations are required to pay the following percentages of the estimated tax liability during the taxable year:

- 30% for the first required installment
- 40% for the second required installment
- No estimated tax payment is required for the third installment
- 30% for the fourth required installment

Franchise Tax Filers

If the amount of estimated tax **does not** exceed the minimum franchise tax plus any QSub annual tax (if applicable), then the entire amount of the minimum tax and the QSub annual tax is due as an estimate on or before the 15th day of the 4th month of the corporation's taxable year.

If the amount of estimated tax exceeds the minimum franchise and the QSub annual tax (if applicable), then the estimated tax is payable in four installments. However, to avoid the imposition of an estimated tax penalty, at least the minimum franchise tax and QSub annual tax (if applicable) must be paid by the due date of the first installment.

Income Tax Filers

The amount of the estimated tax is payable in four installments. Refer to General Information Section C, Estimated Tax and Tax Rates, for the applicable tax rates.

Short-Period Filers

A corporation with an accounting period of less than 12 months (short period) must pay estimated tax in the number of installments shown in the "Accounting Period Less Than 12 Months (Short Period)" table on page 4.

Overpayments From Prior Year Returns

The overpayment from a prior year return is credited as of the first estimate installment due date or the date of payment, whichever is later.

For more information, get federal Rev. Rul. 99-40, Internal Revenue Code Section 6513(b)(1) and (2), and the IRS Internal Revenue Manual 20.2.4.3 (03-05-2015).

E Minimum Franchise Tax

All corporations subject to the franchise tax must pay at least the minimum franchise tax shown below, whether they are active, inactive, operate at a loss, or file a tax return for a short period.

- Corporations subject to franchise tax . . . \$800
- Qualified inactive gold or quicksilver mining operation \$25

Entities subject to the corporation minimum franchise tax include all corporations that meet any of the following:

- Incorporated or organized in California.
- Qualified or registered to do business in California.
- Doing business in California, whether or not incorporated, organized, qualified, or registered under California law.

A combined group filing a single tax return must pay at least the minimum franchise tax for **each** corporation in the group that is subject to franchise tax.

There is no minimum franchise tax for:

- Corporations that are subject only to income tax if they are not "doing business" in California, and are not incorporated or qualified under the laws of California,

but derive income from sources within California. However, if corporations meet the sale, property, or payroll threshold for "doing business" under R&TC Section 23101(b), corporations may be subject to the minimum franchise tax.

- Corporations that are not incorporated under the laws of California and whose sole activities in California are engaging in convention and trade show activities for seven or fewer days during a taxable year and that do not derive more than \$10,000 of gross income reportable to California during a taxable year.
- Qualified non-profit farm cooperative associations.
- Credit unions.
- Unincorporated homeowners' associations.
- Exempt homeowners' associations.
- Exempt political organizations.
- Exempt organizations.

For the definition of doing business in California, get Form 100, 100W, 100S or 109 Tax Booklets.

For more information, get FTB Pub. 1050, Application and Interpretation of Public Law 86-272; or FTB Pub. 1060, Guide for Corporations Starting Business in California.

Newly Formed or Qualified Corporations

For the **first** taxable year, newly formed or qualified corporations are not subject to the minimum franchise tax. To avoid an estimated tax penalty, newly formed or qualified corporations should calculate the estimate installments based on annualized current year income. See the instructions under General Information I, Exceptions to the Estimated Tax Penalty, Worksheet II, Exception B, Annualized Current Year Income, for more information.

Deployed Military Exemption

For taxable years beginning on or after January 1, 2020, and before January 1, 2030, a corporation that is a small business solely owned by a deployed member of the United States Armed Forces shall not be subject to the minimum franchise tax if the owner is deployed during the taxable year and the corporation operates at a loss or ceases operation.

F Methods of Payment

Electronic Funds Transfer (EFT)

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

The FTB notifies corporations that are subject to this requirement. Those that do not meet these requirements may participate on a voluntary basis. If the corporation pays electronically, **do not mail** the estimated tax voucher. For more information, go to ftb.ca.gov and search for **eft** or call 916.845.4025.

Electronic Funds Withdrawal (EFW)

Corporations can make an estimated tax payment using tax preparation software. Check with the software provider to determine if they support EFW for estimated tax payments.

Web Pay

Corporations can make payments online using Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov/pay for more information.

Credit Card

Use a Discover, MasterCard, Visa, or American Express Card to pay estimated taxes. Go to officialpayments.com. ACI Payments, Inc. (formerly Official Payments) charges a convenience fee for using this service.

G Where to File

If estimated tax is due, and the corporation is not paying electronically through EFT, EFW, Web Pay or credit card, make the check or money order using black or blue ink payable to the "Franchise Tax Board." Write the California corporation number, FEIN, and California SOS file number, if applicable, and "2024 Form 100-ES" on the check or money order.

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

Enclose, but **do not** staple, a check or money order with this form and mail to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531

H Underpayment or Late Payment

Generally, an underpayment of estimated tax is the difference between (1) the amount that would be due for each installment of estimated tax if the estimated tax was equal to 100% of the tax shown on the return, prorated to each installment, and (2) the amount actually paid or credited on or before the due date of that installment.

Underpayment or late payment of estimated tax installments will result in an estimated tax penalty calculated from the due date of each installment until paid, or until the 15th day of the 3rd month after the close of the taxable year if filing Form 100, 100W or 100S, or the 15th day of the 5th month after the close of the taxable year if filing Form 109, whichever is earlier. See General Information I, Exceptions to the Estimated Tax Penalty, and use form FTB 5806, Underpayment of Estimated Tax by

Corporations, to determine if an exception to a penalty exists and to figure the penalty.

California does not conform to federal law regarding the application of the underpayment penalty. For federal purposes, the application of the penalty is based on the lesser of prior year or current year tax; while for California purposes, the application of the penalty is based on current year tax only.

I Exceptions to the Estimated Tax Penalty

If the estimated tax paid is equal to or greater than the amount defined in General Information H, Underpayment or Late Payment, the FTB will not assess an estimated tax penalty. If an underpayment exists, the FTB will not assess the estimated tax penalty if the corporation meets any one of the exceptions listed below.

California difference – Under California law, the exceptions are computed on a cumulative basis. This differs from federal law which requires only 25% of the annual payment for each installment.

The following exceptions **do not** apply if the estimated tax installments due are not paid on or before the installment due date.

Worksheet I — Exception A – Prior Year's Tax

This exception applies if the amount paid or credited on or before the installment due date equals or exceeds the tax shown on the preceding year's return for a 12-month period, prorated to each installment.

Newly Formed or Qualified Corporations

The prior year's tax exception does not apply for the first taxable year. For the second taxable year, the prior year tax exception does not apply if no tax liability existed in the first taxable year, or the business operated for less than twelve full months.

If the corporation uses the annualized current year income method or the annualized seasonal income method, see Worksheets II, III, and IV.

Line 1 – Taxable income

Enter the amount of taxable income expected for the current taxable year.

Line 7 – Other taxes

R&TC Section 19023 defines tax, for purposes of California estimate payments, to include alternative minimum tax, S corporation taxes from Schedule D (100S), excess net passive income, the QSub annual tax, credit recapture, and the minimum franchise tax. Enter applicable amounts for each payment period.

Line 9

Enter the tax shown on the corporation's 2023 tax return.

Note: If the S Corporation included the pass-through entity elective tax on Form 100S, line 29, exclude that amount from Worksheet I, line 9.

Line 11

A large corporation is any corporation, including a predecessor corporation, that had California net income (computed without regard to the net operating loss deduction) of \$1 million or more for any taxable year during the three taxable years immediately preceding the current taxable year.

Large corporations may use this exception for only the first estimated tax installment and must add any reduction in the first estimated tax installment to the second installment.

If the annualized current year income method or annualized seasonal income method is not used for the third or fourth installment, follow the instructions in the next column to figure the amounts to enter on line 11 of Worksheet I.

- If line 8 is smaller than line 9, multiply line 8 (total tax) by the applicable percentage (30%, 70%, 70%, or 100%) shown for each quarter at the top of column (1) through column (4). Enter the result for each quarter on line 11.
- If line 9 is smaller than line 8, determine the amount to enter as follows:
 - (a) Enter 30% of line 9 in column (1) of line 11.
 - (b) Enter 70% of line 8 in column (2) of line 11.
 - (c) Enter 70% of line 8 in column (3) of line 11.
 - (d) Enter 100% of line 8 in column (4) of line 11.

Line 12 – Total payments

Enter the total payments of estimated tax for the taxable year paid prior to the due date of the installment. Include any overpayments from 2023 tax that were credited to 2024 estimated tax.

Worksheet II — Exception B – Annualized Current Year Income

This exception applies if the estimated tax paid on or before the installment due date equals or exceeds 100% of the amount the corporation would owe if its estimated tax was computed on annualized current net income for tax purposes for the months preceding the installment due date.

Line 1 – Annualization periods

Enter the number of months that the corporation is using in the annualization period based on the options listed in the table below. For example, if the corporation elects Option 1, enter the annualization periods 2, 4, 7, and 10 in column (1) through column (4), respectively.

Annualization Periods

Installment	1st	2nd	3rd	4th
Standard Option	3	3	6	9
Option 1	2	4	7	10
Option 2	3	5	8	11

Corporations may use the Standard Option or must make an election to use Option 1 or Option 2. Exempt organizations may use Option 1 (the standard option for exempt organizations) or must make an election to use Option 2. The election must be made on or before the due date of the first required installment payment. The corporation must make a timely election to use an expanded option even if it uses another method, such as Exception A, for its first installment.

To make a California election, file federal Form 8842, Election To Use Different Annualization Periods for Corporate Estimated Tax, **or** if a timely election was made for federal purposes by filing the federal Form 8842, and the corporation is using the same option for state purposes, attach a copy of the federal form to the corporation's tax return when filed. Once made, an election is irrevocable for the taxable year. The corporation should file federal Form 8842 with its first installment payment. If the corporation must pay its tax liability using EFT, file federal Form 8842 on or before the due date of the first installment payment by mailing to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531

Line 3 – Annualization amounts

Enter the annualization amounts from the table below for the elected option. For example, if the corporation elects Option 1, enter on line 3 the annualization amounts 6, 3, 1.71429, and 1.2, in column (1) through column (4), respectively.

Annualization Amounts

Installment	1st	2nd	3rd	4th
Standard Option	4	4	2	1.33333
Option 1	6	3	1.71429	1.2
Option 2	4	2.4	1.5	1.09091

Line 8 – Other taxes

R&TC Section 19023 defines tax, for purposes of California estimate payments, to include alternative minimum tax, S corporation taxes from Schedule D (100S), excess net passive income, the QSub annual tax, credit recapture, and the minimum franchise tax. Enter applicable amounts for each payment period.

Line 12 – Total payments

Enter the total payments of estimated tax for the taxable year paid prior to the due date of the installment. Include any overpayments from 2023 tax that were credited to 2024 estimated tax.

Worksheet III — Exception C – Annualized Seasonal Income

This exception applies if the estimated tax paid on or before the installment due date equals or exceeds 100% of the amount the corporation would owe if its estimated tax was

computed on annualized seasonal net income for tax purposes for the months preceding the installment due date. Use Exception C only if the corporation's base period percentage for any six consecutive months of the taxable year equals or exceeds 70%. Get the instructions for federal Form 2220, Underpayment of Estimated Tax by Corporations, Schedule A, Part I, Adjusted Seasonal Installment Method, for an explanation on how to compute the base period percentage.

Line 32 – Other taxes

R&TC Section 19023 defines tax, for purposes of California estimate payments, to include alternative minimum tax, S corporation taxes from Schedule D (100S), excess net passive income, the QSub annual tax, credit recapture, and the minimum franchise tax. Enter applicable amounts for each payment period.

Note: Last in first out (LIFO) recapture amounts are not included in the computation of an estimated tax underpayment penalty.

Line 34 – Total payments

Enter the total payments of estimated tax for the taxable year paid prior to the due date of the installment. Include any overpayments from 2023 tax that were credited to 2024 estimated tax.

J Revised Estimates

Corporations may revise the estimated tax any time during the taxable year. If the corporation revises the estimated tax, compute the amount of each remaining installment (if any) by doing the following:

- Subtracting from the revised estimated tax, the total estimated tax previously paid.
- Dividing the result by the number of installments remaining as of the date the revision is made.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection - Aviso de Privacidad del Franchise Tax Board sobre la Recaudación. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

Accounting Period Less Than 12 Months (Short Period) — Fiscal year corporations, adjust dates accordingly.

If taxable year (calendar year) begins:	Number of Installments Due	Percentage of Estimated Tax Due On or Before*			
		April 15	June 15	September 15	December 15
January 1 through January 16	4	30%	70%	70%	100%
January 17 through March 16	3		60%	60%	100%
March 17 through June 15	2			70%	100%
June 16 through September 15	1				100%
September 16 through December 31	None				

*When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

Computation of Estimated Tax

Worksheet I Exception A — Prior Year's Tax

1 Taxable income expected during this taxable year	1	
2 R&TC Section 23802(e) deduction, S corporations only	2	
3 Net income. Subtract line 2 from line 1	3	
4 Tax. Multiply line 3 by the current tax rate. See General Information C	4	
5 Tax credits	5	
6 Subtract line 5 from line 4. (Not less than minimum tax and QSub annual tax(es), if applicable.)	6	
7 Other taxes. See instructions	7	
8 Total tax. Add line 6 and line 7	8	
9 Enter the tax shown on the corporation's 2023 tax return. See instructions	9	
10 Enter the smaller of line 8 or line 9	10	

	(1) 30%	(2) 70%	(3) 70%	(4) 100%
11 Multiply line 10 by the percentage shown in column 1 through column 4. Large corporations, see instructions	(not less than min.)			
12 Total payments. See instructions				
13 Subtract line 12 from line 11. If zero or less, enter -0-				

Large corporations: To meet the exception by paying prior year's tax for the first estimate installment and paying the reduction in the first estimate installment with the second estimate installment, the corporation must have paid the amounts in line 11, column (1) and column (2).

Worksheet II Exception B — Annualized Current Year Income

	(1)	(2)	(3)	(4)
1 Annualization periods. See instructions				
2 Enter taxable income for each annualization period				
3 Annualization amounts. See instructions				
4 a Annualized taxable income. Multiply line 2 by line 3				
b R&TC Section 23802(e) deduction, S corporations only				
c Net income. Subtract line 4b from line 4a				
5 Tax. Multiply line 4c by the current tax rate				
6 Tax credits for each payment period				
7 Subtract line 6 from line 5. (Not less than minimum tax and QSub annual tax(es))				
8 Other taxes. See instructions				
9 Total tax. Add line 7 and line 8				
10 Applicable percentage	30%	70%	70%	100%
11 Multiply line 9 by line 10				
12 Total payments. See instructions				
13 Annualized current year income installments. Subtract line 12 from line 11. If zero or less, enter -0-				

Worksheet III Exception C — Annualized Seasonal Income

Use this method only if the base period percentage for any six consecutive months is at least 70%. See instructions.

	(1)	(2)	(3)	(4)
	First 3 months	First 5 months	First 8 months	First 11 months
14 Enter the taxable income for the following periods:				
a Taxable year beginning in 2021				
b Taxable year beginning in 2022				
c Taxable year beginning in 2023				
15 Enter taxable income for each period for the taxable year beginning in 2024				
16 Enter the taxable income for the following periods:	First 4 months	First 6 months	First 9 months	Entire year
a Taxable year beginning in 2021				
b Taxable year beginning in 2022				
c Taxable year beginning in 2023				
17 Divide the amount in each column on line 14a by the amount in column (4) on line 16a				
18 Divide the amount in each column on line 14b by the amount in column (4) on line 16b				
19 Divide the amount in each column on line 14c by the amount in column (4) on line 16c				
20 Add line 17 through line 19				
21 Divide line 20 by 3				
22 a Divide line 15 by line 21				
b R&TC Section 23802(e) deduction, S corporations only				
c Net income. Subtract line 22b from line 22a				
23 Tax. Multiply line 22c by the current tax rate				
24 Divide the amount in column (1) through column (3) on line 16a by the amount in column (4) on line 16a				
25 Divide the amount in column (1) through column (3) on line 16b by the amount in column (4) on line 16b				
26 Divide the amount in column (1) through column (3) on line 16c by the amount in column (4) on line 16c				
27 Add line 24 through line 26				
28 Divide line 27 by 3				
29 Multiply the amount in column (1) through column (3) of line 23 by the amount in the corresponding column of line 28. In column (4), enter the amount from line 23, column (4)				
30 Tax credit for each payment period				
31 Subtract line 30 from line 29. (Not less than minimum tax and QSub annual tax(es), if applicable)				
32 Other taxes. See instructions				
33 Total tax. Add line 31 and line 32				
34 Total payments. See instructions				
35 Adjusted seasonal installments. Subtract line 34 from line 33. If zero or less, enter -0-				

Worksheet IV — Required Installments

36 If only Worksheet II, Exception B or Worksheet III, Exception C are completed enter the amount in each column from line 13 or line 35. If both Worksheet II and Worksheet III are completed, enter the **smaller** of the amounts in each column from line 13 or line 35.

37 Enter the amount from Worksheet I, line 13

38 **Required installments.** Enter the smaller of line 36 or line 37 here and on the appropriate form for each installment payment

	(1)	(2)	(3)	(4)