

2025 Instructions for Form 540-ES

Estimated Tax for Individuals

General Information

Installment Payments – Installments due shall be 30% of the required annual payment for the 1st required installment, 40% of the required annual payment for the 2nd required installment, no installment is due for the 3rd required installment, and 30% of the required annual payment for the 4th required installment.

Mandatory Electronic Payments – You are required to remit all your payments electronically once you make an estimate or extension payment exceeding \$20,000 or you file an original tax return with a total tax liability over \$80,000. Once you meet the threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically. The first payment that would trigger the mandatory e-pay requirement does not have to be made electronically. Individuals who do not send the payment electronically will be subject to a 1% noncompliance penalty. Electronic payments can be made using Web Pay on the Franchise Tax Board's (FTB's) website, electronic funds withdrawal (EFW) using tax preparation software, or your credit card. For more information, go to ftb.ca.gov/e-pay.

A Purpose

Use Form 540-ES, Estimated Tax for Individuals, and the 2025 California Estimated Tax Worksheet, to determine if you owe estimated tax for 2025 and to figure the required amounts. Estimated tax is the tax you expect to owe in 2025 after subtracting the credits you plan to take and tax you expect to have withheld.

If you need to make a payment for your 2024 tax liability or make a separate payment for any balance due on your 2024 tax return, use form FTB 3519, Payment for Automatic Extension for Individuals.

Certain taxpayers are limited in their use of the prior year's tax as a basis for figuring their estimated tax. See Section C for more information. Check for estimated payments we have received at ftb.ca.gov and login or register for MyFTB.

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete Employment Development Department (EDD) Form DE 4, Employee's Withholding Allowance Certificate, and give it to your employer's appropriate payroll staff. You can get this form from your employer, or by calling EDD at **888.745.3886**. You can download Form DE 4 from EDD's website at edd.ca.gov or go to ftb.ca.gov and search for **de 4**.

Form DE 4 specifically adjusts your California state withholding and is not the same as the federal Form W-4, Employee's Withholding Certificate.

B Who Must Make Estimated Tax Payments

Generally, you must make estimated tax payments if you expect to owe at least \$500 (\$250 if married/RDP filing separately) in tax for 2025 (after subtracting withholding and credits) and you expect your withholding and credits to be less than the **smaller** of:

- 90% of the tax shown on your 2025 tax return; or
- 100% of the tax shown on your 2024 tax return including Alternative Minimum Tax (AMT).

Note:

- These percentages may be different if you are a higher income taxpayer, farmer, or fisherman. See Section C for more information.
- You do not have to make estimated tax payments if you are a nonresident or new resident of California in 2025 and did not have a California tax liability in 2024.
- If you are a military servicemember not domiciled in California, do not include your military pay in your computation of estimated tax payments. If you are the nonmilitary spouse of a servicemember, you may or may not need to include your pay in your computation of estimated tax payments. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

If you and your spouse/RDP paid joint estimated tax payments, but are now filing separate income tax returns, either of you may claim all of the amount paid, or you may each claim part of the joint estimated payments. If you want the estimated tax payments to be divided, notify the FTB before you file the income tax returns so that the payments can be applied to the proper account. The FTB will accept in writing, any divorce agreement (or court ordered settlement) or a statement showing the allocation of the payments along with a notarized signature of both taxpayers. The statements should be sent to:

JOINT ESTIMATE CREDIT ALLOCATION MS F283
TAXPAYER SERVICES CENTER
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

C Limit on the Use of Prior Year's Tax

Individuals who are required to make estimated tax payments, and whose 2024 California adjusted gross income is more than \$150,000 (or \$75,000 if married/RDP filing separately) must figure estimated tax based on the lesser of 90% of their tax for 2025 or 110% of their tax for 2024 including AMT. This rule does not apply to farmers or fishermen.

Taxpayers with 2025 California adjusted gross income equal to or greater than \$1,000,000 (or \$500,000 if married/RDP filing separately) must figure estimated tax based on their tax for 2025.

D When to Make Your Estimated Tax Payments

Pay your estimated payments by the dates shown below:

1st payment	April 15, 2025
2nd payment	June 16, 2025
3rd payment	September 15, 2025
4th payment	January 15, 2026

Filing an Early Tax Return In Place of the 4th Installment – If you file your 2025 tax return by January 31, 2026, and pay the entire balance due, you do not have to make your last estimated tax payment. In addition, you will not owe a penalty for the fourth installment.

Annualization Option – If you do not receive your taxable income evenly during the year, it may be to your advantage to annualize your income. This method allows you to match your estimated tax payments to the actual period when you earned the income. You may use the annualization schedule included with the 2024 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

Farmers and Fishermen – If at least two-thirds of your 2024 or 2025 gross income is from farming or fishing, you may do either of the following:

- Pay all of your estimated tax by January 15, 2026.
- File your tax return for 2025 on or before March 2, 2026, and pay the total tax due. In this case, you do not need to make estimated tax payments for 2025. Use the 2024 form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, to determine if you paid the required estimated tax. If the estimated tax is underpaid, attach the completed form FTB 5805F to the back of your tax return.

Fiscal Year – If you file your tax return on a fiscal year basis, your due dates will be the 15th day of the 4th, 6th, and 9th months of your fiscal year and the 1st month of the following fiscal year. If the due date falls on a weekend or legal holiday, use the next business day.

Behavioral Health Services Tax (previously Mental Health Services Tax)

– If your taxable income or nonresident California source taxable income is more than \$1,000,000, complete the worksheet below.

A. Taxable income from Form 540, line 19, or Form 540NR, line 35	A	_____
B. Less	B	\$(1,000,000)
C. Subtotal	C	_____
D. Tax rate – 1%	D	_____ x .01
E. Behavioral Health Services Tax – Multiply line C by line D. Enter this amount here and on line 17 of the 2025 California Estimated Tax Worksheet, on the next page.	E	_____

E How to Use Form 540-ES Payment Form

Use the California Estimated Tax Worksheet and your 2024 California income tax return as a guide for figuring your 2025 estimated tax. Be sure that the amount shown on line 21 of the California Estimated Tax Worksheet has been reduced by any overpaid tax on your 2024 tax return which you chose to apply toward your 2025 estimated tax payment.

Note:

- If you filed Form 540 2EZ, California Resident Income Tax Return, for 2024, **do not** use the Form 540 2EZ instructions to figure amounts on this worksheet. Instead, get the 2024 California 540 Personal Income Tax Booklet.
- Complete Form 540-ES using black or blue ink:
 1. Complete the Record of Estimated Tax Payments on the next page for your files.
 2. Paying your tax:

Web Pay – Make a payment online or schedule a future payment (up to one year in advance). Go to ftb.ca.gov/pay for more information. **Do not mail** Forms 540-ES to us.

Electronic Funds Withdrawal (EFW) – Individuals can make an extension or estimated tax payment using tax preparation software. Check with your software provider to determine if they support EFW for extension or estimated tax payments. **Do not mail** Forms 540-ES to us.

Credit card – Use your Discover, MasterCard, Visa, or American Express Card to pay your tax. Call 800.272.9829 or go to officialpayments.com, use code 1555. ACI Payments, Inc. (formerly Official Payments) charges a fee for this service. **Do not mail** Forms 540-ES if you pay by credit card.

Check or money order – There is a separate payment form for each due date. Be sure you use the form with the correct due date shown in the top margin of the form.

Fiscal year filers: Enter the month of your fiscal year end (located directly below the form’s title).

Print your name, address, and social security number (SSN) or individual taxpayer identification number (ITIN) in the space provided on Form 540-ES. If you have a foreign address, enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country’s practice for entering the postal code. **Do not** abbreviate the country name.

Complete the amount of payment line of the form by entering the amount of the payment that you are sending. Using black or blue ink, make your check or money order payable to the “Franchise Tax Board.” Write your SSN or ITIN and “2025 Form 540-ES” on it and mail to the address in Section F.

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

F Where to Mail Estimated Tax Payments

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0008

G Failure to Make Estimated Tax Payments

If you do not make the required estimated payments, if you pay an installment after the date it is due, or if you underpay any installment, a penalty may be assessed on the portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of your tax return, whichever is earlier. Get the 2024 form FTB 5805 for more information.

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.

(continued on next page)

2025 California Estimated Tax Worksheet Keep this worksheet for your records.

- 1 Residents:** Enter your estimated 2025 California AGI. **Nonresidents and part-year residents:** Enter your estimated 2025 total AGI from all sources. Military servicemembers/spouses, get FTB Pub. 1032. **1** _____
- 2 a** If you plan to itemize deductions, enter the estimated total of your itemized deductions **2a** _____
b If you do not plan to itemize deductions, enter the standard deduction for your filing status:
 \$5,540 single or married/RDP filing separately
 \$11,080 married/RDP filing jointly, head of household, or qualifying surviving spouse/RDP **2b** _____
c Enter the amount from line 2a or line 2b, whichever applies **2c** _____
- 3** Subtract line 2c from line 1. **3** _____
- 4** Tax. Figure your tax on the amount on line 3 using the 2024 tax table for Form 540 or Form 540NR.
 Also, include any tax from form FTB 3800 and form FTB 3803. **4** _____
- 5 Residents:** Skip to line 6a. **Nonresidents and part-year residents:**
a Enter your estimated 2025 California taxable income from Schedule CA (540NR), Part IV, line 5. **5a** _____
b Compute the California Tax Rate: $\frac{\text{Tax on total taxable income from line 4}}{\text{Total taxable income from line 3}}$ **5b** _____
c Multiply the amount on line 5a by the California Tax Rate on line 5b. **5c** _____
- 6 a Residents:** Enter the exemption credit amount from the 2024 instructions for Form 540. **6a** _____
b Nonresidents or part-year residents: Enter the CA credit proration percentage. Divide line 5a by line 3. If more than 1, enter 1.0000 **6b** _____
- 7 Nonresidents:** California prorated exemption credits. Multiply the total exemption credit amount by line 6b. **7** _____
- 8 Residents:** Subtract line 6a from line 4. **Nonresidents or part-year residents:** Subtract line 7 from line 5c. **8** _____
- 9** Tax on accumulation distribution of trusts. See instructions for form FTB 5870A. **9** _____
- 10** Add line 8 and line 9 **10** _____
- 11** Credits for joint custody head of household, dependent parent, senior head of household, and child and dependent care expenses. **11** _____
Nonresidents and part-year residents: For the child and dependent care expenses credit, use the amount from your 2024 Form 540NR, line 50. For the other credits listed on line 11, multiply the total 2024 credit amount by the ratio on line 6b.
- 12** Subtract line 11 from line 10. **12** _____
- 13** Other credits (such as other state tax credit). See the 2024 instructions for Form 540 or Form 540NR. **13** _____
- 14** Subtract line 13 from line 12. **14** _____
- 15** Interest on deferred tax from installment obligations under IRC Section 453 or 453A **15** _____
- 16** Alternative Minimum Tax. See Schedule P (540 or 540NR) **16** _____
- 17** Behavioral Health Services Tax Worksheet, line E (in Section D of these instructions) **17** _____
- 18** 2025 Estimated Tax. Add line 14 through line 17. Enter the result, but not less than zero **18** _____
- 19 a** Multiply line 18 by 90% (.90). Farmers and fishermen, multiply line 18 by 66 2/3% (.6667) **19a** _____
b Enter the sum of line 48, line 61, and line 62 from your 2024 Form 540
 or the sum of line 63, line 71, and line 72 from your 2024 Form 540NR. **19b** _____
c Enter the amount from your 2024 Form 540, line 17; or Form 540NR, line 32 **19c** _____
d Is the amount on line 19c more than \$150,000 (\$75,000 if married/RDP filing separately)?
Yes. Go to line 19e. **No.** Enter the lesser of line 19a or line 19b. Skip line 19e and line 19f and go to line 20 **19d** _____
e Multiply 110% (1.10) by line 19b **19e** _____
f Enter the lesser of line 19a or line 19e and go to line 20 (If your California AGI is equal to or greater than
 \$1,000,000/\$500,000 for married/RDP filing separately, use line 19a.) **19f** _____
Caution: Generally, if you do not prepay at least the amount on line 19d (or line 19f if no amount on line 19d), you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimated tax on line 18 is as accurate as possible. If you prefer, you may pay 100% of your 2025 estimated tax (line 18).
- 20** California income tax withheld and estimated to be withheld during 2025 (include withholding on pensions, annuities, etc.) **20** _____
- 21 Balance.** Subtract line 20 from line 19d (or line 19f if no amount on line 19d). If less than \$500 (or less than \$250, if married/RDP filing separately), you do not have to make a payment at this time. **21** _____
- 22 Installment amount.** Multiply the amount on line 21 by 30%. Enter the results on the 1st and 4th installments of your Forms 540-ES. Multiply the amount on line 21 by 40%. Enter the result on the 2nd installment of your Form 540-ES. There is not a required 3rd installment payment. If you will earn your income at an uneven rate during the year, see Annualization Option in the instructions under Section D.

Record of Estimated Tax Payments

Payment form number	(a) Date	(b) Web Pay/Credit card and confirmation number	(c) Amount paid	(d) 2024 overpayment applied	(e) Total amount paid and credited – Add (c) and (d)
1			\$	\$	\$
2					
3					
4					
Total		▶	\$	\$	\$