

# California

## California S corp tax returns

### Filing requirements

You must file [California S Corporation Franchise or Income Tax Return \(Form 100S\)](#) if the corporation is:

<https://www.ftb.ca.gov/file/business/types/corporations/s-corporations.html>

An S corporation is a corporation that elects to be taxed as a pass-through entity. Income, losses, deductions, and credits flow through to the shareholders, partners or members. They then report these items on their personal tax return. [IRS approval](#) is required for the S election status.

Some key features of S corporations are:

- They do not pay federal income taxes
- They are limited by the types of owners (shareholders) and cannot exceed 100 shareholders
- A separate bank account and separate records are required with this form of business
- S corporations are subject to the annual \$800 minimum franchise tax

### Filing requirements

You must file [California S Corporation Franchise or Income Tax Return \(Form 100S\)](#) if the corporation is:

- Incorporated in California
- [Doing business in California](#)
- Registered to do business in California with the Secretary of State
- Receiving California source income

You should use the below guidelines to file your state income taxes:

- We tax every S corporation that has California source income 1.5%. Visit our [tax rates table](#) for complete list of tax rates
- Your minimum franchise tax (\$800) is due the first quarter of each accounting period
  - You must pay the tax whether your corporation is active, inactive, operates at a loss, or files a return for a short period (less than 12 months)
  - We waive the minimum tax on newly formed or qualified S corporations filing an initial return for their first taxable year if both of the following are true:
    - They did not conduct any business in California during the tax year

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- Their tax year was 15 days or fewer
  - Any first-year net income is still subject to the 1.5% tax rate
- If you have income or loss inside and outside California, use [Apportionment and Allocation of Income \(Schedule R\)](#) to determine income subject to tax in California
- Your return due date is the 15th day of the 3rd month after the close of your taxable year
  - For information on estimated payments, visit [business due dates](#)

Unique solution ID: #1101

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Last update: 2022-12-05 03:19