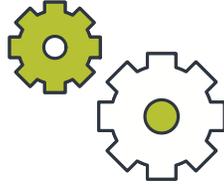




Business Entity e-file Requirement



What's New?

Effective January 1, 2015, for taxable years beginning on or after January 1, 2014, California law requires business entities, (Corporations, Limited Liability Companies, Partnerships, and certain Exempt Organizations) that prepare an original or amended return using tax preparation software to electronically file (e-file) their return to us.

Note: This law does not apply to the filing of Form 109, *Exempt Organization Business Income Tax Return*.



Waiver

We may grant a waiver if we determine the business entity is unable to comply with the requirements due to, but not limited to, the following reasons:

- Technology constraints.
- Compliance would result in undue financial burden.
- Circumstances that constitute reasonable cause and not willful neglect.

Waiver requests may be submitted by completing a simple, fillable online form that is available on our website.

Frequently Asked Questions

Q: Why are businesses required to e-file?

A: e-filing significantly reduces income tax return processing costs. e-filed returns are more accurate and contain fewer errors than paper returns.

FTB's e-file program checks for common error conditions before the return is submitted. This gives the business entity a chance to correct the return to avoid a notice. As a result, paper return error rates are approximately 30 percent compared to less than 10 percent for e-filed returns.

Q: When did this law take effect?

A: January 1, 2015

Q: What types of returns must be e-filed under this law?

A: Acceptable returns include any original and amended returns, such as:

- Corporations—Forms 100, 100S, 100W, and 100X
- Partnerships—Form 565
- LLCs—Form 568
- Exempt Organizations—Form 199

Q: Who must e-file a business tax return under this law?

A: Business entities who file an original or amended return prepared with tax preparation software. The law applies to business entities and preparers who file the return on a business entity's behalf.



Need more information?

Website: Go to ftb.ca.gov and search for **business e-file requirement**

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