

Instructions for Form FTB 3522

LLC Tax Voucher

What's New

Beginning November 2010, limited liability companies (LLCs) can make payments electronically at the Franchise Tax Board's (FTB's) website using Web Pay. After a one-time online registration, LLCs can make an immediate payment or schedule payments up to a year in advance. For more information go to ftb.ca.gov and search for **web pay**.

General Information

Use form FTB 3522, LLC Tax Voucher, to pay the annual LLC tax of \$800 for taxable year 2011. An LLC should use this voucher if any of the following apply:

- The LLC has articles of organization accepted by the California Secretary of State (SOS).
- The LLC has a certificate of registration issued by the SOS.
- The LLC is doing business in California.

You can download, view, and print California tax forms and publications at ftb.ca.gov.

Access other state agencies' websites at ca.gov.

Who Must Pay the Annual LLC Tax

Every LLC that is doing business in California or that has articles of organization accepted or a certificate of registration issued by the SOS is **subject to the \$800 annual tax**. The tax must be paid for each taxable year until a certificate of cancellation of registration or of articles of organization is filed with the SOS. Get FTB Pub. 1038, Guide to Dissolve, Surrender, or Cancel a California Business Entity, for more information.

For taxable years beginning on or after January 1, 2003, an LLC as described in Internal Revenue Code Sections 501(c)(2) and 501(c)(25) and California Revenue and Taxation Code Sections 23701h and 23701x is exempt from the annual LLC tax.

When to Pay the Annual LLC Tax

The annual LLC tax is due and payable **by the 15th day of the 4th month** after the **beginning** of the LLC's taxable year (fiscal year) or April 15, 2011 (calendar year). Due to the federal Emancipation Day holiday on April 15, 2011, tax returns filed and payments received on April 18, 2011, will be considered timely.

The first taxable year of an LLC begins when the LLC files its articles of organization with the SOS. The first taxable year of a foreign LLC begins when the LLC is organized in another state.

If the 15th day of the 4th month of an existing foreign LLC's taxable year has passed before the foreign LLC commences business in California or registers with the SOS, the annual LLC tax should be paid immediately after commencing business or registering with the SOS.

Example: LLC1, a newly-formed calendar year taxpayer, organizes as an LLC in Delaware on June 1, 2011. LLC1 registers with the SOS on August 12, 2011, and begins doing business in California on August 15, 2011. Because LLC1's initial taxable year begins on June 1, 2011, the annual LLC tax is due by September 15, 2011 (the 15th day of the 4th month of the short-period taxable

year). LLC1's short-period (June 1, 2011-December 31, 2011) tax return is due by April 16, 2012. The annual tax payment for taxable year 2012, with form FTB 3522 also is due by April 16, 2012.

How to Complete Form FTB 3522

Enter all the information requested using black or blue ink. To ensure the timely and proper application of the payment to the LLC's account, enter the SOS file number (assigned upon registration with the SOS), and the federal employer identification number (FEIN).

Series LLC – After the name for each series, write "Series LLC # ____." In addition, write "Series LLC" in red in the top right margin of the voucher. Only the first series to pay tax or file a return may use an SOS file number. For all other series, enter zeroes in the SOS file number field. We will notify each series of its assigned number after we receive its initial payment voucher. The series LLC should use this assigned number for subsequent years. See FTB Pub. 3556, Limited Liability Company Filing Information, for more information.

Private Mail Box (PMB)

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

Where to File

Using black or blue ink, make a check or money order payable to the "Franchise Tax Board." Write the SOS file number, FEIN, and "2011 FTB 3522" on the check or money order. Detach the payment voucher from the bottom of the page.

Enclose, but **do not** staple, your payment to the voucher and mail to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0631

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution. **If no payment is due or paid electronically, do not mail this voucher.**

Penalties and Interest

If the LLC fails to pay its annual tax by the 15th day of the 4th month after the beginning of the taxable year, a late payment penalty plus interest will be assessed for failure to pay the annual LLC tax by the due date. The FTB may waive the late penalty, based on reasonable cause, where the greater of the annual tax or 90% of the tax shown on the return is paid by the original due date of the return. The penalty and interest will be computed from the due date of the tax to the date of payment.

Late Payment of Prior Year Annual LLC Tax

If a prior year LLC tax of \$800 was not paid by the 15th day of the 4th month after the beginning of the taxable year, the tax should be paid as soon as possible, using the **appropriate taxable year** form FTB 3522. **Do not** use any other form for payment of the tax. This will assure proper application of the payment to the LLC's account.