

# 2006 California Tax Rates and Exemptions

The rate of inflation in California, for the period from July 1, 2005 through June 30, 2006, was 4.8%. The 2006 personal income tax brackets are indexed by this amount.

## Corporate tax rates

Entity type	Tax rate
Corporations other than banks and financials	8.84%
Banks and financials	10.84%
AMT rate	6.65%
S corporation rate	1.5%
S corporation bank and financial rate	3.5%

## Individual tax rates

- The maximum rate for individuals is 9.3%
- The AMT rate for individuals is 7%

## Exemption credits

Filing Status/Qualification	Exemption amount
Married/RDP filing jointly and qualifying widow(er)	\$182
Single, married/RDP filing separately, and head of household	\$91
Dependent	\$285
Blind	\$91
Age 65 or older	\$91

## Phaseout of exemption credits

Higher-income taxpayers' exemption credits are reduced as follows:

Filing status	Reduce each credit by:	For each:	Federal AGI exceeds:
Single	\$6	\$2,500	\$150,743
Married/RDP filing separately	\$6	\$1,250	\$150,743

Head of household	\$6	\$2,500	\$226,119
Married/RDP filing jointly	\$12	\$2,500	\$301,491
Qualifying widow(er)	\$12	\$2,500	\$301,491

When applying the phaseout amount, apply the \$6/\$12 amount to each exemption credit, but do not reduce the credit below zero. If a personal exemption credit is less than the phaseout amount, do not apply the excess against a dependent exemption credit.

## Standard deductions

The standard deduction amounts for:

Filing status	Deduction amount
Single and married/RDP filing separately	\$3,410
Married/RDP filing jointly, head of household and qualifying widow(er)	\$6,820
The minimum standard deduction for dependents	\$850

## Reduction in itemized deductions

Itemized deductions must be reduced by the lesser of 6% of the excess of the taxpayer's federal AGI over the threshold amount or 80% of the amount of itemized deductions otherwise allowed for the taxable year.

Filing status	AGI threshold
Single and married/RDP filing separately	\$150,743
Head of household	\$226,119
Married/RDP filing jointly and qualifying widow(er)	\$301,491

## Nonrefundable Renter's credit

This nonrefundable, non-carryover credit for renters is available for:

- Single and married/RDP filing separately with a California AGI of \$32,272 or less.
  - The credit is \$60.

- Married/RDP filing jointly, head of household, and qualifying widow(er) with a California AGI of \$64,544 or less.
  - The credit is \$120.

## Miscellaneous credits

- **Qualified senior head of household credit**
  - 2% of California taxable income
  - Maximum California AGI of \$58,963
  - Maximum credit of \$1,111
- **Joint custody head of household credit and dependent parent credit** are each:
  - 30% of net tax
  - Maximum credit of \$363

## AMT exemption

Filing status	Amount
Married/RDP filing jointly and qualifying widow(er)	\$73,916
Single and head of household	\$55,437
Married/RDP filing separately, estates, and trusts	\$36,956

## AMT exemption phaseout

Filing status	Amount
Married/RDP filing jointly and qualifying widow(er)	\$277,183
Single and head of household	\$207,888
Married/RDP filing separately, estates, and trusts	\$138,591

## FTB cost recovery fees

Fee type	Fee
Bank and corporation filing enforcement fee	\$202
Bank and corporation collection fee	\$168
Personal income tax filing enforcement fee	\$125
Personal income tax collection fee	\$126

The personal income tax fees apply to individuals and partnerships, as well as limited liability companies that are classified as partnerships. The bank and corporation fees apply to banks and corporations, as well as limited liability companies that are classified as corporations. Interest does not accrue on these cost recovery fees.

## 2006 California Tax Rate Schedules

### Schedule X — Single, married/RDP filing separately

If the taxable income is

Over	But not over	Tax is	Of amount over
\$0	\$6,622	\$0.00 plus 1%	\$0
\$6,622	\$15,698	\$66.22 plus 2%	\$6,622
\$15,698	\$24,776	\$247.74 plus 4%	\$15,698
\$24,776	\$34,394	\$610.86 plus 6%	\$24,776
\$34,394	\$43,467	\$1,187.94 plus 8%	\$34,394
\$43,467	And over	\$1,913.78 plus 9.3%	\$43,467

### Schedule Y — Married/RDP filing jointly and qualifying widow(er) with dependent child

If the taxable income is

Over	But not over	Tax is	Of amount over
\$0	\$13,244	\$0.00 plus 1%	\$0
\$13,244	\$31,396	\$132.44 plus 2%	\$13,244
\$31,396	\$49,552	\$495.48 plus 4%	\$31,396
\$49,552	\$68,788	\$1,221.72 plus 6%	\$49,552
\$68,788	\$86,934	\$2,375.88 plus 8%	\$68,788
\$86,934	And over	\$3,827.56 plus 9.3%	\$86,934

### Schedule Z — Unmarried head of household

If the taxable income is

Over	But not over	Tax is	Of amount over
\$0	\$13,251	\$0.00 plus 1%	\$0
\$13,251	\$31,397	\$132.51 plus 2%	\$13,251
\$31,397	\$40,473	\$495.43 plus 4%	\$31,397
\$40,473	\$50,090	\$858.47 plus 6%	\$40,473
\$50,090	\$59,166	\$1,435.49 plus 8%	\$50,090

\$59,166 And over      \$2,161.57 plus 9.3% \$59,166

## Individual Filing Requirements

Filing Status	Age as of December 31, 2007 *	California Gross Income			California Adjusted Gross Income		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or head of household	Under 65	13,713	23,213	30,338	10,970	20,470	27,595
	65 or older	18,263	25,388	31,088	15,520	22,645	28,345
Married/RDP filing jointly or separately	Under 65 (both spouses/RDPs)	27,426	36,926	44,051	21,940	31,440	38,565
	65 or older (one spouse)	31,976	39,101	44,801	26,490	33,615	39,315
	65 or older (both spouses/RDPs)	36,526	43,651	49,351	31,040	38,165	43,865
Qualifying widow(er)	Under 65	N/A	23,213	30,338	N/A	20,470	27,595
	65 or older	N/A	25,388	31,088	N/A	22,645	28,345
Dependent of another person - Any filing status	Under 65	More than your standard deduction					
	65 or older	More than your standard deduction					

\* If you turn 65 on January 1, 2007, you are considered to be age 65 at the end of 2006.