

2007 California Tax Rates and Exemptions

The rate of inflation in California, for the period from July 1, 2006 through June 30, 2007, was 3.1%. The 2007 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%
Alternative Minimum Tax (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%
- The Mental Health Services Tax Rate is 1% for taxable income in excess of \$1,000,000.

Exemption credits

Filing Status/Qualification	Exemption amount
Married/Registered Domestic Partner (RDP) filing jointly and qualifying widow(er)	\$188
Single, married/RDP filing separately, and head of household	\$94
Dependent	\$294
Blind	\$94
Age 65 or older	\$94

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	\$155,416
Married/RDP filing	\$6	\$1,250	\$155,416

separately			
Head of household	\$6	\$2,500	\$233,129
Married/RDP filing jointly	\$12	\$2,500	\$310,837
Qualifying widow(er)	\$12	\$2,500	\$310,837

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	\$3,516
Married/RDP filing jointly, head of household and qualifying widow(er)	\$7,032
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	\$155,416
Head of household	\$233,129
Married/RDP filing jointly and qualifying widow(er)	\$310,837

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 \$33,272 or less.
 - The credit is \$60.

- Married/RDP filing jointly, head of household, and qualifying widow(er) with a California AGI of \$66,544 or less.
 - The credit is \$120.

Miscellaneous credits

- **Qualified senior head of household credit**
 - 2% of California taxable income
 - Maximum California AGI of \$60,791
 - Maximum credit of \$1,146
- **Joint custody head of household credit/dependent parent credit**
 - 30% of net tax
 - Maximum credit of \$374

AMT exemption

Filing status	Amount
Married/RDP filing jointly and qualifying widow(er)	\$76,207
Single and head of household	\$57,156
Married/RDP filing separately, estates, and trusts	\$38,102

AMT exemption phaseout

Filing status	Amount
Married/RDP filing jointly and qualifying widow(er)	\$285,776
Single and head of household	\$214,333
Married/RDP filing separately, estates, and trusts	\$142,887

FTB cost recovery fees

Fee type	Fee
Bank and corporation filing enforcement fee	\$305
Bank and corporation collection fee	\$234
Personal income tax filing enforcement fee	\$122
Personal income tax collection fee	\$155

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.

2007 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	\$6,827	\$0.00	Plus 1%	\$0
\$6,827	\$16,185	\$68.27	Plus 2%	\$6,827
\$16,185	\$25,544	\$255.43	Plus 4%	\$16,185
\$25,544	\$35,460	\$629.79	Plus 6%	\$25,544
\$35,460	\$44,814	\$1,224.75	Plus 8%	\$35,460
\$44,814	And over	\$1,973.07	Plus 9.3%	\$44,814

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	\$13,654	\$0.00	Plus 1%	\$0
\$13,654	\$32,370	\$136.54	Plus 2%	\$13,654
\$32,370	\$51,088	\$510.86	Plus 4%	\$32,370
\$51,088	\$70,920	\$1,259.58	Plus 6%	\$51,088
\$70,920	\$89,628	\$2,449.50	Plus 8%	\$70,920
\$89,628	And over	\$3,946.14	Plus 9.3%	\$89,628

Schedule Z — Unmarried head of household

If the taxable income is				
Over	But not over	Tax is		Of amount over
\$0	\$13,662	\$0.00	Plus 1%	\$0
\$13,662	\$32,370	\$136.62	Plus 2%	\$13,662
\$32,370	\$41,728	\$510.78	Plus 4%	\$32,370
\$41,728	\$51,643	\$885.10	Plus 6%	\$41,728
\$51,643	\$61,000	\$1,480.00	Plus 8%	\$51,643
\$61,000	And over	\$2,228.56	Plus 9.3%	\$61,000

Individual Filing Requirements

If your [gross income](#) or [adjusted gross income](#) is more than the amount shown in the chart below for your filing status, age, and number of dependents, then you have a filing requirement.

Filing Status	Age as of December 31, 2007 *	California Gross Income Dependents			California Adjusted Gross Income Dependents		
		0	1	2 or more	0	1	2 or more
		Single or head of household	Under 65	14,138	23,938	31,288	11,310
	65 or older	18,838	26,188	32,068	16,010	23,360	29,240
Married/RDP filing jointly or separately	Under 65 (both spouses/RDPs)	28,276	38,076	45,426	22,620	32,420	39,770
	65 or older (one spouse)	32,976	40,326	46,206	27,320	34,670	40,550
	65 or older (both spouses/RDPs)	37,676	45,026	50,906	32,020	39,370	45,250
Qualifying widow(er)	Under 65	N/A	23,938	31,288	N/A	21,110	28,460
	65 or older		26,188	32,068		23,360	29,240
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, 2008, you are considered to be age 65 at the end of 2007.