

# 2008 California Tax Rates and Exemptions

The rate of inflation in California, for the period from July 1, 2007 through June 30, 2008, was 5.0%. The 2008 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)	\$198
Single, married/RDP filing separately, and head of household	\$99
Dependent	\$309
Blind	\$99
Age 65 or older	\$99

## 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	\$163,187
Married/RDP filing	\$6	\$1,250	\$163,187

separately			
Head of household	\$6	\$2,500	\$244,785
Married/RDP filing jointly	\$12	\$2,500	\$326,379
Qualifying widow(er)	\$12	\$2,500	\$326,379

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	\$3,692
Married/RDP filing jointly, head of household and qualifying widow(er)	\$7,384
The minimum standard deduction for dependents	\$900

## 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	\$163,187
Head of household	\$244,785
Married/RDP filing jointly and qualifying widow(er)	\$326,379

## 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 \$34,936 or less.
  - The credit is \$60.

- Married/RDP filing jointly, head of household, and qualifying widow(er) with a California AGI of \$69,872 or less.
  - The credit is \$120.

## Miscellaneous credits

- **Qualified senior head of household credit**
  - 2% of California taxable income
  - Maximum California AGI of \$63,831
  - Maximum credit of \$1,203
- **Joint custody head of household credit/dependent parent credit**
  - 30% of net tax
  - Maximum credit of \$393

## AMT exemption

Filing status	Amount
Married/RDP filing jointly and qualifying widow(er)	\$80,017
Single and head of household	\$60,014
Married/RDP filing separately, estates, and trusts	\$40,007

## AMT exemption phaseout

Filing status	Amount
Married/RDP filing jointly and qualifying widow(er)	\$300,065
Single and head of household	\$225,050
Married/RDP filing separately, estates, and trusts	\$150,031

## FTB cost recovery fees

Fee type	Fee
Bank and corporation filing enforcement fee	\$203
Bank and corporation collection fee	\$352
Personal income tax filing enforcement fee	\$119
Personal income tax collection fee	\$187

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.

# 2008 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	\$7,168	\$0.00	Plus 1%	\$0
\$7,168	\$16,994	\$71.68	Plus 2%	\$7,168
\$16,994	\$26,821	\$268.20	Plus 4%	\$16,994
\$26,821	\$37,233	\$661.28	Plus 6%	\$26,821
\$37,233	\$47,055	\$1,286.00	Plus 8%	\$37,233
\$47,055	And over	\$2,071.76	Plus 9.3%	\$47,055

## 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	\$14,336	\$0.00	Plus 1%	\$0
\$14,336	\$33,988	\$143.36	Plus 2%	\$14,336
\$33,988	\$53,642	\$536.40	Plus 4%	\$33,988
\$53,642	\$74,466	\$1,322.56	Plus 6%	\$53,642
\$74,466	\$94,110	\$2,572.00	Plus 8%	\$74,466
\$94,110	And over	\$4,143.52	Plus 9.3%	\$94,110

## Schedule Z — Unmarried head of household

If the taxable income is				
Over	But not over	Tax is		Of amount over
\$0	\$14,345	\$0.00	Plus 1%	\$0
\$14,345	\$33,989	\$143.45	Plus 2%	\$14,345
\$33,989	\$43,814	\$536.33	Plus 4%	\$33,989
\$43,814	\$54,225	\$929.33	Plus 6%	\$43,814
\$54,225	\$64,050	\$1,553.99	Plus 8%	\$54,225
\$64,050	And over	\$2,339.99	Plus 9.3%	\$64,050

## 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, 2008*	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	14,845	25,145	32,870	11,876
	65 or older	19,795	27,520	33,700	16,826	24,551	30,731
Married/RDP filing jointly or separately	Under 65 (both spouses/RDPs)	29,690	39,990	47,715	23,752	34,052	41,777
	65 or older (one spouse)	34,640	42,365	48,545	28,702	36,427	42,607
	65 or older (both spouses/RDPs)	39,590	47,315	53,495	33,652	41,377	47,557
Qualifying widow(er)	Under 65		25,145	32,870		22,176	29,901
	65 or older	N/A	27,520	33,700	N/A	24,551	30,731
<b>Dependent of another person</b> (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, 2009, you are considered to be age 65 at the end of 2008.