

Part III Annualized Income Installment Method Schedule

Use this schedule ONLY if you earned taxable income at an UNEVEN RATE during 2023 (see Example A). If you earned your income at approximately the same rate each month (see Example B), then you should not complete this schedule. If you choose to figure the penalty, see Worksheet II, on page 4 of the instructions.

Example A: If you were a commissioned salesperson who earned no income during the first three months of the year, earned most of your income during the following six months, and earned very little during the last three months, you should complete this schedule. You may be able to benefit by using the annualized income installment method. The required installment of estimated tax figured using the annualized method may be less than your required installment figured using the required installment method.

Example B: If you worked all year and earned a monthly salary that did not change much during the year, you should not complete this schedule.

To complete this schedule correctly, you must first complete Side 2, Part II, line 1 through line 6.
Estates and trusts, **do not** use the period ending dates shown to the right. Instead, use the following: 2/28/23, 4/30/23, 7/31/23, and 11/30/23.
Fiscal year filers must adjust dates accordingly.

(a)
1/1/23 to 3/31/23

(b)
1/1/23 to 5/31/23

(c)
1/1/23 to 8/31/23

(d)
1/1/23 to 12/31/23

1	Enter your California adjusted gross income (AGI) for each period. Form 540NR filers, see instructions. Estates or Trusts, enter the amount from Form 541, line 20 attributable to each period. See instructions	1				
2	Annualization amounts. Estates or Trusts, see instructions	2	4	2.4	1.5	1
3	Annualized income. Multiply line 1 by line 2	3				
4	Enter your itemized deductions for the period shown in each column. If you do not itemize deductions, enter -0- here and on line 6. Estates or Trusts, enter -0- here, skip to line 9, and enter the amount from line 3 on line 9	4				
5	Annualization amounts	5	4	2.4	1.5	1
6	Annualized itemized deductions. Multiply line 4 by line 5. See instructions	6				
7	Enter your standard deduction from your 2023 Form 540 or Form 540NR, line 18. Enter the total standard deduction amount in each column. See instructions	7				
8	Enter line 6 or line 7, whichever is larger	8				
9	Subtract line 8 from line 3	9				
10	Figure the tax on the amount in each column of line 9 using the tax table or the tax rate schedule in the instructions for Form 540, Form 540NR, or Form 541. Also, include any tax from form FTB 3803. Estates or Trusts, see instructions	10				
11	Enter the total amount of exemption credits from your 2023 Form 540, line 32 or Form 541, line 22. If you filed Form 540NR, see instructions	11				
12	Subtract line 11 from line 10. Form 540NR filers, complete Worksheet I on page 3 of the instructions.	12				
13	Enter the total credit amount from your 2023 Form 540, line 47; or Form 541, line 23. Form 540NR filers, see instructions	13				