

# CALIFORNIA 540

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Forms & Instructions

## 2018 Personal Income Tax Booklet

Members of the Franchise Tax Board

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STATE OF CALIFORNIA  
Franchise Tax Board

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## Important Dates

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

April 15, 2019*	Last day to file and pay the 2018 amount you owe to avoid penalties and interest.* See form FTB 3519 for more information. * If you are living or traveling outside the United States on April 15, 2019, the dates for filing your tax return and paying your tax are different. See form FTB 3519 for more information.
October 15, 2019	Last day to file or e-file your 2018 tax return to avoid a late filing penalty and interest computed from the original due date of April 15, 2019.
April 15, 2019 June 17, 2019 September 16, 2019 January 15, 2020	The dates for 2019 estimated tax payments. Generally, you do not have to make estimated tax payments if your California withholding in each payment period totals 90% of your required annual payment. Also, you do not have to make estimated tax payments if you will pay enough through withholding to keep the amount you owe with your tax return under \$500 (\$250 if married/registered domestic partner (RDP) filing separately). However, if you do not pay enough tax either through withholding or by making estimated tax payments, you may have an underpayment penalty. See Form 540-ES instructions for more information.

## \$\$\$ for You

### Earned Income Tax Credit

- **Federal Earned Income Tax Credit (EIC)** – EIC reduces your federal tax obligation, or allows a refund if no federal tax is due. You may qualify if you earned less than \$49,194 (\$54,884 if married filing jointly) and have qualifying children or you have no qualifying children and you earned less than \$15,270 (\$20,950 if married filing jointly). Call the Internal Revenue Service (IRS) at 800.829.4477 and when instructed enter topic **601**, see the federal income tax booklet, or go to the IRS website at [irs.gov](http://irs.gov) and search for **eitc assistant**.
- **California Earned Income Tax Credit (EITC)** – EITC reduces your California tax obligation, or allows a refund if no California tax is due. You may qualify if you have wage income earned in California and/or net earnings from self-employment of less than \$24,951. You do not need a child to qualify. For more information go to [ftb.ca.gov](http://ftb.ca.gov) and search for **EITC** or get form FTB 3514, California Earned Income Tax Credit.

**Refund of Excess State Disability Insurance (SDI)** – If you worked for at least two employers during 2018 who together paid you more than \$114,967 in wages, you may qualify for a refund of excess SDI. See the instructions on page 14.

### Common Errors and How to Prevent Them

Help us process your tax return quickly and accurately. When we find an error, it requires us to stop to verify the information on the tax return, which slows processing. The most common errors consist of:

- Claiming the wrong amount of estimated tax payments.
- Claiming the wrong amount of standard deduction or itemized deductions.
- Claiming a dependent already claimed on another return.
- The amount of refund or payments made on an original return does not match our records when amending your tax return.
- Claiming the wrong amount of withholding by incorrectly totaling or transferring the amounts from your W-2.
- Claiming the wrong amount of real estate withholding.
- Claiming the wrong amount of SDI.
- Claiming the wrong amount of exemption credits.

To avoid errors and help process your tax return faster, use these helpful hints when preparing your tax return.

### Claiming estimated tax payments:

- Verify the amount of estimated tax payments claimed on your tax return matches what you sent to the Franchise Tax Board (FTB) for that year. Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB to view your total estimated tax payments before you file your tax return.
- Verify the overpayment amount from your 2017 tax return you requested to be applied to your 2018 estimated tax.

### Claiming state disability insurance:

- Verify the amount of SDI used to figure the amount of excess SDI claimed on Form 540, line 74, matches amounts from your W-2's.

### Claiming standard deduction or itemized deductions:

- See Form 540, line 18 instructions and worksheets for the amount of standard deduction or itemized deductions you can claim.

### Claiming withholding amounts:

- Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB to verify withheld amount or see instructions for line 71 of Form 540 or line 81 of Form 540NR. Confirm only California income tax withheld is claimed.
- Verify real estate or other withholding amount from Form 592-B, Resident and Nonresident Withholding Statement, and Form 593, Real Estate Withholding Tax Statement. See instructions for line 73 of Form 540 or line 83 for Form 540NR.

### Claiming refund or payments made on an original return when amending your tax return:

- Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB to check tax return records for refund or payments made.
- Verify the amount from your original return line 115 of Form 540 or line 125 of Form 540NR and include any adjustment by FTB.

### Use e-file:

- By using e-file, you can eliminate many common errors. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **efile options**.

# Do I Have to File?

## Steps to Determine Filing Requirement

**Step 1:** Is your gross income (all income received from all sources in the form of money, goods, property, and services that are not exempt from tax) more than the amount shown in the California Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, go to Step 2.

**Step 2:** Is your adjusted gross income (federal adjusted gross income from all sources reduced or increased by all California income adjustments) more than the amount shown in the California Adjusted Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, go to Step 3.

**Step 3:** If your income is less than the amounts on the chart you may still have a filing requirement. See "Requirements for Children with Investment Income" and "Other Situations When You Must File." Do those instructions apply to you? If yes, you have a filing requirement. If no, go to Step 4.

**Step 4:** Are you married/RDP filing separately with separate property income? If no, you do not have a filing requirement. If yes, prepare a tax return. If you owe tax, you have a filing requirement.

On 12/31/18, my filing status was:	and on 12/31/18, my age was: (If your 65th birthday is on January 1, 2019, you are considered to be age 65 on December 31, 2018)	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	17,693	29,926	39,101	14,154	26,387	35,562
	65 or older	23,593	32,768	40,108	20,054	29,229	36,569
Married/RDP filing jointly Married/RDP filing separately (The income of both spouses/RDPs must be combined; both spouses/RDPs may be required to file a tax return even if only one spouse/RDP had income over the amounts listed.)	Under 65 (both spouses/RDPs)	35,388	47,621	56,796	28,312	40,545	49,720
	65 or older (one spouse/RDP)	41,288	50,463	57,803	34,212	43,387	50,727
	65 or older (both spouses/RDPs)	47,188	56,363	63,703	40,112	49,287	56,627
Qualifying widow(er)	Under 65		29,926	39,101		26,387	35,562
	65 or older		32,768	40,108		29,229	36,569
Dependent of another person Any filing status	Any age	More than your standard deduction (Use the California Standard Deduction Worksheet for Dependents on page 11 to figure your standard deduction.)					

## Requirements for Children with Investment Income

California law conforms to federal law which allows parents' election to report a child's interest and dividend income from children under age 19 or a student under age 24 on the parent's tax return. For each child under age 19 or student under age 24 who received more than \$2,100 of investment income in 2018, complete Form 540 and form FTB 3800, Tax Computation for Certain Children with Unearned Income, to figure the tax on a separate Form 540 for your child.

If you qualify, you may elect to report your child's income of \$10,500 or less (but not less than \$1,050) on your tax return by completing form FTB 3803, Parents' Election to Report Child's Interest and Dividends. To make this election, your child's income must be **only** from interest and/or dividends. To get forms FTB 3800 or FTB 3803, see "Order Forms and Publications" or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

## Other Situations When You Must File

If you have a tax liability for 2018 or owe any of the following taxes for 2018, you must file Form 540.

- Tax on a lump-sum distribution.
- Tax on a qualified retirement plan including an Individual Retirement Arrangement (IRA) or an Archer Medical Savings Account (MSA).
- Tax for children under age 19 or student under age 24 who have investment income greater than \$2,100 (see paragraph above).
- Alternative minimum tax.
- Recapture taxes.
- Deferred tax on certain installment obligations.
- Tax on an accumulation distribution from a trust.

## Filing Status

Use the same filing status for California that you used for your federal income tax return, unless you are a registered domestic partnership (RDP). If you are an RDP and file single for federal, you must file married/RDP filing jointly or married/RDP filing separately for California. If you are an RDP and file head of household for federal purposes, you may file head of household for California purposes only if you meet the requirements to be considered unmarried or considered not in a domestic partnership.

**Exception:** If you file a joint tax return for federal purposes, you may file separately for California if either spouse was:

- An active member of the United States armed forces or any auxiliary military branch during 2018.

- A nonresident for the entire year and had no income from California sources during 2018.

**Community Property States:** If the spouse earning the California source income is domiciled in a community property state, community income will be split equally between the spouses. Both spouses will have California source income and they will not qualify for the nonresident spouse exception.

If you had no federal filing requirement, use the same filing status for California that you would have used to file a federal income tax return.

If you filed a joint tax return and either you or your spouse/RDP was a nonresident for 2018, file the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.

### Single

You are single if any of the following was true on December 31, 2018:

- You were not married or an RDP.
- You were divorced under a final decree of divorce, legally separated under a final decree of legal separation, or terminated your registered domestic partnership.
- You were widowed before January 1, 2018, and did not remarry or enter into another registered domestic partnership in 2018.

### Married/RDP Filing Jointly

You may file married/RDP filing jointly if any of the following is true:

- You were married or an RDP as of December 31, 2018, even if you did not live with your spouse/RDP at the end of 2018.
- Your spouse/RDP died in 2018 and you did not remarry or enter into another registered domestic partnership in 2018.
- Your spouse/RDP died in 2019 before you filed a 2018 tax return.

### Married/RDP Filing Separately

- Community property rules apply to the division of income if you use the married/RDP filing separately status. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, FTB Pub. 737, Tax Information for Registered Domestic Partners, or FTB Pub. 1032, Tax Information for Military Personnel. To get forms see "Order Forms and Publications" or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).
- You cannot claim a personal exemption credit for your spouse/RDP even if your spouse/RDP had no income, is not filing a tax return, and is not claimed as a dependent on another person's tax return.
- You may be able to file as head of household if your child lived with you and you lived apart from your spouse/RDP during the entire last six months of 2018.

## Head of Household

For the specific requirements that must be met to qualify for head of household (HOH) filing status, get FTB Pub. 1540, California Head of Household Filing Status. In general, head of household filing status is for unmarried individuals and certain married individuals or RDPs living apart who provide a home for a specified relative. You may be entitled to use head of household filing status if **all** of the following apply:

- You were unmarried and not in a registered domestic partnership, or you met the requirements to be considered unmarried or considered not in a registered domestic partnership on December 31, 2018.
- You paid more than one-half the cost of keeping up your home for the year in 2018.
- For more than half the year, your home was the main home for you and one of the specified relatives who by law can qualify you for head of household filing status.
- You were not a nonresident alien at any time during the year.

For a child to qualify as your foster child for head of household purposes, the child must either be placed with you by an authorized placement agency or by order of a court.

California requires taxpayers who use head of household filing status to file form FTB 3532, Head of Household Filing Status Schedule to report how the HOH filing status was determined.

Beginning in tax year 2018, if you do not attach a completed form FTB 3532 to your tax return, we will deny your Head of Household filing status. For more information about the Head of Household filing requirements, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **HOH**.

## Qualifying Widow(er)

Check the box on Form 540, line 5 and use the joint return tax rates for 2018 if **all** five of the following apply:

- Your spouse/RDP died in 2016 or 2017 and you did not remarry or enter into another registered domestic partnership in 2018.
- You have a child, stepchild, or adopted child (not a foster child) whom you can claim as a dependent or could claim as a dependent except that, for 2018:
  - The child had gross income of \$4,150 or more;
  - The child filed a joint return, or
  - You could be claimed as a dependent on someone else's return.

If the child isn't claimed as your dependent, enter the child's name in the entry space under the "Qualifying widow(er)" filing status.

- This child lived in your home for all of 2018. Temporary absences, such as for vacation or school, count as time lived in the home.
- You paid over half the cost of keeping up your home for this child.
- You could have filed a joint tax return with your spouse/RDP the year he or she died, even if you actually did not do so.

# What's New and Other Important Information for 2018

## Differences between California and Federal Law

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540), California Adjustments - Residents, and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

**Conformity** – For updates regarding federal acts, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**.

## 2018 Tax Law Changes/What's New

**Voluntary Contributions** – You may contribute to the following new funds:

- Organ and Tissue Donor Registry Voluntary Tax Contribution Fund
- National Alliance on Mental Illness California Voluntary Tax Contribution Fund
- Schools Not Prisons Voluntary Tax Contribution Fund

**Federal Tax Reform** – The Tax Cuts and Jobs Act (TCJA) signed into law on December 22, 2017, made changes to the IRC. In general, California R&TC **does not** conform to the changes. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015, with modifications. For specific adjustments due to the TCJA, see the Schedule CA (540) instructions.

**California Earned Income Tax Credit (EITC)** – For taxable years beginning on or after January 1, 2018, the age limit for an eligible individual without a qualifying child is revised to 18 years or older. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **EITC** or get form FTB 3514, California Earned Income Tax Credit.

**New Employment Credit** – The sunset date for the New Employment Credit is extended until taxable years beginning before January 1, 2026. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **nec** or get form FTB 3554, New Employment Credit.

**California Competes Tax Credit** – The sunset date for the California Competes Tax Credit is extended until taxable years beginning before January 1, 2030. For more information, go to the GO-Biz website at [business.ca.gov](http://business.ca.gov) or [ftb.ca.gov](http://ftb.ca.gov) and search for **ca competes** or get form FTB 3531, California Competes Tax Credit.

**Native American Earned Income Exemption** – For taxable years beginning on or after January 1, 2018, federally recognized tribal members living in California Indian country who earn income from any federally recognized California Indian country are exempt from California taxation. This exemption applies only to earned income. Enrolled tribal members who receive per capita income must reside in their affiliated tribe's Indian country to qualify for tax exempt status. Additional information can be found in the instructions for Schedule CA (540) and form FTB 3504, Enrolled Tribal Member Certification.

**Like-Kind Exchanges** – The TCJA amended IRC Section 1031 limiting its application to real property that is not primarily held for sale. Additionally, under the TCJA, exchanges of personal property and intangible property do not qualify for nonrecognition of gain or loss as like-kind exchanges. California does not conform to the amendments under the TCJA. Get Schedule D-1, Sales of Business Property.

**IRC Section 965 Deferred Foreign Income** – Under federal law, if you own (directly or indirectly) certain foreign corporations, you may have to include on your return certain deferred foreign income. California does not conform. For more information, see the Schedule CA (540) instructions.

**Global Intangible Low-Taxed Income (GILTI) Under IRC Section 951A** – Under federal law, if you are a U.S. shareholder of a controlled foreign corporation, you must include your GILTI in your income. California does not conform. For more information, see the Schedule CA (540) instructions.

## Other Important Information

**Wrongful Incarceration Exclusion** – California law conforms to federal law excluding from gross income certain amounts received by wrongfully incarcerated individuals for taxable years beginning before, on, or after January 1, 2018. If you included income for wrongful incarceration in a prior taxable year, you can file an amended California personal income tax return for that year. If the normal statute of limitations has expired, you must file a claim by January 1, 2019.

**College Access Tax Credit** – For taxable years beginning on and after January 1, 2017, and before January 1, 2023, the College Access Tax Credit (CATC) is available to entities awarded the credit from the California Educational Facilities Authority (CEFA). The credit is 50% of the amount contributed by the taxpayer for the taxable year to the College Access Tax Credit Fund. The amount of the credit is allocated and certified by the CEFA. For more information, go to the CEFA website at [treasurer.ca.gov](http://treasurer.ca.gov) and search for **catc**.

**Schedule X, California Explanation of Amended Return Changes** – For taxable years beginning on or after January 1, 2017, use Schedule X to determine any additional amount you owe or refund due to you, and to provide reason(s) for amending your previously filed income tax return. For additional information, see "Instructions for Filing a 2018 Amended Return" on page 29.



**Improper Withholding on Severance Paid to Veterans** – The Combat-Injured Veterans Tax Fairness Act of 2016 gives veterans who retired from the Armed Forces for medical reasons additional time to claim a refund if they had taxes improperly withheld from their severance pay. If you filed an amended return with the IRS on this issue, you have two years to file your amended California return.

**New Donated Fresh Fruits or Vegetables Credit** – For taxable years beginning on or after January 1, 2017 and before January 1, 2022, qualified taxpayers may claim the New Donated Fresh Fruits or Vegetables Credit. This tax credit is for donations of fresh fruits or vegetables made to California food banks. The amount of the tax credit is 15% of the qualified value of the donated item, based on weighted average wholesale price. The credit may be claimed only on a timely filed original return. However, any credit not used in the taxable year may be carried forward up to seven years. For more information, get form FTB 3814, New Donated Fresh Fruits or Vegetables Credit.

**Low-Income Housing Credit Allocations to Partners** – For partnerships owning projects that receive a preliminary reservation of the Low-Income Housing Credit (LIHC) before January 1, 2020, the prior law exception that requires a partnership to allocate the credit among partners based upon the partnership agreement is re-enacted.

**Sale of Credit** – For projects that receive a preliminary reservation of the LIHC beginning on or after January 1, 2016, and before January 1, 2020, a taxpayer may make an irrevocable election in its application to the California Tax Credit Allocation Committee to sell all or any portion of the LIHC allowed to one or more unrelated parties for each taxable year in which the credit is allowed. An original purchaser is allowed a one-time resale of that credit to one or more unrelated parties. For more information, get form FTB 3521, Low-Income Housing Credit, or go to the California Tax Credit Allocation Committee website at [treasurer.ca.gov/ctcac](http://treasurer.ca.gov/ctcac).

**California Achieving a Better Life Experience (ABLE) Program** – For taxable years beginning on or after January 1, 2016, the California Qualified ABLE Program was established and California generally conforms to the federal income tax treatment of ABLE accounts. This program was established to help blind or disabled U.S. residents save money in a tax-favored ABLE account to maintain health, independence, and quality of life. Additional information can be found in the instructions of form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.

**New California Motion Picture and Television Production Credit** – For taxable years beginning on or after January 1, 2016, a new California motion picture and television production credit will be allowed to a qualified taxpayer. The credit is allocated and certified by the California Film Commission (CFC). The qualified taxpayer can:

- Offset the credit against income tax liability.
- Sell the credit to an unrelated party (independent films only).
- Assign the credit to an affiliated corporation.
- Apply the credit against qualified sales and use taxes.

For more information, get form FTB 3541, California Motion Picture and Television Production Credit, form FTB 3551, Sale of Credit Attributable to an Independent Film, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **motion picture**, or go to the CFC website at [film.ca.gov](http://film.ca.gov) and search for **incentives**.

**Electronic Funds Withdrawal (EFW)** – Make extension or estimated tax payments using tax preparation software. Check with your software provider to determine if they support EFW for extension or estimated tax payments.

**Payments and Credits Applied to Use Tax** – For taxable years beginning on or after January 1, 2015, if a taxpayer includes use tax on their personal income tax return, payments and credits will be applied to use tax first, then towards income tax, interest, and penalties. Additional information can be found in the instructions for California Form 540.

**Dependent Social Security Number (SSN)** – For taxable years beginning on or after January 1, 2015, taxpayers claiming an exemption credit must write each dependent's SSN in the spaces provided within line 10 for the California Form 540 and California Form 540NR (Long and Short).

**Financial Incentive for Seismic Improvement** – For taxable years beginning on or after January 1, 2015, taxpayers can exclude from gross income any amount received as loan forgiveness, grant, credit, rebate, voucher, or other financial incentive issued by the California Residential Mitigation Program or the California Earthquake Authority to assist a residential property owner or occupant with expenses paid,

or obligations incurred, for earthquake loss mitigation. Additional information can be found in the instructions for California Schedule CA (540 and 540NR).

**Natural Heritage Preservation Credit** – For qualified contributions made on or after January 1, 2015, the credit carryover period has been extended to 15 years or until exhausted, whichever occurs first. Any unused credits remaining before January 1, 2015, will remain subject to an eight-year carryover provision. In addition, the period for when a qualified contribution is made, for which a tax credit will be allowed, has been extended to June 30, 2020.

**Disaster Losses** – For taxable years beginning on or after January 1, 2014, and before January 1, 2024, taxpayers may deduct a disaster loss for any loss sustained in any city, county, or city and county in California that is proclaimed by the Governor to be in a state of emergency. For these Governor-only declared disasters, subsequent state legislation is not required to activate the disaster loss provisions. Additional information can be found in the instructions for California form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts.

**Head of Household** – For taxable years beginning on or after January 1, 2015, California requires taxpayers who use head of household (HOH) filing status to file form FTB 3532, Head of Household Filing Status Schedule, to report how the HOH filing status was determined.

**Financial Incentive for Turf Removal** – For taxable years beginning on or after January 1, 2014, and before January 1, 2019, taxpayers can exclude from gross income any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program. Additional information can be found in the instructions for California Schedule CA (540 and 540NR).

**Penalty Assessed by Professional Sports League** – For taxable years beginning on or after January 1, 2014, an owner of all or part of a professional sports franchise will not be allowed a deduction for the amount of any fine or penalty paid or incurred, that was assessed or imposed by the professional sports league that includes that franchise. Additional information can be found in the instructions for California Schedule CA (540 and 540NR).

**New Employment Credit** – For taxable years beginning on or after January 1, 2014, and before January 1, 2021, the New Employment Credit (NEC) is available to a qualified taxpayer that hires a qualified full-time employee on or after January 1, 2014, and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area, and receives a **tentative credit reservation** for that qualified full-time employee. In addition, an **annual certification of employment** is required with respect to each qualified full-time employee hired in a previous taxable year. In order to be allowed a credit, the qualified taxpayer must have a net increase in the total number of full-time employees in California. Any credits not used in the taxable year may be carried forward up to five years. If a qualified employee is terminated within the first 36 months after beginning employment, the employer may be required to recapture previously taken credits. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **nec** or get form FTB 3554, New Employment Credit.

**Repeal of Geographically Targeted Economic Development Area Tax Incentives** – The California legislature repealed and made changes to all of the Geographically Targeted Economic Development Area (G-TEDA) Tax Incentives. Enterprise Zones (EZ) and Local Agency Military Base Recovery Areas (LAMBRA) were repealed on January 1, 2014. The Targeted Tax Areas (TTA) and Manufacturing Enhancement Areas (MEA) both expired on December 31, 2012. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **repeal tax incentives**.

**California Competes Tax Credit** – For taxable years beginning on and after January 1, 2014, and before January 1, 2030, the California Competes Tax Credit is available to businesses that want to come to California or stay and grow in California. Tax credit agreements will be negotiated by the Governor's Office of Business and Economic Development (GO-Biz) and approved by the California Competes Tax Credit Committee. The California Competes Tax Credit only applies to state income or franchise tax. Taxpayers who are awarded a contract by the committee will claim the credit on their income or franchise tax returns using credit code 233. The credit can reduce tax below the tentative minimum tax. Any credits not used in the taxable year may be

carried forward up to six years. For more information, go to the GO-Biz website at [business.ca.gov](http://business.ca.gov) or [ftb.ca.gov](http://ftb.ca.gov) and search for **ca competes** or get form FTB 3531, California Competes Tax Credit.

**Like-Kind Exchanges** – For taxable years beginning on or after January 1, 2014, California requires taxpayers who exchange property located in California for like-kind property located outside of California under IRC Section 1031, to file an annual information return with the FTB. For more information, get form FTB 3840, California Like-Kind Exchanges, or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **like kind**.

**Cancellation of Debt Income (CODI)** – For taxable years beginning on or after January 1, 2014, and before January 1, 2019, California did not conform to the federal recognition of business debt reacquisition CODI under IRC Section 108(i). If you recognized the CODI for federal tax purposes, then you must deduct the federal CODI amount. See Schedule CA (540), Part I, line 12 instructions for more information.

**Net Operating Loss (NOL) Carryback** – NOLs incurred in taxable years beginning on or after January 1, 2013, shall be carried back to each of the preceding two taxable years. For an NOL incurred in a taxable year beginning on or after January 1, 2015, the carryback amount shall be 100% of the NOL.

Individuals, Estates, and Trusts compute the NOL carryback in Part IV of form FTB 3805V. For more information, get form FTB 3805V.

**Election to Waive Carryback** – Any taxpayer entitled to a carryback period pursuant to IRC Section 172(b)(3) may elect to relinquish/waive the entire carryback period with respect to an NOL incurred in the 2018 taxable year. By making the election, the taxpayer is electing to carry an NOL forward instead of carrying it back in the previous two years.

To make the election, check the box in Part I under Section C – Election to Waive Carryback, of form FTB 3805V, and attach form FTB 3805V to the tax return. For more information, get form FTB 3805V.

**Mandatory Electronic Payments** – You are required to remit all your payments electronically once you make an estimate or extension payment exceeding \$20,000 or you file an original tax return with a total tax liability over \$80,000. Once you meet this threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically. The first payment that would trigger the mandatory e-pay requirement does not have to be made electronically. Individuals that do not send the payment electronically will be subject to a 1% noncompliance penalty.

You can request a waiver from mandatory e-pay if one or more of the following is true:

- You have not made an estimated tax or extension payment in excess of \$20,000 during the current or previous taxable year.
- Your total tax liability reported for the previous taxable year did not exceed \$80,000.
- The amount you paid is not representative of your total tax liability.

For more information or to obtain the waiver form, go to [ftb.ca.gov/e-pay](http://ftb.ca.gov/e-pay). Electronic payments can be made using Web Pay on FTB's website, EFW as part of the e-file return, or your credit card.

**Estimated Tax Payments** – Taxpayers are required to pay 30% of the required annual payment for the 1st required installment, 40% of the required annual payment for the 2nd required installment, no installment is due for the 3rd required installment, and 30% of the required annual payment for the 4th required installment.

Taxpayers with a tax liability less than \$500 (\$250 for married/RDP filing separately) do not need to make estimated tax payments.

**Backup Withholding** – With certain limited exceptions, payers that are required to withhold and remit backup withholding to the Internal Revenue Service (IRS) are also required to withhold and remit to the FTB on income sourced to California. If the payee has backup withholding, the payee must contact the FTB to provide a valid taxpayer identification number, before filing the tax return. Failure to provide a valid taxpayer identification number may result in a denial of the backup withholding credit. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **backup withholding**.

**Registered Domestic Partners (RDP)** – Under California law, RDPs must file their California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status. RDPs have the same legal benefits, protections, and responsibilities as married couples unless otherwise specified.

If you entered into a same sex legal union in another state, other than a marriage, and that union has been determined to be substantially equivalent to a California registered domestic partnership, you are required to file a California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status.

For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP, unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic "partner" and a California registered domestic "partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

**Direct Deposit Refund** – You can request a direct deposit refund on your tax return whether you e-file or file a paper tax return. Be sure to fill in the routing and account numbers carefully and double-check the numbers for accuracy to avoid it being rejected by your bank.

**Direct Deposit for ScholarShare 529 College Savings Plans** – If you have a ScholarShare 529 College Savings Plan account maintained by the ScholarShare Investment Board, you may have your refund directly deposited to your ScholarShare account.

**California Disclosure Obligations** – If the individual was involved in a reportable transaction, including a listed transaction, the individual may have a disclosure requirement. Attach federal Form 8886, Reportable Transaction Disclosure Statement, to the back of the California tax return along with any other supporting schedules. If this is the first time the reportable transaction is disclosed on the tax return, send a duplicate copy of the federal Form 8886 to the address below. The FTB may impose penalties if the individual fails to file federal Form 8886, or fails to provide any other required information. A material advisor is required to provide a reportable transaction number to all taxpayers and material advisors for whom the material advisor acts as a material advisor.

TAX SHELTER FILING  
ATSU 398 MS F385  
FRANCHISE TAX BOARD  
PO BOX 1673  
SACRAMENTO CA 95812-9900

For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **disclosure obligation**.

# Which Form Should I Use?



e-file and you won't have to decide which form to use! The software will select the correct form for you.

## Were you and your spouse/RDP residents during the entire year 2018?

**Yes.** Check the chart below to see which form to use.

**No.** Use the Long or Short Form 540NR. To download or order the California Nonresident or Part-Year Resident Income Tax Booklet, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or see, "Where to Get Income Tax Forms and Publications."

	<b>Form 540 2EZ</b> Form not included in this booklet. If you qualify to use Form 540 2EZ, see "Where To Get Income Tax Forms and Publications" to download or order this form.	<b>Form 540</b>
<b>Filing Status</b>	Single, married/RDP filing jointly, head of household, qualifying widow(er)	Any filing status
<b>Dependents</b>	0-3 allowed	All dependents you are entitled to claim
<b>Amount of Income</b>	Total income of: <ul style="list-style-type: none"> <li>• \$100,000 or less if single or head of household</li> <li>• \$200,000 or less if married/RDP filing jointly or qualifying widow(er)</li> </ul> You cannot use Form 540 2EZ if you (or your spouse/RDP) can be claimed as a dependent by another taxpayer, and your TOTAL income is less than or equal to \$14,551 if single; \$29,152 if married/RDP filing jointly or qualifying widow(er); or \$20,652 if head of household.	Any amount of income
<b>Sources of Income</b>	Only income from: <ul style="list-style-type: none"> <li>• Wages, salaries, and tips</li> <li>• Taxable interest, dividends, and pensions</li> <li>• Taxable scholarship and fellowship grants (only if reported on Form(s) W-2)</li> <li>• Capital gains from mutual funds (reported on Form 1099-DIV, box 2a only)</li> <li>• Unemployment compensation reported on Form 1099-G</li> <li>• Paid Family Leave Insurance</li> <li>• U.S. social security benefits</li> <li>• Tier 1 and tier 2 railroad retirement payments</li> </ul>	All sources of income
<b>Adjustments to Income</b>	No adjustments to income	All adjustments to income
<b>Standard Deduction</b>	Allowed	Allowed
<b>Itemized Deductions</b>	No itemized deductions	All itemized deductions
<b>Payments</b>	Only withholding shown on Form(s) W-2 and 1099-R	<ul style="list-style-type: none"> <li>• Withholding from all sources</li> <li>• Estimated tax payments</li> <li>• Payments made with extension</li> <li>• Excess State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI)</li> </ul>
<b>Tax Credits</b>	<ul style="list-style-type: none"> <li>• California earned income tax credit</li> <li>• Personal exemption credit</li> <li>• Senior exemption credit</li> <li>• Up to three dependent exemption credits</li> <li>• Nonrefundable renter's credit</li> </ul>	All tax credits
<b>Other Taxes</b>	Only tax computed using the 540 2EZ Table	All taxes



If you qualify to use Form 540 2EZ, you may be eligible to use CalFile. Visit [ftb.ca.gov](http://ftb.ca.gov) and search for **calfile**. It's fast, easy, and free.

If you don't qualify for CalFile, you qualify for e-file. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **efile options**.

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**Visit our website:**

**[ftb.ca.gov](http://ftb.ca.gov)**



# 2018 Instructions for Form 540 — California Resident Income Tax Return

References in these instructions are to the Internal Revenue Code (IRC) as of January 1, 2015, and the California Revenue and Taxation Code (R&TC).

## Before You Begin

Complete your federal income tax return Form 1040, U.S. Individual Income Tax Return, before you begin your Form 540, California Resident Income Tax Return. Use information from your federal income tax return to complete your Form 540. Complete and mail Form 540 by April 15, 2019. If unable to mail your tax return by this date, see page 2.



You may qualify for the federal earned income credit. See page 2 for more information.

**Note:** The lines on Form 540 are numbered with gaps in the line number sequence. For example, lines 20 through 30 do not appear on Form 540, so the line number that follows line 19 on Form 540 is line 31.

**Caution:** Form 540 has five sides. When filing Form 540, you must send all five sides to the Franchise Tax Board (FTB).

If you need to amend your California resident income tax return, complete an amended Form 540 and check the box at the top of Form 540 indicating AMENDED return. Attach Schedule X, California Explanation of Amended Return Changes, to the amended Form 540. For specific instructions, see “Instructions for Filing a 2018 Amended Return” on page 29.

## Filing in Your Tax Return

- Use black or blue ink on the tax return you send to the FTB.
- Enter your social security number(s) or individual taxpayer identification number(s) at the top of Form 540, Side 1.
- Print numbers and CAPITAL LETTERS between the combed lines. Be sure to line up dollar amounts.
- If you do not have an entry for a line, leave it blank unless the instructions for a line specifically tell you to enter -0-. **Do not** enter a dash, or the word “NONE.”

## Name(s) and Address

Print your first name, middle initial, last name, and street address in the spaces provided at the top of the form.

### Suffix

Use the Suffix field for generational name suffixes such as “SR”, “JR”, “III”, “IV”. Do not enter academic, professional, or honorary suffixes.

### Additional Information

Use the Additional Information field for “In-Care-Of” name and other supplemental address information only.

### Foreign Address

If you have a foreign address, follow the country’s practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. **Do not** abbreviate the country name.

### Principal Business Activity (PBA) Code

For federal Schedule C (Form 1040), Profit or Loss From Business (Sole Proprietorship) business filers, enter the numeric PBA code from federal Schedule C (Form 1040), line B.

### Date of Birth (DOB)

Enter your DOBs (mm/dd/yyyy) in the spaces provided. If your filing status is married/RDP filing jointly or married/RDP filing separately, enter the DOBs in the same order as the names.

### Prior Name

If you or your spouse/RDP filed your 2017 tax return under a different last name, write the last name **only** from the 2017 tax return.

## Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)

Enter your SSN in the spaces provided. If filing a joint tax return, enter the SSNs in the same order as the names.

If you do not have an SSN because you are a nonresident or resident alien for federal tax purposes, and the Internal Revenue Service (IRS) issued you an ITIN, enter the ITIN in the space for the SSN. An ITIN is a tax processing number issued by the IRS to foreign nationals and others who have a federal tax filing requirement and do not qualify for an SSN. It is a nine-digit number that always starts with the number 9.

## Filing Status

### Line 1 through Line 5 – Filing Status

Check only one box for line 1 through line 5. Enter the required additional information if you checked the box on line 3 or line 5. For filing status requirements, see page 3.

Use the same filing status for California that you used for your federal income tax return.

**Exception:** If you file a joint tax return for federal, you may file separately for California if either spouse was:

- An active member of the United States armed forces or any auxiliary military branch during 2018.
- A nonresident for the entire year and had no income from California sources during 2018.

**Caution – Community Property States:** If the spouse earning the California source income is domiciled in a community property state, community income will be split equally between the spouses. Both spouses will have California source income and they will not qualify for the nonresident spouse exception.

If you had no federal filing requirement, use the same filing status for California you would have used to file a federal income tax return.

Registered domestic partners (RDPs) who file single for federal **must file** married/RDP filing jointly or married/RDP filing separately for California. If you are an RDP and file head of household for federal purposes, you may file head of household for California purposes only if you meet the requirements to be considered unmarried or considered not in a domestic partnership.

If you filed a joint tax return and either you or your spouse/RDP was a nonresident for 2018, you **must file** the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.

## Exemptions

### Line 6 – Can be Claimed as Dependent



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Check the box on line 6 if someone else can claim you or your spouse/RDP as a dependent on their tax return, even if they chose not to.

### Line 7 – Personal Exemptions

Did you check the box on line 6?

**No** Follow the instructions on line 7.

**Yes** Ignore the instructions on line 7. Instead, enter in the box on line 7 the amount shown below for your filing status:

- Single or married/RDP filing separately, enter -0-.
- Head of household, enter -0-.
- Married/RDP filing jointly and both you and your spouse/RDP can be claimed as dependents, enter -0-.
- Married/RDP filing jointly and only one spouse/RDP can be claimed as a dependent, enter 1.

Do not claim this credit if someone else can claim you as a dependent on their tax return.

**Line 8 – Blind Exemptions**

The first year you claim this exemption credit, attach a doctor's statement to the back of Form 540 indicating you or your spouse/RDP are visually impaired. If you e-file, attach any requested forms, schedules and documents according to your software's instructions. Visually impaired means not capable of seeing better than 20/200 while wearing glasses or contact lenses, or if your field of vision is not more than 20 degrees.

Do not claim this credit if someone else can claim you as a dependent on their tax return.

**Line 9 – Senior Exemptions**

If you were 65 years of age or older by December 31, 2018,\* you should claim an additional exemption credit on line 9. If you are married/or an RDP, each spouse/RDP 65 years of age or older should claim an additional credit. You may contribute all or part of this credit to the California Seniors Special Fund. See "Voluntary Contribution Fund Descriptions" for more information.

\*If your 65th birthday is on January 1, 2019, you are considered to be age 65 on December 31, 2018.

Do not claim this credit if someone else can claim you as a dependent on their tax return.

**Line 10 – Dependent Exemptions**

To claim an exemption credit for each of your dependents, you must write each dependent's first and last name, SSN and relationship to you in the space provided. If you are claiming more than three dependents, attach a statement with the required dependent information to your tax return. Count the number of dependents listed and enter the total in the box on line 10. Multiply the number you entered by the pre-printed dollar amount and enter the result.

If your dependent child was born and died in 2018 and you do not have an SSN for the child, enter "Died" in the space provided for the SSN and include a copy of the child's birth certificate, death certificate, or hospital records. The document must show the child was born alive. If you e-file, attach any requested forms, schedules and documents according to your software's instructions.

**Line 11 – Exemption Amount**

Add line 7 through line 10 and enter the total dollar amount of all exemptions for personal, blind, senior, and dependent.

**Taxable Income**

Refer to your completed federal income tax return to complete this section.

**Line 12 – State Wages**

Enter the total amount of your state wages from all states from each of your Form(s) W-2, Wage and Tax Statement. This amount appears on Form W-2, box 16.

If you received wages and do not have a Form W-2, see "Attachments to your tax return."

**Line 13 – Federal Adjusted Gross Income (AGI) from Form 1040, line 7**

RDPs who file a California tax return as married/RDP filing jointly and have no RDP adjustments between federal and California, combine their individual AGIs from their federal tax returns filed with the IRS. Enter the combined AGI on line 13.

RDP adjustments include but are not limited to the following:

- Transfer of property between spouses/RDPs
- Capital loss
- Transactions between spouses/RDPs
- Sale of residence
- Dependent care assistance

- Investment interest
- Qualified residence interest acquisition loan & equity loan
- Expense depreciation property limits
- Individual Retirement Account
- Interest education loan
- Rental real estate passive loss
- Rollover of publicly traded securities gain into specialized small business investment companies

RDPs filing as married/RDP filing separately, former RDPs filing separately, and RDPs with RDP adjustments will use the California RDP Adjustments Worksheet in FTB Pub. 737, Tax Information for Registered Domestic Partners, or complete a federal pro forma Form 1040. Transfer the amount from the California RDP Adjustments Worksheet, line 37, column D, or federal pro forma Form 1040, line 7, to Form 540, line 13.

**Line 14 – California Adjustments – Subtractions [from Schedule CA (540), line 37, column B]**

If there are no differences between your federal and California income or deductions, do not file a Schedule CA (540), California Adjustments — Residents.

If there are differences between your federal and California income, i.e. social security, complete Schedule CA (540). Follow the instructions for Schedule CA (540). Enter on line 14 the amount from Schedule CA (540), line 37, column B. If a negative amount, see Schedule CA (540), line 37 instructions.

**Line 15 – Subtotal**

Subtract the amount on line 14 from the amount on line 13. Enter the result on line 15. If the amount on line 13 is less than zero, combine the amounts on line 13 and line 14 and enter the result in parentheses. For example: "(12,325)."

**Line 16 – California Adjustments – Additions [from Schedule CA (540), line 37, column C]**

If there are differences between your federal and California deductions, complete Schedule CA (540). Follow the instructions for Schedule CA (540). Enter on line 16 the amount from Schedule CA (540), line 37, column C. If a negative amount, see Schedule CA (540), line 37 instructions.

**Line 18 – California Itemized Deductions or California Standard Deduction**

Decide whether to itemize your charitable contributions, medical expenses, mortgage interest paid, taxes, etc., or take the standard deduction. Your California income tax will be less if you take the **larger** of:

- Your California itemized deductions.
- Your California standard deduction.

California itemized deductions may be limited based on federal AGI. To compute limitations, use Schedule CA (540). RDPs use your recalculated federal AGI to figure your itemized deductions.

On federal tax returns, individual taxpayers who claim the standard deduction are allowed an additional deduction for net disaster losses. For California, deductions for disaster losses are only allowed for those individual taxpayers who itemized their deductions.

If married/or an RDP and filing separate tax returns, you and your spouse/RDP must either both itemize your deductions (even if the itemized deductions of one spouse/RDP are less than the standard deduction) or both take the standard deduction.

If someone else can claim you as a dependent, you may claim the greater of the standard deduction or your itemized deductions. To figure your standard deduction, use the Form 540 – California Standard Deduction Worksheet for Dependents.

**Itemized deductions.** Figure your California itemized deductions by completing Schedule CA (540), Part II, lines 1 through 30. Enter the result on Form 540, line 18.

If you did not itemize deductions on your federal income tax return but will itemize deductions for your Form 540, first complete federal Schedule A (Form 1040), Itemized Deductions. Then check the box on Side 2, Part II of the Schedule CA (540) and complete Part II. Attach both the federal Schedule A (Form 1040) and California Schedule CA (540) to the back of your tax return.

**Standard deduction.** Find your standard deduction on the California Standard Deduction Chart for Most People. If you checked the box on Form 540, line 6, use the California Standard Deduction Worksheet for Dependents.

<b>California Standard Deduction Chart for Most People</b>	
Do not use this chart if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on their tax return.	
<b>Your Filing Status</b>	<b>Enter On Line 18</b>
1 – Single . . . . .	\$4,401
2 – Married/RDP filing jointly . . . . .	\$8,802
3 – Married/RDP filing separately . . . . .	\$4,401
4 – Head of household . . . . .	\$8,802
5 – Qualifying widow(er) . . . . .	\$8,802

The California standard deduction amounts are less than the federal standard deduction amounts.

<b>California Standard Deduction Worksheet for Dependents</b>	
Use this worksheet only if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on their return.	
<b>Use whole dollars only.</b>	
1. Enter your earned income from: line 2 of the “Standard Deduction Worksheet for Dependents” in the instructions for federal Form 1040 . . . . .	1 _____
2. Minimum standard deduction . . . . .	2 \$1,050.00
3. Enter the larger of line 1 or line 2 here . . . . .	3 _____
4. Enter the amount shown for your filing status	} 4 _____
• Single or married/RDP filing separately, enter \$4,401 . . . . .	
• Married/RDP filing jointly, head of household, or qualifying widow(er), enter \$8,802 . . . . .	
5. <b>Standard deduction.</b> Enter the <b>smaller</b> of line 3 or line 4 here and on Form 540, line 18 . . .	5 _____

**Line 19 – Taxable Income**

**Capital Construction Fund (CCF).** If you claim a deduction on your federal Form 1040, line 10 for the contribution made to a capital construction fund set up under the Merchant Marine Act of 1936, reduce the amount you would otherwise enter on line 19 by the amount of the deduction. Next to line 19, enter “CCF” and the amount of the deduction. For details, see federal Publication 595, Capital Construction Fund for Commercial Fishermen.

**Tax**

When figuring your tax, use the correct filing status and taxable income amount.

**Line 31 – Tax**

To figure your tax, use one of the following methods and check the matching box on line 31:

- **Tax Table.** If your taxable income on line 19 is \$100,000 or less, use the tax table beginning on page 87. Use the correct filing status column in the tax table.
- **Tax Rate Schedules.** If your taxable income on line 19 is over \$100,000, use the tax rate schedule for your filing status on page 93.

- **FTB 3800.** Generally, use form FTB 3800, Tax Computation for Certain Children with Unearned Income, to figure the tax on a separate Form 540 for your child who was 18 and under or a student under age 24 on January 1, 2019, and who had more than \$2,100 of investment income. Attach form FTB 3800 to the child’s Form 540.
- **FTB 3803.** If, as a parent, you elect to report your child’s interest and dividend income of \$10,500 or less (but not less than \$1,050) on your tax return, complete form FTB 3803, Parents’ Election to Report Child’s Interest and Dividends. File a separate form FTB 3803 for each child whose income you elect to include on your Form 540. Add the amount of tax, if any, from each form FTB 3803, line 9, to the amount of your tax from the tax table or tax rate schedules and enter the result on Form 540, line 31. Attach form(s) FTB 3803 to your tax return.

To prevent possible delays in processing your tax return or refund, enter the correct tax amount on this line. To automatically figure your tax or to verify your tax calculation, use our online tax calculator. Go to [ftb.ca.gov/tax-rates](http://ftb.ca.gov/tax-rates).



CalFile or e-file and you won’t have to do the math. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **efile**.

**Line 32 – Exemption Credits**

Exemption credits reduce your tax. If your federal adjusted gross income (AGI) on line 13 is more than the amount shown below for your filing status, your credits will be limited.

For purposes of computing limitations based upon AGI, RDPs, recalculate their AGI using a federal pro forma or California RDP Adjustments Worksheet (located in FTB Pub. 737). If your recalculated federal AGI is more than the amount shown below for your filing status, your credits will be limited.

<b>If your filing status is:</b>	<b>Is line 13 more than:</b>
Single or married/RDP filing separately . . . . .	\$194,504
Married/RDP filing jointly or qualifying widow(er) . . . . .	\$389,013
Head of household . . . . .	\$291,760

- Yes** Complete the AGI Limitation Worksheet below.
- No** Follow the instructions on Form 540, line 32.

<b>AGI Limitation Worksheet</b>	
<b>Use whole dollars only.</b>	
<b>a</b> Enter the amount from line 13 . . . . .	<b>a</b> _____
<b>b</b> Enter the amount for your filing status on line b:	} <b>b</b> _____
• Single or married/RDP filing separately . . . \$194,504	
• Married/RDP filing jointly or qualifying widow(er) . . . . . \$389,013	
• Head of household . . . . . \$291,760	
<b>c</b> Subtract line b from line a . . . . .	<b>c</b> _____
<b>d</b> Divide line c by \$2,500 (\$1,250 if married/RDP filing separately). If the result is not a whole number, round it to the next higher whole number . . . . .	<b>d</b> _____
<b>e</b> Multiply line d by \$6 . . . . .	<b>e</b> _____
<b>f</b> Add the numbers from the boxes on lines 7, 8, and 9 (not the dollar amounts) . . . . .	<b>f</b> _____
<b>g</b> Multiply line e by line f . . . . .	<b>g</b> _____
<b>h</b> Add the total <b>dollar amount</b> from lines 7, 8, and 9 . . . . .	<b>h</b> _____
<b>i</b> Subtract line g from line h. If zero or less, enter -0- . . . . .	<b>i</b> _____
<b>j</b> Enter the number from the box on line 10 (not the dollar amount) . . . . .	<b>j</b> _____
<b>k</b> Multiply line e by line j . . . . .	<b>k</b> _____
<b>l</b> Enter the <b>dollar amount</b> from line 10 . . . . .	<b>l</b> _____
<b>m</b> Subtract line k from line l. If zero or less, enter -0- . . . . .	<b>m</b> _____
<b>n</b> Add line i and line m. Enter the result here and on line 32. <b>n</b>	<b>n</b> _____

**Line 34 – Tax from Schedule G-1 and Form FTB 5870A**

If you received a qualified lump-sum distribution in 2018 and you were born before January 2, 1936, get California Schedule G-1, Tax on Lump-Sum Distributions, to figure your tax by special methods that may result in less tax. Attach Schedule G-1 to your tax return.

If you received accumulation distributions from foreign trusts or from certain domestic trusts, get form FTB 5870A, Tax on Accumulation Distribution of Trusts, to figure the additional tax. Attach form FTB 5870A to your tax return.

To get these forms, see “Order Forms and Publications.”

**Special Credits and Nonrefundable Credits**

A variety of California tax credits are available to reduce your tax if you qualify. To figure and claim most special credits, you must complete a separate form or schedule and attach it to your Form 540. The Credit Chart on page 25 describes the credits and provides the name, credit code, and number of the required form or schedule. Many credits are limited to a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by tentative minimum tax (TMT); go to Box A to see if your credits are limited.

If you are not claiming any special credits go to line 40 and line 46 to see if you qualify for the nonrefundable child and dependent care expenses credit or the nonrefundable renter’s credit.

**Box A –** Did you complete federal Schedule C, D, E, or F and claim or receive any of the following (**Note:** If your business gross receipts are less than \$1,000,000 from all trades or businesses, you do not have to report alternative minimum tax (AMT). For more information, see line 61 instructions.):

- Accelerated depreciation in excess of straight-line
- Intangible drilling costs
- Depletion
- Circulation expenditures
- Research and experimental expenditures
- Mining exploration/development costs
- Amortization of pollution control facilities
- Income/loss from tax shelter farm activities
- Income/loss from passive activities
- Income from long-term contracts using the percentage of completion method
- Pass-through AMT adjustment from an estate or trust reported on Schedule K-1 (541)

**Yes** Complete Schedule P (540). See “Order Forms and Publications.”

**No** Go to Box B.

**Box B –** Did you claim or receive any of the following:

- Investment interest expense **226**
- Income from incentive stock options in excess of the amount reported on your tax return **225**
- Income from installment sales of certain property

**Yes** Complete Schedule P (540). See “Order Forms and Publications.”

**No** Go to Box C.

**Box C –** If your filing status is:                      Is Form 540, line 17 more than:

Single or head of household . . . . . \$268,237

Married/RDP filing jointly or qualifying widow(er) . . . . \$357,650

Married/RDP filing separately . . . . . \$178,822

**Yes** Complete Schedule P (540). See “Order Forms and Publications.”

**No** Your credits are not limited. Go to the instructions for line 40.

**Line 40 – Nonrefundable Child and Dependent Care Expenses Credit**

Claim this credit if you paid someone to care for your qualifying child under the age of 13, other dependent who is physically or mentally incapable of caring for him or herself, or spouse/RDP if physically or mentally incapable of caring for him or herself. The care must be provided in California. To claim this credit, your federal AGI must be \$100,000 or less and you must complete and attach form FTB 3506, Child and Dependent Care Expenses Credit, included in this booklet.

**Line 43 through Line 45 – Additional Special Credits**

A code identifies each credit. To claim only one or two credits, enter the credit name, code, and amount of the credit on line 43 and line 44.

To claim more than two credits, use Schedule P (540), Part III. See Schedule P (540) instructions, “How to Claim Your Credits.”

**Important:** Attach Schedule P (540) and any supporting schedules or statements to your Form 540.

**Carryovers:** If you claim a credit with carryover provisions and the amount of the credit available this year exceeds your tax, carry over any excess credit to future years until the credit is used (unless the carryover period is a fixed number of years). If you claim a credit carryover for an expired credit, use form FTB 3540, Credit Carryover and Recapture Summary, to figure the amount of the credit. Otherwise, enter the amount of the credit on Schedule P (540), Part III, and **do not** attach form FTB 3540.

**Credit for Joint Custody Head of Household — Code 170**

You may **not** claim this credit if you used the married/RDP filing jointly, head of household, or qualifying widow(er) filing status.

Claim the credit if unmarried and not an RDP at the end of 2018 (or if married/or an RDP, you lived apart from your spouse/RDP for all of 2018 and you used the married/RDP filing separately filing status); and if you furnished more than one-half the household expenses for your home that also served as the main home of your child, step-child, or grandchild for at least 146 days but not more than 219 days of the taxable year. If the child is married/or an RDP, you must be entitled to claim a dependent exemption credit for the child.

Also, the custody arrangement for the child must be part of a decree of dissolution or legal separation or part of a written agreement between the parents where the proceedings have been initiated, but a decree of dissolution or legal separation has not yet been issued.

Use the worksheet below to figure the Joint Custody Head of Household credit **using whole dollars only**.

1. Enter the amount from Form 540, line 35 . . . . .	1	_____
2. Credit percentage — 30% . . . . .	2	_____ x .30
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$469, whichever is less . . . . .	3	_____

If you qualify for the Credit for Joint Custody Head of Household and the Credit for Dependent Parent, claim only one credit. Select the credit that allows the maximum benefit.

**Credit for Dependent Parent — Code 173**

You may **not** claim the Credit for Dependent Parent if you used the single, head of household, qualifying widow(er), or married/RDP filing jointly filing status.

Claim this credit only if all of the following apply:

- You were married/or an RDP at the end of 2018 and you used the married/RDP filing separately filing status.
- Your spouse/RDP was not a member of your household during the last six months of the year.
- You furnished over one-half the household expenses for your dependent mother’s or father’s home, whether or not she or he lived in your home.



To figure the amount of this credit, use the worksheet for the Credit for Joint Custody Head of Household. If you qualify for the Credit for Joint Custody Head of Household and the Credit for Dependent Parent, claim only one. Select the credit that will allow the maximum benefit.

**Credit for Senior Head of Household — Code 163**

You may claim this credit if you:

- Were 65 years of age or older on December 31, 2018.\*
- Qualified as a head of household in 2016 or 2017 by providing a household for a qualifying individual who died during 2016 or 2017.
- Did not have AGI over \$76,082 for 2018.

\* If your 65th birthday is on January 1, 2019, you are considered to be age 65 on December 31, 2018.

If you meet all the conditions listed above, you do not need to qualify to use the head of household filing status for 2018 in order to claim this credit.

Use this worksheet to figure this credit **using whole dollars only**.

1. Enter the amount from Form 540, line 19 . . . . .	1	_____
2. Credit percentage — 2% . . . . .	2	x .02
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$1,434, whichever is less . . . . .	3	_____

**Credit for Child Adoption Costs — Code 197**

For the year in which an adoption decree or an order of adoption is entered (e.g., adoption is final), claim a credit for 50% of the cost of adopting a child who was **both**:

- A citizen or legal resident of the United States.
- In the **custody** of a California public agency or a California political subdivision.

Treat a prior unsuccessful attempt to adopt a child (even when the costs were incurred in a prior year) and a later successful adoption of a different child as one effort when computing the cost of adopting the child. Include the following costs if directly related to the adoption process:

- Fees for Department of Social Services or a licensed adoption agency.
- Medical expenses not reimbursed by insurance.
- Travel expenses for the adoptive family.

**Note:**

- This credit does not apply when a child is adopted from another country or another state, or was not in the custody of a California public agency or a California political subdivision.
- Any deduction for the expenses used to claim this credit must be reduced by the amount of the child adoption costs credit claimed.

Use the worksheet below to figure this credit **using whole dollars only**. If more than one adoption qualifies for this credit, complete a separate worksheet for each adoption. The maximum credit is limited to \$2,500 per minor child.

1. Enter qualifying costs for the child . . . . .	1	_____
2. Credit percentage — 50% . . . . .	2	x .50
3. Credit amount. Multiply line 1 by line 2. Do not enter more than \$2,500 . . . . .	3	_____

Your allowable credit is limited to \$2,500 for 2018. Carry over the excess credit to future years until the credit is used.

**Line 46 – Nonrefundable Renter’s Credit**

If you paid rent for at least six months in 2018 on your principal residence located in California you may qualify to claim the nonrefundable renter’s credit which may reduce your tax. Complete the qualification record on page 22.

**Line 48**

Subtract the amount on line 47 from the amount on line 35. Enter the result on line 48. If the amount on line 47 is more than the amount on line 35, enter -0-.

**Other Taxes**

Attach the specific form or statement required for each item below.

**Line 61 – Alternative Minimum Tax (AMT)**

If you claim certain types of deductions, exclusions, and credits, you may owe AMT if your total income is more than:

- \$95,373 married/RDP filing jointly or qualifying widow(er)
- \$71,531 single or head of household
- \$47,685 married/RDP filing separately

A child under age 19 or a student under age 24 may owe AMT if the sum of the amount on line 19 (taxable income) and any preference items listed on Schedule P (540) and included on the return is more than the sum of \$7,600 and the child’s earned income.

AMT income does not include income, adjustments, and items of tax preference related to any trade or business of a qualified taxpayer who has gross receipts, less returns and allowances, during the taxable year of less than \$1,000,000 from **all** trades or businesses.

Get Schedule P (540) for more information. See “Order Forms and Publications.”

**Line 62 – Mental Health Services Tax**

If your taxable income is more than \$1,000,000, compute the Mental Health Services Tax **using whole dollars only**:

1. Taxable income from Form 540, line 19 . . . . .	1	_____
2. Less . . . . .	2	\$(1,000,000)
3. Subtotal . . . . .	3	_____
4. Tax rate – 1% . . . . .	4	x .01
5. Mental Health Services Tax – Multiply line 3 by line 4. Enter this amount here and on line 62. . . . .	5	_____

**Line 63 – Other Taxes and Credit Recapture**

If you received an early distribution of a qualified retirement plan and were required to report additional tax on your federal tax return, you may also be required to report additional tax on your California tax return. Get form FTB 3805P, Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts. If required to report additional tax, report it on line 63 and write “FTB 3805P” to the left of the amount.

California conforms to federal law for income received under IRC Section 409A on a nonqualified deferred compensation (NQDC) plan and discounted stock options and stock appreciation rights. Income received under IRC Section 409A is subject to an additional 5% tax of the amount required to be included in income plus interest. Include the additional tax, if any, on line 63. Write “NQDC” on the dotted line to the left of the amount.

If you owe interest on deferred tax from installment obligations, include the additional tax, if any, in the amount you enter on line 63. Write “IRC Section 453A interest” and the amount on the dotted line to the left of the amount on line 63.

If you used form(s):

- FTB 3540, Credit Carryover and Recapture Summary
- FTB 3554, New Employment Credit
- FTB 3805Z, Enterprise Zone Deduction and Credit Summary
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary

Include the additional tax for credit recapture, if any, on line 63. Write the form number and the amount on the dotted line to the left of the amount on line 63.

**Payments**

To avoid a delay in the processing of your tax return, enter the correct amounts on line 71 through line 74.

**Line 71 – California Income Tax Withheld**

Enter the total California income tax withheld from your:

- Form(s) W-2, Wage and Tax Statement, box 17
- Form(s) W-2G, Certain Gambling Winnings, box 15
- Form(s) 1099-DIV, Dividends and Distributions, box 15
- Form(s) 1099-INT, Interest Income, box 17
- Form(s) 1099-MISC, Miscellaneous Income, box 16
- Form(s) 1099-OID, Original Issue Discount, box 14
- Form(s) 1099-R, Distributions from Pensions, Annuities, Retirement, or Profit Sharing Plans, IRAs, Insurance Contracts, etc., box 12

Do not include city, local, or county tax withheld, tax withheld by other states, or nonconsenting nonresident (NCNR) member's tax from Schedule K-1 (568), line 15e. Do not include withholding from Forms 592-B, Resident and Nonresident Withholding Tax Statement, or Form 593, Real Estate Withholding Tax Statement, on this line. For more details, see instructions for line 73.

Generally, tax should not be withheld on federal Form 1099-MISC. If you want to pre-pay tax on income reported on federal Form 1099-MISC, use Form 540-ES, Estimated Tax for Individuals.

**Line 72 – 2018 CA Estimated Tax and Other Payments**

Enter the total of any:

- California estimated tax payments you made using 2018 Form 540-ES, electronic funds withdrawal, Web Pay, or credit card.
- Overpayment from your 2017 California income tax return that you applied to your 2018 estimated tax.
- Payment you sent with form FTB 3519, Payment for Automatic Extension for Individuals.
- California estimated tax payments made on your behalf by an estate, trust, or S corporation on Schedule K-1 (541) or Schedule K-1 (100S).



To view payments made or get your current account balance, go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB.

If you and your spouse/RDP paid joint estimated taxes but are now filing separate income tax returns, either of you may claim the entire amount paid, or each may claim part of the joint estimated tax payments. If you want the estimated tax payments to be divided, notify the FTB before you file the tax returns so the payments can be applied to the proper account. The FTB will accept in writing, any divorce agreement (or court-ordered settlement) or a statement showing the allocation of the payments along with a notarized signature of both taxpayers.

Send statements to:

JOINT ESTIMATED CREDIT ALLOCATION MS F283  
 TAXPAYER SERVICES CENTER  
 FRANCHISE TAX BOARD  
 PO BOX 942840  
 SACRAMENTO CA 94240-0040

If you or your spouse/RDP made separate estimated tax payments, but are now filing a joint income tax return, add the amounts you each paid. Attach a statement to the front of Form 540 explaining that payments were made under both SSNs. If you e-file, attach any requested forms, schedules and according to your software's instructions

You do not have to make estimated tax payments if you are a nonresident or new resident of California in 2019 and did not have a California tax liability in 2018.

**Line 73 – Withholding (Form 592-B and/or 593)**

Enter the total of California withholding from Form 592-B and Form 593. Attach a copy of Form(s) 592-B and 593 to the lower front of Form 540, Side 1.

If your filing status changed after escrow closed and before filing your California tax return, please contact us at 888.792.4900, prior to filing your California tax return, for instructions on how to claim your withholding credit.

**Caution:** Do not include withholding from federal Form(s) W-2, W-2G, or 1099, or NCNR member's tax from Schedule K-1 (568), line 15e on this line.

**Line 74 – Excess California SDI (or VPD) Withheld**

You may claim a credit for excess State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) if you meet **all** of the following conditions:

- You had **two or more** California employers during 2018.
- You received more than \$114,967 in gross wages from California sources.
- The amounts of SDI (or VPD) withheld appear on your Form(s) W-2. Be sure to attach your Form(s) W-2 to the lower front of your Form 540.

If SDI (or VPD) was withheld from your wages by a single employer, at more than 1.00% of your gross wages, you may not claim excess SDI (or VPD) on your Form 540. Contact the employer for a refund.

To determine the amount to enter on line 74, complete the Excess SDI (or VPD) Worksheet below. If married/RDP filing jointly, figure the amount of excess SDI (or VPD) separately for each spouse/RDP.

<b>Excess SDI (or VPD) Worksheet</b>		
<b>Use whole dollars only.</b>		
Follow the instructions below to figure the amount of excess SDI to enter on Form 540, line 74. If you are married/RDP and file a joint return, you must figure the amount of excess SDI (or VPD) separately for each spouse/RDP.		
	You	Your Spouse/RDP
1. Add amounts of SDI (or VPD) withheld shown on your Forms W-2. Enter the total here . . . . .	1	
2. 2018 SDI (or VPD) limit . . . . .	2	\$1,149.67
3. Excess SDI (or VPD) withheld. Subtract line 2 from line 1. Enter the results here. Combine the amounts on line 3 and enter the total, in <b>whole dollars only</b> on line 74 . . . . .	3	
If zero or less, enter -0- on line 74.		

**Line 75 – Earned Income Tax Credit (EITC)**

Enter your Earned Income Tax Credit from form FTB 3514, California Earned Income Tax Credit.

**Line 76**

For the Claim of Right credit, follow the reporting instructions in Schedule CA (540), Part II, line 16 under the Claim of Right.

**Claim of Right:** If you are claiming the tax credit on your California tax return, include the amount of the credit in the total for this line. Write in "IRC 1341" and the amount of the credit to the left of the amount column.

To determine if you are entitled to this credit, refer to your prior year California Form 540, Form 540NR (Long or Short), or Schedule CA (540 or 540NR) to verify the amount was included in your CA taxable income. If the amount repaid under a "Claim of Right" was not originally taxed by California, you are not entitled to claim the credit.

**Use Tax**

**Line 91 – Use Tax.**

You are required to enter a number on this line. If the amount due is zero, you must check the applicable box to indicate that you either owe no use tax, or you paid your use tax obligation directly to the California Department of Tax and Fee Administration.

You may owe use tax if you make purchases from out-of-state retailers (for example, purchases made by telephone, online, by mail, or in person) where California sales or use tax was not paid and you use those items in California.

If you have questions about whether a purchase is taxable, go to the California Department of Tax and Fee Administration's website at [cdtfa.ca.gov](http://cdtfa.ca.gov), or call its Customer Service Center at 1.800.400.7115 or (TTY) 711 (for hearing and speech disabilities).

Some taxpayers are required to report business purchases subject to use tax directly to the California Department of Tax and Fee Administration. However, they may report certain personal purchases subject to use tax on the FTB income tax return.

You may not report business purchases subject to use tax on your income tax return if you:

- Have or are required to hold a California seller's permit
- Receive \$100,000 or more per year in gross receipts from business operations.
- Are otherwise registered or required to be registered with the California Department of Tax and Fee Administration to report use tax.

**Note:** You may not report use tax on your income tax return for certain types of transactions. These types of transactions are described in detail below in the instructions.

The Use Tax Worksheet and Estimated Use Tax Lookup Table will help you determine how much use tax to report. If you owe use tax but you do not report it on your income tax return, you must report and pay the tax to the California Department of Tax and Fee Administration. For information on how to report use tax directly to the California Department of Tax and Fee Administration, go to their website at [cdtfa.ca.gov](http://cdtfa.ca.gov) and type "**Find Information About Use Tax**" in the search bar.

Failure to report and pay timely may result in the assessment of interest, penalties, and fees.

See page 27 for a general explanation of California use tax.

**Use Tax Worksheet**

You must use the Use Tax Worksheet to calculate your use tax liability, if any of these apply:

- You prefer to calculate the amount of use tax due based upon your actual purchases subject to use tax, rather than based on an estimate.
- You owe use tax on any item purchased for use in a trade or business and you are not registered or required to be registered with the California Department of Tax and Fee Administration to report sales or use tax.
- You owe use tax on purchases of individual items with a purchase price of \$1,000 or more each.

**Example 1:** You purchased a television for \$2,000 from an out-of-state retailer that did not collect tax. You must use the Use Tax Worksheet to calculate the tax due on the price of the television, since the price of the television is \$1,000 or more.

**Example 2:** You purchased a computer monitor for \$300, a rare coin for \$500, and designer clothing for \$250 from out-of-state retailers that did not collect tax. Although the total price of all the items is \$1,050, the price of each item is less than \$1,000. Since none of these individual items are \$1,000 or more, you are not required to use the Use Tax Worksheet and may choose to use the Estimated Use Tax Lookup Table.

If you have a combination of individual non-business items purchased for \$1,000 or more each, and/or items purchased for use in a trade or business in addition to individual, non-business items purchased for less than \$1,000, you may either:

- Use the Use Tax Worksheet to compute use tax due on all purchases, or
- Use the Use Tax Worksheet to compute use tax due on all individual items purchased for \$1,000 or more plus all items purchased for use in a trade or business.
- Use the Estimated Use Tax Lookup Table to estimate the use tax due on individual, non-business items purchased for less than \$1,000, then add the amounts and report the total use tax on Line 91.

**Example 3:** The total price of the items you purchased from out-of-state retailers that did not collect use tax is \$2,300, which includes a \$1,000 television, a \$900 painting, and a \$400 table for your living room.

- You may choose to calculate the use tax due on the total price of \$2,300 using the Use Tax Worksheet, or
- You may choose to calculate the use tax due on the \$1,000 price of the television using the Use Tax Worksheet and estimate your use tax liability for the painting and table by using the Estimated Use Tax Lookup Table, then add the amounts and report the total use tax on Line 91.

<b>Use Tax Worksheet (See Instructions Below)</b>	
<b>Use whole dollars only</b>	
1. Enter purchases from out-of-state sellers made without payment of California sales/use tax. If you choose to estimate the use tax due on individual, non-business items purchased for less than \$1,000 each, only enter purchases of items with a purchase price of \$1,000 or more plus items purchased for use in a trade or business not registered with the California Department of Tax and Fee Administration .	\$ _____ .00
2. Enter the applicable sales and use tax rate . . . . .	_____
3. Multiply Line 1 by the tax rate on Line 2. Enter result here . . . . .	_____ .00
4. If you choose to estimate the use tax due on individual, non-business items purchased for less than \$1,000 each, enter the use tax amount due from the Estimated Use Tax Lookup Table. If all of your purchases are included in Line 1, enter -0- . . . . .	_____ .00
5. Add Lines 3 and 4. This is your total use tax. . . . .	_____ .00
6. Enter any sales or use tax you paid to another state for purchases included on Line 1. See worksheet instructions below . . . . .	_____ .00
7. Subtract Line 6 from Line 5. This is the total use tax due. Enter the amount due on Line 91. If the amount is less than zero, enter -0- . . . . .	_____ .00

**Worksheet, Line 1, Purchases Subject to Use Tax**

Report purchases of items that would have been subject to sales tax if purchased from a California retailer unless your receipt shows that California tax was paid directly to the retailer. For example, generally, you would include purchases of clothing, but not exempt purchases of food products or prescription medicine. For more information on nontaxable and exempt purchases, you may visit the California Department of Tax and Fee Administration’s website at [cdtfa.ca.gov](http://cdtfa.ca.gov).

- Include handling charges.
- Do not include any other state’s sales or use tax paid on the purchases.
- Enter only purchases made during the year that corresponds with the tax return you are filing.
- If you traveled to a foreign country and hand-carried items back to California, generally use tax is due on the purchase price of the goods you listed on your U.S. Customs Declaration less an \$800 per person exemption. For the hand carried items, you should report the amount of purchases in excess of the \$800 per-person exemption. This \$800 exemption does not apply to goods sent or shipped to California by mail or other common carrier. For goods sent or shipped, you should report the entire amount of the purchases.
- If your filing status is “married/RDP filing separately,” you may elect to report one-half of the use tax due or the entire amount on your income tax return. If you elect to report one-half, your spouse/RDP may report the remaining half on his or her income tax return or on the individual use tax return available from the California Department of Tax and Fee Administration.

**Note:** You cannot report the following types of purchases on your income tax return.

- Vehicles, vessels, and trailers that must be registered with the Department of Motor Vehicles.
- Mobile homes or commercial coaches that must be registered annually as required by the Health and Safety Code.
- Vessels documented with the U.S. Coast Guard.
- Aircraft.
- Rental receipts from leasing machinery, equipment, vehicles, and other tangible personal property to your customers.
- Cigarettes and tobacco products when the purchaser is registered with the California Department of Tax and Fee Administration as a cigarette and/or tobacco products consumer.

**Worksheet, Line 2, Sales and Use Tax Rate**

Enter the sales and use tax rate applicable to the place in California where the property was used, stored, consumed, or given away. To find your sales and use tax rate, please go to the California Department of Tax and Fee Administration’s website at [cdtfa.ca.gov](http://cdtfa.ca.gov) and type “**City and County Sales and Use Tax Rates**” in the search bar. You may also call their Customer Service Center at 800.400.7115 or (TTY) 711 (for hearing and speech disabilities).

**Worksheet, Line 6, Credit for Tax Paid to Another State**

This is a credit for tax paid to other states on purchases reported on Line 1. You cannot claim a credit for more than the amount of use tax that is imposed on your use of property in this state. For example, if you paid \$8.00 sales tax to another state for a purchase, and would have paid \$6.00 in California, you can claim a credit of only \$6.00 for that purchase.

**Estimated Use Tax Lookup Table**

You may use the Estimated Use Tax Lookup Table to estimate and report the use tax due on individual non-business items you purchased for less than \$1,000 each. This option is only available if you are permitted to report use tax on your income tax return and you are not required to use the Use Tax Worksheet to calculate the use tax owed on all your purchases. Simply include the use tax liability that corresponds to your California Adjusted Gross Income (found on Line 17) and enter it on Line 91. You will not be assessed additional use tax on the individual non business items you purchased for less than \$1,000 each.

You may not use the Estimated Use Tax Lookup Table to estimate and report the use tax due on purchases of items for use in your business or on purchases of individual non-business items you purchased for \$1,000 or more each. See the instructions for the Use Tax Worksheet if you have a combination of purchases of individual non-business items for less than \$1,000 each and purchases of individual non-business items for \$1,000 or more.

Adjusted Gross Income (AGI) Range	Use Tax Liability
Less Than \$10,000	\$2
\$10,000 to \$19,999	\$7
\$20,000 to \$29,999	\$11
\$30,000 to \$39,999	\$16
\$40,000 to \$49,999	\$21
\$50,000 to \$59,999	\$25
\$60,000 to \$69,999	\$30
\$70,000 to \$79,999	\$34
\$80,000 to \$89,999	\$39
\$90,000 to \$99,999	\$44
\$100,000 to \$124,999	\$52
\$125,000 to \$149,999	\$63
\$150,000 to \$174,999	\$75
\$175,000 to \$199,999	\$86
More than \$199,999 – Multiply AGI by 0.046% (x0.00046)	

Enter your use tax liability on Line 4 of the worksheet, or if you are not required to use the worksheet, enter the amount on Line 91 of your income tax return.

**Overpaid Tax or Tax Due**

To avoid delay in processing of your tax return, enter the correct amounts on line 94 through line 97.

If you received a refund for 2017, you may receive a federal Form 1099-G. The refund amount reported on your federal Form 1099-G will be different from the amount shown on your tax return if you claimed the refundable California Earned Income Tax Credit. This is because the credit is not part of the refund from withholding or estimated tax payments.

**Line 94 – Overpaid Tax**

If the amount on line 92 is more than the amount on line 64, your payments and credits are more than your tax. Subtract the amount on line 64 from the amount on line 92. Enter the result on line 94.

**Line 95 – Amount You Want Applied to Your 2019 Estimated Tax**

Apply all or part of the amount on line 94 to your estimated tax for 2019. Enter on line 95 the amount of line 94 that you want applied to your 2019 estimated tax.

An election to apply an overpayment to estimated tax is binding. Once the election is made, the overpayment cannot be applied to a deficiency after the due date of the tax return.

**Line 96 – Overpaid Tax Available This Year**

If you entered an amount on line 95, subtract it from the amount on line 94. Enter the result on line 96. Choose to have this entire amount refunded to you or make voluntary contributions from this amount. See “Voluntary Contribution Fund Descriptions” for more information.

**Line 97 – Tax Due**

If the amount on line 92 is less than the amount on line 64, subtract the amount on line 92 from the amount on line 64. Enter the result on line 97. Your tax is more than your payments and credits.



There is a penalty for not paying enough tax during the year. You may have to pay a penalty if:

- The tax due on line 97 is \$500 or more (\$250 or more if married/RDP filing separately).
- The amount of state income tax withheld on line 71 is less than 90% of the amount of your total tax on line 64.

If this applies to you, see instructions on line 113.

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete EDD Form DE 4, Employee's Withholding Allowance Certificate, and give it to your employer's appropriate payroll staff. Get this form from your employer or by calling EDD at **888.745.3886**. Download the DE 4 at **edd.ca.gov** or to use the online calculator, go to **ftb.ca.gov** and search for **de 4**.

Form DE 4 specifically adjusts your California state withholding and is not the same as the federal Form W-4, Employee's Withholding Allowance Certificate.

## Contributions

You can make voluntary contributions to the funds listed on Side 3 and Side 4. See "Voluntary Contributions Fund Descriptions" for more information.

You may also contribute any amount to the **State Parks Protection Fund/Parks Pass Purchase**. To receive a single annual park pass, your contribution must equal or exceed \$195. When applicable, FTB will forward your name and address from your tax return to the Department of Parks and Recreation (DPR) who will issue a single Vehicle Day Use Annual Pass to you. Only one pass will be provided per tax return. You may contact DPR directly to purchase additional passes. If there is an error on your tax return in the computation of total contributions or if we disallow the contribution you requested because there is no credit available for the tax year, your name and address will **not** be forwarded to DPR. Any contribution less than \$195 will be treated as a voluntary contribution and may be deducted as a charitable contribution. For more information, go to **parks.ca.gov/annualpass/** or email **info@parks.ca.gov**.

## Amount You Owe

Add or subtract correctly to figure the amount you owe.

### Line 111 – Amount You Owe

If you do not have an amount on line 96, add the amount on line 93, line 97, and line 110, if any. Enter the result on line 111.

If you have an amount on line 96 and the amount on line 110 is more than line 96, subtract line 96 from line 110 and enter the difference on line 111.

To avoid a late filing penalty, file your Form 540 by the extended due date even if you cannot pay the amount you owe.

**Mandatory Electronic Payments.** You are required to remit all your payments electronically once you make an estimate or extension payment exceeding \$20,000 or you file an original return with a total tax liability over \$80,000. Once you meet this threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically. The first payment that would trigger the mandatory e-pay requirement does not have to be made electronically. Individuals that do not send the payment electronically will be subject to a 1% noncompliance penalty.

You can request a waiver from mandatory e-pay if one or more of the following is true:

- You have not made an estimated tax or extension payment in excess of \$20,000 during the current or previous taxable year.
- Your total tax liability reported for the previous taxable year did not exceed \$80,000.
- The amount you paid is not representative of your total tax liability.

Electronic payments can be made using Web Pay on FTB's website, electronic funds withdrawal (EFW) as part of the e-file return, or your credit card. For more information or to obtain the waiver form, go to **ftb.ca.gov/e-pay**.

### Payment Options

- **Electronic Funds Withdrawal** – Instead of paying by check or money order, use this convenient option if you e-file. Simply provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.
- **Web Pay** – Pay the amount you owe using our secure online payment service. Go to **ftb.ca.gov/pay** for more information.
- **Credit Card** – Use your Discover, MasterCard, Visa, or American Express card to pay your tax. If you pay by credit card, do not mail form FTB 3519 to us. Call 800.272.9829 or go to the Official Payments Corp. website at **officialpayments.com**, and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.
- **Check or Money Order** – Using black or blue ink, make your check or money order payable to the "Franchise Tax Board." **Do not send cash or other items of value** (such as stamps, lottery tickets, foreign currency, and gift cards). Write your SSN or ITIN and "2018 Form 540" as applicable on the check or money order. Enclose, but **do not** staple, your payment with your tax return.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution. **Do not** combine your 2018 tax payment and any 2019 estimated tax payment in the same check. Prepare two separate checks and mail each in a separate envelope.

If you e-filed your tax return, mail your check or money order with form FTB 3582, Payment Voucher for Individual e-filed Returns.

**Do not** mail a copy of your e-filed tax return.

A penalty may be imposed if your check is returned by your bank for insufficient funds.

**Paying by Credit Card** – Whether you e-file or file by mail, use your Discover, MasterCard, Visa, or American Express card to pay your personal income taxes (tax return balance due, extension payment, estimated tax payment, or tax due with bill notice). **There is a convenience fee for this service.** This fee is paid directly to Official Payments Corp. based on the amount of your tax payment.

### Convenience Fee

- 2.30% of the tax amount charged (rounded to the nearest cent)
- Minimum fee: \$1

### Example:

Tax Payment = \$753.56    Convenience Fee = \$17.33

### When will my payments be effective?

Your payment is effective on the date you charge it.

### What if I change my mind?

If you pay your tax liability by credit card and later reverse the credit card transaction, you may be subject to penalties, interest, and other fees imposed by the FTB for nonpayment or late payment of your tax liability.

### How do I use my credit card to pay my income tax bill?

Once you have determined the type of payment and how much you owe, have the following ready:

- Your Discover, MasterCard, Visa, or American Express card
- Credit card number
- Expiration date
- Amount you are paying
- Your and your spouse's/RDP's SSN or ITIN
- First 4 letters of your and your spouse's/RDP's last name
- Taxable year
- Home phone number (including area code)
- ZIP Code for address where your monthly credit card bill is sent
- FTB Jurisdiction Code: 1555

Go to the Official Payments Corp. online payment center at [officialpayments.com](http://officialpayments.com) or call 800.2PAY.TAX or 800.272.9829 and follow the recorded instructions. Official Payments Corp. provides customer assistance at 877.297.7457 Monday through Friday, 5:00 a.m. to 5:00 p.m. PST.

Payment Date: \_\_\_\_\_

Confirmation Number: \_\_\_\_\_

If you cannot pay the full amount or can only make a partial payment for the amount shown on Form 540, line 114, see the information regarding Installment Payments in "Frequently Asked Questions" included in this booklet.

## Interest and Penalties

If you file your tax return or pay your tax after the due date, you may owe interest and penalties on the tax due.

Do not reduce the amount on line 94 or increase the amount on line 97 by any penalty or interest amounts. Enter on Form 540, line 112 the amount of interest and penalties.

### Line 112 – Interest and Penalties

**Interest.** Interest will be charged on any late filing or late payment penalty from the original due date of the return to the date paid. In addition, if other penalties are not paid within **15** days, interest will be charged from the date of the billing notice until the date of payment. Interest compounds daily and the interest rate is adjusted twice a year. The FTB website has a chart of interest rates in effect since 1976. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **interest rates**.

**Late Filing of Tax Return.** If you do not file your tax return by October 15, 2019, you will incur a late filing penalty plus interest from the original due date of the tax return. The maximum total penalty is 25% of the tax not paid if the tax return is filed after October 15, 2019. The minimum penalty for filing a tax return more than 60 days late is \$135 or 100% of the balance due, whichever is less.

**Late Payment of Tax.** If you fail to pay your total tax liability by April 15, 2019, you will incur a late payment penalty plus interest. The penalty is 5% of the tax not paid when due plus 1/2% for each month, or part of a month, the tax remains unpaid. We may waive the late payment penalty based on reasonable cause. Reasonable cause is presumed when 90% of the tax shown on the return is paid by the original due date of the return. However, the imposition of interest is mandatory. If, after April 15, 2019, you find that your estimate of tax due was too low, pay the additional tax as soon as possible to avoid or minimize further accumulation of penalties and interest.

**Penalties.** To avoid late payment penalties for use tax, you must report and pay the use tax with a timely filed income tax return, or California Individual Use Tax return.

**Other Penalties.** We may impose other penalties if a payment is returned for insufficient funds. We may also impose penalties for negligence, substantial understatement of tax, and fraud.

### Line 113 – Underpayment of Estimated Tax

You may be subject to an estimated tax penalty if any of the following is true:

- Your withholding and credits are less than 90% of your current tax year liability.
- Your withholding and credits are less than 100% of your prior year tax liability (110% if AGI is more than \$150,000 or \$75,000 if married/RDP filing separately).
- You did not pay enough through withholding to keep the amount you owe with your tax return under \$500 (\$250 if married/RDP filing separately).

- You did not make the required estimate payments, if you pay an installment after the date it is due, or if you underpay any installment, a penalty may be assessed on the portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of your return, whichever is earlier. Get the 2018 form FTB 5805 for more information.

The FTB can figure the penalty for you when you file your tax return and send you a bill.

Is line 97 less than \$500 (\$250 if married/RDP filing separately)?

- Yes Stop.** You may not be subject to an estimated payment penalty.  
**No** Continue. You may be subject to an estimated payment penalty.

Is line 97 less than 10% of the amount on line 48? Form 540 filers: this excludes the tax on lump-sum distributions on Form 540, line 34.

- Yes Stop.** You may not be subject to an estimated payment penalty.  
**No** You may be subject to an estimated payment penalty; get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries (or form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen).

The underpayment of estimated tax penalty shall not apply to the extent the underpayment of an installment was created or increased by any provision of law that is chaptered during and operative for the taxable year of the underpayment. To request a waiver of the underpayment of estimated tax penalty, get form FTB 5805 or form FTB 5805F. See "Where To Get Income Tax Forms and Publications."

If you complete one of these forms, attach it to the back of your Form 540. Enter the amount of the penalty on line 113 and check the correct box on line 113. Complete and attach the form if you claim a waiver, use the annualized income installment method, or pay tax according to the schedule for farmers and fishermen, even if you do not owe a penalty.

See "Important Dates" for more information on estimated tax payments and how to avoid the underpayment penalty.

See the instructions for Form 540, line 114 for information about figuring your payment, if any.

### Line 114 – Total Amount Due

Is there an amount on line 111?

- Yes** Add line 111, line 112, and line 113. Enter the result on line 114.  
 For payment options, see line 111 instructions.

- No** Go to line 115.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

## Refund or No Amount Due

### Line 115 – Refund or No Amount Due

Did you report amounts on line 110, line 112, or line 113?

- No** Enter the amount from line 96 on line 115. This is your refund amount. If it is less than \$1, attach a written statement to your Form 540 requesting the refund.

- Yes** Combine the amounts from line 110, line 112, and line 113. If the result is:

- Less than line 96, subtract the sum of line 110, line 112, and line 113 from line 96 and enter on line 115. This is your refund amount.
- More than line 96, subtract line 96 from the sum of line 110, line 112, and line 113 and enter the result on line 114. This is your total amount due. For payment options, see line 111 instructions.

## Direct Deposit (Refund Only)

### Line 116 and Line 117 – Direct Deposit of Refund

Direct deposit is safe and convenient. To have your refund directly deposited into your bank account, fill in the account information on line 116 and line 117. Fill in the routing and account numbers and indicate the account type. Verify routing and account numbers with your financial institution. **Do not** attach a voided check or deposit slip. See the illustration below.

Individual taxpayers may request that their refund be electronically deposited into more than one checking or savings account. This allows more options for managing your refund. For example, you can request part of your refund go to your checking account to use now and the rest to your savings account to save for later.

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check, the routing number is 250250025. The account number can be up to 17 characters and can include numbers and letters. Include hyphens but omit spaces and special symbols. On the sample check, the account number is 202020.

Check the appropriate box for the type of account. Do not check more than one box for each line.

Enter the portion of your refund you want directly deposited into each account. Each deposit must be at least \$1. The total of line 116 and line 117 must equal the total amount of your refund on line 115. If line 116 and line 117 do not equal line 115, the FTB will issue a paper check.

**Adjusted Refunds** – If there is a change made to your refund, you will still receive your refund via direct deposit. For more information on direct deposit of adjusted refunds, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **direct deposit**.

**Caution:** Check with your financial institution to make sure your deposit will be accepted and to get the correct routing and account numbers. The FTB is not responsible for a lost refund due to incorrect account information entered by you or your representative.

Prior to depositing the refund, FTB may first verify with your financial institution that the name on the account you designated to receive the direct deposit refund matches the name provided on the tax return. Some financial institutions will not allow a joint refund to be deposited to an individual account. If the direct deposit is rejected, the FTB will issue a paper check.

**Direct Deposit for ScholarShare 529 College Savings Plans** – If you have a ScholarShare 529 College Savings Plan account maintained by the ScholarShare Investment Board, you may have your refund directly deposited to your ScholarShare account.

Fill in the routing number, account type and account number. To obtain the nine-digit routing number go to [scholarshare.com](http://scholarshare.com) or call 800.544.5248. Check “Checking” as type of account. Enter your complete account number that includes (1) the “CA” prefix, (2) your four-digit investment portfolio number, and (3) your ScholarShare account number (for account numbers less than 11 digits, add leading zeros).

## Sign Your Tax Return

You must sign your tax return in the space provided on Form 540, Side 5. If you file a joint tax return, your spouse/RDP must also sign it.

Include your preferred phone number and email address in case the FTB needs to contact you regarding your tax return. By providing this information the FTB will be able provide you better customer service.

**Joint Tax Return.** If you file a joint tax return, both you and your spouse/RDP are generally responsible for the tax and any interest or penalties due on the tax return. This means that if one spouse/RDP does not pay the tax due, the other may be liable. See “Innocent Joint Filer Relief” under Additional Information section for more information.

**Paid Preparer’s Information.** If you pay a person to prepare your Form 540, that person signs and completes the area at the bottom of Side 5 including an identification number. The IRS requires a paid tax preparer to get and use a preparer tax identification number (PTIN). If the preparer has a federal employer identification number (FEIN), it should be entered only in the space provided. A paid preparer must give you a copy of your tax return to keep for your records.

**Third Party Designee.** If you want to allow your preparer, a friend, family member, or any other person you choose to discuss your 2018 tax return with the FTB, check the “Yes” box in the signature area of your tax return. Also print the designee’s name and telephone number.

If you check the “Yes” box you, and your spouse/RDP, if filing a joint tax return, are authorizing the FTB to call the designee to answer any questions that may arise during the processing of your tax return. You are also authorizing the designee to:

- Give the FTB any information that is missing from your tax return.
- Call the FTB for information about the processing of your tax return or the status of your refund or payments.
- Receive copies of notices or transcripts related to your tax return, upon request.
- Respond to certain FTB notices about math errors, offsets, and tax return preparation.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the FTB. If you want to expand or change the designee’s authorization, go to [ftb.ca.gov/poa](http://ftb.ca.gov/poa).

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2019 tax return. This is April 15, 2020, for most people. If you wish to revoke the authorization before it ends, notify us by telephone at 800.852.5711 or by writing to Franchise Tax Board, PO Box 942840, Sacramento, CA 94240-0040, include your name, SSN, and the designee’s name.

**Power of Attorney.** If another person prepared your tax return, he or she is not automatically granted access to your tax information in future dealings with us. At some point, you may wish to designate someone to act on your behalf in matters related or unrelated to this tax return (e.g., an audit examination). To protect your privacy, you must submit to us a legal document called a “Power of Attorney” (POA) authorizing another person to discuss or receive personal information about your income tax records.

For more information, go to [ftb.ca.gov/poa](http://ftb.ca.gov/poa).

## Filing Your Tax Return

### Attachments to your tax return.

Do I need to attach a copy of federal Form 1040?

Other than Schedule A (Form 1040) or Schedule B (Form 1040), did you attach any federal forms or schedules to your federal Form 1040?

If **No**, do not attach a copy of your federal Form 1040 return to Form 540.

If **Yes**, attach a copy of your federal Form 1040 return and all supporting federal forms and schedules to Form 540.

**Exception:** If you did not itemize deductions on your federal tax return but will itemize deductions on your California tax return, complete and attach a copy of the federal Schedule A (Form 1040) to Form 540.

**Do not** attach any documents to your tax return unless specifically instructed. This will help us reduce government processing and storage costs.

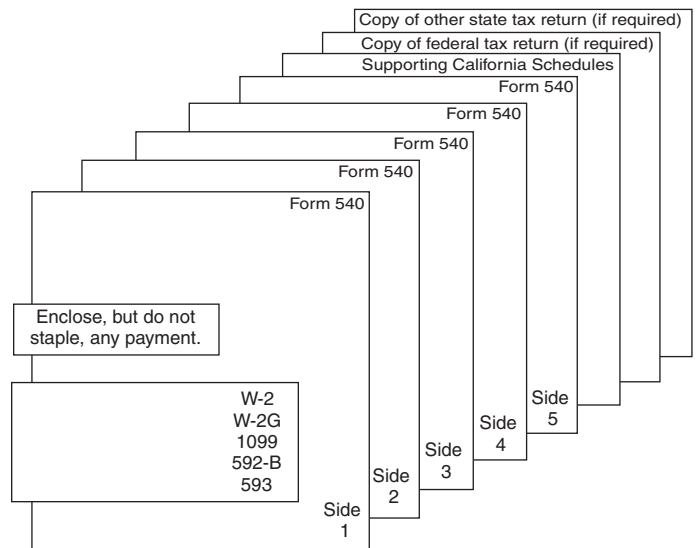
**Federal Form(s) W-2, W-2G, and 1099, and CA Form(s) 592-B and 593.** Attach all the Form(s) W-2 and W-2G you received to the lower front of your tax return. Also, attach any Forms(s) 1099, 592-B, and 593 showing California income tax withheld.

If you do not receive your Form(s) W-2 by January 31, 2019, contact your employer or go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB. Only your employer can issue or correct a Form W-2. If you cannot get a copy of your Form W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc. See "Order Forms and Publications" or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

If you forget to send your Form(s) W-2 or other withholding forms with your income tax return, do not send them separately, or with another copy of your tax return. Wait until the FTB requests them from you.

## Assembling Your Tax Return

Assemble your tax return in the order shown below.



**Caution:** Form 540 has five sides. When filing Form 540, you must send all five sides to the FTB.

## Mailing Your Tax Return

If your tax return has an **amount due**, mail your tax return to the following address:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

If your tax return shows a **refund or no amount due**, mail your tax return to the following address:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0001



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**Visit our website:**

**[ftb.ca.gov](http://ftb.ca.gov)**

# Nonrefundable Renter's Credit Qualification Record



e-file and skip this page! The tax software product you use to e-file will help you find out if you qualify for this credit and will figure the correct amount of the credit automatically. Go to [ftb.ca.gov](http://ftb.ca.gov) to check your e-file options. You can claim the nonrefundable renter's credit using CalFile.

If you were a resident of California and paid rent on property in California, which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions below to see if you qualify. For purposes of California income tax, references to a spouse, husband, or wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic "partner" and a California registered domestic "partnership," as applicable. For more information on RDPs, get FTB Pub. 737. **Do not mail this record. Keep with your tax records.**

<p><b>1. Were you a resident of California for the entire year in 2018?</b>          Military personnel. If you are not a legal resident of California, you do not qualify for this credit. However, your spouse/RDP may claim this credit if he or she was a resident during 2018, and is otherwise qualified.  <b>YES.</b> Go to question 2. <span style="float: right;"><b>NO.</b> Stop. File the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. See "Order Forms and Publications."</span></p>
<p><b>2. Is your California adjusted gross income the amount on line 17:</b>  <ul style="list-style-type: none"> <li>• \$41,641 or less if single or married/RDP filing separately; or</li> <li>• \$83,282 or less if married/RDP filing jointly, head of household, or qualifying widow(er)?</li> </ul> <b>YES.</b> Go to question 3. <span style="float: right;"><b>NO.</b> Stop here. You do not qualify for this credit.</span></p>
<p><b>3. Did you pay rent, for at least half of 2018, on property (including a mobile home that you owned on rented land) in California, which was your principal residence?</b>  <b>YES.</b> Go to question 4. <span style="float: right;"><b>NO.</b> Stop here. You do not qualify for this credit.</span></p>
<p><b>4. Can you be claimed as a dependent by a parent, foster parent, legal guardian, or any other person in 2018?</b>  <b>NO.</b> Go to question 6. <span style="float: right;"><b>YES.</b> Go to question 5.</span></p>
<p><b>5. For more than half the year in 2018, did you live in the home of the person who can claim you as a dependent?</b>  <b>NO.</b> Go to question 6. <span style="float: right;"><b>YES.</b> Stop here. You do not qualify for this credit.</span></p>
<p><b>6. Was the property you rented exempt from property tax in 2018?</b>          You do not qualify for this credit if, for more than half of the year, you rented property that was exempt from property taxes. Exempt property includes most government-owned buildings, church-owned parsonages, college dormitories, and military barracks. However, if you or your landlord paid possessory interest taxes for the property you rented, then you may claim this credit.  <b>NO.</b> Go to question 7. <span style="float: right;"><b>YES.</b> Stop here. You do not qualify for this credit.</span></p>
<p><b>7. Did you claim the homeowner's property tax exemption anytime during 2018?</b>          You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.  <b>NO.</b> Go to question 8. <span style="float: right;"><b>YES.</b> If your filing status is single or married/RDP filing separately, stop here, you do not qualify for this credit. If your filing status is married/RDP filing jointly, go to question 9.</span></p>
<p><b>8. Were you single in 2018?</b>  <b>YES.</b> Go to question 11. <span style="float: right;"><b>NO.</b> Go to question 9.</span></p>
<p><b>9. Did your spouse/RDP claim the homeowner's property tax exemption anytime during 2018?</b>          You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.  <b>NO.</b> Go to question 11. <span style="float: right;"><b>YES.</b> If both you and your spouse/RDP claimed the homeowner's property tax exemption, stop here, you do not qualify for this credit. Otherwise, go to question 10.</span></p>
<p><b>10. Did you and your spouse/RDP maintain separate residences for the entire year in 2018?</b>  <b>YES.</b> Go to question 11. <span style="float: right;"><b>NO.</b> Stop here. You do not qualify for this credit.</span></p>
<p><b>11. If you are:</b>  <ul style="list-style-type: none"> <li>• Single, enter \$60 on line 46.</li> <li>• Head of household or qualifying widow(er), enter \$120 on line 46.</li> <li>• Married/RDP filing separately: if you and your spouse/RDP lived in the same rental property and both qualify for this credit, one spouse/RDP may claim the full amount of the credit (\$120), or each spouse/RDP may claim half the amount (\$60 each). If you and your spouse/RDP lived apart for the entire year and you qualify for this credit, you may claim half the amount of the credit (\$60). Enter your credit amount on line 46.</li> <li>• Married/RDP filing jointly, enter \$120 on line 46. (Exception: If one spouse/RDP claimed the homeowner's tax exemption and you lived apart from your spouse/RDP for the entire year, enter \$60 on line 46.)</li> </ul>         Fill in the street address(es) and landlord information below for the residence(s) you rented in California during 2018, which qualified you for this credit.</p>

Street Address	City, State, and ZIP Code	Dates Rented in 2018 (From _____ to _____)
a _____		
b _____		

Enter the name, address, and telephone number of your landlord(s) or the person(s) to whom you paid rent for the residence(s) listed above.

Name	Street Address	City, State, ZIP Code, and Telephone Number
a _____		
b _____		

# Voluntary Contribution Fund Descriptions

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Make voluntary contributions of \$1 or more in whole dollar amounts to the funds listed below. To contribute to the California Seniors Special Fund, use the instructions for code 400 below. The amount you contribute either reduces your overpaid tax or increases your tax due. You may contribute only to the funds listed and cannot change the amount you contribute after you file your tax return. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **voluntary contributions**.

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**Code 400, California Seniors Special Fund** – If you and/or your spouse/RDP are 65 years of age or older as of January 1, 2019, and claim the Senior Exemption Credit, you may make a combined total contribution of up to \$236 or \$118 per spouse/RDP. Contributions made to this fund will be distributed to the Area Agency on Aging Councils (TACC) to provide advice on and sponsorship of Senior Citizens issues. Any excess contributions not required by TACC will be distributed to senior citizen service organizations throughout California for meals, adult day care, and transportation.

**Code 401, Alzheimer's Disease and Related Dementia Voluntary Tax Contribution Fund** – Contributions will be used to provide grants to California scientists to study Alzheimer's disease and related disorders. This research includes basic science, diagnosis, treatment, prevention, behavioral problems, and caregiving. With almost 600,000 Californians living with the disease and another 2 million providing care to a loved one with Alzheimer's, our state is in the early stages of a major public health crisis. Your contribution will ensure that Alzheimer's disease receives the attention, research, and resources it deserves. For more information, go to [cdph.ca.gov](http://cdph.ca.gov) and search for **Alzheimer**.

**Code 403, Rare and Endangered Species Preservation Voluntary Tax Contribution Program** – Contributions will be used to help protect and conserve California's many threatened and endangered species and the wild lands that they need to survive, for the enjoyment and benefit of you and future generations of Californians.

**Code 405, California Breast Cancer Research Voluntary Tax Contribution Fund** – Contributions will fund research toward preventing and curing breast cancer. Breast cancer is the most common cancer to strike women in California. It kills 4,000 California women each year. Contributions also fund research on prevention and better treatment, and keep doctors up-to-date on research progress. For more information about the research your contributions support, go to [cbcrp.org](http://cbcrp.org). Your contribution can help make breast cancer a disease of the past.

**Code 406, California Firefighters' Memorial Fund** – Contributions will be used for the repair and maintenance of the California Firefighters' Memorial on the grounds of the State Capitol, ceremonies to honor the memory of fallen firefighters and to assist surviving loved ones, and for an informational guide detailing survivor benefits to assist the spouses/RDPs and children of fallen firefighters.

**Code 407, Emergency Food for Families Voluntary Tax Contribution Fund** – Contributions will be used to help local food banks feed California's hungry. Your contribution will fund the purchase of much-needed food for delivery to food banks, pantries, and soup kitchens throughout the state. The State Department of Social Services will monitor its distribution to ensure the food is given to those most in need.

**Code 408, California Peace Officer Memorial Foundation Fund** – Contributions will be used to preserve the memory of California's fallen peace officers and assist the families they left behind. Since statehood, over 1,300 courageous California peace officers have made the ultimate sacrifice while protecting law-abiding citizens. The non-profit charitable organization, California Peace Officers' Memorial Foundation, has accepted the privilege and responsibility of maintaining a memorial for fallen officers on the State Capitol grounds. Each May, the Memorial Foundation conducts a dignified ceremony honoring fallen officers and their surviving families by offering moral support, crisis counseling, and financial support that includes academic scholarships for the children of those officers who have made the supreme sacrifice. On behalf of all of us and the law-abiding citizens of California, thank you for your participation.

**Code 410, California Sea Otter Fund** – The California Coastal Conservancy and the Department of Fish and Wildlife will each be allocated 50% of the contributions. Contributions allocated to the California Coastal Conservancy will be used for research, science, protection, projects, or programs related to the Federal Sea Otter Recovery Plan or improving the nearshore ocean ecosystem, including, program activities to reduce sea otter mortality. Contributions allocated to the Department of Fish and Wildlife will be used to establish a sea otter fund within the department's index coding system for increased investigation, prevention, and enforcement action.

**Code 413, California Cancer Research Voluntary Tax Contribution Fund** – Contributions will be used to conduct research relating to the causes, detection, and prevention of cancer and to expand community-based education on cancer, and to provide prevention and awareness activities for communities that are disproportionately at risk or afflicted by cancer.

**Code 422, School Supplies for Homeless Children Fund** – Contributions will be used to provide school supplies and health-related products to homeless children.

**Code 423, State Parks Protection Fund/Parks Pass Purchase** – Contributions will be used for the protection and preservation of California's state parks and for the cost of a Vehicle Day Use Annual Pass valid at most park units where day use fees are collected. The pass is not valid at off-highway vehicle units, or for camping, oversized vehicle, extra vehicle, per-person, or supplemental fees. If a taxpayer's contribution equals or exceeds \$195 the taxpayer will receive a single Vehicle Day Use Annual Pass. Amounts contributed in excess of the parks pass cost may be deducted as a charitable contribution for the year in which the voluntary contribution is made. Any contribution less than \$195 will be treated as a voluntary contribution and may be deducted as a charitable contribution. For more information, go to [parks.ca.gov/annualpass/](http://parks.ca.gov/annualpass/) or email [info@parks.ca.gov](mailto:info@parks.ca.gov).

**Code 424, Protect Our Coast and Oceans Voluntary Tax Contribution Fund** – Contributions will be used to provide grants to community organizations working to protect, restore, and enhance the California coast and ocean. Contributions will support shoreline cleanups, habitat restoration, coastal access improvements, and ocean education programs.

**Code 425, Keep Arts in Schools Voluntary Tax Contribution Fund** – Contributions will be used by the Arts Council for the allocation of grants to individuals or organizations administering arts programs for children in preschool through 12th grade.

**Code 430, State Children's Trust Fund for the Prevention of Child Abuse** – Contributions will be used to support child abuse prevention programs with demonstrated success, public education efforts to change adult behaviors and educate parents, innovative research to identify best practices, and the replication of those practices to prevent child abuse and neglect.

**Code 431, Prevention of Animal Homelessness and Cruelty Fund** – Contributions will be used to provide funding to programs designed to prevent and eliminate animal homelessness and cruelty, research that explores novel approaches to preventing and eliminating pet homelessness and the prevention, investigation, and prosecution of animal cruelty and neglect.

**Code 432, Revive the Salton Sea Fund** – Contributions will be used for the restoration and maintenance of the Salton Sea and to develop a mechanism to provide ongoing public awareness.

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**Code 433, California Domestic Violence Victims Fund** – Contributions will be used for the distribution of funds to active grant recipients under the Comprehensive Statewide Domestic Violence Program within the Office of Emergency Services.

**Code 434, Special Olympics Fund** – Contributions will be used for disbursement to the Special Olympics Northern California and the Special Olympics Southern California for the purpose of funding activities of the Special Olympics in support of children and adults with intellectual disabilities.

**Code 435, Type 1 Diabetes Research Fund** – Contributions will be used for the University of California for distribution of grants to authorized diabetes research organizations.

**Code 436, California YMCA Youth and Government Voluntary Tax Contribution Fund** – Contributions will be used to support civic education programs operated by the YMCA Youth and Government Program, the African American Leaders for Tomorrow Program, the Asian Pacific Youth Leadership Project, and the Chicano Latino Youth Leadership Project.

**Code 437, Habitat for Humanity Voluntary Tax Contribution Fund** – Contributions will be used for disbursement to the Habitat for Humanity of California, Inc. to build affordable housing in California.

**Code 438, California Senior Citizen Advocacy Voluntary Tax Contribution Fund** – Contributions will be used to conduct the sessions of the California Senior Legislature and to support its ongoing activities on behalf of older persons.

**Code 439, Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund** – Contributions will be used to support the recovery and rehabilitation of injured, sick, or orphaned native wildlife, and conservation education.

**Code 440, Rape Backlog Kit Voluntary Tax Contribution Fund** – Contributions will be used for DNA testing in the processing of rape kits.

**Code 441, Organ and Tissue Donor Registry Voluntary Tax Contribution Fund** – Contributions will be used for the distribution of funds to the Donate Life California Organ and Tissue Registrar, for its ongoing activities to maintain the Donate Life California Organ and Tissue Donor Registry.

**Code 442, National Alliance on Mental Illness California Voluntary Tax Contribution Fund** – Contributions will be used to fund the Crisis Intervention Team Program that trains peace officers to assist, and engage safely with persons living with mental illness.

**Code 443, Schools Not Prisons Voluntary Tax Contribution Fund** – Contributions will be used to fund academic and career readiness programs that seek to break the school-to-prison pipeline.



# CREDIT CHART

Credit Name	Code	Description
California Competes Tax – FTB 3531	233	The credit, which is allocated and certified by the California Competes Tax Credit Committee, is available for businesses that want to come to California or to stay and grow in California. Website: <a href="http://business.ca.gov">business.ca.gov</a>
Child Adoption Costs – Worksheet on page 13	197	50% of qualified costs in the year an adoption is ordered
Child and Dependent Care Expenses – FTB 3506 See the instructions on page 65	232	Similar to the federal credit except that the California credit amount is based on a specified percentage of the federal credit.
College Access Tax – FTB 3592	235	The credit, which is allocated and certified by the California Educational Facilities Authority, is available for taxpayers who contribute to the College Access Tax Credit Fund. Website: <a href="http://treasurer.ca.gov/cefa">treasurer.ca.gov/cefa</a>
Dependent Parent – See page 12	173	Must use married/RDP filing separately status and have a dependent parent
Disabled Access for Eligible Small Business – FTB 3548	205	Similar to the federal credit but limited to \$125 based on 50% of qualified expenditures that do not exceed \$250
Donated Agricultural Products Transportation – FTB 3547	204	50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations
Earned Income Tax – FTB 3514	None	This credit is similar to the federal Earned Income Credit (EIC) but with different income limitations.
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California.
Enterprise Zone Hiring – FTB 3805Z	176	Hiring credit for an enterprise zone
Joint Custody Head of Household – Worksheet on page 12	170	30% of tax up to \$469 for taxpayers who are single or married/RDP filing separately, who have a child and meet the support test
Local Agency Military Base Recovery Area Hiring – FTB 3807	198	Hiring credit for a local agency military base recovery area
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Natural Heritage Preservation – FTB 3503	213	55% of the fair market value of any qualified contribution of property donated to the state, any local government, or any nonprofit organization designated by a local government
New California Motion Picture and Television Production – FTB 3541	237	For taxable years beginning on or after January 1, 2016, the <b>new</b> credit is allocated and certified by the California Film Commission, and is available for qualified production expenditures attributable to a qualified motion picture, an independent film, or a TV series that relocates to California. Website: <a href="http://film.ca.gov">film.ca.gov</a>
New Donated Fresh Fruits or Vegetables – FTB 3814	238	15% of the qualified value of the donated fresh fruits or vegetables made to California food banks, based on weighted average wholesale price
New Employment – FTB 3554	234	The credit is available for a taxpayer that hires a full-time employee and pays or incurs wages in a designated census tract or economic development area, and receives a <b>tentative credit reservation</b> for that full-time employee.
Nonrefundable Renter's – See page 22	None	For California residents who paid rent for their principal residence for at least 6 months in 2018 and whose AGI does not exceed a certain limit
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California
Prior Year Alternative Minimum Tax – FTB 3510	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 2018
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Senior Head of Household – Worksheet on page 13	163	2% of taxable income up to \$1,434 for seniors who qualified for head of household in 2016 or 2017 and whose qualifying individual died during 2016 or 2017

**Repealed Credits:** The expiration dates for the credits listed below have passed. However, these credits had carryover provisions. You may claim these credits only if you have an unused carryover available from prior years. If you are not required to complete Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents, get form FTB 3540, Credit Carryover and Recapture Summary to figure your credit carryover to future years. For EZ, LAMBRA, MEA, or TTA credit carryovers, get form FTB 3805Z, form FTB 3807, form FTB 3808, or form FTB 3809. See “Where To Get Income Tax Forms and Publications”.

Agricultural Products . . . . .	175	Energy Conservation . . . . .	182	Rice Straw . . . . .	206
California Motion Picture and Television Production . . . . .	223	Enterprise Zone Sales or Use Tax . . . . .	176	Ridesharing . . . . .	171
Commercial Solar Electric System . . . . .	196	Environmental Tax . . . . .	218	Salmon & Steelhead Trout Habitat Restoration . . . . .	200
Commercial Solar Energy . . . . .	181	Farmworker Housing . . . . .	207	Solar Energy . . . . .	180
Community Development Financial Institutions Investment . . . . .	209	Local Agency Military Base Recovery Area Sales or Use Tax . . . . .	198	Solar Pump . . . . .	179
Donated Fresh Fruits or Vegetables . . . . .	224	Low-Emission Vehicles . . . . .	160	Targeted Tax Area Hiring . . . . .	210
Employer Childcare Contribution . . . . .	190	Manufacturing Enhancement Area Hiring . . . . .	211	Targeted Tax Area Sales or Use Tax . . . . .	210
Employer Childcare Program . . . . .	189	New Jobs . . . . .	220	Water Conservation . . . . .	178
Employee Ridesharing . . . . .	194	Orphan Drug . . . . .	185	Young Infant . . . . .	161
Employer Ridesharing: Large employer . . . . .	191	Political Contributions . . . . .	184		
Small employer . . . . .	192	Recycling Equipment . . . . .	174		
Transit passes . . . . .	193	Residential Rental & Farm Sales . . . . .	186		

# Frequently Asked Questions

(Go to [ftb.ca.gov](http://ftb.ca.gov) for more frequently asked questions.)

## 1. What if I can't file by April 15, 2019, and I think I owe tax?

You must pay 100% of the amount you owe by April 15, 2019, to avoid interest and penalties. If you cannot file because you have not received all your Form(s) W-2, estimate the amount of tax you owe by completing form FTB 3519, Payment for Automatic Extension for Individuals. Mail it to the FTB with your payment by April 15, 2019 or pay online at [ftb.ca.gov/pay](http://ftb.ca.gov/pay). Then, when you receive all your Form(s) W-2, complete and mail your tax return by October 15, 2019 (you must use Form 540).

## 2. I never received a Form W-2. What should I do?



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If all of your Form(s) W-2 were not received by January 31, 2019, contact your employer. Only an employer issues or corrects a Form W-2. For more information, call 800.338.0505, follow the recorded instructions and enter code **204** when instructed.

If you cannot get a copy of your Form(s) W-2, complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc. See "Where To Get Income Tax Forms and Publications." For online wage and withhold information, go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB.

## 3. How can I get help?

Throughout California more than 1,200 sites provide trained volunteers offering free help during the tax filing season to persons who need to file simple federal and state income tax returns. Many military bases also provide this service for members of the U.S. Armed Forces. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **vita** to find a list of participating locations or call the FTB at 800.852.5711 to find a location near you.

## 4. What do I do if I can't pay what I owe with my 2018 tax return?

Pay as much as possible when you file your tax return. If unable to pay your tax in full with your tax return, make a request for monthly payments. However, interest accrues and an underpayment penalty may be charged on the tax not paid by April 15, 2019, even if your request for monthly payments is approved. To make monthly payments, complete form FTB 3567, Installment Agreement Request, online or mail it to the address on the form. Do not mail it with your tax return.

The Installment Agreement Request might not be processed and approved until after your tax return is processed, and you may receive a bill before you receive approval of your request.

To order this form, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or call 800.338.0505, follow the recorded instructions and enter code **949** when instructed.

For information on how to pay by credit card, go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay), or call 800.338.0505, follow the recorded instructions and enter code **610** when instructed.

## 5. Is direct deposit safe?

Direct deposit is safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Form 540, Side 5, line 116 and line 117. Fill in the routing and account numbers and indicate the account type.

## 6. How can I check on the status of my refund?

Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **refund status**. You will need your social security number (SSN) or individual taxpayer identification number (ITIN) and the refund amount from your tax return.

You can also call our automated phone service. See page 95 for more information.

## 7. I discovered an error on my tax return. What should I do?



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If you discover that you made an error on your California income tax return after you filed it (paper or e-filed), file an amended Form 540 and attach Schedule X, California Explanation of Amended Return Changes, to correct your previously filed tax return. Get Schedule X at [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or call 800.338.0505, follow the recorded instructions and enter code **908** when instructed.

## 8. The Internal Revenue Service (IRS) made changes to my federal tax return. What should I do?

If your federal income tax return is examined and changed by the IRS and you owe additional tax, report these changes to the FTB within six months of the date of the final federal determination. If the changes the IRS made result in a refund due for California, claim a refund within two years of the date of the final federal determination. Either file an amended Form 540 to correct your previously filed income tax return or send a copy of the federal changes to:

ATTN RAR/VOL MS F310  
FRANCHISE TAX BOARD  
PO BOX 1998  
RANCHO CORDOVA CA 95741-1998

or Fax the information to 916.843.2269.

If you have a question **relating to the IRS audit adjustment** call 916.845.4028.

For general tax information or questions, call 800.852.5711.

Regardless of which method you use to notify the FTB, you must include a copy of the final federal determination along with all data and schedules on which the federal adjustment was based. Get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California, for more information. See "Order Forms and Publications."

File an amended Form 540 and Schedule X only if the change affected your California tax liability.

## 9. How long should I keep my tax information?

Requests for information regarding your California income tax return usually occurs within the California statute of limitations period, which is usually the later of four years from the due date of the tax return or four years from the file date of the tax return. (**Exception:** An extended statute of limitations period applies for California or federal tax returns related or subject to a federal audit.)

Keep a copy of your tax return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as needed to figure the basis of the property or records needed to verify carryover items (i.e., net operating losses) or records needed to track deferred gains on a 1031 exchange.

## 10. I will be moving after I file my tax return. How do I notify the FTB of my new address?

Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB or call 800.852.5711, and follow the recorded instructions to report a change of address. You may also use form FTB 3533, Change of Address for Individuals. This form is available at [ftb.ca.gov/forms](http://ftb.ca.gov/forms). If you change your address online or by phone, you do not need to file form FTB 3533.

After filing your tax return, report a change of address to us for up to four years, especially if you leave the state and no longer have a requirement to file a California tax return.

## 11. Are all domestic partners required to file joint or separate tax returns?

No, only domestic partners who are registered with the California Secretary of State are required to file using the married/RDP filing jointly or married/RDP filing separately filing status.

**Owe Money?** Web Pay lets you pay **online**, so you can schedule it and forget it! Go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay) for more information.

# Additional Information

## California Use Tax General Information

The use tax has been in effect in California since July 1, 1935. It applies to purchases of merchandise for use in California from out-of-state sellers and is similar to the sales tax paid on purchases you make in California. If you have not already paid all use tax due to the California Department of Tax and Fee Administration, you may be able to report and pay the use tax due on your state income tax return. See the information below and the instructions for Line 91 of your income tax return.

In general, you must pay California use tax on purchases of merchandise for use in California made from out-of-state sellers, for example, by telephone, over the Internet, by mail, or in person.

You must pay California use tax on taxable items if:

- The seller does not collect California sales or use tax, and
- You use, gift, store, or consume the item in this state.

Example: You live in California and purchase a dining table from a company in North Carolina. The company ships the table from North Carolina to your home for your use and does not charge California sales or use tax. You owe use tax on the purchase.

However, not all purchases require you to pay use tax. For example, you would include purchases of clothing, but not exempt purchases of food products or prescription medicine.

For more information on nontaxable and exempt purchases, you may refer to Publication 61, Sales and Use Taxes: Exemptions and Exclusions, on the California Department of Tax and Fee Administration's website at [cdtfa.ca.gov](http://cdtfa.ca.gov).

For information about California use tax, please refer to the California Department of Tax and Fee Administration's website at [cdtfa.ca.gov](http://cdtfa.ca.gov) and type "Find Information About Use Tax" in the search bar.

**Complete the Use Tax Worksheet or use the Use Tax Lookup Table** on pages 15 and 16, to calculate the amount due.

**Extensions to File.** If you request an extension to file your income tax return, wait until you file your tax return to report your purchases subject to use tax and make your use tax payment.

**Interest, Penalties and Fees.** Failure to timely report and pay the use tax due may result in the assessment of interest, penalties, and fees.

**Application of Payments.** For purchases made during taxable years starting on or after January 1, 2015, payments and credits reported on an income tax return will be applied first to the use tax liability, instead of income tax liabilities, penalties, and interest.

**Changes in Use Tax Reported.** Do not file an Amended Income Tax Return to revise the use tax previously reported. If you have changes to the amount of use tax previously reported on the original return, contact the California Department of Tax and Fee Administration.

For assistance with your use tax questions, go to the California Department of Tax and Fee Administration's website at [cdtfa.ca.gov](http://cdtfa.ca.gov) or call their Customer Service Center at 800.400.7115 or (TTY) 711 (for hearing and speech disabilities). For California income tax information, contact the Franchise Tax Board at [ftb.ca.gov](http://ftb.ca.gov).

## Collection Fees

The FTB is required to assess collection and filing enforcement cost recovery fees on delinquent accounts.

## Deceased Taxpayers

A final return must be filed for a person who died in 2018 if a tax return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the tax return. Print "deceased" and the date of death next to the taxpayer's name at the top of the tax return.

If you are a surviving spouse/RDP and no administrator or executor has been appointed, file a joint tax return if you did not remarry or enter into another registered domestic partnership during 2018. Indicate next to your signature that you are the surviving spouse/RDP.

You may also file a joint tax return with an administrator or executor acting on behalf of the deceased taxpayer.

If you file a tax return and claim a refund due to a deceased taxpayer, you are certifying under penalty of perjury either that you are the legal representative of the deceased taxpayer's estate (in this case, attach certified copies of the letters of administration or letters testamentary) or that you are entitled to the refund as the deceased's surviving relative or sole beneficiary under the provisions of the California Probate Code. You must also attach a copy of federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or a copy of the death certificate when you file a tax return and claim a refund due.

## Innocent Joint Filer Relief

If you file a joint tax return, both you and your spouse/RDP are generally responsible for paying the tax and any interest or penalties due on the tax return. However, you may qualify for relief of payment on all or part of the balance as an innocent joint filer. For more information, get form FTB 705, Innocent Joint Filer Relief Request, at [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or call 916.845.7072, Monday - Friday between 8 a.m. to 5 p.m. except holidays.

## Military Personnel

If you are a member of the military and need additional information on how to file your tax return, get FTB Pub. 1032, Tax Information for Military Personnel. See "Order Forms and Publications."

## Requesting a Copy of Your Tax Return

The FTB keeps personal income tax returns for three and one-half years from the original due date. To get a copy of your tax return, write a letter or complete form FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return. In most cases, a \$20 fee is charged for each taxable year you request. However, no charge applies for victims of a designated California or federal disaster; or you request copies from a field office that assisted you in completing your tax return. See "Where To Get Tax Forms and Publications" to download or order form FTB 3516.

## Local Benefits

You cannot deduct the amounts you pay for local benefits that apply to property in a limited area (construction of streets, sidewalks, or water and sewer systems). You must look at your real estate tax bill to determine if any nondeductible itemized charges are included in your bill. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **real estate tax** or get federal Publication 17, Your Federal Income Tax-For Individuals, Chapter 22.

## Vehicle License Fees for Federal Schedule A

On your federal Schedule A (Form 1040), you may deduct the California motor vehicle license fee listed on your Vehicle Registration Billing Notice from the Department of Motor Vehicles. The other fees listed on your billing notice such as registration fee, weight fee, and county fees are not deductible.

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## Voting Is Everybody's Business

You may register to vote if you meet these requirements:

- You are a United States citizen.
- You are a resident of California.
- You will be 18 years old by the date of the next election.
- You are not in prison or on parole for the conviction of a felony.

You need to re-register every time you move, change your name, or wish to change political parties. In order to vote in an election, you must be registered to vote at least 15 days before that election. If you need to get a Voter Registration Card, call the California Secretary of State's voter hotline at 800.345.VOTE or go to **sos.ca.gov**.

To register to vote in California, you must be:

- A United States citizen and a resident of California,
- 18 years old or older on Election Day,
- Not currently in state or federal prison or on parole for the conviction of a felony, and
- Not currently found mentally incompetent to vote by a court.

Pre-register at 16. Vote at 18. Voter pre-registration is now available for 16 and 17 year olds who otherwise meet the voter registration eligibility requirements. California youth who pre-register to vote will have their registration become active once they turn 18 years old.

If you wish to receive a paper Voter Registration or Pre-Registration Application, call the California Secretary of State's Voter Hotline at **800-345-VOTE** or simply register online at **RegisterToVote.ca.gov**. For more information about how and when to register to vote, visit **sos.ca.gov/elections**.

### It's Your Right . . . Register and Vote

## If You File Electronically

If you e-file your tax return, make sure all the amounts entered on the paper copy of your California return are correct before you sign form FTB 8453, California e-file Return Authorization for Individuals, or form FTB 8879, California e-file Signature Authorization for Individuals. If you are requesting direct deposit of a refund, make sure your account and routing information is correct. Your tax return can be transmitted to FTB by your preparer or electronic e-file service only after you sign form FTB 8453 or form FTB 8879. The preparer or electronic e-file service must provide you with:

- A copy of forms FTB 8453 or FTB 8879.
- Any original Forms W-2, 592-B, 593, 1099-G, and other Forms 1099 that you provided.
- A paper copy of your California tax return showing the data transmitted to the FTB.

You cannot retransmit an e-filed tax return once we've accepted the original. You can correct an error by filing an amended Form 540 to correct your previously filed tax return.



# Instructions for Filing a 2018 Amended Return

## Important Information

**Protective Claim** – If you are filing a claim for refund for a taxable year where litigation is pending or where a final determination by the IRS is pending, check box a for “Protective claim for refund” on Schedule X, Part II, line 1. Specify the pending litigation or reference to the federal determination on Part II, line 2 so we can properly process your claim.

**Do not** attach your previously filed return to your amended return.

**Do not** file an amended return to correct your SSN, name, or address, instead, call or write us. See “Contacting the Franchise Tax Board” for more information.

**Use Tax – Do not** amend your return to correct a “use tax” error reported on your original tax return. Enter the amount from your original return. The California Department of Tax and Fee Administration (CDTFA) (formerly known as the Board of Equalization) administers this tax. Refer all questions or requests relating to use tax to the CDTFA at [cdtfa.ca.gov](http://cdtfa.ca.gov) or call **800.400.7115**.

**Amount You Want Applied To Your 2019 Estimated Tax** – Enter zero on Form 540, line 95 and get the instructions for Schedule X for the actual amount you want applied to your 2019 estimated tax.

**Voluntary Contributions** – You cannot amend voluntary contributions. Enter the amount from your original return.

**Direct Deposit** – You can now use direct deposit on your amended return.

## Purpose

Use Form 540 to amend your original or previously filed California resident income tax return. If the FTB adjusted your return, you should use the amounts as adjusted by the FTB. Check the box at the top of Form 540 indicating AMENDED return and follow the instructions. Submit the completed amended Form 540 and Schedule X along with all required schedules and supporting forms.

## When to File

Generally, if you filed federal Form 1040X, Amended U.S. Individual Income Tax Return, file an amended California tax return within six months unless the changes do not affect your California tax liability. File an amended return only after you have filed your original or previously filed California tax return.

### California Statute of Limitations

**Original tax return was filed on or before April 15th:** If you are making a claim for refund, file an amended tax return within four years from the original due date of the tax return or within one year from the date of overpayment, whichever period expires later.

**Original tax return was filed within the extension period (April 15th – October 15th):** If you are making a claim for refund, file an amended tax return within four years from the date the original tax return was filed or within one year from the date of overpayment, whichever period expires later.

**Original tax return was filed after October 15th:** If you are making a claim for refund, file an amended tax return within four years from the original due date of the tax return (April 15th) or within one year from the date of overpayment, whichever period expires later.

**If you are filing your amended tax return after the normal statute of limitation period** (four years after the due date of the original tax return), attach a statement explaining why the normal statute of limitations does not apply.

**If you are filing your amended return in response to a billing notice you received**, you will continue to receive billing notices until your amended tax return is accepted. You may file an informal claim for refund even though the full amount due including tax, penalty, and interest has not yet been paid. After the full amount due has been paid, you have the right to appeal to the CDTFA or to file suit in court if your claim for refund is disallowed.

To file an informal claim for refund, check box I for “Informal claim” on Schedule X, Part II, line 1 and mail the claim to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

## Financially Disabled Taxpayers

The statute of limitations for filing claims for refunds is suspended during periods when a taxpayer is “financially disabled.” You are considered “financially disabled” when you are unable to manage your financial affairs due to a medically determinable physical or mental impairment that is deemed to be either a terminal impairment or is expected to last for a continuous period of not less than 12 months. You **are not** considered “financially disabled” during any period that your spouse/RDP or any other person is legally authorized to act on your behalf on financial matters. For more information, get form FTB 1564, Financially Disabled – Suspension of the Statute of Limitations.

## Federal Notices

If you were notified of an error on your federal income tax return that changed your AGI, you may need to amend your California income tax return for that year.

If the IRS examines and changes your federal income tax return, and you owe additional tax, report these changes to the FTB within six months. You do not need to inform the FTB if the changes do not increase your California tax liability. If the changes made by the IRS result in a refund due, you must file a claim for refund within two years. Use an amended Form 540 to make any changes to your California income tax returns previously filed.

Include a copy of the final federal determination, along with all underlying data and schedules that explain or support the federal adjustment. Note: Most penalties assessed by the IRS also apply under California law. If you are including penalties in a payment with your amended tax return, see Schedule X, line 8a instructions.

## Children With Investment Income

If your child was required to file form FTB 3800, Tax Computation for Certain Children with Unearned Income, and your taxable income has changed, review your child’s tax return to see if you need to file an amended tax return. Get form FTB 3800 for more information.

## Contacting the Franchise Tax Board

If you have not received a refund within six months of filing your amended return, **do not** file a duplicate amended return for the same year. For information on the status of your refund, you may write to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

For telephone assistance see General Phone Service on page 95.

## Filing Status

Your filing status for California must be the same as the filing status you used on your federal income tax return, unless you are in a RDP. If you are an RDP and file single for federal, you must file married/RDP filing jointly or married/RDP filing separately for California. If you entered into a same-sex marriage for taxable year 2013 and going forward, your filing status for California would generally be the same as the filing status that was used for federal. If you are a same-sex married individual or an RDP and file head of household for federal, you may file head of household for California only if you meet the requirements to be considered unmarried or considered not in a registered domestic partnership.

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**Exception for Filing a Separate Tax Return** – A married couple who filed a joint federal tax return may file separate state tax returns if either spouse was:

- An active member of the United States armed forces (or any auxiliary military branch) during the year being amended.
- A nonresident for the entire year and had no income from California sources during the year being amended.

**Changing Your Filing Status** – If you changed your filing status on your federal amended tax return, also change your filing status for California unless you meet one of the exceptions listed above.

**Married/RDP Filing Jointly to Married/RDP Filing Separately** – You cannot change from married/RDP filing jointly to married/RDP filing separately after the due date of the tax return.

**Exception:** For taxable years 2000 and after, a married couple who meets the “Exception for filing a separate tax return” shown above may change from joint to separate tax returns after the due date of the tax return.

**Filing Separate Tax Returns to Married/RDP Filing Jointly** – If you or your spouse/RDP (or both of you) filed a separate tax return, you generally can change to a joint tax return any time within four years from the original due date of the separate tax return(s). To change to a joint tax return, you and your spouse/RDP must have been legally married or an RDP on the last day of the taxable year.

To amend from separate tax returns to a joint tax return, follow the Form 540 instructions to complete only one amended tax return. Both you and your spouse/RDP must sign the amended joint tax return.

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# 2018 Instructions for Schedule CA (540)

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and the California Revenue and Taxation Code (R&TC).

## What's New

**Federal Tax Reform** – The Tax Cuts and Jobs Act (TCJA) signed into law on December 22, 2017, made changes to the Internal Revenue Code (IRC). In general, California Revenue and Taxation Code (R&TC) **does not** conform to the changes. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015, with modifications. For Schedule CA (540), California Adjustments - Residents, adjustments due to the TCJA, see the specific line instructions for the following items:

- Combat zone extended to Egypt's Sinai Peninsula
- Moving expenses and reimbursements
- Limitation on deduction of business interest
- Limitation on employer's deduction for fringe benefit expenses
- Limitation on wagering losses
- Sexual harassment settlements
- IRC Section 965 deferred foreign income
- Global intangible low-taxed income (GILTI) under IRC Section 951A
- Excess business loss
- Student loan discharged on account of death or disability
- Qualified equity grants
- Expanded use of 529 account funds
- California Achieving a Better Life Experience (ABLE) Program
- Living expenses for members of Congress
- Limitation on state and local tax deduction
- Mortgage & home equity indebtedness interest deduction
- Limitation on charitable contribution deduction
- College athletic seating rights
- Casualty or theft loss(es)
- Miscellaneous itemized deductions

**Schedule CA (540), Part II** – The Adjustments to Federal Itemized Deductions section, was revamped to reflect federal changes to the Schedule A (Form 1040), Itemized Deductions. Part II follows the three column format similar to Part I.

## General Information

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the IRC as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the R&TC in the instructions. Taxpayers should not consider the instructions as authoritative law.

### Conformity

For updates regarding federal acts, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**.

**Registered Domestic Partners (RDP)** – RDPs will compute their limitations based on the combined federal adjusted gross income (AGI) of each partner's individual tax return filed with the Internal Revenue Service (IRS).

For column A, Part I and Part II, combine each line item of your federal amounts from each partner's individual federal tax return. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

The combined federal AGI used to compute limitations is different from the recalculated federal AGI used on Form 540, California Resident Income Tax Return, line 13. In situations where RDPs have no RDP adjustments, these amounts may be the same.

**Military Personnel** – Servicemembers domiciled outside of California, and their spouses/RDPs, may exclude the servicemember's military compensation from gross income when computing the tax rate on nonmilitary income. Requirements for military servicemembers domiciled in California remain unchanged. Military servicemembers domiciled in California must include their military pay in total income. In addition, they must include their military pay as California source income when stationed in California.

However, military pay is not California source income when a servicemember is permanently stationed outside of California. Beginning 2009, the federal Military Spouses Residency Relief Act may affect the California income tax filing requirements for spouses of military personnel. For more information, get Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, and FTB Pub. 1032, Tax Information for Military Personnel.

**Single Member Limited Liability Company (SMLLC)** – If you are a single member limited liability company, that is organized or doing business in California, or registered with the California Secretary of State (SOS), you are required to file Form 568, Limited Liability Company Return of Income, pay the annual tax and LLC Fee (if applicable), in addition to filing your tax return. Get Form 568 Limited Liability Company Tax Booklet for more information.

## Purpose

Use Schedule CA (540), California Adjustments – Residents, to make adjustments to your federal adjusted gross income and to your federal itemized deductions using California law.

## Specific Line Instructions

### Part I Income Adjustment Schedule

#### Column A — Federal Amounts

##### Line 1 through Line 21

Enter on line 1 through line 21 the same amounts you entered on your federal Form 1040, U.S. Individual Income Tax Return, line 1 through 5b; and federal Schedule 1 (Form 1040), Additional Income and Adjustments to Income, line 10 through line 21.

##### Line 22 – Total

Combine the amounts on line 1 through line 21.

##### Line 23 through Line 30 and Line 32 through Line 35

Enter the same amounts entered on your federal Schedule 1 (Form 1040), line 23 through line 30 and line 32 through line 35.

##### Line 31a and Line 31b

Enter on line 31a the same amount entered on your federal Schedule 1 (Form 1040), line 31a. Enter on line 31b the social security number (SSN) or individual taxpayer identification number (ITIN) and last name of the person to whom you paid alimony.

##### Line 36

Add line 23 through line 31a and line 32 through line 35. However, if you made any of the adjustments described in the instructions for federal Schedule 1 (Form 1040), line 36 or if you claimed the foreign housing deduction from federal Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion, enter the amount from Schedule 1 (Form 1040), line 36 on this line.

##### Line 37 – Total

Subtract line 36 from line 22. This amount should match the amount entered on federal Form 1040, line 7.

## Column B and Column C — Subtractions and Additions

Use these columns to enter subtractions and additions to the federal amounts in column A that are necessary because of differences between California and federal law. Enter all amounts as positive numbers unless instructed otherwise.

You may need one or more of the following FTB publications to complete column B and column C:

- 1001, Supplemental Guidelines to California Adjustments
- 1005, Pension and Annuity Guidelines
- 1031, Guidelines for Determining Resident Status
- 1032, Tax Information for Military Personnel
- 1100, Taxation of Nonresidents and Individuals Who Change Residency

To get forms and publications, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

### Line 1 – Wages, Salaries, Tips, etc.

Generally, you will not make any adjustments on this line. If you did not receive any of the following types of income, make no entry on this line in either column B or column C.

**Active duty military pay.** Special rules apply to active duty military taxpayers. Get FTB Pub. 1032 for more information.

**Combat zone foreign earned income exclusion.** For taxable years beginning on and after January 1, 2018, California does not conform to the federal foreign earned income exclusion for amounts received by certain U.S. citizens or resident aliens with an abode in the U.S., specifically contractors or employees of contractors supporting the U.S. Armed Forces in designated combat zones. Enter the amount excluded from federal income on line 21f, column C.

**Combat zone extended to Egypt's Sinai Peninsula.** Federal law extended combat zone tax benefits to the Sinai Peninsula of Egypt. California does not conform. Enter the amount of combat pay excluded from federal income on line 1, column C. Get FTB Pub. 1032 for more information.

**Sick pay received under the Federal Insurance Contributions Act and Railroad Retirement Act.** California excludes this item from income. Enter in column B the amount of these benefits included in the amount in column A.

**Ridesharing fringe benefit differences.** Under federal law, certain qualified transportation benefits are excluded from gross income. Under the R&TC, there are no monthly limits for the exclusion of these benefits and California's definitions are more expansive. Enter the amount of ridesharing benefits received and included in federal income on line 1, column B.

**Exclusion for compensation from exercising a California Qualified Stock Option (CQSO).** To claim this exclusion:

- Your earned income is \$40,000 or less from the corporation granting the CQSO.
- The market value of the options granted to you must be less than \$100,000.
- The total number of shares must be 1,000 or less.
- The corporation issuing the stock must designate that the stock issued is a CQSO at the time the option is granted.

If you included an amount qualifying for this exclusion in federal income, enter that amount on line 1, column B.

**Employer health savings account (HSA) contribution.** Enter the amount of any employer HSA contribution from federal Form W-2, box 12, code W on line 1, column C.

**Income exclusion for In-Home Supportive Services (IHSS) supplementary payments.** If you are an IHSS provider who received IHSS supplementary payments that were included in federal wages, enter the IHSS supplementary payments on line 1, column B. IHSS providers only receive a supplementary payment if they paid a sales tax on the IHSS services they provide. The supplementary payment is equal to the sales tax paid plus any increase in the federal payroll withholding paid due to the supplementary payment.

**Native American earned income exemption.** California does not tax federally recognized tribal members living in California Indian country who earn income from any federally recognized California Indian country. Military compensation is considered income from reservation sources. Enrolled members who receive reservation sourced per capita income must reside in their affiliated tribe's Indian country to qualify for tax exempt status. Enter on line 1, column B the earnings included in federal income that are exempt for California. Attach form FTB 3504, Enrolled Tribal Member Certification, to Form 540. For more information, get form FTB 3504.

### Line 2 – Taxable Interest

If you did not receive any of the kinds of income listed below, make no entry on this line in either column B or column C.

Enter in column B the interest you received from:

- U.S. savings bonds (except for interest from series EE U.S. savings bonds issued after 1989 that qualified for the Education Savings Bond Program exclusion).
- U.S. Treasury bills, notes, and bonds.
- Any other bonds or obligations of the United States and its territories.
- Interest from Ottoman Turkish Empire Settlement Payments.
- Interest income from children under age 19 or students under age 24 included on the child's federal tax return and reported on the California tax return by the parent. For more information, get form FTB 3803, Parents' Election to Report Child's Interest and Dividends.

Certain mutual funds pay "exempt-interest dividends." If the mutual fund has at least 50% of its assets invested in tax-exempt U.S. obligations and/or in California or its municipal obligations, that amount of dividend is exempt from California tax. The proportion of dividends that are tax-exempt will be shown on your annual statement or statement issued with Form 1099-DIV, Dividends and Distributions.

Enter in column C the interest you identified as tax-exempt interest on your federal Form 1040, line 2a, **and** which you received from:

- The federally exempt interest dividends from other states, or their municipal obligations and/or from mutual funds that do not meet the 50% rule above.
- Non-California state bonds.
- Non-California municipal bonds issued by a county, city, town, or other local government unit.
- Obligations of the District of Columbia issued after December 27, 1973.
- Non-California bonds if the interest was passed through to you from S corporations, trusts, partnerships, or Limited Liability Companies (LLCs).
- Interest or other earnings earned from a Health Savings Account (HSA) are not treated as taxed deferred. Interest or earnings in a HSA are taxable in the year earned.
- Interest on any bond or other obligation issued by the Government of American Samoa.
- Interest income from children under age 19 or students under age 24 included on the parent's federal tax return and reported on the California tax return by the child.

Make no entries in either column B or column C for interest you earned on Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds, and Federal Home Loan Mortgage Corporations (FHLMC) securities, or grants paid to low income individuals.

Get FTB Pub. 1001 if you received interest income from the items listed above passed through to you from S corporations, trusts, estates, partnerships, or LLCs.

### Line 3 – Ordinary Dividends

Generally, no difference exists between the amount of dividends reported in column A and the amount reported using California law. However, California taxes dividends derived from other states and their municipal obligations.

Add dividends received from the following and enter in column B:

- Dividend income from children under age 19 or students under age 24 included on the parent's or child's federal tax return and reported on the California tax return by the opposite taxpayer. For more information, get form FTB 3803.

Add dividends received from the following and enter in column C:

- Controlled foreign corporation (CFC) dividends in the year distributed.
- Regulated investment company (RIC) capital gains in the year distributed.
- Distributions of pre-1987 earnings from an S corporation.
- Dividend income from children under age 19 or students under age 24 excluded on the parent's or child's federal tax return and reported on the California tax return by the opposite taxpayer. For more information, get form FTB 3803.

Get FTB Pub. 1001 if you received dividends from:

- Non-cash patronage dividends from farmers' cooperatives or mutual associations.
- A CFC.
- Distributions of pre-1987 earnings from S corporations.
- Undistributed capital gains for RIC shareholders.

#### Line 4 – IRAs, Pensions, and Annuities

##### IRA Distributions

Generally, no adjustments are made on this line. However, there may be significant differences in the taxable amount of a distribution (including a distribution from conversion of a traditional IRA to a Roth IRA), depending on when you made your contributions to the IRA. Differences also occur if your California IRA deductions were different from your federal deductions because of differences between California and federal self-employment income.

If the taxable amount using California law is:

- Less than the amount taxable under federal law, enter the difference in column B.
- More than the amount taxable under federal law, enter the difference in column C.

Get FTB Pub. 1005 for more information and worksheets for figuring the adjustment to enter on line 4, if any.

If you have an IRA basis and were a nonresident in prior years, you may need to restate your California IRA basis. Get FTB Pub. 1100 for more information.

**Coverdell Education Savings Account (ESA) formerly known as Education (ED) IRA** – If column A includes a taxable distribution from an ED IRA, you may owe additional tax on that amount. Get form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.

##### Pensions and Annuities

Generally, no adjustments are made on this line. However, if you received Tier 2 railroad retirement benefits or partially taxable distributions from a pension plan, you may need to make the following adjustments.

If you received a federal Form RRB-1099-R, Annuities or Pensions by the Railroad Retirement Board, for railroad retirement benefits and included all or part of these benefits in taxable income in column A, enter the taxable benefit amount in column B.

If you began receiving a retirement annuity between July 1, 1986, and January 1, 1987, and elected to use the three-year rule for California purposes and the annuity rules for federal purposes, enter in column C the amount of the annuity payments you excluded for federal purposes.

You may have to pay an additional tax if you received a taxable distribution from a qualified retirement plan before reaching age 59½ and the distribution was not rolled over into another qualified plan. Get form FTB 3805P for more information.

##### Line 5 – Social Security Benefits

California excludes U.S. social security benefits or equivalent Tier 1 railroad retirement benefits from taxable income. Enter in column B the amount of taxable U.S. social security benefits or equivalent Tier 1 railroad retirement benefits shown in column A, line 5(b).

##### Line 10 – Taxable Refunds, Credits, or Offsets of State and Local Income Taxes

California does not tax the state income tax refund. Enter in column B the amount of state tax refund entered in column A.

##### Line 11 – Alimony Received

If you are a nonresident alien and received alimony not included in your federal income, enter the alimony on this line in column C. Otherwise, make no entry on this line.

##### Line 12 – Business Income or (Loss)

Adjustments to federal business income or loss you reported in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis used to figure California depreciation may be different from the amount used for federal purposes.

Adjustments are figured on form FTB 3885A, Depreciation and Amortization Adjustments, and are most commonly necessary because of the following:

- **Before January 1, 1987**, California did not allow depreciation under the federal accelerated cost recovery system. Continue to figure California depreciation for those assets in the same manner as prior years.
- **On or after January 1, 1987**, California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. Refer to the bulleted list below.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 12 if you have:

- One or more passive activities that produce a loss.
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule C (Form 1040), Profit or Loss From Business.

Use form FTB 3885A to figure the total adjustment for line 12 if you have:

- Only nonpassive activities which produce either gains or losses (or combination of gains and losses).
- Passive activities that produce gains.

**Limitation on deduction of business interest.** Under federal law, every business, regardless of its form, is generally subject to a disallowance of a deduction for net interest expense in excess of 30% of the business's adjustable taxable income. California does not conform. Figure the difference between the amounts allowed using federal law and California law. Enter the difference on line 12, column B.

**Limitation on employer's deduction for fringe benefit expenses.** Under federal law, deductions for entertainment expenses are disallowed; the current 50% limit on the deductibility of business meals is expanded to meals provided through an in-house cafeteria or otherwise on the premises of the employer; deductions for employee transportation fringe benefits (e.g., parking and mass transit) are denied; and no deduction is allowed for transportation expenses that are the equivalent of commuting for employees (e.g., between the employee's home and the workplace), except as provided for the safety of the employee. California does not conform. Figure the difference between the amounts allowed using federal law and California law. Enter the difference on line 12, column B or column C.

**Limitation on wagering losses.** Under federal law, all deductions for expenses incurred in carrying out wagering transactions, and not just gambling losses, are limited to the extent of gambling winnings. California does not conform. Figure the difference between the amounts allowed using federal law and California law. Enter the difference on line 12, column B.

**Sexual harassment settlements.** Under federal law, no deduction is allowed for any settlement, payout, or attorney fees related to sexual harassment or sexual abuse if such payments are subject to a nondisclosure agreement. California does not conform. Enter the amount received and included in federal income on line 12, column B.

**Penalty Assessed by Professional Sports League.** For taxable years beginning on or after January 1, 2014, California does not allow a business expense deduction for any fine or penalty paid or incurred by an owner of a professional sports franchise assessed or imposed by the professional sports league that includes that franchise. If the fine or penalty was deducted for federal purposes, enter this amount on line 12, column C.

**Cancellation of Debt Income (CODI).** California **did not** conform to the federal election under IRC Section 108(i) to defer the recognition of CODI in connection with the reacquisition of an applicable debt instrument after December 31, 2008, and before January 1, 2011. The deferral period is five taxable years for CODI generated in 2009, or four taxable years for CODI generated in 2010.

For federal tax purposes, at the end of the deferral period the income is reported ratably over the next five years (taxable years beginning on or after January 1, 2014 and before January 1, 2019). If for California purposes, the CODI had been included in income during previous taxable years and you recognized the CODI for federal tax purposes in the current year, enter the federal CODI amount on line 12, column B.



Get FTB Pub. 1001 for more information about:

**Income related to:**

- Business, trade, or profession carried on within California that is an integral part of a unitary business carried on both within and outside California.
- Pro-rata share of income received from a CFC by a U.S. shareholder.

**Basis adjustments related to:**

- Property acquired prior to becoming a California resident.
- Sales or use tax credit for property used in a former Enterprise Zone (EZ), Local Agency Military Base Recovery Area (LAMBRA), or Targeted Tax Area (TTA).
- Reduced recovery periods for fruit-bearing grapevines replaced in a California vineyard on or after January 1, 1992, as a result of phylloxera infestation; or on or after January 1, 1997, as a result of Pierce's disease.
- Expenditures for tertiary injectants.
- Property placed in service on an Indian reservation after December 31, 2017, and before January 1, 2021.
- Amortization of pollution control facilities.
- Discharge of real property business indebtedness.
- Vehicles used in an employer-sponsored ridesharing program.
- An enhanced oil recovery system.
- Joint Strike Fighter property costs.
- The cost of making a business accessible to disabled individuals.
- Property for which you received an energy conservation subsidy from a public utility on or after January 1, 1995, and before January 1, 1997.
- Research and experimental expenditures.
- Reduction of capitalized costs attributable to the Work Opportunity Credit.

**Business deductions related to:**

- Wages paid in a former EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA.
- Certain employer costs for employees who are also enrolled members of Indian tribes.
- Abandonment or tax recoupment fees for open-space easements and timberland preserves.
- Research expense.
- Employer wage expense for the Work Opportunity Credit.
- Pro-rata share of deductions received from a CFC by a U.S. shareholder.
- Interest paid on indebtedness in connection with company-owned life insurance policies.
- Premiums paid on life insurance policies, annuities, or endowment contracts issued after June 8, 1997, where the owner of the business is directly or indirectly a policy beneficiary.
- Commercial Revitalization Deductions for Renewal Communities.
- Small Employer Health Insurance Credit

**Line 13 – Capital Gain or (Loss)**

Generally, no adjustments are made on this line. California taxes long and short term capital gains as regular income. No special rate for long term capital gains exists. However, the California basis of the assets listed below may be different from the federal basis due to differences between California and federal laws. If there are differences, use Schedule D (540), California Capital Gain or Loss Adjustment, to calculate the amount to enter on line 13.

- Gain on sale of qualified small business stock under IRC Section 1045 and IRC Section 1202.
- Basis amounts resulting from differences between California and federal law in prior years.
- Gain or loss on stock and bond transactions.
- Installment sale gain reported on form FTB 3805E, Installment Sale Income.
- Gain on the sale of personal residence where depreciation was allowable.
- Pass-through gain or loss from partnerships, fiduciaries, S corporations, or LLCs.
- Capital loss carryover from your 2017 California Schedule D (540).
- Capital gain from children under age 19 or students under age 24 included on the parent's or child's federal tax return and reported on the California tax return by the opposite taxpayer. For more information, get form FTB 3803.

Get FTB Pub. 1001 for more information about:

- Disposition of S corporation stock acquired before 1987.
- Capital gain exclusion for sale of principal residence by a surviving spouse.
- Gain on sale or disposition of qualified assisted housing development to low-income residents or to specified entities maintaining housing for

low-income residents.

- Undistributed capital gain for RIC shareholders.
- Gain or loss on the sale of property inherited before January 1, 1987.
- Capital loss carrybacks.

**Line 14 – Other Gains or (Losses)**

Generally, no adjustments are made on this line. However, the California basis of your other assets may differ from your federal basis due to differences between California and federal law. Therefore, you may have to adjust the amount of other gains or losses. Get Schedule D-1, Sales of Business Property.

**Line 17 – Rental Real Estate, Royalties, Partnerships, S Corporations, Trusts, etc.**

Adjustments to federal income or loss you reported in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis used to figure California depreciation may be different from the recovery period or amount used for federal. For more information, see the instructions for column B and column C, line 12.

California law does not conform to federal law for material participation in rental real estate activities. Beginning in 1994, and for federal purposes only, rental real estate activities conducted by persons in real property business are not automatically treated as passive activities. Get form FTB 3801 for more information.

Use form FTB 3801 to figure the total adjustment for line 17 if you have:

- One or more passive activities that produce a loss.
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule E (Form 1040), Supplemental Income and Loss.

Use form FTB 3885A to figure the total adjustment for line 17 if you have:

- Only nonpassive activities which produce either gains or losses (or combination of gains and losses).
- Passive activities that produce gains.

LLCs that are classified as partnerships for California purposes and limited liability partnerships (LLPs) are subject to the same rules as other partnerships. LLCs report distributive items to members on Schedule K-1 (568), Member's Share of Income, Deductions, Credits, etc. LLPs report to partners on Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc.

Get FTB Pub. 1001 for more information about accumulation distributions to beneficiaries for which the trust was not required to pay California tax because the beneficiary's interest was contingent.

**Line 18 – Farm Income or (Loss)**

Adjustments to federal income or loss you report in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, NOLs, and accelerated write-offs. As a result, the recovery period or basis you use to figure California depreciation may be different from the amount used for federal purposes, and you may need to make an adjustment to your farm income or loss. For more information, see the instructions for column B and column C, line 12.

Use form FTB 3801 to figure the total adjustment for line 18 if you have:

- One or more passive activities that produce a loss.
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule F (Form 1040), Profit or Loss From Farming.

Use form FTB 3885A to figure the total adjustment for line 18 if you have:

- Only nonpassive activities which produce either gains or losses (or combination of gains and losses).
- Passive activities that produce gains.

**Line 19 – Unemployment Compensation**

California excludes unemployment compensation from taxable income. Enter on line 19, column B the amount of unemployment compensation shown in column A.

**Paid Family Leave Insurance (PFL) benefits, also known as Family Temporary Disability Insurance.**

Payments received from the PFL Program are reported on Form 1099-G, Certain Government Payments. Enter on line 19, column B the amount of PFL payments shown in column A. For more information, get FTB Pub. 1001.



## Line 21 – Other Income

**a. California Lottery Winnings.** California excludes California lottery winnings from taxable income. Enter in column B the amount of California lottery winnings included in the federal amount on line 21, column A.

Make no adjustment for lottery winnings from other states. They are taxable by California. If you reduced gambling income for California lottery income, you may need to reduce the losses included in the federal itemized deductions on Part II, line 16, column A. Enter these losses on Part II, line 16, column B.

**b. Disaster Loss Deduction.** If you have a California disaster loss carryover deduction and there is income in the current taxable year, enter the total amount from your 2017 form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts, Part III, line 6, as a positive number in column B.

**NOL Attributable to a Qualified Disaster** – If you deduct a 2018 disaster loss in the 2018 taxable year and have remaining disaster loss that results in an NOL, the NOL must be carried back or elected to be carried forward. Get FTB 3805V for more information.

**c. Federal NOL from federal Schedule 1 (Form 1040), line 21.** If the amount on line 21 in column A includes a federal NOL, enter the amount of the federal NOL as a positive number in column C. Get form FTB 3805V, to figure the allowable California NOL.

**d. NOL Carryover from Form FTB 3805V, Part III, line 5.** The allowable NOL carryover under California law is different from the allowable NOL carryover under federal law. If you have a California NOL carryover from your 2017 form FTB 3805V, enter it as a positive number in column B.

**e. NOL from Forms FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809.** Enter in column B the total NOL figured on the following forms.

- FTB 3805Z, Enterprise Zone Deduction and Credit Summary, line 3b
- FTB 3806, Los Angeles Revitalization Zone Net Operating Loss (NOL) Carryover Deduction, line 2b
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary, line 3b
- FTB 3809, Targeted Tax Area Deduction and Credit Summary, line 3b

**f. Other (describe).**

Identify the type of income reported in the space provided. If there is more than one item to report on line 21f, attach a statement that lists each item and enter the total of all individual items in column B or column C as instructed below.

**IRC Section 965 deferred foreign income.** If you included IRC 965 deferred foreign income on your federal Schedule 1 (Form 1040), enter the amount on line 21f, column B and write “IRC 965” on line 21f and at the top of Form 540.

**Global intangible low-taxed income (GILTI) under IRC Section 951A.** If you included GILTI on your federal Schedule 1 (Form 1040), enter the amount on line 21f, column B and write “IRC 951A” on line 21f.

**Excess business loss.** California does not conform to federal law regarding the disallowance of excess business loss. If you reported an excess business loss on line 21f, column A, make an adjustment on line 21f, column B.

**Student loans discharged on account of death or disability.** California does not conform to federal law regarding the exclusion from gross income of certain discharges of student loans due to death or total and permanent disability of the student. If the amount was excluded from federal income, make an adjustment on line 21f, column C.

**Qualified equity grants.** California does not conform to federal law regarding the election to defer the recognition of income attributable to qualified stock. If you elected to defer income for federal purposes, make an adjustment on line 21f, column C.

**Expanded use of 529 account funds.** California does not conform to federal law regarding the IRC Section 529 account funding for elementary and secondary education or to the maximum distribution amount. If the amount was excluded for federal purposes, make an adjustment on line 21f, column C.

**California Achieving a Better Life Experience (ABLE) Program.** California does not conform to federal law regarding the IRC Sections 529A and 529 to increase contribution limitation made by the designated beneficiary to ABLE accounts and to allow the rollover of 529 accounts to an ABLE account without penalty. If the amount was excluded for federal purposes, make an adjustment on line 21f, column C.

**Olympic Medals and Prize Money.** If you excluded the value of any award, medal, or prize money on your federal Schedule 1 (Form 1040), enter the excluded amount on line 21f, column C. For more information, get FTB Pub. 1001.

**Native American Earned Income Exemption.** California does not tax federally recognized tribal members living in California Indian country who earn income from any federally recognized California Indian country. Military compensation is considered income from reservation sources. Enrolled members who receive reservation sourced per capita income must reside in their affiliated tribe’s Indian country to qualify for tax exempt status. For more information, see form FTB 3504. Enter in column B the income included in federal income that is exempt for California and write “FTB 3504” on line 21f. Attach form FTB 3504 to Form 540.

**Parents’ Election to Report Child’s Interest and Dividends.** California conforms to federal law for elections made by parents reporting their child’s interest and dividends. Parents may elect to report their child’s income on their California income tax return by completing form FTB 3803. If you make this election, the child will not have to file a tax return. You may report your child’s income on your California income tax return even if you do not do so on your federal income tax return.

If the amount of your child’s income you are reporting on your California income tax return is different than the amount you reported on your federal income tax return, enter the difference on line 21f, column B or column C and write “FTB 3803” on line 21f. Get form FTB 3803 for more information.

**Reward from a crime hotline.** Enter in column B the amount of a reward authorized by a government agency received from a crime hotline established by a government agency or nonprofit organization that is included in the amount on line 21, column A.

You may not make this adjustment if you are an employee of the hotline or someone who sponsors rewards for the hotline.

**Federal foreign earned income or housing exclusion.** Enter in column C the amount deducted from federal income on federal Schedule 1 (Form 1040), line 21.

**Combat zone foreign earned income exclusion.** Enter the amount excluded from federal income on line 21f, column C.

**Beverage container recycling income.** Enter in column B the amount of recycling income included in the amount on line 21, column A.

**Rebates or vouchers from a local water agency, energy agency, or energy supplier.** California law allows an income exclusion for rebates or vouchers from a local water agency, energy agency, or energy supplier for the purchase and installation of water conservation appliances and devices. Enter in column B the amount of this type of income included in the amount on line 21, column A.

**Financial Incentive for Turf Removal.** California law allows an income exclusion for rebates, vouchers or other financial incentive issued by a local water agency or supplier in a turf removal water conservation program. Enter in column B the amount of this type of income included in the amount on line 21, column A.

**Financial Incentive for Seismic Improvement.** For taxable years beginning on or after July 1, 2015, California law allows an income exclusion for loan forgiveness, grant, credit, rebate, voucher, or other financial incentive issued by the California Residential Mitigation Program or California Earthquake Authority to assist a residential property owner or occupant with expenses paid, or obligation incurred for earthquake loss mitigation. Enter in column B the amount of this type of income included in the amount on line 21, column A.

**Original issue discount (OID) for debt instruments issued in 1985 and 1986.** In the year of sale or other disposition, you must recognize the difference between the amount reported on your federal tax return and the amount reported for California purposes. **Issuers:** Enter the difference between the federal deductible amount and the California deductible amount on line 21f in column B. **Holders:** Enter the difference between the amount included in federal gross income and the amount included for California purposes on line 21f, column C.

**Foreign income of nonresident aliens.** Adjust federal income to reflect worldwide income computed under California law. Enter losses from foreign sources in column B. Enter foreign source income in column C.

**Cost-share payments received by forest landowners.** Enter in column B the cost-share payments received from the Department of Forestry and Fire Protection under the California Forest Improvement Act of 1978 or from the United States Department of Agriculture, Forest Service, under the Forest Stewardship Program and the Stewardship Incentives Program, pursuant to the Cooperative Forestry Assistance Act.

**Foreign income.** If you excluded income exempted by U.S. tax treaties on your federal Schedule 1 (Form 1040) (unless specifically exempt for state purposes), enter the excluded amount in column C. If you claimed foreign earned income or housing cost exclusion on your federal Schedule 1 (Form 1040) (under IRC Section 911), see the instructions for line 21.

**Coverdell ESA distributions.** If you received a distribution from a Coverdell ESA, report the difference between the federal taxable amount and the California taxable amount in column B or column C.

**Grants paid to low-income individuals.** California excludes grants paid to low-income individuals to construct or retrofit buildings to make them more energy efficient. Federal has no similar exclusion. Enter on line 21f, column B the amount of this type of income.

**Health savings account (HSA) distributions for unqualified medical expense.** Distributions from an HSA not used for qualified medical expenses, and included in federal income, are not taxable for California purposes. Enter the distribution not used for qualified medical expenses on line 21f, column B.

**California National Guard Surviving Spouse & Children Relief Act of 2004.** Death benefits received from the State of California by a surviving spouse/RDP or member-designated beneficiary of certain military personnel killed in the performance of duty is excluded from gross income. Military personnel include the California National Guard, State Military Reserve, or the Naval Militia. If you reported a death benefit on line 21, column A, enter the death benefit amount in column B.

**Ottoman Turkish Empire settlement payments.** If you received settlement payments as a person persecuted by the regime that was in control of the Ottoman Turkish Empire from 1915 until 1923 your gross income does not include those excludable settlement payments, or interest, received by you, your heirs, or your estate for payments received on or after January 1, 2005. If you reported settlement payments on line 21, column A, enter the amount of settlement payments in column B.

**Mortgage forgiveness debt relief.** California law does not conform to federal law regarding the exclusion of income from discharge of indebtedness from the disposition of your principal residence occurring after December 31, 2017. Enter the amount of discharge on line 21f, column C.

**Line 22 – Total**

Add line 1 through line 21f in column B and column C. Enter the totals on line 22.

**Line 23 through Line 31a and Line 32 through Line 35** – California law is the same as federal law with the exception of the following:

- Line 23 (Educator Expenses) – California does not conform to federal law regarding educator expenses. Enter the amount from column A, line 23 to column B, line 23.
- Line 24 (Certain Business Expense of Reservists, Performing Artists, and Fee Basis Government Officials) – If claiming a depreciation deduction as an unreimbursed employee business expense on federal Form 2106, Employee Business Expenses, you may have an adjustment in column B or column C. For more information, get FTB Pub. 1001.

Federal law eliminated the \$3,000 deduction for living expenses for members of Congress while away from home. California does not conform. Enter the amount of living expenses on line 24, column C.

- Line 25 (Health Savings Account (HSA) Deduction) – Federal law allows a deduction for contributions to an HSA account. California does not conform. Transfer the amount from column A, line 25, to column B, line 25.
- Line 26 (Moving Expenses) – California does not conform to federal law regarding the suspension of the deduction for moving expenses, except for members of the Armed Forces on active duty. Non-military taxpayers prepare federal Form 3903, Moving Expenses, using California amounts. If you have excess moving expense reimbursements, enter the amount of moving expenses from line 3 of federal Form 3903 on Schedule CA (540), line 26, column C. If your reimbursements are less than your moving expenses, enter the amount of moving expenses from line 5 of federal Form 3903 on Schedule CA (540), line 26, column C.

- Line 31a (Alimony Paid) – Enter the SSN or ITIN and last name of the person to whom you paid alimony on line 31(b). If you are a nonresident alien and did not deduct alimony on your federal tax return, enter the amount you paid in column C.
- Line 33 (Student Loan Interest Deduction) – California conforms to federal law regarding student loan interest deduction except for a spouse/RDP of a non-California domiciled military taxpayer residing in a community property state. Use the Student Loan Interest Deduction Worksheet to compute the amount to enter on line 33. For more information, get FTB Pub. 1032.

**Student Loan Interest Deduction Worksheet**

<b>1</b>	Enter the total amount from Schedule CA (540), line 33, column A. If the amount on line 1 is zero, STOP. You are not allowed a deduction for California . . . . .	<b>1</b> _____
<b>2</b>	Enter the total interest you paid in 2018 on qualified student loans but not more than \$2,500 here . . . . .	<b>2</b> _____
<b>3</b>	Add federal Schedule 1 (Form 1040), line 33 (student loan interest deduction) to federal Form 1040, line 7 (AGI). Enter the result here . . . . .	<b>3</b> _____
<b>4</b>	Enter the total military income included in federal adjusted gross income (get FTB Pub. 1032) . . . . .	<b>4</b> _____
<b>5</b>	Subtract line 4 from line 3. . . . .	<b>5</b> _____
<b>6</b>	Enter the amount shown below for your filing status. <ul style="list-style-type: none"> <li>• Single, head of household, or qualifying widow(er) – \$60,000</li> <li>• Married/RDP filing jointly – \$120,000</li> </ul>	<b>6</b> _____
<b>7</b>	Is the amount on line 5 more than the amount on line 6? <input type="checkbox"/> <b>No.</b> Skip lines 7 and 8, enter -0- on line 9, and go to line 10. <input type="checkbox"/> <b>Yes.</b> Subtract line 6 from line 5 . . . . .	<b>7</b> _____
<b>8</b>	Divide line 7 by \$15,000 (\$30,000 if married/RDP filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000 . . . . .	<b>8</b> _____
<b>9</b>	Multiply line 2 by line 8 . . . . .	<b>9</b> _____
<b>10</b>	<b>Student loan interest deduction.</b> Subtract line 9 from line 2. . . . .	<b>10</b> _____
<b>11</b>	<b>Student loan interest adjustment.</b> If line 1 is less than line 10, enter the difference here and on Schedule CA (540), line 33, column C. . . . .	<b>11</b> _____

- Line 34 (Tuition and Fees) – California does not conform to federal law regarding the tuition and fees deduction. Enter the amount from column A, line 34 on column B, line 34.

**Line 36** – Add line 23 through line 31a and line 32 through line 35 in column B and column C.

If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 36. Enter the amount and “Form 2555” or “Form 2555-EZ” on the dotted line next to line 36.

**Line 37 – Total**

Subtract line 36 from line 22 in column B and column C.

Also, transfer the amount from:

- Line 37, column B to Form 540, line 14

If column B is a negative number, transfer the amount as a positive number to Form 540, line 16.

- Line 37, column C to Form 540, line 16

If column C is a negative number, transfer the amount as a positive number to Form 540, line 14.

## Part II Adjustments to Federal Itemized Deductions

**Important:** If you did not itemize deductions on your federal tax return but will itemize deductions on your California tax return, first complete federal Schedule A (Form 1040). Then check the box at the top of Schedule CA (540), Part II and complete lines 1 through 30. Attach a copy of federal Schedule A (Form 1040) to your Form 540.

### Column A – Federal Amounts

#### Line 1 through Line 16

Enter on line 1 through line 16 the same amounts you entered on your federal Schedule A (Form 1040), Itemized Deductions.

### Column B and Column C — Subtractions and Additions

Use these columns to enter subtractions and additions to the federal amounts in column A that are necessary because of differences between California and federal law. Enter all amounts as positive numbers unless instructed otherwise.

**Line 4 – Health Savings Account (HSA) Distributions** – If you received a tax-free HSA distribution for qualified medical expenses, enter the qualified expenses paid that exceed 7.5% of federal AGI on line 4, column C.

#### Line 5a – State and Local Taxes

California does not allow a deduction for state and local income tax (including limited partnership tax and income or franchise tax paid by corporations) and State Disability Insurance (SDI) or state and local general sales tax. Enter that amount on line 5a, column B.

**Line 5e** – The federal deduction for state and local tax is limited to \$10,000 (\$5,000 for married filing separate) for the aggregate of state and local income taxes and property taxes. California does not conform. If your deduction was limited under federal law, enter an adjustment on line 5e, column C for the amount over the federal limit.

#### Line 6 – Other Taxes

California does not allow a deduction for foreign income taxes. Enter that amount on line 6, column B.

Federal law suspended the deduction for foreign property taxes. California does not conform. Enter the amount on line 6, column C.

**Generation Skipping Transfer Tax** – Tax paid on generation skipping transfers is not deductible under California law. Enter the amount of generation skipping tax included in line 6, column A on line 6, column B.

#### Line 8 – Home Mortgage Interest

Federal law limited the mortgage interest deduction acquisition debt maximum from \$1,000,000 (\$500,000 for married filing separately) to \$750,000 (\$375,000 for married filing separately). California does not conform. If your deduction was limited under federal law, enter an adjustment on line 8, column C for the amount over the federal limit.

Federal law suspended the deduction on up to \$100,000 (\$50,000 for married filing separately) for interest on home equity indebtedness, unless the loan is used to buy, build, or substantially improve the taxpayer's home that secures the loan. California does not conform. If your deduction was limited under the federal law, enter an adjustment on line 8, column C for the amount over the federal limit.

**Mortgage Interest Credit** – If you reduced your federal mortgage interest deduction by the amount of your mortgage interest credit (from federal Form 8396, Mortgage Interest Credit), increase your California itemized deductions by the same amount. Enter the amount of your federal mortgage interest credit on line 8, column C.

#### Line 8d – Mortgage Insurance Premiums

California does not allow a deduction for mortgage insurance premiums. Enter the amount from column A, line 8d on column B, line 8d.

#### Line 9 – Investment Interest Expense

Your California deduction for investment interest expense may be different from your federal deduction. Use form FTB 3526, Investment Interest Expense Deduction, to figure the amount to enter on line 9, column B or column C.

#### Line 11 – Gifts by cash or check

**Qualified Charitable Contributions** – Your California deduction may be different from your federal deduction. California limits the amount of your deduction to 50% of your federal adjusted gross income. Figure the difference between the amount allowed using federal law and the amount allowed using California law. Enter the difference on line 11, column B.

**College Athletic Seating Rights** – Federal law no longer allows a charitable deduction for amounts paid to an institution of higher education in exchange for college athletic seating rights. California does not conform. Enter the amount on line 11, column C.

**College Access Tax Credit** – If you deducted a charitable contribution amount for the College Access Tax Credit Fund on your federal Schedule A (Form 1040) and are claiming the College Access Tax Credit on your Form 540, enter the amount used to calculate the College Access Tax Credit on line 11, column B.

#### Line 12 - Other than by cash or check

**Qualified Charitable Contributions** – Your California deduction may be different from your federal deduction. California limits the amount of your deduction to 50% of your federal adjusted gross income. Figure the difference between the amount allowed using federal law and the amount allowed using California law. Enter the difference on line 12, column B.

#### Line 13 – Carryover from prior year

**Charitable Contribution Carryover Deduction** - If deducting a prior year charitable contribution carryover, and the California carryover is larger than the federal carryover, enter the additional amount on line 13, column C.

**Carryover Deduction of Appreciated Stock Contributed to a Private Foundation prior to January 1, 2002** – If deducting a charitable contribution carryover of appreciated stock donated to a private operating foundation prior to January 1, 2002, and the fair market value allowed for federal purposes is larger than the basis allowed for California purposes, enter the difference on line 13, column B.

#### Line 15 – Casualty or Theft Loss(es)

Under federal law, the personal casualty and theft loss deduction is suspended, with exception for personal casualty gains. Federal allows a deduction for personal casualty and theft loss incurred in a federally declared disaster. California does not conform.

California allows personal casualty and theft loss and disaster loss deductions. If you have personal casualty and theft loss and/or disaster loss, complete another federal Form 4684, Casualties and Thefts, using California amounts. Enter the difference between the federal and California amount in column B or column C.

#### Line 16 - Other Itemized Deductions

**Unreimbursed Impairment-Related Work Expenses** - If you completed federal Form 2106, prepare a second set of forms reflecting your employee business expense using California amounts (i.e., following California law). Include your entertainment expenses, if any, on line 5 of federal Form 2106 for California purposes.

Generally, California law conforms with federal law and no adjustment is needed. However, differences occur when:

- Assets (requiring depreciation) were placed in service before January 1, 1987. Figure the depreciation based on California law.
- Federal employees who were on temporary duty status. California does not conform to the federal provision that expanded temporary duties to include prosecution duties, in addition to investigative duties. Therefore, travel expenses paid or incurred in connection with temporary duty status (exceeding one year), involving the prosecution (or support of the prosecution) of a federal crime, should not be included in the California amount.

Compare federal Form 2106, line 10 and the form completed using California amounts. Enter the difference between the federal and California amount in column B or column C.

**Gambling Losses** – California lottery losses are not deductible for California. Enter the amount of California lottery losses included in line 16, column A on line 16, column B.

**Federal Estate Tax** – Federal estate tax paid on income in respect of a decedent is not deductible for California. Enter the amount of federal estate tax included in line 16, column A on line 16, column B.

**Claim of Right** – If you had to repay an amount that you included in your income in an earlier year, because at the time you thought you had an unrestricted right to it, you may be able to deduct the amount repaid from your income for the year in which you repaid it. Or, if the amount you repaid is more than \$3,000, you may take a credit against your tax for the year in which you repaid it, whichever results in the least tax.



If the amount repaid was not taxed by California, no deduction or credit is allowed.

If you claimed a credit for the repayment on your federal tax return and are deducting the repayment for California, enter the allowable deduction on line 16, column C.

If you deducted the repayment on your federal tax return and are taking a credit for California, enter the amount of the federal deduction on line 16, column B. To help you determine whether to take a credit or deduction, see the Repayment section of federal Publication 525, Taxable and Nontaxable Income. Remember to use the California tax rate in your computations. If you choose to take the credit instead of the deduction for California, add the credit amount on line 76, the total payment line, of the Form 540. To the left of the total, write "IRC 1341" and the amount of the credit.

**Line 19 through Line 22 - Job Expenses and Certain Miscellaneous Deductions**

Under federal law, the deduction for miscellaneous itemized deductions subject to the 2% floor is suspended. California does not conform.

**Line 19 - Unreimbursed Employee Expenses**

Prepare federal Form 2016 reflecting your employee business expense using California amounts (i.e., following California law). Include your entertainment expenses, if any, on line 5 of federal Form 2106 for California purposes.

Enter the amount from line 10 of federal Form 2106 on line 19.

**Line 20 - Tax Preparation Fees**

Enter the fees you paid for preparation of your tax return, including fees paid for filing your return electronically. If you paid your tax by credit or debit card, include the convenience fee you were charged on line 21 instead of this line.

**Line 21 - Other Expenses**

Enter the total amount you paid to produce or collect taxable income and manage or protect property held for earning income.

List the type of each expense next to line 21 and enter the total of these expenses on line 21. If you are filing a paper return and you can't fit all your expenses on the dotted lines next to line 21, attach a statement showing the type and amount of each expense.

Examples of expenses to include on line 21 are:

- Certain legal and accounting fees.
- Custodial fees (for example, trust account).
- Casualty and theft losses of property used in performing services as an employee from Form 4684, line 32 and 38b, or Form 4797, line 18a.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.

**Claim of Right** - If you had to repay an amount that you included in your income in an earlier year, because at the time you thought you had an unrestricted right to it, you may be able to deduct the amount repaid from your income for the year in which you repaid it. If the amount you repaid is less than \$3,000, the deduction is subject to the 2% AGI limit for California purposes. If you are deducting the repayment for California, enter the allowable deduction on line 21.

If the amount repaid was not taxed by California, no deduction is allowed.

**Line 27 - Other Adjustments**

**Adoption-Related Expenses** - If you deducted adoption-related expenses on your federal Schedule A (Form 1040) and are claiming the adoption cost credit for the same amounts on your Form 540, enter the amount of the adoption cost credit claimed as a negative number on line 27.

**Nontaxable Income Expenses** - If, on federal Schedule A (Form 1040), you claim expenses related to producing income taxed under federal law but not taxed by California, enter the amount as a negative number on line 27.

You may claim expenses related to producing income taxed by California law but not taxed under federal law by entering the amount as a positive number on line 27.

**State Legislator's Travel Expenses** - Under California law, deductible travel expenses for state legislators include only those incurred while away from their place of residence overnight. Figure the difference between the amount allowed using federal law and the amount allowed using California law. Enter the difference as a negative number on line 27.

**Interest on Loans from Utility Companies** - Taxpayers are allowed a tax deduction for interest paid or incurred on a public utility company financed loan that is used to purchase and install energy efficient equipment or products, including zone-heating products for a qualified residence located in California. Federal law has no equivalent deduction. Enter the amount as a positive number on line 27.

**Line 29 - California Itemized Deductions**

Is the amount on Form 540, line 13 more than the amount shown below for your filing status?

Single or married/RDP filing separately .....	\$194,504
Head of household .....	\$291,760
Married/RDP filing jointly or qualifying widow(er) .....	\$389,013

**NO** Transfer the amount from line 28 to line 29. Do not complete the Itemized Deductions Worksheet.

**YES** Complete the Itemized Deductions Worksheet below.

**Note:**

- If married or an RDP and filing a separate tax return, you and your spouse/RDP must either both itemize your deductions (even if the itemized deductions of one spouse/RDP are less than the standard deduction) or both take the standard deduction.
- Also, if someone else can claim you as a dependent, claim the greater of the standard deduction or your itemized deductions. See the instructions for "California Standard Deduction Worksheet for Dependents" within the Form 540 Personal Income Tax Booklet to figure your standard deduction.

<b>Itemized Deductions Worksheet</b>	
1. Amount from Schedule CA (540), line 28 .....	1 _____
2. Add the amounts on federal Schedule A (Form 1040), line 4, line 9, and line 15 plus any gambling losses included on line 16 .....	2 _____
3. Subtract line 2 from line 1 .....	3 _____
If zero, STOP. Enter the amount from line 1 on Schedule CA (540), line 29.	
4. Multiply line 3 by 80% (.80) .....	4 _____
5. Amount from Form 540, line 13 .....	5 _____
6. Enter the amount shown above for your filing status. ....	6 _____
7. Subtract line 6 from line 5 .....	7 _____
Note: If zero or less, STOP. Enter the amount from line 1 on Schedule CA (540), line 29.	
8. Multiply line 7 by 6% (.06) .....	8 _____
9. Compare line 4 and line 8. Enter the smaller amount here. ....	9 _____
10. Total itemized deductions. Subtract line 9 from line 1. Enter here and on Schedule CA (540), line 29 .....	10 _____

**Line 30 - Amount from Line 29 or Standard Deduction**

If your filing status is Married/RDP filing separately and your spouse itemizes, enter the amount from line 29 (even if the standard deduction is larger).



# 2018 Instructions for California Schedule D (540)

## California Capital Gain or Loss Adjustment

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and to the California Revenue and Taxation Code (R&TC).

### What's New

**Capital Assets** – The Tax Cuts and Jobs Act (TCJA) amended Internal Revenue Code (IRC) Section 1221 excluding a patent, invention, model or design (whether or not patented), and a secret formula or process held by the taxpayer who created the property (and certain other taxpayers) from the definition of a capital asset. California does not conform. Report your capital assets on Schedule D (540), California Capital Gain or Loss Adjustment.

**Qualified Opportunity Zone Funds** – The TCJA established Opportunity Zones. IRC Sections 1400Z-1 and 1400Z-2 provide a deferral of inclusion of gross income for capital gains reinvested in a qualified opportunity fund, and exclude capital gains from the sale or exchange of an investment in such funds. California does not conform. See Specific Line Instructions for more information.

### General Information

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the IRC as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

For purposes of California income tax, references to a spouse, husband, or wife also refer to a California registered domestic partner (RDP), unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic "partner" and a California registered domestic "partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

### Purpose

Use California Schedule D (540) **only** if there is a difference between your California and federal capital gains and losses.

Get FTB Pub. 1001, for more information about the following:

- Disposition of property inherited before 1987.
- Gain on the sale or disposition of a qualified assisted housing development to low-income residents or to specific entities maintaining housing for low-income residents.
- Capital loss carryback.

### Important Information

#### Installment Sales.

If you sold property at a gain (other than publicly traded stocks or securities) and you will receive a payment in a tax year after the year of sale, report the sale on the installment method unless you elect not to do so. Get form FTB 3805E, Installment Sale Income. Also, use that form if you received a payment in 2018, for an installment sale made in an earlier year.

You may elect not to use the installment sale method for California by reporting the entire gain on Schedule D (540) (or Schedule D-1, Sales of Business Property, for business assets) in the year of the sale and filing your return on or before the due date.

#### At-Risk Rules and Passive Activity Limitations.

If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and the amounts in the activity for which you are not at risk, get and complete federal Form 6198, At-Risk Limitations, using California amounts to figure your California deductible loss under the at-risk rules. Once a loss becomes allowable under the at-risk rules, it becomes subject to the passive activity rules. Get form FTB 3801, Passive Activity Loss Limitations.

### Specific Line Instructions

#### Line 1 – List each capital asset transaction.

**Column (a) – Description of Property.** Describe the asset you sold or exchanged.

**Column (b) – Sales Price.** Enter in this column either the gross sales price or the net sales price. If you received a Form 1099-B, Proceeds From Broker and Barter Exchange Transactions; Form 1099-S, Proceeds From Real Estate Transactions; or similar statement showing the gross sales price, enter that amount in column (b). However, if box 6 of Form 1099-B indicates that net proceeds were reported to the Internal Revenue Service, enter that net amount in column (b). If you entered the net amount in column (b), **do not** include the commissions and option premiums in column (c).

**Column (c) – Cost or Other Basis.** In general, the cost or other basis represents the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. Enter the cost or adjusted basis of the asset for California purposes. Use your records and California tax returns for years before 1987 to determine the California amount to enter in column (c). If you used an amount other than cost as the original basis, your federal basis may be different from your California basis. Other reasons for differences include:

- **Depreciation Methods and Property Expensing** – Before 1987, California law disallowed the use of accelerated cost recovery system and disallowed the use of an asset depreciation range 20% above or below the standard rate. California has different limits on the expensing of property under IRC Section 179. California law permits rapid write-off of certain property such as solar energy systems, pollution control devices, and property used in an Enterprise Zone, Local Agency Military Base Recovery Area, Targeted Tax Area, or Los Angeles Revitalization Zone.
- **Inherited Property** – The California basis of property inherited from a decedent is generally the fair market value at the time of death.
- **S Corporation Stock** – Prior to 1987, California law did not recognize S corporations; therefore, your California basis in S corporation stock may differ from your federal basis. In general, your California basis will be cost-adjusted for income, loss, and distributions received after 1986, while your stock was California S corporation stock. Your federal basis will be cost-adjusted for income, loss, and distributions received during the time your stock qualified for federal S corporation treatment. Effective for taxable years beginning on or after January 1, 2002, any corporation with a valid federal S corporation election is considered an S corporation for California purposes. Existing law already requires federal C corporations to be treated as C corporations for California purposes.
- **Special Credits** – California law authorizes special tax credits not allowed under federal law or computed differently under federal law. In many instances if you claimed special credits related to capital assets, you must reduce your basis in the assets by the amount of credit.

- **Qualified Small Business Stock** – California does not conform to the qualified small business stock deferral and gain exclusion under IRC Section 1045 and IRC Section 1202. Enter the entire gain realized in column (e).
- **Qualified Opportunity Zone Funds** – California does not conform to the deferral and exclusion of capital gains reinvested or invested in qualified opportunity zone funds under IRC Sections 1400Z-1 and 1400Z-2. Enter the entire gain amount in column (e).

Other adjustments may apply differently to the federal and California basis of your capital assets. Figure the original basis of your asset using the California law in effect when the asset was acquired, and adjust it according to provisions of California law in effect during the period of your ownership.

**Line 2 – Net Gain or (Loss) Shown on California Schedule(s) K-1 (100S, 541, 565, and 568).**

Combine gain(s) and loss(es) from all California Schedule(s) K-1 (100S, 541, 565, and 568), Share of Income, Deductions, Credits, etc. See California Schedule K-1 (100S, 541, 565, and 568) instructions for more information on capital gains and losses. Enter the net loss on line 2, column (d), or the net gain on line 2, column (e).

**Line 3 – Capital Gain Distributions.**

If you receive federal Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, from a mutual fund, do not include the **undistributed** capital gain dividends on Schedule D (540). If you receive federal Form 1099-DIV, Dividends and Distributions, enter the amount of **distributed** capital gain dividends.

**Line 6 – 2017 California Capital Loss Carryover.**

If you were a resident of California for all prior years, enter your California capital loss carryover from 2017. However, if you were a nonresident of California during any taxable year that generated a portion of your 2017 capital loss carryover, recalculate your 2017 capital loss carryover as if you resided in California for all prior years. Get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency, for more information. Enter your California capital loss carryover amount from 2017 on line 6.

**Line 8 – Net Gain or Loss.**

If the amount on line 4 is more than the amount on line 7, subtract line 7 from line 4. Enter the difference as a gain on line 8.

If the amount on line 7 is more than the amount on line 4, subtract line 4 from line 7 and enter the difference as a negative amount on line 8.

Use the worksheet on this page to figure your capital loss carryover to 2019.

**Line 9**

If line 8 is a net capital loss, enter the smaller of the loss on line 8 or \$3,000 (\$1,500 if you are married or an RDP filing a separate return).

**Line 12a**

Compare the amounts entered on line 10 and line 11 to figure the adjustment to enter on Schedule CA (540), Part I, line 13, column B.

**For example:**

**Loss on line 10 is less than loss on line 11.**

Federal loss on line 10 is . . . . . (\$1,000)  
 California loss on line 11 is . . . . . (\$2,000)  
 Difference between line 10 and line 11 . . . . . \$1,000

**Gain on line 10 and loss on line 11.**

Federal gain on line 10 is . . . . . \$3,000  
 California loss on line 11 is . . . . . (\$3,000)  
 Difference between line 10 and line 11 . . . . . \$6,000

**Line 12b**

Compare the amounts on line 10 and 11 to figure the adjustment to enter on Schedule CA (540), Part I, line 13, column C.

**For example:**

**Loss on line 10 is more than loss on line 11.**

Federal loss on line 10 is . . . . . (\$2,000)  
 California loss on line 11 is . . . . . (\$1,000)  
 Difference between line 11 and line 10 . . . . . \$1,000

**Loss on line 10 and gain on line 11.**

Federal loss on line 10 is . . . . . (\$2,000)  
 California gain on line 11 is . . . . . \$5,000  
 Difference between line 10 and line 11 . . . . . \$7,000

<b>California Capital Loss Carryover Worksheet</b>	
1. Loss from Schedule D (540), line 11, stated as a positive number. . . . .	1 _____
2. Amount from Form 540, line 17 . . . . .	2 _____
3. Amount from Form 540, line 18 . . . . .	3 _____
4. Subtract line 3 from line 2. If less than zero, enter as a negative amount. . . . .	4 _____
5. Combine line 1 and line 4. If less than zero, enter -0- . . . . .	5 _____
6. Loss from Schedule D (540), line 8 . . . . .	6 _____
7. Enter the smaller of line 1 or line 5 . . . . .	7 _____
8. Subtract line 7 from line 6. This is your capital loss carryover to 2019 . . . . .	8 _____

**TAX PAYMENT WORKSHEET (KEEP FOR YOUR RECORDS)**

<b>1</b> Total tax you expect to owe. This is the amount you expect to enter on Form 540, line 64; or Long Form 540NR, line 74 . . . . .	<b>1</b>	00
<b>2</b> Payments and credits:		
<b>a</b> California income tax withheld (including real estate and nonresident withholding) . . . . .	<b>2a</b>	00
<b>b</b> California estimated tax payments and amount applied from your 2017 tax return. . . . . (To check your estimated tax payments go to <b>ftb.ca.gov</b> and login or register for MyFTB.)	<b>2b</b>	00
<b>c</b> Other payments and credits (including any tax payments made with any previous form FTB 3519) . . . . .	<b>2c</b>	00
<b>3</b> Total tax payments and credits. Add line 2a, line 2b, and line 2c . . . . .	<b>3</b>	00
<b>4</b> Tax due. Is line 1 more than line 3? . . . . .	<b>4</b>	00

- **No. Stop here.** You have no tax due. **Do not** mail form FTB 3519. If you file your tax return by October 15, 2019 (fiscal year filer – see instructions), the automatic extension will apply.
- **Yes.** Subtract line 3 from line 1 and enter on line 4. This is your tax due. For online payments, **do not** mail the form, go to **ftb.ca.gov/pay** for more information. If you meet the requirements of the Mandatory e-Pay program, you must make all payments electronically, regardless of the taxable year or amount. Go to **ftb.ca.gov/e-pay**. For check or money order payments, using black or blue ink, complete your check or money order and form FTB 3519. Enter the tax due amount from line 4 as the “Amount of payment.” Make your check or money order payable to the “Franchise Tax Board,” and write your SSN or ITIN and “2018 FTB 3519” in the “For” section. Enclose, but **do not** staple your payment to form FTB 3519 and mail to:  
**FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0008.**

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**[ftb.ca.gov](http://ftb.ca.gov)**

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# 2019 Instructions for Form 540-ES Estimated Tax For Individuals

## General Information

**Installment Payments** – Installments due shall be 30% of the required annual payment for the 1st required installment, 40% of the required annual payment for the 2nd required installment, no installment is due for the 3rd required installment, and 30% of the required annual payment for the 4th required installment.

**Mandatory Electronic Payments** – You are required to remit all your payments electronically once you make an estimate or extension payment exceeding \$20,000 or you file an original tax return with a total tax liability over \$80,000. Once you meet the threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically. The first payment that would trigger the mandatory e-pay requirement does not have to be made electronically. Individuals who do not send the payment electronically will be subject to a 1% noncompliance penalty. For more information go to [ftb.ca.gov/e-pay](http://ftb.ca.gov/e-pay). Electronic payments can be made using Web Pay on the Franchise Tax Board's (FTB's) website, electronic funds withdrawal (EFW) using tax preparation software, or your credit card.

## A Purpose

Use Form 540-ES, Estimated Tax for Individuals, and the 2019 CA Estimated Tax Worksheet, to determine if you owe estimated tax for 2019 and to figure the required amounts. Estimated tax is the tax you expect to owe in 2019 after subtracting the credits you plan to take and tax you expect to have withheld.

If you need to make a payment for your 2018 tax liability or make a separate payment for any balance due on your 2018 tax return, use form FTB 3519, Payment for Automatic Extension for Individuals.

Certain taxpayers are limited in their use of the prior year's tax as a basis for figuring their estimated tax. See Section C for more information. Check for estimated payments we've received at [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB.

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete Employment Development Department (EDD) Form DE 4, Employee's Withholding Allowance Certificate, and give it to your employer's appropriate payroll staff. You can get this form from your employer, or by calling EDD at **888.745.3886**. You can download the Form DE 4 from EDD's website at [edd.ca.gov](http://edd.ca.gov) or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **de 4**.

Form DE 4 specifically adjusts your California state withholding and is not the same as the federal Form W-4, Employee's Withholding Allowance Certificate.

## B Who Must Make Estimated Tax Payments

Generally, you must make estimated tax payments if you expect to owe at least \$500 (\$250 if married/RDP filing separately) in tax for 2019 (after subtracting withholding and credits) and you expect your withholding and credits to be less than the **smaller** of:

1. 90% of the tax shown on your 2019 tax return; or
2. 100% of the tax shown on your 2018 tax return including Alternative Minimum Tax (AMT).

### Note:

- You do not have to make estimated tax payments if you are a nonresident or new resident of California in 2019 and did not have a California tax liability in 2018, see Section C for more information.
- If you are a military servicemember not domiciled in California, do not include your military pay in your computation of estimated tax payments. If you are the nonmilitary spouse of a servicemember you may or may not need to include your pay in your computation of estimated tax payments. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

If you and your spouse/RDP paid joint estimated tax payments, but are now filing separate income tax returns, either of you may claim all of the amount paid, or you may each claim part of the joint estimated payments. If you want the estimated tax payments to be divided, notify the FTB before you file the income tax returns so that the payments can be applied to the proper account. The FTB will accept in writing, any divorce agreement (or court ordered settlement) or a statement showing the allocation of the payments along with a notarized signature of both taxpayers. The statements should be sent to:

JOINT ESTIMATE CREDIT ALLOCATION MS F283  
TAXPAYER SERVICES CENTER  
FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

## C Limit on the Use of Prior Year's Tax

Individuals who are required to make estimated tax payments, and whose 2018 California adjusted gross income is more than \$150,000 (or \$75,000 if married/RDP filing separately), must figure estimated tax based on the lesser of 90% of their tax for 2019 or 110% of their tax for 2018 including AMT. This rule does not apply to farmers or fishermen.

Taxpayers with 2019 California adjusted gross income equal to or greater than \$1,000,000 (or \$500,000 if married/RDP filing separately), must figure estimated tax based on their tax for 2019.

## D When to Make Your Estimated Tax Payments

Pay your estimated payments by the dates shown below:

1st payment	April 15, 2019
2nd payment	June 17, 2019
3rd payment	September 16, 2019
4th payment	January 15, 2020

**Filing an Early Tax Return In Place of the 4th Installment.** If you file your 2019 tax return by January 31, 2020, and pay the entire balance due, you do not have to make your last estimated tax payment. In addition, you will not owe a penalty for the fourth installment.

**Annualization Option.** If you do not receive your taxable income evenly during the year, it may be to your advantage to annualize your income. This method allows you to match your estimated tax payments to the actual period when you earned the income. You may use the annualization schedule included with the 2018 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

**Farmers and Fishermen.** If you are a farmer or fisherman, and at least two-thirds of your 2018 and 2019 gross income is from farming or fishing, you may do either of the following:

- Pay all of your estimated tax by January 15, 2020.
- File your tax return for 2019 on or before March 2, 2020, and pay the total tax due. In this case, you need not make estimated tax payments for 2019. Use the 2018 form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, to determine if you paid the required estimated tax. If the estimated tax is underpaid, attach the completed form FTB 5805F to the back of your tax return.

**Fiscal Year.** If you file your tax return on a fiscal year basis, your due dates will be the 15th day of the 4th, 6th, and 9th months of your fiscal year and the 1st month of the following fiscal year. If the due date falls on a weekend, or legal holiday, use the next business day.

**Mental Health Services Tax.** If your taxable income or nonresident CA source taxable income is more than \$1,000,000, complete the worksheet below.

A. Taxable income from Form 540, line 19, or Long Form 540NR, line 35 .....	_____
B. Less: .....	\$(1,000,000)
C. Subtotal .....	_____
D. Tax rate – 1% .....	x .01
E. <b>Mental Health Services Tax</b> – Multiply line C by line D. Enter this amount here and on line 17 of the 2019 CA Estimated Tax Worksheet, on the next page. ....	_____

## E How to Use Form 540-ES Payment Form

Use the CA Estimated Tax Worksheet and your 2018 California income tax return as a guide for figuring your 2019 estimated tax. Be sure that the amount shown on line 21 of the CA Estimated Tax Worksheet has been reduced by any overpaid tax on your 2018 tax return which you chose to apply toward your 2019 estimated tax payment.

### Note:

- If you filed Form 540 2EZ for 2018, **do not** use the Form 540 2EZ instructions to figure amounts on this worksheet. Instead, get the 2018 California 540 Personal Income Tax Booklet.
- Complete Form 540-ES using black or blue ink:
  1. Complete the Record of Estimated Tax Payments on the next page for your files.
  2. Paying your tax:

**Web Pay** – Make a payment online or schedule a future payment (up to one year in advance), go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay) for more information. **Do not mail** Forms 540-ES to us.

**Electronic Funds Withdrawal (EFW)** – Individuals can make an extension or estimated tax payment using tax preparation software. Check with your software provider to determine if they support EFW for extension or estimated tax payments.

**Credit card** – Use your Discover, MasterCard, Visa, or American Express Card to pay your tax. Call 800.272.9829 or go to [officialpayments.com](http://officialpayments.com), use code 1555. Official Payments Corp. charges a fee for this service. **Do not mail** Forms 540-ES if you pay by credit card.

**Check or money order** – There is a separate payment form for each due date. Be sure you use the form with the correct due date shown in the top margin of the form.

Fiscal year filers: Enter the month of your fiscal year end (located directly below the form's title).

Print your name, address, and social security number (SSN) or individual taxpayer identification number (ITIN) in the space provided on Form 540-ES. If you have a foreign address, enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Complete the amount of payment line of the form by entering the amount of the payment that you are sending. Using black or blue ink, make your check or money order payable to the "Franchise Tax Board." Write your SSN or ITIN and "2019 Form 540-ES" on it and mail to the address in Section F.

Make all checks and money orders payable in U.S. dollars and drawn against a U.S. financial institution.

## F Where to Mail Estimated Tax Payments

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0008

## G Failure to Make Estimated Tax Payments

If you do not make the required estimate payments, if you pay an installment after the date it is due, or if you underpay any installment, a penalty may be assessed on the portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of your tax return, whichever is earlier. Get the 2018 form FTB 5805 for more information.

**2019 California Estimated Tax Worksheet** Keep this worksheet for your records.

- 1 Residents:** Enter your estimated 2019 California AGI. Nonresidents and part-year residents: Enter your estimated 2019 total AGI from all sources. Military servicemember/spouses, get FTB Pub. 1032, Tax Information for Military Personnel . . . . . **1** \_\_\_\_\_
- 2 a** If you plan to itemize deductions, enter the estimated total of your itemized deductions . . . . . **2a** \_\_\_\_\_
- b** If you do not plan to itemize deductions, enter the standard deduction for your filing status:  
 \$4,401 single or married/RDP filing separately  
 \$8,802 married/RDP filing jointly, head of household, or qualifying widow(er) . . . . . **2b** \_\_\_\_\_
- c** Enter the amount from line 2a or line 2b, whichever applies . . . . . **2c** \_\_\_\_\_
- 3** Subtract line 2c from line 1 . . . . . **3** \_\_\_\_\_
- 4** Tax. Figure your tax on the amount on line 3 using the 2018 tax table for Form 540, or Long Form 540NR. Also include any tax from form FTB 3800, Tax Computation for Certain Children with Unearned Income, and form FTB 3803, Parents' Election to Report Child's Interest and Dividends . . . . . **4** \_\_\_\_\_
- 5 Residents:** Skip to line 6a. **Nonresidents and part-year residents:**
- a** Enter your estimated 2019 California taxable income from Schedule CA (540NR), Part IV, line 5 . . . . . **5a** \_\_\_\_\_
- b** Compute the CA Tax Rate:  $\frac{\text{Tax on total taxable income from line 4}}{\text{Total taxable income from line 3}}$  . . . . . **5b** \_\_\_\_\_
- c** Multiply the amount on line 5a by the CA Tax Rate on line 5b . . . . . **5c** \_\_\_\_\_
- 6 a Residents:** Enter the exemption credit amount from the 2018 instructions for Form 540. . . . . **6a** \_\_\_\_\_
- b Nonresidents or part-year residents:** Enter the CA credit proration percentage. Divide line 5a by line 3. If more than 1 enter 1.0000 . . . . . **6b** \_\_\_\_\_
- 7 Nonresidents:** CA prorated exemption credits. Multiply the total exemption credit amount by line 6b . . . . . **7** \_\_\_\_\_
- 8 Residents:** Subtract line 6a from line 4. **Nonresidents or part-year residents:** Subtract line 7 from line 5c . . . . . **8** \_\_\_\_\_
- 9** Tax on accumulation distribution of trusts. See instructions for form FTB 5870A, Tax on Accumulation Distribution of Trusts . . . . . **9** \_\_\_\_\_
- 10** Add line 8 and line 9 . . . . . **10** \_\_\_\_\_
- 11** Credits for joint custody head of household, dependent parent, senior head of household, and child and dependent care expenses. **11** \_\_\_\_\_
- Nonresidents and part-year residents:** For the child and dependent care expenses credit, use the amount from your 2018 Long Form 540NR, line 50. For the other credits listed on line 11, multiply the total 2018 credit amount by the ratio on line 6b.
- 12** Subtract line 11 from line 10. . . . . **12** \_\_\_\_\_
- 13** Other credits (such as other state tax credit). See the 2018 instructions for Form 540, or Long Form 540NR. . . . . **13** \_\_\_\_\_
- 14** Subtract line 13 from line 12. . . . . **14** \_\_\_\_\_
- 15** Interest on deferred tax from installment obligations under IRC Sections 453 or 453A . . . . . **15** \_\_\_\_\_
- 16** Alternative Minimum Tax. See Schedule P (540 or 540NR) . . . . . **16** \_\_\_\_\_
- 17** Mental Health Services Tax Worksheet, line E (on page 60 of these instructions). . . . . **17** \_\_\_\_\_
- 18** 2019 Estimated Tax. Add line 14 through line 17. Enter the result, but not less than zero . . . . . **18** \_\_\_\_\_
- 19 a** Multiply line 18 by 90% (.90). Farmers and fishermen multiply line 18 by 66 2/3% (.6667) . . . . . **19a** \_\_\_\_\_
- b** Enter the sum of line 48, line 61, and line 62 from your 2018 Form 540 or the sum of line 63, line 71, and line 72 from your Long Form 540NR. . . . . **19b** \_\_\_\_\_
- c** Enter the amount from your 2018 Form 540 line 17; or Long Form 540NR, line 32 . . . . . **19c** \_\_\_\_\_
- d** Is the amount on line 19c more than \$150,000 (\$75,000 if married/RDP filing separately)?  
**Yes.** Go to line 19e. **No.** Enter the lesser of line 19a or line 19b. Skip line 19e and 19f and go to line 20. . . . . **19d** \_\_\_\_\_
- e** Multiply 110% (1.10) by line 19b . . . . . **19e** \_\_\_\_\_
- f** Enter the lesser of line 19a or line 19e and go to line 20 ( If your California AGI is equal to or greater than \$1,000,000/\$500,000 for married filing separately, use line 19a.) . . . . . **19f** \_\_\_\_\_
- Caution:** Generally, if you do not prepay at least the amount on line 19d (or 19f if no amount on line 19d), you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimated tax on line 18 is as accurate as possible. If you prefer, you may pay 100% of your 2019 estimated tax (line 18).
- 20** California income tax withheld and estimated to be withheld during 2019 (include withholding on pensions, annuities, etc.) . . . . . **20** \_\_\_\_\_
- 21 Balance.** Subtract line 20 from line 19d (or line 19f if no amount on line 19d). If less than \$500 (or less than \$250, if married/RDP filing separately), you do not have to make a payment at this time. . . . . **21** \_\_\_\_\_
- 22 Installment amount.** Multiply the amount on line 21 by 30%. Enter the results on the 1st and 4th installments of your Forms 540-ES. Multiply the amount on line 21 by 40%. Enter the result on the 2nd installment of your Forms 540-ES. There is not a required 3rd installment payment. If you will earn your income at an uneven rate during the year, see Annualization Option in the instructions under paragraph D.

**Record of Estimated Tax Payments**

Payment form number	(a) Date	(b) Web Pay/Credit card and confirmation number	(c) Amount paid	(d) 2018 overpayment applied	(e) Total amount paid and credited add (c) and (d)
<b>1</b>			\$	\$	\$
<b>2</b>					
<b>3</b>					
<b>4</b>					
<b>Total</b>			\$	\$	\$

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**[ftb.ca.gov](http://ftb.ca.gov)**



# 2018 Instructions for Form FTB 3506

## Child and Dependent Care Expenses Credit

### General Information

Attach the completed form FTB 3506, Child and Dependent Care Expenses Credit, to your Form 540, California Resident Income Tax Return, or Long Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, if you claim the child and dependent care expenses credit.

The child and dependent care expenses credit is **nonrefundable**.

**Registered Domestic Partners (RDP)** – For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP, unless otherwise specified. When we use the initials RDP, they refer to both a California registered domestic “partner” and a California registered domestic “partnership,” as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

### A Purpose

You may qualify to claim the 2018 credit for child and dependent care expenses, if you (and your spouse/RDP) paid someone in California to care for your child or other qualifying person while you worked or looked for employment. You must have earned income to do so. If you qualify to claim the credit, use form FTB 3506 to figure the amount of your credit.

If you received dependent care benefits for 2018 but do not qualify to claim the credit, you are not required to complete form FTB 3506. For additional definitions, requirements, and instructions, get federal Form 2441, Child and Dependent Care Expenses.

### B Differences in California and Federal Law

The differences between California and federal law are as follows:

- California allows this credit only for care provided in California.
- If you were a nonresident, you must have earned wages from working in California or earned self-employment income from California business activities.
- The California credit is a percentage of the federal credit.
- RDPs may file a joint California return and claim this credit. For more information, get FTB Pub. 737.

### C Qualifications

You may take the credit if **all eight** of the following apply.

1. If you are married or an RDP, you must file a joint tax return. For an exception, see Section E, Married Persons or RDPs Filing Separate Returns.
2. Care must be provided in California for one or more qualifying persons. See Section D, Qualifying Person Defined.
3. You paid for care so you (and your spouse/RDP) could work or look for work. However, if you did not find a job and have no earned income, you do not qualify for the credit. If your spouse/RDP was a student or disabled, see the instructions for Part III, line 5.
4. You (and your spouse/RDP) must have earned income (wages or self-employment income) during the year. See the instructions for Part III, line 4, for more information on earned income.
5. You and the qualifying person(s) live in the same home for more than half the year.
6. The person who provided care was not your spouse/RDP, the parent of your qualifying child, or a person for whom you can claim a dependent exemption. If your child provided the care, the child must have been age 19 or older by the end of 2018.
7. You report the required information about the care provider(s) in Part II, line 1, and the information about the qualifying person(s) in Part III, line 2.
8. Your federal adjusted gross income (AGI) is \$100,000 or less.

### D Qualifying Person Defined

Rules for Most People	
A qualifying person is:	
1. A child under age 13 who meets the requirements to be your dependent as a Qualifying Child. A child who turned 13 during the year qualifies only for the part of the year when he or she was 12 years old; or	
2. Your spouse/RDP who was physically or mentally incapable of self-care ; or	
3. Any person who was physically or mentally incapable of self-care and either:	
a. Was your dependent.	
b. Would have been your dependent except that:	
i. He or she received gross income of \$4,150 or more.	
ii. He or she filed a joint tax return.	
iii. You, or your spouse/RDP if filing a joint tax return, could be claimed as a dependent on someone else’s 2018 tax return.	

#### Qualifying Child

A Qualifying Child is a child who meets **all** of the following tests:

- **Relationship Test** – The child must be your son, daughter, stepchild, adopted child, eligible foster child, brother, sister, half-brother, half-sister, stepbrother, stepsister, or a descendant of one of these. An adopted child includes a child who has been lawfully placed with you for legal adoption even if the adoption is not yet final. An eligible foster child must be placed with you by an authorized placement agency or by a court.
- **Age Test** – For the purposes of qualifying for the Child and Dependent Care Expenses Credit, the child must be under 13.
- **Residency Test** – The child must live with you for more than half the year.
- **Support Test** – The child must not have provided more than half of his or her own support.
- **Joint Return Test** – The child must not have filed a joint federal or state income tax return with his or her spouse/RDP.
- **Citizenship Test** – The child must be a citizen or national of the U.S. or a resident of the U.S., Canada, or Mexico.

Tie-Breaker Rules: Qualifying Child of More Than One Person*	
If an individual may be claimed as a qualifying child by two or more taxpayers for the same taxable year, the following rules apply:	
If...	Then the child will be treated as the qualifying child of the...
Only one of the persons is the child’s parent	Parent.
Both of the persons are the child’s parent but they do not file a joint return	Parent with whom the child lived for the longer period of time during the year. If the child lived with both parents for the same amount of time, the parent who had the higher AGI for the year.
The child’s parents can claim the child as a qualifying person but neither parent does	Person with the highest AGI of all persons claiming the child, but only if that person’s AGI is higher than the highest AGI of any of the child’s parents.
No parent can claim the child as a qualifying child	Person with the highest adjusted gross income of all persons claiming the child.

\*These rules assume all other qualifying child requirements are satisfied.

#### Divorced, RDP Terminated, Separated, or Never-Married Parents

For divorced, RDP terminated, separated, or never-married parents, special rules apply in determining if your child meets the requirements to be your qualifying person. When parents file separate returns, only one parent qualifies to claim a child as a qualifying person.

Even if both parents pay for child care for the same child, both parents cannot qualify for the credit. Some custody agreements designate which parent is entitled to the credit. However, the designated parent must meet all the qualifications in Section C, Qualifications, to claim the credit. To verify that your child meets the requirements to be your qualifying person, use the table below.

RULES FOR DIVORCED, RDP TERMINATED, SEPARATED, OR NEVER-MARRIED PARENTS		
IF	AND	THEN
<b>ALL four</b> of the following apply: 1. Your child was under 13 and/or physically or mentally incapable of self-care when the care was provided. Children turning 13 during the year qualify only for the part of the year they were 12 years old. 2. One of the following applies a. You are divorced, legally separated, or have terminated a registered domestic partnership. b. You are separated under a written separation agreement. c. You and the other parent lived apart at all times during the last 6 months of the year. (This includes parents never married to each other.) 3. One or both parents had custody of the child for more than half the year. 4. One or both parents provided more than half the child's support for the year.	You were the custodial parent <b>and</b> you can claim the dependent exemption credit for the child.	The child is your qualifying person.
	You were the custodial parent and under the provisions of a decree of divorce, legal separation, termination of registered domestic partnership, or a written separation agreement, the noncustodial parent claimed the dependent exemption credit, or you signed a statement releasing the dependent exemption credit to the noncustodial parent.	The child is your qualifying person.
	You are <b>not</b> the custodial parent.	The child is <b>not</b> your qualifying person.
One or more of the four statements above do not apply.		Use the "Rules for Most People" in Section D.

**Custodial Parent and Noncustodial Parent.** The custodial parent is the parent with whom the child lived for the greater number of nights during the year. The other parent is the noncustodial parent. If the child lived with each parent for an equal number of nights during the year, the custodial parent is the parent with the higher adjusted gross income.

**Parent Works at Night.** If, due to a parent's night-time work schedule, a child lives for a greater number of days, but not nights, with the parent who works at night, that parent is treated as the custodial parent. On a school day, the child is treated as living at the primary residence registered with the school.

## E Married Persons or RDPs Filing Separate Tax Returns

Generally, if you are married or an RDP, you must file a joint tax return to claim the credit. However, you can take the credit on your separate tax return if:

- You meet all three requirements below:
  - You lived apart from your spouse/RDP at all times during the last six months of 2018.
  - The qualifying person(s) lived in your home more than half of 2018.
  - You provided over half the cost of keeping up your home.
- You meet all the other qualifications in Section C, Qualifications.

## F Nonresidents and Part-Year Residents

- You must complete and attach Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents, to your tax return, Long Form 540NR. If Part I of Schedule CA (540NR) is not fully completed, we may disallow your credit.
- Nonresidents must have earned income from California sources to qualify for the credit. A nonresident servicemember's military wages are considered earned income from a California source for the purpose of qualifying for the credit.
- Part-year residents must have earned income while a California resident or earned income from California sources while a nonresident to qualify for the credit.

## G Military Personnel

For the purposes of this credit, active duty pay is considered earned income from California sources, regardless of whether the servicemember is domiciled in California. The federal Military Spouses Residency Relief Act may affect the credit requirements for spouses of military servicemembers. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

## Specific Line Instructions

### Part I, Unearned Income and Other Funds Received in 2018

List the source and amount of **any** money you received in 2018 that is not included in your earned income (Part III, line 4 and line 5) but that was used to support your household. Include child support, property settlements, public assistance benefits, court awards, inheritances, insurance proceeds, pensions and annuities, social security payments, workers' compensation, unemployment compensation, interest, and dividends.

### Part II, Persons or Organizations Who Provided the Care in California

#### Line 1

Complete line 1a through line 1g for each person or organization that provided the care in California. Only care provided in California qualifies for the credit. Use federal Form W-10, Dependent Care Provider's Identification and Certification, or any other source listed in the instructions for federal Form W-10 to get the information from your care provider. If your provider does not give you the information, complete as much of the information as possible and explain that your provider did not give you the information you requested.

If you do not give correct and complete information, we may disallow your credit unless you can show you used due diligence in trying to get the required information.

#### Lines 1a through Line 1c

Enter your California care provider's complete name (or business name), address, and telephone number (including the area code). If you do not give complete information, we may disallow your credit. We may contact your care provider to verify the information you provide.

If you were covered by your employer's dependent care plan and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name on line 1a. Next, enter "See W-2" on line 1b. Complete line 1c through line 1f. Then leave line 1g blank. But, if your employer paid a third party (not hired by your employer) on your behalf to provide care, you must provide information on the third party on line 1a through line 1g.

#### Line 1d

For each care provider, check one box indicating whether the care provider is a person or organization.

## Line 1e

If your care provider is	Then enter on line 1e
An individual	The provider's social security number (SSN) or Individual Taxpayer Identification Number (ITIN).
Not an individual	The provider's federal employer identification number (FEIN).
A tax-exempt organization	"Tax-exempt."

## Line 1f

Enter the complete physical address where the care was provided. A post office box is not acceptable. If you do not provide correct or complete information, your credit may be disallowed. Only care provided in California qualifies for the credit.

## Line 1g

Enter the total amount you **actually paid** in 2018 to your care provider for care provided in California. Also include amounts your employer paid to a third party on your behalf. It does not matter when the expenses were incurred. **Do not** reduce this amount by any reimbursement you received.

We may ask you to provide proof of payment. Cash payments without verifiable documentation may not be accepted.

## Part III, Credit for Child and Dependent Care Expenses

### Line 2

Complete column (a) through column (e) for each qualifying person for whom care was provided in California. If claiming more than three qualifying persons, attach a sheet of paper to your tax return with the required information and write "see attached." Write your name and SSN or ITIN on the sheet.

#### Column (a)

Enter each qualifying person's name.

#### Column (b)

Enter each qualifying person's SSN. Verify that the name and SSN match the qualifying person's social security card to avoid the reduction or disallowance of your credit. If the person was born in, and later died in, 2018, and does not have a SSN, enter "Died" in column (b) and attach a copy of the person's birth and death certificates.

#### Column (c)

Enter the qualifying person's date of birth (mm/dd/yyyy) in the space provided or if the qualifying person is disabled (physically or mentally incapable of self-care), check the "Yes" box. Incomplete information could result in a delay or disallowance of your credit.

#### Column (d)

If you shared custody of the qualifying person(s), enter the percentage of time you possessed physical custody during 2018. If you have 50% or less physical custody of your child, you **do not** qualify for the credit.

#### Column (e)

**Qualified Expenses** are amounts paid for the care of your qualifying person while you worked or looked for work.

Enter the qualified expenses you incurred and paid in 2018 for the qualifying person(s). Include only the qualified expenses for care provided in California. If the child turned 13 years old during the year, include only the qualified expenses for the part of the year the child was 12 years old.

Do not include in column (e) qualified expenses:

- You incurred in 2018 but did not pay until 2019. You may be able to use these expenses to increase your 2019 credit.
- You incurred in 2017 but did not pay until 2018. Instead, see instructions for line 11.
- You prepaid in 2018 for care to be provided in 2019. These expenses may only be used to figure your 2019 credit.

A qualified expense does not include the amount you paid for education (school tuition) or the amount you received through a subsidy program.

Qualified expenses include:	Qualified expenses do not include:
<ul style="list-style-type: none"> <li>The cost of care for the qualifying person's well-being and protection. If care was provided by a dependent care center, the center must meet all applicable state and local regulations.</li> <li>Cost of pre-school or similar program below the kindergarten level.</li> <li>Day camp, even if it specialized in a particular activity, such as soccer.</li> </ul>	<ul style="list-style-type: none"> <li>Child support payments.</li> <li>Payments made to the parent of your qualifying child.</li> <li>Payments made to your spouse/RDP.</li> <li>Payments made to your child who is under age 19 at the end of the year, even if he or she is not your dependent.</li> <li>Payments made to a dependent for whom you (or your spouse/RDP) can claim a dependent exemption.</li> <li>Expenses paid by or reimbursed through a subsidy program.</li> <li>Cost for education (school tuition) at the kindergarten level and above.</li> <li>Overnight camp.</li> </ul>

## Line 4

Earned income includes:	Earned income does not include:
<ul style="list-style-type: none"> <li>Wages, salary, tips, and other taxable employee compensation, as well as, military compensation including compensation for service in a combat zone.</li> <li>Net earnings from self-employment.</li> <li>Strike benefits.</li> <li>Disability payments you report as wages.</li> <li>Active duty pay received by servicemembers of the armed forces is considered earned income regardless of whether the servicemember is domiciled in this state or elsewhere.</li> </ul>	<ul style="list-style-type: none"> <li>Pensions or annuities</li> <li>Social security payments</li> <li>Workers' compensation</li> <li>Interest</li> <li>Dividends</li> <li>Capital gains</li> <li>Unemployment compensation</li> <li>Public assistance</li> <li>California service income excluded under the Military Spouses Residency Relief Act.</li> </ul>

Nonresidents and Part-Year Residents Only: Earned income from California sources includes:	Earned income does not include:
<ul style="list-style-type: none"> <li>Wages, salary, tips, and other taxable employee compensation for working in California, as well as, military compensation including compensation for service in a combat zone.</li> <li>Net earnings from self-employment from California business activities.</li> <li>Strike benefits related to California employment.</li> <li>Disability payments you report as California wages.</li> <li>Active duty pay received by servicemembers of the armed forces is considered earned income regardless of whether the servicemember is domiciled in this state or elsewhere.</li> </ul>	<ul style="list-style-type: none"> <li>Pensions or annuities</li> <li>Social security payments</li> <li>Workers' compensation</li> <li>Interest</li> <li>Dividends</li> <li>Capital gains</li> <li>Unemployment compensation</li> <li>Public assistance</li> <li>California service income excluded under the Military Spouses Residency Relief Act.</li> </ul>

## Line 5

### Spouse/RDP Who Was a Student or Disabled

Your spouse/RDP was a **student** if he or she was enrolled as a full-time student at a school during any 5 months of 2018. A school does not include a night school or correspondence school.

Your spouse/RDP was **disabled** if he or she was not capable of self-care. Figure your spouse's/RDP's earned income on a monthly basis.

For each month your spouse/RDP was a full-time student or disabled, enter on line 5 the larger of the following:

- Your spouse's/RDP's actual earned income for that month.
- \$250 (\$500, if you have 2 or more qualifying persons).

If, in the same month, both you and your spouse/RDP qualified as either full-time students or disabled, only one of you receive treatment as having earned income of \$250 (or \$500) in that month. For any month that your spouse/RDP was not a full-time student or disabled, use your spouse's/RDP's actual earned income for that month.

## Line 7

Use the chart below to determine the decimal amount to enter on line 7. Your federal adjusted gross income (AGI) is on Form 540, line 13 or Long Form 540NR, line 13. For military personnel domiciled outside of California, use your federal AGI less your military pay to determine the decimal amount to enter on line 7.

If your Federal AGI is:	The decimal amount on Line 7 is:	
Over	But not over	
\$0	\$15,000	<b>.35</b>
15,000	17,000	<b>.34</b>
17,000	19,000	<b>.33</b>
19,000	21,000	<b>.32</b>
21,000	23,000	<b>.31</b>
23,000	25,000	<b>.30</b>
25,000	27,000	<b>.29</b>
27,000	29,000	<b>.28</b>
29,000	31,000	<b>.27</b>
31,000	33,000	<b>.26</b>
33,000	35,000	<b>.25</b>
35,000	37,000	<b>.24</b>
37,000	39,000	<b>.23</b>
39,000	41,000	<b>.22</b>
41,000	43,000	<b>.21</b>
43,000	No limit	<b>.20</b>

## Line 9

Use the chart below to determine the decimal amount to enter on line 9. For military personnel domiciled outside of California, use your federal AGI less your military pay to determine the decimal amount to enter on line 9.

If your federal AGI from Form 540, line 13 or Long Form 540NR, line 13 is:	The decimal amount to enter on Line 9 is:
\$40,000 or less	<b>.50</b>
Over \$40,000 but not over \$70,000	<b>.43</b>
Over \$70,000 but not over \$100,000	<b>.34</b>
Over \$100,000	<b>Stop. You do not qualify for this credit.</b>

## Line 11

If you had qualified expenses for care that was provided in 2017 that you paid for in 2018, you may be able to increase your credit for 2018. Complete the Worksheet on Side 2 of form FTB 3506. See Worksheet instructions on this page.

## Part IV, Dependent Care Benefits

## Line 13

Dependent care benefits are:

- Amounts an employer paid directly to you (or your spouse/RDP), or to your care provider for the care of your qualifying person(s), while you worked.
- A day-care facility provided by your employer.
- Generally deducted from your salary.
- Shown in box 10 of your 2018 Form(s) W-2.

## Line 14

Enter the amount from federal Form 2441, line 13.

## Line 15

If you had a flexible spending account, any amount included on line 13 that you did not receive because you did not incur the expense is considered forfeited. **Do not** include amounts you expect to receive at a future date.

## Line 17

Enter the total of all qualified expenses incurred in 2018. It does not matter when the expenses were paid.

A qualified expense does not include the amount you paid for education (school tuition) or the amount you received through a subsidy program.

**Example:** You received \$2,000 cash under your employer's dependent care plan for 2018. The \$2,000 is shown in box 10 of your Form W-2. You incurred \$900 of qualified expenses in 2018 for the care of your 3-year-old dependent child. Enter \$900 on line 17, but report the entire \$2,000 on line 13.

For all other lines, follow specific line instructions on the form. For additional information, get federal Form 2441 or federal Publication 503, Child and Dependent Care Expenses.

## Line 20

If you are married or an RDP filing a separate return and you meet the requirements of Section E, Married Persons or RDPs Filing Separate Tax Returns, item 1, then enter your earned income from line 19. On line 22, enter \$5,000.

If you were married or an RDP and filed a separate return but did not meet the requirements of Section E, Married Persons or RDPs Filing Separate Tax Returns, item 1, then enter **your spouse's/RDP's earned income**. If your spouse/RDP was a student or disabled in 2018, see the instructions for line 5. On line 22, enter \$2,500.

## Worksheet – Credit for 2017 Expenses Paid in 2018

You will need a copy of your 2017 California tax return to complete the worksheet.

## Line 12 and line 14

You need the 2017 form FTB 3506 instructions to complete the Credit for 2017 Expenses Paid in 2018 Worksheet, on Side 2. Forms are available at [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or by calling 800.338.0505.

## Line 12

Enter the decimal amount from the chart in the line 7 instructions of the 2017 form FTB 3506 that corresponds to your 2017 federal adjusted gross income.

## Line 14

Enter the decimal amount from the chart in the line 9 instructions of the 2017 form FTB 3506 that corresponds to your 2017 California adjusted gross income.



# 2018 Instructions for Form FTB 3514

## California Earned Income Tax Credit

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and to the California Revenue and Taxation Code (R&TC).

### What's New

#### Age Limit for Eligible Individuals

For taxable years beginning on or after January 1, 2018, the age limit for an eligible individual without a qualifying child is revised to 18 years or older.

### General Information

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

#### Registered Domestic Partners (RDPs)

For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP, unless otherwise specified.

When we use the initials RDP they refer to both a California registered domestic "partner" and a California registered domestic "partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

The refundable EITC is available to taxpayers who earned wage income subject to California withholding and/or have net earnings from self-employment. This credit is similar to the federal Earned Income Credit (EIC) but with different income limitations. EITC reduces your California tax obligation, or allows a refund if no California tax is due. You do not need a child to qualify, but must file a California tax return to claim the credit and attach a completed form FTB 3514, California Earned Income Tax Credit.

### A Purpose

Use form FTB 3514 to determine whether you qualify to claim the credit, provide information about your qualifying children, if applicable, and to figure the amount of your credit.

### B Differences in California and Federal Law

The differences between California and federal law are as follows:

- California allows this credit for wage income (wages, salaries, tips and other employee compensation) that is subject to California withholding.
- If you were a nonresident, you must have earned wage income that is subject to California withholding.
- Both your earned income and federal adjusted gross income (AGI) must be less than \$54,884 to qualify for the federal credit, and less than \$24,951 to qualify for the California credit.
- An eligible individual without a qualifying child is 18 years or older for the California credit.
- You may elect to include all of your (and/or all of your spouse's/RDP's if filing jointly) nontaxable military combat pay in earned income for California purposes, whether or not you elect to include it for federal purposes. Get FTB Pub. 1032, Tax Information for Military Personnel, for special rules that apply to military personnel claiming the EITC.

### Specific Instructions

If certain requirements are met, you may claim the EITC even if you do not have a qualifying child. The amount of the credit is greater if you have a qualifying child, and increases with each child that qualifies, up to a maximum of three children. Follow Step 1 through Step 7 below to determine if you qualify for the credit and to figure the amount of the credit.

If your EITC was reduced or disallowed for any reason other than a math or clerical error and you now want to take the EITC then answer "Yes" on line 1b within the form and follow Step 1 through Step 7 below to determine if you qualify for the credit.

Attach the completed form FTB 3514 to your Form 540 or 540 2EZ, California Resident Income Tax Return; or Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, if you claim the California EITC.

### Step 1 Qualifications for All Filers

#### a. Federal AGI

If, in taxable year 2018:

- 1 or more qualifying children lived with you, is the amount on federal Form 1040, line 7 less than \$24,951?
- No qualifying children lived with you, is the amount on federal Form 1040, line 7 less than \$16,751?

**Yes** Continue.

**No** Stop here, you cannot take the credit.

#### b. Do you, and your spouse/RDP if filing a joint return, have a social security number (SSN) that allows you to work and is valid for EITC purposes? See "Valid SSN" section within Step 3, Qualifying Child, for a full definition.

**Yes** Continue.

**No** Stop here, you cannot take the credit.

#### c. Is your filing status married filing separately?

**Yes** Stop here, you cannot take the credit.

**No** Continue.

#### d. Are you filing federal Forms 2555, Foreign Earned Income or 2555-EZ, Foreign Earned Income Exclusion (relating to foreign earned income)?

**Yes** Stop here, you cannot take the credit.

**No** Continue.

#### e. Were you or your spouse/RDP a nonresident alien for any part of 2018?

**Yes** If your filing status is married filing jointly, continue. Otherwise, stop; you cannot take the EITC.

**No** Continue.

#### f. If you are filing a Long or Short Form 540NR, did you and your spouse/RDP live in California for at least 183 days?

**Yes** Continue.

**No** Stop here, you cannot take the credit.

#### g. Complete line 1, line 2, and line 3 on the form. Then go to Step 2.

## Step 2 Investment Income

If you are filing Form 540 or Long Form 540NR complete Worksheet 1. If you are filing Form 540 2EZ or Short Form 540NR complete Worksheet 2.

<b>Worksheet 1 – Investment Income</b>	
<b>Form 540 and Long Form 540NR Filers</b>	
<b>Interest and Dividends</b>	
<b>1</b> Add and enter the amounts from federal Form 1040, line 2a and line 2b . . . .	<b>1</b> _____
<b>2</b> Enter the amount from federal Form 8814, Parents' Election to Report Child's Interest and Dividends, line 1b . . . . .	<b>2</b> _____
<b>3</b> Enter the amount from federal Form 1040, line 3b . . . . .	<b>3</b> _____
<b>4</b> Enter any amounts from federal Form 8814, line 12 for child's interest and dividends . . .	<b>4</b> _____
<b>Capital Gain Net Income</b>	
<b>5</b> Enter the amount from federal Schedule 1 (Form 1040), line 13. If the result is less than zero, enter -0- . . . . .	<b>5</b> _____
<b>6</b> Enter the gain from federal Form 4797 Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed federal Form 4797, line 8 and line 9, enter the amount from line 9 instead) . . . . .	<b>6</b> _____
<b>7</b> Subtract line 6 from line 5. (If the result is less than zero, enter -0-) . . .	<b>7</b> _____
<b>Passive Activities</b>	
<b>8</b> Enter the total of net income from passive activities included on federal Schedule 1 (Form 1040), line 17 . . . . .	<b>8</b> _____
<b>Other Activities</b>	
<b>9</b> Enter any income from the rental of personal property included on federal Schedule 1 (Form 1040), line 21. If the result is zero or less, enter -0- . . . . .	<b>9</b> _____
<b>10</b> Enter any expenses related to the rental of personal property included as a write-in adjustment on federal Schedule 1 (Form 1040), line 36 . . . . .	<b>10</b> _____
<b>11</b> Subtract line 10 from line 9. (If the result is less than zero, enter -0-) . . .	<b>11</b> _____
<b>Investment Income</b>	
<b>12</b> Add the amounts on lines 1, 2, 3, 4, 7, 8, and 11. Enter the total. <b>This is your investment income</b> . . . . .	<b>12</b> _____
<b>13</b> Is the amount on line 12 more than <b>\$3,699</b> ?	
<b>Yes</b> Stop here, you cannot take the credit.	
<b>No</b> Enter the amount from line 12 on form FTB 3514, line 4. Go to Step 3.	

<b>Worksheet 2 – Investment Income</b>	
<b>Form 540 2EZ and Short Form 540NR Filers</b>	
<b>1</b> <b>Taxable interest.</b> Enter the amount from Form 540 2EZ, line 10. Short Form 540NR filers add and enter the amounts from federal Form 1099-INT, box 1 . . . . .	<b>1</b> _____
<b>2</b> <b>Nontaxable interest.</b> Add and enter the amounts from federal Form 1099-INT, box 3 and box 8, and the amount from federal Form 1099-DIV, box 10 . . . . .	<b>2</b> _____
<b>3</b> <b>Dividends.</b> Enter the amount from Form 540 2EZ, line 11 . . . . .	<b>3</b> _____
<b>4</b> <b>Capital gain net income.</b> Enter the amount from Form 540 2EZ, line 13. . . . .	<b>4</b> _____
<b>5</b> <b>Investment Income.</b> Add line 1, line 2, line 3 and line 4. Enter the amount here . . . . .	<b>5</b> _____
<b>6</b> Is the amount on line 5 more than <b>\$3,699</b> ?	
<b>Yes</b> Stop here, you cannot take the credit.	
<b>No</b> Enter the amount from line 5 on form FTB 3514, line 4. Go to Step 3.	

## Step 3 Qualifying Child

### Qualifying Child Definition

A qualifying child for the EITC is a child who meets the following conditions:

- Is your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew).
- Is under age 19 at the end of 2018 and younger than you (or your spouse/RDP, if filing jointly), or under age 24 at the end of 2018, a student, and younger than you (or your spouse/RDP, if filing jointly), or any age and permanently and totally disabled.
- Is not filing a joint return for 2018 or is filing a joint return for 2018 only to claim a refund of withheld income tax or estimated tax paid. Get federal Publication 596, Earned Income Credit, for examples.
- Lived with you in California for more than half of 2018. If the child did not live with you for the required time, see exceptions in the instructions for line 11.

**Note.** If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse/RDP if filing a joint return), special rules apply. Get federal Publication 596 for more information.

### Qualifying Child Questionnaire

- a.** Do you have at least one child who meets the conditions to be your qualifying child?
  - Yes** Continue.
  - No** Go to Step 4.
- b.** Are you filing a joint return for 2018?
  - Yes** Complete form FTB 3514, Part III, line 5 through line 12. Go to Step 5.
  - No** Continue.
- c.** Could you be a qualifying child of another person for 2018? (Answer "No" if the other person is not required to file, and is not filing, a 2018 tax return or is filing a 2018 return only to claim a refund of withheld income tax or estimated tax paid. Get federal Publication 596 for examples.)
  - Yes** Stop here, you cannot take the credit.
  - No** Complete form FTB 3514, Part III, line 5 through line 12. Go to Step 5.

## Line 7 – SSN

The child must have a valid SSN, as defined below, unless the child was born and died in 2018. If your child was born alive and died in 2018 and did not have an SSN, enter “Died” on this line and attach a copy of the child’s birth certificate, death certificate, or hospital medical records or include it according to your software’s instructions.

**Valid SSN.** For the EITC, a valid SSN is a number issued by the Social Security Administration unless “Not Valid for Employment” is printed on the social security card and the number was issued solely to allow the recipient of the SSN to apply for or receive a federally funded benefit. However, if “Valid for Work Only With DHS Authorization” is printed on the social security card, the SSN is valid for EITC purposes only as long as the DHS authorization is still valid.

An Individual Taxpayer Identification Number (ITIN) or Adoption Taxpayer Identification Number (ATIN) cannot be used to claim EITC. If you or your child has an ITIN or ATIN and later gets a SSN that is valid for employment, you may be able to file an amended return.

If you did not have an SSN by the due date of your 2018 return (including extensions), you cannot claim the EITC on either your original or an amended 2018 return, even if you later get an SSN. Also, if a child did not have an SSN by the due date of your return (including extensions), you cannot count that child as a qualifying child in figuring the EITC on either your original or an amended 2018 return, even if that child later gets an SSN.

Use Forms 540, 540 2EZ, or 540NR (Long or Short) amended individual tax returns to correct your return.

## Line 9a – Student

A student is a child who during any part of 5 calendar months of 2018 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

## Line 9b – Permanently and totally disabled

A person is permanently and totally disabled if, at any time in 2018, the person could not engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

## Line 10 – Child's relationship to you

For additional information see qualifying child definition.

## Line 11 – Number of days child lived with you

Enter the number of days the child lived with you in California during 2018. To qualify, the child must have the same principal place of residence in California as you for more than half of 2018, defined as 183 days or more. If the child was born or died in 2018 and your home was the child’s home for more than half the time he or she was alive during 2018, enter “365.” Do not enter more than 365 days. If the child did not live with you for the required time, temporary absences may count as time lived at home. For more information get federal Publication 596.

## Line 12 – Child's physical address

Enter the physical address where the child resided during 2018. This should be the address of the principal place of residence in California where the child lived with you for more than half of 2018. If the child lived with you in California for more than half of 2018, but moved within California during this period, this should be the address of the principal place of residence that was shared the longest.

## Step 4 Filer Without a Qualifying Child

a. Is the amount on federal Form 1040, line 7 less than \$16,751?

**Yes** Continue.

**No** Stop here, you cannot take the credit.

b. Were you (or your spouse/RDP if filing a joint return) at least age 18 at the end of 2018? (Answer “Yes” if you, or your spouse/RDP if filing a joint return, were born on or before January 1, 2001.) If your spouse/RDP died in 2018 (or if you are preparing a return for

someone who died in 2018), get federal Publication 596 for more information before you answer.

**Yes** Continue.

**No** Stop here, you cannot take the credit.

c. Was your main home, and your spouse’s/RDP’s if filing a joint return, in California for more than half of 2018?

**Yes** Continue.

**No** Stop here, you cannot take the credit.

d. Are you filing a joint return for 2018? For more information get federal Publication 596.

**Yes** Skip questions e and f; go to Step 5.

**No** Continue.

e. Could you be a qualifying child of another person for 2018? (Answer “No” if the other person is not required to file, and is not filing, a 2018 tax return or is filing a 2018 return only to claim a refund of withheld income tax or estimated tax paid. Get federal Publication 596 for examples.)

**Yes** Stop here, you cannot take the credit.

**No** Continue.

f. Can you be claimed as a dependent on someone else’s 2018 tax return?

**Yes** Stop here, you cannot take the credit.

**No** Go to Step 5.

## Step 5 California Earned Income

Complete lines 13 through 19 to figure your California earned income.

### Line 13 – Wages, salaries, tips, and other employee compensation, subject to California withholding

Enter the amount from Form 540, line 12; Form 540 2EZ, line 9; Long Form 540NR, line 12; or Short Form 540NR, line 12. Include all of your Medicaid waiver payments or In Home Supportive Services (IHSS) payments that are nontaxable for federal purposes.

Note: If you have clergy wages, subtract the self employment tax, if any, that was reported on federal Schedule SE and enter the result on form FTB 3514, line 13.

### Line 14 – IHSS payments

You may elect to include or exclude your Medicaid waiver payments or IHSS payments that are nontaxable for federal purposes. If you elect to exclude such payments from your earned income for California EITC purposes, enter the amount you received as Medicaid waiver payments or IHSS payments that are nontaxable for federal purposes on line 14. If you elect to include such payments, leave line 14 blank. If you are filing a joint return, both you and/or your spouse/RDP can elect to include or exclude your own nontaxable Medicaid waiver payments or IHSS payments for California EITC purposes. Each must elect to include or exclude all such payments, not just a portion of it. You may elect to include or exclude such payments from earned income for California EITC purposes, whether or not you elect to include or exclude them for federal purposes.

### Line 15 – Prison inmate wages and/or pension or annuity from a nonqualified deferred compensation plan or a nongovernmental Section 457 plan

Enter the amount included on line 13, that you received for work performed while an inmate in a penal institution.

Enter the amount included on line 13, that you received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental IRC Section 457 plan. This amount may be shown on federal Form W-2, Wage and Tax Statement, box 11. If you received such an amount and box 11 is blank, contact your employer for the amount received as a pension or annuity.

### Line 17 – Nontaxable combat pay

Enter the amount from federal Form W-2, box 12, code Q, if you elect to include your nontaxable military combat pay in earned income for EITC purposes. If you are filing a joint return, both you and/or your spouse/RDP can elect to include your own nontaxable military combat pay for EITC purposes. Each must include all of their nontaxable military combat

pay, not just a portion of it. You may elect to include nontaxable military combat pay in earned income for California purposes, whether or not you elect to include it for federal purposes.

**Line 18 – Business income or (loss)**

If you are self-employed and have net earnings from self-employment, go to Worksheet 3 to figure your business income or loss. Attach a copy of your complete federal return, including any Schedule C, Schedule C-EZ, Schedule F, Schedule SE, and any Schedule K-1 (Form 1065).

Worksheet 3 – Business Income or (Loss)	
<b>1 Business income or (loss).</b> Enter the amount from federal Schedule 1 (Form 1040), line 12 . . . . .	<b>1</b> _____
<b>2 Farm income or (loss).</b> Enter the amount from federal Schedule 1 (Form 1040), line 18 . . . . .	<b>2</b> _____
<b>3 Self-employment earnings from partnerships reported on K-1s.</b> Enter the net profit (or loss) from federal Schedule K-1 (Form 1065), box 14, code A . . . . .	<b>3</b> _____
<b>4 Deductible part of self-employment tax.</b> Enter the amount from federal Schedule 1 (Form 1040), line 27 . . . . .	<b>4</b> _____
<b>5 Total business income or (loss).</b> Add line 1, line 2, line 3, and subtract line 4. Enter the amount here and on form FTB 3514, line 18 . . . . .	<b>5</b> _____

After completing Step 5, line 18e go to Step 6.

**Step 6 How to Figure the CA EITC**

Complete the California Earned Income Tax Credit Worksheet below. If you file a Form 540NR, go to Step 7 after you complete Step 6.

**California Earned Income Tax Credit Worksheet**

**Part I – All Filers**

- Enter your California earned income from form FTB 3514, line 19. If the amount is zero or less, stop here . . . . . **1** \_\_\_\_\_
- Look up the amount on line 1 in the EITC Table to find the credit. Be sure you use the correct column for the number of qualifying children you have. Enter the credit here . . . . . **2** \_\_\_\_\_  
If the amount on line 2 is zero, stop here. You cannot take the credit.
- Enter the amount from federal Form 1040, line 7. . . . . **3** \_\_\_\_\_
- Are the amounts on lines 1 and 3 the same?  
**Yes** Skip line 5; and enter the amount from line 2 on line 6.  
**No** Go to line 5.

**Part II – Filers who Answered “No” on Line 4**

- If you have:
  - No qualifying children, is the amount on line 3 less than \$3,580?
  - 1 qualifying child, is the amount on line 3 less than \$5,376?
  - 2 qualifying children, is the amount on line 3 less than \$7,547?
  - 3 or more qualifying children, is the amount on line 3 less than \$7,547?**Yes** Leave line 5 blank; enter the amount from line 2 on line 6.  
**No** Look up the amount on line 3 in the EITC Table to find the credit. Be sure you use the correct column for the number of qualifying children you have. Enter the credit here. . . . . **5** \_\_\_\_\_  
 Look at the amounts on line 5 and line 2, enter the **smaller** amount on line 6.

**Part III – Your Earned Income Tax Credit**

- This is your California earned income tax credit. Enter this amount on form FTB 3514, line 20. . . . . **6** \_\_\_\_\_

**Lines 18 a-e Business information**

Enter your business information in the spaces provided. If you have multiple businesses, use the information from the schedule with the largest net profit (loss).

**Line b – Business address**

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

**Line c – Business license number**

Enter your business license number. A business license number is a reference number from a county, city, or state that allows you to engage in a specific business activity within the designated area. If you do not have a business license number, leave line c blank.

**Line d – SEIN**

Enter your state employer identification number (SEIN) issued by the California Employment Development Department. If you do not have a SEIN, leave line d blank.

**Line e – Business code**

Use the six-digit code from federal Schedule C, Schedule C-EZ, or Schedule F, box B.

**Step 7 How to Figure the Nonresident or Part-Year Resident EITC**

**Line 22 – Nonresident or Part-Year Resident EITC**

If you do not file a Form 540NR, do not complete lines 21 and 22 of form FTB 3514. If you file a Form 540NR, enter your CA Exemption Credit Percentage from line 38 of Form 540NR (Long or Short) on line 21 of form FTB 3514. Multiply line 21 by line 20 and enter the result on line 22 of form FTB 3514. This amount should also be entered on line 85 of Form 540NR (Long or Short).



# 2018 Earned Income Tax Credit Table

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- To find your credit, read down the "At least - But not over" columns and find the line that includes the amount you were told to look up from your California Earned Income Tax Credit Worksheet.
- Then, go to the column that includes the number of qualifying children you have. Enter the credit from that column on your California Earned Income Tax Credit Worksheet.

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
\$1	50	2	7	9	10
51	100	5	22	26	29
101	150	8	36	43	48
151	200	11	51	60	67
201	250	15	65	77	86
251	300	18	80	94	105
301	350	21	94	111	125
351	400	24	109	128	144
401	450	28	123	145	163
451	500	31	137	162	182
501	550	34	152	179	201
551	600	37	166	196	220
601	650	41	181	213	239
651	700	44	195	230	258
701	750	47	210	247	278
751	800	50	224	264	297
801	850	54	239	281	316
851	900	57	253	298	335
901	950	60	267	315	354
951	1000	63	282	332	373
1001	1050	67	296	349	392
1051	1100	70	311	366	411
1101	1150	73	325	383	431
1151	1200	76	340	400	450
1201	1250	80	354	417	469
1251	1300	83	369	434	488
1301	1350	86	383	451	507
1351	1400	89	398	468	526
1401	1450	93	412	485	545
1451	1500	96	426	502	564
1501	1550	99	441	519	584
1551	1600	102	455	536	603
1601	1650	106	470	553	622
1651	1700	109	484	570	641
1701	1750	112	499	587	660
1751	1800	115	513	604	679
1801	1850	119	528	621	698
1851	1900	122	542	638	717
1901	1950	125	556	655	737
1951	2000	128	571	672	756

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
2001	2050	132	585	689	775
2051	2100	135	600	706	794
2101	2150	138	614	723	813
2151	2200	141	629	740	832
2201	2250	145	643	757	851
2251	2300	148	658	774	870
2301	2350	151	672	791	890
2351	2400	154	687	808	909
2401	2450	158	701	825	928
2451	2500	161	715	842	947
2501	2550	164	730	859	966
2551	2600	167	744	876	985
2601	2650	171	759	893	1004
2651	2700	174	773	910	1023
2701	2750	177	788	927	1043
2751	2800	180	802	944	1062
2801	2850	184	817	961	1081
2851	2900	187	831	978	1100
2901	2950	190	845	995	1119
2951	3000	193	860	1012	1138
3001	3050	197	874	1029	1157
3051	3100	200	889	1046	1176
3101	3150	203	903	1063	1196
3151	3200	206	918	1080	1215
3201	3250	210	932	1097	1234
3251	3300	213	947	1114	1253
3301	3350	216	961	1131	1272
3351	3400	219	976	1148	1291
3401	3450	223	990	1165	1310
3451	3500	226	1004	1182	1329
3501	3550	229	1019	1199	1349
3551	3600	232	1033	1216	1368
3601	3650	230	1048	1233	1387
3651	3700	227	1062	1250	1406
3701	3750	223	1077	1267	1425
3751	3800	220	1091	1284	1444
3801	3850	217	1106	1301	1463
3851	3900	214	1120	1318	1482
3901	3950	210	1134	1335	1502
3951	4000	207	1149	1352	1521

# 2018 Earned Income Tax Credit Table

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- Then, go to the column that includes the number of qualifying children you have. Enter the credit from that column on your California Earned Income Tax Credit Worksheet.

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
4001	4050	204	1163	1369	1540
4051	4100	201	1178	1386	1559
4101	4150	197	1192	1403	1578
4151	4200	194	1207	1420	1597
4201	4250	191	1221	1437	1616
4251	4300	188	1236	1454	1635
4301	4350	184	1250	1471	1655
4351	4400	181	1265	1488	1674
4401	4450	178	1279	1505	1693
4451	4500	175	1293	1522	1712
4501	4550	171	1308	1539	1731
4551	4600	168	1322	1556	1750
4601	4650	165	1337	1573	1769
4651	4700	162	1351	1590	1788
4701	4750	158	1366	1607	1808
4751	4800	155	1380	1624	1827
4801	4850	152	1395	1641	1846
4851	4900	149	1409	1658	1865
4901	4950	145	1423	1675	1884
4951	5000	142	1438	1692	1903
5001	5050	139	1452	1709	1922
5051	5100	136	1467	1726	1941
5101	5150	132	1481	1743	1961
5151	5200	129	1496	1760	1980
5201	5250	126	1510	1777	1999
5251	5300	123	1525	1794	2018
5301	5350	119	1539	1811	2037
5351	5400	116	1554	1828	2056
5401	5450	113	1539	1845	2075
5451	5500	110	1525	1862	2094
5501	5550	106	1510	1879	2114
5551	5600	103	1496	1896	2133
5601	5650	102	1482	1913	2152
5651	5700	102	1467	1930	2171
5701	5750	101	1453	1947	2190
5751	5800	101	1438	1964	2209
5801	5850	100	1424	1981	2228
5851	5900	100	1409	1998	2247
5901	5950	100	1395	2015	2267
5951	6000	99	1380	2032	2286

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
6001	6050	99	1366	2049	2305
6051	6100	98	1352	2066	2324
6101	6150	98	1337	2083	2343
6151	6200	97	1323	2100	2362
6201	6250	97	1308	2117	2381
6251	6300	96	1294	2134	2400
6301	6350	96	1279	2151	2420
6351	6400	95	1265	2168	2439
6401	6450	95	1250	2185	2458
6451	6500	94	1236	2202	2477
6501	6550	94	1221	2219	2496
6551	6600	94	1207	2236	2515
6601	6650	93	1193	2253	2534
6651	6700	93	1178	2270	2553
6701	6750	92	1164	2287	2573
6751	6800	92	1149	2304	2592
6801	6850	91	1135	2321	2611
6851	6900	91	1120	2338	2630
6901	6950	90	1106	2355	2649
6951	7000	90	1091	2372	2668
7001	7050	89	1077	2389	2687
7051	7100	89	1063	2406	2706
7101	7150	88	1048	2423	2726
7151	7200	88	1034	2440	2745
7201	7250	88	1019	2457	2764
7251	7300	87	1005	2474	2783
7301	7350	87	990	2491	2802
7351	7400	86	976	2508	2821
7401	7450	86	961	2525	2840
7451	7500	85	947	2542	2859
7501	7550	85	932	2559	2879
7551	7600	84	918	2556	2876
7601	7650	84	904	2539	2857
7651	7700	83	889	2522	2838
7701	7750	83	875	2505	2818
7751	7800	83	860	2488	2799
7801	7850	82	846	2471	2780
7851	7900	82	831	2454	2761
7901	7950	81	817	2437	2742
7951	8000	81	802	2420	2723

# 2018 Earned Income Tax Credit Table

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- Then, go to the column that includes the number of qualifying children you have. Enter the credit from that column on your California Earned Income Tax Credit Worksheet.

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
8001	8050	80	788	2403	2704
8051	8100	80	774	2386	2685
8101	8150	79	759	2369	2665
8151	8200	79	745	2352	2646
8201	8250	78	730	2335	2627
8251	8300	78	716	2318	2608
8301	8350	77	701	2301	2589
8351	8400	77	687	2284	2570
8401	8450	77	672	2267	2551
8451	8500	76	658	2250	2532
8501	8550	76	643	2233	2512
8551	8600	75	629	2216	2493
8601	8650	75	615	2199	2474
8651	8700	74	600	2182	2455
8701	8750	74	586	2165	2436
8751	8800	73	571	2148	2417
8801	8850	73	557	2131	2398
8851	8900	72	542	2114	2379
8901	8950	72	528	2097	2359
8951	9000	72	513	2080	2340
9001	9050	71	499	2063	2321
9051	9100	71	485	2046	2302
9101	9150	70	470	2029	2283
9151	9200	70	456	2012	2264
9201	9250	69	441	1995	2245
9251	9300	69	427	1978	2226
9301	9350	68	412	1961	2206
9351	9400	68	398	1944	2187
9401	9450	67	383	1927	2168
9451	9500	67	369	1910	2149
9501	9550	66	354	1893	2130
9551	9600	66	340	1876	2111
9601	9650	66	326	1859	2092
9651	9700	65	311	1842	2073
9701	9750	65	297	1825	2053
9751	9800	64	282	1808	2034
9801	9850	64	268	1791	2015
9851	9900	63	256	1774	1996
9901	9950	63	255	1757	1977
9951	10000	62	254	1740	1958

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
10001	10050	62	253	1723	1939
10051	10100	61	253	1706	1920
10101	10150	61	252	1689	1900
10151	10200	60	251	1672	1881
10201	10250	60	250	1655	1862
10251	10300	60	249	1638	1843
10301	10350	59	248	1621	1824
10351	10400	59	247	1604	1805
10401	10450	58	247	1587	1786
10451	10500	58	246	1570	1767
10501	10550	57	245	1553	1747
10551	10600	57	244	1536	1728
10601	10650	56	243	1519	1709
10651	10700	56	242	1502	1690
10701	10750	55	242	1485	1671
10751	10800	55	241	1468	1652
10801	10850	55	240	1451	1633
10851	10900	54	239	1434	1614
10901	10950	54	238	1417	1594
10951	11000	53	237	1400	1575
11001	11050	53	236	1383	1556
11051	11100	52	236	1366	1537
11101	11150	52	235	1349	1518
11151	11200	51	234	1332	1499
11201	11250	51	233	1315	1480
11251	11300	50	232	1298	1461
11301	11350	50	231	1281	1441
11351	11400	49	230	1264	1422
11401	11450	49	230	1247	1403
11451	11500	49	229	1230	1384
11501	11550	48	228	1213	1365
11551	11600	48	227	1196	1346
11601	11650	47	226	1179	1327
11651	11700	47	225	1162	1308
11701	11750	46	225	1145	1288
11751	11800	46	224	1128	1269
11801	11850	45	223	1111	1250
11851	11900	45	222	1094	1231
11901	11950	44	221	1077	1212
11951	12000	44	220	1060	1193

# 2018 Earned Income Tax Credit Table

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- Then, go to the column that includes the number of qualifying children you have. Enter the credit from that column on your California Earned Income Tax Credit Worksheet.

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
12001	12050	44	219	1043	1174
12051	12100	43	219	1026	1155
12101	12150	43	218	1009	1135
12151	12200	42	217	992	1116
12201	12250	42	216	975	1097
12251	12300	41	215	958	1078
12301	12350	41	214	941	1059
12351	12400	40	213	924	1040
12401	12450	40	213	907	1021
12451	12500	39	212	890	1002
12501	12550	39	211	873	982
12551	12600	38	210	856	963
12601	12650	38	209	839	944
12651	12700	38	208	822	925
12701	12750	37	208	805	906
12751	12800	37	207	788	887
12801	12850	36	206	771	868
12851	12900	36	205	754	849
12901	12950	35	204	737	829
12951	13000	35	203	720	810
13001	13050	34	202	703	791
13051	13100	34	202	686	772
13101	13150	33	201	669	753
13151	13200	33	200	652	734
13201	13250	32	199	635	715
13251	13300	32	198	618	696
13301	13350	32	197	601	676
13351	13400	31	196	584	657
13401	13450	31	196	567	638
13451	13500	30	195	550	619
13501	13550	30	194	533	600
13551	13600	29	193	516	581
13601	13650	29	192	499	562
13651	13700	28	191	482	543
13701	13750	28	191	465	523
13751	13800	27	190	448	504
13801	13850	27	189	431	485
13851	13900	27	188	414	466
13901	13950	26	187	397	447
13951	14000	26	186	380	428

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
14001	14050	25	185	363	409
14051	14100	25	185	346	390
14101	14150	24	184	329	370
14151	14200	24	183	312	351
14201	14250	23	182	295	332
14251	14300	23	181	278	313
14301	14350	22	180	261	294
14351	14400	22	179	254	275
14401	14450	21	179	253	255
14451	14500	21	178	251	254
14501	14550	21	177	250	252
14551	14600	20	176	249	251
14601	14650	20	175	248	250
14651	14700	19	174	247	249
14701	14750	19	174	245	248
14751	14800	18	173	244	246
14801	14850	18	172	243	245
14851	14900	17	171	242	244
14901	14950	17	170	241	243
14951	15000	16	169	239	242
15001	15050	16	168	238	240
15051	15100	16	168	237	239
15101	15150	15	167	236	238
15151	15200	15	166	235	237
15201	15250	14	165	233	235
15251	15300	14	164	232	234
15301	15350	13	163	231	233
15351	15400	13	162	230	232
15401	15450	12	162	229	231
15451	15500	12	161	227	229
15501	15550	11	160	226	228
15551	15600	11	159	225	227
15601	15650	10	158	224	226
15651	15700	10	157	223	225
15701	15750	10	157	221	223
15751	15800	9	156	220	222
15801	15850	9	155	219	221
15851	15900	8	154	218	220
15901	15950	8	153	217	219
15951	16000	7	152	215	217

# 2018 Earned Income Tax Credit Table

**Caution:** This is **not** a tax table. If you are married filing separately you do **not** qualify for this credit.

- To find your credit, read down the "At least - But not over" columns and find the line that includes the amount you were told to look up from your California Earned Income Tax Credit Worksheet.
- Then, go to the column that includes the number of qualifying children you have. Enter the credit from that column on your California Earned Income Tax Credit Worksheet.

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
16001	16050	7	151	214	216
16051	16100	6	151	213	215
16101	16150	6	150	212	214
16151	16200	5	149	211	212
16201	16250	5	148	209	211
16251	16300	4	147	208	210
16301	16350	4	146	207	209
16351	16400	4	145	206	208
16401	16450	3	145	205	206
16451	16500	3	144	203	205
16501	16550	2	143	202	204
16551	16600	2	142	201	203
16601	16650	1	141	200	202
16651	16700	1	140	199	200
16701	16750	1	140	197	199
16751	16800	0	139	196	198
16801	16850	0	138	195	197
16851	16900	0	137	194	196
16901	16950	0	136	193	194
16951	17000	0	135	191	193
17001	17050	0	134	190	192
17051	17100	0	134	189	191
17101	17150	0	133	188	189
17151	17200	0	132	187	188
17201	17250	0	131	185	187
17251	17300	0	130	184	186
17301	17350	0	129	183	185
17351	17400	0	128	182	183
17401	17450	0	128	181	182
17451	17500	0	127	180	181
17501	17550	0	126	178	180
17551	17600	0	125	177	179
17601	17650	0	124	176	177
17651	17700	0	123	175	176
17701	17750	0	123	174	175
17751	17800	0	122	172	174
17801	17850	0	121	171	172
17851	17900	0	120	170	171
17901	17950	0	119	169	170
17951	18000	0	118	168	169

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
18001	18050	0	117	166	168
18051	18100	0	117	165	166
18101	18150	0	116	164	165
18151	18200	0	115	163	164
18201	18250	0	114	162	163
18251	18300	0	113	160	162
18301	18350	0	112	159	160
18351	18400	0	111	158	159
18401	18450	0	111	157	158
18451	18500	0	110	156	157
18501	18550	0	109	154	156
18551	18600	0	108	153	154
18601	18650	0	107	152	153
18651	18700	0	106	151	152
18701	18750	0	106	150	151
18751	18800	0	105	148	149
18801	18850	0	104	147	148
18851	18900	0	103	146	147
18901	18950	0	102	145	146
18951	19000	0	101	144	145
19001	19050	0	100	142	143
19051	19100	0	100	141	142
19101	19150	0	99	140	141
19151	19200	0	98	139	140
19201	19250	0	97	138	139
19251	19300	0	96	136	137
19301	19350	0	95	135	136
19351	19400	0	94	134	135
19401	19450	0	94	133	134
19451	19500	0	93	132	133
19501	19550	0	92	130	131
19551	19600	0	91	129	130
19601	19650	0	90	128	129
19651	19700	0	89	127	128
19701	19750	0	89	126	126
19751	19800	0	88	124	125
19801	19850	0	87	123	124
19851	19900	0	86	122	123
19901	19950	0	85	121	122
19951	20000	0	84	120	120



# 2018 Earned Income Tax Credit Table

**Caution:** This is **not** a tax table. If you are married filing separately you do **not** qualify for this credit.

- To find your credit, read down the "At least - But not over" columns and find the line that includes the amount you were told to look up from your California Earned Income Tax Credit Worksheet.
- Then, go to the column that includes the number of qualifying children you have. Enter the credit from that column on your California Earned Income Tax Credit Worksheet.

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
20001	20050	0	83	118	119
20051	20100	0	83	117	118
20101	20150	0	82	116	117
20151	20200	0	81	115	116
20201	20250	0	80	114	114
20251	20300	0	79	112	113
20301	20350	0	78	111	112
20351	20400	0	77	110	111
20401	20450	0	77	109	110
20451	20500	0	76	108	108
20501	20550	0	75	106	107
20551	20600	0	74	105	106
20601	20650	0	73	104	105
20651	20700	0	72	103	103
20701	20750	0	72	102	102
20751	20800	0	71	100	101
20801	20850	0	70	99	100
20851	20900	0	69	98	99
20901	20950	0	68	97	97
20951	21000	0	67	96	96
21001	21050	0	66	94	95
21051	21100	0	66	93	94
21101	21150	0	65	92	93
21151	21200	0	64	91	91
21201	21250	0	63	90	90
21251	21300	0	62	88	89
21301	21350	0	61	87	88
21351	21400	0	60	86	86
21401	21450	0	60	85	85
21451	21500	0	59	84	84
21501	21550	0	58	82	83
21551	21600	0	57	81	82
21601	21650	0	56	80	80
21651	21700	0	55	79	79
21701	21750	0	55	78	78
21751	21800	0	54	76	77
21801	21850	0	53	75	76
21851	21900	0	52	74	74
21901	21950	0	51	73	73
21951	22000	0	50	72	72

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
22001	22050	0	49	70	71
22051	22100	0	49	69	70
22101	22150	0	48	68	68
22151	22200	0	47	67	67
22201	22250	0	46	66	66
22251	22300	0	45	64	65
22301	22350	0	44	63	63
22351	22400	0	43	62	62
22401	22450	0	43	61	61
22451	22500	0	42	60	60
22501	22550	0	41	58	59
22551	22600	0	40	57	57
22601	22650	0	39	56	56
22651	22700	0	38	55	55
22701	22750	0	38	54	54
22751	22800	0	37	52	53
22801	22850	0	36	51	51
22851	22900	0	35	50	50
22901	22950	0	34	49	49
22951	23000	0	33	48	48
23001	23050	0	32	46	47
23051	23100	0	32	45	45
23101	23150	0	31	44	44
23151	23200	0	30	43	43
23201	23250	0	29	42	42
23251	23300	0	28	40	40
23301	23350	0	27	39	39
23351	23400	0	26	38	38
23401	23450	0	26	37	37
23451	23500	0	25	36	36
23501	23550	0	24	34	34
23551	23600	0	23	33	33
23601	23650	0	22	32	32
23651	23700	0	21	31	31
23701	23750	0	21	30	30
23751	23800	0	20	28	28
23801	23850	0	19	27	27
23851	23900	0	18	26	26
23901	23950	0	17	25	25
23951	24000	0	16	24	24

# 2018 Earned Income Tax Credit Table

**Caution:** This is **not** a tax table. If you are married filing separately you do **not** qualify for this credit.

- To find your credit, read down the "At least - But not over" columns and find the line that includes the amount you were told to look up from your California Earned Income Tax Credit Worksheet.
- Then, go to the column that includes the number of qualifying children you have. Enter the credit from that column on your California Earned Income Tax Credit Worksheet.

If the amount you are looking up from the worksheet is . . .		And your number of qualifying children is			
At least	But Not Over	0	1	2	3
		Your credit is . . .			
24001	24050	0	15	22	22
24051	24100	0	15	21	21
24101	24150	0	14	20	20
24151	24200	0	13	19	19
24201	24250	0	12	18	17
24251	24300	0	11	17	16
24301	24350	0	10	15	15
24351	24400	0	9	14	14
24401	24450	0	9	13	13
24451	24500	0	8	12	11
24501	24550	0	7	11	10
24551	24600	0	6	9	9
24601	24650	0	5	8	8
24651	24700	0	4	7	7
24701	24750	0	4	6	5
24751	24800	0	3	5	4
24801	24850	0	2	3	3
24851	24900	0	1	2	2
24901	24950	0	1	1	1

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# 2018 Instructions for Form FTB 3532

## Head of Household Filing Status Schedule

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and to the California Revenue and Taxation Code (R&TC).

### General Information

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

For taxable years beginning on or after January 1, 2015, California requires taxpayers who use head of household (HOH) filing status to file form FTB 3532, Head of Household Filing Status Schedule, to report how the HOH filing status was determined.

Attach the completed form FTB 3532, to your Form 540, California Resident Income Tax Return, Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, or Form 540 2EZ, California Resident Income Tax Return, if you claim head of household filing status.

Beginning in tax year 2018, if you do not attach a completed form FTB 3532 to your tax return, we will deny your Head of Household filing status. For more information about the Head of Household filing requirements, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **HOH**.

**Registered Domestic Partners (RDPs)** – For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP, unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic “partner” and a California registered domestic “partnership,” as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

### A Purpose

Use form FTB 3532 to report how the HOH filing status was determined.

### B Qualifications

You may qualify for HOH filing status if all of the following apply.

- You were unmarried and not an RDP, or met the requirements to be considered unmarried or considered not in a registered domestic partnership on the last day of the year.
- You paid more than one-half the costs of keeping up your home for the year.
- Your home was the main home for you and a qualifying person who lived with you for more than half the year.
- The qualifying person was related to you and met the requirements to be a qualifying child or qualifying relative. (For a qualifying relative see the instructions for Part III, line 4, Gross Income.)
- You were entitled to a Dependent Exemption Credit for your qualifying person. However, you do not have to be entitled to a Dependent Exemption Credit for your qualifying child if you were unmarried and not an RDP, and your qualifying child was also unmarried and not an RDP.

- You were not a nonresident alien at any time during the year.
- You paid more than half the cost of a qualifying person's total support.
- Your qualifying person is a citizen or national of the United States, or a resident of the U.S., Canada, or Mexico.

If you, your spouse/RDP, or your qualifying person who lived with you was absent from your home during the year, see the definition for temporary absence in FTB Pub. 1540, California Head of Household Filing Status. If your qualifying person is your father or mother, see the definition for Parent/Stepparent (Father or Mother) in FTB Pub. 1540.

### Specific Line Instructions

The law allowing HOH filing status has very specific requirements that the taxpayer must meet. Get FTB Pub. 1540 for more information.

#### Part I – Marital Status

##### Line 1

To qualify for HOH filing status, you must be either unmarried or considered unmarried on the last day of the year. You are considered unmarried on the last day of the year if you meet all of the following tests.

##### Considered Unmarried or Considered Not in a Registered Domestic Partnership

If you were married or an RDP as of the last day of the tax year or if your spouse/RDP died during the tax year, you may be considered unmarried or considered not in a registered domestic partnership for head of household purposes if you meet all of the following requirements:

- Your spouse/RDP did not live in your home at any time during the last six months of the year (see Temporary Absence in FTB Pub. 1540).
- Your qualifying person is your birth child, stepchild, adopted child, or eligible foster child.
- You paid more than one-half the cost of keeping up your home for the year.
- Your home was the main home for you and your birth child, stepchild, adopted child, or eligible foster child for more than half the year.
- You must be entitled to claim a Dependent Exemption Credit for your child; that is, your child must meet the requirements to be either a qualifying child or qualifying relative and meet the joint return and citizenship tests. You cannot claim a Dependent Exemption Credit for your child if you could be claimed as a dependent by another taxpayer. You can still meet this requirement if the only reason you cannot claim a Dependent Exemption Credit for your child is because either of the following applies, as provided in a decree of divorce, legal separation, or termination of registered domestic partnership, or a written separation agreement that applies to the tax year at issue:
  - The noncustodial parent is entitled to the Dependent Exemption Credit for the child.
  - The custodial parent signed a written statement that he or she will not claim the Dependent Exemption Credit for the child. (The custodial parent may sign federal Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, or a similar statement. The custodial parent can revoke their federal Form 8332 or similar statement by providing written notice to the other parent.) The noncustodial parent must attach a copy of the statement to his or her income tax return.

If either of the above provisions was contained in a pre-1985 decree or agreement, the noncustodial parent must have provided more than \$600 in support for the child during the year.



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## Part II – Qualifying Person

### Line 2

For the purposes of HOH filing status, you must have a qualifying person who is related to you to qualify for head of household filing status. Your qualifying person must meet the requirements to be either a qualifying child or qualifying relative. You must also pay more than half the cost of keeping up your home in which you and the qualifying child or qualifying relative lived for more than half the year. You may not claim yourself, or your spouse/RDP as your qualifying person.

## Part III – Qualifying Person Information

### Line 3

Enter the qualifying person's name.

Enter the qualifying person's Social Security Number (SSN). Verify that the name and SSN match the qualifying person's social security card to avoid disallowance of your HOH filing status. If the person was born in, and later died in, 2018, and does not have a SSN, enter "Died" and attach a copy of the person's birth and death certificates.

Enter the qualifying person's date of birth (mm/dd/yyyy) in the space provided. Incomplete information could result in a disallowance of your HOH filing status.

Your qualifying child must be under 19 years of age or a full-time student under 24 years of age. The person also meets the age test if he or she is permanently and totally disabled at any time during the calendar year. (If the person does not meet the age test to be a qualifying child, he or she may meet the requirements to be a qualifying relative).

### Line 4

#### Gross Income

Your qualifying relative's gross income must be less than \$4,150. Generally, gross income for head of household purposes only includes income that is taxable for federal income tax purposes. It does not include nontaxable income such as welfare benefits or the nontaxable portion of social security benefits.

If your qualifying relative was married or an RDP, you must consider the qualifying relative's community interest in the spouse's/RDP's income in applying the gross income test. For the federal allowable exemption amount, see the federal instruction booklet for that particular tax year. For more information, go to [irs.gov](https://www.irs.gov) and search for **17** to find Publication 17, Your Federal Income Tax For Individuals.

### Line 5

#### More Than Half the Year

Just because someone lived with you for six months does not mean that the person lived with you for more than half the year. A year has 365 days, and more than half the year is 183 days. (A leap year has 366 days, and more than half a leap year is 184 days.)

To determine how many days your home was your qualifying person's main home follow these guidelines:

- If you were not married and not an RDP at any time during the year, count all of the days that your qualifying person lived with you in your home.
- If you were married or an RDP at any time during the year and received a final decree of divorce, legal separation or your registered domestic partnership was legally terminated by the last day of the year, add together:
  - Half the number of days that you, your spouse/RDP, and your qualifying person lived together in your home.
  - All of the days that you and your qualifying person lived together in your home without your spouse/RDP (ex-spouse/ex-RDP).
- If you were married or an RDP as of the last day of the year, and you did not live with your spouse/RDP at any time during the last six months of the year, add together:
  - Half the number of days that you, your spouse/RDP, and your qualifying person lived together in your home.
  - All of the days that you and your qualifying person lived together in your home without your spouse/RDP.
- If you were married or an RDP as of the last day of the year, and you lived with your spouse/RDP at any time during the last six months of the year, you cannot qualify for the head of household filing status.

When calculating the above, you may include days when your qualifying person was temporarily absent from your home. Temporary absences include vacations, illness, business, school, military service, and incarceration. In the event of a birth or death of your qualifying person during the year, enter 365 days.

# 2018 California Tax Table

## To Find Your Tax:

- Read down the column labeled "If Your Taxable Income Is ..." to find the range that includes your taxable income from Form 540, line 19.
- Read across the columns labeled "The Tax For Filing Status" until you find the tax that applies for your taxable income and filing status.

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)					2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))					4 (Head of Household)				
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
\$1	\$50	\$0	\$0	\$0	6,451	6,550	65	65	65	12,951	13,050	175	130	130
51	150	1	1	1	6,551	6,650	66	66	66	13,051	13,150	177	131	131
151	250	2	2	2	6,651	6,750	67	67	67	13,151	13,250	179	132	132
251	350	3	3	3	6,751	6,850	68	68	68	13,251	13,350	181	133	133
351	450	4	4	4	6,851	6,950	69	69	69	13,351	13,450	183	134	134
451	550	5	5	5	6,951	7,050	70	70	70	13,451	13,550	185	135	135
551	650	6	6	6	7,051	7,150	71	71	71	13,551	13,650	187	136	136
651	750	7	7	7	7,151	7,250	72	72	72	13,651	13,750	189	137	137
751	850	8	8	8	7,251	7,350	73	73	73	13,751	13,850	191	138	138
851	950	9	9	9	7,351	7,450	74	74	74	13,851	13,950	193	139	139
951	1,050	10	10	10	7,451	7,550	75	75	75	13,951	14,050	195	140	140
1,051	1,150	11	11	11	7,551	7,650	76	76	76	14,051	14,150	197	141	141
1,151	1,250	12	12	12	7,651	7,750	77	77	77	14,151	14,250	199	142	142
1,251	1,350	13	13	13	7,751	7,850	78	78	78	14,251	14,350	201	143	143
1,351	1,450	14	14	14	7,851	7,950	79	79	79	14,351	14,450	203	144	144
1,451	1,550	15	15	15	7,951	8,050	80	80	80	14,451	14,550	205	145	145
1,551	1,650	16	16	16	8,051	8,150	81	81	81	14,551	14,650	207	146	146
1,651	1,750	17	17	17	8,151	8,250	82	82	82	14,651	14,750	209	147	147
1,751	1,850	18	18	18	8,251	8,350	83	83	83	14,751	14,850	211	148	148
1,851	1,950	19	19	19	8,351	8,450	84	84	84	14,851	14,950	213	149	149
1,951	2,050	20	20	20	8,451	8,550	85	85	85	14,951	15,050	215	150	150
2,051	2,150	21	21	21	8,551	8,650	87	86	86	15,051	15,150	217	151	151
2,151	2,250	22	22	22	8,651	8,750	89	87	87	15,151	15,250	219	152	152
2,251	2,350	23	23	23	8,751	8,850	91	88	88	15,251	15,350	221	153	153
2,351	2,450	24	24	24	8,851	8,950	93	89	89	15,351	15,450	223	154	154
2,451	2,550	25	25	25	8,951	9,050	95	90	90	15,451	15,550	225	155	155
2,551	2,650	26	26	26	9,051	9,150	97	91	91	15,551	15,650	227	156	156
2,651	2,750	27	27	27	9,151	9,250	99	92	92	15,651	15,750	229	157	157
2,751	2,850	28	28	28	9,251	9,350	101	93	93	15,751	15,850	231	158	158
2,851	2,950	29	29	29	9,351	9,450	103	94	94	15,851	15,950	233	159	159
2,951	3,050	30	30	30	9,451	9,550	105	95	95	15,951	16,050	235	160	160
3,051	3,150	31	31	31	9,551	9,650	107	96	96	16,051	16,150	237	161	161
3,151	3,250	32	32	32	9,651	9,750	109	97	97	16,151	16,250	239	162	162
3,251	3,350	33	33	33	9,751	9,850	111	98	98	16,251	16,350	241	163	163
3,351	3,450	34	34	34	9,851	9,950	113	99	99	16,351	16,450	243	164	164
3,451	3,550	35	35	35	9,951	10,050	115	100	100	16,451	16,550	245	165	165
3,551	3,650	36	36	36	10,051	10,150	117	101	101	16,551	16,650	247	166	166
3,651	3,750	37	37	37	10,151	10,250	119	102	102	16,651	16,750	249	167	167
3,751	3,850	38	38	38	10,251	10,350	121	103	103	16,751	16,850	251	168	168
3,851	3,950	39	39	39	10,351	10,450	123	104	104	16,851	16,950	253	169	169
3,951	4,050	40	40	40	10,451	10,550	125	105	105	16,951	17,050	255	170	170
4,051	4,150	41	41	41	10,551	10,650	127	106	106	17,051	17,150	257	171	171
4,151	4,250	42	42	42	10,651	10,750	129	107	107	17,151	17,250	259	173	173
4,251	4,350	43	43	43	10,751	10,850	131	108	108	17,251	17,350	261	175	175
4,351	4,450	44	44	44	10,851	10,950	133	109	109	17,351	17,450	263	177	177
4,451	4,550	45	45	45	10,951	11,050	135	110	110	17,451	17,550	265	179	179
4,551	4,650	46	46	46	11,051	11,150	137	111	111	17,551	17,650	267	181	181
4,651	4,750	47	47	47	11,151	11,250	139	112	112	17,651	17,750	269	183	183
4,751	4,850	48	48	48	11,251	11,350	141	113	113	17,751	17,850	271	185	185
4,851	4,950	49	49	49	11,351	11,450	143	114	114	17,851	17,950	273	187	187
4,951	5,050	50	50	50	11,451	11,550	145	115	115	17,951	18,050	275	189	189
5,051	5,150	51	51	51	11,551	11,650	147	116	116	18,051	18,150	277	191	191
5,151	5,250	52	52	52	11,651	11,750	149	117	117	18,151	18,250	279	193	193
5,251	5,350	53	53	53	11,751	11,850	151	118	118	18,251	18,350	281	195	195
5,351	5,450	54	54	54	11,851	11,950	153	119	119	18,351	18,450	283	197	197
5,451	5,550	55	55	55	11,951	12,050	155	120	120	18,451	18,550	285	199	199
5,551	5,650	56	56	56	12,051	12,150	157	121	121	18,551	18,650	287	201	201
5,651	5,750	57	57	57	12,151	12,250	159	122	122	18,651	18,750	289	203	203
5,751	5,850	58	58	58	12,251	12,350	161	123	123	18,751	18,850	291	205	205
5,851	5,950	59	59	59	12,351	12,450	163	124	124	18,851	18,950	293	207	207
5,951	6,050	60	60	60	12,451	12,550	165	125	125	18,951	19,050	295	209	209
6,051	6,150	61	61	61	12,551	12,650	167	126	126	19,051	19,150	297	211	211
6,151	6,250	62	62	62	12,651	12,750	169	127	127	19,151	19,250	299	213	213
6,251	6,350	63	63	63	12,751	12,850	171	128	128	19,251	19,350	301	215	215
6,351	6,450	64	64	64	12,851	12,950	173	129	129	19,351	19,450	303	217	217

Continued on next page.

# 2018 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)		2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))					4 (Head of Household)							
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
19,451	19,550	305	219	219	26,451	26,550	569	359	359	33,451	33,550	880	499	499
19,551	19,650	307	221	221	26,551	26,650	573	361	361	33,551	33,650	886	501	501
19,651	19,750	309	223	223	26,651	26,750	577	363	363	33,651	33,750	892	503	503
19,751	19,850	311	225	225	26,751	26,850	581	365	365	33,751	33,850	898	505	505
19,851	19,950	313	227	227	26,851	26,950	585	367	367	33,851	33,950	904	507	507
19,951	20,050	315	229	229	26,951	27,050	589	369	369	33,951	34,050	910	509	509
20,051	20,150	317	231	231	27,051	27,150	593	371	371	34,051	34,150	916	511	511
20,151	20,250	319	233	233	27,151	27,250	597	373	373	34,151	34,250	922	513	513
20,251	20,350	321	235	235	27,251	27,350	601	375	375	34,251	34,350	928	515	515
20,351	20,450	325	237	237	27,351	27,450	605	377	377	34,351	34,450	934	517	517
20,451	20,550	329	239	239	27,451	27,550	609	379	379	34,451	34,550	940	519	519
20,551	20,650	333	241	241	27,551	27,650	613	381	381	34,551	34,650	946	521	521
20,651	20,750	337	243	243	27,651	27,750	617	383	383	34,651	34,750	952	523	523
20,751	20,850	341	245	245	27,751	27,850	621	385	385	34,751	34,850	958	525	525
20,851	20,950	345	247	247	27,851	27,950	625	387	387	34,851	34,950	964	527	527
20,951	21,050	349	249	249	27,951	28,050	629	389	389	34,951	35,050	970	529	529
21,051	21,150	353	251	251	28,051	28,150	633	391	391	35,051	35,150	976	531	531
21,151	21,250	357	253	253	28,151	28,250	637	393	393	35,151	35,250	982	533	533
21,251	21,350	361	255	255	28,251	28,350	641	395	395	35,251	35,350	988	535	535
21,351	21,450	365	257	257	28,351	28,450	645	397	397	35,351	35,450	994	537	537
21,451	21,550	369	259	259	28,451	28,550	649	399	399	35,451	35,550	1,000	539	539
21,551	21,650	373	261	261	28,551	28,650	653	401	401	35,551	35,650	1,006	541	541
21,651	21,750	377	263	263	28,651	28,750	657	403	403	35,651	35,750	1,012	543	543
21,751	21,850	381	265	265	28,751	28,850	661	405	405	35,751	35,850	1,018	545	545
21,851	21,950	385	267	267	28,851	28,950	665	407	407	35,851	35,950	1,024	547	547
21,951	22,050	389	269	269	28,951	29,050	669	409	409	35,951	36,050	1,030	549	549
22,051	22,150	393	271	271	29,051	29,150	673	411	411	36,051	36,150	1,036	551	551
22,151	22,250	397	273	273	29,151	29,250	677	413	413	36,151	36,250	1,042	553	553
22,251	22,350	401	275	275	29,251	29,350	681	415	415	36,251	36,350	1,048	555	555
22,351	22,450	405	277	277	29,351	29,450	685	417	417	36,351	36,450	1,054	557	557
22,451	22,550	409	279	279	29,451	29,550	689	419	419	36,451	36,550	1,060	559	559
22,551	22,650	413	281	281	29,551	29,650	693	421	421	36,551	36,650	1,066	561	561
22,651	22,750	417	283	283	29,651	29,750	697	423	423	36,651	36,750	1,072	563	563
22,751	22,850	421	285	285	29,751	29,850	701	425	425	36,751	36,850	1,078	565	565
22,851	22,950	425	287	287	29,851	29,950	705	427	427	36,851	36,950	1,084	567	567
22,951	23,050	429	289	289	29,951	30,050	709	429	429	36,951	37,050	1,090	569	569
23,051	23,150	433	291	291	30,051	30,150	713	431	431	37,051	37,150	1,096	571	571
23,151	23,250	437	293	293	30,151	30,250	717	433	433	37,151	37,250	1,102	573	573
23,251	23,350	441	295	295	30,251	30,350	721	435	435	37,251	37,350	1,108	575	575
23,351	23,450	445	297	297	30,351	30,450	725	437	437	37,351	37,450	1,114	577	577
23,451	23,550	449	299	299	30,451	30,550	729	439	439	37,451	37,550	1,120	579	579
23,551	23,650	453	301	301	30,551	30,650	733	441	441	37,551	37,650	1,126	581	581
23,651	23,750	457	303	303	30,651	30,750	737	443	443	37,651	37,750	1,132	583	583
23,751	23,850	461	305	305	30,751	30,850	741	445	445	37,751	37,850	1,138	585	585
23,851	23,950	465	307	307	30,851	30,950	745	447	447	37,851	37,950	1,144	587	587
23,951	24,050	469	309	309	30,951	31,050	749	449	449	37,951	38,050	1,150	589	589
24,051	24,150	473	311	311	31,051	31,150	753	451	451	38,051	38,150	1,156	591	591
24,151	24,250	477	313	313	31,151	31,250	757	453	453	38,151	38,250	1,162	593	593
24,251	24,350	481	315	315	31,251	31,350	761	455	455	38,251	38,350	1,168	595	595
24,351	24,450	485	317	317	31,351	31,450	765	457	457	38,351	38,450	1,174	597	597
24,451	24,550	489	319	319	31,451	31,550	769	459	459	38,451	38,550	1,180	599	599
24,551	24,650	493	321	321	31,551	31,650	773	461	461	38,551	38,650	1,186	601	601
24,651	24,750	497	323	323	31,651	31,750	777	463	463	38,651	38,750	1,192	603	603
24,751	24,850	501	325	325	31,751	31,850	781	465	465	38,751	38,850	1,198	605	605
24,851	24,950	505	327	327	31,851	31,950	785	467	467	38,851	38,950	1,204	607	607
24,951	25,050	509	329	329	31,951	32,050	790	469	469	38,951	39,050	1,210	609	609
25,051	25,150	513	331	331	32,051	32,150	796	471	471	39,051	39,150	1,216	611	611
25,151	25,250	517	333	333	32,151	32,250	802	473	473	39,151	39,250	1,222	613	613
25,251	25,350	521	335	335	32,251	32,350	808	475	475	39,251	39,350	1,228	615	615
25,351	25,450	525	337	337	32,351	32,450	814	477	477	39,351	39,450	1,234	617	617
25,451	25,550	529	339	339	32,451	32,550	820	479	479	39,451	39,550	1,240	619	619
25,551	25,650	533	341	341	32,551	32,650	826	481	481	39,551	39,650	1,246	621	621
25,651	25,750	537	343	343	32,651	32,750	832	483	483	39,651	39,750	1,252	623	623
25,751	25,850	541	345	345	32,751	32,850	838	485	485	39,751	39,850	1,258	625	625
25,851	25,950	545	347	347	32,851	32,950	844	487	487	39,851	39,950	1,264	627	627
25,951	26,050	549	349	349	32,951	33,050	850	489	489	39,951	40,050	1,270	629	629
26,051	26,150	553	351	351	33,051	33,150	856	491	491	40,051	40,150	1,276	631	631
26,151	26,250	557	353	353	33,151	33,250	862	493	493	40,151	40,250	1,282	633	633
26,251	26,350	561	355	355	33,251	33,350	868	495	495	40,251	40,350	1,288	635	635
26,351	26,450	565	357	357	33,351	33,450	874	497	497	40,351	40,450	1,294	637	637

Continued on next page.

# 2018 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)		2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))					4 (Head of Household)							
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
40,451	40,550	1,300	639	639	47,451	47,550	1,783	919	919	54,451	54,550	2,343	1,199	1,244
40,551	40,650	1,306	643	643	47,551	47,650	1,791	923	923	54,551	54,650	2,351	1,203	1,250
40,651	40,750	1,312	647	647	47,651	47,750	1,799	927	927	54,651	54,750	2,359	1,207	1,256
40,751	40,850	1,318	651	651	47,751	47,850	1,807	931	931	54,751	54,850	2,367	1,211	1,262
40,851	40,950	1,324	655	655	47,851	47,950	1,815	935	935	54,851	54,950	2,375	1,215	1,268
40,951	41,050	1,330	659	659	47,951	48,050	1,823	939	939	54,951	55,050	2,383	1,219	1,274
41,051	41,150	1,336	663	663	48,051	48,150	1,831	943	943	55,051	55,150	2,391	1,223	1,280
41,151	41,250	1,342	667	667	48,151	48,250	1,839	947	947	55,151	55,250	2,399	1,227	1,286
41,251	41,350	1,348	671	671	48,251	48,350	1,847	951	951	55,251	55,350	2,407	1,231	1,292
41,351	41,450	1,354	675	675	48,351	48,450	1,855	955	955	55,351	55,450	2,415	1,235	1,298
41,451	41,550	1,360	679	679	48,451	48,550	1,863	959	959	55,451	55,550	2,423	1,239	1,304
41,551	41,650	1,366	683	683	48,551	48,650	1,871	963	963	55,551	55,650	2,431	1,243	1,310
41,651	41,750	1,372	687	687	48,651	48,750	1,879	967	967	55,651	55,750	2,439	1,247	1,316
41,751	41,850	1,378	691	691	48,751	48,850	1,887	971	971	55,751	55,850	2,447	1,251	1,322
41,851	41,950	1,384	695	695	48,851	48,950	1,895	975	975	55,851	55,950	2,455	1,255	1,328
41,951	42,050	1,390	699	699	48,951	49,050	1,903	979	979	55,951	56,050	2,463	1,259	1,334
42,051	42,150	1,396	703	703	49,051	49,150	1,911	983	983	56,051	56,150	2,471	1,263	1,340
42,151	42,250	1,402	707	707	49,151	49,250	1,919	987	987	56,151	56,250	2,480	1,267	1,346
42,251	42,350	1,408	711	711	49,251	49,350	1,927	991	991	56,251	56,350	2,489	1,271	1,352
42,351	42,450	1,414	715	715	49,351	49,450	1,935	995	995	56,351	56,450	2,499	1,275	1,358
42,451	42,550	1,420	719	719	49,451	49,550	1,943	999	999	56,451	56,550	2,508	1,279	1,364
42,551	42,650	1,426	723	723	49,551	49,650	1,951	1,003	1,003	56,551	56,650	2,517	1,283	1,370
42,651	42,750	1,432	727	727	49,651	49,750	1,959	1,007	1,007	56,651	56,750	2,527	1,287	1,376
42,751	42,850	1,438	731	731	49,751	49,850	1,967	1,011	1,011	56,751	56,850	2,536	1,291	1,382
42,851	42,950	1,444	735	735	49,851	49,950	1,975	1,015	1,015	56,851	56,950	2,545	1,295	1,388
42,951	43,050	1,450	739	739	49,951	50,050	1,983	1,019	1,019	56,951	57,050	2,554	1,299	1,394
43,051	43,150	1,456	743	743	50,051	50,150	1,991	1,023	1,023	57,051	57,150	2,564	1,303	1,400
43,151	43,250	1,462	747	747	50,151	50,250	1,999	1,027	1,027	57,151	57,250	2,573	1,307	1,406
43,251	43,350	1,468	751	751	50,251	50,350	2,007	1,031	1,031	57,251	57,350	2,582	1,311	1,412
43,351	43,450	1,474	755	755	50,351	50,450	2,015	1,035	1,035	57,351	57,450	2,592	1,315	1,418
43,451	43,550	1,480	759	759	50,451	50,550	2,023	1,039	1,039	57,451	57,550	2,601	1,319	1,424
43,551	43,650	1,486	763	763	50,551	50,650	2,031	1,043	1,043	57,551	57,650	2,610	1,323	1,430
43,651	43,750	1,492	767	767	50,651	50,750	2,039	1,047	1,047	57,651	57,750	2,620	1,327	1,436
43,751	43,850	1,498	771	771	50,751	50,850	2,047	1,051	1,051	57,751	57,850	2,629	1,331	1,442
43,851	43,950	1,504	775	775	50,851	50,950	2,055	1,055	1,055	57,851	57,950	2,638	1,335	1,448
43,951	44,050	1,510	779	779	50,951	51,050	2,063	1,059	1,059	57,951	58,050	2,647	1,339	1,454
44,051	44,150	1,516	783	783	51,051	51,150	2,071	1,063	1,063	58,051	58,150	2,657	1,343	1,460
44,151	44,250	1,522	787	787	51,151	51,250	2,079	1,067	1,067	58,151	58,250	2,666	1,347	1,466
44,251	44,350	1,528	791	791	51,251	51,350	2,087	1,071	1,071	58,251	58,350	2,675	1,351	1,472
44,351	44,450	1,535	795	795	51,351	51,450	2,095	1,075	1,075	58,351	58,450	2,685	1,355	1,478
44,451	44,550	1,543	799	799	51,451	51,550	2,103	1,079	1,079	58,451	58,550	2,694	1,359	1,484
44,551	44,650	1,551	803	803	51,551	51,650	2,111	1,083	1,083	58,551	58,650	2,703	1,363	1,490
44,651	44,750	1,559	807	807	51,651	51,750	2,119	1,087	1,087	58,651	58,750	2,713	1,367	1,496
44,751	44,850	1,567	811	811	51,751	51,850	2,127	1,091	1,091	58,751	58,850	2,722	1,371	1,502
44,851	44,950	1,575	815	815	51,851	51,950	2,135	1,095	1,095	58,851	58,950	2,731	1,375	1,508
44,951	45,050	1,583	819	819	51,951	52,050	2,143	1,099	1,099	58,951	59,050	2,740	1,379	1,514
45,051	45,150	1,591	823	823	52,051	52,150	2,151	1,103	1,103	59,051	59,150	2,750	1,383	1,520
45,151	45,250	1,599	827	827	52,151	52,250	2,159	1,107	1,107	59,151	59,250	2,759	1,387	1,526
45,251	45,350	1,607	831	831	52,251	52,350	2,167	1,111	1,112	59,251	59,350	2,768	1,391	1,532
45,351	45,450	1,615	835	835	52,351	52,450	2,175	1,115	1,118	59,351	59,450	2,778	1,395	1,538
45,451	45,550	1,623	839	839	52,451	52,550	2,183	1,119	1,124	59,451	59,550	2,787	1,399	1,544
45,551	45,650	1,631	843	843	52,551	52,650	2,191	1,123	1,130	59,551	59,650	2,796	1,403	1,550
45,651	45,750	1,639	847	847	52,651	52,750	2,199	1,127	1,136	59,651	59,750	2,806	1,407	1,556
45,751	45,850	1,647	851	851	52,751	52,850	2,207	1,131	1,142	59,751	59,850	2,815	1,411	1,562
45,851	45,950	1,655	855	855	52,851	52,950	2,215	1,135	1,148	59,851	59,950	2,824	1,415	1,568
45,951	46,050	1,663	859	859	52,951	53,050	2,223	1,139	1,154	59,951	60,050	2,833	1,419	1,574
46,051	46,150	1,671	863	863	53,051	53,150	2,231	1,143	1,160	60,051	60,150	2,843	1,423	1,580
46,151	46,250	1,679	867	867	53,151	53,250	2,239	1,147	1,166	60,151	60,250	2,852	1,427	1,586
46,251	46,350	1,687	871	871	53,251	53,350	2,247	1,151	1,172	60,251	60,350	2,861	1,431	1,592
46,351	46,450	1,695	875	875	53,351	53,450	2,255	1,155	1,178	60,351	60,450	2,871	1,435	1,598
46,451	46,550	1,703	879	879	53,451	53,550	2,263	1,159	1,184	60,451	60,550	2,880	1,439	1,604
46,551	46,650	1,711	883	883	53,551	53,650	2,271	1,163	1,190	60,551	60,650	2,889	1,443	1,610
46,651	46,750	1,719	887	887	53,651	53,750	2,279	1,167	1,196	60,651	60,750	2,899	1,447	1,616
46,751	46,850	1,727	891	891	53,751	53,850	2,287	1,171	1,202	60,751	60,850	2,908	1,451	1,622
46,851	46,950	1,735	895	895	53,851	53,950	2,295	1,175	1,208	60,851	60,950	2,917	1,455	1,628
46,951	47,050	1,743	899	899	53,951	54,050	2,303	1,179	1,214	60,951	61,050	2,926	1,459	1,634
47,051	47,150	1,751	903	903	54,051	54,150	2,311	1,183	1,220	61,051	61,150	2,936	1,463	1,640
47,151	47,250	1,759	907	907	54,151	54,250	2,319	1,187	1,226	61,151	61,250	2,945	1,467	1,646
47,251	47,350	1,767	911	911	54,251	54,350	2,327	1,191	1,232	61,251	61,350	2,954	1,471	1,652
47,351	47,450	1,775	915	915	54,351	54,450	2,335	1,195	1,238	61,351	61,450	2,964	1,475	1,658

Continued on next page.



# 2018 California Tax Table *– Continued*

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)						2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))					4 (Head of Household)			
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
61,451	61,550	2,973	1,479	1,664	68,451	68,550	3,624	1,850	2,162	75,451	75,550	4,275	2,270	2,722
61,551	61,650	2,982	1,483	1,670	68,551	68,650	3,633	1,856	2,170	75,551	75,650	4,284	2,276	2,730
61,651	61,750	2,992	1,487	1,676	68,651	68,750	3,643	1,862	2,178	75,651	75,750	4,294	2,282	2,738
61,751	61,850	3,001	1,491	1,682	68,751	68,850	3,652	1,868	2,186	75,751	75,850	4,303	2,288	2,746
61,851	61,950	3,010	1,495	1,688	68,851	68,950	3,661	1,874	2,194	75,851	75,950	4,312	2,294	2,754
61,951	62,050	3,019	1,499	1,694	68,951	69,050	3,670	1,880	2,202	75,951	76,050	4,321	2,300	2,762
62,051	62,150	3,029	1,503	1,700	69,051	69,150	3,680	1,886	2,210	76,051	76,150	4,331	2,306	2,770
62,151	62,250	3,038	1,507	1,706	69,151	69,250	3,689	1,892	2,218	76,151	76,250	4,340	2,312	2,778
62,251	62,350	3,047	1,511	1,712	69,251	69,350	3,698	1,898	2,226	76,251	76,350	4,349	2,318	2,786
62,351	62,450	3,057	1,515	1,718	69,351	69,450	3,708	1,904	2,234	76,351	76,450	4,359	2,324	2,794
62,451	62,550	3,066	1,519	1,724	69,451	69,550	3,717	1,910	2,242	76,451	76,550	4,368	2,330	2,804
62,551	62,650	3,075	1,523	1,730	69,551	69,650	3,726	1,916	2,250	76,551	76,650	4,377	2,336	2,813
62,651	62,750	3,085	1,527	1,736	69,651	69,750	3,736	1,922	2,258	76,651	76,750	4,387	2,342	2,822
62,751	62,850	3,094	1,531	1,742	69,751	69,850	3,745	1,928	2,266	76,751	76,850	4,396	2,348	2,832
62,851	62,950	3,103	1,535	1,748	69,851	69,950	3,754	1,934	2,274	76,851	76,950	4,405	2,354	2,841
62,951	63,050	3,112	1,539	1,754	69,951	70,050	3,763	1,940	2,282	76,951	77,050	4,414	2,360	2,850
63,051	63,150	3,122	1,543	1,760	70,051	70,150	3,773	1,946	2,290	77,051	77,150	4,424	2,366	2,859
63,151	63,250	3,131	1,547	1,766	70,151	70,250	3,782	1,952	2,298	77,151	77,250	4,433	2,372	2,869
63,251	63,350	3,140	1,551	1,772	70,251	70,350	3,791	1,958	2,306	77,251	77,350	4,442	2,378	2,878
63,351	63,450	3,150	1,555	1,778	70,351	70,450	3,801	1,964	2,314	77,351	77,450	4,452	2,384	2,887
63,451	63,550	3,159	1,559	1,784	70,451	70,550	3,810	1,970	2,322	77,451	77,550	4,461	2,390	2,897
63,551	63,650	3,168	1,563	1,790	70,551	70,650	3,819	1,976	2,330	77,551	77,650	4,470	2,396	2,906
63,651	63,750	3,178	1,567	1,796	70,651	70,750	3,829	1,982	2,338	77,651	77,750	4,480	2,402	2,915
63,751	63,850	3,187	1,571	1,802	70,751	70,850	3,838	1,988	2,346	77,751	77,850	4,489	2,408	2,925
63,851	63,950	3,196	1,575	1,808	70,851	70,950	3,847	1,994	2,354	77,851	77,950	4,498	2,414	2,934
63,951	64,050	3,205	1,580	1,814	70,951	71,050	3,856	2,000	2,362	77,951	78,050	4,507	2,420	2,943
64,051	64,150	3,215	1,586	1,820	71,051	71,150	3,866	2,006	2,370	78,051	78,150	4,517	2,426	2,952
64,151	64,250	3,224	1,592	1,826	71,151	71,250	3,875	2,012	2,378	78,151	78,250	4,526	2,432	2,962
64,251	64,350	3,233	1,598	1,832	71,251	71,350	3,884	2,018	2,386	78,251	78,350	4,535	2,438	2,971
64,351	64,450	3,243	1,604	1,838	71,351	71,450	3,894	2,024	2,394	78,351	78,450	4,545	2,444	2,980
64,451	64,550	3,252	1,610	1,844	71,451	71,550	3,903	2,030	2,402	78,451	78,550	4,554	2,450	2,990
64,551	64,650	3,261	1,616	1,850	71,551	71,650	3,912	2,036	2,410	78,551	78,650	4,563	2,456	2,999
64,651	64,750	3,271	1,622	1,858	71,651	71,750	3,922	2,042	2,418	78,651	78,750	4,573	2,462	3,008
64,751	64,850	3,280	1,628	1,866	71,751	71,850	3,931	2,048	2,426	78,751	78,850	4,582	2,468	3,018
64,851	64,950	3,289	1,634	1,874	71,851	71,950	3,940	2,054	2,434	78,851	78,950	4,591	2,474	3,027
64,951	65,050	3,298	1,640	1,882	71,951	72,050	3,949	2,060	2,442	78,951	79,050	4,600	2,480	3,036
65,051	65,150	3,308	1,646	1,890	72,051	72,150	3,959	2,066	2,450	79,051	79,150	4,610	2,486	3,045
65,151	65,250	3,317	1,652	1,898	72,151	72,250	3,968	2,072	2,458	79,151	79,250	4,619	2,492	3,055
65,251	65,350	3,326	1,658	1,906	72,251	72,350	3,977	2,078	2,466	79,251	79,350	4,628	2,498	3,064
65,351	65,450	3,336	1,664	1,914	72,351	72,450	3,987	2,084	2,474	79,351	79,450	4,638	2,504	3,073
65,451	65,550	3,345	1,670	1,922	72,451	72,550	3,996	2,090	2,482	79,451	79,550	4,647	2,510	3,083
65,551	65,650	3,354	1,676	1,930	72,551	72,650	4,005	2,096	2,490	79,551	79,650	4,656	2,516	3,092
65,651	65,750	3,364	1,682	1,938	72,651	72,750	4,015	2,102	2,498	79,651	79,750	4,666	2,522	3,101
65,751	65,850	3,373	1,688	1,946	72,751	72,850	4,024	2,108	2,506	79,751	79,850	4,675	2,528	3,111
65,851	65,950	3,382	1,694	1,954	72,851	72,950	4,033	2,114	2,514	79,851	79,950	4,684	2,534	3,120
65,951	66,050	3,391	1,700	1,962	72,951	73,050	4,042	2,120	2,522	79,951	80,050	4,693	2,540	3,129
66,051	66,150	3,401	1,706	1,970	73,051	73,150	4,052	2,126	2,530	80,051	80,150	4,703	2,546	3,138
66,151	66,250	3,410	1,712	1,978	73,151	73,250	4,061	2,132	2,538	80,151	80,250	4,712	2,552	3,148
66,251	66,350	3,419	1,718	1,986	73,251	73,350	4,070	2,138	2,546	80,251	80,350	4,721	2,558	3,157
66,351	66,450	3,429	1,724	1,994	73,351	73,450	4,080	2,144	2,554	80,351	80,450	4,731	2,564	3,166
66,451	66,550	3,438	1,730	2,002	73,451	73,550	4,089	2,150	2,562	80,451	80,550	4,740	2,570	3,176
66,551	66,650	3,447	1,736	2,010	73,551	73,650	4,098	2,156	2,570	80,551	80,650	4,749	2,576	3,185
66,651	66,750	3,457	1,742	2,018	73,651	73,750	4,108	2,162	2,578	80,651	80,750	4,759	2,582	3,194
66,751	66,850	3,466	1,748	2,026	73,751	73,850	4,117	2,168	2,586	80,751	80,850	4,768	2,588	3,204
66,851	66,950	3,475	1,754	2,034	73,851	73,950	4,126	2,174	2,594	80,851	80,950	4,777	2,594	3,213
66,951	67,050	3,484	1,760	2,042	73,951	74,050	4,135	2,180	2,602	80,951	81,050	4,786	2,600	3,222
67,051	67,150	3,494	1,766	2,050	74,051	74,150	4,145	2,186	2,610	81,051	81,150	4,796	2,606	3,231
67,151	67,250	3,503	1,772	2,058	74,151	74,250	4,154	2,192	2,618	81,151	81,250	4,805	2,612	3,241
67,251	67,350	3,512	1,778	2,066	74,251	74,350	4,163	2,198	2,626	81,251	81,350	4,814	2,618	3,250
67,351	67,450	3,522	1,784	2,074	74,351	74,450	4,173	2,204	2,634	81,351	81,450	4,824	2,624	3,259
67,451	67,550	3,531	1,790	2,082	74,451	74,550	4,182	2,210	2,642	81,451	81,550	4,833	2,630	3,269
67,551	67,650	3,540	1,796	2,090	74,551	74,650	4,191	2,216	2,650	81,551	81,650	4,842	2,636	3,278
67,651	67,750	3,550	1,802	2,098	74,651	74,750	4,201	2,222	2,658	81,651	81,750	4,852	2,642	3,287
67,751	67,850	3,559	1,808	2,106	74,751	74,850	4,210	2,228	2,666	81,751	81,850	4,861	2,648	3,297
67,851	67,950	3,568	1,814	2,114	74,851	74,950	4,219	2,234	2,674	81,851	81,950	4,870	2,654	3,306
67,951	68,050	3,577	1,820	2,122	74,951	75,050	4,228	2,240	2,682	81,951	82,050	4,879	2,660	3,315
68,051	68,150	3,587	1,826	2,130	75,051	75,150	4,238	2,246	2,690	82,051	82,150	4,889	2,666	3,324
68,151	68,250	3,596	1,832	2,138	75,151	75,250	4,247	2,252	2,698	82,151	82,250	4,898	2,672	3,334
68,251	68,350	3,605	1,838	2,146	75,251	75,350	4,256	2,258	2,706	82,251	82,350	4,907	2,678	3,343
68,351	68,450	3,615	1,844	2,154	75,351	75,450	4,266	2,264	2,714	82,351	82,450	4,917	2,684	3,352

Continued on next page.



# 2018 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)		2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))					4 (Head of Household)							
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
82,451	82,550	4,926	2,690	3,362	88,951	89,050	5,530	3,085	3,966	95,451	95,550	6,135	3,605	4,571
82,551	82,650	4,935	2,696	3,371	89,051	89,150	5,540	3,093	3,975	95,551	95,650	6,144	3,613	4,580
82,651	82,750	4,945	2,702	3,380	89,151	89,250	5,549	3,101	3,985	95,651	95,750	6,154	3,621	4,589
82,751	82,850	4,954	2,708	3,390	89,251	89,350	5,558	3,109	3,994	95,751	95,850	6,163	3,629	4,599
82,851	82,950	4,963	2,714	3,399	89,351	89,450	5,568	3,117	4,003	95,851	95,950	6,172	3,637	4,608
82,951	83,050	4,972	2,720	3,408	89,451	89,550	5,577	3,125	4,013	95,951	96,050	6,181	3,645	4,617
83,051	83,150	4,982	2,726	3,417	89,551	89,650	5,586	3,133	4,022	96,051	96,150	6,191	3,653	4,626
83,151	83,250	4,991	2,732	3,427	89,651	89,750	5,596	3,141	4,031	96,151	96,250	6,200	3,661	4,636
83,251	83,350	5,000	2,738	3,436	89,751	89,850	5,605	3,149	4,041	96,251	96,350	6,209	3,669	4,645
83,351	83,450	5,010	2,744	3,445	89,851	89,950	5,614	3,157	4,050	96,351	96,450	6,219	3,677	4,654
83,451	83,550	5,019	2,750	3,455	89,951	90,050	5,623	3,165	4,059	96,451	96,550	6,228	3,685	4,664
83,551	83,650	5,028	2,756	3,464	90,051	90,150	5,633	3,173	4,068	96,551	96,650	6,237	3,693	4,673
83,651	83,750	5,038	2,762	3,473	90,151	90,250	5,642	3,181	4,078	96,651	96,750	6,247	3,701	4,682
83,751	83,850	5,047	2,768	3,483	90,251	90,350	5,651	3,189	4,087	96,751	96,850	6,256	3,709	4,692
83,851	83,950	5,056	2,774	3,492	90,351	90,450	5,661	3,197	4,096	96,851	96,950	6,265	3,717	4,701
83,951	84,050	5,065	2,780	3,501	90,451	90,550	5,670	3,205	4,106	96,951	97,050	6,274	3,725	4,710
84,051	84,150	5,075	2,786	3,510	90,551	90,650	5,679	3,213	4,115	97,051	97,150	6,284	3,733	4,719
84,151	84,250	5,084	2,792	3,520	90,651	90,750	5,689	3,221	4,124	97,151	97,250	6,293	3,741	4,729
84,251	84,350	5,093	2,798	3,529	90,751	90,850	5,698	3,229	4,134	97,251	97,350	6,302	3,749	4,738
84,351	84,450	5,103	2,804	3,538	90,851	90,950	5,707	3,237	4,143	97,351	97,450	6,312	3,757	4,747
84,451	84,550	5,112	2,810	3,548	90,951	91,050	5,716	3,245	4,152	97,451	97,550	6,321	3,765	4,757
84,551	84,650	5,121	2,816	3,557	91,051	91,150	5,726	3,253	4,161	97,551	97,650	6,330	3,773	4,766
84,651	84,750	5,131	2,822	3,566	91,151	91,250	5,735	3,261	4,171	97,651	97,750	6,340	3,781	4,775
84,751	84,850	5,140	2,828	3,576	91,251	91,350	5,744	3,269	4,180	97,751	97,850	6,349	3,789	4,785
84,851	84,950	5,149	2,834	3,585	91,351	91,450	5,754	3,277	4,189	97,851	97,950	6,358	3,797	4,794
84,951	85,050	5,158	2,840	3,594	91,451	91,550	5,763	3,285	4,199	97,951	98,050	6,367	3,805	4,803
85,051	85,150	5,168	2,846	3,603	91,551	91,650	5,772	3,293	4,208	98,051	98,150	6,377	3,813	4,812
85,151	85,250	5,177	2,852	3,613	91,651	91,750	5,782	3,301	4,217	98,151	98,250	6,386	3,821	4,822
85,251	85,350	5,186	2,858	3,622	91,751	91,850	5,791	3,309	4,227	98,251	98,350	6,395	3,829	4,831
85,351	85,450	5,196	2,864	3,631	91,851	91,950	5,800	3,317	4,236	98,351	98,450	6,405	3,837	4,840
85,451	85,550	5,205	2,870	3,641	91,951	92,050	5,809	3,325	4,245	98,451	98,550	6,414	3,845	4,850
85,551	85,650	5,214	2,876	3,650	92,051	92,150	5,819	3,333	4,254	98,551	98,650	6,423	3,853	4,859
85,651	85,750	5,224	2,882	3,659	92,151	92,250	5,828	3,341	4,264	98,651	98,750	6,433	3,861	4,868
85,751	85,850	5,233	2,888	3,669	92,251	92,350	5,837	3,349	4,273	98,751	98,850	6,442	3,869	4,878
85,851	85,950	5,242	2,894	3,678	92,351	92,450	5,847	3,357	4,282	98,851	98,950	6,451	3,877	4,887
85,951	86,050	5,251	2,900	3,687	92,451	92,550	5,856	3,365	4,292	98,951	99,050	6,460	3,885	4,896
86,051	86,150	5,261	2,906	3,696	92,551	92,650	5,865	3,373	4,301	99,051	99,150	6,470	3,893	4,905
86,151	86,250	5,270	2,912	3,706	92,651	92,750	5,875	3,381	4,310	99,151	99,250	6,479	3,901	4,915
86,251	86,350	5,279	2,918	3,715	92,751	92,850	5,884	3,389	4,320	99,251	99,350	6,488	3,909	4,924
86,351	86,450	5,289	2,924	3,724	92,851	92,950	5,893	3,397	4,329	99,351	99,450	6,498	3,917	4,933
86,451	86,550	5,298	2,930	3,734	92,951	93,050	5,902	3,405	4,338	99,451	99,550	6,507	3,925	4,943
86,551	86,650	5,307	2,936	3,743	93,051	93,150	5,912	3,413	4,347	99,551	99,650	6,516	3,933	4,952
86,651	86,750	5,317	2,942	3,752	93,151	93,250	5,921	3,421	4,357	99,651	99,750	6,526	3,941	4,961
86,751	86,850	5,326	2,948	3,762	93,251	93,350	5,930	3,429	4,366	99,751	99,850	6,535	3,949	4,971
86,851	86,950	5,335	2,954	3,771	93,351	93,450	5,940	3,437	4,375	99,851	99,950	6,544	3,957	4,980
86,951	87,050	5,344	2,960	3,780	93,451	93,550	5,949	3,445	4,385	99,951	100,000	6,551	3,963	4,987
87,051	87,150	5,354	2,966	3,789	93,551	93,650	5,958	3,453	4,394					
87,151	87,250	5,363	2,972	3,799	93,651	93,750	5,968	3,461	4,403					
87,251	87,350	5,372	2,978	3,808	93,751	93,850	5,977	3,469	4,413					
87,351	87,450	5,382	2,984	3,817	93,851	93,950	5,986	3,477	4,422					
87,451	87,550	5,391	2,990	3,827	93,951	94,050	5,995	3,485	4,431					
87,551	87,650	5,400	2,996	3,836	94,051	94,150	6,005	3,493	4,440					
87,651	87,750	5,410	3,002	3,845	94,151	94,250	6,014	3,501	4,450					
87,751	87,850	5,419	3,008	3,855	94,251	94,350	6,023	3,509	4,459					
87,851	87,950	5,428	3,014	3,864	94,351	94,450	6,033	3,517	4,468					
87,951	88,050	5,437	3,020	3,873	94,451	94,550	6,042	3,525	4,478					
88,051	88,150	5,447	3,026	3,882	94,551	94,650	6,051	3,533	4,487					
88,151	88,250	5,456	3,032	3,892	94,651	94,750	6,061	3,541	4,496					
88,251	88,350	5,465	3,038	3,901	94,751	94,850	6,070	3,549	4,506					
88,351	88,450	5,475	3,044	3,910	94,851	94,950	6,079	3,557	4,515					
88,451	88,550	5,484	3,050	3,920	94,951	95,050	6,088	3,565	4,524					
88,551	88,650	5,493	3,056	3,929	95,051	95,150	6,098	3,573	4,533					
88,651	88,750	5,503	3,062	3,938	95,151	95,250	6,107	3,581	4,543					
88,751	88,850	5,512	3,069	3,948	95,251	95,350	6,116	3,589	4,552					
88,851	88,950	5,521	3,077	3,957	95,351	95,450	6,126	3,597	4,561					

OVER \$100,000 YOU MUST COMPUTE YOUR TAX USING THE TAX RATE SCHEDULES.

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**Visit our website:**

**[ftb.ca.gov](http://ftb.ca.gov)**

# 2018 California Tax Rate Schedules



To e-file and eliminate the math, go to [ftb.ca.gov](http://ftb.ca.gov). To figure your tax online, go to [ftb.ca.gov/tax-rates](http://ftb.ca.gov/tax-rates).

Use only if your taxable income on Form 540, line 19 is more than \$100,000. If \$100,000 or less, use the Tax Table.

	If the amount on Form 540, line 19 is		Enter on Form 540, line 31		of the amount over –
	over –	But not over –			
<b>Schedule X –</b>	\$ 0	\$ 8,544	\$ 0.00	+ 1.00%	\$ 0
Use if your filing status is	8,544	20,255	85.44	+ 2.00%	8,544
<b>Single or Married/RDP Filing Separately</b>	20,255	31,969	319.66	+ 4.00%	20,255
	31,969	44,377	788.22	+ 6.00%	31,969
	44,377	56,085	1,532.70	+ 8.00%	44,377
	56,085	286,492	2,469.34	+ 9.30%	56,085
	286,492	343,788	23,897.19	+ 10.30%	286,492
	343,788	572,980	29,798.68	+ 11.30%	343,788
	572,980	AND OVER	55,697.38	+ 12.30%	572,980

	If the amount on Form 540, line 19 is		Enter on Form 540, line 31		of the amount over –
	over –	But not over –			
<b>Schedule Y –</b>	\$ 0	\$ 17,088	\$ 0.00	+ 1.00%	\$ 0
Use if your filing status is	17,088	40,510	170.88	+ 2.00%	17,088
<b>Married/RDP Filing Jointly or Qualifying Widow(er)</b>	40,510	63,938	639.32	+ 4.00%	40,510
	63,938	88,754	1,576.44	+ 6.00%	63,938
	88,754	112,170	3,065.40	+ 8.00%	88,754
	112,170	572,984	4,938.68	+ 9.30%	112,170
	572,984	687,576	47,794.38	+ 10.30%	572,984
	687,576	1,145,960	59,597.36	+ 11.30%	687,576
	1,145,960	AND OVER	111,394.75	+ 12.30%	1,145,960

	If the amount on Form 540, line 19 is		Enter on Form 540, line 31		of the amount over –
	over –	But not over –			
<b>Schedule Z –</b>	\$ 0	\$ 17,099	\$ 0.00	+ 1.00%	\$ 0
Use if your filing status is	17,099	40,512	170.99	+ 2.00%	17,099
<b>Head of Household</b>	40,512	52,224	639.25	+ 4.00%	40,512
	52,224	64,632	1,107.73	+ 6.00%	52,224
	64,632	76,343	1,852.21	+ 8.00%	64,632
	76,343	389,627	2,789.09	+ 9.30%	76,343
	389,627	467,553	31,924.50	+ 10.30%	389,627
	467,553	779,253	39,950.88	+ 11.30%	467,553
	779,253	AND OVER	75,172.98	+ 12.30%	779,253

## How to Figure Tax Using the 2018 California Tax Rate Schedules

**Example:** Chris and Pat Smith are filing a joint tax return using Form 540. Their taxable income on Form 540, line 19 is \$125,000.

**Step 1:** Using Schedule Y, they find the taxable income range that includes their taxable income of \$125,000.

	<b>Example</b>	<b>Your Income</b>
<b>Step 2:</b> They subtract the amount at the beginning of their range from their taxable income.	$\begin{array}{r} \$125,000 \\ - 112,170 \\ \hline \$ 12,830 \end{array}$	$\begin{array}{r} \$ \\ - \\ \hline \$ \end{array}$
<b>Step 3:</b> They multiply the result from Step 2 by the percentage for their range.	$\begin{array}{r} \$ 12,830 \\ \times .0930 \\ \hline \$1,193.19 \end{array}$	$\begin{array}{r} \$ \\ \times \\ \hline \$ \end{array}$
<b>Step 4:</b> They round the amount from Step 3 to two decimals (if necessary) and add it to the tax amount for their income range. After rounding the result, they will enter \$6,132 on Form 540, line 31.	$\begin{array}{r} \$4,938.68 \\ + 1,193.19 \\ \hline \$6,131.87 \end{array}$	$\begin{array}{r} \$ \\ + \\ \hline \$ \end{array}$

# How To Get California Tax Information

## Where To Get Income Tax Forms and Publications

**By Internet** – You can download, view, and print California income tax forms and publications at [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or you may have these forms and publications mailed to you. Many of our most frequently used forms may be filed electronically, printed out for submission, and saved for record keeping.

**By phone** – To order California tax forms and publications:

- Refer to the list on the next page and find the code number for the form you want to order.
- Call 800.338.0505.
- Follow the recorded instructions.
- Enter the three-digit form code when you are instructed.

Allow two weeks to receive your order. If you live outside California, allow three weeks to receive your order.

**In person** – Many post offices and libraries provide free California tax booklets during the filing season.

Employees at libraries and post offices cannot provide tax information or assistance.

**By mail** – Write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

## Letters

If you write to us, be sure your letter includes your social security number or individual taxpayer identification number and your daytime and evening telephone numbers. Send your letter to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

We will respond to your letter within 10 weeks. In some cases, we may call you to respond to your inquiry, or ask you for additional information. **Do not** attach correspondence to your tax return unless the correspondence relates to an item on the return.

## Your Rights As A Taxpayer

The FTB's goals include making certain that your rights are protected so that you have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how to request written advice from the FTB on whether a particular transaction is taxable. See "Where To Get Income Tax Forms and Publications."

## Privacy Notice

The Franchise Tax Board considers the privacy of your tax information to be of the utmost importance.

**Reasons for Information Requests** – We ask for tax return information so that we can administer the tax law fairly and correctly.

**Rights and Responsibility** – You have the right to see our records that contain your personal information. To obtain information about your records, you may write to:

DISCLOSURE OFFICER MS A181  
FRANCHISE TAX BOARD  
PO BOX 1468  
SACRAMENTO CA 95812-1468

or call: 800.852.5711 within the United States, or 916.845.6500 outside of the United States.

**Your Responsibility** – California Revenue and Taxation Code Sections 18501 and 18621 require you to file a tax return on the forms we prescribe if you meet certain requirements. It is mandatory that you furnish all requested information. You may be charged penalties and interest, and in certain cases, you may be criminally prosecuted if you do not provide the information we ask for, or you provide fraudulent information.

**Information Disclosures** – As provided by law, we may give your tax information to other tax officials to determine your tax liability or collect tax amounts you owe. If you owe the Franchise Tax Board money we may also give your information to employers, financial institutions, county recorders, or others who hold assets belonging to you.

For full text of Franchise Tax Board's Privacy Notice, get FTB 1131 ENG/SP.

## Need help with your tax return?

We provide free assistance to individuals with limited income and/or over the age of 60 who need help in completing simple federal and state income tax returns. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **vita**.



**MyFTB**

The window to your info [ftb.ca.gov](http://ftb.ca.gov)

### The window to your information . . . MyFTB

MyFTB is a secure online service allowing you to:

- View estimated tax payments, recent payments made, and the total balance due on your account.
- Look up your California wage and withholding and FTB-issued 1099-G and 1099-INT records.
- Update your mailing address and phone number.
- Pay online with Web Pay.
- Link to additional services offered by the FTB:
  - File your tax return with CalFile
  - Apply for an installment agreement
  - Check your refund status
  - Request a paper copy of your filed tax return
  - Sign-up for estimated tax payment email reminders

Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB.

**Automated Phone Service**

Use our automated phone service to get recorded answers to many of your questions about California Taxes and to order current year Personal Income Tax Forms and Publications.

You can also:

- Get current year tax refund information.
- Get balance due and payment information.

Have paper and pencil ready to take notes.

Telephone: 800.338.0505 from within the United States  
916.845.6500 from outside the United States

**Answers To Tax Questions**

Call our automated phone service, follow the recorded instructions and enter the 3-digit code.

**Code Filing Assistance**

- 100 Do I need to file a tax return?
- 111 Which form should I use?
- 112 How do I file electronically and get a fast refund?
- 201 How can I get an extension to file?
- 203 What is the nonrefundable renter's credit and how do I qualify?
- 204 I never received a Form W-2. What do I do?
- 205 I have no withholding taken out. What do I do?
- 206 Do I have to attach a copy of my federal tax return?
- 209 I lived in California for part of the year. Do I have to file a tax return?
- 210 I did not live in California. Do I have to file a tax return?
- 215 Who qualifies me to use the head of household filing status?
- 222 How much can I deduct for vehicle license fees?

**Penalties**

- 403 What is the estimate penalty rate?

**Notices And Bills**

- 503 How do I file a protest against a Notice of Proposed Assessment?
- 506 How can I get information about my Form 1099-G?

**Tax For Children**

- 601 Can my child take a personal exemption credit when I claim her or him as a dependent on my tax return?

**Miscellaneous**

- 611 What address do I send my payment to?
- 619 How do I report a change of address?

**Order Forms and Publications**

If your current address is on file, you can order California tax forms and publications. Call our automated phone service, follow the recorded instructions and enter the 3-digit code.

**Code California Tax Forms and Publications**

- 900 California Resident Income Tax Booklet: Form 540, Resident Income Tax Return
- 965 Form 540 2EZ Tax Booklet
- 903 Schedule CA (540), California Adjustments – Residents, FTB 3885A, Depreciation and Amortization Adjustments, and Schedule D, California Capital Gain or Loss Adjustment

- 969 Large Print Resident Booklet
- 970 Resident Booklet on Audio CD
- 907 Form 540-ES, Estimated Tax for Individuals
- 908 Schedule X, California Explanation of Amended Return Changes
- 909 Schedule D-1, Sales of Business Property
- 910 Schedule G-1, Tax on Lump-Sum Distributions
- 911 Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents
- 913 Schedule S, Other State Tax Credit
- 914 California Nonresident Income Tax Booklet: Long and Short Form 540NR, Nonresident or Part-Year Resident Income Tax Return
- 917 Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents
- 918 Schedule P (540NR), Alternative Minimum Tax and Credit Limitations – Nonresidents or Part-Year Residents
- 932 FTB 3506, Child and Dependent Care Expenses Credit
- 938 FTB 3514, California Earned Income Tax Credit
- 937 FTB 3516, Request for Copy of Personal Income or Fiduciary Tax Return
- 921 FTB 3519, Payment for Automatic Extension for Individuals
- 922 FTB 3525, Substitute for Form W-2, Wage and Tax Statement
- 923 FTB 3526, Investment Interest Expense Deduction
- 939 FTB 3532, Head of Household Filing Status Schedule
- 940 FTB 3540, Credit Carryover and Recapture Summary
- 949 FTB 3567, Installment Agreement Request
- 924 FTB 3800, Tax Computation for Certain Children with Unearned Income
- 929 FTB 3801, Passive Activity Loss Limitations
- 925 FTB 3805E, Installment Sale Income
- 928 FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts
- 926 FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Individuals, Estates, and Trusts
- 943 FTB 4058, California Taxpayers' Bill of Rights
- 927 FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries
- 919 FTB Pub. 1001, Supplemental Guidelines to California Adjustments
- 920 FTB Pub. 1005, Pension and Annuity Guidelines
- 945 FTB Pub. 1006, California Tax Forms and Related Federal Forms
- 946 FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California
- 941 FTB Pub. 1031, Guidelines for Determining Resident Status
- 942 FTB Pub. 1032, Tax Information for Military Personnel
- 934 FTB Pub. 1540, California Head of Household Filing Status

**Current Year Refund Information**

If you file by mail, wait at least 8 weeks after you file your tax return before you call to find out about your refund. You need your social security number, the numbers in your street address, box number, route number, or PMB number, and your ZIP Code to use this service.

**Balance Due and Payment Information**

Wait at least 45 days from the date you mailed your payment before you call to verify receipt. You need your social security number, the numbers in your street address, box number, route number, or PMB number, and your ZIP Code to use this service.

**General Phone Service**

Telephone assistance is available year-round from 7 a.m. until 5 p.m. Monday through Friday, except holidays. Hours are subject to change.

Telephone: 800.852.5711 from within the United States

916.845.6500 from outside the United States

800.829.1040 for federal tax questions, call the IRS

TTY/TDD: 800.822.6268 for persons with hearing or speech disability

711 or 800.735.2929 California relay service

**Large-print forms and instructions** – The Resident Booklet is available in large print upon request and is also available on audio CD. See "Order Forms and Publications" or "Where To Get Income Tax Forms and Publications."

**Asistencia en español**

Asistencia telefónica está disponible durante todo el año desde las 7 a.m. hasta las 5 p.m. de lunes a viernes, excepto días feriados. Las horas están sujetas a cambios.

Teléfono: 800.852.5711 dentro de los Estados Unidos

916.845.6500 fuera de los Estados Unidos

800.829.1040 para preguntas sobre impuestos federales llame al IRS

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o del habla

711 ó 800.735.2929 servicio de relevo de California



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**[ftb.ca.gov](http://ftb.ca.gov)**