

CALIFORNIA 540

Forms & Instructions

2022

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. Due to the federal Emancipation Day holiday observed on April 17, 2023, tax returns filed and payments mailed or submitted on April 18, 2023, will be considered timely.

April 18, 2023*	Last day to file and pay the 2022 amount you owe to avoid penalties and interest. * See form FTB 3519 for more information. See "Interest and Penalties" section for information regarding a one-time timeliness penalty abatement. *If you are living or traveling outside the United States on April 18, 2023, the dates for filing your tax return and paying your tax are different. See form FTB 3519 for more information.
October 16, 2023	Last day to file or e-file your 2022 tax return to avoid a late filing penalty and interest computed from the original due date of April 18, 2023.
April 18, 2023 June 15, 2023 September 15, 2023 January 16, 2024	The dates for 2023 estimated tax payments. Generally, you do not have to make estimated tax payments if the total of your California withholdings is 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 of estimated tax penalty. Get Form 540-ES instructions for more information.

\$\$\$ for You

- **Federal Earned Income Credit (EIC)** – Go to the Internal Revenue Service (IRS) website at irs.gov/taxtopics and choose topic **601**, get the federal income tax booklet, or go to 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 \$30,001. You do not need a child to qualify. For more information, go to ftb.ca.gov and search for **eitc** or get form FTB 3514, California Earned Income Tax Credit.
- **Young Child Tax Credit (YCTC)** – YCTC reduces your California tax obligation, or allows a refund if no California tax is due. You may qualify for the credit if you qualified for the California EITC or you would otherwise have been allowed the California EITC but that you have earned income of zero dollars or less, and you have at least one qualifying child who is younger than six years old as of the last day of the taxable year. For more information, see the instructions for Form 540, California Resident Income Tax Return, line 76, and get form FTB 3514, or go to ftb.ca.gov and search for **yctc**.
- **Foster Youth Tax Credit (FYTC)** – FYTC reduces your California tax obligation, or allows a refund if no California tax is due. You may qualify for the credit if you qualified for the California EITC, age 18 to 25, were in foster care while 13 years of age or older and placed through the California foster care system. For more information, see the instructions for Form 540, line 77, and get form FTB 3514, or go to ftb.ca.gov and search for **fytc**.
- **Refund of Excess State Disability Insurance (SDI)** – If you worked for at least two employers during 2022 who together paid you more than \$145,600 in wages, you may qualify for a refund of excess SDI. See instructions for Form 540, line 74.

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 federal Form W-2, Wage and Tax Statement.
- Claiming the wrong amount of real estate withholding.
- Claiming the wrong amount of SDI.
- Claiming the wrong amount of exemption credits.

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 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 2021 tax return you requested to be applied to your 2022 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 and login or register for MyFTB to verify withheld amount or see instructions for Form 540, line 71. Confirm only California income tax withheld is claimed.
- Verify real estate or other withholding amount from Form 592-B, Resident and Nonresident Withholding Tax Statement, and Form 593, Real Estate Withholding Statement. See instructions for Form 540, line 73.

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

- Go to 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 Form 540, line 115 and include any adjustment by the FTB.

Use e-file:

- By using e-file, you can eliminate many common errors. Go to 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 12/31/22, my filing status was:	and on 12/31/22, my age was: (If your 65th birthday is on January 1, 2023, you are considered to be age 65 on December 31, 2022)	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	20,913	35,346	46,171	16,730	31,163	41,988
	65 or older	27,913	38,738	47,398	23,730	34,555	43,215
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)	41,830	56,263	67,088	33,466	47,899	58,724
	65 or older (one spouse/RDP)	48,830	59,655	68,315	40,466	51,291	59,951
	65 or older (both spouses/RDPs)	55,830	66,655	75,315	47,466	58,291	66,951
Qualifying surviving spouse/RDP	Under 65		35,346	46,171		31,163	41,988
	65 or older		38,738	47,398		34,555	43,215
Dependent of another person – Any filing status	Any age	More than your standard deduction (Use the California Standard Deduction Worksheet for Dependents on page 13 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 \$2,300 of investment income in 2022, 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 more than \$1,150 but less than \$11,500 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.

Other Situations When You Must File

If you have a tax liability for 2022 or owe any of the following taxes for 2022, 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 \$2,300 (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 an 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 either of the following:

- An active member of the United States armed forces or any auxiliary military branch during 2022.
- A nonresident for the entire year and had no income from California sources during 2022.

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 2022, file 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, 2022:

- 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, 2022, and did not remarry or enter into another registered domestic partnership in 2022.

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, 2022, even if you did not live with your spouse/RDP at the end of 2022.
- Your spouse/RDP died in 2022 and you did not remarry or enter into another registered domestic partnership in 2022.
- Your spouse/RDP died in 2023 before you filed a 2022 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. See "Order Forms and Publications" or go to 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 2022.

Head of Household

For the specific requirements that must be met to qualify for head of household (HOH) filing status, get FTB Pub. 1540, Tax Information for

Head of Household Filing Status. In general, HOH 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 HOH 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, 2022.
- You paid more than one-half the cost of keeping up your home for the year in 2022.
- 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 HOH filing status.
- You were not a nonresident alien at any time during the year.

For a child to qualify as your foster child for HOH 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 HOH 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 HOH filing status. For

more information about the HOH filing requirements, go to ftb.ca.gov and search for **hoh**. To get form FTB 3532, see "Order Forms and Publications" or go to ftb.ca.gov/forms.

Qualifying Surviving Spouse/RDP

Check the box on Form 540, line 5 and use the joint return tax rates for 2022 if **all** five of the following apply:

- Your spouse/RDP died in 2020 or 2021 and you did not remarry or enter into another registered domestic partnership in 2022.
- 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 2022:
 - The child had gross income of \$4,400 or more;
 - The child filed a joint return, or
 - You could be claimed as a dependent on someone else's return.

If the child is not claimed as your dependent, enter the child's name in the entry space under the "Qualifying surviving spouse/RDP" filing status.

- This child lived in your home for all of 2022. 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 2022

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 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 and search for **conformity**.

2022 Tax Law Changes/What's New

Discharge of Student Fees – For taxable years beginning on or after January 1, 2022, and before January 1, 2027, California law allows an exclusion from gross income for any amount of unpaid fees due or owed by a student to a community college that was discharged pursuant to California Education Code Section 32527. For more information, see Schedule CA (540) instructions and R&TC Section 17131.21.

Filing Status Name Changed to Qualifying Surviving Spouse/RDP – The filing status qualifying widow(er) is now called qualifying surviving spouse/RDP. The rules for the filing status have not changed.

Pass-Through Entity (PTE) Elective Tax and Other State Tax Credit Calculation – For taxable years beginning on or after January 1, 2022, and before January 1, 2026, the calculation of the other state tax credit has changed. California law allows a qualified partner, member, or shareholder to increase the net tax payable by the amount of the allowed PTE tax credit for the taxable year. For more information, get Schedule S, Other State Tax Credit, or see R&TC Section 17052.10.

College Access Tax Credit – The sunset date for the College Access Tax Credit is extended until taxable years beginning before January 1, 2028. For more information, get form FTB 3592, College Access Tax Credit.

Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant – For taxable years beginning on or after January 1, 2021, and before January 1, 2030, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program that is established

by Section 12100.975 of the Government Code. For more information, see R&TC Section 17158 and Schedule CA (540) instructions.

Turf Replacement Water Conservation Program – For taxable years beginning on or after January 1, 2022, and before January 1, 2027, California law allows an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program. For more information, see Schedule CA (540) instructions and R&TC Section 17138.2.

Fire Victims Trust Exclusion – For taxable years beginning before January 1, 2028, California law allows a qualified taxpayer an exclusion from gross income for any amount received from the Fire Victims Trust, established pursuant to the order of the United States Bankruptcy Court for the Northern District of California dated June 20, 2020, case number 19-30088, docket number 8053. If a qualified taxpayer included income for an amount received from the Fire Victims Trust in a prior taxable year, the taxpayer can file an amended tax return for that year. If the normal statute of limitations has expired, the taxpayer must file a claim by September 29, 2023. See Schedule CA (540) instructions and R&TC Section 17138.5.

Thomas and Woolsey Wildfires Exclusion – For taxable years beginning before January 1, 2027, California law allows a qualified taxpayer an exclusion from gross income for any amount received in a settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire. If a qualified taxpayer included income for an amount received from these settlements in a prior taxable year, the taxpayer can file an amended tax return for that year. If the normal statute of limitations has expired, the taxpayer must file a claim by September 29, 2023. For more information, see Schedule CA (540) instructions and R&TC Section 17138.6.

Reporting Requirements – Taxpayers may need to file form FTB 4197, Information on Tax Expenditure Items, with the FTB to report tax expenditure items as part of the FTB's annual reporting requirements under R&TC Section 41. To determine if you have an R&TC Section 41 reporting requirement, see the R&TC Section 41 Reporting Requirements section or get form FTB 4197.

High Road Cannabis Tax Credit – For taxable years beginning on or after January 1, 2023, and before January 1, 2028, a High Road Cannabis Tax Credit (HRCTC) will be available to a qualified taxpayer that is a licensed commercial cannabis business that meets specified criteria. The HRCTC is allowed in an amount equal to 25% of the total amount of the qualified taxpayer's qualified expenditures in the taxable year not to exceed \$250,000 per taxable year. Any credits not used in the taxable year may be carried forward up to eight years. A qualified taxpayer must request a tentative credit reservation from the FTB during the month of July for each taxable year or within 30 days of the start of their taxable year if the qualified taxpayer's taxable year begins after July. For more information, go to ftb.ca.gov and search for **hrctc**.

Middle Class Tax Refund – The California Middle Class Tax Refund is a one-time payment issued to provide relief to qualified recipients. California excludes this payment from gross income. For more information, see Schedule CA (540) instructions.

Timeliness Penalty Abatement – For taxable years beginning on or after January 1, 2022, an individual taxpayer may elect to request a one-time abatement of a failure-to-file or failure-to-pay timeliness penalty either orally or in writing, if the taxpayer was not previously required to file a California personal income tax return or has not previously been granted abatement under R&TC Section 19132.5, the taxpayer has filed all required returns as of the date of the request for abatement, and the taxpayer has paid, or is in a current arrangement to pay, all tax currently due. For more information, see R&TC Section 19132.5.

Young Child Tax Credit Expansion – For taxable years beginning on or after January 1, 2022, California expanded the YCTC eligibility to include an eligible individual with a qualifying child who would otherwise have been allowed the California EITC but that the individual has earned income of zero dollars or less, does not have net losses in excess of \$32,490 in the taxable year, and does not have wages, salaries, tips, and other employee compensation in excess of \$32,490 in the taxable year. For more information, get form FTB 3514, or go to ftb.ca.gov and search for **yctc**.

Foster Youth Tax Credit – For taxable years beginning on or after January 1, 2022, the refundable FYTC is available to an individual and/or spouse/RDP age 18 to 25, who is allowed the California EITC for the taxable year, was in foster care while 13 years of age or older and placed through the California foster care system. The maximum amount of credit allowable for each eligible taxpayer is \$1,083. The credit amount phases out as earned income exceeds the threshold amount of \$25,000, and completely phases out at \$30,000. For more information, see specific line instructions for Form 540, line 77, and get form FTB 3514, see R&TC Section 17052.2, or go to ftb.ca.gov and search for **fytc**.

Voter Registration Information – For taxable years beginning on or after January 1, 2022, we added a new Voter Registration Information checkbox on the tax return. For voter registration information, check the box on Form 540, Side 5 and go to sos.ca.gov/elections for more information. Also, see specific line instructions for Form 540, Voter Information Section and “Voting is Everybody’s Business” under Additional Information section for more information.

Repeal of Net Operating Loss Suspension – For the 2022 taxable year, the net operating loss suspension has been repealed. For more information, see R&TC Section 17276.23 and get form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts.

Repeal of Credit Limitation – For the 2022 taxable year, the credit limitation has been repealed. For more information, see R&TC Section 17039.3 and get Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents.

Homeless Hiring Tax Credit – For taxable years beginning on or after January 1, 2022, and before January 1, 2027, a Homeless Hiring Tax Credit (HHTC) will be available to a qualified taxpayer that hires eligible individuals. The amount of the tax credit will be based on the number of hours the employee works in the taxable year. Employers must obtain a certification of the individual’s homeless status from an organization that works with the homeless and must receive a **tentative credit reservation** for that employee. Any credits not used in the taxable year may be carried forward up to three years. For more information, get form FTB 3831, Homeless Hiring Tax Credit, or go to ftb.ca.gov and search for **hhtc**.

Soundstage Filming Tax Credit – For taxable years beginning on or after January 1, 2022, California R&TC Section 17053.98(k) allows a fourth film credit, the Soundstage Filming Tax Credit, against tax. 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 and search for **motion picture**, or go to the CFC website at film.ca.gov and search for **soundstage filming tax credit**.

State Historic Rehabilitation Tax Credit – For taxable years beginning on or after January 1, 2021, a State Historic Rehabilitation Tax Credit is available to qualified taxpayers that received a tax credit allocation from the California Tax Credit Allocation Committee (CTCAC). The credit is for the rehabilitation of certified historic structures and for individual taxpayers, a qualified residence. Any credits not used in the taxable year may be carried forward up to eight years. Taxpayers should apply for the tax credit reservation with CTCAC and have received a tax credit allocation confirmation number from CTCAC prior to claiming the State Historic Rehabilitation Tax Credit on form FTB 3835. The credit was not funded, and **cannot** be claimed, for tax year 2021. For more information, get form FTB 3835, State Historic Rehabilitation Tax Credit, or go to the California Office of Historic Preservation website at ohp.parks.ca.gov and search for **shrtc**.

Federal Acts – In general, R&TC does not conform to the changes under the following federal acts. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015, with modifications. For specific adjustments due to the following acts, see the Schedule CA (540) instructions.

- Inflation Reduction Act of 2022 (enacted on August 16, 2022)
- American Rescue Plan Act (ARPA) of 2021 (enacted on March 11, 2021)
- Consolidated Appropriations Act (CAA), 2021 (enacted on December 27, 2020)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (enacted on March 27, 2020)
- Setting Every Community Up for Retirement Enhancement (SECURE) Act (enacted on December 20, 2019)

R&TC Section 41 Reporting Requirements

Taxpayers should file form FTB 4197 with the FTB to report tax expenditure items as part of the FTB’s annual reporting requirements under R&TC Section 41. “Tax expenditure” means a credit, deduction, exclusion, exemption, or any other tax benefit provided for by the state. The FTB uses information from form FTB 4197 for reports required by the California Legislature. Taxpayers that have a reporting requirement for any of the following should file form FTB 4197:

- For taxable years beginning before January 1, 2027, qualified taxpayers who benefited from the exclusion from gross income for any amount received in a settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire.
- For taxable years beginning on January 1, 2022, and before January 1, 2027, taxpayers who benefited from the exclusion of gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program.
- For taxable years beginning on or after January 1, 2021, taxpayers who benefited from the exclusion from gross income for the Paycheck Protection Program (PPP) loans forgiveness, other loan forgiveness, the Economic Injury Disaster Loan (EIDL) advance grant, restaurant revitalization grant, or shuttered venue operator grant, and related eligible expense deductions.
- Beginning in taxable year 2020, a taxpayer operating a commercial cannabis activity that is licensed under California Medicinal and Adult-Use Cannabis Regulation and Safety Act.

For more information, get form FTB 4197.

Other Important Information

Expanded Definition of Qualified Higher Education Expenses – For taxable years beginning on or after January 1, 2021, California law conforms to the expanded definition of qualified higher education expenses associated with participation in a registered apprenticeship program and payment on the principal or interest of a qualified education loan under the federal Further Consolidated Appropriations Act, 2020.

California Microbusiness COVID-19 Relief Grant – For taxable years beginning on or after January 1, 2020, and before January 1, 2023, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Microbusiness COVID-19 Relief Program that is administered by the Office of Small Business Advocate (CalOSBA). For more information, see R&TC Section 17158.1 and Schedule CA (540) instructions.

Shuttered Venue Operator Grant – For taxable years beginning on or after January 1, 2019, California law allows an exclusion from gross income for amounts awarded as a shuttered venue operator grant under the CAA, 2021. The CAA, 2021, allows deductions for eligible expenses paid for with grant amounts. California law conforms to this federal provision, with modifications. For California purposes, these deductions do not apply to an ineligible entity. “Ineligible entity” means a taxpayer that is either a publicly-traded company or does not meet the 25% reduction from gross receipts requirements under Section 311 of Division N of the CAA, 2021. For more information, see R&TC Section 17158.3 and Schedule CA (540) instructions.

California Venues Grant – For taxable years beginning on or after September 1, 2020, and before January 1, 2030, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Venues Grant Program that is administered by CalOSBA. For more information, see R&TC Section 17158 and Schedule CA (540) instructions.

Small Business COVID-19 Relief Grant Program – For taxable years beginning on or after January 1, 2020, and before January 1, 2030, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the COVID-19 Relief Grant under Executive Order No. E 20/21-182 and the California Small Business COVID-19 Relief Grant Program established by Section 12100.83 of the Government Code. For more information, see Schedule CA (540) instructions.

Income Exclusion for Rent Forgiveness – For taxable years beginning on or after January 1, 2020, and before January 1, 2025, gross income shall not include a tenant’s rent liability that is forgiven by a landlord or rent forgiveness provided through funds grantees received as a direct allocation from the Secretary of the Treasury based on the CAA, 2021. For more information, see Schedule CA (540) instructions.

Paycheck Protection Program (PPP) Loans Forgiveness – For taxable years beginning on or after January 1, 2019, California law allows an exclusion from gross income for covered loan amounts forgiven under the federal CARES Act, Paycheck Protection Program and Health Care Enhancement Act, Paycheck Protection Program Flexibility Act of 2020, the CAA, 2021, or the PPP Extension Act of 2021.

Also, the ARPA expands PPP eligibility to include “additional covered nonprofit entities” which includes certain Code 501(c) nonprofit organizations and Internet-only news publishers and Internet-only periodical publishers. California law does not conform to this expansion of PPP eligibility.

The CAA, 2021, allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision, with modifications. For California purposes, these deductions do not apply to an ineligible entity. “Ineligible entity” means a taxpayer that is either a publicly-traded company or does not meet the 25% reduction from gross receipts requirements under Section 311 of Division N of the CAA, 2021.

For more information, see Schedule CA (540) instructions or R&TC Section 17131.8 or go to ftb.ca.gov and search for **AB 80**.

Advance Grant Amount – For taxable years beginning on or after January 1, 2019, California law conforms to the federal law regarding the treatment for an emergency EIDL grant under the CARES Act or a targeted EIDL advance under the CAA, 2021.

Other Loan Forgiveness – For taxable years beginning on or after January 1, 2019, California law allows an exclusion from gross income for borrowers of forgiveness of indebtedness described in Section 1109(d)(2)(D) of the CARES Act as stated by section 278, Division N of the CAA, 2021. The CAA, 2021, allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision, with modifications. For California purposes, these deductions generally do not apply to an ineligible entity. “Ineligible entity” means a taxpayer that is either a publicly-traded company or does not meet the 25% reduction from gross receipts requirements under Section 311 of the CAA, 2021. For more information, see Schedule CA (540) instructions or go to ftb.ca.gov and search for **AB 80**.

Gross Income Exclusion for Bruce’s Beach – Effective September 30, 2021, California law allows an exclusion from gross income for the first time sale in the taxable year in which the land within Manhattan State Beach, known as “Peck’s Manhattan Beach Tract Block 5” and commonly referred to as “Bruce’s Beach” is sold, transferred, or encumbered. A recipient’s gross income does not include the following:

- Any sale, transfer, or encumbrance of Bruce’s Beach;
- Any gain, income, or proceeds received that is directly derived from the sale, transfer, or encumbrance of Bruce’s Beach.

For more information, get Schedule D (540), California Capital Gain or Loss Adjustment.

Moving Expense Deduction – For taxable years beginning on or after January 1, 2021, taxpayers should file California form FTB 3913, Moving Expense Deduction, to claim moving expense deductions. Attach the completed form FTB 3913 to Form 540. For more information, see Schedule CA (540) instructions and get form FTB 3913.

Elective Tax for Pass-Through Entities (PTE) and Credit for Owners – For taxable years beginning on or after January 1, 2021, and before January 1, 2026, California law allows an entity taxed as a partnership or an “S” corporation to annually elect to pay an elective tax at a rate of 9.3% based on its qualified net income. The election shall be made on an original, timely filed return and is irrevocable for the taxable year.

The law allows a credit against the personal income tax to a taxpayer, other than a partnership, that is a partner, shareholder, or member of a qualified entity that elects to pay the elective tax, in an amount equal to 9.3% of the partner’s, shareholder’s, or member’s pro rata share or distributive share and guaranteed payments of qualified net income subject to the election made by the qualified entity. A disregarded business entity and its partners or members cannot claim the credit, except for a disregarded single member limited liability company (SMLLC) that is owned by an individual, fiduciary, estate, or trust subject to personal income tax. For more information, go to ftb.ca.gov and search for **pte elective tax** and get the following new PTE elective tax forms and instructions:

- Form FTB 3893, Pass-Through Entity Elective Tax Payment Voucher
- Form FTB 3804, Pass-Through Entity Elective Tax Calculation
- Form FTB 3804-CR, Pass-Through Entity Elective Tax Credit

Resident State Tax Filers List – For taxable years beginning on or after January 1, 2020, taxpayers will include on their Form 540 the address and county of their principal residence as part of the FTB’s annual reporting requirements to the jury commissioner. Taxpayers that are required to provide this information include persons who are 18 years of age or older and have filed a California resident income tax return for the preceding taxable year. The list of resident state tax filers will be used as one of the source lists for jury selection by the jury commissioner’s office. For more information, see specific line instructions or California R&TC Sections 19548.4 and 19585.

Dependent Exemption Credit with No ID – For taxable years beginning on or after January 1, 2018, taxpayers claiming a dependent exemption credit for a dependent who is ineligible for a Social Security Number (SSN) and a federal Individual Taxpayer Identification Number (ITIN) may provide alternative information to the FTB to identify the dependent. To claim the dependent exemption credit, taxpayers complete form FTB 3568, Alternative Identifying Information for the Dependent Exemption Credit, attach the form and required documentation to their tax return, and write “no id” in the SSN field of line 10, Dependents, on Form 540, California Resident Income Tax Return. For each dependent being claimed that does not have an SSN and an ITIN, a form FTB 3568 must be provided along with supporting documentation.

Taxpayers may amend their tax return beginning with taxable year 2018 to claim the dependent exemption credit. For more information on how to amend your tax returns, see “Instructions for Filing a 2022 Amended Return”.

Expansion for Credits Eligibility – For taxable years beginning on or after January 1, 2020, California expanded EITC and YCTC eligibility to allow either the federal ITIN or the SSN to be used by all eligible individuals, their spouses, and qualifying children. If an ITIN is used, eligible individuals should provide identifying documents upon request of the FTB. Any valid SSN can be used, not only those that are valid for work. Additionally, upon receiving a valid SSN, the individual should notify the FTB in the time and manner prescribed by the FTB. The YCTC is available if the eligible individual or spouse has a qualifying child younger than six years old. For more information, go to ftb.ca.gov and search for **eitc**, or get form FTB 3514.

Worker Status: Employees and Independent Contractors – Some individuals may be classified as independent contractors for federal purposes and employees for California purposes, which may also cause changes in how their income and deductions are classified. Proposition 22 was operative as of December 16, 2020, and may affect a taxpayer’s worker classification. For more information, see Schedule CA (540) instructions.

Minimum Essential Coverage Individual Mandate – For taxable years beginning on or after January 1, 2020, California law requires residents and their dependents to obtain and maintain minimum essential

coverage (MEC), also referred to as qualifying health care coverage. Individuals who fail to maintain qualifying health care coverage for any month during the taxable year will be subject to a penalty unless they qualify for an exemption. For more information, see specific line instructions for Form 540, line 92, or get the following health care forms, instructions, and publications:

- Form FTB 3853, Health Coverage Exemptions and Individual Shared Responsibility Penalty
- Form FTB 3895, California Health Insurance Marketplace Statement
- FTB Pub. 3895B, California Instructions for Filing Federal Forms 1094-B and 1095-B
- FTB Pub. 3895C, California Instructions for Filing Federal Forms 1094-C and 1095-C

Rental Real Estate Activities – For taxable years beginning on or after January 1, 2020, the dollar limitation for the offset for rental real estate activities shall not apply to the low income housing credit program. For more information, see R&TC Section 17561(d)(1). Get form FTB 3801-CR, Passive Activity Credit Limitations, for more information.

Taxpayers Conducting Commercial Cannabis Activity – Beginning in taxable year 2020, California allows individuals and other taxpayers operating under the personal income tax law to claim credits and deductions of business expenses paid or incurred during the taxable year in conducting commercial cannabis activity. Sole proprietors are those that conduct a commercial cannabis activity that is licensed under California Medicinal and Adult-Use Cannabis Regulation and Safety Act. For more information, see Schedule CA (540) instructions.

Excess Business Loss Limitation – The CARES Act made amendments to IRC Section 461(l) by eliminating the excess business loss limitation of noncorporate taxpayers for taxable year 2020 and retroactively removing the limitation for taxable years 2018 and 2019. California law does **not** conform to those amendments. Also, California law does not conform to the federal changes in the ARPA and the Inflation Reduction Act of 2022 that extend the limitation on excess business losses of noncorporate taxpayers for taxable years beginning after December 31, 2020, and ending before January 1, 2029. Complete form FTB 3461, California Limitation on Business Losses, if you are a noncorporate taxpayer and your net losses from all of your trades or businesses are more than \$270,000 (\$540,000 for married taxpayers filing a joint return). For more information, get form FTB 3461 and see Schedule CA (540) instructions.

Loophole Closure and Small Business and Working Families Tax Relief Act of 2019 – The federal Tax Cuts and Jobs Act (TCJA) signed into law on December 22, 2017, made changes to the IRC. California R&TC does not conform to all of the changes. In general, for taxable years beginning on or after January 1, 2019, California law conforms to the following TCJA provisions:

- California Achieving a Better Life Experience (ABLE) Program
- Student loan discharged on account of death or disability
- Federal Deposit Insurance Corporation (FDIC) Premiums
- Excess employee compensation
- Excess business loss

Like-Kind Exchanges – The TCJA amended IRC Section 1031 limiting the nonrecognition of gain or loss on like-kind exchanges to real property held for productive use or investment. California law conforms to this change under the TCJA for exchanges initiated after January 10, 2019. However, for California purposes, with regard to individuals, this limitation only applies to:

- A taxpayer who is a head of household, a surviving spouse, or spouse filing a joint return with adjusted gross income (AGI) of \$500,000 or more for the taxable year in which the exchange begins.
- Any other taxpayer filing an individual return with AGI of \$250,000 or more for the taxable year in which the exchange begins.

Get Schedule D-1, Sales of Business Property, for more information.

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 and search for **like kind**.

Young Child Tax Credit – For taxable years beginning on or after January 1, 2019, the refundable YCTC is available to taxpayers who also qualify for the California EITC and who have at least one qualifying child who is younger than six years old as of the last day of the taxable year. For taxable year 2022, the maximum amount of credit allowable for a qualified taxpayer is \$1,083. The credit amount phases out as earned income exceeds the threshold amount of \$25,000, and completely phases out at \$30,000. For more information, see specific

line instructions for Form 540, line 76, and get form FTB 3514, or go to ftb.ca.gov and search for **yctc**.

Net Operating Loss Carrybacks – For taxable years beginning on or after January 1, 2019, net operating loss carrybacks are **not** allowed.

Alimony – California law does not conform to changes made by the TCJA to federal law regarding alimony and separate maintenance payments that are not deductible by the payor spouse, and are not includable in the income of the receiving spouse, if made under any divorce or separation agreement executed after December 31, 2018, or executed on or before December 31, 2018, and modified after that date (if the modification expressly provides that the amendments apply). See Schedule CA (540) specific line instructions for more information.

Small Business Accounting/Percentage of Completion Method – For taxable years beginning on or after January 1, 2019, California law generally conforms to the TCJA's definition of small businesses as taxpayers whose average annual gross receipts over three years do not exceed \$25 million. These small businesses are exempt from the requirement of using the Percentage of Completion Method of accounting for any construction contract if the contract is estimated to be completed within two years from the date the contract was entered into. A taxpayer may elect to apply the provision regarding accounting for long term contracts to contracts entered into on or after January 1, 2018.

Student Loan Discharged Due to Closure of a For-Profit School – California law allows an income exclusion for an eligible individual who is granted a discharge of any student loan under specified conditions. This income exclusion has now been expanded to include a discharge of student loans occurring on or after January 1, 2019, and before January 1, 2024, for individuals who attended a Brightwood College school or a location of The Art Institute of California. Additional information can be found in the instructions for Schedule CA (540).

Charitable Contribution and Business Expense Deductions Disallowance

– For taxable years beginning on or after January 1, 2014, California law disallows a charitable contribution deduction to an educational organization that is a postsecondary institution or to the Key Worldwide Foundation, and a deduction for a business expense related to a payment to the Edge College and Career Network, LLC, to a taxpayer who meets specific conditions, including that they are named in any of several specified criminal complaints. For taxable years beginning on or after 2014, file an amended Form 540 and Schedule X, California Explanation of Amended Return Changes, to report the correct amount of charitable contribution and business expense deductions, as applicable. Additional information can be found in the instructions for Schedule CA (540).

Real Estate Withholding Statement – Effective January 1, 2020, the real estate withholding forms and instructions have been consolidated into one new **Form 593, Real Estate Withholding Statement**. For more information, get Form 593.

California Earned Income Tax Credit – 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 and search for **eitc** or get form FTB 3514.

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.

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 law does not conform. For more information, see Schedule CA (540) instructions.

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.

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 2022 Amended Return".

Improper Withholding on Severance Paid to Veterans – The federal 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.

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 law 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.

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. For more information, see specific line instructions for Form 540, line 91.

Dependent Social Security Number – Taxpayers claiming an exemption credit must write each dependent's SSN in the spaces provided within line 10 for the California Form 540. If you are claiming an exemption credit for a dependent who is ineligible for an SSN and a federal ITIN, you may complete and provide form FTB 3568 with required documentation attached to the tax return and write "no id" in the SSN field of line 10. For more information, see specific line instructions for Form 540, line 10, and get form FTB 3568.

Financial Incentive for Seismic Improvement – 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 Schedule CA (540).

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 form FTB 3805V.

Penalty Assessed by Professional Sports League – 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 Schedule CA (540).

Mandatory Electronic Payments – You are required to remit all your payments electronically once you make an estimated tax 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. Electronic payments can be made using Web Pay on the 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 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 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.

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. Go to scholarshare529.com for instructions.

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
ABS 389 MS F340
FRANCHISE TAX BOARD
PO BOX 1673
SACRAMENTO CA 95812-9900

For more information, go to 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 2022?

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

No. Use Form 540NR. To download or order the California Nonresident or Part-Year Resident Booklet, go to ftb.ca.gov/forms or see "Where to Get Income Tax Forms and Publications."

	Form 540 2EZ	Form 540
	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.	
Filing Status	Single, married/RDP filing jointly, head of household, qualifying surviving spouse/RDP	Any filing status
Dependents	0-3 allowed	All dependents you are entitled to claim
Amount of Income	Total income of: <ul style="list-style-type: none"> • \$100,000 or less if single or head of household • \$200,000 or less if married/RDP filing jointly or qualifying surviving spouse/RDP 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 \$17,252 if single; \$34,554 if married/RDP filing jointly or qualifying surviving spouse/RDP; or \$24,454 if head of household.	Any amount of income
Sources of Income	Only income from: <ul style="list-style-type: none"> • Wages, salaries, and tips • Taxable interest, dividends, and pensions • Taxable scholarship and fellowship grants (only if reported on federal Form(s) W-2) • Capital gains from mutual funds (reported on federal Form 1099-DIV, box 2a only) • Unemployment compensation reported on federal Form 1099-G • Paid Family Leave Insurance • U.S. social security benefits • Tier 1 and tier 2 railroad retirement payments 	All sources of income
Adjustments to Income	No adjustments to income	All adjustments to income
Standard Deduction	Allowed	Allowed
Itemized Deductions	No itemized deductions	All itemized deductions
Payments	Only withholding shown on federal Form(s) W-2 and 1099-R	<ul style="list-style-type: none"> • Withholding from all sources • Estimated tax payments • Payments made with extension • Excess State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI)
Tax Credits	<ul style="list-style-type: none"> • Refundable California earned income tax credit • Refundable young child tax credit • Refundable foster youth tax credit • Personal exemption credit • Senior exemption credit • Up to three dependent exemption credits • Nonrefundable renter's credit 	All tax credits
Other Taxes	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 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 and search for **efile options**.

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Visit our website:

ftb.ca.gov

2022 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, or Form 1040-SR, U.S. Tax Return for Seniors, 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 18, 2023. If unable to mail your tax return by this date, see "Important Dates" at the beginning of this booklet. Also, see "Interest and Penalties" section for information regarding a one-time timeliness penalty abatement.



You may qualify for the federal earned income credit. See "\$\$\$ for You" at the beginning of this booklet 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 2022 Amended Return".



To use our automated phone service and codes, call 800.338.0505. For the complete code list, see "Automated Phone Service."

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 in the space provided. 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 2021 tax return under a different last name, write the last name **only** from the 2021 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.

Principal Residence

If you are under 18 years old or have not filed a California resident income tax return in the prior year, then leave the county and principal/physical address fields blank.

Only complete this section if you are age 18 or older and you have filed a California resident income tax return in the prior year.

- **County** – Enter the county where you have your principal/physical residence on the date that you file your Form 540. If you reside in a foreign country at the time of filing, leave the county field blank.
- If your principal/physical residence address at the time of filing is the same as the address you provided at the top of this form, check the box provided on this line.
- If your principal/physical residence address at the time of filing is different from the address at the top of this form, provide the address of your principal/physical residence in the spaces provided.
- If you reside in a foreign country at the time of filing, enter the city, province or state, and country in the city field. Follow the country's practice for entering the postal code. **Do not** abbreviate the country name.

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.

Usually, your California filing status must be the same as the filing status you used on your federal income tax return.

Exception for Married Taxpayers Who File a Joint Federal Income Tax Return – You may file separate California returns if either spouse was either of the following:

- An active member of the United States Armed Forces or any auxiliary military branch during 2022.
- A nonresident for the entire year and had no income from California sources during 2022.

Caution – Community Property States: If either spouse earned California source income while domiciled in a community property state, the 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. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status.

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 2022, you **must file** the 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 Form 540, line 7.

Yes Ignore the instructions on Form 540, line 7. Instead, enter in the box on line 7 as 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, 2022*, 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, 2023, you are considered to be age 65 on December 31, 2022.

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 or ITIN, 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. The persons you list as dependents must be the same persons you listed as dependents on your federal income tax return. If you filed form FTB 3568, Alternative Identifying Information for the Dependent Exemption Credit, to qualify to claim your dependents for California purposes, the dependents you claim on your California income tax return may not match those claimed on your federal income 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.

For taxable years beginning on or after January 1, 2018, taxpayers claiming a dependent exemption credit for a dependent who is ineligible for an SSN and a federal ITIN may provide alternative information to the FTB to identify the dependent.

To claim the dependent exemption credit, taxpayers complete form FTB 3568, attach the form and required documentation to their tax return, and write "no id" in the SSN field of line 10, Dependents, on Form 540. For each dependent being claimed that does not have an SSN and an ITIN, a form FTB 3568 must be provided along with supporting documentation. If you e-file, attach any requested forms, schedules and documents according to your software's instructions.

Taxpayers may amend their tax returns beginning with taxable year 2018 to claim the dependent exemption credit. These taxpayers should complete an amended Form 540, write "no id" in the SSN field on the Dependents line, and attach Schedule X. To complete Schedule X, check box m for "Other" on Part II, line 1, and write the explanation "Claim dependent exemption credit with no id and form FTB 3568 is attached" on Part II, line 2. Make sure to attach form FTB 3568 and the required supporting documents in addition to the amended tax return and Schedule X. If taxpayers do not claim the dependent exemption credit on their original 2022 tax return, they may amend their 2022 tax return following the same procedures used to amend their previous year amended tax returns beginning with taxable year 2018. For more information, get FTB Notice 2021-01.

If your dependent child was born and died in 2022 and you do not have an SSN or an ITIN for the child, write "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



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Enter the total amount of your state wages from all states from each of your federal 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 federal Form 1040 or Form 1040-SR, line 11

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 single, 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 or

1040-SR. Transfer the amount from the California RDP Adjustments Worksheet, line 27, column D, or federal pro forma Form 1040 or 1040-SR, line 11, to Form 540, line 13.

Line 14 – California Adjustments – Subtractions [from Schedule CA (540), Part I, line 27, 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), Part I, line 27, column B. If a negative amount, see Schedule CA (540), Part I, line 27 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), Part I, line 27, 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), Part I, line 27, column C. If a negative amount, see Schedule CA (540), Part I, line 27 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 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 5, 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.

California Standard Deduction Chart for Most People

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.

Your Filing Status	Enter On Line 18
1 – Single	\$5,202
2 – Married/RDP filing jointly	\$10,404
3 – Married/RDP filing separately	\$5,202
4 – Head of household	\$10,404
5 – Qualifying surviving spouse/RDP	\$10,404

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

California Standard Deduction Worksheet for Dependents

Use this worksheet only if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on their return.

Use whole dollars only.

1. Enter your earned income from line 2 of the “Standard Deduction Worksheet for Dependents” in the instructions for federal Form 1040 or 1040-SR 1 _____
2. Minimum standard deduction 2 \$1,150.00
3. Enter the **larger** of line 1 or line 2 here 3 _____
4. Enter the amount shown for your filing status:
 - Single or married/RDP filing separately, enter \$5,202. } 4 _____
 - Married/RDP filing jointly, head of household, or qualifying surviving spouse/RDP, enter \$10,404 }
5. **Standard deduction.** Enter the **smaller** 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 or 1040-SR, line 15 for the contribution made to a CCF set up under the federal 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, write “CCF” and the amount of the deduction. For more information, get federal Pub. 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 or more of the following methods and check the matching box(es) on line 31, as applicable:

- **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 age 18 and under or a student under age 24 on January 1, 2023, and who had more than \$2,300 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 more than \$1,150 but less than \$11,500 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.



CalFile or e-file and you won't have to do the math. Go to ftb.ca.gov and search for **efile**.

Line 32 – Exemption Credits

Exemption credits reduce your tax. If your federal 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 Form 1040 or Form 1040-SR, 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.

If your filing status is:	Is Form 540, line 13 more than:
Single or married/RDP filing separately	\$229,908
Married/RDP filing jointly or qualifying surviving spouse/RDP	\$459,821
Head of household	\$344,867

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

AGI Limitation Worksheet
Use whole dollars only.

a Enter the amount from Form 540, line 13 **a** _____

b Enter the amount for your filing status on line b:

- Single or married/RDP filing separately . . . \$229,908
- Married/RDP filing jointly or qualifying surviving spouse/RDP \$459,821
- Head of household \$344,867

c Subtract line b from line a **c** _____

d 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 **d** _____

e Multiply line d by \$6 **e** _____

f Add the numbers from the boxes on Form 540, lines 7, 8, and 9 (not the dollar amounts) **f** _____

g Multiply line e by line f **g** _____

h Add the total **dollar amount** from Form 540, lines 7, 8, and 9 **h** _____

i Subtract line g from line h. If zero or less, enter -0- **i** _____

j Enter the number from the box on Form 540, line 10 (not the dollar amount) **j** _____

k Multiply line e by line j **k** _____

l Enter the **dollar amount** from Form 540, line 10 **l** _____

m Subtract line k from line l. If zero or less, enter -0- **m** _____

n Add line i and line m. Enter the result here and on Form 540, line 32. **n** _____

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

If you received a qualified lump-sum distribution in 2022 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 included in this booklet 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 Get and complete Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents. See “Order Forms and Publications.”

No Go to Box B.

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

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

Yes Get and 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	\$317,062
Married/RDP filing jointly or qualifying surviving spouse/RDP	\$422,750
Married/RDP filing separately	\$211,371

Yes Get and 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 — Code 232

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.

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. Get 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 surviving spouse/RDP filing status.

Claim the credit if unmarried and not an RDP at the end of 2022 (or if married/or an RDP, you lived apart from your spouse/RDP for all of 2022 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	_____ .30
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$556, 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 this credit if you used the single, head of household, qualifying surviving spouse/RDP, 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 2022 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 above. 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, 2022*.
- Qualified as a head of household in 2020 or 2021 by providing a household for a qualifying individual who died during 2020 or 2021.
- Did not have AGI over \$89,931 for 2022.

* If your 65th birthday is on January 1, 2023, you are considered to be age 65 on December 31, 2022.

If you meet all the conditions listed for this credit, you do not need to qualify to use the head of household filing status for 2022 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	_____ .02
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$1,695, 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	_____ .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 2022. 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 2022 on your principal residence located in California you may qualify to claim the nonrefundable renter’s credit which may reduce your tax. Complete the Nonrefundable Renter’s Credit Qualification Record included in this booklet.

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:

- \$112,734 married/RDP filing jointly or qualifying surviving spouse/RDP
- \$84,550 single or head of household
- \$56,364 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 \$8,300 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	.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.

In general, 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 3531, California Competes Tax Credit – Enter only the recaptured amount used. Get the instructions for form FTB 3531, Part III, Credit Recapture, for more information.
- FTB 3540, Credit Carryover and Recapture Summary
- FTB 3554, New Employment Credit

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 federal Forms:

- W-2, Wage and Tax Statement, box 17
- W-2G, Certain Gambling Winnings, box 15
- 1099-DIV, Dividends and Distributions, box 16
- 1099-INT, Interest Income, box 17
- 1099-MISC, Miscellaneous Information, box 16
- 1099-NEC, Nonemployee Compensation, box 5
- 1099-OID, Original Issue Discount, box 14
- 1099-R, Distributions from Pensions, Annuities, Retirement, or Profit Sharing Plans, IRAs, Insurance Contracts, etc., box 14

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 Form 592-B, Resident and Nonresident Withholding Tax Statement, or Form 593, Real Estate Withholding Statement, on this line. For more information, see instructions for line 73.

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

Line 72 – 2022 California Estimated Tax and Other Payments

Enter the total of any:

- California estimated tax payments you made using 2022 Form 540-ES, electronic funds withdrawal, Web Pay, or credit card.
- Overpayment from your 2021 California income tax return that you applied to your 2022 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 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 ESTIMATE 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 documents 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 2023 and did not have a California tax liability in 2022.

Line 73 – Withholding (Form 592-B and/or Form 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 VPDl) 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 2022.
- You received more than \$145,600 in gross wages from California sources.
- The amounts of SDI (or VPDl) withheld appear on your federal Form(s) W-2. Be sure to attach your federal Form(s) W-2 to the lower front of your Form 540.

If SDI (or VPDl) was withheld from your wages by a single employer, at more than 1.10% of your gross wages, you may not claim excess SDI (or VPDl) on your Form 540. Contact the employer for a refund.

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

Excess SDI (or VPDI) Worksheet Use whole dollars only.		
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 VPDI) separately for each spouse/RDP.		
	You	Your Spouse/ RDP
1. Add amounts of SDI (or VPDI) withheld shown on your federal Forms W-2. Enter the total here	1	
2. 2022 SDI (or VPDI) limit	2	\$1,601.60
3. Excess SDI (or VPDI) withheld. Subtract line 2 from line 1. Enter the results here. Combine the amounts on line 3 and enter the total, in whole dollars only 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 20.

Line 76 – Young Child Tax Credit (YCTC)

Enter your Young Child Tax Credit from form FTB 3514, line 28.

Line 77 – Foster Youth Tax Credit (FYTC)

Enter your Foster Youth Tax Credit from form FTB 3514, line 39.

Line 78

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 or Schedule CA (540) to verify the amount was included in your California 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, or call its Customer Service Center at 1.800.400.7115 (CRS: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 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 28 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.

Use Tax Worksheet (See Instructions Below)
Use whole dollars only

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 on this page _____ .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.

- 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 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 (CRS: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	\$0
\$10,000 to \$19,999	\$1
\$20,000 to \$29,999	\$2
\$30,000 to \$39,999	\$3
\$40,000 to \$49,999	\$4
\$50,000 to \$59,999	\$5
\$60,000 to \$69,999	\$6
\$70,000 to \$79,999	\$7
\$80,000 to \$89,999	\$8
\$90,000 to \$99,999	\$9
\$100,000 to \$124,999	\$10
\$125,000 to \$149,999	\$12
\$150,000 to \$174,999	\$15
\$175,000 to \$199,999	\$17
More than \$199,999 – Multiply AGI by 0.009% (x 0.00009)	

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.

ISR Penalty

Line 92 – Individual Shared Responsibility (ISR) Penalty

Check the box on Form 540, line 92, if you, your spouse/RDP (if filing a joint return), and anyone you can or do claim as a dependent had minimum essential coverage (also referred to as qualifying health care coverage) that covered all of 2022. Medicare Part A or C qualifies as minimum essential coverage. If you check the box on Form 540, line 92, you do not owe the individual shared responsibility penalty and do not need to file form FTB 3853. For more information, get form FTB 3853.

If you and your household did not have full-year health care coverage, then go to form FTB 3853 to determine if you have an individual shared responsibility penalty. Enter your individual shared responsibility penalty from form FTB 3853, Part IV, line 1.

Overpaid Tax or Tax Due

To avoid delay in processing of your tax return, enter the correct amounts on line 97 through line 100.

If you received a refund for 2021, 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 and/or the Young Child Tax Credit. This is because the credit is not part of the refund from withholding or estimated tax payments.

Line 97 – Overpaid Tax

If the amount on line 95 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 95. Enter the result on line 97.

Refund Intercept – The FTB administers the Interagency Intercept Collection (IIC) program on behalf of the State Controller's Office. The IIC program intercepts (offsets) refunds when individuals and business entities owe delinquent debts to government agencies including the IRS and California colleges. All refunds are subject to interception. The FTB only intercepts the amount owed.

Refunds from joint tax returns may be applied to the debts of the taxpayer or spouse/RDP. After all tax liabilities are paid, any remaining credit will be applied to requested voluntary contributions, if any, and the remainder will be refunded.

If the debt was previously paid to the requestor and the FTB also intercepted the refund, any overpayment will be refunded by the agency that received the funds.

For more information, go to ftb.ca.gov and search for **interagency intercept collection**.

Line 98 – Amount You Want Applied to Your 2023 Estimated Tax

Apply all or part of the amount on line 97 to your estimated tax for 2023. Enter on line 98 the amount of line 97 that you want applied to your 2023 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 99 – Overpaid Tax Available This Year

If you entered an amount on line 98, subtract it from the amount on line 97. Enter the result on line 99. 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 100 – Tax Due

If the amount on line 95 is less than the amount on line 64, subtract the amount on line 95 from the amount on line 64. Enter the result on line 100. 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 100 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 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 Certificate.

Contributions

You can make voluntary contributions to the funds listed on 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, the 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.

Line 110 – Total Contributions

Add amounts in code 400 through code 446. Enter the result on line 110.

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 99, add the amount on line 94, line 96, line 100, and line 110, if any. Enter the result on line 111.

If you have an amount on line 99 and the amount on line 110 is more than line 99, subtract line 99 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.

For more information or to obtain the waiver form, go to ftb.ca.gov/e-pay. 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.

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 ACI Payments, Inc. (formerly Official Payments) website at officialpayments.com, and use the jurisdiction code 1555. ACI Payments, Inc. 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 “2022 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 2022 tax payment and any 2023 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 ACI Payments, Inc. 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 ACI Payments, Inc. website at officialpayments.com and select **Payment Center**, or call 800.2PAY.TAX or 800.272.9829 and follow the recorded instructions. ACI Payments, Inc. provides customer assistance at 877.297.7457 Monday through Friday, 5:00 a.m. to 5:00 p.m. PST. ACI Payments, Inc. will tell you the convenience fee before you complete your transaction. Decide whether to complete the transaction at that time.

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 Question 4 of the “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.

Effective for tax years beginning on or after January 1, 2022, you may request a one-time abatement of timeliness penalty if: (1) you were not previously required to file a California personal income tax return or have not previously been granted first-time abatement, (2) you have filed all required returns as of the date of the request for first-time abatement, and (3) you have paid, or are in a current arrangement to pay, all tax currently due.

Do not reduce the amount on line 97 or increase the amount on line 100 by any penalty or interest amounts. Enter on 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 and search for **interest rates**.

Late Filing of Tax Return – If you do not file your tax return by October 16, 2023, 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 16, 2023. 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 18, 2023, 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 18, 2023, 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.

Late Payment of Use Tax – 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 estimated tax 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 2022 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries, for more information.

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

Is line 100 less than \$500 (\$250 if married/RDP filing separately)?

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

Is line 100 less than 10% of the amount on line 48 (excluding the tax on lump-sum distributions on line 34)?

Yes Stop. You may not be subject to an estimated tax payment penalty.

No You may be subject to an estimated tax payment penalty; get form FTB 5805 (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 and Direct Deposit

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 99 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 99, subtract the sum of line 110, line 112, and line 113 from line 99 and enter the result on line 115. This is your refund amount.
- More than line 99, subtract line 99 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.

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 near the end of the Direct Deposit of Refund instructions.

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.

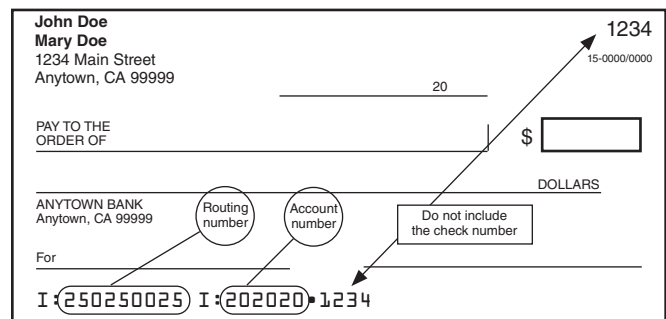
Enter the portion of your refund you want directly deposited into each account. Each deposit must be at least \$1. When filing an original return, the total of line 116 and line 117 must equal the total amount of your refund on line 115. If line 116 and line 117 do not equal line 115, the FTB will issue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

When filing an amended return, only complete the amended Form 540 through line 115. Next complete the California Schedule X. The amount from Schedule X, line 11 is your additional refund amount. This amount will be carried over to your amended Form 540 and will be entered on line 116 and line 117. The total of the amended Form 540, line 116 and line 117 must equal the total amount of your refund on Schedule X, line 11. If the total of the amended Form 540, line 116 and line 117 do not equal Schedule X, line 11, 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 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, the 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. Please visit scholarshare529.com for instructions.

Voter Information

Voter registration information – 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.

For information on voter registration, check the box on Form 540, Side 5, and go to the California Secretary of State website at sos.ca.gov/elections or see "Voting Is Everybody's Business" section on the Additional Information page included in this booklet.

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 to 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 must sign and complete 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 2022 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.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2023 tax return. This is April 15, 2024, 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 (or ITIN), 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.

Filing Your Tax Return

Attachments to your tax return.

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

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

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

If **Yes**, attach a copy of your federal Form 1040 or 1040-SR 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 California Form(s) 592-B and 593.

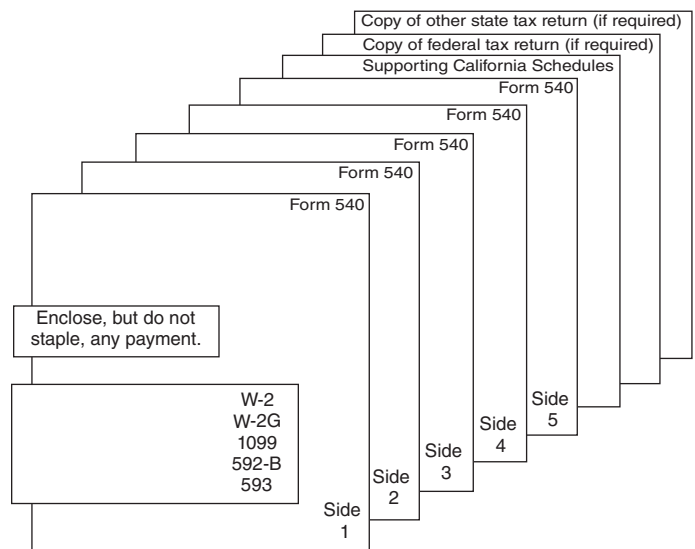
Attach all the Form(s) W-2 and W-2G you received to the lower front of your tax return. Also, attach any Forms(s) 1099, 592-B, and 593 showing California income tax withheld.

If you do not receive your Form(s) W-2 by January 31, 2023, contact your employer or go to 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.

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

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 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>1. Were you a resident of California for the entire year in 2022? 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 2022, and is otherwise qualified. YES. Go to question 2. NO. Stop here. File Form 540NR. See "Order Forms and Publications."</p>
<p>2. Is your California adjusted gross income the amount on line 17: <ul style="list-style-type: none"> • \$49,220 or less if single or married/RDP filing separately; or • \$98,440 or less if married/RDP filing jointly, head of household, or qualifying surviving spouse/RDP? YES. Go to question 3. NO. Stop here. You do not qualify for this credit.</p>
<p>3. Did you pay rent, for at least half of 2022, on property (including a mobile home that you owned on rented land) in California, which was your principal residence? YES. Go to question 4. NO. Stop here. You do not qualify for this credit.</p>
<p>4. Can you be claimed as a dependent by a parent, foster parent, legal guardian, or any other person in 2022? NO. Go to question 6. YES. Go to question 5.</p>
<p>5. For more than half the year in 2022, did you live in the home of the person who can claim you as a dependent? NO. Go to question 6. YES. Stop here. You do not qualify for this credit.</p>
<p>6. Was the property you rented exempt from property tax in 2022? 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. NO. Go to question 7. YES. Stop here. You do not qualify for this credit.</p>
<p>7. Did you claim the homeowner's property tax exemption anytime during 2022? 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. NO. Go to question 8. YES. 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.</p>
<p>8. Were you single in 2022? YES. Go to question 11. NO. Go to question 9.</p>
<p>9. Did your spouse/RDP claim the homeowner's property tax exemption anytime during 2022? 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. NO. Go to question 11. YES. 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.</p>
<p>10. Did you and your spouse/RDP maintain separate residences for the entire year in 2022? YES. Go to question 11. NO. Stop here. You do not qualify for this credit.</p>
<p>11. If you are: <ul style="list-style-type: none"> • Single, enter \$60 on Form 540, line 46. • Head of household or qualifying surviving spouse/RDP, enter \$120 on Form 540, line 46. • 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 Form 540, line 46. • Married/RDP filing jointly, enter \$120 on Form 540, 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 Form 540, line 46.) </p>

Fill in the street address(es) and landlord information below for the residence(s) you rented in California during 2022, which qualified you for this credit.

Street Address	City, State, and ZIP Code	Dates Rented in 2022 (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

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 and search for **voluntary contributions**.

Code 400, California Seniors Special Fund – If you and/or your spouse/RDP are 65 years of age or older as of January 1, 2023, and claim the Senior Exemption Credit, you may make a combined total contribution of up to \$280 or \$140 per spouse/RDP. Contributions made to this fund will be distributed to the Area Agency on Aging Councils (TAAC) to provide advice on and sponsorship of Senior Citizens issues. Any excess contributions not required by TAAC 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 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. Your contribution can help make breast cancer a disease of the past.

Code 406, California Firefighters' Memorial Voluntary Tax Contribution 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 Voluntary Tax Contribution 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 Voluntary Tax Contribution 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 Voluntary Tax Contribution 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/ or email 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 431, Prevention of Animal Homelessness and Cruelty Voluntary Tax Contribution 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 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 Kit Backlog Voluntary Tax Contribution Fund – Contributions will be used for DNA testing in the processing of rape kits.

Code 444, Suicide Prevention Voluntary Tax Contribution Fund – Contributions will be used to support crisis centers located in the state that are active members of the National Suicide Prevention Lifeline, with priority given to those crisis centers located in rural and desert communities.

Code 445, Mental Health Crisis Prevention 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 446, California Community and Neighborhood Tree Voluntary Tax Contribution Fund – Contributions will be used to support the Department of Forestry and Fire Protection's grant program for urban forest management activities under the California Urban Forestry Act of 1978. This program focuses on bringing trees to communities that are disadvantaged or lack government infrastructure needed to enter into and support urban tree planting and care agreements.

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: business.ca.gov
California Motion Picture and Television Production – FTB 3541	223	For taxable years beginning on or after January 1, 2011, the original 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: film.ca.gov
Child Adoption Costs – See worksheet in the Special Credits and Nonrefundable Credits section	197	50% of qualified costs in the year an adoption is ordered
Child and Dependent Care Expenses – FTB 3506 See instructions in the Special Credits and Nonrefundable Credits section	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: treasurer.ca.gov/cefa
Dependent Parent – See instructions in the Special Credits and Nonrefundable Credits section	173	Must use married/RDP filing separately and have a dependent parent
Disabled Access for Eligible Small Businesses – 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 refundable credit is similar to the federal Earned Income Credit (EIC) but with different income limitations.
Foster Youth Tax – FTB 3514	None	This refundable credit is available to taxpayers who also qualify for the California Earned Income Tax Credit (EITC), age 18 to 25, and were in foster care while 13 years of age or older.
Young Child Tax – FTB 3514	None	This refundable credit is available to taxpayers who also qualify for the California EITC or who would otherwise have been allowed the California EITC but that they have earned income of zero dollars or less, and who have at least one qualifying child who is younger than six years old as of the last day of the taxable year.
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California.
Homeless Hiring Tax – FTB 3831	244	The credit is available to qualified taxpayers that hire eligible individuals. Employers must obtain a certification of individual's homeless status from an organization that works with the homeless and must receive a tentative credit reservation for that employee from the FTB.
Joint Custody Head of Household – See worksheet in the Special Credits and Nonrefundable Credits section	170	30% of tax up to \$556 for taxpayers who are single or married/RDP filing separately, who have a child and meet the support test
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 new 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: film.ca.gov
New Donated Fresh Fruits or Vegetables – FTB 3814	238	15% of the qualified value of the donated fresh fruits, vegetables, or other qualified donated items 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 tentative credit reservation for that full-time employee.
Nonrefundable Renter's – See Nonrefundable Renter's Credit Qualification Record in this booklet	None	For California residents who paid rent for their principal residence for at least 6 months in 2022 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
Pass-Through Entity Elective Tax – FTB 3804-CR	242	For taxable years beginning on or after January 1, 2021, and before January 1, 2026, California allows a credit against the personal income tax to a taxpayer, other than a partnership, that is a partner, shareholder, or member of a qualified entity that elects to pay the elective tax.
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 2022
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Program 3.0 California Motion Picture and Television Production – FTB 3541	239	For taxable years beginning on or after January 1, 2020, the new 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: film.ca.gov
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Senior Head of Household – See worksheet in the Special Credits and Nonrefundable Credits section	163	2% of taxable income up to \$1,695 for seniors who qualified for head of household in 2020 or 2021 and whose qualifying individual died during 2020 or 2021
Soundstage Filming Tax – FTB 3541	245	For taxable years beginning on or after January 1, 2022, the newest 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 is produced in California at a certified studio construction project and by a qualified taxpayer that provides a diversity workplan that is approved by the California Film Commission. Website: film.ca.gov

(continued on next page)

Credit Name	Code	Description
State Historic Rehabilitation Tax – FTB 3835	243	The credit, which is allocated by the California Tax Credit Allocation Committee, is for the rehabilitation of certified historic structures and for individual taxpayers, a qualified residence. Website: ohp.parks.ca.gov
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	Enterprise Zone Hiring 176
Commercial Solar Electric System	196	Enterprise Zone Sales or Use Tax 176
Community Development Financial Institutions	181	Environmental Tax 218
Investment	209	Farmworker Housing 207
Donated Fresh Fruits or Vegetables	224	Local Agency Military Base Recovery Area Hiring 198
Employer Childcare Contribution	190	Local Agency Military Base Recovery Area Sales or Use Tax 198
Employer Childcare Program	189	Low-Emission Vehicles 160
Employee Ridesharing	194	Main Street Small Business Tax 240
Employer Ridesharing: Large employer	191	Main Street Small Business Tax II 241
Small employer	192	Manufacturing Enhancement Area Hiring 211
Transit passes	193	New Jobs 220
Energy Conservation	182	Orphan Drug 185
		Political Contributions 184
		Recycling Equipment 174
		Residential Rental & Farm Sales 186
		Ridesharing 171
		Salmon & Steelhead Trout Habitat Restoration 200
		Solar Energy 180
		Solar Pump 179
		Targeted Tax Area Hiring 210
		Targeted Tax Area Sales or Use Tax 210
		Water Conservation 178
		Young Infant 161

Frequently Asked Questions

(Go to ftb.ca.gov for more frequently asked questions.)

1. What if I can't file by April 18, 2023, and I think I owe tax?

You must pay 100% of the amount you owe by April 18, 2023, to avoid interest and penalties. If you cannot file because you have not received all your federal 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 18, 2023, or pay online at ftb.ca.gov/pay. Then, when you receive all your federal Form(s) W-2, complete and mail your tax return by October 16, 2023 (you must use Form 540). Also, see "Interest and Penalties" section for information regarding a one-time timeliness penalty abatement.

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



204

If all of your federal Forms W-2 were not received by January 31, 2023, contact your employer. Only an employer issues or corrects a federal 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 federal Form W-2, complete form FTB 3525. See "Where To Get Income Tax Forms and Publications." For online wage and withhold information, go to 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 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 2022 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 accrued and an underpayment penalty may be charged on the tax not paid by April 18, 2023, 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.**



949

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 or call 800.338.0505, follow the recorded instructions and enter code **949** when instructed.



610

For information on how to pay by credit card, go to 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 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 "Automated Phone Service" at the end of this booklet for more information.

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



908

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 or call 800.338.0505, follow the recorded instructions and enter code **908** when instructed.

8. The 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. File an amended Form 540 and Schedule X to correct your previously filed income tax return and mail them to the following address, as applicable:

Without payment

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0001

With payment

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94246-0001

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 adjustments**, 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, capital losses, passive losses, casualty losses, etc.) 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 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. 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 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.

For information about California use tax, please refer to the California Department of Tax and Fee Administration's website at 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 page 18, 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 or call their Customer Service Center at 800.400.7115 (CRS:711) (for hearing and speech disabilities). For California income tax information, contact the Franchise Tax Board at 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 2022 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 2022. 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, and 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 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 or Fiduciary Tax 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 if 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, get federal Pub. 17, Your Federal Income Tax – For Individuals, Chapter 11.

Vehicle License Fees for Federal Schedule A

On your federal Schedule A (Form 1040), Itemized Deductions, 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.

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 the 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 form FTB 8453 or FTB 8879.
- Any original California Forms 592-B, 593, and federal Forms W-2, 1099-G, and other Form(s) 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 have accepted the original. You can correct an error by filing an amended Form 540 and Schedule X to correct your previously filed tax return.

Instructions for Filing a 2022 Amended Return

Important Information

Protective Claim – If you are filing a claim for refund for a taxable year where an audit is being conducted by another state’s taxing agency, 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 to 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) administers this tax. Refer all questions or requests relating to use tax to the CDTFA at cdtfa.ca.gov or call **800.400.7115**.

Amount You Want Applied To Your 2023 Estimated Tax – Enter zero on amended Form 540, line 98 and get the instructions for Schedule X for the actual amount you want applied to your 2023 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.

When filing an amended return, only complete the amended Form 540 through line 115. Next complete the Schedule X. The amount from Schedule X, line 11 is your additional refund amount. This amount will be carried over to your amended Form 540 and will be entered on line 116 and line 117. The total of the amended Form 540, line 116 and line 117 must equal the total amount of your refund on Schedule X, line 11. If the total of the amended Form 540, line 116 and line 117 do not equal Schedule X, line 11, the FTB will issue a paper check.

Dependent Exemption Credit with No ID – For taxable years beginning on or after January 1, 2018, taxpayers claiming a dependent exemption credit for a dependent who is ineligible for an SSN and a federal ITIN may provide alternative information to the FTB to identify the dependent. To claim the dependent exemption credit, taxpayers complete form FTB 3568, attach the form and required documentation to their tax return, and write “no id” in the SSN field of line 10, Dependents, on Form 540. For each dependent being claimed that does not have an SSN and an ITIN, a form FTB 3568 must be provided along with supporting documentation.

If you are amending a return beginning with taxable year 2018 to claim the dependent exemption credit, complete an amended Form 540, and write “no id” in the SSN field on the Dependents line, and attach Schedule X. To complete Schedule X, check box m for “Other” on Part II, line 1, and write the explanation “Claim dependent exemption credit with no id and form FTB 3568 is attached” on Part II, line 2. Make sure to attach form FTB 3568 and the required supporting documents in addition to the amended return and Schedule X. If you do not claim the dependent exemption credit on the original 2022 tax return, you may amend the 2022 tax return following the same procedures used to amend your previous year amended tax returns beginning with taxable year 2018. For more information, get FTB Notice 2021-01.

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 1040-X, 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 Office of Tax Appeals at ota.ca.gov or to file suit in court if your claim for refund is disallowed.

To file an informal claim for refund, check box l 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 and Schedule X 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 at the end of this booklet.

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 an 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, 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.

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 either of the following:

- 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: 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 in an RDP on the last day of the taxable year.

To amend from separate tax returns to a joint tax return, follow 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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ftb.ca.gov

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2022 Instructions for Schedule CA (540)

California Adjustments — Residents

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

Discharge of Student Fees – For taxable years beginning on or after January 1, 2022, and before January 1, 2027, California law allows an exclusion from gross income for any amount of unpaid fees due or owed by a student to a community college that was discharged pursuant to California Education Code Section 32527. For more information, see Schedule CA (540), California Adjustments – Residents, specific line instructions in Part I, Section B, line 8z and California Revenue and Taxation Code (R&TC) Section 17131.21.

Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant – For taxable years beginning on or after January 1, 2021, and before January 1, 2030, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program that is established by Section 12100.975 of the Government Code. For more information, see Schedule CA (540), California Adjustments – Residents, specific line instructions in Part I, Section B, line 8z and Revenue and Taxation Code (R&TC) Section 17158.

Turf Replacement Water Conservation Program – For taxable years beginning on or after January 1, 2022, and before January 1, 2027, California law allows an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 8z and R&TC Section 17138.2.

Fire Victims Trust Exclusion – For taxable years beginning before January 1, 2028, California law allows a qualified taxpayer an exclusion from gross income for any amount received from the Fire Victims Trust, established pursuant to the order of the United States Bankruptcy Court for the Northern District of California dated June 20, 2020, case number 19-30088, docket number 8053. If a qualified taxpayer included income for an amount received from the Fire Victims Trust in a prior taxable year, the taxpayer can file an amended tax return for that year. If the normal statute of limitations has expired, the taxpayer must file a claim by September 29, 2023. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 8z and R&TC Section 17138.5.

Thomas and Woolsey Wildfires Exclusion – For taxable years beginning before January 1, 2027, California law allows a qualified taxpayer an exclusion from gross income for any amount received in a settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire. If a qualified taxpayer included income for an amount received from these settlements in a prior taxable year, the taxpayer can file an amended tax return for that year. If the normal statute of limitations has expired, the taxpayer must file a claim by September 29, 2023. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 8z and R&TC Section 17138.6.

Middle Class Tax Refund – The California Middle Class Tax Refund is a one-time payment issued to provide relief to qualified recipients. California excludes this payment from gross income. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 8z.

Repeal of Net Operating Loss Suspension – For the 2022 taxable year, the net operating loss suspension has been repealed. For more information, see R&TC Section 17276.23 and get form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts.

Reporting Requirements – Taxpayers may need to file form FTB 4197, Information on Tax Expenditure Items, with the Franchise Tax Board (FTB) to report tax expenditure items as part of the FTB's annual reporting requirements under R&TC Section 41. To determine if you have an R&TC Section 41 reporting requirement, see the R&TC Section 41 Reporting Requirements section in 540, Personal Income Tax Booklet, or get form FTB 4197.

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 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 and search for **conformity**.

Federal American Rescue Plan Act (ARPA) of 2021 – The ARPA was enacted on March 11, 2021. In general, the 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.

Expanded Definition of Qualified Higher Education Expenses – For taxable years beginning on or after January 1, 2021, California law conforms to the expanded definition of qualified higher education expenses associated with participation in a registered apprenticeship program and payment on the principal or interest of a qualified education loan under the federal Further Consolidated Appropriations Act, 2020.

Federal Consolidated Appropriations Act (CAA), 2021 – The CAA, 2021, was enacted on December 27, 2020. In general, the R&TC does not conform to the changes under the act. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015, with modifications. California law does not conform to the following federal provisions under the CAA, 2021:

- Temporary elimination of the 50% limitation on the deduction of expenses for food or beverages provided by a restaurant that are paid or incurred after December 31, 2020, and before January 1, 2023.
- Temporary special rules for health and dependent care Flexible Spending Arrangements

California Venues Grant – For taxable years beginning on or after September 1, 2020, and before January 1, 2030, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Venues Grant Program that is administered by the Office of Small Business Advocate (CalOSBA). For more information, see R&TC Section 17158 and Schedule CA (540) specific line instructions in Part I, Section B, line 8z.

California Microbusiness COVID-19 Relief Grant – For taxable years beginning on or after January 1, 2020, and before January 1, 2023, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Microbusiness COVID-19 Relief Program that is administered by CalOSBA. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 8z.

Other Loan Forgiveness – For taxable years beginning on or after January 1, 2019, California law allows an exclusion from gross income for borrowers of forgiveness of indebtedness described in Section 1109(d)(2)(D) of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act as stated by section 278, Division N of the CAA, 2021. The CAA, 2021, allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision, with modifications. For California purposes, these deductions generally do not apply to an ineligible entity. "Ineligible entity" means a taxpayer that is either a publicly-traded company or does not meet the 25% reduction from gross receipts requirements under Section 311 of the CAA, 2021. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 3 or go to ftb.ca.gov and search for **AB 80**.

Shuttered Venue Operator Grant – For taxable years beginning on or after January 1, 2019, California law allows an exclusion from gross income for amounts awarded as a shuttered venue operator grant under the CAA, 2021. The CAA, 2021, allows deductions for eligible expenses paid for with grant amounts. California law conforms to this federal provision, with modifications. For California purposes, these deductions do not apply to an ineligible entity. “Ineligible entity” means a taxpayer that is either a publicly-traded company or does not meet the 25% reduction from gross receipts requirements under Section 311 of Division N of the CAA, 2021. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 3, or R&TC Section 17158.3.

Income Exclusion for Rent Forgiveness – For taxable years beginning on or after January 1, 2020, and before January 1, 2025, gross income shall not include a tenant’s rent liability that is forgiven by a landlord or rent forgiveness provided through funds grantees received as a direct allocation from the Secretary of the Treasury based on the CAA, 2021. For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 8z.

Moving Expense Deduction – For taxable years beginning on or after January 1, 2021, taxpayers should file California form FTB 3913, Moving Expense Deduction, to claim moving expense deductions. Attach the completed form FTB 3913 to Form 540, California Resident Income Tax Return. For more information, see Schedule CA (540) specific line instructions in Part I, Section C, line 14, and get form FTB 3913.

Paycheck Protection Program (PPP) Loans Forgiveness – For taxable years beginning on or after January 1, 2019, California law allows an exclusion from gross income for covered loan amounts forgiven under the federal CARES Act, Paycheck Protection Program and Health Care Enhancement Act, Paycheck Protection Program Flexibility Act of 2020, the CAA, 2021, or the PPP Extension Act of 2021.

Also, the ARPA expands PPP eligibility to include “additional covered nonprofit entities” which includes certain Code 501(c) nonprofit organizations and Internet-only news publishers and Internet-only periodical publishers. California law does not conform to this expansion of PPP eligibility.

The CAA, 2021, allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision, with modifications. For California purposes, these deductions do not apply to an ineligible entity. “Ineligible entity” means a taxpayer that is either a publicly-traded company or does not meet the 25% reduction from gross receipts requirements under Section 311 of Division N of the CAA, 2021.

For more information, see specific line instructions for Schedule CA (540) in Part I, Section B, line 3 or R&TC Section 17131.8 or go to ftb.ca.gov and search for **AB 80**.

Advance Grant Amount – For taxable years beginning on or after January 1, 2019, California law conforms to the federal law regarding the treatment for an emergency Economic Injury Disaster Loan (EIDL) grant under the CARES Act or a targeted EIDL advance under the CAA, 2021.

Federal Setting Every Community Up for Retirement Enhancement (SECURE) Act – The SECURE Act was enacted on December 20, 2019. In general, the 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.

SECURE Act repeal of maximum age 70½ – The SECURE Act repealed the maximum age of 70½ for traditional IRA contributions. California law does not conform to this federal provision. For more information, see Schedule CA (540) specific line instructions in Part I, Section C, line 20.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – The CARES Act was enacted on March 27, 2020. 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. California law does not conform to the following federal provisions under the CARES Act:

- Exclusion for certain employer payment of student loans
- Health-savings account changes

The above list is not intended to be all-inclusive of the federal and state conformities and differences. For more information, see specific line instructions or refer to the R&TC.

Worker Status: Employees and Independent Contractors – Some individuals may be classified as independent contractors for federal purposes and employees for California purposes, which may also cause changes in how their income and deductions are classified. Proposition 22 was operative as of December 16, 2020, and may affect a taxpayer’s worker classification. For more information, see Schedule CA (540) specific line instructions in Part I, Section A, line 1a; Part I, Section B, line 3; Part I, Section C, line 15 and line 17; and Part II, line 4.

Rental Real Estate Activities – For taxable years beginning on or after January 1, 2020, the dollar limitation for the offset for rental real estate activities shall not apply to the low income housing credit program. For more information, see R&TC Section 17561(d)(1). Get form FTB 3801-CR, Passive Activity Credit Limitations, for more information.

Taxpayers Conducting Commercial Cannabis Activity – Beginning in taxable year 2020, California allows individuals and other taxpayers operating under the personal income tax law to claim credits and deductions of business expenses paid or incurred during the taxable year in conducting commercial cannabis activity. Sole proprietors are those that conduct a commercial cannabis activity that is licensed under California Medicinal and Adult-Use Cannabis Regulation and Safety Act (CA MAUCRSA). For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 3, and get form FTB 4197.

Excess Business Loss Limitation – The CARES Act made amendments to IRC Section 461(l) by eliminating the excess business loss limitation of noncorporate taxpayers for taxable year 2020 and retroactively removing the limitation for taxable years 2018 and 2019. California law does **not** conform to those amendments. Also, California law does not conform to the federal changes in the ARPA and the federal Inflation Reduction Act of 2022 that extend the limitation on excess business losses of noncorporate taxpayers for taxable years beginning after December 31, 2020, and ending before January 1, 2029. Complete form FTB 3461, California Limitation on Business Losses, if you are a noncorporate taxpayer and your net losses from all of your trades or businesses are more than \$270,000 (\$540,000 for married taxpayers filing a joint return). For more information, see Schedule CA (540) specific line instructions in Part I, Section B, line 8p, and get form FTB 3461.

Loophole Closure and Small Business and Working Families Tax Relief Act of 2019 – The federal Tax Cuts and Jobs Act (TCJA) signed into law on December 22, 2017, made changes to the IRC. California R&TC does not conform to all of the changes. In general, for taxable years beginning on or after January 1, 2019, California conforms to the following TCJA provisions:

- California Achieving a Better Life Experience (ABLE) Program
- Student loan discharged on account of death or disability
- Federal Deposit Insurance Corporation (FDIC) Premiums
- Excess employee compensation
- Excess business loss

Federal Tax Reform – In general, California R&TC **does not** conform to all of the changes under the TCJA. For 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
- Global intangible low-taxed income (GILTI) under IRC Section 951A
- Qualified equity grants
- Expanded use of IRC Section 529 account funds
- Living expenses for members of Congress
- Limitation on state and local tax deduction
- Mortgage and home equity indebtedness interest deduction
- Limitation on charitable contribution deduction
- College athletic seating rights
- Casualty or theft loss(es)
- Miscellaneous itemized deductions

Registered Domestic Partners (RDPs) – 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

Section A, Line 1a through Line 7, and Section B, Line 1 through Line 9a

Enter in Section A, line 1a through line 7, and Section B, line 1 through line 9a the same amounts entered on your federal Form 1040, U.S. Individual Income Tax Return, or Form 1040-SR, U.S. Tax Return for Seniors, line 1a through line 7; and federal Schedule 1 (Form 1040), Additional Income and Adjustments to Income, line 1 through line 9.

Line 10 – Total

Combine the amounts in Section A, line 1z through line 7, and Section B, line 1 through line 7, and line 9a.

Section C, Line 11 through Line 18 and Line 20 through Line 25

Enter the same amounts entered on your federal Schedule 1 (Form 1040), line 11 through line 18 and line 20 through line 25.

Line 19a and Line 19b

Enter on line 19a the same amount entered on your federal Schedule 1 (Form 1040), line 19a. Enter on line 19b the social security number (SSN) or individual taxpayer identification number (ITIN) and last name of the person to whom you paid alimony.

Line 26 – Add line 11 through line 23 and line 25.

Line 27 – Total

Subtract line 26 from line 10. This amount should match the amount entered on federal Form 1040 or 1040-SR, line 11.

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.

Section A – Income

Line 1a through Line 1i and Line 1z

Generally, you will not make any adjustments on these lines. If you did not receive any of the following types of income, make no entry on line 1a through line 1i and line 1z 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 Part I, Section B, line 8d, column C.

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 applicable line 1a through line 1h, 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.

Tax treaty – If you excluded income exempted by U.S. tax treaties on your federal Form 1040 or 1040-SR (unless specifically exempted for state purposes), enter the excluded amount on applicable line 1a through line 1h, column C.

a. Total Amount from Federal Form(s) W-2, Box 1

Employees and independent contractors – Some taxpayers may be classified as independent contractors for federal purposes and as employees for California purposes. If the taxpayer is classified as an employee for California purposes, enter the amount reported as gross income of the business from federal Schedule C (Form 1040), Profit or Loss from Business, line 7, as wages on line 1a, column C.

d. Medicaid Waiver Payments Not Reported on Federal Form(s) W-2

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 1d, 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.

h. Other Earned Income

Sick pay received under the Federal Insurance Contributions Act and Railroad Retirement Act

– California excludes this item from income. Enter on line 1h, 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 California 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 1h, 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 1h, column B.

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

i. Nontaxable Combat Pay Election

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 1i, column C. Get FTB Pub. 1032 for more information.

Line 2 – Taxable Interest

If you did not receive any of the kinds of income listed (within this line instructions), 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 federal Form 1099-DIV, Dividends and Distributions. For more information, get FTB Pub. 1001.

Enter in column C the interest you identified as tax-exempt interest on your federal Form 1040 or 1040-SR, 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 as previously discussed.
- 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 tax deferred. Interest or earnings in an 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 (within this line instructions) that is 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 4a and Line 4b – 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 this line, 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.

Line 5a and Line 5b – 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 6 – 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 6(b).

Line 7 – 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 (within this line instructions) 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 7.

- Gain or loss from the sale of investments inside an HSA.
- 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 2021 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.

Section B – Additional Income

Line 1 – 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 2a – Alimony Received

Under federal law, the TCJA, alimony and separate maintenance payments are not includable in the income of the receiving spouse, if made under any divorce or separation agreement executed after December 31, 2018, or executed on or before December 31, 2018 and modified after that date (if the modification expressly provides that the amendments apply). California does not conform. If you received alimony not included in your federal income, enter the alimony received in column C.

If you are a nonresident alien and received alimony not included in your federal income, enter the alimony on this line in column C.

Line 3 – 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 3 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).

Use form FTB 3885A to figure the total adjustment for line 3 if you have:

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

Other loan forgiveness – Under federal law, the CAA, 2021, allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision, with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, enter the total amount of those expenses deducted on line 3, column C.

Paycheck Protection Program loans forgiveness – Under federal law, the CAA, 2021, allows deductions for eligible expenses paid for with covered loan amounts. California law conforms to this federal provision with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, enter the total amount of those expenses deducted on line 3, column C.

Also, the ARPA expands PPP eligibility to include “additional covered nonprofit entities” which includes certain Code 501(c) nonprofit organizations and Internet-only news publishers and Internet-only periodical publishers. California law does not conform to this expansion of PPP eligibility. If you met the PPP eligibility requirements and excluded the amount from gross income for federal purposes, enter the excluded amount on line 3, column C.

Shuttered venue operator grant – Under federal law, the CAA, 2021, allows deductions for eligible expenses paid for with grant amounts. California law conforms to this federal provision with modifications. For California purposes, if you are an ineligible entity and deducted eligible expenses for federal purposes, enter the total amount of those expenses deducted on line 3, column C.

Employees and independent contractors – Some taxpayers may be classified as independent contractors for federal purposes and as employees for California purposes. If the taxpayer is classified as an employee for California purposes, enter the amount of federal business income from line 3, column A, on line 3, column B. Enter the amount of federal business loss from line 3, column A, on line 3, column C.

Commercial cannabis activity – Under federal law, deductions for business expenses of a trade or business paid or incurred during the taxable year in conducting commercial cannabis activity are disallowed. California does not conform. California allows cannabis business licensed under California Medicinal and Adult-Use Cannabis Regulation and Safety Act (CA MAUCRSA) to claim these expenses. Enter the amount of these expenses on line 3, column B.

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 3, 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; the 50% limitation does not apply to expenses for food or beverages provided by a restaurant that are paid or incurred after December 31, 2020, and before January 1, 2023; 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 3, 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 3, 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 3, column B.

Penalty assessed by professional sports league – 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 3, column C.

Business expense deduction disallowance – California disallows a deduction for a business expense related to a payment to the Edge College and Career Network, LLC, to a taxpayer who meets all of the following:

- They are charged as a defendant in any of several specified criminal complaints as listed in R&TC Section 17275.4.
- There is a final determination of their guilt with regard to a violation of any offense arising out of that criminal complaint.
- There is a finding that they took the deduction unlawfully.

For more information, see R&TC Section 17275.4. Enter the amount of this deduction on line 3, column C.

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.
- 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 federal Work Opportunity Credit.

Business deductions related to:

- Wages paid in a former EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA.
- Abandonment or tax recoupment fees for open-space easements and timberland preserves.
- Research expense.
- Employer wage expense for the federal 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 4 – 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 5 – 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 3.

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 5 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 5 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 6 – 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 3.

Use form FTB 3801 to figure the total adjustment for line 6 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 6 if you have:

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

Line 7 – Unemployment Compensation

California excludes unemployment compensation from taxable income. Enter on line 7, 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 federal Form 1099-G, Certain Government Payments. California excludes payments received from the PFL program from taxable income. Enter on line 7, column B the amount of PFL payments shown in column A. For more information, get FTB Pub. 1001.

Line 8 – Other Income

a. Federal Net Operating Loss – Enter the amount of the federal NOL included on line 8a, column A, as a positive number in column C. Get form FTB 3805V to figure the allowable California NOL.

b. Gambling

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 8b, 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.

c. Cancellation of Debt

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 8c, column C.

Certain employer payments of student loans – California does not conform to the CARES Act regarding the exclusion of student loan payments made on behalf of an employee by an employer. Enter the amount of loan payment on line 8c, column C.

Student loan discharged due to closure of a for-profit school – California law allows an income exclusion for income that would result from the discharge of any student loan of an eligible individual. An individual is eligible for the exclusion if **any** of the following apply during the taxable year.

1. The individual is granted a discharge of any student loan because:
 - a. The individual successfully asserts that the school did something wrong or failed to do something that it should have done.
 - b. The individual could not complete a program of study due to the school closing.
2. The individual attended a Brightwood College school on or before December 5, 2018, and is granted a discharge of any student loan made in connection with attending that school, and that discharge is not covered under item 1.
3. The individual attended a location of The Art Institute of California and is granted a discharge of any student loan made in connection with attending that school, and that discharge is not covered under item 1.

Enter in column B the amount of this type of income if it was included on line 8c, column A, as income for federal purposes.

d. Foreign Earned Income Exclusion from Federal Form 2555

Federal foreign earned income or housing exclusion – Enter in column C, as a positive number, the amount excluded from federal income on federal Schedule 1 (Form 1040), line 8d.

Combat zone foreign earned income exclusion – Enter the amount excluded from federal income on line 8d, column C, as a positive number.

e. Income from Federal Form 8853

Rollover from an Archer MSA to an HSA – Since California does not recognize HSAs, a rollover from an Archer MSA to an HSA is treated as distribution not used for qualified medical expenses. For California, the distribution is included in California taxable income and the additional 12.5% tax applies. For more information, get form FTB 3805P.

Enter the amount rolled over from an Archer MSA to an HSA on line 8e, column C.

MSA distribution used for menstrual care products – For Archer MSA purposes, California does not conform to the inclusion of amounts paid for menstrual care products as qualified medical expenses. Enter the amount of MSA distribution used to pay for menstrual care products on line 8e, column C.

f. Income from Federal Form 8889

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 8f, column B.

k. Stock Options

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 8k, column C.

n. IRC Section 951(a) Inclusion – Under federal law, if you are a U.S. shareholder of a CFC, you must include IRC Section 951(a) amount in your income. California does not conform. If you included the amount as income on your federal Schedule 1 (Form 1040), enter the amount on line 8n, column B.

o. IRC Section 951A(a) Inclusion – Under federal law, if you are a U.S. shareholder of a CFC, you must include your GILTI in your income. California does not conform. If you included GILTI on your federal Schedule 1 (Form 1040), enter the amount on line 8o, column B.

p. IRC Section 461(l) Excess Business Loss Adjustment – For taxable years beginning after December 31, 2018, California law generally conforms to the changes under the TCJA in regard to the disallowance of excess business loss deductions of non-corporate taxpayers. For California purposes, any disallowed loss will be treated as a carryover excess business loss instead of an NOL carryover for the subsequent taxable year. Also, California does **not** conform to amendments under the CARES Act, the ARPA, and the Inflation Reduction Act of 2022. See General Information for more information.

If you are a noncorporate taxpayer and your net losses from all of your trades or businesses are more than \$270,000 (\$540,000 for married taxpayers filing a joint return), get form FTB 3461 to figure the excess business loss adjustment for California purposes. Enter the amount from form FTB 3461, line 16 or line 17, whichever applies, on line 8p, column C. Attach form FTB 3461 to the tax return.

Enter the amount of the federal excess business loss adjustment included on line 8p, column A, on line 8p, column B.

See line 8z for instructions on excess business losses carryover from prior years.

z. Other Income

Identify the type of income reported in the space provided. If there is more than one item to report on line 8z, attach a statement that lists each item and enter the total of all individual items in column B or column C as instructed below.

Discharge of student fees – California law allows an exclusion from gross income for any amount of unpaid fees due or owed by a student to a community college that was discharged. If you include the amount discharged as income for federal tax purposes on line 8z, column A, enter the amount on line 8z, column B.

Small business and nonprofit COVID-19 supplemental paid sick leave relief – California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program that is established by Section 12100.975 of the Government Code. If you included an amount qualifying for this exclusion as income for federal purposes on line 8z, column A, enter the amount on line 8z, column B.

Turf replacement water conservation program – California law allows an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, local government, or state agency for participation in a turf replacement water conservation program. If any amount was included as income for federal purposes on line 8z, column A, enter the amount on line 8z, column B.

Fire Victims Trust exclusion – California law allows a qualified taxpayer an exclusion from gross income for any amount received from the Fire Victims Trust. If any amount was included as income for federal purposes on line 8z, column A, enter the amount on line 8z, column B.

Thomas and Woolsey wildfires exclusion – California law allows a qualified taxpayer an exclusion from gross income for any amount received in settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire. If any amount was included as income for federal purposes on line 8z, column A, enter the amount on line 8z, column B.

Middle Class Tax Refund – California excludes the Middle Class Tax Refund payment from gross income. If you received the Middle Class Tax Refund payment and you included this payment as income for federal tax purposes on line 8z, column A, enter the amount on line 8z, column B.

Excess business losses carryover from prior years – If in the current year, the taxpayer has enough business income to fully offset all of the excess business loss carryover from prior year, then the carryover balance is applied to offset the business income. Refer to form FTB 3461 instructions for line 14b and line 15 for further instructions. Enter the excess business losses carryover from prior years on line 8z, column B, and write "excess business losses carryover from prior years" on the space provided for line 8z.

California microbusiness COVID-19 relief grant – California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Microbusiness COVID-19 Relief Program that is administered by CalOSBA. Federal law has no similar exclusion. Enter on line 8z, column B the amount of this type of income.

California venues grant – California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Venues Grant Program that is administered by the CalOSBA. Federal law has no similar exclusion. Enter on line 8z, column B the amount of this type of income.

Small business COVID-19 relief grant – California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the COVID-19 Relief Grant under Executive Order No. E 20/21-182 and the California Small Business COVID-19 Relief Grant Program established by Section 12100.83 of the Government Code. If you included any amount as income for federal purposes on line 8z, column A, enter the amount on line 8z, column B.

Income exclusion for rent forgiveness – If for federal purposes gross income includes a tenant's rent liability that is forgiven by a landlord or rent forgiveness provided through funds grantees received as a direct allocation from the Secretary of the Treasury, enter in line 8z, column B the amount of this type of income included in line 8z, column A.

Expanded use of IRC Section 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 8z, column C.

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 8z. Attach form FTB 3504 to Form 540.

Tax treaty – If you are claiming a tax treaty exemption on federal Schedule 1 (Form 1040), enter that amount on line 8z, column C as a positive number, unless it is specifically exempted for state purposes.

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 8z, column B or column C and write "FTB 3803" on line 8z. 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 8z, column A.

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

Beverage container recycling income – Enter in column B the amount of recycling income included in the amount on line 8z, 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 8z, column A.

Financial incentive for seismic improvement – 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 8z, 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 8z, column B. **Holders:** Enter the difference between the amount included in federal gross income and the amount included for California purposes on line 8z, 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.

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 law has no similar exclusion. Enter on line 8z, column B the amount of this type of income.

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 are 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 8z, 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 8z, column A, enter the amount of settlement payments in column B.

Line 9b1 – Disaster Loss Deduction from Form FTB 3805V

If you have a California disaster loss deduction and there is income in the current taxable year, enter the total amount from your 2022 form FTB 3805V, Part III, line 2 and/or line 3, column (f), as a positive number in column B.

NOL attributable to a qualified disaster – If you deduct a 2022 disaster loss in the 2022 taxable year and have remaining disaster loss that results in an NOL, the NOL can be carried forward. Get form FTB 3805V for more information.

Line 9b2 – NOL Deduction from Form FTB 3805V

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 prior years, enter the total allowable California NOL carryover deduction for the current year from form FTB 3805V, Part III, line 2, column (f), as a positive number in column B.

Line 9b3 – NOL from Form FTB 3805Z, 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 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary, line 3b
- FTB 3809, Targeted Tax Area Deduction and Credit Summary, line 3b

Line 10 – Total

Add Section A, line 1z through line 7, and Section B, line 1 through line 7, line 9a and line 9b1 through line 9b3 in column B. Add Section A, line 1z through line 7, and Section B, line 1 through line 7, and line 9a in column C. Enter the totals on line 10.

Section C – Adjustments to Income

Line 11 through Line 19a and Line 20 through Line 23 and Line 25 – California law is the same as federal law with the exception of the following:

- **Line 11 Educator Expenses** – California does not conform to federal law regarding educator expenses. Enter the amount from line 11, column A on line 11, column B.
- **Line 12 Certain Business Expenses 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 12, column C.

- **Line 13 Health Savings Account (HSA) Deduction** – Federal law allows a deduction for contributions to an HSA account. California does not conform. Enter the amount from line 13, column A, on line 13, column B.
- **Line 14 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 and military taxpayers, prepare form FTB 3913. After completing form FTB 3913, if you are a non-military taxpayer and checked the No box on line 5 of form FTB 3913, enter the amount from form FTB 3913, line 5 on Schedule CA (540), Part I, Section A, line 1h, column C.

If you are a non-military taxpayer and checked the Yes box on line 5 of form FTB 3913, enter the amount from form FTB 3913, line 5 on Schedule CA (540), Part I, line 14, column C.

- **Line 15 Deductible Part of Self-employment Tax** – A taxpayer may be classified as an independent contractor for federal purposes and as an employee for California purposes. This deduction is not allowed to an employee. If for California purposes, the taxpayer is classified as an employee, an adjustment is needed in column B. Enter the amount from line 15, column A, on line 15, column B.
- **Line 17 Self-employed Health Insurance Deduction** – A taxpayer may be classified as an independent contractor for federal purposes and as an employee for California purposes. This deduction is not allowed to an employee. If for California purposes, the taxpayer is classified as an employee, an adjustment is needed in column B. Enter the amount from line 17, column A, on line 17, column B.

Note: A taxpayer classified as an employee for California purposes who makes an adjustment on this line may be able to claim this amount as a deduction for medical and dental expenses. For more information, see instructions for Part II, line 4.

- **Line 19a Alimony Paid** – Under federal law, the TCJA, alimony and separate maintenance payments are not deductible by the payor spouse, if made under any divorce or separation agreement executed after December 31, 2018, or executed on or before December 31, 2018, and modified after that date (if the modification expressly provides that the amendments apply). California does not conform. If you paid alimony and did not deduct it on your federal tax return, enter the alimony paid in column C.

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 19b (Recipient's SSN/Last Name) – Enter the SSN or ITIN and last name of the person to whom you paid alimony.

- **Line 20 – IRA Deduction**
 - 408 election** – To take the election, the federal deduction is taken on line 20, column A. The election for California will be on line 20, column B or C. Get FTB Pub. 1005 for more information.
 - IRA age** – If you report an IRA deduction on line 20, column A at age 70½ or older, include that amount deducted for federal in the total you enter on line 20, column B. Get FTB Pub. 1005 for more information.
- **Line 21 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 21. For more information, get FTB Pub. 1032.

Student Loan Interest Deduction Worksheet

1. Enter the total amount from Schedule CA (540), line 21, column A. If the amount on line 1 is zero, STOP. You are not allowed a deduction for California 1 _____
2. Enter the total interest you paid in 2022 on qualified student loans but not more than \$2,500 here . . 2 _____
3. Add federal Schedule 1 (Form 1040), line 21 (student loan interest deduction) to federal Form 1040 or 1040-SR, line 11 (AGI). Enter the result here 3 _____
4. Enter the amount shown below for your filing status.
 - Single, head of household, or qualifying surviving spouse/RDP – \$60,000
 - Married/RDP filing jointly – \$120,000 } 4 _____
5. Is the amount on line 3 more than the amount on line 4?
 - No.** Skip lines 5 and 6, enter -0- on line 7, and go to line 8.
 - Yes.** Subtract line 4 from line 3 5 _____
6. Divide line 5 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 . 6 7 _____
7. Multiply line 2 by line 6 7 _____
8. **Student loan interest deduction.** Subtract line 7 from line 2 8 _____
9. **Student loan interest adjustment.** If line 1 is less than line 8, enter the difference here and on Schedule CA (540), line 21, column C 9 _____

• **Line 22 (Reserved)** – For taxable years beginning after December 31, 2020, the tuition and fees deduction was repealed.

• Line 24 – Other Adjustments

b. Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit – Generally, California law conforms with federal law and no adjustment is needed. However, if differences exist, enter the difference between the federal and California amount in column B or column C.

c. Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m – Federal law allows an exclusion from gross income for the value of any medal awarded or prize money received from the U.S. Olympic Committee on account of competition in the Olympic Games or Paralympic Games. The exclusion does not apply to a taxpayer for any year in which the taxpayer's adjusted gross income exceeds \$1 million, or half of that amount in the case of a married individual filing a separate return. California does not conform. If you deducted the amount for federal purposes, enter that amount in column B.

d. Reforestation amortization and expenses – California law allows a deduction for reforestation amortization and expenses with respect to qualified timber property located in California. Enter the amount from column A that is for non-California qualified timber property in column B.

f. Contributions to IRC Section 501(c)(18)(D) pension plans – If the contribution amount for California is different than the federal amount, you will need to make an adjustment in column B or column C. For more information, get FTB Pub. 1005.

g. Contributions by certain chaplains to IRC Section 403(b) plans – If the contribution amount for California is different than the federal amount, you will need to make an adjustment in column B or column C. For more information, get FTB Pub. 1005.

i. Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations – California does not conform to federal law regarding the deduction of these attorney fees and court costs. Enter the amount from column A in column B.

j. Housing deduction from federal Form 2555 – If you claimed the foreign housing deduction for federal purposes, enter the amount from column A in column B.

Line 26 – Add line 11 through line 23 and line 25 in column B and column C.

Line 27 – Total

Subtract line 26 from line 10 in column B and column C.

Also, transfer the amount from:

- Line 27, 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 27, 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), Itemized Deductions. Then check the box at the top of Schedule CA (540), Part II and complete line 1 through line 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), line 1 through line 16.

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 1 through Line 4

Employees and independent contractors – Taxpayers classified as independent contractors for federal purposes and classified as employees for California purposes may claim the amount of self-employed health insurance deduction for federal purposes as a medical and dental expense deduction for California purposes. Combine the amount paid for self-employed health insurance with other medical and dental expenses (as applicable). The total amount of the medical and dental expenses is subject to the 7.5% of federal AGI threshold. Enter the difference between the medical and dental expense deduction allowed for California and federal on line 4, column C.

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 9 – Investment Interest

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.

Charitable contribution deduction disallowance – California disallows a charitable contribution deduction to an educational organization that is a postsecondary institution or to the Key Worldwide Foundation to a taxpayer who meets all of the following:

- They are charged as a defendant in any of several specified criminal complaints as listed in R&TC Section 17275.4.
- There is a final determination of their guilt with regard to a violation of any offense arising out of that criminal complaint.
- There is a finding that they took the deduction unlawfully.

For more information, see R&TC Section 17275.4. Enter the amount of this deduction 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.

Charitable contribution deduction disallowance – California disallows a charitable contribution deduction to an educational organization that is a postsecondary institution or to the Key Worldwide Foundation to a taxpayer who meets all of the following:

- They are charged as a defendant in any of several specified criminal complaints as listed in R&TC Section 17275.4.
- There is a final determination of their guilt with regard to a violation of any offense arising out of that criminal complaint.
- There is a finding that they took the deduction unlawfully.

For more information, see R&TC Section 17275.4. Enter the amount of this deduction 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 law 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.

Social security benefits are not taxable by California and the repayment would not qualify for claim of right deduction or credit. If you deducted the repayment of Social Security benefits on your federal tax return, enter the amount of the federal deduction on line 16, column B.

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 Pub. 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 78, the total payment line, of 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 2106 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 cannot fit all your expenses on the line 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 federal Form 4684, line 32 and 38b, or federal 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 \$229,908
 Head of household \$344,867
 Married/RDP filing jointly or qualifying surviving spouse/RDP . . \$459,821

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

YES Complete the Itemized Deductions Worksheet at the end of this line instructions.

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 540 Booklet to figure your standard deduction.

Itemized Deductions Worksheet	
1. Amount from Schedule CA (540), Part II, 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, if applicable	2 _____
3. Subtract line 2 from line 1	3 _____
If the result is zero, STOP. Enter the amount from line 1 on Schedule CA (540), Part II, line 29.	
4. Multiply line 3 by 80% (.80)	4 _____
5. Amount from Form 540, line 13	5 _____
6. Enter the amount from line 29 instructions for your filing status.	6 _____
7. Subtract line 6 from line 5	7 _____
If the result is zero or less, STOP. Enter the amount from line 1 on Schedule CA (540), Part II, 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 the result here and on Schedule CA (540), Part II, 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).

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Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection – Aviso de Privacidad del Franchise Tax Board sobre la Recaudación. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

2022 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).

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 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, or Schedule CA (540NR), California Adjustments - Nonresidents or Part-Year 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.

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.

Purpose

Use California Schedule D (540), California Capital Gain or Loss Adjustment, **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 2022 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 you have 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.

Capital Assets

The federal Tax Cuts and Jobs Act (TCJA) amended 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).

Gross Income Exclusion for Bruce's Beach

Effective September 30, 2021, California law allows an exclusion from gross income for the first time sale in the taxable year in which the land within Manhattan State Beach, known as "Peck's Manhattan Beach Tract Block 5" and commonly referred to as "Bruce's Beach" is sold, transferred, or encumbered. A recipient's gross income does not include the following:

- Any sale, transfer, or encumbrance of Bruce's Beach;
- Any gain, income, or proceeds received that is directly derived from the sale, transfer, or encumbrance of Bruce's Beach.

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 federal Form 1099-B, Proceeds From Broker and Barter Exchange Transactions; federal 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 federal 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 permitted 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.

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.

Column (e) – Gain

- **Qualified Small Business Stock** – California does not conform to the qualified small business stock deferral and gain exclusion under IRC Sections 1045 and 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). If, for California purposes, gains from investment in qualified opportunity zone property had been included in income during previous taxable years, do not include the gain in the current year income.

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. Get 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 – California capital loss carryover from 2021

If you were a resident of California for all prior years, enter your California capital loss carryover from 2021. However, if you were a nonresident of California during any taxable year that generated a portion of your 2021 capital loss carryover, recalculate your 2021 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 2021 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 2023.

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, Section A, line 7, 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 line 11 to figure the adjustment to enter on Schedule CA (540), Part I, Section A, line 7, 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

California Capital Loss Carryover Worksheet	
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 as a positive number	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 2023	8 _____

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TAX PAYMENT WORKSHEET (KEEP FOR YOUR RECORDS)

1	Total tax you expect to owe. This is the amount you expect to enter on Form 540, line 64; or Form 540NR, line 74.	1	00
2	Payments and credits:		
a	California income tax withheld (including real estate and nonresident withholding)	2a	00
b	California estimated tax payments and amount applied from your 2021 tax return. (To check your estimated tax payments go to ftb.ca.gov and login or register for MyFTB.)	2b	00
c	Other payments and credits (including any tax payments made with any previous form FTB 3519).	2c	00
3	Total tax payments and credits. Add line 2a, line 2b, and line 2c	3	00
4	Tax due. Is line 1 more than line 3?	4	00

- **No. Stop here.** You have no tax due. **Do not** mail form FTB 3519. If you file your tax return by October 16, 2023 (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 “2022 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

2022 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 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, or Schedule CA (540NR), California Adjustments - Nonresidents or Part-Year 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.

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, Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, or Form 540 2EZ, California Resident Income Tax Return, if you claim HOH 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 HOH filing status. For more information about the HOH filing requirements, go to 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, Tax Information for 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 HOH 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.

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 HOH 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, 2022, and does not have an 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 \$4,400. Generally, gross income for HOH 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 federal Pub. 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 HOH filing status.

When calculating the above, you may include days when your qualifying person was temporarily absent from your home. Temporary absences include illness, education, business, vacations, military service, and incarceration. In the event of a birth or death of your qualifying person during the year, enter 365 days. Note: A year is 365 days, a leap year is 366 days.

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2022 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

Foster Youth Tax Credit – For taxable years beginning on or after January 1, 2022, the refundable Foster Youth Tax Credit (FYTC) is available to an individual and/or spouse/RDP age 18 to 25, who is allowed the California Earned Income Tax Credit (EITC) for the taxable year, was in foster care while 13 years of age or older and placed through the California foster care system. The maximum amount of credit allowable for each eligible taxpayer is \$1,083. The credit amount phases out as earned income exceeds the threshold amount of \$25,000, and completely phases out at \$30,000. For more information, see Step 10, Qualifications for Foster Youth Tax Credit (FYTC), in the instructions, or California Revenue and Taxation Code (R&TC) Section 17052.2, or go to ftb.ca.gov and search for **fytc**.

Young Child Tax Credit Expansion – For taxable years beginning on or after January 1, 2022, California expanded the Young Child Tax Credit (YCTC) eligibility to include an eligible individual with a qualifying child who would otherwise have been allowed the California EITC but that the individual has earned income of zero dollars or less, does not have net losses in excess of \$32,490 in the taxable year, and does not have wages, salaries, tips, and other employee compensation in excess of \$32,490 in the taxable year. For more information, see Step 8, Qualifications for Young Child Tax Credit (YCTC), in the instructions, or R&TC Section 17052.1, or go to ftb.ca.gov and search for **yctc**.

Special Rule for Separated Spouses/Registered Domestic Partners (RDPs) – The federal American Rescue Plan Act of 2021 allows married taxpayers who file married filing separately for federal purposes and who meet certain requirements to qualify for the federal Earned Income Tax Credit. California law conforms to these changes for purposes of eligibility for California Earned Income Tax Credit. For more information, see Specific Instructions, Special rule for separated spouses/RDPs.

Taxpayers with Individual Taxpayer Identification Number – For taxable years beginning on or after January 1, 2022, taxpayers who claim the EITC, YCTC, and FYTC using an Individual Taxpayer Identification Number (ITIN) may, upon request of the Franchise Tax Board (FTB), use identifying documents acceptable for purposes of obtaining a California identification card as authorized by the California Vehicle Code and related regulations for purposes of establishing documents acceptable to prove identity, in addition to other documents already listed under Specific Instructions for line 7, “Valid ITIN” section.

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 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, or Schedule CA (540NR), California Adjustments - Nonresidents or Part-Year 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 R&TC in the instructions. Taxpayers should not consider the instructions as authoritative law.

Registered Domestic Partners

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.

California Earned Income Tax Credit

The refundable California 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. The California 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 income tax return to claim the credit and attach a completed form FTB 3514, California Earned Income Tax Credit.

Young Child Tax Credit

For taxable years beginning on or after January 1, 2019, the refundable YCTC is available to taxpayers who also qualify for the California EITC and who have at least one qualifying child who is younger than six years old as of the last day of the taxable year. For taxable year 2022, the maximum amount of credit allowable for a qualified taxpayer is \$1,083. The credit amount phases out as earned income exceeds the threshold amount of \$25,000, and completely phases out at \$30,000. For more information, see Step 8, Qualifications for Young Child Tax Credit (YCTC), in the instructions, or go to ftb.ca.gov and search for **yctc**.

Expansion for Credits Eligibility

For taxable years beginning on or after January 1, 2020, California expanded EITC and YCTC eligibility to allow either the federal Individual Tax Identification Number (ITIN) or the Social Security Number (SSN) to be used by all eligible individuals, their spouses, and qualifying children. If an ITIN is used, eligible individuals should provide identifying documents upon request of the Franchise Tax Board (FTB). Any valid SSN can be used, not only those that are valid for work. Additionally, upon receiving a valid SSN, the individual should notify the FTB in the time and manner prescribed by the FTB. The YCTC is available if the eligible individual or spouse has a qualifying child younger than six years old. For more information, see General Information B, Differences in California and Federal Law, Specific Instructions for line 7, and go to ftb.ca.gov and search for **eitc**.

Worker Status: Employees and Independent Contractors

Some individuals may be classified as independent contractors for federal purposes and employees for California purposes, which may also cause changes in how their income and deductions are classified. For more information, see Specific Instructions, Step 5, line 13 and line 18.

A Purpose

Use form FTB 3514 to determine whether you qualify to claim the EITC, YCTC, and FYTC, provide information about your qualifying children, if applicable, and to figure the amount of your credits.

B Differences in California and Federal Law

The differences between California and federal law for the Earned Income Tax Credit 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 \$30,001 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.
- You may elect to include or exclude Medicaid waiver payments or In Home Supportive Services (IHSS) payment from earned income for the California credit, whether or not you elect to include or exclude them for the federal credit.

- California allows this credit to eligible individuals and their spouses who have a valid federal ITIN or who have qualifying children who have a valid federal ITIN.

Specific Instructions

If certain requirements are met, you or your eligible spouse may claim the EITC, YCTC, or FYTC even if you do not have a valid SSN and instead have a valid federal ITIN. If you have a valid federal ITIN, enter it in the Your SSN or ITIN field at the top of the form. For more information, see the General Information section and Specific Instructions for line 7.

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 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 to determine if you qualify for the credit.

Special Rule for Separated Spouses/RDPs. You can claim the EITC if you are married/RDP, not filing a joint return, had a qualifying child who lived with you for more than half of 2022, **and either** of the following applies:

- You lived apart from your spouse/RDP for the last 6 months of 2022, **or**
- You are legally separated according to California law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse/RDP at the end of 2022.

If you meet these requirements, check the box at the top of form FTB 3514.

Attach the completed form FTB 3514 to your Form 540 or 540 2EZ, California Resident Income Tax Return, or Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, if you claim the California EITC.

Step 1 Qualifications for All Filers

- a.** In taxable year 2022, is the amount on federal Form 1040, U.S. Individual Income Tax Return, or Form 1040-SR, U.S. Tax Return for Seniors, line 11 (federal AGI) less than \$30,001?
- Yes** Continue.
No Stop here, you cannot take the credit.
- b.** Do you, and your spouse/RDP if filing a joint return, have a valid SSN or federal ITIN? See line 7, "Valid SSN" or "Valid ITIN" within Step 3, Qualifying Child, for a full definition.
- Yes** If you have a qualifying child, continue to question c. If you do not have a qualifying child, continue to question d.
No Stop here, you cannot take the credit.
- c.** Do you, and your spouse/RDP if filing a joint return, have a qualifying child who has a valid SSN or federal ITIN?
- Yes** Continue to question d.
No You may qualify for the EITC as a filer without a qualifying child, continue to question d.
- d.** Is your filing status married/RDP filing separately?
- Yes** See note below.
No Continue to question e.
- Note:** Special rule for separated spouses/RDPs. You can claim the EITC if you are married/in an RDP, not filing a joint return for the taxable year, had a qualifying child who lived with you for more than half of 2022, **and either** of the following apply:
- You lived apart from your spouse/RDP for the last 6 months of 2022, **or**
 - You are legally separated according to California law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse/RDP at the end of 2022.
- If your filing status is married/RDP filing separately and you do not meet these requirements, stop here, you cannot take the credit. If you meet these requirements, continue to question e.

- e.** Are you filing federal Form 2555, Foreign Earned Income?
- Yes** Stop here, you cannot take the credit.
No Continue.
- f.** Were you or your spouse/RDP a nonresident alien for any part of 2022?
- Yes** If your filing status is married/RDP filing jointly, continue. Otherwise, stop here; you cannot take the credit.
No Continue.
- g.** If you are filing 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.
- h.** 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 Form 540NR, complete Worksheet 1. If you are filing Form 540 2EZ, complete Worksheet 2.

Worksheet 1 – Investment Income Form 540 and Form 540NR Filers	
Interest and Dividends	
1	Add and enter the amounts from federal Form 1040 or 1040-SR, line 2a and line 2b . . . 1 _____
2	Enter the amount from federal Form 8814, Parents' Election to Report Child's Interest and Dividends, line 1b 2 _____
3	Enter the amount from federal Form 1040 or 1040-SR, line 3b 3 _____
4	Enter any amounts from federal Form 8814, line 12 for child's interest and dividends 4 _____
Capital Gain Net Income	
5	Enter the amount from federal Form 1040 or 1040-SR, line 7. If the result is less than zero, enter -0- 5 _____
6	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) 6 _____
7	Subtract line 6 from line 5. (If the result is less than zero, enter -0-) 7 _____
Passive Activities	
8	Enter the total of net income from passive activities included on federal Schedule 1 (Form 1040), Additional Income and Adjustments to Income, line 5 8 _____
Other Activities	
9	Enter any income from the rental of personal property included on federal Schedule 1 (Form 1040), line 8i. If the result is zero or less, enter -0- 9 _____
10	Enter any expenses related to the rental of personal property included on federal Schedule 1 (Form 1040), line 24b 10 _____
11	Subtract line 10 from line 9. (If the result is less than zero, enter -0-) 11 _____
Investment Income	
12	Add the amounts on lines 1, 2, 3, 4, 7, 8, and 11. Enter the total. This is your investment income 12 _____
13	Is the amount on line 12 more than \$4,389 ?
Yes	Stop here, you cannot take the credit.
No	Enter the amount from line 12 on form FTB 3514, line 4. Go to Step 3.

**Worksheet 2 – Investment Income
Form 540 2EZ Filers**

1	Taxable interest. Enter the amount from Form 540 2EZ, line 10	1 _____
2	Nontaxable interest. Add and enter the amounts from federal Form 1099-INT, box 3 and box 8, and the amount from federal Form 1099-DIV, box 12	2 _____
3	Dividends. Enter the amount from Form 540 2EZ, line 11	3 _____
4	Capital gain net income. Enter the amount from Form 540 2EZ, line 13	4 _____
5	Investment income. Add line 1, line 2, line 3 and line 4. Enter the amount here	5 _____
6	Is the amount on line 5 more than \$4,389 ?	
	Yes Stop here, you cannot take the credit.	
	No Enter the amount from line 5 on form FTB 3514, line 4. Go to Step 3.	

- f. Could you be a qualifying child of another person for 2022? (Answer “No” if the other person is not required to file, and is not filing, a 2022 tax return or is filing a 2022 return only to claim a refund of withheld income tax or estimated tax paid. Get federal Pub. 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.

Note: If your qualifying child is younger than six years old as of the last day of the taxable year, you must list that child's information under Child 1, Child 2, or Child 3 column. **Do not** include the information of any child younger than six years old in an attachment to the form FTB 3514. See Step 8 and Step 9 in the instructions to see if you qualify for the YCTC.

Line 7 – SSN or ITIN

The child must have a valid SSN or ITIN, as defined below, unless the child was born and died in 2022. If your child was born alive and died in 2022 and did not have an SSN or an ITIN, write “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 – A valid SSN is a number issued by the Social Security Administration without regard to whether it was issued for employment or issued solely for the purpose of receiving federally funded benefits.

Valid ITIN – A valid ITIN is a federal tax processing number issued by the Internal Revenue Service that is not expired or revoked. For taxable years beginning on or after January 1, 2020, a valid federal ITIN can be used to claim the EITC, YCTC, and FYTC. If an ITIN is used, eligible individuals should provide the documents listed below upon request by the FTB:

- Identifying documents acceptable for purposes of obtaining a California driver's license or identification card as authorized by the California Vehicle Code and related regulations for purposes of establishing documents acceptable to prove identity.
- Identifying documents used to report earned income for the taxable year.

Additionally, upon receiving a valid SSN, the individual should notify the FTB in the time and manner prescribed by the FTB. For more information, go to ftb.ca.gov and search for **eitc**.

An Adoption Taxpayer Identification Number (ATIN) cannot be used to claim EITC. If you or your child has an ATIN and later gets a valid SSN or a valid federal ITIN, you may be able to file an amended return. Use Form 540, 540 2EZ, or 540NR to amend your original or previously filed tax return with Schedule X, California Explanation of Amended Return Changes, attached to the amended return.

If you did not have an SSN or federal ITIN by the due date of your 2022 return (including extensions), you cannot claim the EITC, YCTC, or FYTC on either your original or an amended 2022 return, even if you later get an SSN or federal ITIN. Also, if a child did not have an SSN or federal ITIN by the due date of your return (including extensions), you cannot count that child as a qualifying child in figuring the EITC (or YCTC) on either your original or an amended 2022 return, even if that child later gets an SSN or federal ITIN.

Line 9a – Student

A student is a child who during any part of 5 calendar months of 2022 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 2022, 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.

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 2022 and younger than you (or your spouse/RDP, if filing jointly), or under age 24 at the end of 2022, 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 2022 or is filing a joint return for 2022 only to claim a refund of withheld income tax or estimated tax paid. Get federal Pub. 596, Earned Income Credit, for examples.
- Lived with you in California for more than half of 2022. 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/in an RDP 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 Pub. 596 for more information.

Qualifying Child Questionnaire

- a. Do you have at least one child who meets the conditions to be your qualifying child for the purpose of claiming the EITC?
- Yes** Continue.
No Go to Step 4.
- b. Are you filing a joint return for 2022?
- Yes** Complete form FTB 3514, Part III, line 5 through line 12. Go to Step 5.
No Continue.
- c. Are you a married/in an RDP taxpayer whose filing status is married/RDP filing separately or head of household?
- Yes** Continue.
No Skip questions d and e; go to question f.
- d. Did you and your spouse/RDP have the same principal residence for the last 6 months of 2022?
- Yes** Continue.
No Skip question e; go to question f.
- e. Are you legally separated according to California law under a written separation agreement or a decree of separate maintenance and you lived apart from your spouse/RDP at the end of 2022?
- Yes** Continue.
No Stop here, you cannot take the credit.

Line 11 – Number of days child lived with you

Enter the number of days the child lived with you in California during 2022. To qualify, the child must have the same principal place of residence in California as you for more than half of 2022, defined as 183 days or more (if a leap year, it is 184 days). If the child was born or died in 2022 and your home was the child's home for more than half the time he or she was alive during 2022, enter "365". Do not enter more than 365 days, unless it's a leap year, then enter 366 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 Pub. 596.

Line 12 – Child's physical address

Enter the physical address where the child resided during 2022. This should be the address of the principal place of residence in California where the child lived with you for more than half of 2022. If the child lived with you in California for more than half of 2022, 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 or 1040-SR, line 11 (federal AGI), less than \$30,001?

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 2022? (Answer "Yes" if you, or your spouse/RDP if filing a joint return, were born on or before January 1, 2005.) If your spouse/RDP died in 2022 (or if you are preparing a return for someone who died in 2022), get federal Pub. 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 2022?

Yes Continue.

No Stop here, you cannot take the credit.

- d. Are you filing a joint return for 2022? For more information, get federal Pub. 596.

Yes Skip questions e and f; go to Step 5.

No Continue.

- e. Could you be a qualifying child of another person for 2022? (Answer "No" if the other person is not required to file, and is not filing, a 2022 tax return or is filing a 2022 return only to claim a refund of withheld income tax or estimated tax paid. Get federal Pub. 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 2022 tax return?

Yes Stop here, you cannot take the credit.

No Go to Step 5.

Step 5 California Earned Income

Complete line 13 through line 19 to figure your California earned income.

Line 13 – Wages, salaries, tips, and other employee compensation, subject to California withholding

Enter the total amount of your California wages from your federal Form(s) W-2, Wage and Tax Statement. This amount appears on Form W-2, box 16. Include all of your Medicaid waiver payments or IHSS payments even if the payments are nontaxable for federal purposes.

If you have not reached the minimum retirement age and you received disability payment reported on federal Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., and a distribution code 3 is shown in box 7 of federal

Form 1099-R, include the amount of the disability payment on form FTB 3514, line 13.

Note: If you have clergy wages, subtract the self employment tax, if any, that was reported on federal Schedule SE (Form 1040), Self-Employment Tax, and enter the result on form FTB 3514, line 13.

Employees and independent contractors – If the taxpayer's classification for California and federal purposes is different, enter the earned income as wages on line 13 or as business income on line 18 based on the federal classification of income. For example, a taxpayer may be classified as an independent contractor for federal purposes, but as an employee for California purposes. Based on this example, this taxpayer would enter their income as business income on form FTB 3514, line 18. Use your federal classification for EITC purposes only and for all other purposes such as completing other tax forms, schedules, etc., use your California classification.

Line 14 – IHSS payments

You may elect to include or exclude your Medicaid waiver payments or IHSS payments if the payments 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 them. 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 IRC 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, 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 federal Schedule C (Form 1040), Profit or Loss From Business, Schedule F (Form 1040), Profit or Loss From Farming, Schedule SE (Form 1040), and any Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc.

Employees and independent contractors – If the taxpayer's classification for California and federal purposes is different, enter the earned income as wages on line 13 or as business income on line 18 based on the federal classification of income. For example, a taxpayer may be classified as an independent contractor for federal purposes, but as an employee for California purposes. Based on this example, this taxpayer would enter their income as business income on form FTB 3514, line 18. Use your federal classification for EITC purposes only and for all other purposes such as completing other tax forms, schedules, etc., use your California classification.

Worksheet 3 – Business Income or (Loss)

- 1 Business income or (loss).** Enter the amount from federal Schedule 1 (Form 1040), line 3 . . . **1** _____
- 2 Farm income or (loss).** Enter the amount from federal Schedule 1 (Form 1040), line 6 . . . **2** _____
- 3 Self-employment earnings from partnerships reported on federal Schedule(s) K-1.** Enter the net profit (or loss) from federal Schedule K-1 (Form 1065), box 14, code A . . . **3** _____
- 4 Deductible part of self-employment tax.** Enter the amount from federal Schedule 1 (Form 1040), line 15 **4** _____
- 5 Total business income or (loss).** Add line 1, line 2, line 3, and subtract line 4. Enter the amount here and on form FTB 3514, line 18 **5** _____

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. Enter 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 (Form 1040) or Schedule F (Form 1040), box B.

After completing Step 5, line 18e, go to Step 6.

Step 6 How to Figure the California EITC

Complete the California Earned Income Tax Credit Worksheet below only if you have earned income greater than zero on line 19. If you file Form 540 or 540 2EZ, after completing Step 6, skip Step 7 and go to Step 8. If you file Form 540NR, after completing Step 6, go to Step 7.

California Earned Income Tax Credit Worksheet

Part I All Filers

- 1** Enter your California earned income from form FTB 3514, line 19. If the amount is zero or less, stop here **1** _____
- 2** 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.
- 3** Enter the amount from federal Form 1040 or 1040-SR, line 11 (federal AGI) **3** _____
- 4** 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

- 5** If you have:
 - No qualifying children, is the amount on line 3 less than \$4,248?
 - 1 qualifying child, is the amount on line 3 less than \$6,379?
 - 2 or more qualifying children, is the amount on line 3 less than \$8,954?**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** _____
Compare the amounts on line 5 and line 2, enter the **smaller** amount on line 6.

Part III Your Earned Income Tax Credit

- 6** This is your California earned income tax credit.
Enter this amount on form FTB 3514, line 20. **6** _____

(continued on next page)

Step 7 How to Figure the Nonresident or Part-Year Resident EITC

If you file Form 540 or 540 2EZ, skip Step 7 and go to Step 8.

Line 21 – CA Exemption Credit Percentage

If you file Form 540NR, enter your California Exemption Credit Percentage from Form 540NR, line 38 on form FTB 3514, line 21. However, if your total taxable income was less than zero and you entered \$0 on Form 540NR, line 19, complete Worksheet 4 below to compute the correct California Exemption Credit Percentage to enter on form FTB 3514, line 21.

Worksheet 4 – California Exemption Credit Percentage	
Complete this worksheet only if you are a nonresident or part-year resident with negative total taxable income and you entered zero on Form 540NR, line 19.	
Part I Total Taxable Income	
1 Enter the amount from Form 540NR, line 17. If a negative amount, enter as negative	1 _____
2 Enter the amount from Form 540NR, line 18	2 _____
3 Total Taxable Income. Subtract line 2 from line 1. Enter the negative result here	3 _____
Part II California Taxable Income	
4 Enter the amount from Schedule CA (540NR), Part IV, line 1. If a negative amount, enter as negative	4 _____
5 Enter the amount from Schedule CA (540NR), Part IV, line 4	5 _____
6 California Taxable Income. Subtract line 5 from line 4. If a negative amount, enter as negative	6 _____
Part III California Exemption Credit Percentage	
7 Subtract line 6 from line 3. If a negative amount, enter as negative	7 _____
8 Enter the amount from line 3 as a positive amount.	8 _____
9 Divide line 7 by line 8. Enter amount as a decimal	9 _____
10 California Exemption Credit Percentage. Subtract line 9 from 1.000. If more than 1, enter 1.000. If less than zero, enter 0. Enter the result as a decimal here and on form FTB 3514, line 21, line 29, or line 40.	10 _____

Line 22 – Nonresident or Part-Year Resident EITC

Multiply line 20 by line 21 and enter the result on form FTB 3514, line 22. This amount should also be entered on Form 540NR, line 85.

Step 8 Qualifications for Young Child Tax Credit (YCTC)

To qualify for the YCTC, you must meet **all** of the following:

- You have been allowed the California EITC on this form if your California earned income is greater than zero **or** you would otherwise have been allowed the California EITC but you have earned income of zero dollars or less (see additional requirements after these bullet points).
- You have at least one qualifying child for the California EITC.
- Your qualifying child is younger than six years old as of the last day of the taxable year.

Additional requirements must be met if you would otherwise have been allowed the California EITC but you have earned income of zero dollars or less:

- You do not have total net losses in excess of \$32,490 in the taxable year (this amount will be indexed annually).
- You do not have total wages, salaries, tips, and other employee compensation in excess of \$32,490 in the taxable year (this amount will be indexed annually).

Caution: If you **do not** meet all of the requirements for YCTC, you cannot take this credit.

If you meet all of the requirements for YCTC, complete Part VII, Young Child Tax Credit. If you are a nonresident or part-year resident, also complete Part VIII, Nonresident or Part-Year Resident Young Child Tax Credit.

For taxable years beginning on or after January 1, 2020, California expanded YCTC eligibility for a qualifying child who is younger than 6 years old as of the last day of the taxable year, who has a valid federal ITIN. The child must be a qualifying child of an eligible individual, or the eligible individual's spouse/RDP (if married), who have a valid federal ITIN.

Note: If your qualifying child is younger than six years old as of the last day of the taxable year, you must list that child's information under Part III, Qualifying Child Information, Child 1, Child 2, or Child 3 column. **Do not** include the information of any child younger than six years old in an attachment to the form FTB 3514.

Line 23 – California Earned Income

California earned income for purposes of the YCTC is the same as for the California EITC. Enter the amount from form FTB 3514, line 19.

Line 23a – Total wages, salaries, tips, and other employee compensation

Enter the total amount of wages, salaries, tips, and other employee compensation by adding up the following amounts, if applicable:

- Form FTB 3514, line 13
- Form FTB 3514, line 17
- Nontaxable combat pay that is not elected to be treated as earned income for purposes of EITC and which was not reported on form FTB 3514, line 17
- Wages not subject to California withholding (e.g. out of state wages)

If the amount entered on line 23a exceeds \$32,490, **stop here**, you do not qualify for the credit.

Line 23b – Total net loss (Form 540/Form 540NR Filers Only)

For purposes of this line, total net loss means the amounts by which total losses generated during the year exceeds total income, without regard to utilization limitations.

Use Form 540 or Form 540NR, line 17 (without utilization limitations) when calculating the total net loss amount. Also, be sure to include any casualty or theft loss and/or disaster loss reported on Schedule CA (540), Part II, or Schedule CA (540NR), Part III, line 15 (column A minus column B plus column C) without utilization limitations, within this total net loss amount. Do not include carryover losses from a prior year within the total net loss calculation. Do not enter the total net loss amount on Form 3514, line 23b. If your total net loss amount exceeds \$32,490, check the box on line 23b and **stop here**, you **do not** qualify for the credit.

Line 25 – Excess Earned Income over threshold

Subtract the \$25,000 threshold amount from your California earned income entered on line 23 and enter the excess amount on line 25.

Line 26 and Line 27

For every \$100 over the threshold amount, your credit is reduced by \$21.66.

Line 28 – Young Child Tax Credit

This is the amount of your allowable YCTC to claim on your tax return. This amount should also be entered on Form 540, line 76; or Form 540 2EZ, line 23b. If you file Form 540 or 540 2EZ, skip Step 9 and go to Step 10. If you file Form 540NR, go to Step 9.

Step 9 Nonresident or Part-Year Resident Young Child Tax Credit (YCTC)

If you file Form 540 or 540 2EZ, skip Step 9 and go to Step 10.

Line 29 – CA exemption credit percentage

If you file Form 540NR, enter your California Exemption Credit Percentage from Form 540NR, line 38 on form FTB 3514, line 29. However, if you completed Worksheet 4, enter the California Exemption Credit Percentage from Worksheet 4, line 10 on form FTB 3514, line 29.

Line 30 – Nonresident or part-year resident YCTC

Multiply line 28 by line 29 and enter the result on form FTB 3514, line 30. This amount should also be entered on Form 540NR, line 86.

Step 10 Qualifications for Foster Youth Tax Credit (FYTC)

To qualify for the FYTC, you must meet all of the following:

- You have been allowed a California EITC on this form.
- You are at least 18 years old and younger than 26 years old as of the last day of the taxable year.
- You were in foster care while 13 years of age or older and placed through the California foster care system.

Caution: If you **do not** meet all of the requirements for FYTC, you cannot take this credit.

If you meet all of the requirements for FYTC, complete Part IX, Foster Youth Tax Credit. If you are a nonresident or part-year resident, also complete Part X, Nonresident or Part-Year Resident Foster Youth Tax Credit.

Line 31 – Who is claiming the FYTC

Form FTB 3514 asks who is claiming the credit. You must check the box that applies to you (either Primary Taxpayer or Spouse/RDP) to claim the credit. You may only claim the credit for yourself. If you and your spouse/RDP both qualify for the credit, you each must check the box that applies to you.

To claim the FYTC, you must complete line 31 and line 33 of form FTB 3514 and sign your tax return.

Line 32 – Qualifying foster youth information

If the first name and/or last name provided on the tax return is different from the first name and/or last name while in foster care, provide the name while in foster care in the applicable spaces provided.

Line 33 – Consent and authorization

Check the box to indicate your consent and authorization for the California Department of Social Services (CDSS) to share limited information about you with the California Franchise Tax Board for purposes of verifying your eligibility for the FYTC. You may only provide consent for yourself. Consent is optional.

If you are not checking the applicable box to provide consent, attach to this return a letter issued by a county or state agency confirming each individual who claims the FYTC status as a foster youth at or after age 13, or other proof of status as a condition of receiving the FYTC. Below are samples of other proof/supporting documentation that may be provided:

- CDSS Foster Care Verification Form
- County-issued letter

If consent and/or the proof you submit does not result in satisfactory proof of your eligibility, we may contact you to provide additional proof, which may delay a decision on your eligibility.

To request information needed to verify your status as a foster youth at or after age 13, contact:

California Department of Social Services
Telephone: 916.651.8848
Email: piar@dss.ca.gov
Mail: 744 P Street, Sacramento, CA 95814
Out-of-State Inquiries: cdss.osi@dss.ca.gov

A decision on your eligibility for the FYTC may be delayed or denied if your eligibility is not confirmed by CDSS or you do not provide satisfactory proof of your eligibility to the FTB. For that reason, we recommend that you check the applicable box to provide your consent and/or attach proof of your status as a foster youth at or after age 13 to your tax return.

You must sign your tax return and attach form FTB 3514 to your return.

Line 34 – California Earned Income

California earned income for purposes of the FYTC is the same as for the California EITC. Enter the amount from form FTB 3514, line 19.

Line 36 – Excess Earned Income over threshold

Subtract the \$25,000 threshold amount from your California earned income entered on line 34 and enter the excess amount on line 36.

Line 37 and Line 38

For every \$100 over the threshold amount, the credit is reduced by \$21.66 if either the taxpayer or spouse/RDP is claiming the FYTC, and by \$43.32 if both taxpayer and spouse/RDP are claiming the FYTC.

Line 39 – Foster Youth Tax Credit

This is the amount of your allowable FYTC to claim on your tax return. This amount should also be entered on Form 540, line 77; or Form 540 2EZ, line 23c. If you file Form 540 or 540 2EZ, stop here, do not go to Step 11.

Step 11 Nonresident or Part-Year Resident Foster Youth Tax Credit (FYTC)**Line 40 – CA exemption credit percentage**

If you file Form 540NR, enter your California Exemption Credit Percentage from Form 540NR, line 38 on form FTB 3514, line 40. However, if you completed Worksheet 4, enter the California Exemption Credit Percentage from Worksheet 4, line 10 on form FTB 3514, line 40.

Line 41 – Nonresident or part-year resident FYTC

Multiply line 39 by line 40 and enter the result on form FTB 3514, line 41. This amount should also be entered on Form 540NR, line 87.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection – Aviso de Privacidad del Franchise Tax Board sobre la Recaudación. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

2022 Earned Income Tax Credit Table

Caution: This is **not** a tax table.

- 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	1,004
2651	2700	174	773	910	1,023
2701	2750	177	788	927	1,043
2751	2800	180	802	944	1,062
2801	2850	184	817	961	1,081
2851	2900	187	831	978	1,100
2901	2950	190	845	995	1,119
2951	3000	193	860	1,012	1,138
3001	3050	197	874	1,029	1,157
3051	3100	200	889	1,046	1,176
3101	3150	203	903	1,063	1,196
3151	3200	206	918	1,080	1,215
3201	3250	210	932	1,097	1,234
3251	3300	213	947	1,114	1,253
3301	3350	216	961	1,131	1,272
3351	3400	219	976	1,148	1,291
3401	3450	223	990	1,165	1,310
3451	3500	226	1,004	1,182	1,329
3501	3550	229	1,019	1,199	1,349
3551	3600	232	1,033	1,216	1,368
3601	3650	236	1,048	1,233	1,387
3651	3700	239	1,062	1,250	1,406
3701	3750	242	1,077	1,267	1,425
3751	3800	246	1,091	1,284	1,444
3801	3850	249	1,106	1,301	1,463
3851	3900	252	1,120	1,318	1,482
3901	3950	255	1,134	1,335	1,502
3951	4000	259	1,149	1,352	1,521

Continued on next page.

2022 Earned Income Tax Credit Table – Continued

Caution: This is not a tax table.

- 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 . . .			
4001	4050	262	1,163	1,369	1,540
4051	4100	265	1,178	1,386	1,559
4101	4150	268	1,192	1,403	1,578
4151	4200	272	1,207	1,420	1,597
4201	4250	275	1,221	1,437	1,616
4251	4300	274	1,236	1,454	1,635
4301	4350	271	1,250	1,471	1,655
4351	4400	268	1,265	1,488	1,674
4401	4450	265	1,279	1,505	1,693
4451	4500	261	1,293	1,522	1,712
4501	4550	258	1,308	1,539	1,731
4551	4600	255	1,322	1,556	1,750
4601	4650	252	1,337	1,573	1,769
4651	4700	248	1,351	1,590	1,788
4701	4750	245	1,366	1,607	1,808
4751	4800	242	1,380	1,624	1,827
4801	4850	239	1,395	1,641	1,846
4851	4900	235	1,409	1,658	1,865
4901	4950	232	1,423	1,675	1,884
4951	5000	230	1,438	1,692	1,903
5001	5050	230	1,452	1,709	1,922
5051	5100	229	1,467	1,726	1,941
5101	5150	229	1,481	1,743	1,961
5151	5200	228	1,496	1,760	1,980
5201	5250	228	1,510	1,777	1,999
5251	5300	227	1,525	1,794	2,018
5301	5350	227	1,539	1,811	2,037
5351	5400	226	1,554	1,828	2,056
5401	5450	226	1,568	1,845	2,075
5451	5500	226	1,582	1,862	2,094
5501	5550	225	1,597	1,879	2,114
5551	5600	225	1,611	1,896	2,133
5601	5650	224	1,626	1,913	2,152
5651	5700	224	1,640	1,930	2,171
5701	5750	223	1,655	1,947	2,190
5751	5800	223	1,669	1,964	2,209
5801	5850	222	1,684	1,981	2,228
5851	5900	222	1,698	1,998	2,247
5901	5950	221	1,712	2,015	2,267
5951	6000	221	1,727	2,032	2,286

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	220	1,741	2,049	2,305
6051	6100	220	1,756	2,066	2,324
6101	6150	220	1,770	2,083	2,343
6151	6200	219	1,785	2,100	2,362
6201	6250	219	1,799	2,117	2,381
6251	6300	218	1,814	2,134	2,400
6301	6350	218	1,828	2,151	2,420
6351	6400	217	1,843	2,168	2,439
6401	6450	217	1,830	2,185	2,458
6451	6500	216	1,816	2,202	2,477
6501	6550	216	1,801	2,219	2,496
6551	6600	215	1,787	2,236	2,515
6601	6650	215	1,772	2,253	2,534
6651	6700	215	1,758	2,270	2,553
6701	6750	214	1,743	2,287	2,573
6751	6800	214	1,729	2,304	2,592
6801	6850	213	1,714	2,321	2,611
6851	6900	213	1,700	2,338	2,630
6901	6950	212	1,686	2,355	2,649
6951	7000	212	1,671	2,372	2,668
7001	7050	211	1,657	2,389	2,687
7051	7100	211	1,642	2,406	2,706
7101	7150	210	1,628	2,423	2,726
7151	7200	210	1,613	2,440	2,745
7201	7250	209	1,599	2,457	2,764
7251	7300	209	1,584	2,474	2,783
7301	7350	209	1,570	2,491	2,802
7351	7400	208	1,556	2,508	2,821
7401	7450	208	1,541	2,525	2,840
7451	7500	207	1,527	2,542	2,859
7501	7550	207	1,512	2,559	2,879
7551	7600	206	1,498	2,576	2,898
7601	7650	206	1,483	2,593	2,917
7651	7700	205	1,469	2,610	2,936
7701	7750	205	1,454	2,627	2,955
7751	7800	204	1,440	2,644	2,974
7801	7850	204	1,425	2,661	2,993
7851	7900	204	1,411	2,678	3,012
7901	7950	203	1,397	2,695	3,032
7951	8000	203	1,382	2,712	3,051

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2022 Earned Income Tax Credit Table – Continued

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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	202	1,368	2,729	3,070
8051	8100	202	1,353	2,746	3,089
8101	8150	201	1,339	2,763	3,108
8151	8200	201	1,324	2,780	3,127
8201	8250	200	1,310	2,797	3,146
8251	8300	200	1,295	2,814	3,165
8301	8350	199	1,281	2,831	3,185
8351	8400	199	1,267	2,848	3,204
8401	8450	198	1,252	2,865	3,223
8451	8500	198	1,238	2,882	3,242
8501	8550	198	1,223	2,899	3,261
8551	8600	197	1,209	2,916	3,280
8601	8650	197	1,194	2,933	3,299
8651	8700	196	1,180	2,950	3,318
8701	8750	196	1,165	2,967	3,338
8751	8800	195	1,151	2,984	3,357
8801	8850	195	1,136	3,001	3,376
8851	8900	194	1,122	3,018	3,395
8901	8950	194	1,108	3,035	3,414
8951	9000	193	1,093	3,037	3,417
9001	9050	193	1,079	3,020	3,398
9051	9100	192	1,064	3,003	3,378
9101	9150	192	1,050	2,986	3,359
9151	9200	192	1,035	2,969	3,340
9201	9250	191	1,021	2,952	3,321
9251	9300	191	1,006	2,935	3,302
9301	9350	190	992	2,918	3,283
9351	9400	190	978	2,901	3,264
9401	9450	189	963	2,884	3,245
9451	9500	189	949	2,867	3,225
9501	9550	188	934	2,850	3,206
9551	9600	188	920	2,833	3,187
9601	9650	187	905	2,816	3,168
9651	9700	187	891	2,799	3,149
9701	9750	187	876	2,782	3,130
9751	9800	186	862	2,765	3,111
9801	9850	186	847	2,748	3,092
9851	9900	185	833	2,731	3,072
9901	9950	185	819	2,714	3,053
9951	10000	184	804	2,697	3,034

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	184	790	2,680	3,015
10051	10100	183	775	2,663	2,996
10101	10150	183	761	2,646	2,977
10151	10200	182	746	2,629	2,958
10201	10250	182	732	2,612	2,939
10251	10300	181	717	2,595	2,919
10301	10350	181	703	2,578	2,900
10351	10400	181	689	2,561	2,881
10401	10450	180	674	2,544	2,862
10451	10500	180	660	2,527	2,843
10501	10550	179	645	2,510	2,824
10551	10600	179	631	2,493	2,805
10601	10650	178	616	2,476	2,786
10651	10700	178	602	2,459	2,766
10701	10750	177	587	2,442	2,747
10751	10800	177	578	2,425	2,728
10801	10850	176	577	2,408	2,709
10851	10900	176	575	2,391	2,690
10901	10950	176	574	2,374	2,671
10951	11000	175	572	2,357	2,652
11001	11050	175	571	2,340	2,633
11051	11100	174	569	2,323	2,613
11101	11150	174	568	2,306	2,594
11151	11200	173	566	2,289	2,575
11201	11250	173	565	2,272	2,556
11251	11300	172	563	2,255	2,537
11301	11350	172	562	2,238	2,518
11351	11400	171	560	2,221	2,499
11401	11450	171	558	2,204	2,480
11451	11500	170	557	2,187	2,460
11501	11550	170	555	2,170	2,441
11551	11600	170	554	2,153	2,422
11601	11650	169	552	2,136	2,403
11651	11700	169	551	2,119	2,384
11701	11750	168	549	2,102	2,365
11751	11800	168	548	2,085	2,346
11801	11850	167	546	2,068	2,327
11851	11900	167	545	2,051	2,307
11901	11950	166	543	2,034	2,288
11951	12000	166	542	2,017	2,269

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2022 Earned Income Tax Credit Table – Continued

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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	165	540	2,000	2,250
12051	12100	165	539	1,983	2,231
12101	12150	164	537	1,966	2,212
12151	12200	164	536	1,949	2,193
12201	12250	164	534	1,932	2,174
12251	12300	163	533	1,915	2,154
12301	12350	163	531	1,898	2,135
12351	12400	162	530	1,881	2,116
12401	12450	162	528	1,864	2,097
12451	12500	161	527	1,847	2,078
12501	12550	161	525	1,830	2,059
12551	12600	160	524	1,813	2,040
12601	12650	160	522	1,796	2,021
12651	12700	159	521	1,779	2,001
12701	12750	159	519	1,762	1,982
12751	12800	159	518	1,745	1,963
12801	12850	158	516	1,728	1,944
12851	12900	158	515	1,711	1,925
12901	12950	157	513	1,694	1,906
12951	13000	157	512	1,677	1,887
13001	13050	156	510	1,660	1,868
13051	13100	156	509	1,643	1,848
13101	13150	155	507	1,626	1,829
13151	13200	155	506	1,609	1,810
13201	13250	154	504	1,592	1,791
13251	13300	154	503	1,575	1,772
13301	13350	153	501	1,558	1,753
13351	13400	153	500	1,541	1,734
13401	13450	153	498	1,524	1,715
13451	13500	152	497	1,507	1,695
13501	13550	152	495	1,490	1,676
13551	13600	151	494	1,473	1,657
13601	13650	151	492	1,456	1,638
13651	13700	150	491	1,439	1,619
13701	13750	150	489	1,422	1,600
13751	13800	149	488	1,405	1,581
13801	13850	149	486	1,388	1,562
13851	13900	148	485	1,371	1,542
13901	13950	148	483	1,354	1,523
13951	14000	148	482	1,337	1,504

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	147	480	1,320	1,485
14051	14100	147	479	1,303	1,466
14101	14150	146	477	1,286	1,447
14151	14200	146	476	1,269	1,428
14201	14250	145	474	1,252	1,409
14251	14300	145	473	1,235	1,389
14301	14350	144	471	1,218	1,370
14351	14400	144	470	1,201	1,351
14401	14450	143	468	1,184	1,332
14451	14500	143	467	1,167	1,313
14501	14550	142	465	1,150	1,294
14551	14600	142	464	1,133	1,275
14601	14650	142	462	1,116	1,256
14651	14700	141	461	1,099	1,236
14701	14750	141	459	1,082	1,217
14751	14800	140	458	1,065	1,198
14801	14850	140	456	1,048	1,179
14851	14900	139	455	1,031	1,160
14901	14950	139	453	1,014	1,141
14951	15000	138	452	997	1,122
15001	15050	138	450	980	1,103
15051	15100	137	449	963	1,083
15101	15150	137	447	946	1,064
15151	15200	136	446	929	1,045
15201	15250	136	444	912	1,026
15251	15300	136	443	895	1,007
15301	15350	135	441	878	988
15351	15400	135	440	861	969
15401	15450	134	438	844	950
15451	15500	134	437	827	930
15501	15550	133	435	810	911
15551	15600	133	434	793	892
15601	15650	132	432	776	873
15651	15700	132	431	759	854
15701	15750	131	429	742	835
15751	15800	131	428	725	816
15801	15850	131	426	708	797
15851	15900	130	425	691	777
15901	15950	130	423	674	758
15951	16000	129	422	657	739

Continued on next page.

2022 Earned Income Tax Credit Table – Continued

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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 . . .			
16001	16050	129	420	640	720
16051	16100	128	419	623	701
16101	16150	128	417	606	682
16151	16200	127	416	589	663
16201	16250	127	414	578	644
16251	16300	126	413	576	624
16301	16350	126	411	574	605
16351	16400	125	410	572	586
16401	16450	125	408	569	577
16451	16500	125	407	567	575
16501	16550	124	405	565	573
16551	16600	124	404	563	571
16601	16650	123	402	561	569
16651	16700	123	401	559	567
16701	16750	122	399	557	564
16751	16800	122	398	555	562
16801	16850	121	396	553	560
16851	16900	121	395	551	558
16901	16950	120	393	548	556
16951	17000	120	391	546	554
17001	17050	120	390	544	552
17051	17100	119	388	542	550
17101	17150	119	387	540	547
17151	17200	118	385	538	545
17201	17250	118	384	536	543
17251	17300	117	382	534	541
17301	17350	117	381	532	539
17351	17400	116	379	530	537
17401	17450	116	378	528	535
17451	17500	115	376	525	532
17501	17550	115	375	523	530
17551	17600	114	373	521	528
17601	17650	114	372	519	526
17651	17700	114	370	517	524
17701	17750	113	369	515	522
17751	17800	113	367	513	520
17801	17850	112	366	511	518
17851	17900	112	364	509	515
17901	17950	111	363	507	513
17951	18000	111	361	504	511

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	110	360	502	509
18051	18100	110	358	500	507
18101	18150	109	357	498	505
18151	18200	109	355	496	503
18201	18250	108	354	494	501
18251	18300	108	352	492	498
18301	18350	108	351	490	496
18351	18400	107	349	488	494
18401	18450	107	348	486	492
18451	18500	106	346	483	490
18501	18550	106	345	481	488
18551	18600	105	343	479	486
18601	18650	105	342	477	484
18651	18700	104	340	475	481
18701	18750	104	339	473	479
18751	18800	103	337	471	477
18801	18850	103	336	469	475
18851	18900	103	334	467	473
18901	18950	102	333	465	471
18951	19000	102	331	462	469
19001	19050	101	330	460	466
19051	19100	101	328	458	464
19101	19150	100	327	456	462
19151	19200	100	325	454	460
19201	19250	99	324	452	458
19251	19300	99	322	450	456
19301	19350	98	321	448	454
19351	19400	98	319	446	452
19401	19450	97	318	444	449
19451	19500	97	316	441	447
19501	19550	97	315	439	445
19551	19600	96	313	437	443
19601	19650	96	312	435	441
19651	19700	95	310	433	439
19701	19750	95	309	431	437
19751	19800	94	307	429	435
19801	19850	94	306	427	432
19851	19900	93	304	425	430
19901	19950	93	303	423	428
19951	20000	92	301	420	426

Continued on next page.

2022 Earned Income Tax Credit Table – Continued

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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 . . .			
20001	20050	92	300	418	424
20051	20100	92	298	416	422
20101	20150	91	297	414	420
20151	20200	91	295	412	417
20201	20250	90	294	410	415
20251	20300	90	292	408	413
20301	20350	89	291	406	411
20351	20400	89	289	404	409
20401	20450	88	288	402	407
20451	20500	88	286	399	405
20501	20550	87	285	397	403
20551	20600	87	283	395	400
20601	20650	86	282	393	398
20651	20700	86	280	391	396
20701	20750	86	279	389	394
20751	20800	85	277	387	392
20801	20850	85	276	385	390
20851	20900	84	274	383	388
20901	20950	84	273	381	386
20951	21000	83	271	378	383
21001	21050	83	270	376	381
21051	21100	82	268	374	379
21101	21150	82	267	372	377
21151	21200	81	265	370	375
21201	21250	81	264	368	373
21251	21300	80	262	366	371
21301	21350	80	261	364	369
21351	21400	80	259	362	366
21401	21450	79	258	360	364
21451	21500	79	256	357	362
21501	21550	78	255	355	360
21551	21600	78	253	353	358
21601	21650	77	252	351	356
21651	21700	77	250	349	354
21701	21750	76	249	347	351
21751	21800	76	247	345	349
21801	21850	75	246	343	347
21851	21900	75	244	341	345
21901	21950	75	243	339	343
21951	22000	74	241	336	341

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	74	240	334	339
22051	22100	73	238	332	337
22101	22150	73	237	330	334
22151	22200	72	235	328	332
22201	22250	72	234	326	330
22251	22300	71	232	324	328
22301	22350	71	231	322	326
22351	22400	70	229	320	324
22401	22450	70	228	318	322
22451	22500	69	226	315	320
22501	22550	69	224	313	317
22551	22600	69	223	311	315
22601	22650	68	221	309	313
22651	22700	68	220	307	311
22701	22750	67	218	305	309
22751	22800	67	217	303	307
22801	22850	66	215	301	305
22851	22900	66	214	299	303
22901	22950	65	212	297	300
22951	23000	65	211	294	298
23001	23050	64	209	292	296
23051	23100	64	208	290	294
23101	23150	64	206	288	292
23151	23200	63	205	286	290
23201	23250	63	203	284	288
23251	23300	62	202	282	285
23301	23350	62	200	280	283
23351	23400	61	199	278	281
23401	23450	61	197	276	279
23451	23500	60	196	273	277
23501	23550	60	194	271	275
23551	23600	59	193	269	273
23601	23650	59	191	267	271
23651	23700	58	190	265	268
23701	23750	58	188	263	266
23751	23800	58	187	261	264
23801	23850	57	185	259	262
23851	23900	57	184	257	260
23901	23950	56	182	255	258
23951	24000	56	181	252	256

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2022 Earned Income Tax Credit Table – Continued

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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 . . .			
24001	24050	55	179	250	254
24051	24100	55	178	248	251
24101	24150	54	176	246	249
24151	24200	54	175	244	247
24201	24250	53	173	242	245
24251	24300	53	172	240	243
24301	24350	52	170	238	241
24351	24400	52	169	236	239
24401	24450	52	167	234	237
24451	24500	51	166	231	234
24501	24550	51	164	229	232
24551	24600	50	163	227	230
24601	24650	50	161	225	228
24651	24700	49	160	223	226
24701	24750	49	158	221	224
24751	24800	48	157	219	222
24801	24850	48	155	217	219
24851	24900	47	154	215	217
24901	24950	47	152	213	215
24951	25000	47	151	210	213
25001	25050	46	149	208	211
25051	25100	46	148	206	209
25101	25150	45	146	204	207
25151	25200	45	145	202	205
25201	25250	44	143	200	202
25251	25300	44	142	198	200
25301	25350	43	140	196	198
25351	25400	43	139	194	196
25401	25450	42	137	192	194
25451	25500	42	136	189	192
25501	25550	41	134	187	190
25551	25600	41	133	185	188
25601	25650	41	131	183	185
25651	25700	40	130	181	183
25701	25750	40	128	179	181
25751	25800	39	127	177	179
25801	25850	39	125	175	177
25851	25900	38	124	173	175
25901	25950	38	122	171	173
25951	26000	37	121	168	171

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 . . .			
26001	26050	37	119	166	168
26051	26100	36	118	164	166
26101	26150	36	116	162	164
26151	26200	36	115	160	162
26201	26250	35	113	158	160
26251	26300	35	112	156	158
26301	26350	34	110	154	156
26351	26400	34	109	152	153
26401	26450	33	107	150	151
26451	26500	33	106	147	149
26501	26550	32	104	145	147
26551	26600	32	103	143	145
26601	26650	31	101	141	143
26651	26700	31	100	139	141
26701	26750	30	98	137	139
26751	26800	30	97	135	136
26801	26850	30	95	133	134
26851	26900	29	94	131	132
26901	26950	29	92	129	130
26951	27000	28	91	126	128
27001	27050	28	89	124	126
27051	27100	27	88	122	124
27101	27150	27	86	120	122
27151	27200	26	85	118	119
27201	27250	26	83	116	117
27251	27300	25	82	114	115
27301	27350	25	80	112	113
27351	27400	24	79	110	111
27401	27450	24	77	108	109
27451	27500	24	76	106	107
27501	27550	23	74	103	104
27551	27600	23	73	101	102
27601	27650	22	71	99	100
27651	27700	22	70	97	98
27701	27750	21	68	95	96
27751	27800	21	67	93	94
27801	27850	20	65	91	92
27851	27900	20	64	89	90
27901	27950	19	62	87	87
27951	28000	19	61	85	85

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2022 Earned Income Tax Credit Table – Continued

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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 . . .			
28001	28050	19	59	82	83
28051	28100	18	57	80	81
28101	28150	18	56	78	79
28151	28200	17	54	76	77
28201	28250	17	53	74	75
28251	28300	16	51	72	73
28301	28350	16	50	70	70
28351	28400	15	48	68	68
28401	28450	15	47	66	66
28451	28500	14	45	64	64
28501	28550	14	44	61	62
28551	28600	13	42	59	60
28601	28650	13	41	57	58
28651	28700	13	39	55	56
28701	28750	12	38	53	53
28751	28800	12	36	51	51
28801	28850	11	35	49	49
28851	28900	11	33	47	47
28901	28950	10	32	45	45
28951	29000	10	30	43	43
29001	29050	9	29	40	41
29051	29100	9	27	38	38
29101	29150	8	26	36	36
29151	29200	8	24	34	34
29201	29250	8	23	32	32
29251	29300	7	21	30	30
29301	29350	7	20	28	28
29351	29400	6	18	26	26
29401	29450	6	17	24	24
29451	29500	5	15	22	21
29501	29550	5	14	19	19
29551	29600	4	12	17	17
29601	29650	4	11	15	15
29651	29700	3	9	13	13
29701	29750	3	8	11	11
29751	29800	2	6	9	9
29801	29850	2	5	7	7
29851	29900	2	3	5	4
29901	29950	1	2	3	2
29951	30000	1	1	1	1

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2022 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 Surviving Spouse/RDP) 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	159	130	130
51	150	1	1	1	6,551	6,650	66	66	66	13,051	13,150	161	131	131
151	250	2	2	2	6,651	6,750	67	67	67	13,151	13,250	163	132	132
251	350	3	3	3	6,751	6,850	68	68	68	13,251	13,350	165	133	133
351	450	4	4	4	6,851	6,950	69	69	69	13,351	13,450	167	134	134
451	550	5	5	5	6,951	7,050	70	70	70	13,451	13,550	169	135	135
551	650	6	6	6	7,051	7,150	71	71	71	13,551	13,650	171	136	136
651	750	7	7	7	7,151	7,250	72	72	72	13,651	13,750	173	137	137
751	850	8	8	8	7,251	7,350	73	73	73	13,751	13,850	175	138	138
851	950	9	9	9	7,351	7,450	74	74	74	13,851	13,950	177	139	139
951	1,050	10	10	10	7,451	7,550	75	75	75	13,951	14,050	179	140	140
1,051	1,150	11	11	11	7,551	7,650	76	76	76	14,051	14,150	181	141	141
1,151	1,250	12	12	12	7,651	7,750	77	77	77	14,151	14,250	183	142	142
1,251	1,350	13	13	13	7,751	7,850	78	78	78	14,251	14,350	185	143	143
1,351	1,450	14	14	14	7,851	7,950	79	79	79	14,351	14,450	187	144	144
1,451	1,550	15	15	15	7,951	8,050	80	80	80	14,451	14,550	189	145	145
1,551	1,650	16	16	16	8,051	8,150	81	81	81	14,551	14,650	191	146	146
1,651	1,750	17	17	17	8,151	8,250	82	82	82	14,651	14,750	193	147	147
1,751	1,850	18	18	18	8,251	8,350	83	83	83	14,751	14,850	195	148	148
1,851	1,950	19	19	19	8,351	8,450	84	84	84	14,851	14,950	197	149	149
1,951	2,050	20	20	20	8,451	8,550	85	85	85	14,951	15,050	199	150	150
2,051	2,150	21	21	21	8,551	8,650	86	86	86	15,051	15,150	201	151	151
2,151	2,250	22	22	22	8,651	8,750	87	87	87	15,151	15,250	203	152	152
2,251	2,350	23	23	23	8,751	8,850	88	88	88	15,251	15,350	205	153	153
2,351	2,450	24	24	24	8,851	8,950	89	89	89	15,351	15,450	207	154	154
2,451	2,550	25	25	25	8,951	9,050	90	90	90	15,451	15,550	209	155	155
2,551	2,650	26	26	26	9,051	9,150	91	91	91	15,551	15,650	211	156	156
2,651	2,750	27	27	27	9,151	9,250	92	92	92	15,651	15,750	213	157	157
2,751	2,850	28	28	28	9,251	9,350	93	93	93	15,751	15,850	215	158	158
2,851	2,950	29	29	29	9,351	9,450	94	94	94	15,851	15,950	217	159	159
2,951	3,050	30	30	30	9,451	9,550	95	95	95	15,951	16,050	219	160	160
3,051	3,150	31	31	31	9,551	9,650	96	96	96	16,051	16,150	221	161	161
3,151	3,250	32	32	32	9,651	9,750	97	97	97	16,151	16,250	223	162	162
3,251	3,350	33	33	33	9,751	9,850	98	98	98	16,251	16,350	225	163	163
3,351	3,450	34	34	34	9,851	9,950	99	99	99	16,351	16,450	227	164	164
3,451	3,550	35	35	35	9,951	10,050	100	100	100	16,451	16,550	229	165	165
3,551	3,650	36	36	36	10,051	10,150	101	101	101	16,551	16,650	231	166	166
3,651	3,750	37	37	37	10,151	10,250	103	102	102	16,651	16,750	233	167	167
3,751	3,850	38	38	38	10,251	10,350	105	103	103	16,751	16,850	235	168	168
3,851	3,950	39	39	39	10,351	10,450	107	104	104	16,851	16,950	237	169	169
3,951	4,050	40	40	40	10,451	10,550	109	105	105	16,951	17,050	239	170	170
4,051	4,150	41	41	41	10,551	10,650	111	106	106	17,051	17,150	241	171	171
4,151	4,250	42	42	42	10,651	10,750	113	107	107	17,151	17,250	243	172	172
4,251	4,350	43	43	43	10,751	10,850	115	108	108	17,251	17,350	245	173	173
4,351	4,450	44	44	44	10,851	10,950	117	109	109	17,351	17,450	247	174	174
4,451	4,550	45	45	45	10,951	11,050	119	110	110	17,451	17,550	249	175	175
4,551	4,650	46	46	46	11,051	11,150	121	111	111	17,551	17,650	251	176	176
4,651	4,750	47	47	47	11,151	11,250	123	112	112	17,651	17,750	253	177	177
4,751	4,850	48	48	48	11,251	11,350	125	113	113	17,751	17,850	255	178	178
4,851	4,950	49	49	49	11,351	11,450	127	114	114	17,851	17,950	257	179	179
4,951	5,050	50	50	50	11,451	11,550	129	115	115	17,951	18,050	259	180	180
5,051	5,150	51	51	51	11,551	11,650	131	116	116	18,051	18,150	261	181	181
5,151	5,250	52	52	52	11,651	11,750	133	117	117	18,151	18,250	263	182	182
5,251	5,350	53	53	53	11,751	11,850	135	118	118	18,251	18,350	265	183	183
5,351	5,450	54	54	54	11,851	11,950	137	119	119	18,351	18,450	267	184	184
5,451	5,550	55	55	55	11,951	12,050	139	120	120	18,451	18,550	269	185	185
5,551	5,650	56	56	56	12,051	12,150	141	121	121	18,551	18,650	271	186	186
5,651	5,750	57	57	57	12,151	12,250	143	122	122	18,651	18,750	273	187	187
5,751	5,850	58	58	58	12,251	12,350	145	123	123	18,751	18,850	275	188	188
5,851	5,950	59	59	59	12,351	12,450	147	124	124	18,851	18,950	277	189	189
5,951	6,050	60	60	60	12,451	12,550	149	125	125	18,951	19,050	279	190	190
6,051	6,150	61	61	61	12,551	12,650	151	126	126	19,051	19,150	281	191	191
6,151	6,250	62	62	62	12,651	12,750	153	127	127	19,151	19,250	283	192	192
6,251	6,350	63	63	63	12,751	12,850	155	128	128	19,251	19,350	285	193	193
6,351	6,450	64	64	64	12,851	12,950	157	129	129	19,351	19,450	287	194	194

Continued on next page.

2022 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately) 2 or 5 (Married/RDP Filing Jointly; Qualifying Surviving Spouse/RDP) 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	289	195	195	26,451	26,550	480	328	328	33,451	33,550	760	468	468
19,551	19,650	291	196	196	26,551	26,650	484	330	330	33,551	33,650	764	470	470
19,651	19,750	293	197	197	26,651	26,750	488	332	332	33,651	33,750	768	472	472
19,751	19,850	295	198	198	26,751	26,850	492	334	334	33,751	33,850	772	474	474
19,851	19,950	297	199	199	26,851	26,950	496	336	336	33,851	33,950	776	476	476
19,951	20,050	299	200	200	26,951	27,050	500	338	338	33,951	34,050	780	478	478
20,051	20,150	301	201	201	27,051	27,150	504	340	340	34,051	34,150	784	480	480
20,151	20,250	303	202	202	27,151	27,250	508	342	342	34,151	34,250	788	482	482
20,251	20,350	305	204	204	27,251	27,350	512	344	344	34,251	34,350	792	484	484
20,351	20,450	307	206	206	27,351	27,450	516	346	346	34,351	34,450	796	486	486
20,451	20,550	309	208	208	27,451	27,550	520	348	348	34,451	34,550	800	488	488
20,551	20,650	311	210	210	27,551	27,650	524	350	350	34,551	34,650	804	490	490
20,651	20,750	313	212	212	27,651	27,750	528	352	352	34,651	34,750	808	492	492
20,751	20,850	315	214	214	27,751	27,850	532	354	354	34,751	34,850	812	494	494
20,851	20,950	317	216	216	27,851	27,950	536	356	356	34,851	34,950	816	496	496
20,951	21,050	319	218	218	27,951	28,050	540	358	358	34,951	35,050	820	498	498
21,051	21,150	321	220	220	28,051	28,150	544	360	360	35,051	35,150	824	500	500
21,151	21,250	323	222	222	28,151	28,250	548	362	362	35,151	35,250	828	502	502
21,251	21,350	325	224	224	28,251	28,350	552	364	364	35,251	35,350	832	504	504
21,351	21,450	327	226	226	28,351	28,450	556	366	366	35,351	35,450	836	506	506
21,451	21,550	329	228	228	28,451	28,550	560	368	368	35,451	35,550	840	508	508
21,551	21,650	331	230	230	28,551	28,650	564	370	370	35,551	35,650	844	510	510
21,651	21,750	333	232	232	28,651	28,750	568	372	372	35,651	35,750	848	512	512
21,751	21,850	335	234	234	28,751	28,850	572	374	374	35,751	35,850	852	514	514
21,851	21,950	337	236	236	28,851	28,950	576	376	376	35,851	35,950	856	516	516
21,951	22,050	339	238	238	28,951	29,050	580	378	378	35,951	36,050	860	518	518
22,051	22,150	341	240	240	29,051	29,150	584	380	380	36,051	36,150	864	520	520
22,151	22,250	343	242	242	29,151	29,250	588	382	382	36,151	36,250	868	522	522
22,251	22,350	345	244	244	29,251	29,350	592	384	384	36,251	36,350	872	524	524
22,351	22,450	347	246	246	29,351	29,450	596	386	386	36,351	36,450	876	526	526
22,451	22,550	349	248	248	29,451	29,550	600	388	388	36,451	36,550	880	528	528
22,551	22,650	351	250	250	29,551	29,650	604	390	390	36,551	36,650	884	530	530
22,651	22,750	353	252	252	29,651	29,750	608	392	392	36,651	36,750	888	532	532
22,751	22,850	355	254	254	29,751	29,850	612	394	394	36,751	36,850	892	534	534
22,851	22,950	357	256	256	29,851	29,950	616	396	396	36,851	36,950	896	536	536
22,951	23,050	359	258	258	29,951	30,050	620	398	398	36,951	37,050	900	538	538
23,051	23,150	361	260	260	30,051	30,150	624	400	400	37,051	37,150	904	540	540
23,151	23,250	363	262	262	30,151	30,250	628	402	402	37,151	37,250	908	542	542
23,251	23,350	365	264	264	30,251	30,350	632	404	404	37,251	37,350	912	544	544
23,351	23,450	367	266	266	30,351	30,450	636	406	406	37,351	37,450	916	546	546
23,451	23,550	369	268	268	30,451	30,550	640	408	408	37,451	37,550	920	548	548
23,551	23,650	371	270	270	30,551	30,650	644	410	410	37,551	37,650	924	550	550
23,651	23,750	373	272	272	30,651	30,750	648	412	412	37,651	37,750	928	552	552
23,751	23,850	375	274	274	30,751	30,850	652	414	414	37,751	37,850	932	554	554
23,851	23,950	377	276	276	30,851	30,950	656	416	416	37,851	37,950	936	556	556
23,951	24,050	380	278	278	30,951	31,050	660	418	418	37,951	38,050	944	558	558
24,051	24,150	384	280	280	31,051	31,150	664	420	420	38,051	38,150	950	560	560
24,151	24,250	388	282	282	31,151	31,250	668	422	422	38,151	38,250	956	562	562
24,251	24,350	392	284	284	31,251	31,350	672	424	424	38,251	38,350	962	564	564
24,351	24,450	396	286	286	31,351	31,450	676	426	426	38,351	38,450	968	566	566
24,451	24,550	400	288	288	31,451	31,550	680	428	428	38,451	38,550	974	568	568
24,551	24,650	404	290	290	31,551	31,650	684	430	430	38,551	38,650	980	570	570
24,651	24,750	408	292	292	31,651	31,750	688	432	432	38,651	38,750	986	572	572
24,751	24,850	412	294	294	31,751	31,850	692	434	434	38,751	38,850	992	574	574
24,851	24,950	416	296	296	31,851	31,950	696	436	436	38,851	38,950	998	576	576
24,951	25,050	420	298	298	31,951	32,050	700	438	438	38,951	39,050	1,004	578	578
25,051	25,150	424	300	300	32,051	32,150	704	440	440	39,051	39,150	1,010	580	580
25,151	25,250	428	302	302	32,151	32,250	708	442	442	39,151	39,250	1,016	582	582
25,251	25,350	432	304	304	32,251	32,350	712	444	444	39,251	39,350	1,022	584	584
25,351	25,450	436	306	306	32,351	32,450	716	446	446	39,351	39,450	1,028	586	586
25,451	25,550	440	308	308	32,451	32,550	720	448	448	39,451	39,550	1,034	588	588
25,551	25,650	444	310	310	32,551	32,650	724	450	450	39,551	39,650	1,040	590	590
25,651	25,750	448	312	312	32,651	32,750	728	452	452	39,651	39,750	1,046	592	592
25,751	25,850	452	314	314	32,751	32,850	732	454	454	39,751	39,850	1,052	594	594
25,851	25,950	456	316	316	32,851	32,950	736	456	456	39,851	39,950	1,058	596	596
25,951	26,050	460	318	318	32,951	33,050	740	458	458	39,951	40,050	1,064	598	598
26,051	26,150	464	320	320	33,051	33,150	744	460	460	40,051	40,150	1,070	600	600
26,151	26,250	468	322	322	33,151	33,250	748	462	462	40,151	40,250	1,076	602	602
26,251	26,350	472	324	324	33,251	33,350	752	464	464	40,251	40,350	1,082	604	604
26,351	26,450	476	326	326	33,351	33,450	756	466	466	40,351	40,450	1,088	606	606

Continued on next page.

2022 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately) 2 or 5 (Married/RDP Filing Jointly; Qualifying Surviving Spouse/RDP) 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	1,094	608	608	47,451	47,550	1,514	748	748	54,451	54,550	1,975	1,020	1,020
40,551	40,650	1,100	610	610	47,551	47,650	1,520	750	750	54,551	54,650	1,983	1,024	1,024
40,651	40,750	1,106	612	612	47,651	47,750	1,526	752	752	54,651	54,750	1,991	1,028	1,028
40,751	40,850	1,112	614	614	47,751	47,850	1,532	754	754	54,751	54,850	1,999	1,032	1,032
40,851	40,950	1,118	616	616	47,851	47,950	1,538	756	756	54,851	54,950	2,007	1,036	1,036
40,951	41,050	1,124	618	618	47,951	48,050	1,544	760	760	54,951	55,050	2,015	1,040	1,040
41,051	41,150	1,130	620	620	48,051	48,150	1,550	764	764	55,051	55,150	2,023	1,044	1,044
41,151	41,250	1,136	622	622	48,151	48,250	1,556	768	768	55,151	55,250	2,031	1,048	1,048
41,251	41,350	1,142	624	624	48,251	48,350	1,562	772	772	55,251	55,350	2,039	1,052	1,052
41,351	41,450	1,148	626	626	48,351	48,450	1,568	776	776	55,351	55,450	2,047	1,056	1,056
41,451	41,550	1,154	628	628	48,451	48,550	1,574	780	780	55,451	55,550	2,055	1,060	1,060
41,551	41,650	1,160	630	630	48,551	48,650	1,580	784	784	55,551	55,650	2,063	1,064	1,064
41,651	41,750	1,166	632	632	48,651	48,750	1,586	788	788	55,651	55,750	2,071	1,068	1,068
41,751	41,850	1,172	634	634	48,751	48,850	1,592	792	792	55,751	55,850	2,079	1,072	1,072
41,851	41,950	1,178	636	636	48,851	48,950	1,598	796	796	55,851	55,950	2,087	1,076	1,076
41,951	42,050	1,184	638	638	48,951	49,050	1,604	800	800	55,951	56,050	2,095	1,080	1,080
42,051	42,150	1,190	640	640	49,051	49,150	1,610	804	804	56,051	56,150	2,103	1,084	1,084
42,151	42,250	1,196	642	642	49,151	49,250	1,616	808	808	56,151	56,250	2,111	1,088	1,088
42,251	42,350	1,202	644	644	49,251	49,350	1,622	812	812	56,251	56,350	2,119	1,092	1,092
42,351	42,450	1,208	646	646	49,351	49,450	1,628	816	816	56,351	56,450	2,127	1,096	1,096
42,451	42,550	1,214	648	648	49,451	49,550	1,634	820	820	56,451	56,550	2,135	1,100	1,100
42,551	42,650	1,220	650	650	49,551	49,650	1,640	824	824	56,551	56,650	2,143	1,104	1,104
42,651	42,750	1,226	652	652	49,651	49,750	1,646	828	828	56,651	56,750	2,151	1,108	1,108
42,751	42,850	1,232	654	654	49,751	49,850	1,652	832	832	56,751	56,850	2,159	1,112	1,112
42,851	42,950	1,238	656	656	49,851	49,950	1,658	836	836	56,851	56,950	2,167	1,116	1,116
42,951	43,050	1,244	658	658	49,951	50,050	1,664	840	840	56,951	57,050	2,175	1,120	1,120
43,051	43,150	1,250	660	660	50,051	50,150	1,670	844	844	57,051	57,150	2,183	1,124	1,124
43,151	43,250	1,256	662	662	50,151	50,250	1,676	848	848	57,151	57,250	2,191	1,128	1,128
43,251	43,350	1,262	664	664	50,251	50,350	1,682	852	852	57,251	57,350	2,199	1,132	1,132
43,351	43,450	1,268	666	666	50,351	50,450	1,688	856	856	57,351	57,450	2,207	1,136	1,136
43,451	43,550	1,274	668	668	50,451	50,550	1,694	860	860	57,451	57,550	2,215	1,140	1,140
43,551	43,650	1,280	670	670	50,551	50,650	1,700	864	864	57,551	57,650	2,223	1,144	1,144
43,651	43,750	1,286	672	672	50,651	50,750	1,706	868	868	57,651	57,750	2,231	1,148	1,148
43,751	43,850	1,292	674	674	50,751	50,850	1,712	872	872	57,751	57,850	2,239	1,152	1,152
43,851	43,950	1,298	676	676	50,851	50,950	1,718	876	876	57,851	57,950	2,247	1,156	1,156
43,951	44,050	1,304	678	678	50,951	51,050	1,724	880	880	57,951	58,050	2,255	1,160	1,160
44,051	44,150	1,310	680	680	51,051	51,150	1,730	884	884	58,051	58,150	2,263	1,164	1,164
44,151	44,250	1,316	682	682	51,151	51,250	1,736	888	888	58,151	58,250	2,271	1,168	1,168
44,251	44,350	1,322	684	684	51,251	51,350	1,742	892	892	58,251	58,350	2,279	1,172	1,172
44,351	44,450	1,328	686	686	51,351	51,450	1,748	896	896	58,351	58,450	2,287	1,176	1,176
44,451	44,550	1,334	688	688	51,451	51,550	1,754	900	900	58,451	58,550	2,295	1,180	1,180
44,551	44,650	1,340	690	690	51,551	51,650	1,760	904	904	58,551	58,650	2,303	1,184	1,184
44,651	44,750	1,346	692	692	51,651	51,750	1,766	908	908	58,651	58,750	2,311	1,188	1,188
44,751	44,850	1,352	694	694	51,751	51,850	1,772	912	912	58,751	58,850	2,319	1,192	1,192
44,851	44,950	1,358	696	696	51,851	51,950	1,778	916	916	58,851	58,950	2,327	1,196	1,196
44,951	45,050	1,364	698	698	51,951	52,050	1,784	920	920	58,951	59,050	2,335	1,200	1,200
45,051	45,150	1,370	700	700	52,051	52,150	1,790	924	924	59,051	59,150	2,343	1,204	1,204
45,151	45,250	1,376	702	702	52,151	52,250	1,796	928	928	59,151	59,250	2,351	1,208	1,208
45,251	45,350	1,382	704	704	52,251	52,350	1,802	932	932	59,251	59,350	2,359	1,212	1,212
45,351	45,450	1,388	706	706	52,351	52,450	1,808	936	936	59,351	59,450	2,367	1,216	1,216
45,451	45,550	1,394	708	708	52,451	52,550	1,815	940	940	59,451	59,550	2,375	1,220	1,220
45,551	45,650	1,400	710	710	52,551	52,650	1,823	944	944	59,551	59,650	2,383	1,224	1,224
45,651	45,750	1,406	712	712	52,651	52,750	1,831	948	948	59,651	59,750	2,391	1,228	1,228
45,751	45,850	1,412	714	714	52,751	52,850	1,839	952	952	59,751	59,850	2,399	1,232	1,232
45,851	45,950	1,418	716	716	52,851	52,950	1,847	956	956	59,851	59,950	2,407	1,236	1,236
45,951	46,050	1,424	718	718	52,951	53,050	1,855	960	960	59,951	60,050	2,415	1,240	1,240
46,051	46,150	1,430	720	720	53,051	53,150	1,863	964	964	60,051	60,150	2,423	1,244	1,244
46,151	46,250	1,436	722	722	53,151	53,250	1,871	968	968	60,151	60,250	2,431	1,248	1,248
46,251	46,350	1,442	724	724	53,251	53,350	1,879	972	972	60,251	60,350	2,439	1,252	1,252
46,351	46,450	1,448	726	726	53,351	53,450	1,887	976	976	60,351	60,450	2,447	1,256	1,256
46,451	46,550	1,454	728	728	53,451	53,550	1,895	980	980	60,451	60,550	2,455	1,260	1,260
46,551	46,650	1,460	730	730	53,551	53,650	1,903	984	984	60,551	60,650	2,463	1,264	1,264
46,651	46,750	1,466	732	732	53,651	53,750	1,911	988	988	60,651	60,750	2,471	1,268	1,268
46,751	46,850	1,472	734	734	53,751	53,850	1,919	992	992	60,751	60,850	2,479	1,272	1,272
46,851	46,950	1,478	736	736	53,851	53,950	1,927	996	996	60,851	60,950	2,487	1,276	1,276
46,951	47,050	1,484	738	738	53,951	54,050	1,935	1,000	1,000	60,951	61,050	2,495	1,280	1,280
47,051	47,150	1,490	740	740	54,051	54,150	1,943	1,004	1,004	61,051	61,150	2,503	1,284	1,284
47,151	47,250	1,496	742	742	54,151	54,250	1,951	1,008	1,008	61,151	61,250	2,511	1,288	1,288
47,251	47,350	1,502	744	744	54,251	54,350	1,959	1,012	1,012	61,251	61,350	2,519	1,292	1,292
47,351	47,450	1,508	746	746	54,351	54,450	1,967	1,016	1,016	61,351	61,450	2,527	1,296	1,296

Continued on next page.

2022 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately) 2 or 5 (Married/RDP Filing Jointly; Qualifying Surviving Spouse/RDP) 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	4,426	2,279	2,678	88,951	89,050	5,030	2,669	3,198	95,451	95,550	5,635	3,059	3,786
82,551	82,650	4,435	2,285	2,686	89,051	89,150	5,040	2,675	3,206	95,551	95,650	5,644	3,065	3,795
82,651	82,750	4,445	2,291	2,694	89,151	89,250	5,049	2,681	3,214	95,651	95,750	5,654	3,071	3,805
82,751	82,850	4,454	2,297	2,702	89,251	89,350	5,058	2,687	3,222	95,751	95,850	5,663	3,077	3,814
82,851	82,950	4,463	2,303	2,710	89,351	89,450	5,068	2,693	3,230	95,851	95,950	5,672	3,083	3,823
82,951	83,050	4,472	2,309	2,718	89,451	89,550	5,077	2,699	3,238	95,951	96,050	5,681	3,089	3,832
83,051	83,150	4,482	2,315	2,726	89,551	89,650	5,086	2,705	3,246	96,051	96,150	5,691	3,095	3,842
83,151	83,250	4,491	2,321	2,734	89,651	89,750	5,096	2,711	3,254	96,151	96,250	5,700	3,101	3,851
83,251	83,350	4,500	2,327	2,742	89,751	89,850	5,105	2,717	3,262	96,251	96,350	5,709	3,107	3,860
83,351	83,450	4,510	2,333	2,750	89,851	89,950	5,114	2,723	3,270	96,351	96,450	5,719	3,113	3,870
83,451	83,550	4,519	2,339	2,758	89,951	90,050	5,123	2,729	3,278	96,451	96,550	5,728	3,119	3,879
83,551	83,650	4,528	2,345	2,766	90,051	90,150	5,133	2,735	3,286	96,551	96,650	5,737	3,125	3,888
83,651	83,750	4,538	2,351	2,774	90,151	90,250	5,142	2,741	3,294	96,651	96,750	5,747	3,131	3,898
83,751	83,850	4,547	2,357	2,782	90,251	90,350	5,151	2,747	3,302	96,751	96,850	5,756	3,137	3,907
83,851	83,950	4,556	2,363	2,790	90,351	90,450	5,161	2,753	3,312	96,851	96,950	5,765	3,143	3,916
83,951	84,050	4,565	2,369	2,798	90,451	90,550	5,170	2,759	3,321	96,951	97,050	5,774	3,149	3,925
84,051	84,150	4,575	2,375	2,806	90,551	90,650	5,179	2,765	3,330	97,051	97,150	5,784	3,155	3,935
84,151	84,250	4,584	2,381	2,814	90,651	90,750	5,189	2,771	3,340	97,151	97,250	5,793	3,161	3,944
84,251	84,350	4,593	2,387	2,822	90,751	90,850	5,198	2,777	3,349	97,251	97,350	5,802	3,167	3,953
84,351	84,450	4,603	2,393	2,830	90,851	90,950	5,207	2,783	3,358	97,351	97,450	5,812	3,173	3,963
84,451	84,550	4,612	2,399	2,838	90,951	91,050	5,216	2,789	3,367	97,451	97,550	5,821	3,179	3,972
84,551	84,650	4,621	2,405	2,846	91,051	91,150	5,226	2,795	3,377	97,551	97,650	5,830	3,185	3,981
84,651	84,750	4,631	2,411	2,854	91,151	91,250	5,235	2,801	3,386	97,651	97,750	5,840	3,191	3,991
84,751	84,850	4,640	2,417	2,862	91,251	91,350	5,244	2,807	3,395	97,751	97,850	5,849	3,197	4,000
84,851	84,950	4,649	2,423	2,870	91,351	91,450	5,254	2,813	3,405	97,851	97,950	5,858	3,203	4,009
84,951	85,050	4,658	2,429	2,878	91,451	91,550	5,263	2,819	3,414	97,951	98,050	5,867	3,209	4,018
85,051	85,150	4,668	2,435	2,886	91,551	91,650	5,272	2,825	3,423	98,051	98,150	5,877	3,215	4,028
85,151	85,250	4,677	2,441	2,894	91,651	91,750	5,282	2,831	3,433	98,151	98,250	5,886	3,221	4,037
85,251	85,350	4,686	2,447	2,902	91,751	91,850	5,291	2,837	3,442	98,251	98,350	5,895	3,227	4,046
85,351	85,450	4,696	2,453	2,910	91,851	91,950	5,300	2,843	3,451	98,351	98,450	5,905	3,233	4,056
85,451	85,550	4,705	2,459	2,918	91,951	92,050	5,309	2,849	3,460	98,451	98,550	5,914	3,239	4,065
85,551	85,650	4,714	2,465	2,926	92,051	92,150	5,319	2,855	3,470	98,551	98,650	5,923	3,245	4,074
85,651	85,750	4,724	2,471	2,934	92,151	92,250	5,328	2,861	3,479	98,651	98,750	5,933	3,251	4,084
85,751	85,850	4,733	2,477	2,942	92,251	92,350	5,337	2,867	3,488	98,751	98,850	5,942	3,257	4,093
85,851	85,950	4,742	2,483	2,950	92,351	92,450	5,347	2,873	3,498	98,851	98,950	5,951	3,263	4,102
85,951	86,050	4,751	2,489	2,958	92,451	92,550	5,356	2,879	3,507	98,951	99,050	5,960	3,269	4,111
86,051	86,150	4,761	2,495	2,966	92,551	92,650	5,365	2,885	3,516	99,051	99,150	5,970	3,275	4,121
86,151	86,250	4,770	2,501	2,974	92,651	92,750	5,375	2,891	3,526	99,151	99,250	5,979	3,281	4,130
86,251	86,350	4,779	2,507	2,982	92,751	92,850	5,384	2,897	3,535	99,251	99,350	5,988	3,287	4,139
86,351	86,450	4,789	2,513	2,990	92,851	92,950	5,393	2,903	3,544	99,351	99,450	5,998	3,293	4,149
86,451	86,550	4,798	2,519	2,998	92,951	93,050	5,402	2,909	3,553	99,451	99,550	6,007	3,299	4,158
86,551	86,650	4,807	2,525	3,006	93,051	93,150	5,412	2,915	3,563	99,551	99,650	6,016	3,305	4,167
86,651	86,750	4,817	2,531	3,014	93,151	93,250	5,421	2,921	3,572	99,651	99,750	6,026	3,311	4,177
86,751	86,850	4,826	2,537	3,022	93,251	93,350	5,430	2,927	3,581	99,751	99,850	6,035	3,317	4,186
86,851	86,950	4,835	2,543	3,030	93,351	93,450	5,440	2,933	3,591	99,851	99,950	6,044	3,323	4,195
86,951	87,050	4,844	2,549	3,038	93,451	93,550	5,449	2,939	3,600	99,951	100,000	6,051	3,327	4,202
87,051	87,150	4,854	2,555	3,046	93,551	93,650	5,458	2,945	3,609	OVER \$100,000 YOU MUST COMPUTE YOUR TAX USING THE TAX RATE SCHEDULES.				
87,151	87,250	4,863	2,561	3,054	93,651	93,750	5,468	2,951	3,619					
87,251	87,350	4,872	2,567	3,062	93,751	93,850	5,477	2,957	3,628					
87,351	87,450	4,882	2,573	3,070	93,851	93,950	5,486	2,963	3,637					
87,451	87,550	4,891	2,579	3,078	93,951	94,050	5,495	2,969	3,646					
87,551	87,650	4,900	2,585	3,086	94,051	94,150	5,505	2,975	3,656					
87,651	87,750	4,910	2,591	3,094	94,151	94,250	5,514	2,981	3,665					
87,751	87,850	4,919	2,597	3,102	94,251	94,350	5,523	2,987	3,674					
87,851	87,950	4,928	2,603	3,110	94,351	94,450	5,533	2,993	3,684					
87,951	88,050	4,937	2,609	3,118	94,451	94,550	5,542	2,999	3,693					
88,051	88,150	4,947	2,615	3,126	94,551	94,650	5,551	3,005	3,702					
88,151	88,250	4,956	2,621	3,134	94,651	94,750	5,561	3,011	3,712					
88,251	88,350	4,965	2,627	3,142	94,751	94,850	5,570	3,017	3,721					
88,351	88,450	4,975	2,633	3,150	94,851	94,950	5,579	3,023	3,730					
88,451	88,550	4,984	2,639	3,158	94,951	95,050	5,588	3,029	3,739					
88,551	88,650	4,993	2,645	3,166	95,051	95,150	5,598	3,035	3,749					
88,651	88,750	5,003	2,651	3,174	95,151	95,250	5,607	3,041	3,758					
88,751	88,850	5,012	2,657	3,182	95,251	95,350	5,616	3,047	3,767					
88,851	88,950	5,021	2,663	3,190	95,351	95,450	5,626	3,053	3,777					

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Visit our website:

ftb.ca.gov

2022 California Tax Rate Schedules



To e-file and eliminate the math, go to ftb.ca.gov. To figure your tax online, go to 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 –			
Schedule X – Use if your filing status is Single or Married/RDP Filing Separately	\$ 0	\$ 10,099	\$ 0.00	+ 1.00%	\$ 0
	10,099	23,942	100.99	+ 2.00%	10,099
	23,942	37,788	377.85	+ 4.00%	23,942
	37,788	52,455	931.69	+ 6.00%	37,788
	52,455	66,295	1,811.71	+ 8.00%	52,455
	66,295	338,639	2,918.91	+ 9.30%	66,295
	338,639	406,364	28,246.90	+ 10.30%	338,639
	406,364	677,275	35,222.58	+ 11.30%	406,364
677,275	AND OVER	65,835.52	+ 12.30%	677,275	

Schedule Y – Use if your filing status is Married/RDP Filing Jointly or Qualifying Surviving Spouse/RDP	\$ 0	\$ 20,198	\$ 0.00	+ 1.00%	\$ 0
	20,198	47,884	201.98	+ 2.00%	20,198
	47,884	75,576	755.70	+ 4.00%	47,884
	75,576	104,910	1,863.38	+ 6.00%	75,576
	104,910	132,590	3,623.42	+ 8.00%	104,910
	132,590	677,278	5,837.82	+ 9.30%	132,590
	677,278	812,728	56,493.80	+ 10.30%	677,278
	812,728	1,354,550	70,445.15	+ 11.30%	812,728
1,354,550	AND OVER	131,671.04	+ 12.30%	1,354,550	

Schedule Z – Use if your filing status is Head of Household	\$ 0	\$ 20,212	\$ 0.00	+ 1.00%	\$ 0
	20,212	47,887	202.12	+ 2.00%	20,212
	47,887	61,730	755.62	+ 4.00%	47,887
	61,730	76,397	1,309.34	+ 6.00%	61,730
	76,397	90,240	2,189.36	+ 8.00%	76,397
	90,240	460,547	3,296.80	+ 9.30%	90,240
	460,547	552,658	37,735.35	+ 10.30%	460,547
	552,658	921,095	47,222.78	+ 11.30%	552,658
921,095	AND OVER	88,856.16	+ 12.30%	921,095	

How to Figure Tax Using the 2022 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.

	Example	Your Income
Step 2: They subtract the amount at the beginning of their range from their taxable income.	$\begin{array}{r} \$ 125,000 \\ - 104,910 \\ \hline \$ 20,090 \end{array}$	$\begin{array}{r} \$ \\ - \\ \hline \$ \end{array}$
Step 3: They multiply the result from Step 2 by the percentage for their range.	$\begin{array}{r} \$ 20,090 \\ \times .08 \\ \hline \$ 1,607.20 \end{array}$	$\begin{array}{r} \$ \\ \times \\ \hline \$ \end{array}$
Step 4: 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 \$5,231 on Form 540, line 31.	$\begin{array}{r} \$3,623.42 \\ + 1,607.20 \\ \hline \$5,230.62 \end{array}$	$\begin{array}{r} \$ \\ + \\ \hline \$ \end{array}$

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 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 MS D120
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. For more information, get FTB 4058, California Taxpayers' Bill of Rights – Information for Taxpayers. See "Where To Get Income Tax Forms and Publications."

Franchise Tax Board Privacy Notice on Collection

The privacy and security of your personal information is of the utmost importance to us. We want you to have the highest confidence in the integrity, efficiency, and fairness of our state tax system.

Your Rights and Responsibilities – You have a right to know what types of information we gather, how we use it, and to whom we may provide it. Information collected is subject to the California Information Practices Act, Civil Code section 1798-1798.78, except as provided in R&TC Section 19570.

If you meet certain requirements, you must file a valid tax return and related documents. You must provide your social security number or other identifying number on your tax return and related documents for identification. (R&TC Sections 18501, 18621, and 18624)

Reasons for Information Requests – We may request additional information to verify and collect the correct amount of tax. (R&TC Section 19504) You must provide all requested information, unless indicated as "optional."

Consequences of Noncompliance – We charge penalties and interest if you:

- Meet income requirements but do not file a valid tax return.
- Do not provide the information we request.
- Provide false information.

We may also disallow your claimed exemptions, exclusions, credits, deductions, or adjustments. If you provide false information, you may be subject to civil penalties and criminal prosecution. Noncompliance can increase your tax liability, or delay or reduce any tax refund.

Disclosure of Information – We will not disclose your personal information, unless authorized by law. We may disclose your tax information to:

- The Internal Revenue Service.
- Other states' income tax officials.
- California government agencies and officials.
- Third parties to determine or collect your tax liabilities.
- Your authorized representative(s).

If you owe taxes, we may disclose your balance due as part of our collection process to: employers, financial institutions, county recorders, process agents, or other asset holders.

Responsibility for the Records – The director of the Processing Services Bureau maintains FTB's records. You may review your records and bring any inaccuracies to our attention. You can obtain information about your records by:

Phone

800.852.5711 (within the United States)
916.845.6500 (outside of the United States)

Mail

DISCLOSURE OFFICER MS A181
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

To learn more about our Privacy Policy Statement, go to ftb.ca.gov/privacy.

Automated Phone Service

(Keep This Booklet For Future Use)

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 federal 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 estimated tax 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, California 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

Code California Tax Forms and Publications

- 969 Large Print Resident Booklet
- 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 or Part-Year Resident Tax Booklet: Form 540NR, California 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
- 948 FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection – Aviso de Privacidad del Franchise Tax Board sobre la Recaudación
- 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, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
- 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 – Information for Taxpayers
- 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

Code California Tax Forms and Publications

- 941 FTB Pub. 1031, Guidelines for Determining Resident Status
- 942 FTB Pub. 1032, Tax Information for Military Personnel
- 934 FTB Pub. 1540, Tax Information for 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 8 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

California Relay Service:

711 or 800.735.2929 for persons with hearing or speaking limitations

Large-print forms and instructions – The Resident Booklet is available in large print upon request. 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 8 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

Servicio de Retransmisión

de California: 711 o 800.735.2929 para personas con limitaciones auditivas o del habla

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