

# 2024 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 15, 2025. 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, line 20 through line 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 six sides. When filing Form 540, you must send all six sides to the Franchise Tax Board (FTB) and Side 6 must be signed.

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 2024 Amended Return."



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

### Filling 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 through Side 6.
- 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 2023 tax return under a different last name, write the last name **only** from the 2023 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 4.

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 2024.
- A nonresident for the entire year and had no income from California sources during 2024.

**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 2024, you **must file** 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.

If you are married or in an RDP and file a joint return, you can be claimed as a dependent on someone else's return if you file the joint return only to claim a refund of withheld income tax or estimated tax paid.

### 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, 2024\*, 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, 2025, you are considered to be age 65 on December 31, 2024.

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 2024 tax return, they may amend their 2024 tax return following the same procedures used to amend their previous year amended tax returns beginning with taxable year 2018. If claiming a refund, taxpayers must amend their returns within the statute of limitations. For more information, get FTB Notice 2021-01.

If your dependent child was born and died in 2024 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 federal Form W-2, box 16.

If you received wages and do not have a federal Form W-2, see "Filing 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 Schedule CA (540), California Adjustments — Residents.

If there are differences between your federal and California income, e.g., social security benefits, 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, line 1 through line 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.

<b>California Standard Deduction Chart for Most People</b>	
Do not use this chart if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on their tax return.	
<b>Your Filing Status</b>	<b>Enter On Line 18</b>
1 – Single	\$5,540
2 – Married/RDP filing jointly	\$11,080
3 – Married/RDP filing separately	\$5,540
4 – Head of household	\$11,080
5 – Qualifying surviving spouse/RDP	\$11,080
The California standard deduction amounts are less than the federal standard deduction amounts.	

<b>California Standard Deduction Worksheet for Dependents</b>	
Use this worksheet only if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on their return.	
<b>Use whole dollars only.</b>	
1. Enter your earned income from line 2 of the “Standard Deduction Worksheet for Dependents” in the instructions for federal Form 1040 or 1040-SR	1 _____
2. Minimum standard deduction	2 <u>\$1,300.00</u>
3. Enter the <b>larger</b> of line 1 or line 2 here	3 _____
4. Enter the amount shown for your filing status: <ul style="list-style-type: none"> <li>• Single or married/RDP filing separately, enter \$5,540</li> <li>• Married/RDP filing jointly, head of household, or qualifying surviving spouse/RDP, enter \$11,080</li> </ul>	4 _____
5. <b>Standard deduction.</b> Enter the <b>smaller</b> of line 3 or line 4 here and on Form 540, line 18	5 _____

**Line 19 – Taxable Income**

**Capital Construction Fund (CCF)** – If you claim a deduction on your federal Form 1040 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 69. 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 75.
- **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

full-time student under age 24 on January 1, 2025, and who had more than \$2,600 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 \$1,300 but less than \$13,000 on your tax return, complete form FTB 3803, Parents' Election to Report Child's Interest and Dividends. File a separate form FTB 3803 for each child whose income you elect to include on your Form 540. Add the amount of tax, if any, from each form FTB 3803, line 9, to the amount of your tax from the tax table or tax rate schedules and enter the result on Form 540, line 31. Attach form(s) FTB 3803 to your tax return.

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



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

**Line 32 – Exemption Credits**

Exemption credits reduce your tax. If your federal 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	.....	\$244,857
Married/RDP filing jointly or qualifying surviving spouse/RDP	...	\$489,719
Head of household	.....	\$367,291

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

<b>AGI Limitation Worksheet</b>	
Use whole dollars only.	
<b>a</b>	Enter the amount from Form 540, line 13 ..... <b>a</b> _____
<b>b</b>	Enter the amount for your filing status on line b: <ul style="list-style-type: none"> <li>• Single or married/RDP filing separately ..... \$244,857</li> <li>• Married/RDP filing jointly or qualifying surviving spouse/RDP ..... \$489,719</li> <li>• Head of household ..... \$367,291</li> </ul>
<b>c</b>	Subtract line b from line a ..... <b>c</b> _____
<b>d</b>	Divide line c by \$2,500 (\$1,250 if married/RDP filing separately). If the result is not a whole number, round it to the next higher whole number. .... <b>d</b> _____
<b>e</b>	Multiply line d by \$6 ..... <b>e</b> _____
<b>f</b>	Add the numbers from the boxes on Form 540, lines 7, 8, and 9 (not the dollar amounts) ..... <b>f</b> _____
<b>g</b>	Multiply line e by line f ..... <b>g</b> _____
<b>h</b>	Add the total <b>dollar amount</b> from Form 540, lines 7, 8, and 9 ..... <b>h</b> _____
<b>i</b>	Subtract line g from line h. If zero or less, enter -0- ..... <b>i</b> _____
<b>j</b>	Enter the number from the box on Form 540, line 10 (not the dollar amount) ..... <b>j</b> _____
<b>k</b>	Multiply line e by line j ..... <b>k</b> _____
<b>l</b>	Enter the <b>dollar amount</b> from Form 540, line 10 ..... <b>l</b> _____
<b>m</b>	Subtract line k from line l. If zero or less, enter -0- ..... <b>m</b> _____
<b>n</b>	Add line i and line m. Enter the result here and on Form 540, line 32..... <b>n</b> _____

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

If you received a qualified lump-sum distribution in 2024 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.

<p><b>Box A</b> – Did you complete federal Schedule C, D, E, or F and claim or receive any of the following (<b>Note:</b> 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.):</p> <ul style="list-style-type: none"> <li>• Accelerated depreciation in excess of straight-line</li> <li>• Intangible drilling costs</li> <li>• Depletion</li> <li>• Circulation expenditures</li> <li>• Research and experimental expenditures</li> <li>• Mining exploration/development costs</li> <li>• Amortization of pollution control facilities</li> <li>• Income/loss from tax shelter farm activities</li> <li>• Income/loss from passive activities</li> <li>• Income from long-term contracts using the percentage of completion method</li> <li>• Pass-through AMT adjustment from an estate or trust reported on Schedule K-1 (541), Beneficiary's Share of Income, Deductions, Credits, etc.</li> </ul> <p><b>Yes</b> Get and complete Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents. See "Order Forms and Publications."</p> <p><b>No</b> Go to Box B.</p>
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<p><b>Box B</b> – Did you claim or receive any of the following:</p> <ul style="list-style-type: none"> <li>• Investment interest expense</li> <li>• Income from incentive stock options in excess of the amount reported on your tax return</li> <li>• Income from installment sales of certain property</li> </ul> <p><b>Yes</b> Get and complete Schedule P (540). See "Order Forms and Publications."</p> <p><b>No</b> Go to Box C.</p>
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<p><b>Box C</b> – If your filing status is: <b>Is Form 540, line 17 more than:</b></p> <table border="0"> <tr> <td>Single or head of household</td> <td>.....</td> <td>\$337,678</td> </tr> <tr> <td>Married/RDP filing jointly or qualifying surviving spouse/RDP</td> <td>.....</td> <td>\$450,238</td> </tr> <tr> <td>Married/RDP filing separately</td> <td>.....</td> <td>\$225,115</td> </tr> </table> <p><b>Yes</b> Get and complete Schedule P (540). See "Order Forms and Publications."</p> <p><b>No</b> Your credits are not limited. Go to the instructions for line 40.</p>	Single or head of household	.....	\$337,678	Married/RDP filing jointly or qualifying surviving spouse/RDP	.....	\$450,238	Married/RDP filing separately	.....	\$225,115
Single or head of household	.....	\$337,678							
Married/RDP filing jointly or qualifying surviving spouse/RDP	.....	\$450,238							
Married/RDP filing separately	.....	\$225,115							

**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 2024 (or if married/or an RDP, you lived apart from your spouse/RDP for all of 2024 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 \$592, 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 2024 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 within this line instructions. 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, 2024\*.
- Qualified as a head of household in 2022 or 2023 by providing a household for a qualifying individual who died during 2022 or 2023.
- Did not have AGI over \$95,779 for 2024.

\* If your 65th birthday is on January 1, 2025, you are considered to be age 65 on December 31, 2024.

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 2024 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 \$1,806, 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 allowable is limited to \$2,500 per minor child. Carry over the excess credit to future years until the credit is used.

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	_____

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

If you paid rent for at least six months in 2024 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:

- \$120,065 married/RDP filing jointly or qualifying surviving spouse/RDP
- \$90,048 single or head of household
- \$60,029 married/RDP filing separately

A child under age 19 or a full-time 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 \$9,450 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 73.

**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-K, Payment Card and Third Party Network Transactions, box 8
- 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), Member's Share of Income, Deductions, Credits, etc., 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 – 2024 California Estimated Tax and Other Payments**

Enter the total of any:

- California estimated tax payments you made using 2024 Form 540-ES, electronic funds withdrawal, Web Pay, or credit card.
- Overpayment from your 2023 California income tax return that you applied to your 2024 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), Shareholder's Share of Income, Deductions, Credits, etc.



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

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

Send statements to:

JOINT 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 2025 and did not have a California tax liability in 2024.

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

Enter the total of California withholding from Forms 592-B and 593. Attach a copy of Forms 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, 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 W-2, W-2G, or 1099, or NCNR member's tax from Schedule K-1 (568), line 15e on this line.

**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 made 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 used those items in California.

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

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

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

- Have or are required to hold a California seller's permit
- Make more than \$10,000 in purchases subject to use tax (excluding vehicles, vessels, and aircraft) per calendar year and have not paid use tax on those purchases to a retailer engaged in business in California or to a retailer authorized by the California Department of Tax and Fee Administration to collect the tax.
- 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 the instructions in Use Tax Worksheet section.

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

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

See page 33 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](http://cdtfa.ca.gov).

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

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

- Vehicles, vessels, and trailers that must be registered with the Department of Motor Vehicles.
- Mobile homes or commercial coaches that must be registered annually as required by the Health and Safety Code.
- Vessels documented with the U.S. Coast Guard.
- Aircraft.

- Rental receipts from leasing machinery, equipment, vehicles, and other tangible personal property to your customers.
- Cigarettes and tobacco products when the purchaser is registered with the California Department of Tax and Fee Administration as a cigarette and/or tobacco products consumer.

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

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

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

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

**Estimated Use Tax Lookup Table**

You may use the Estimated Use Tax Lookup Table below 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 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 2024. Medicare Part A or C qualifies as minimum essential coverage. If you check the box on 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 2023, 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, the Young Child Tax Credit, and/or the Foster Youth 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](http://ftb.ca.gov) and search for **interagency intercept collection**.

### Line 98 – Amount You Want Applied to Your 2025 Estimated Tax

Apply all or part of the amount on line 97 to your estimated tax for 2025. Enter on line 98 the amount of line 97 that you want applied to your 2025 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](http://edd.ca.gov) or to use the online calculator to estimate your federal withholding, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **de 4**.

Form DE 4 specifically adjusts your California state withholding and is not the same as the federal Form W-4, Employee's Withholding 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/](http://parks.ca.gov/annualpass/) or email [info@parks.ca.gov](mailto:info@parks.ca.gov).

### Line 110 – Total Contributions

Add amounts in code 400 through code 447. 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](http://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](http://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](http://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 "2024 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 2024 tax payment and any 2025 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](http://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 a.m. to 5 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 a 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](http://ftb.ca.gov) and search for **interest rates**.

**Late Filing of Tax Return** – If you do not file your tax return by October 15, 2025, you will incur a late filing penalty plus interest from the original due date of the tax return. The maximum total penalty is 25% of the tax not paid if the tax return is filed after October 15, 2025. The minimum penalty for filing a tax return more than 60 days late is \$135 or 100% of the balance due, whichever is less.

**Late Payment of Tax** – If you fail to pay your total tax liability by April 15, 2025, you will incur a late payment penalty plus interest. The penalty is 5% of the tax not paid when due plus 1/2% for each month, or part of a month, the tax remains unpaid. We may waive the late payment penalty based on reasonable cause. Reasonable cause is presumed when 90% of the tax shown on the return is paid by the original due date of the return. However, the imposition of interest is mandatory. If, after April 15, 2025, 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 2024 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 at the end of this line instruction.

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 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 does 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](http://ftb.ca.gov) and search for **direct deposit**.

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

Prior to depositing the refund, 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.

The diagram shows a check with the following fields and values:

- Payee:** John Doe, Mary Doe, 1234 Main Street, Anytown, CA 99999
- Amount:** 1234 (with a note "15-0000/0000" next to it)
- Bank:** ANYTOWN BANK, Anytown, CA 99999
- Routing number:** 250250025
- Account number:** 2020201234
- Other:** A box labeled "Do not include the check number" and a "DOLLARS" label.

**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](https://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](https://sos.ca.gov/elections) or see "Voting Is Everybody's Business" section on the Additional Information page included in this booklet.

### Health Care Coverage Information

If you are interested in no-cost or low-cost health care coverage information, check the "Yes" box on Form 540, Side 5. If you check the "Yes" box, you, and your spouse/RDP if filing a joint return, authorize the FTB to share limited information from your tax return with Covered California (the state agency that provides Californians with access to affordable health insurance) for their outreach and enrollment efforts. Limited information that will be shared include the following:

- Taxpayer name, or in the case of taxpayers filing a joint tax return, the names of both spouses or RDPs.
- Full mailing address listed on the tax return.
- Number and age of household dependents.
- Gross income.

### Sign Your Tax Return

You must sign your tax return in the space provided on Form 540, Side 6. 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 applicable paid preparer information on Side 6 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 2024 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](https://ftb.ca.gov/poa).

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2025 tax return. This is April 15, 2026, 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](https://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 Forms W-2, W-2G, and 1099, and California Forms 592-B and 593.**

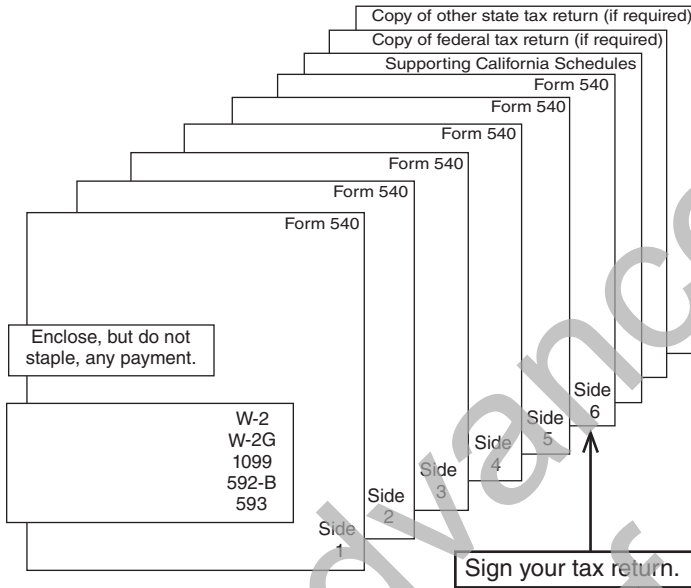
Attach all the Forms W-2 and W-2G you received to the lower front of your tax return. Also, attach any Forms 1099, 592-B, and 593 showing California income tax withheld.

If you do not receive your Form(s) W-2 by January 31, 2025, contact your employer or go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB. Only your employer can issue or correct a Form W-2. If you cannot get a copy of your Form W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. See "Order Forms and Publications" or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

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

**Assembling Your Tax Return**

Assemble your tax return in the order shown below.



**Caution:** Form 540 has six sides. When filing Form 540, you must send all six 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