

2018 Installment Sale Income

3805E

Attach to your California tax return. Use a separate form for each sale or other disposition of property on the installment method.

Name(s) as shown on tax return



SSN, ITIN, FEIN, CA SOS file no., or CA corporation no.

- 1 Description of property
2 a Date acquired (mm/dd/yyyy) 2b Date sold (mm/dd/yyyy)
3 Was the property sold to a related party after December 31, 1980? If "No," skip line 4.
4 Was the property you sold to a related party a marketable security?

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

- 5 Selling price including mortgages and other debts (do not include stated or unstated interest)
6 Mortgages and other debts the buyer assumed or took the property subject to, but not new mortgages the buyer got from a bank or other source
7 Subtract line 6 from line 5
8 Cost or other basis of property sold
9 Depreciation allowed or allowable. Use California amounts
10 Adjusted basis. Subtract line 9 from line 8
11 Commissions and other expenses of sale
12 Income recapture from Schedule D-1, Part III. See instructions
13 Add line 10, line 11, and line 12
14 Subtract line 13 from line 5. If zero or less, stop here. Do not complete the rest of this form
15 If the above property was your main home, using California amounts, enter your excluded gain. Otherwise, enter -0-
16 Gross profit. Subtract line 15 from line 14
17 Subtract line 13 from line 6. If zero or less, enter -0-
18 Contract price. Add line 7 and line 17

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as payments on installment obligations.

- 19 Gross profit percentage. Divide line 16 by line 18. For years after the sale, see instructions
20 For year of sale only - Enter amount from line 17 above. Otherwise, enter -0-
21 Payments received during the year. (do not include stated or unstated interest)
22 Add line 20 and line 21
23 Payments received in prior years. (do not include stated or unstated interest)
24 Installment sale income. Multiply line 22 by line 19
25 Enter the part of line 24 that is ordinary income under recapture rules. See instructions
26 Subtract line 25 from line 24. Enter the result here and on Schedule D (540, 540NR, 541, 565, 568, or 100S) or Schedule D-1

Part III Related Party Installment Sale Income. Do not complete this part if you received the final installment payment this taxable year.

- 27 Name, address, and taxpayer identification number of related party
28 Did the related party, during this taxable year, resell or dispose of the property ("second disposition")?
29 If you checked "Yes" on line 28, complete lines 30 through 37 below unless one of the following conditions is met. Check only the box that applies.
a The second disposition was more than two years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of the disposition (mm/dd/yyyy)
b The first disposition was a sale or exchange of stock to the issuing corporation.
c The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition.
d The second disposition occurred after the death of the original seller or buyer.
e It can be established to the satisfaction of the Franchise Tax Board that tax avoidance was not a principal purpose for either of the dispositions. If you check this box, attach an explanation.
30 Selling price of property sold by related party
31 Enter contract price from line 18 for year of first sale
32 Enter the smaller of line 30 or line 31
33 Total payments received by the end of your 2018 taxable year. Add line 22 and line 23.
34 Subtract line 33 from line 32. If zero or less, enter -0-
35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale
36 Enter the part of line 35 that is ordinary income under recapture rules. See instructions
37 Subtract line 36 from line 35. Enter the result here and on Schedule D (540, 540NR, 541, 565, 568, or 100S) or Schedule D-1