



1997

Personal Income Tax Booklet

This booklet contains two copies of:

Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, page 15

This booklet contains one copy of:

Form 540-V, Return Payment Voucher for Individuals, page 4

Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, page 19

FTB 3519, Payment Voucher for Automatic Extension for Individuals, page 27

Members of the Franchise Tax Board

Kathleen Connell, Chair
Ernest J. Dronenburg, Jr., Member
Craig L. Brown, Member

Do you need help? 1-800-338-0505



F.A.S.T

Most of your questions can be answered by reading the instructions in this booklet. But if you find that you need help, use our **F.A.S.T. (Fast Answers about State Taxes)** toll-free phone service available 24 hours a day. See page 32. If you cannot get the answer you need, call our general toll-free phone service listed on page 31. The best times to call are between 7:00 and 10:00 in the morning and between 6:00 and 8:00 in the evening.

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**State of California
Franchise Tax Board**

How are Nonresidents and Part-Year Residents Taxed?

If you were a nonresident of California and received income in 1997 that had its source in California or if you moved into or out of California in 1997, you must file Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. California taxes all income you received while you were a resident of California and the income you received from California sources while a nonresident. Use Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, column A through column D to compute your total income as if you were a resident of California for the entire year. Then divide your California adjusted gross income (Schedule CA (540NR), column E) by your adjusted gross income from all sources (Schedule CA (540NR), column D) to determine the percentage of tax due from the California tax table or tax rate schedules. You may also qualify for some California tax credits. The credits may reduce California tax you owe. If you were a resident of California for all of 1997, you should get a California Resident Income Tax Booklet and file Form 540, California Resident Income Tax Return, Form 540A, California Resident Income Tax Return, or Form 540EZ, California Resident Income Tax Return For Single and Joint Filers With No Dependents.

Pension Income of Retirees Who Move to Another State. Retirement income received by nonresidents on or after January 1, 1996, is not taxable by California. If California state income tax was withheld from your payments, file Form 540NR for a refund.

What's New for 1997?

Differences Between California and Federal Law. Due to California legislation enacted in 1997, California tax law conforms to the Internal Revenue Code (IRC) as of January 1, 1997, and to selected provisions of the federal Taxpayer Relief Act of 1997 (Public Law 105-34). For example, California law and federal law are the same regarding: exclusion of gain on the sale of personal residence; new federal Individual Retirement Account (IRA) provisions; self-employed health insurance deduction; and alternative minimum tax (AMT) exemption amounts.

Slightly New Look for Form 540NR. Form 540NR now has boxes in some areas and bar codes to help us process your return faster using our new system. See page 3 for information on how to fill in the form.

Form 540-V, Return Payment Voucher for Individuals. To make sure that your payment is processed quickly and accurately, we encourage you to attach this new payment voucher to your 1997 return with your check or money order. See page 4.

Electronic Filing is Now Available for Form 540NR Filers. Get your refund fast! And there is no return to mail! Prepare your return (or have someone prepare it for you). Then for a fee, a tax preparer or other electronic filing service will transmit your return, make sure that it is sent correctly and verify that FTB received it. Your return is filed! For more information call 1-800-338-0505, select general tax information, then enter code 112 to hear about electronic filing.

Direct Deposit If You File Electronically. Receiving a refund? If you file your return electronically, you can have your refund sent directly to your bank account instead of waiting to receive your refund check in the mail. Or if you prefer, you can have your refund check mailed to you in 7 to 10 days from the time FTB receives your return (if your return has no errors).

Request a Payment Plan to Pay Your Taxes. If you owe tax with your 1997 tax return and cannot pay the entire amount you owe when you file, you can now request a payment plan to pay your taxes in monthly payments. See page 5, *Installment Payments*, for more information.

Renter's Credit. Due to a tax law change, renter's credit has been eliminated for 1997. You may not claim the credit on your personal income tax return.

New and Expired Voluntary Contributions. Recent California legislation allows you to make a voluntary contribution to the California Military Museum Fund. The California Election Campaign Fund has expired.

New Credits. See the chart on page 10 for information about the new credits for Rice Straw, Farmworker Housing and Community Development Financial Institution Deposits.

General Information

California Tax Forms on the Internet. If you have Internet access, you may download, view and print 1994, 1995, 1996 and 1997 California income tax forms and publications. Our Internet address is: <http://www.ftb.ca.gov>

Group Nonresident Shareholder Return. Nonresident shareholders of an S corporation that does business in California may elect to file a group nonresident return on Form 540NR. For more information get FTB Pub. 1067, *Guidelines for Filing a Group Form 540NR for Nonresident Shareholders of an S corporation*. This publication includes form FTB 1067A, *Nonresident Group Return Schedule*, which will need to be attached to the front of the group Form 540NR.

Temporary and Transitory Absences from California. If you were domiciled in California and worked outside of California for an uninterrupted period of at least 546 consecutive days under an employment contract, you are considered a nonresident. This also applies to the spouse who accompanies the employed individual during those 546 consecutive days. However, you will not qualify under this provision if you are in California for a total of more than 45 days during any taxable year covered by the contract; or if you have income from stocks, bonds, notes or other intangible property in excess of \$200,000 for any taxable year covered by the contract. For more information, get FTB Pub. 1031, *Guidelines for Determining Resident Status*.


California Alternative Minimum Tax (AMT) and Credit Limitations. You may owe AMT or have to limit your credits if your California adjusted gross income plus items such as accelerated depreciation, charitable contributions of appreciated capital gain property and passive activity losses total more than:

- \$45,000 if you are married filing joint or qualifying widow(er); or
- \$33,750 if you are single or head of household; or
- \$22,500 if you are married filing separate.

See the instructions for Form 540NR, line 23 to see if you need to get Schedule P (540NR), *Alternative Minimum Tax and Credit Limitations — Nonresidents and Part-Year Residents*.

Do I Have to File?

Requirements for Most People. Find your status at the end of 1997 in the first column of the chart below. Read across to find your filing status for 1997. You must file a return if **either** your gross income or your adjusted gross income was more than the amount shown for your filing status.

On 12/31/97 I was:	Filing status	Gross income ¹	Adjusted gross income ²
Single (including divorced and legally separated)	Single Head of household ³	\$10,384	\$8,307
Married with a child and living apart from spouse the last 6 months of 1997	Head of household ³	\$10,384	\$8,307
Married, living with spouse at end of 1997 (or date in 1997 spouse died) or Married, living apart from spouse at end of 1997 (or date in 1997 spouse died)	Married filing joint Married filing separate	\$20,768 ⁴	\$16,614 ⁴
Widowed before 1997 and not remarried in 1997	Single Head of household Qualifying widow(er)	\$10,384	\$8,307
Dependent of another person	Any filing status	More than your standard deduction ⁵	

¹ All income you received in the form of money, goods, property and services from all sources that is not exempt from tax.

² Your federal adjusted gross income from all sources reduced/increased by all California income adjustments.

³ See page 6.

⁴ Income of both spouses; both spouses must file a return even if only one spouse had income over the amounts listed.

⁵ Use the worksheet on page 7 to figure your standard deduction.

Even if you do not have to file a return, you should file one in order to get a refund if California state income tax was withheld from your pay or you made estimated tax payments.

Requirements for Children with Investment Income. For each child under age 14 who was a resident for any part of the year or who had income from California sources and received more than \$1,300 of investment income in 1997, complete Form 540NR for the child and form FTB 3800, *Tax Computation for Children with Investment Income* or form FTB 3803, *Parents' Election to Report Child's Interest and Dividends*.

Helpful Hints

Filling in your return.

Tips on how you should fill in Form 540NR:

- Use black or blue ballpoint pen on the copy you send us. The scanning machines may not be able to read red or other colored ink or pencil.
- Print all names and words in CAPITAL LETTERS.
- Print numbers inside boxes. Be sure to line up dollar amounts.
- Round cents to the nearest whole dollar on your return and schedules. See page 5 for more information on how to round cents.
- If you do not have an entry for a line, leave it blank. Do not enter a dash. Also do not enter a zero unless the instructions for a line specifically tell you to enter zero.
- Attach your label. Or if you don't have a label, fill in your name as in the following example:

Your first name	Initial	Last name
J O H N	A	D O E

Is your name or address too long to fit in the boxes provided? Do not shorten your name or address. Instead, ignore the boxes and fit the information in the space provided. **Example:** Jonathan A. Ziggzephyrstone would enter his name as follows:

Your first name	Initial	Last name
J O N A T H A N	A	Z I G G Z E P H Y R S T O N E

Attachments to your return.

Form(s) W-2, W-2G, 1099-R, 592-B, 594 and 597:

Make sure to staple all the Form(s) W-2, W-2G, 1099-R, 592-B, 594 and 597 you received to the front of your return where it says "Attach copy of your Form(s) W-2 here."

Checks: If you have a balance due, make your check or money order payable to the Franchise Tax Board. Also, write your social security number and "1997 Form 540NR," on the check or money order. Also, complete Form 540-V, Return Payment Voucher for Individuals, located on page 4. See

Assembling your return to the right before attaching the voucher to your return.

Federal return: Be sure to attach a copy of your complete federal return to Form 540NR.

Mailing your return.

Refund or no amount due:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0000

If you owe:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

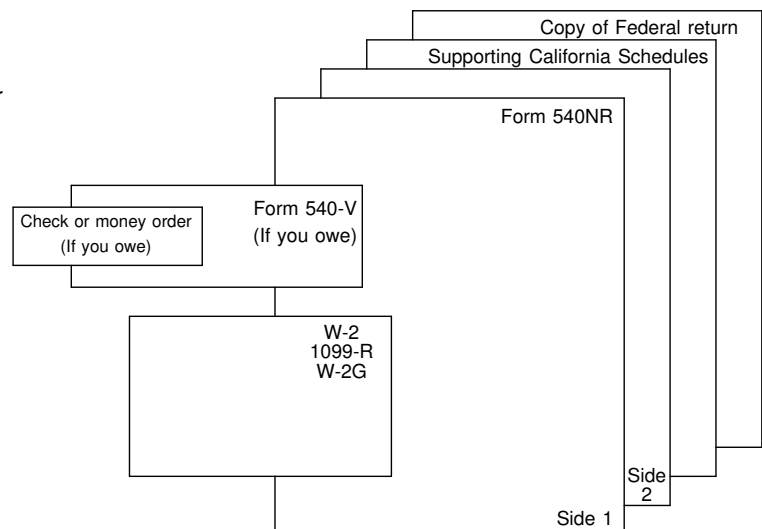
Important due dates.

DATE	
April 15, 1998	Last day to pay 1997 amount you owe to avoid penalties and interest. ¹ See page 27 for more information.
October 15, 1998	Last day to file your 1997 return to avoid penalties and interest computed from the original due date of April 15, 1998.
April 15, 1998 June 15, 1998 September 15, 1998 January 15, 1999	Due dates for 1998 estimated tax payments. Generally, you need to make estimated payments if less than 80% of your tax is paid by withholding. Call 1-800-338-0505, select general tax information and enter code 208 for more information.

¹If you are living or traveling outside the United States on April 15, 1998, the due dates for filing your return and paying your tax are different. See "Taxpayers Residing or Traveling Abroad" on page 27 for more information.

Assembling your return.

Assemble your return in the order shown below.



Additional Information

Free Tax Help

At more than 1,500 sites throughout California, trained volunteers provide free help to low-income, senior, disabled and non-English speaking 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. Call the Franchise Tax Board (FTB) at 1-800-852-5711 to find the location nearest you.

Deceased Taxpayers

A final return must be filed for a person who died in 1997 if a return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the return. Please print "deceased" and the date of death next to the taxpayer's name at the top of the return.

If you are a surviving spouse and no administrator or executor has been appointed, you may file a joint return if you did not remarry during 1997. Indicate next to your signature that you are the surviving spouse.

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

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

Installment Payments

If you cannot pay the full amount that you owe with your return, you may ask to make monthly installment payments. However, you will be charged interest and may be charged an underpayment penalty on the tax not paid by April 15, 1998, even if your request to pay in installments is granted. To limit the interest and penalty charges, pay as much of the tax as possible by April 15, 1998. To ask for an installment agreement, use form FTB 3567, Installment Agreement Request. To order by phone, see page 31.

Amended Returns

If you discover that you made an error on your California income tax return after it was filed, use Form 540X, Amended Individual Income Tax Return, to correct and make any changes to your return.

Changes to Federal Returns

If your federal income tax return is examined and changed by the Internal Revenue Service (IRS) and you owe additional tax, you must report these changes to the FTB within six months of the date of the final federal determination. If the changes made by IRS result in a refund due for California, you must claim a refund within two years of the date of the final federal determination. You may either use Form 540X to make any changes to your California income tax return already filed, or you may send copies of the federal changes to:

ATTN RAR/VOL, AUDIT SECTION, FRANCHISE TAX BOARD, PO BOX 1998, RANCHO CORDOVA CA 95741-1998.

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.

Note: You do not have to file Form 540X if the changes do not affect your California tax liability.

Military Personnel

If you are a member of the U.S. armed forces and need additional information on how to file your return, get FTB Pub. 1032, Tax Information for Military Personnel.

Change of Address

If you move during the year, notify the FTB of your new address by calling 1-800-852-5711.

Vehicle License Fees for Federal Schedule A

On your federal Schedule A, 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.

California Sales And Use Tax

If you purchased goods from an out-of-state retailer (such as a mail-order firm) and sales tax would have been charged if you had purchased the goods in California, you owe use tax on your purchase if the out-of-state retailer did not collect the tax.

Your tax liability may be calculated by multiplying the sales tax rate in your area times the cost of the goods purchased. You may pay your tax liability by sending payment to the STATE BOARD OF EQUALIZATION, PO BOX 942879, SACRAMENTO CA 94279-0001, with a brief letter listing your name, address, a description and cost of the goods purchased, and the name and address of the out-of-state retailer.

If you file a Schedule C (Form 1040), Profit or Loss From Business, with your federal income tax return and are in the business of selling tangible personal property, you may be required to obtain a seller's permit with the State Board of Equalization.

If you have a question concerning which goods are taxable, or want information about obtaining a seller's permit, please contact the State Board of Equalization's toll free number at 1-800-400-7115, to talk to a Customer Service Representative. Representatives are available from 8:00 a.m. to 5:00 p.m., Monday - Friday, excluding state holidays.

Rounding to Whole Dollars

Please round cents to the nearest whole dollar on your return and schedules. Drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next whole dollar. For example, \$123.49 becomes \$123 and \$725.50 becomes \$726.

If you have to add two or more amounts include cents when adding and round only the total. Example: You want to add \$5,000.55 and \$18,500.73. You would enter \$23,501 (\$5,000.55 + \$18,500.73 = \$23,501.28).

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. If you need to get a copy of a return from those years, you must request it by writing a letter or by completing form FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return. In most cases, there is a \$10 fee for each tax year you request. However, there is no charge if: you are requesting a return and any audit reports attached in connection with an audit or collection activity; you were the victim of a designated California or federal disaster; or you request copies from a district office that assisted you in completing your return. See page 31 for information on ordering forms.

Collection Fees

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

Privacy Act Notice

The Information Practices Act of 1977 and the federal Privacy Act require the FTB to tell you why we ask you for information. The Operations and Compliance Branches ask for tax return information to carry out the Personal Income Tax Law of the State of California. We may request additional information if we audit your return or take collection action.

If you meet the income requirements, the Revenue and Taxation Code requires you to file a return on the form we prescribe (Sections 18501 and 18621). When you file this or other documents, you must include your social security number for identification and return processing (Section 18624).

It is mandatory to furnish all information requested when you are required to file any documents prescribed by the FTB. If you do not file a return, or do not provide the information we ask for, or provide fraudulent information, the law states you may be charged penalties and interest and, in certain cases, you may be subject to criminal prosecution. We also may disallow claimed exemptions, exclusions, credits, deductions or adjustments. This could make the tax higher or delay or reduce any refund.

We may give the information you furnish us to the IRS, the proper official of any state imposing an income tax or a tax measured by income, the Multistate Tax Commission and California government agencies and officials, as provided by law. If you owe any monies, we may disclose the amount due to employers, financial institutions, county recorders, vacation trust funds, process agents and other payers.

You have a right to access records containing your personal information maintained by the FTB. The officials responsible for maintaining the information are: 1) Filing of returns—Chief, Filing Division; 2) Auditing of returns—Chief, Audit Division; and 3) Collection of monies—Chief, Collection Division. The address is:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-1040.

Telephone:

Within the United States . . . 1-800-852-5711
Outside the United States . . . 1-916-845-6500

Instructions for Form 540NR California Nonresident or Part-Year Resident Income Tax Return

These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 1997**, and the California Revenue and Taxation Code (R&TC).

Before You Begin

You must complete your federal income tax return (Form 1040, Form 1040A, Form 1040EZ, federal Tele-File Tax Record, or Form 1040NR or Form 1040NR-EZ) before you begin your Form 540NR. You will use the information you entered on your federal income tax return to complete your Form 540NR. Be sure to complete and mail Form 540NR by April 15, 1998. If you cannot mail your return by the due date, see page 27 for information.

Important: You must attach a copy of your federal income tax return, and all supporting federal forms and schedules to Form 540NR.

Step 1 Name and Address

If there is a label on the front of your booklet:

1. Complete your Form 540NR **before** you remove the label from the front of your booklet.
2. Check your math and the amounts entered to make sure that they are correct.
3. Remove your label from the front of your booklet and attach it on the front of your Form 540NR in the space provided at the top.
4. Make sure the information on the label is correct. If you need to make any changes, draw a line in ink through the incorrect information and clearly print the new information.

If there is no label, print your name, social security number and address in the spaces provided at the top of Form 540NR. See page 3, Helpful Hints, Filing in your return.

If you file a joint return, show social security numbers in the same order that you show both names.

Step 2 Filing Status

Check only one of the boxes on line 1 through line 5. Be sure to enter the required information if you check a box on line 3, line 4 or line 5.

If you file federal Form 1040EZ, Form 1040A, Form 1040 or TeleFile your filing status for California must be the same as the filing status you used on your federal income tax return.

Exception: Married taxpayers who file a joint federal income tax return may file either a joint return or separate returns if either spouse was:

- An active member of the United States armed forces or any auxiliary military branch during 1997; or
- A nonresident for the entire year and had no income from California sources during 1997.

If you filed federal Form 1040NR or Form 1040NR-EZ, you do not qualify to use head of household or married filing joint filing statuses. Instead, use single, married filing separate or qualifying widow(er), whichever applies to you.

If You Are Married and File a Separate Return

If you check the box on line 3, you must enter your spouse's name on line 3 and social security number in the space provided in "Step 1."

Note: Community property rules may apply to the separation of income when you use the married filing separate status. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, and FTB Pub. 1051A, Guidelines For Married Filing Separate Returns.

If You File as Head of Household

If the qualifying person is a child but not your dependent, enter that child's name on line 4. Do not claim yourself or a nonrelative as the qualifying individual for head of household. Get FTB Pub. 1540, Tax Information for Head of Household, for more information.

Step 3

Exemptions

Line 6 – Dependent Check Box

Check the box on line 6 if your parent (or someone else) can claim you as a dependent on his or her tax return. For example, if your parents (or someone else) could claim you as a dependent on their return but they chose not to claim you, you must check the box on line 6.

Line 7 – Personal Exemptions

Did you check the box on line 6?

No Follow the instructions on Form 540NR, line 7.
Yes Ignore the instruction on Form 540NR, line 7. Instead, enter the amount shown below for your filing status:

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

Line 8 – Blind Exemptions

The first year you claim this exemption credit, you must attach a doctor's statement to the back of Form 540NR indicating that you or your spouse are visually impaired. You are visually impaired if you cannot see better than 20/200 while wearing glasses or contact lenses, or if your field of vision is not more than 20 degrees.

Caution: An individual who is someone else's dependent may not claim this credit.

Line 9 – Senior Exemptions

If you are 65 years of age or older, you should claim an additional exemption credit on line 9. If you are married, each spouse 65 years of age or older should claim an additional credit.

Caution: An individual who is someone else's dependent may not claim this credit.

Line 10 – Dependent Exemptions

To claim an exemption credit for each of your dependents, write each dependent's name and relationship to you in the space provided. The persons you list as dependents on your Form 540NR must be the same persons you listed as dependents on your federal income tax return. **Do not** list the same person you listed on line 4. Count the number of dependents listed and enter the total on line 10.

Step 4 Taxable Income

Refer to your completed federal income tax return and your Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, to complete "Step 4."

Line 12 – California Wages

Enter the total amount of your California wages from your Form(s) W-2. This amount should be shown in box 17 of Form W-2.

Line 14 – California Adjustments — Subtractions (from Schedule CA (540NR), line 32, column B)
 You must complete Schedule CA (540NR) to find the amount to enter on Form 540NR, line 14. Follow the instructions for Schedule CA (540NR) beginning on page 21. Enter the amount from Schedule CA (540NR), line 32, column B on Form 540NR, line 14.

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 amount in parentheses. For example: "(12,325)."

Line 16 – California Adjustments — Additions (from Schedule CA (540NR), line 32, column C)
 You must complete Schedule CA (540NR), to find the amount to enter on Form 540NR, line 16. Follow the instructions for Schedule CA (540NR) beginning on page 21. Enter the amount from Schedule CA (540NR), line 32, column C.

Line 17 – Adjusted Gross Income From All Sources
 Combine line 15 and line 16. This amount should be the same as the amount on Schedule CA (540NR), line 32, column D.

Line 18 – Standard Deduction OR Itemized Deductions
 You must decide whether to take the standard deduction or itemize your charitable contributions, medical expenses, etc. Your California income tax will be less if you take the **larger** of:

- Your California itemized deductions (total itemized deductions allowed under California law); or
- Your California standard deduction.

If you are married and file a separate return, both you and your spouse must either itemize your deductions or take the standard deduction.

Itemized deductions. Figure your California itemized deductions by completing Schedule CA (540NR), Part III, line 34 through line 39. Enter the result on Form 540NR, line 18. **Note:** If you did not itemize deductions on your federal income tax return but will itemize deductions for your California Form 540NR, first complete federal Schedule A, Itemized Deductions. Then complete Schedule CA (540NR), Part III, line 34 through line 39.

Standard deduction. Most people can find their standard deduction by looking at the California Standard Deduction Chart For Most People on this page. But, if you checked the box on Form 540NR, line 6, you must use the Standard Deduction Worksheet for Dependents, on this page.

California Standard Deduction Worksheet for Dependents

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

1. Enter your earned income from line 1 of the federal "Standard Deduction Worksheet for Dependents" in the instructions for federal Form 1040A or Form 1040; or from line A of the worksheet found on the back of federal Form 1040EZ; or if using federal TeleFile, enter your total wages from all Form(s) W-2 **1** _____
2. Minimum standard deduction **2** \$650.00
3. Compare the amounts on line 1 and line 2. Enter the **larger** of the two amounts here **3** _____
4. Enter the amount shown below for your filing status.
 - Single or married filing separate, enter \$2,583
 - Married filing joint, head of household or qualifying widow(er), enter \$5,166
 **4** _____
5. **Standard deduction.** Compare the amounts on line 3 and line 4. Enter the **smaller** of the two amounts here and on Form 540NR, line 18. **5** _____

Step 5 Tax When you figure your tax, be sure to use the correct filing status and taxable income amount.

Line 20 – California Adjusted Gross Income
 You must complete Schedule CA (540NR), column E to determine your California adjusted gross income. Follow the instructions for Schedule CA (540NR) beginning on page 21. Enter on Form 540NR, line 20 the amount from Schedule CA (540NR), line 32, column E.

Line 22 – Tax
 Figure your tax on the amount on line 19. Use one of the following methods and check the corresponding box on line 22:

- **Tax Table.** If your taxable income is \$50,000 or less, you must use the tax table on pages 28 through 30. Be sure you use the correct filing status column.
- **Tax Rate Schedules.** If your taxable income is over \$50,000, you must use the tax rate schedules on page 30.
- **FTB 3800.** Generally, you must use form FTB 3800, Tax Computation for Children With Investment Income, to figure the tax on the separate Form 540NR of your child who was under age 14 on January 1, 1998, and who had more than \$1,300 of investment income. Attach form FTB 3800 to the child's Form 540NR.
- **FTB 3803.** If, as a parent, you elect to report your child's interest and dividend income of \$6,500 or less (but not less than \$650) on your return, complete form FTB 3803, Parents' Election to Report Child's Interest and Dividends. You must file a separate form FTB 3803 for each child whose income you elect to include on your Form 540NR. Add the amount of tax, if any, from each form FTB 3803, line 8, to the amount of your tax from the tax table or tax rate schedules and enter the result on Form 540NR, line 22. Check the box labeled "FTB 3803." Attach form(s) FTB 3803 to your return.

Line 23 – Exemption Credits
 Exemption credits may reduce your tax, but the amount of the credits may be limited in two ways. It may be limited by federal adjusted gross income (AGI). And it may also be limited by California tentative minimum tax (TMT). To find out if your exemption credits may be affected by one or both of these limitations, use the following flowchart. The flowchart will help you determine if

California Standard Deduction Chart For Most People

Do not use this chart if your parent(s), or someone else, can claim you as a dependent on their tax return.

Your Filing Status	Enter On Line 18
1 – Single	\$2,583
2 – Married filing joint return.	\$5,166
3 – Married filing separate return	\$2,583
4 – Head of household.	\$5,166
5 – Qualifying widow(er)	\$5,166

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

Instructions: Form 540NR

you need to complete a worksheet or complete Schedule P (540NR) to figure the amount of your exemption credits available to reduce tax. If you are instructed to complete Schedule P (540NR), see page 31 for information about how to get California tax forms.

When you see a phone symbol followed by a three-digit number in the flowchart, you may get more information on the topic in that sentence by calling 1-800-338-0505, selecting general tax information, following the recorded instructions and entering the three-digit code when instructed.

1 If your filing status is: Is Form 540NR, line 13 more than:

Single or married filing separate	\$114,152
Married filing joint or qualifying widow(er)	\$228,305
Head of household	\$171,228

Yes Complete Worksheet I.
No Go to box 2

2 Did you complete federal Schedule C, D, E or F **and** claim or receive any of the following:

- 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; or
- Flow-through AMT adjustment from an estate or trust reported on Schedule K-1 (541).

Yes Get and complete Schedule P (540NR) through Part V, line 5 to figure the amount of your exemption credits.
No Go to box 3

3 Did you claim or receive any of the following:

- Investment interest expense 226;
- Income from incentive stock options in excess of the amount reported on your return. 225;
- Charitable contribution deduction for appreciated property. 224;
- Income from installment sales of certain property; or
- Net operating loss deduction or disaster loss carryover reported on form(s) FTB 3805V, 3805Z, 3806 or 3807.

Yes Get and complete Schedule P (540NR) through Part V, line 5 to figure the amount of your exemption credits.
No Go to box 4

4 If your filing status is: Is Form 540NR, line 17 more than:

Single or head of household	\$33,750
Married filing joint or qualifying widow(er)	\$45,000
Married filing separate	\$22,500

No Multiply \$68 by the amount on Form 540NR, line 11. Enter the result on Form 540NR, line 23. Check the box labeled "Flowchart."
Yes Go to box 5

5 If your filing status is: Is Form 540NR, line 17 more than:

Single or head of household	\$112,500
Married filing joint or qualifying widow(er)	\$150,000
Married filing separate	\$75,000

Yes Get and complete Schedule P (540NR) through Part V, line 5 to figure the amount of your exemption credits
No Go to box 6

6 Did you itemize deductions?
Yes Complete Worksheet III.
No Complete Worksheet II.

**WORKSHEET I —
Limiting the exemption credit by federal AGI**

a Multiply the total number of exemptions from Form 540NR, line 11 by \$68 **a** _____

b Enter the amount from Form 540NR, line 13 **b** _____

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

Single or married filing separate	\$114,152	} c _____
Married filing joint or qualifying widow(er)	\$228,305	
Head of household	\$171,228	

d Subtract line c from line b **d** _____

Is line d more than \$27,500 (more than \$13,750 if married filing separate)?
YES Enter -0- on this line, line h and on Form 540NR, line 23. Check the box labeled "Federal AGI limit." Skip lines e, f and g of this worksheet. Go to Form 540NR, line 24.
NO Go to line e.

e Divide line d by \$2,500 (\$1,250 if married filing separate). **Note:** If the result is not a whole number, round it to the next higher whole number **e** _____

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

g Multiply line f by the total number of exemptions from Form 540NR, line 11 **g** _____

h Subtract line g from line a **h** _____

If the result is more than zero, enter the result. Get and complete Schedule P (540NR) through Part V, line 5. If the result is zero or less than zero, enter -0- on line h and on Form 540NR, line 23. Check the box labeled "Federal AGI limit." Go to Form 540NR, line 24.

WORKSHEET II — Exemption credit worksheet for taxpayers claiming the standard deduction

1 Enter the amount from Form 540NR, line 22 **1** _____

2 Enter the amount from Form 540NR, line 17 **2** _____

3 Exclusion. If you file federal Schedule C, D, E or F see Trade or Business Exclusion on the next page. Otherwise, enter -0- **3** _____

4 Subtract line 3 from line 2 **4** _____

5 Enter the amount for your filing status on line 5:

Single or head of household	\$33,750	} 5 _____
Married filing joint or qualifying widow(er)	\$45,000	
Married filing separate	\$22,500	

6 Subtract line 5 from line 4. If zero or less, enter -0- **6** _____

7 Multiply line 6 by .07 **7** _____

8 Subtract line 7 from line 1. If zero or less, enter -0- **8** _____

9 Multiply the amount from Form 540NR, line 11 by \$68 **9** _____

10 Enter the smaller of line 8 or line 9 **10** _____

This is your allowable exemption credit. Enter this amount on Form 540NR, line 23 and check the box labeled "California TMT limit." Go to Form 540NR, line 24.

WORKSHEET III — Exemption credit worksheet for taxpayers claiming itemized deductions

- A Enter the amount from Form 540NR, line 22 A _____
- B Enter the smaller of federal Schedule A, line 4 (medical and dental expense); or 2½% of Form 1040, line 32 (federal AGI) B _____
- C Enter personal property and real property taxes paid and included on federal Schedule A, line 6, line 7 or line 8 C _____
- D Enter certain interest on a home mortgage **not** used to buy, build or improve your home. ☎ 223 D _____
- E Enter miscellaneous itemized deductions from federal Schedule A, line 26 E _____
- F Add line B through line E F _____
- G Enter the amount from Form 540NR, line 19 (taxable income) G _____
- H Add line F and line G H _____
- I Exclusion. If you file federal Schedule C, D, E or F see Trade or Business Exclusion in the next box. Otherwise, enter -0- I _____
- J Subtract line I from line H J _____
- K Enter the amount for your filing status on line K:

Single or head of household \$33,750	}	K _____
Married filing joint or qualifying widow(er) \$45,000		
Married filing separate \$22,500		
- L Subtract line K from line J. If zero or less, enter -0- L _____
- M Multiply line L by .07 M _____
- N Subtract line M from line A. If zero or less, enter -0- N _____
- O Multiply the amount from Form 540NR, line 11 by \$68 O _____
- P Enter the smaller of line N or line O P _____

Note: If line N is smaller than line O and if you reported the refund of personal property tax or real property tax on federal Form 1040, line 10 (this does not include your state income tax refund), you may benefit from figuring your exemption credit limitation on Schedule P.

Trade or Business Exclusion

If your aggregate gross receipts from trade or business income are less than \$1,000,000 as described below, enter your total taxable trade or business income on line 3 (if you are using Worksheet II) or on line I (if you are using Worksheet III). You qualify for the exclusion if you:

- Own or have an ownership interest in a trade or business; **and**
- Have **aggregate gross receipts, less returns and allowances**, during the taxable year of less than \$1,000,000 from **all** trades or businesses for which you are the owner or have an ownership interest. Gross receipts may include, but are not limited to, items reported on federal Schedule C, D, E (other than income from a trust) or F and from federal Form 4797 (figured in accordance with California law) or California Schedule D-1 (if required to complete it) that are associated with a trade or business. In the case of an ownership interest, you include only the proportional share of gross receipts of any trade or business from a partnership S corporation, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC) in accordance with your ownership interest in the enterprise. Apply the \$1,000,000 test to the return regardless of filing status. The threshold does not become \$2,000,000 for married filing joint taxpayers.

Definitions.

“**Aggregate gross receipts, less returns and allowances**” means the sum of the gross receipts of the trade or businesses which you own and the **proportionate interest** of the gross receipts of the trades or businesses which you own and of pass-through entities in which you hold an interest.

“**Gross receipts less returns and allowances**” means the sum of the gross receipts from the production of business income, as defined in R&TC Section 25120(a), and the gross receipts from the production of nonbusiness income, as defined in R&TC Section 25120(d).

“**Proportionate interest**” means:

1. In the case of a pass-through entity which reports a profit for the taxable or income year, your profit interest in the entity at the end of your taxable year.
2. In the case of a pass-through entity which reports a loss for the taxable or income year, your loss interest in the entity at the end of your taxable year.
3. In the case of a pass-through entity which is sold or liquidates during the taxable or income year, your capital account interest in the entity at the time of the sale or liquidation.

“**Proportionate interest**” includes an interest in a pass-through entity including a partnership, S corporation, RIC, REIT or REMIC.

Line 26 – Tax from Schedule G-1 and form FTB 5870A

Check the applicable box(es) and enter the amount of taxes from:

- Schedule G-1, Tax on Lump-Sum Distributions; and
- Form FTB 5870A, Tax on Accumulation Distribution of Trusts.

Step 6 Credits

A variety of California tax credits are available to reduce your tax if you qualify.

To figure and claim most credits, you must complete a separate form or schedule and attach it to your Form 540NR. The Credit Chart in the instructions for line 37 describes the credits and provides the name, credit code and number of the required form or schedule. Many credits are limited by a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by TMT.

Are you claiming any credits listed on the Credit Chart?

- NO** Enter the amount from line 28 on line 43 and continue to line 44.
- YES** Figure the amount of your credit using the form, schedule or worksheet identified in the Credit Chart. Then answer the following questions to see if the total amount you may claim for all credits is limited by TMT.

1. Were you instructed in Step 5 to complete Schedule P (540NR)?
 - No** Go to Question 2.
 - Yes** Complete Schedule P (540NR), Part VI.
2. Did you complete Worksheet I in Step 5 **and** enter zero on Worksheet I, line h?
 - No** Go to Question 3.
 - Yes** Get and complete Schedule P (540NR), Parts I, II, III, IV, V and VI.
3. Were your exemption credits limited in Step 5 by Worksheet II or Worksheet III?
 - Yes** Get and complete Schedule P (540NR), Part VI.
 - No** Complete the following worksheet:
 - a. Multiply the amount from Worksheet II, line 8, or from Worksheet III, line N by the ratio on Form 540NR, line 25a a _____
 - b. Enter the amount from Form 540NR, line 26 b _____
 - c. Add line a and line b c _____
 - d. Multiply the amount from Form 540NR, line 23 by the ratio on Form 540NR, line 25a d _____
 - e. Subtract line d from line c e _____
 - f. Enter the total of your credits f _____
 - If line e is more than line f, your credits are not limited. Go to line 31.
 - If line e is less than line f, get and complete Schedule P (540NR). See page 31 for information on ordering forms.

Carryovers: If you claim a credit with carryover provisions and the amount of the credit available this year exceeds your tax, you may carry over any excess credit to future years until the credit is used.

If you need to complete Schedule P (540NR) and if you claim any of the credits on line 31 through line 33, do not enter an amount on line 31 through line 33. Instead, enter the total amount of these credits from Schedule P (540NR), Part VI, Section A1, line 9 through line 11, on Form 540NR, line 36. Do not follow the instructions for line 36. Write “Schedule P (540NR)” to the left of the amount entered on line 36.

Instructions: Form 540NR

Line 31 – Credit for Joint Custody Head of Household

Note: You may not claim this credit if you used either the head of household or the qualifying widow(er) filing status.

You may claim a credit if you were unmarried at the end of 1997; (or if married, you lived apart from your spouse for all of 1997; and you used the married filing separate filing status); and if you furnished more than one-half the household expenses for your home that also served as the home of your child, step-child or grandchild for at least 146 days but not more than 219 days of your taxable year. If the child is married, you must be entitled to claim a dependent exemption for the child.

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

Use the worksheet below to figure this credit.

1. Enter the amount from Form 540NR, line 24 **1** _____
2. Enter the Schedule G-1 tax, if any, included on Form 540NR, line 26. **2** _____
3. Add line 1 and line 2 **3** _____
4. Credit percentage — 30% **4** x .30
5. Credit amount. Multiply line 3 by line 4. Enter the result or \$275, whichever is less **5** _____

Line 32 – Credit for Dependent Parent

Note: You may not claim this credit if you used the single, head of household, qualifying widow(er) or married filing joint filing status.

You may claim this credit only if:

- You were married at the end of 1997 and you used the married filing separate filing status;
- Your spouse was not a member of your household during the last six months of the year; and
- 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.

Line 33 – Credit for Senior Head of Household

You may claim this credit if you:

- Were 65 years of age or older on December 31, 1997;
- Qualified as a head of household in 1995 or 1996 by providing a household for a qualifying individual who died during 1995 or 1996; and
- Did not have adjusted gross income over \$44,648 for 1997.

Note: If you meet all the conditions listed, you do not need to qualify to use the head of household filing status for 1997 in order to claim this credit.

Use the worksheet below to figure this credit.

1. Enter the amount from Form 540NR, line 19 **1** _____
2. Credit percentage — 2% **2** x .02
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$841, whichever is less **3** _____

Line 36 – Add the amounts on line 31 through line 33. Multiply the total by the ratio on Side 1, line 25a. Enter the result on line 36. If you completed Schedule P (540NR), see the paragraph above the instructions for line 31.

Line 37 through Line 40 – Additional Credits

Each credit has a code number. To claim only one, two or three credits, enter the credit name, code number and amount of the credit on line 37, line 38 and line 39. To claim more than three credits, get Schedule P (540NR). List three of the credits on line 37, line 38 and line 39. Enter on line 40 the total of any remaining credits from Schedule P (540NR).

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

CREDIT CHART

Credit Name	Code	Description
Child Adoption – Worksheet follows this chart.	197	50% of qualified costs in the year an adoption is ordered
Community Development Financial Institution Deposits — obtain certification from: California Organized Investment Network (COIN), Department of Insurance, 300 Capitol Mall, Suite 1460, Sacramento CA 95814	209	20% of each qualified deposit made to a community development financial institution
Dependent Parent – See line 32 instructions.	173	Must use married filing separate filing status 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
Employer Child Care Contribution – FTB 3501	190	Employer: 30% of contributions to a qualified plan
Employer Child Care Program – FTB 3501	189	Employer: Cost of establishing a child care program or constructing a child care facility
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California
Enterprise Zone Employee – FTB 3553	169	5% of wages from work in an enterprise zone
Enterprise Zone Hiring & Sales or Use Tax – FTB 3805Z	176	Business incentives for enterprise zone businesses
Farmworker Housing – obtain certification from: Farmworker Housing Assistance Program, California Tax Credit Allocation Committee, 915 Capitol Mall, Room 485, Sacramento CA 95814	207	50% of new construction or rehabilitation costs for farmworker housing

(continued on next page)

CREDIT CHART (continued)

Credit Name	Code	Description
Joint Custody Head of Household – See line 31 instructions	170	30% of tax up to \$275 for single or married filing separate taxpayers who have a child and meet support test
Local Agency Military Base Recovery Area (LAMBRA) Hiring & Sales or Use Tax – FTB 3807	198	Business incentives for LAMBRA
Los Angeles Revitalization Zone (LARZ) Hiring & Sales or Use Tax – FTB 3806	159	Business incentives for LARZ
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Manufacturers' Investment – FTB 3535	199	6% of the cost of qualified property
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California
Prior Year Alternative Minimum Tax – FTB 3510	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 1997
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Program Area Hiring & Sales or Use Tax – FTB 3805Z	177	Business incentives for program areas passed through from a 1996 fiscal year filer. See the FTB 3805Z Booklet for more information.
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Rice Straw – obtain certification from: Rice Straw Tax Credit Program, Department of Food and Agriculture, 1220 N Street Room 409, Sacramento, CA 95814	206	\$15 per ton of purchased rice straw grown in California
Salmon & Steelhead Trout Habitat Restoration – obtain certification from: Department of Fish and Game, c/o FISH-Timber Tax Credits Program, PO Box 944209, Sacramento CA 95244-2090	200	10% of qualified costs or other amount determined by the Department of Fish and Game
Senior Head of Household – See line 33 instructions.	163	2% of taxable income up to \$841 for seniors who qualified for head of household and the qualifying individual died during 1995 or 1996

Repealed Credits: The expiration dates for these credits have passed. However, these credits had carryover features. You may claim these credits only if there is a carryover available from prior years. If you are not required to complete Schedule P (540NR), get form FTB 3540, Credit Carryover Summary, to figure your credit carryover to future years.

Agricultural Products	175	Energy Conservation	182	Solar Energy	180
Commercial Solar Electric System	196	Orphan Drug	185	Solar Pump	179
Commercial Solar Energy	181	Low-Emission Vehicles	160	Water Conservation	178
Employee Ridesharing	194	Political Contributions	184	Young Infant	161
Employer Ridesharing: Large employer	191	Recycling Equipment	174		
Small employer	192	Residential Rental & Farm Sales	186		
Transit passes	193	Ridesharing	171		

Credit for Child Adoption Costs — Code 197

For the year in which an order of adoption is entered, you may claim a credit for 50% of the cost of adopting a child who is a citizen or legal resident of the United States and who was in the custody of a California public agency or a California political subdivision. You may include the following costs if directly related to the adoption process:

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

Note: Any deduction for the expenses upon which this credit is based must be reduced by the amount of the child adoption costs credit claimed.

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

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

Your allowable credit is limited to \$2,500 for 1997. You may carry over the excess credit to future years until the credit is used.

Line 43 – Subtract the amount on line 42 from the amount on line 28. Enter the result on line 43. If the amount on line 42 is more than the amount on line 28, enter -0-. If you owe interest on deferred tax from installment obligations, include the additional tax, if any, in the amount you enter on line 43. Write "IRC Section 453 interest" or "IRC Section 453A interest" and the amount on the dotted line to the left of the amount on line 43.

Step 7

Other Taxes

Attach the specific form or statement required for each item in this step.

Line 44 – 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:

- \$45,000 if you are married filing joint or qualifying widow(er); or
- \$33,750 if you are single or head of household; or
- \$22,500 if you are married filing separate.

As the result of legislation enacted in 1996, AMT income shall 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.

A child under age 14 may owe AMT if the sum of the amount on line 19 (taxable income) and any preference items listed on Schedule P (540NR) and included on the

Instructions: Form 540NR

return is more than the sum of \$1,300 plus the child's earned income.

Get Schedule P (540NR) and its instructions for more information. See page 31 for information on ordering forms.

Line 45 – Other Taxes and Credit Recapture

If you used form(s) FTB 3501, Employer Child Care Program/Contribution Credit; FTB 3535, Manufacturers' Investment Credit; FTB 3805P, Additional Taxes Attributable to Qualified Retirement Plans (Including IRAs), Annuities and Modified Endowment Contracts; FTB 3805Z, Enterprise Zone Deduction and Credit Summary; FTB 3806, Los Angeles Revitalization Zone (LARZ) Deduction and Credit Summary; or FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary; include the additional tax, if any, on line 45. Write the form number on the dotted line to the left of the amount on line 45.

**Step 8
Payments**

Make sure you have your Form(s) W-2, W-2G, 1099-MISC, 1099-R, 592-B, 594 and 597 before you begin this step.

If you received wages and do not have a Form W-2, see the instructions for "Sign Your Return" on page 14.

Line 47 – California Income Tax Withheld

Enter the total California income tax withheld and shown on your:

- Form(s) W-2, box 18;
- Form(s) W-2G, box 14;
- Form(s) 1099-MISC, box 11;
- Form(s) 1099-R, box 10; or
- Form(s) FTB 592-B, 594 or 597.

Caution: Do not include city or county tax withheld or tax withheld by other states.

If you received Form(s) 1099 showing California income tax withheld ("backup withholding") on dividends and interest income, real estate sales and partnership distributions, include the amount(s) withheld in the total on line 47.

Line 48 – 1997 CA Estimated Tax Payments and Amount Applied from 1996 Return

Enter the total of any:

- California estimated tax payments you made (Form 540-ES) for 1997;
- Overpayment from your 1996 California income tax return that you applied to your 1997 estimated tax;
- Payment you sent with form FTB 3519, Payment Voucher for Automatic Extension for Individuals; and
- California estimated tax payments made on your behalf by an estate or trust on Schedule K-1 (541).

Note: If you are including an amount from Schedule K-1 (568), write "LLC" on the dotted line to the left of the amount on line 48.

If you and your spouse paid joint estimated tax but are filing separate returns, either of you may claim all of the amount paid or you may each claim part of it. Attach a statement signed by you and your spouse explaining how you want your payments divided. Be sure to show both social security numbers on the separate returns. If you or your spouse paid separate estimated tax, but are filing a joint income tax return, add the amounts you each paid. Attach a statement to the front of Form 540NR explaining that payments have been made under both social security numbers.

Line 50 – Excess California SDI (or VPDI) Withheld

If more than \$158.84 of California State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) was withheld from your wages by a single employer or if

an employer withheld SDI (or VPDI) at a rate of more than .5% of your gross wages, you may **not** claim excess SDI (or VPDI) on your Form 540NR, line 50. Contact the employer for a refund.

You may claim a credit for excess California SDI (or VPDI) only if:

- You had **two or more** employers during 1997;
- You received more than \$31,767 in wages during 1997 from these employers;
- Your employers combined withheld more than \$158.84 of SDI (or VPDI) from your wages; and
- The amounts of SDI (or VPDI) withheld appear on your Forms W-2. Be sure to attach your Forms W-2 to your Form 540NR.

Complete the following worksheet to figure the amount to enter on line 50. If you are married and file a joint return, you must figure the amount of excess SDI (or VPDI) **separately for each spouse**.

	You	Your Spouse
1. Add amounts of SDI (or VPDI) withheld shown on your Forms W-2. Enter the total here. 1		
2. 1997 SDI (or VPDI) limit 2	\$158.84	\$158.84
3. Excess SDI (or VPDI) withheld. Subtract line 2 from line 1. Enter the result here and on Form 540NR, line 50 3		

Note: If zero or less, enter -0- on line 50.

Step 9

Overpaid Tax or Tax Due

To avoid a delay in the processing of your return, be sure you enter the correct amounts on line 52 through line 55.

Line 52 – Overpaid Tax

If the amount on line 51 is more than the amount on line 46, subtract the amount on line 46 from the amount on line 51. Enter the result on line 52. Your payments and credits are more than your tax.

Line 53 – Amount You Want Applied to Your 1998 Estimated Tax

You may apply all or part of the amount on line 52 to your 1998 estimated tax. Enter on line 53 the amount of line 52 you want applied to 1998.

Line 54 – Overpaid Tax Available This Year

If you entered an amount on line 53, subtract it from the amount on line 52. Enter the result on line 54. You may have this entire amount refunded to you or you may make contributions to the California Seniors Special Fund or make voluntary contributions from this amount. If you make a contribution, skip line 55 and go to the instructions for "Step 10."

Line 55 – Tax Due

If the amount on line 51 is less than the amount on line 46, subtract the amount on line 51 from the amount on line 46. Enter the result on line 55. 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 55 is \$100 or more; and
- The amount of state income tax withheld on line 47 is less than 80% of the amount of your total tax on line 46.

If you owe a penalty, the Franchise Tax Board will compute the penalty and send you a bill.

You may make contributions to the California Seniors Special Fund or make voluntary contributions by adding them to the tax due. You must pay the full amount of tax due, including contributions, when you file your Form 540NR.

Step 10
**Contri-
butions**

You may make contributions in whole-dollar amounts only. If you make one or more contributions, you must complete "Step 10." You may contribute to only the following funds and cannot change the amount you contributed after the return is filed.

If you have overpaid tax available on line 54, the amount you contribute must be subtracted from your overpaid tax available. If you have tax due on line 55, your total contributions must be added to your tax due.

Line 56 – Contribution to California Seniors Special Fund

If you or your spouse claim the senior exemption credit on line 9, you may each make a contribution of up to \$68 to the California Seniors Special Fund. Your contribution will be used to support the work of the area Agency on Aging Council of California in its role as an advocate for California seniors. All contributions over those needed for this work will be used to provide direct services to seniors such as meals, adult day care and transportation. The actual use of the funds will be determined at the local level by the area Agency on Aging, its Advisory Council of Seniors and the senior community.

Use the worksheet below to figure your contribution.

1. If you contribute, enter \$68; if you and your spouse contribute, enter \$136 **1** _____
2. Enter the ratio from Form 540NR, line 25a. **2** _____
3. Contribution amount. Multiply line 1 by line 2. Enter the result (rounded to the nearest whole dollar) here. **3** _____

You may contribute any amount up to the amount on line 3. Enter your contribution on line 56.

Voluntary Contributions

You may make voluntary contributions of \$1 or more in whole dollar amounts.

Line 57 – Alzheimer’s Disease/Related Disorders Fund

Contributions entered on line 57 will be used to conduct a program for researching the cause and cure of Alzheimer’s disease and related disorders and research into the care and treatment of persons suffering from dementing illnesses.

Line 58 – California Fund for Senior Citizens

Contributions entered on line 58 will be used by the California Fund for Senior Citizens which supports direct services to seniors and the work of the California Senior Legislature. The California Senior Legislature is non-partisan, volunteer, grass roots body of seniors 60 years of age or older, elected by their peers. The California Senior Legislature has been instrumental in creating and steering senior legislation through the regular legislature; legislation, such as: Alzheimer Studies and Research; Adult Day Health Care Centers; nutrition centers; respite care; long term care; the funding and broadening of In Home Support Services; programs to abolish abuse of seniors; skilled nursing facility reforms; and many more. All donations over those needed to carry out the California Senior Legislature’s work, will be distributed for direct services to needy seniors.

Line 59 – Rare and Endangered Species Preservation Program

Contributions entered on line 59 will help to 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.

Line 60 – State Children’s Trust Fund for the Prevention of Child Abuse

Contributions entered on line 60 will be used to fund programs for the prevention, intervention and treatment of child abuse and neglect.

Line 61 – California Breast Cancer Research Fund

Contributions entered on line 61 will be used to conduct research relating to the prevention, screening, cure and treatment of breast cancer.

Line 62 – California Firefighters’ Memorial Fund

Contributions entered on line 62 will be used for the construction of a memorial on the grounds of the State Capitol honoring the hundreds of firefighters who have died protecting our neighborhoods, our homes, our families and our dreams. These brave men and women answered the call when fire alarms sounded or when hazardous, cancer-causing elements needed to be removed, and their sacrifices and the sacrifices of their families deserve to be remembered.

Line 63 – California Public School Library Protection Fund

Contributions entered on line 63 will be expended for the purchase of books and other library resources through grants awarded for implementing a school library improvement plan.

Line 64 – D.A.R.E. California (Drug Abuse Resistance Education) Fund

Contributions entered on line 64 will be used to support local D.A.R.E. programs and provide proven effective, in-classroom anti-drug, anti-gang and anti-violence education for California school children.

Line 65 – California Military Museum Fund

Contributions entered on line 65 will be used to support the museum’s effort to: 1) collect, exhibit, and preserve California’s military history from 1775 to date; 2) assist in educating the general public, especially school children, about our American military heritage and thus instill pride therein; 3) recognize all branches of the U.S. Armed Forces and the contributions of ethnicities and their members throughout our proud military history; and 4) maintain and operate the facilities required.

Line 66 – Total Contributions

Add line 56 through line 65. Enter the result on line 66. If you show an amount on line 54, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 55, you must add your total contributions to your tax due.

Step 11
Refund or
Amount
You Owe

Be sure to add or subtract correctly to figure the amount of your refund or the amount you owe.

Line 67 – Refund or No Amount Due

If you did not enter an amount on line 66, enter the amount from line 54 on line 67. This is the amount that will be refunded to you. If this amount is less than \$1, you must attach a written request to your Form 540NR requesting the refund.

If you entered an amount on line 66, subtract it from the amount on line 54. If the result is zero or more, enter it on line 67. Then skip to the instructions for line 69.

If the result is less than zero, your contributions are more than your overpaid tax available on line 54. In this case, do not enter an amount on line 67. Instead, enter the result on line 68 and see the instructions for line 68.

Instructions: Form 540NR

Line 68 – Amount You Owe

If you did not enter an amount on line 66, enter the amount from line 55 on line 68. This is the amount you owe with your Form 540NR.

If you entered an amount on line 66, add that amount to the amount on line 55. Enter the result on line 68. This is the amount you owe with your Form 540NR.

- Make your check or money order payable to the "Franchise Tax Board" for the full amount you owe. Do not send cash. Be sure to write your social security number and "1997 Form 540NR" on your check or money order;
- Fill in Form 540-V, Return Payment Voucher for Individuals, located on page 4; and
- Attach your check or money order and Form 540-V to your return. See page 3, Helpful Hints.

A penalty may be imposed for a check returned by your bank for insufficient funds. To avoid a late filing penalty, file your return by the due date even if you cannot pay the amount you owe.

Do not combine your 1997 tax payment and any 1998 estimated tax payment in the same check. You must send two separate checks and mail the checks in separate envelopes to different addresses.

If you cannot pay the full amount shown on line 68 with your return, you may request to make monthly payments. See page 5, Additional Information, Installment Payments, for more information.

Step 12 Interest & Penalties

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

Note: Do not reduce the amount on line 52 or increase the amount on line 55 by any penalty or interest amounts.

Line 69 – Interest and Penalties

Enter on line 69 the amount of interest and penalties included in your payment.

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.

Late Filing of Return

The maximum total penalty is 25% of the tax not paid if the return is filed after October 15, 1998. The minimum penalty for filing a return more than 60 days late is \$100 or 100% of the balance of tax due, whichever is less.

Late Payment of Tax

The penalty is 5% of the tax not paid when due plus ½% for each month, or part of a month, the tax remains unpaid.

Other Penalties

Other penalties can be imposed for a check returned for insufficient funds, negligence, substantial understatement of tax and fraud.

Line 70 – Underpayment of Estimated Tax

You may owe a penalty if:

- Line 55 is \$100 (\$50 if married filing separate) or more and more than 20% of the tax shown on line 43 (excluding the tax on lump-sum distributions on line 26), or
- You underpaid your 1997 estimated tax liability for any payment period.

The Franchise Tax Board can figure the penalty for you when you file your return and send you a bill. Or, to see if you owe any penalty and to figure the amount of the penalty, get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries (or form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen). If you complete one of these forms, enter the amount of the penalty on line 70 and check the box at line 70. You must 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.

Line 71 – 1998 Tax Forms

If your Form 540NR is prepared by someone else, or if you do not need forms mailed to you next year, check the box at line 71.

Sign Your Return

You must sign your return in the space provided on Side 2. If you file a joint return, your spouse must sign it also.

Paid Preparer's Information

If you pay a person to prepare your Form 540NR, that person must sign and complete the area at the bottom of Side 2. A paid preparer must give you two copies of your return: one to file with the Franchise Tax Board, and one to keep for your records.

Attachments

You must attach Copy 2 of all Form(s) W-2, W2-G, 1099-R, 592-B, 594 and 597 to the front of your Form 540NR. You must also attach a copy of your federal return.

If you do not receive your Form(s) W-2 by January 31, 1998, contact your employer. Only your employer can give or correct a Form W-2. If you cannot get a copy of your Form(s) 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 page 31 for information on ordering forms.

If you forget to send your Form(s) W-2 with your Form 540NR, do not send it until the Franchise Tax Board requests the Form(s) W-2 from you.

Mailing Addresses

If you have a refund, or no amount due, mail your return to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0000

If you owe money, mail your return to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

Keep a Copy of Your California Income Tax Return

The Franchise Tax Board may request information from you regarding your California income tax return within the California statute of limitations period, which is usually the later of four years from the due date of the return or from the date the return is filed. Keep a copy of your 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 they are needed to figure the basis of the original or replacement property.



California Nonresident or Part-Year Resident Income Tax Return 1997

FORM

540NR

Fiscal year filers, enter year ending: month _____ year 1 9 9 8

Step 1 Name and Address

Use mailing label or print.

Your first name	Initial	Last name	Your social security number				Do Not Write In These Spaces
If joint return, spouse's first name	Initial	Last name	Spouse's social security number				
Present home address — number and street including PO Box or rural route						Apt. no.	
City, town or post office					State	ZIP Code	

Step 2 Filing Status

Check only one.

- 1 Single
- 2 Married filing joint return (even if only one spouse had income)
- 3 Married filing separate return. Enter spouse's social security number above and full name here _____
- 4 Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
- 5 Qualifying widow(er) with dependent child. Enter year spouse died 19_____.

Step 3 Exemptions

Attach check or money order and Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, check the box here ● 6
- 7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see page 6 7
- 8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2 8
- 9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2 ● 9
- 10 Dependents: Enter name and relationship. Do not include yourself, your spouse or the person listed on line 4. _____
Enter the total number of dependents 10
- 11 Add line 7 through line 10. These are your total exemptions 11

Step 4 Taxable Income

Attach copy of your Form(s) W-2, W-2G, 1099-R, 592-B, 594 and 597 here.

- 12 Total California wages from all your Form(s) W-2, box 17 ● 12
- 13 Federal adjusted gross income from Form 1040, line 32; Form 1040A, line 16; Form 1040EZ, line 4; TeleFile Tax Record, line H; or Form 1040NR, line 32 13
- 14 California adjustments – subtractions. Enter the amount from Schedule CA (540NR), line 32, column B. ● 14
Caution: If the amount on Schedule CA (540NR), line 32, column B is a negative number, see page 7.
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 7 15
- 16 California adjustments – additions. Enter the amount from Schedule CA (540NR), line 32, column C . . ● 16
Caution: If the amount on Schedule CA (540NR), line 32, column C is a negative number, see page 7.
- 17 Adjusted gross income from all sources. Combine line 15 and line 16 ● 17
- 18 Enter the larger of:

}	Your California itemized deductions from Schedule CA (540NR), line 39; OR	} ● 18
	Your California standard deduction shown below for your filing status:		
	• Married filing joint, Head of household, or Qualifying widow(er) . . . \$5,166		
	• Single or Married filing separate \$2,583		
(Dependent of someone else and checked box on line 6. . . . See page 7)			
- 19 Subtract line 18 from line 17. If less than zero, enter -0-. This is your taxable income. 19

Step 5 Tax

- 20 California adjusted gross income from Schedule CA (540NR), line 32, column E ● 20
- 22 Tax on the amount shown on line 19. Check if from: Tax Table Tax Rate Schedules FTB 3800 or FTB 3803 ● 22
Caution: If under age 14 and you have more than \$1,300 of investment income, read the line 22 instructions to see if you must attach form FTB 3800.
- 23 Exemption credits. **Caution:** See the line 23 instructions before making an entry on this line. Check if from Flowchart Federal AGI limit or California TMT limit ● 23
- 24 Subtract line 23 from line 22. If less than zero, enter -0- 24
- 25a Ratio. Enter the ratio from Schedule CA (540NR), line 33 25a
- 25b Multiply line 24 by the ratio on line 25a. 25b
- 26 Tax. Check if from Schedule G-1, Tax on Lump-Sum Distributions; and form FTB 5870A, Tax on Accumulation Distribution of Trusts ● 26
- 27 Add line 25b and line 26. Continue to Side 2 ● 27



Step 6
Credits

28	Amount from Side 1, line 27		28
31	Credit for joint custody head of household. See page 10	● 31	
32	Credit for dependent parent. See page 10	● 32	
33	Credit for senior head of household. See page 10	● 33	
36	Add line 31 through line 33. Multiply the total by the ratio on Side 1, line 25a	● 36	
37	Enter credit name _____ code no. _____ and amount _____	▶ 37	
38	Enter credit name _____ code no. _____ and amount _____	▶ 38	
39	Enter credit name _____ code no. _____ and amount _____	▶ 39	
40	To claim more than three credits, see page 10	● 40	
42	Add line 36 through line 40. These are your total credits		42
43	Subtract line 42 from line 28. If less than zero, enter -0-		43

Step 7
Other Taxes

44	Alternative minimum tax. Attach Schedule P (540NR)	● 44	
45	Other taxes and credit recapture. See page 12	● 45	
46	Add line 43 through line 45. This is your total tax	● 46	

Step 8
Payments

47	California income tax withheld. Enter total from your 1997 Form(s) W-2, W-2G, 1099-MISC, 1099-R, 592-B, 594 or 597. Also attach the Form(s) to Side 1	■ 47	
48	1997 CA estimated tax and amount applied from your 1996 return. Include the amount from form FTB 3519 or Schedule K-1 (541) and K-1 (568)	■ 48	
50	Did either you or your spouse receive more than \$31,767 in wages in 1997? Yes. See page 12 No. Go to line 51	■ 50	
51	Add line 47 through line 50. These are your total payments		51

Step 9
Overpaid Tax or Tax Due

52	Overpaid tax. If line 51 is more than line 46, subtract line 46 from line 51		52
53	Amount of line 52 you want applied to your 1998 estimated tax	■ 53	
54	Overpaid tax available this year. Subtract line 53 from line 52	■ 54	
55	Tax due. If line 51 is less than line 46, subtract line 51 from line 46		55

Step 10
Contributions

56	Contribution to California Seniors Special Fund. See page 13 You may make a contribution of \$1 or more to:	● 56	
57	Alzheimer's Disease/Related Disorders Fund	● 57	00
58	California Fund for Senior Citizens	● 58	00
59	Rare and Endangered Species Preservation Program	● 59	00
60	State Children's Trust Fund for the Prevention of Child Abuse	● 60	00
61	California Breast Cancer Research Fund	● 61	00
62	California Firefighters' Memorial Fund	● 62	00
63	California Public School Library Protection Fund	● 63	00
64	D.A.R.E. California (Drug Abuse Resistance Education) Fund	● 64	00
65	California Military Museum Fund	● 65	00
66	Add line 56 through line 65. These are your total contributions	● 66	

Step 11
Refund or Amount You Owe

67	REFUND OR NO AMOUNT DUE. Subtract line 66 from line 54. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0000	■ 67	\$	
68	AMOUNT YOU OWE. Add line 55 and line 66. Make a check/money order payable to "Franchise Tax Board" for the full amount. Write your social security number and "1997 Form 540NR" on it. Complete Form 540-V. Attach both to the front of your Form 540NR and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001	■ 68	\$	

Step 12
Interest and Penalties

69	Interest, late return penalties and late payment penalties		69
70	Underpayment of estimated tax. If form FTB 5805 or 5805F is attached, check here	<input type="checkbox"/> ■ 70	
71	If you do not need California income tax forms mailed to you next year, check here	● 71 <input type="checkbox"/>	

Sign Here

It is unlawful to forge a spouse's signature.

Important: You must attach a copy of your federal return to this return.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. 9

Your signature _____ Daytime phone number _____
 () _____

Spouse's signature (if filing joint, both must sign) _____ Date _____

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Preparer's SSN/FEIN _____

Firm's name (or yours if self-employed) _____ Firm's address _____

California Nonresident or Part-Year Resident Income Tax Return 1997

FORM

540NR

Fiscal year filers, enter year ending: month _____ year 1 9 9 8

Step 1 Name and Address

Use mailing label or print.

Your first name	Initial	Last name	Your social security number	Do Not Write In These Spaces
If joint return, spouse's first name	Initial	Last name	Spouse's social security number	
Present home address — number and street including PO Box or rural route			Apt. no.	
City, town or post office		State	ZIP Code	

Step 2 Filing Status

Check only one.

- 1 Single
- 2 Married filing joint return (even if only one spouse had income)
- 3 Married filing separate return. Enter spouse's social security number above and full name here _____
- 4 Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
- 5 Qualifying widow(er) with dependent child. Enter year spouse died 19_____.

Step 3 Exemptions

Attach check or money order and Form 540-V here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their tax return, check the box here ● 6
- 7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see page 6 7
- 8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2 8
- 9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2 ● 9
- 10 Dependents: Enter name and relationship. Do not include yourself, your spouse or the person listed on line 4. _____
Enter the total number of dependents 10
- 11 Add line 7 through line 10. These are your total exemptions 11

Step 4 Taxable Income

Attach copy of your Form(s) W-2, W-2G, 1099-R, 592-B, 594 and 597 here.

- 12 Total California wages from all your Form(s) W-2, box 17 ● 12
- 13 Federal adjusted gross income from Form 1040, line 32; Form 1040A, line 16; Form 1040EZ, line 4; TeleFile Tax Record, line H; or Form 1040NR, line 32 13
- 14 California adjustments — subtractions. Enter the amount from Schedule CA (540NR), line 32, column B. ● 14
Caution: If the amount on Schedule CA (540NR), line 32, column B is a negative number, see page 7.
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 7 15
- 16 California adjustments — additions. Enter the amount from Schedule CA (540NR), line 32, column C . . ● 16
Caution: If the amount on Schedule CA (540NR), line 32, column C is a negative number, see page 7.
- 17 Adjusted gross income from all sources. Combine line 15 and line 16 ● 17
- 18 Enter the larger of:

}	Your California itemized deductions from Schedule CA (540NR), line 39; OR	} ● 18
	Your California standard deduction shown below for your filing status:		
	• Married filing joint, Head of household, or Qualifying widow(er) . . . \$5,166		
	• Single or Married filing separate \$2,583		
	(Dependent of someone else and checked box on line 6 . . . See page 7)		
- 19 Subtract line 18 from line 17. If less than zero, enter -0-. This is your taxable income. 19

Step 5 Tax

- 20 California adjusted gross income from Schedule CA (540NR), line 32, column E ● 20
- 22 Tax on the amount shown on line 19. Check if from: Tax Table Tax Rate Schedules FTB 3800 or FTB 3803 ● 22
Caution: If under age 14 and you have more than \$1,300 of investment income, read the line 22 instructions to see if you must attach form FTB 3800.
- 23 Exemption credits. **Caution:** See the line 23 instructions before making an entry on this line. Check if from Flowchart Federal AGI limit or California TMT limit ● 23
- 24 Subtract line 23 from line 22. If less than zero, enter -0- 24
- 25a Ratio. Enter the ratio from Schedule CA (540NR), line 33 25a
- 25b Multiply line 24 by the ratio on line 25a. 25b
- 26 Tax. Check if from Schedule G-1, Tax on Lump-Sum Distributions; and form FTB 5870A, Tax on Accumulation Distribution of Trusts ● 26
- 27 Add line 25b and line 26. Continue to Side 2 ● 27



Step 6
Credits

28	Amount from Side 1, line 27		28
31	Credit for joint custody head of household. See page 10	● 31	
32	Credit for dependent parent. See page 10	● 32	
33	Credit for senior head of household. See page 10	● 33	
36	Add line 31 through line 33. Multiply the total by the ratio on Side 1, line 25a	● 36	
37	Enter credit name _____ code no. _____ and amount _____	▶ 37	
38	Enter credit name _____ code no. _____ and amount _____	▶ 38	
39	Enter credit name _____ code no. _____ and amount _____	▶ 39	
40	To claim more than three credits, see page 10	● 40	
42	Add line 36 through line 40. These are your total credits		42
43	Subtract line 42 from line 28. If less than zero, enter -0-		43

Step 7
Other Taxes

44	Alternative minimum tax. Attach Schedule P (540NR)	● 44	
45	Other taxes and credit recapture. See page 12	● 45	
46	Add line 43 through line 45. This is your total tax	● 46	

Step 8
Payments

47	California income tax withheld. Enter total from your 1997 Form(s) W-2, W-2G, 1099-MISC, 1099-R, 592-B, 594 or 597. Also attach the Form(s) to Side 1	■ 47	
48	1997 CA estimated tax and amount applied from your 1996 return. Include the amount from form FTB 3519 or Schedule K-1 (541) and K-1 (568)	■ 48	
50	Did either you or your spouse receive more than \$31,767 in wages in 1997? Yes. See page 12 No. Go to line 51	■ 50	
51	Add line 47 through line 50. These are your total payments		51

Step 9
Overpaid Tax or Tax Due

52	Overpaid tax. If line 51 is more than line 46, subtract line 46 from line 51		52
53	Amount of line 52 you want applied to your 1998 estimated tax	■ 53	
54	Overpaid tax available this year. Subtract line 53 from line 52	■ 54	
55	Tax due. If line 51 is less than line 46, subtract line 51 from line 46		55

Step 10
Contributions

56	Contribution to California Seniors Special Fund. See page 13 You may make a contribution of \$1 or more to:	● 56	
57	Alzheimer's Disease/Related Disorders Fund	● 57	00
58	California Fund for Senior Citizens	● 58	00
59	Rare and Endangered Species Preservation Program	● 59	00
60	State Children's Trust Fund for the Prevention of Child Abuse	● 60	00
61	California Breast Cancer Research Fund	● 61	00
62	California Firefighters' Memorial Fund	● 62	00
63	California Public School Library Protection Fund	● 63	00
64	D.A.R.E. California (Drug Abuse Resistance Education) Fund	● 64	00
65	California Military Museum Fund	● 65	00
66	Add line 56 through line 65. These are your total contributions	● 66	

Step 11
Refund or Amount You Owe

67	REFUND OR NO AMOUNT DUE. Subtract line 66 from line 54. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0000	■ 67	\$	
68	AMOUNT YOU OWE. Add line 55 and line 66. Make a check/money order payable to "Franchise Tax Board" for the full amount. Write your social security number and "1997 Form 540NR" on it. Complete Form 540-V. Attach both to the front of your Form 540NR and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001	■ 68	\$	

Step 12
Interest and Penalties

69	Interest, late return penalties and late payment penalties		69
70	Underpayment of estimated tax. If form FTB 5805 or 5805F is attached, check here	<input type="checkbox"/> ■ 70	
71	If you do not need California income tax forms mailed to you next year, check here	● 71 <input type="checkbox"/>	

Sign Here

It is unlawful to forge a spouse's signature.

Important: You must attach a copy of your federal return to this return.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. 9

Your signature _____ Daytime phone number _____
 () _____

Spouse's signature (if filing joint, both must sign) _____ Date _____

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Preparer's SSN/FEIN _____

Firm's name (or yours if self-employed) _____ Firm's address _____

1997

California Adjustments — Nonresidents or Part-Year Residents

CA (540NR)

Important: Attach this schedule directly behind Form 540NR, Side 2.

Name(s) as shown on return Social security number

Part I Residency Information. You must complete all lines that apply to you and your spouse.

During 1997: 1 I was in the military and I was: domiciled in (enter state) ... stationed in (enter state or country) ... 2 I became a California resident (enter state of prior residence and date of move) ... 3 I became a nonresident (enter new state of residence and date of move) ... 4 I was a nonresident of California the entire year (enter state or country of residence) ... 5 The number of days I spent in California (for any purpose) is: ... 6 I owned a home/property in California (enter "yes" or "no") ... Before 1997: 7 I was a California resident for the period of (enter dates) ... 8 I entered California on (enter date) ... 9 I left California on (enter date) ...

Part II Income Adjustment Schedule

Table with 5 columns: A Federal Amounts, B Subtractions, C Additions, D Total Amounts Using CA Law, E CA Amounts. Rows include: 7 Wages, salaries, tips, etc. See instructions before making an entry in column B or C; 8 Taxable interest income; 9 Dividend income; 10 State tax refund. Enter the same amount in column A and column B; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss); 14 Other gains or (losses); 15 IRA distribution. See instructions. (a) (b); 16 Pensions and annuities. See instructions. (a) (b); 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.; 18 Farm income or (loss); 19 Unemployment compensation; 20 Social security benefits (a) (b); 21 Other income. a California lottery winnings; b Disaster loss carryover from FTB 3805V; c Federal NOL (Form 1040, line 21); d NOL carryover from FTB 3805V; e NOL from FTB 3805Z, FTB 3806 or FTB 3807; f Other (describe); 22a Total: Combine line 7 through line 21 in each column. Continue to Side 2.

Income Adjustment Schedule

	A	B	C	D	E
Section B — Adjustments to Income	Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions	Additions See instructions	Total Amounts Using CA Law (subtract column B from column A; add column C to the result)	CA Amounts (income earned or received as CA resident and income earned or received from CA sources as a nonresident)
22b Enter totals from Schedule CA (540NR), Side 1, line 22a, column A through column E	22b				
23 IRA deduction	23				
24 Medical savings account deduction	24				
25 Moving expenses	25				
26 One-half of self-employment tax	26				
27 Self-employed health insurance deduction	27				
28 Keogh/self-employed SEP/SIMPLE plans	28				
29 Penalty on early withdrawal of savings	29				
30a Alimony paid. (b) Enter recipient's: SSN _____ Full name _____	30a				
31 Add line 23 through line 30a in each column, A through E	31				
32 Total. Subtract line 31 from line 22b in each column, A through E	32				
33 Ratio. Divide line 32, column E by line 32, column D. Carry the decimal to five places. Then round it to four places by dropping amounts 4 and under (.44454 becomes .4445) and rounding up to the next number for amounts 5 and over (.44455 becomes .4446). This number may be greater than 1.0000. Enter the result here and on Form 540NR, line 25a. Note: If the result is zero or less, enter -0- on Form 540NR, line 25a					33 _____

Part III Adjustments to Federal Itemized Deductions

34 Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27 (or Schedule A (Form 1040NR), lines 3, 7, 8, 15 and 16)	34	_____
35 Enter total of federal Schedule A, line 5 (state and local income tax and State Disability Insurance) and line 8 (foreign taxes only)	35	_____
36 Subtract line 35 from line 34	36	_____
37 Other adjustments including California lottery losses. See instructions. Specify _____	37	_____
38 Combine line 36 and line 37	38	_____
39 California itemized deductions		

Is your federal AGI (Form 540NR, line 13) more than the amount shown below for your filing status?

- If single or married filing separate \$114,152
- If head of household \$171,228
- If married filing joint or qualifying widow(er) \$228,305

NO. Transfer the amount on line 38 to line 39.

YES. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 39.

Is the amount you entered on line 39 more than your standard deduction below?

- Single or married filing separate \$2,583
- Married filing joint, head of household or qualifying widow(er) \$5,166

YES. Transfer the amount on line 39 to Form 540NR, line 18

NO. Enter your standard deduction on Form 540NR, line 18.

}

39 _____



Instructions for Schedule CA (540NR)

These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 1997**, and the California Revenue and Taxation Code (R&TC).

General Information

Differences Between California and Federal Law

Due to California legislation enacted in 1997, California tax law conforms to the Internal Revenue Code (IRC) as of January 1, 1997, and to selected provisions of the federal Taxpayer Relief Act of 1997 (Public Law 105-34). For example, California law and federal law are the same regarding:

- Exclusion of gain on the sale of personal residence;
- New federal Individual Retirement Account (IRA) provisions; and
- Self-employed health insurance deduction.

Specific differences include:

IRC Section 179 expense deduction. The California maximum deduction is \$13,000; the federal maximum deduction is \$18,000. In many cases, this difference also affects the California basis and depreciation deduction for qualifying assets. Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the adjustment.

IRC Section 197 property. Property qualifying as Section 197 property for federal purposes is also Section 197 property for California purposes. However, for qualifying property acquired before January 1, 1994, the California adjusted basis as of January 1, 1994, must be amortized over the remaining federal amortization period. Use form FTB 3885A to figure the adjustment.

Material participation in rental real estate activities. Beginning in 1994, and for federal purposes only, rental real estate activities conducted by persons in a real property business are not automatically treated as passive activities. See form FTB 3801, Passive Activity Loss Limitations, for more information.

Exclusion for compensation from exercising a California Qualified Stock Option (CQSO). The exclusion is available beginning January 1, 1997, for qualified stock issued on or after January 1, 1997. See instructions for line 7 for more information.

Purpose

Use this schedule to identify income being taxed by California; and to compute the ratio of your **California adjusted gross income (AGI) to total AGI from all sources using California law**; and to adjust your federal itemized deductions using California law. The parts of the ratio are defined as follows:

- **Total AGI from all sources using California law** is all of your income from all sources, including income from inside and outside California. You compute it by adjusting federal AGI for the differences between federal and California law.
- **California AGI** is:
 - ◆ All income from all sources (inside and outside California) for any part of the year during which you were a California resident; and
 - ◆ All income from California sources while you were a nonresident of California.

Once you compute the ratio, you transfer it to Form 540NR to determine your California nonresident or part-year resident tax liability.

Specific Line Instructions for PART I Residency Information

Answer all the questions in this part for you and your spouse. If a question does not apply, please enter "NA" on the line for the answer. It may be helpful to get FTB Pub. 1031, Guidelines for Determining Resident Status, for more information.

Line 1 – I was in the military

If either spouse was in the military, your state of domicile is generally the state where you were living when you first entered the military.

Line 5 – The number of days I spent in CA

The total number of days in California should include all days in California for any purpose including residency, business and vacation.

Specific Line Instructions for PART II Income Adjustment Schedule

Column A – Federal Amounts

Enter all taxable amounts shown on your federal return on the corresponding lines in column A.

If you are married filing separate under either exception described in the instructions for Form 540NR and are filing a separate California return, enter in column A the amounts you would have reported on a separate federal return. Attach a statement to the return showing how the income and expenses were split between you and your spouse.

Line 7 through Line 21

Enter on line 7 through line 21 the same amounts you entered on your federal Form 1040, line 7 through line 21 (or on your Form 1040A, line 7 through line 13b; your Form 1040EZ, line 1, line 2 and line 3; or your Form 1040NR, line 8 through line 21 for the same types of income).

Also enter the following if applicable:

- The total IRA distribution received on line 15(a);
- The total pension or annuity distribution received on line 16(a);
- The total social security retirement benefit received on line 20(a); and
- The social security number and last name of the person to whom you paid alimony on line 30(b).

If you used Form 1040A, refer to line 11a and line 13a. If you used Form 1040NR, refer to line 16a and line 17a.

Line 22a – Total

Combine the amounts on line 7 through line 21. Enter the total on line 22a. This number should be the same as the amount on your federal Form 1040, line 22 (or your Form 1040A, line 14; or your Form 1040EZ, line 4; or your Form 1040NR, line 23).

Line 22b – Balance Carried Forward

Enter on line 22b the total from Side 1, line 22a, column A.

Line 23 through Line 30a

Enter the same amounts you entered on your federal Form 1040, line 23 through line 30a (or your Form 1040A, line 15; or your Form 1040NR, line 24 through line 30).

Line 31

Add line 23 through line 30a. This amount should be the same as the amount on your federal Form 1040, line 31 (or your Form 1040A, line 15; or your Form 1040NR, line 31). However, if you made any of the adjustments described in the instructions for federal Form 1040, line 31 or if you claimed the foreign housing deduction from federal Form 2555, enter the amount from Form 1040, line 31 on this line.

Line 32 – Total

Subtract line 31 from line 22b. This amount should be the same as the amount on your federal Form 1040, line 32 (or your Form 1040A, line 16; or your Form 1040EZ, line 4; or your Form 1040NR, line 32).

Column B and Column C – Subtractions and Additions

Use these columns to enter subtractions and additions to federal amounts in column A that are necessary because of the differences between California and federal law. Enter all amounts on line 7 through line 31 as positive numbers.

Do not enter in column B or column C income earned outside California during periods of non-residency.

Note: If you are a nonresident alien, use column B and column C, to adjust federal AGI to include income from all sources, even if you were not required to report it on your federal return. California does not have special rules limiting total AGI from all sources to U.S. source or effectively connected income of nonresident aliens.

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

- 1001, Supplemental Guidelines to California Adjustments;
- 1005, Pension and Annuity Guidelines; or
- 1032, Tax Information for Military Personnel.

To order a publication or form, see the back cover of your tax booklet.

Line 7 – Wages, Salaries, Tips, etc.

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

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

Ride-sharing benefits or sick pay received under the Federal Insurance Contributions Act and Railroad Retirement Act. California excludes these items from income. Enter in column B the amount of these benefits included in the amount in column A.

Income exempted by U.S. tax treaties (unless specifically exempt for state purposes also). If you excluded this income from your federal

return, enter the excluded amount in column C. If you claimed foreign earned income or housing cost exclusion under IRC Section 911, see the instructions for line 21. Get FTB Pub. 1001 for more information.

Exclusion for compensation from exercising a California Qualified Stock Option (CQSO). To be eligible for this exclusion: your earned income must be \$40,000 or less; the market value of the options granted to you must be \$100,000 or less; and the total number of shares must be 1,000 or less. If you included in federal income an amount qualifying for this exclusion, enter that amount in column B.

Line 8 – Taxable Interest Income

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

Enter in column B, the interest that you received from:

- United States saving bonds;
- United States treasury bills; and
- Any other bonds or obligations of the United States and its Territories.

Get FTB Pub. 1001 if you received interest income from sources listed below.

- A. Loans made in an enterprise zone (EZ), program area or the Los Angeles Revitalization Zone (LARZ); or
- B. Items listed above passed through to you from S corporations, trusts, partnerships or limited liability companies (LLCs).

Do not make 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.

Enter in column C, the interest you identified as tax-exempt interest on your federal Form 1040 (or 1040A), line 8b; or Form 1040NR, line 9b which you received from:

- 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; and
- Non-California bonds if the interest was passed through to you from S corporations, trusts, partnerships or LLCs.

Line 9 – Dividend Income

Generally, you will not make an adjustment on this line. However, certain mutual funds are qualified to pay "exempt-interest dividends" if at least 50% of their assets consist of tax-exempt government obligations. The portion of the dividend income that is tax-exempt will be shown on your annual statement from the mutual fund.

If the California exempt-interest amount is more than the federal exempt-interest amount, enter the difference in column B.

Get FTB Pub. 1001 if you received dividend income from:

- Noncash patronage dividends from farmers' cooperatives or mutual associations;
- A federal S corporation that is a California C corporation;
- A controlled foreign corporation;
- Distribution of pre-1987 earnings from S corporations;

- Undistributed capital gains for regulated investment company (RIC) shareholders; or
- Distributed capital gain dividends.

Line 10 – State Tax Refund

California does not tax the state income tax refund you received in 1997. Enter in column B, the amount of state tax refund you entered in column A.

Line 11 – Alimony Received

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

Line 12 – Business Income or (Loss)

You may need to adjust federal business income or loss you reported in column A 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 the basis you should use to figure California depreciation may be different from the amount used for federal purposes. Adjustments are figured on form FTB 3885A and are most commonly necessary because:

Before January 1, 1987, California did not allow depreciation under the federal accelerated cost recovery system, and you must 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. Also, California does not conform to certain federal provisions. See the items listed under "General Information."

Note: If any of your business activities is a passive activity that produces a loss, complete form FTB 3801, Passive Activity Loss Limitations (PALS), to figure the passive activity loss allowable under California law.

If you are engaged in more than one business activity, use a separate form FTB 3885A to report the adjustments for each activity.

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 controlled foreign corporation by a U.S. shareholder; or
- Retail lessee construction or improvement allowances received under leases entered into after 8/5/97.

Basis adjustments related to:

- Property acquired prior to becoming a California resident;
- Sales or use tax credit for property used in an EZ, program area, LARZ or Local Agency Military Base Recovery Area (LAMBRA);
- Reduced recovery periods for fruitbearing grapevines replaced in a California vineyard on or after 1/1/92 as a result of phylloxera infestation;
- Reduced recovery periods for fruit-bearing grapevines replaced in a California vineyard on or after 1/1/97 as a result of Pierce's disease;
- Expenditures for tertiary injectants;

- Certain property placed in service on an Indian reservation after 1/1/94 and before 12/31/2003;
- Amortization of pollution control facilities;
- Discharge of real property business indebtedness;
- Employer-paid child care center and services;
- Employer-paid child care plan;
- Vehicles used in an employer-sponsored ridesharing program;
- An enhanced oil recovery system;
- 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 1/1/95 and before 1/1/97; or
- Research and experimental expenditures.

Business expense deductions related to:

- Wages paid in an EZ, program area, LARZ or LAMBRA; or
- Certain employer costs for employees who are also enrolled members of Indian tribes;
- Abandonment or tax recoupment fees for open-space easements and timberland preserves;
- Club dues or payments made to a club which restricts membership or the use of its services or facilities on the basis of age, sex, race, religion, color, ancestry or national origin;
- Lobbying expenses denied under IRC Section 162;
- Business located in an EZ, program area, LARZ or LAMBRA;
- Research expense;
- Employer wage expense for Work Opportunity Credit;
- Pro-rata share of deductions received from a controlled foreign corporation by a U.S. shareholder;
- Qualified clinical testing expenses incurred after 5/31/97 for Orphan Drug Credit;
- Qualified environmental cleanup costs paid or incurred after 8/5/97;
- Inventory shrinkage for tax years ending after 8/5/97;
- Interest paid on indebtedness in connection with company-owned life insurance policies; or
- Premiums paid on life insurance policies, annuities or endowment contracts issued after 6/8/97 where the owner of the business is directly or indirectly a policy beneficiary.

Line 13 – Capital Gain or (Loss)

Generally, you will not make any adjustments on this line if you do not have any of the items listed below.

Use Schedule D, California Capital Gain or Loss Adjustment, if you have differences from:

- 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;
- Flow-through gain or loss from partnerships, fiduciaries, S corporations or LLCs; or
- Capital loss carryover from your 1996 California Schedule D.

Get FTB Pub. 1001 for more information about:

- Disposition of S corporation stock acquired before 1987;

- Gain on the sale or disposition of a qualified assisted housing development to low income residents or to specified entities maintaining housing for low income residents;
- Undistributed capital gain for regulated investment company (RIC) shareholders;
- Gain or loss on the sale of property inherited before 1/1/87;
- Capital loss carrybacks;
- Gain realized on the sale or exchange of qualified small business stock occurring after 8/5/97;
- Gain or loss from the cancellation, lapse, expiration or other termination of a right or obligation with respect to real property and nonactively traded personal property occurring after 9/5/97; or
- Gain on the sale of livestock, sold due to flood or other weather-related conditions, after 12/31/96.

Line 14 – Other Gains or (Losses)

The California basis of your other assets may not be the same as the 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, to figure the adjustment.

Line 15 – IRA Distribution

Generally, you will not make any adjustments on this line. However, there may be significant differences in the taxable amount depending on when you made your contributions to the IRA. Differences may also occur if you changed your residency status after you first began making contributions to your IRA or 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; or
- More than the amount taxable under federal law, enter the difference in column C.

Get FTB Pub. 1005 for more information.

Line 16 – Pensions and Annuities

Generally, you will not make any adjustments 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 adjustments described below.

If you received a federal Form RRB 1099-R 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 7/1/86 and 1/1/87 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.

If you received an annuity on or after 1/1/97 for survivor benefits as a spouse, former spouse or child of a public safety officer killed in the line of duty on or after the same date, you must generally enter in column C the amount of the annuity payments that you excluded for federal purposes.

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

You may need to adjust federal income or loss you reported in column A 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 the basis you should use to figure California depreciation may be different from the recovery period or amount used for federal purposes. For more information about the types of income and adjustments that often require adjustments, see the instructions for Schedule CA (540NR), line 12.

Note: If any of your activities is a passive activity that produces a loss, complete form FTB 3801, Passive Activity Loss Limitations (PALS), to figure the passive activity loss allowable under California law.

Note: 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 their partners on Schedule K-1 (565), Partners Share of Income, Deductions, Credits, etc.

Get FTB Pub 1001 for more information about:

- Accumulation distribution to beneficiaries for which the trust was not required to pay California tax because the beneficiary's interest was contingent.

Line 18 – Farm Income or Loss

You may need to adjust the federal income or loss you report in column A 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 the basis you should use to figure California depreciation may be different from the amount used for federal purposes. For more information about the types of income and adjustments that often require adjustments, see the instructions for Schedule CA (540NR), line 12.

Note: If your farm activity is a passive activity that produces a loss, complete form FTB 3801, Passive Activity Loss Limitations (PALS), to figure the passive activity loss allowable under California law.

Line 19 – Unemployment Compensation

Enter on line 19, column B, the amount of unemployment compensation shown in column A.

Line 20 – Social Security Benefits

Enter in column B the amount of social security benefits or equivalent tier 1 railroad retirement benefits shown in column A.

Line 21 – Other Income

a. California Lottery Winnings

Enter in column B the amount of California Lottery winnings included in the federal amount on line 21 in column A.

Note: Do not include lottery winnings from other states. They are taxable to California.

b. Disaster Loss Carryover from FTB 3805V

If you have a California disaster loss carryover from your 1996 form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations, enter that amount as a positive number in column B.

c. Federal NOL Deduction from Form 1040, line 21

If the amount on line 21 in column A includes a federal NOL deduction, enter the amount of the federal NOL deduction as a positive number in column C. Get form FTB 3805V to figure the allowable California NOL deduction.

d. NOL Carryover from FTB 3805V

The allowable NOL carryover under California law is different from the allowable NOL carryover under federal law. Use form FTB 3805V to figure the allowable California NOL deduction, and enter it as a positive number in column B.

Note: If your 1996 form FTB 3805V has both disaster loss carryovers and NOL carryovers, you will need to separately state these two amounts. See line 21b, for disaster loss carryovers.

e. NOL Deduction from FTB 3805Z, FTB 3806 or FTB 3807

If you have an NOL deduction on form:

- FTB 3805Z, Enterprise Zone Deduction and Credit Summary, line 4b; or
- FTB 3806, Los Angeles Revitalization Zone Deduction and Credit Summary, line 4b; or
- FTB 3807, Local Agency Military Base Recovery Area (LAMBRA) Deduction and Credit Summary, line 4b,

enter in column B the total NOL deduction figured on these forms.

f. Other (describe)

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

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

Payments for alternative transportation (free or subsidized parking, alternative commute methods, monthly transit passes, etc.).

Enter in column B the amount that you received from your employer, other than salaries or wages, for participating in an alternative transportation method and that is included in the amount on line 21 in column A. For more information, get FTB Pub. 1001.

Federal foreign income or housing exclusion. Enter in column C the amount deducted from federal income on Form 1040, line 21.

Beverage container recycling income.

Enter in column B the amount of this type of income that you included in the amount on line 21 in column A.

Rebates from water agencies or suppliers.

Enter in column B the amount of this type of income that you included in the amount on line 21 in 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 return and the amount reported for California purposes.

Issuers: Enter the difference between the

federal deductible amount and the California deductible amount on line 21f in column B.
Holders: Enter the difference between the amount included in federal gross income and the amount included for California purposes on line 21f in 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.

Student loan cancellations. Enter in column C the forgiven amount of any student loan that was discharged after 8/5/97, and sponsored by a tax-exempt charitable organization, such as educational organizations or private foundations. **Note:** Do not enter the forgiven amount of a California State University student loan discharged on or after 1/1/97.

Room and board benefits received under the Golden State Scholarshare Trust Act. Enter in column C the amount of benefits received from the Golden State Scholarshare Trust that represent qualified higher education expenses for room and board.

Benefits for qualified higher education expenses under a state tuition program. Enter in column C any benefits you received as a participant under a state tuition program other than the Golden State Scholarshare Trust.

Line 22a – Total

Add line 7 through line 21f in column B and column C. Enter the totals on line 22a.

Line 22b – Balance Carried Forward

Enter the totals from Side 1, line 22a, column B and column C.

Line 30a – Alimony Paid

If you are a nonresident alien and you did not deduct alimony on your federal return, enter the amount you paid on this line in column C.

Line 31

Add line 23 through line 30a in column B and column C. Enter the totals on this line in the appropriate columns.

If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 31. Enter the amount and "Form 2555" on the dotted line next to line 31.

If you claimed a deduction on your federal return (Form 1040, line 31) for expenses you paid or incurred with respect to services you performed as a fee basis official employed by a state or local government, include that amount in the total you enter in column B, line 31. Enter the amount and "FBO" on the dotted line next to line 31.

Line 32 – Total

Subtract line 31 from line 22b in column B and column C. Enter the totals on this line in the appropriate column.

Column D — Total Amounts Using California Law

Use this column to show the amount remaining after adjustments (subtractions or additions).

For each line, 7 through 32:

1. Subtract the amounts in column B from the amounts in column A.
2. Add the amounts in column C to the result of the calculation made in 1 above.
3. Enter the total in column D.

Note: In some cases the total on line 32 in column B or column C will be a negative number. Please read the caution note when you get to line 33.

Line 21 – If you made any adjustments on line 21 in column B or column C:

- Step 1 Add the adjustments in column B, lines a, b, d, e and f.
- Step 2 Subtract that total from line 21, column A.
- Step 3 Add the adjustments in column C, lines c and f.
- Step 4 Add that total to the result of Step 2; then continue as instructed above for all other lines.

Column E — California Amounts

In this column, identify the amounts that you earned from all sources while you were a California resident and that you received from sources within California while you were a nonresident.

At the end of this column you will compute the ratio of the California adjusted gross income (line 32, column E) to the adjusted gross income from all sources (line 32, column D). You will use the resulting decimal amount to determine your tax.

Refer to instructions for each line below to be sure you are including the right amounts.

Line 7 – Wages, Salaries, Tips, Etc.

Enter all wages, salaries, tips and other compensation you earned while you were a California resident. And, if you performed work in California while you were a nonresident, include the portion of wages or other compensation earned in California. Include moving expense reimbursement for moves into California. Airline employees and Interstate Rail and Motor Carrier employees, get FTB Pub. 1031 for more information.

Line 8 – Taxable Interest Income

Enter the interest that you received while you were a California resident. For more information, refer to the instructions for column B and column C, line 8.

Line 9 – Dividend Income

Enter all dividends you received while you were a California resident. Include dividends you received from federal S corporations that have elected to be treated as C corporations for California tax purposes.

Line 11 – Alimony Received

Enter the alimony that you received while you were a California resident.

Line 12 – Business Income or (Loss)

Enter the total amount of profits or losses (computed using California law) from all businesses you conducted while you were a California resident **and** from all businesses you conducted in California while you were a nonresident of California. If you reported PALS activities in column

D, and only some of them must be included in column E, complete a second form FTB 3801 to compute the California portion of any PALS.

If, as a nonresident you derived income from a business, trade or profession conducted partly within California and partly outside California, only income from the part conducted within California is considered California source income that you must report on this line in column E. If there is any business relationship between the parts within and outside California (flow of goods, etc.), you must apportion the gross income or loss from the entire business. To determine the portion of income or loss from businesses engaged in multistate activities that you must report in column E, use the apportionment formula described in Schedule R, Apportionment and Allocation of Income.

Line 13 – Capital Gain or (Loss)

Complete Schedule D, California Capital Gain or Loss Adjustment, to report all transactions that occurred while you were a California resident **and** those transactions that were related to property located in California while you were a nonresident. Complete Schedule D through line 8 only. Enter the gain from line 7 or the loss from line 8, whichever applies, on this line in column E.

Line 15 – IRA Distributions (Taxable Amount)

Enter the taxable portion of IRA distributions you received while you were a California resident. This includes regular distributions, premature distributions and any other money or property you received from your IRA account or annuity. Get FTB Pub. 1005 for more information.

Line 16 – Pensions and Annuities (Taxable Amount)

Enter the portion of your taxable pension and annuity income you received while you were a resident of California.

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

Enter your 1997 profit or loss from all rents, royalties, partnerships, S corporations, LLCs, estates and trusts that occurred while you were a California resident **and** profit or loss related to property or business located in California while you were a nonresident of California. If you reported PALS activities in column D and only some of them must be included in column E, complete a second form FTB 3801 to compute the California portion of any PALS.

If you owned an interest in a partnership, an LLC characterized as a Partnership or an S corporation and you were a California resident on the last day of the partnership's or LLC's taxable year or S corporation's income year, you must include your entire distributive share of the partnership's or LLC's profit or loss or your entire pro rata share of the S corporation's profit or loss.

If you were a nonresident of California on the last day of the partnership's or LLC's taxable year or S corporation's income year, include the portion of your distributive share of the profit or loss derived from California sources from the partnership or the LLC, or your pro rata share of the profit or loss derived from California sources from the S corporation.

Your Schedule K-1 (100S, 541 or 565) will indicate the amount of partnership, S corporation, estate, LLC or trust profit or loss that you must include on this line in column E.

Line 18 – Farm Income or (Loss)

Enter your profit or loss from all farming activity while you were a California resident **and** for farming activity conducted in California while you were a nonresident of California. If you have PALS activities in column D and only some of them must be included in column E, complete a second form FTB 3801 to figure the California portion of any PALS.

Line 21 – Other Income

Enter the amounts derived from California sources or which you accrued, earned or received while you were a California resident that are not included in line 7 through line 18 of column E.

Line 22a – Total

Add line 7 through line 21 in column E. Enter the result on this line.

Line 22b – Balance Carried Forward

Enter the total from Side 1, line 22a, column E on this line.

Line 25 – Moving Expenses

California law and federal law are the same for moving expenses. If you moved:

- Into California in connection with your new job, enter the amount from column A, line 25 in column E, line 25.
- Out of California in connection with your new job, enter zero on line 25.

Exception: If you moved out of California in connection with your new job and received compensation from that job attributable to a California source, your moving expense adjustment will be limited by the ratio of California source compensation from the new job to total compensation from the new job.

Line 23 and Line 28 – IRA, Keogh, SEP and SIMPLE Deduction

The amount of the California deduction for IRA, Keogh, SEP and SIMPLE contributions is the same as the federal deduction. However, the deduction may be limited by your California compensation or by your California self-employment income.

Example: A taxpayer moved into California on December 1. She made contributions to her IRA and claimed a deduction of \$2,000 on her federal return. Her California wages were \$500. Her allowable deduction is the lesser of:

- The federal deduction of \$2,000; or
- The California compensation of \$500.

Therefore, she must enter \$500 on line 23 of column E. She will have made no entry in column B or column C.

Keogh and SEP deductions are limited to a percentage of the federal deduction. That percentage is the ratio of:

Self-employment income reported in column E _____ = California ratio

Total self-employment income reported in column D

Get FTB Pub. 1005 for more information.

Line 26 – One-half of Self-Employment Income

If you claimed a deduction in column A for self-employment tax paid, your California deduction is limited to a percentage of the federal deduction. That percentage is the ratio of:

Self-employment income reported in column A from all sources while a CA resident	+	Self-employment income reported in column A from CA sources while a nonresident
--	---	---

_____ = California ratio
Total self-employment income reported in column A

Line 27 – Self-Employed Health Insurance Deduction

If you claimed a deduction in column A for payments you made to a health insurance plan while you were self-employed, your California deduction is limited to a percentage of the federal deduction. That percentage is the ratio of:

Total self-employment income reported in column E _____ = California ratio

Total self-employment income reported in column D

Line 29 – Penalty on Early Withdrawal of Savings

Enter the interest penalties charged to you while you were a California resident.

Line 30a – Alimony Paid

Enter alimony or separate maintenance payments that you made while you were a California resident.

Line 31 – Add line 23 through line 30a in column E. Enter the result on this line.

Line 32 – Total

Subtract line 31 from line 22b in column E. This is your California adjusted gross income (AGI). Enter the result on this line. Also enter this amount on Form 540NR, Side 1, line 20.

Line 33 – Ratio

Ratio = $\frac{\text{California AGI}}{\text{Total AGI from all sources}}$

Divide the amount on line 32, column E by the amount on line 32, column D. Enter the result on this line and on Form 540NR, Side 1, line 25a.

Also, transfer the amounts from:

- Line 32, column B to Form 540NR, Side 1, line 14;
- Line 32, column C to Form 540NR, Side 1, line 16; and
- Line 32, column E to Form 540NR, Side 1, line 20.

Caution: If the amount on Schedule CA (540NR) line 32:

- **Column B** is a negative number, do not transfer it to Form 540NR, line 14. Instead, transfer the amount as a positive number to Form 540NR, line 16; or
- **Column C** is a negative number, do not transfer it to Form 540NR, line 16. Instead, transfer the amount as a positive number to Form 540NR, line 14.

Specific Line Instructions for PART III Adjustments to Federal Itemized Deductions**Line 34 – Federal Itemized Deductions**

Enter the total amount of itemized deductions from your federal Schedule A, line 4, 9, 14, 18, 19, 26 and 27 or Schedule A (Form 1040NR), line 3, 7, 8, 15 and 16.

Important: If you did not itemize deductions on your federal tax return but will itemize deductions on your California return, first complete federal Schedule A. Then complete Schedule CA (540NR), Part III, line 34 through line 39. Attach a copy of federal Schedule A to your Form 540NR.

Line 35 – State, Local and Foreign Income Taxes

Add the following amounts from federal Schedule A and enter on line 35:

- Line 5, state and local income tax (including limited partnership tax and income or franchise tax paid by corporations) and State Disability Insurance (SDI); and
- Line 8, foreign income taxes.

Line 37 – Other Adjustments**Adoption-related expenses**

If you deducted adoption-related expenses on your federal Schedule A and are claiming the adoption cost credit on your Form 540NR, enter the amount of the adoption cost credit claimed as a negative number on line 37.

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), be sure to increase your California itemized deductions by the same amount. Enter the amount of your federal mortgage interest credit as a positive number on line 37.

Nontaxable Income Expenses

If, on federal Schedule A, 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 37.

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 37.

Employee Business Expense

If you had assets placed in service before 1/1/87, and if you completed federal Form 2106, Employee Business Expenses, also complete Form 2106 using California amounts. Compare line 10 on both Forms 2106. If the federal amount is larger, enter the difference as a negative number on line 37. If the California amount is larger, enter the difference as a positive number on line 37. If you used Form 2106-EZ, Unreimbursed Employee Business Expenses, substitute Form 2106-EZ, line 6 for Form 2106, line 10.

Investment Interest Expense

Your California deduction for investment interest expense may be different from your federal deduction. You must use form FTB 3526, Investment Interest Expense Deduction, to figure the amount to enter on line 37.

Gambling Losses

California Lottery losses are not deductible for California. Enter the amount of California Lottery

losses shown on federal Schedule A as a negative number on line 37.

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 shown on federal Schedule A as a negative number on line 37.

Generation Skipping Transfer Tax

Tax paid on generation skipping transfers is not deductible under California law. Enter the amount of expenses shown on federal Schedule A as a negative number on line 37.

Contribution of Appreciated Stock to a Private Foundation

For contributions made during 1997, enter the difference between the fair market value of the stock and the California basis as a negative number on line 37.

State Legislator's Travel Expenses

Under California law, deductible travel expenses for state legislators include only those incurred while away from their places 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 37.

Charitable contribution carryover deduction. If you are deducting a prior year charitable contribution carryover, and the California carryover is larger than the federal carryover, increase your California itemized deductions by entering the additional amount as a positive number on line 37.

Line 39 – California Itemized Deductions

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

Single or married	
filing separate	\$114,152
Married filing joint or	
qualifying widow(er)	\$228,305
Head of household	\$171,228

NO. Transfer the amount from line 38 to line 39. Do not complete the worksheet in the next column.

YES. Complete the Itemized Deductions Worksheet in the next column.

Itemized Deductions Worksheet

1. Enter the amount from Schedule CA (540NR), line 38 1 _____
2. Using California amounts, add the amounts on federal Schedule A (Form 1040), line 4, line 13 and line 19 plus any gambling losses included on line 27 (or on Schedule A (Form 1040NR), line 8 plus any investment interest expense included on line 11 and any gambling losses included on line 16) 2 _____
3. Subtract line 2 from line 1.
Note: If the result is -0-, **stop.** Enter the amount from line 1 above on Schedule CA (540NR), line 39 3 _____
4. Multiply line 3 by 80% (.80) 4 _____
5. Enter the amount from Form 540NR, line 13 5 _____
6. Enter the amount shown to the left for your filing status 6 _____
7. Subtract line 6 from line 5.
Note: If the result is -0- or less, **stop.** Enter the amount from line 1 above on Schedule CA (540NR), line 39 7 _____
8. Multiply line 7 by 6% (.06) 8 _____
9. Compare the amounts on 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 (540NR), line 39 10 _____

1997 California Tax Table

Use the Tax Table below if your taxable income on Form 540NR, line 19 is \$50,000 or less.
 Use the Tax Rate Schedule on page 30 if your taxable income on Form 540NR, line 19 is more than \$50,000.

To Find Your Tax:

- Read down the column labeled "If Your Taxable Income Is . . ." to find the range that includes your taxable income.
- 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 filing Separate)						2 or 5 (Married filing Joint; Qualifying Widow(er))						4 (Head of Household)					
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status					
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is			
1	50	0	0	0	6,451	6,550	80	65	65	12,951	13,050	232	160	160			
51	150	1	1	1	6,551	6,650	82	66	66	13,051	13,150	236	162	162			
151	250	2	2	2	6,651	6,750	84	67	67	13,151	13,250	240	164	164			
251	350	3	3	3	6,751	6,850	86	68	68	13,251	13,350	244	166	166			
351	450	4	4	4	6,851	6,950	88	69	69	13,351	13,450	248	168	168			
451	550	5	5	5	6,951	7,050	90	70	70	13,451	13,550	252	170	170			
551	650	6	6	6	7,051	7,150	92	71	71	13,551	13,650	256	172	172			
651	750	7	7	7	7,151	7,250	94	72	72	13,651	13,750	260	174	174			
751	850	8	8	8	7,251	7,350	96	73	73	13,751	13,850	264	176	176			
851	950	9	9	9	7,351	7,450	98	74	74	13,851	13,950	268	178	178			
951	1,050	10	10	10	7,451	7,550	100	75	75	13,951	14,050	272	180	180			
1,051	1,150	11	11	11	7,551	7,650	102	76	76	14,051	14,150	276	182	182			
1,151	1,250	12	12	12	7,651	7,750	104	77	77	14,151	14,250	280	184	184			
1,251	1,350	13	13	13	7,751	7,850	106	78	78	14,251	14,350	284	186	186			
1,351	1,450	14	14	14	7,851	7,950	108	79	79	14,351	14,450	288	188	188			
1,451	1,550	15	15	15	7,951	8,050	110	80	80	14,451	14,550	292	190	190			
1,551	1,650	16	16	16	8,051	8,150	112	81	81	14,551	14,650	296	192	192			
1,651	1,750	17	17	17	8,151	8,250	114	82	82	14,651	14,750	300	194	194			
1,751	1,850	18	18	18	8,251	8,350	116	83	83	14,751	14,850	304	196	196			
1,851	1,950	19	19	19	8,351	8,450	118	84	84	14,851	14,950	308	198	198			
1,951	2,050	20	20	20	8,451	8,550	120	85	85	14,951	15,050	312	200	200			
2,051	2,150	21	21	21	8,551	8,650	122	86	86	15,051	15,150	316	202	202			
2,151	2,250	22	22	22	8,651	8,750	124	87	87	15,151	15,250	320	204	204			
2,251	2,350	23	23	23	8,751	8,850	126	88	88	15,251	15,350	324	206	206			
2,351	2,450	24	24	24	8,851	8,950	128	89	89	15,351	15,450	328	208	208			
2,451	2,550	25	25	25	8,951	9,050	130	90	90	15,451	15,550	332	210	210			
2,551	2,650	26	26	26	9,051	9,150	132	91	91	15,551	15,650	336	212	212			
2,651	2,750	27	27	27	9,151	9,250	134	92	92	15,651	15,750	340	214	214			
2,751	2,850	28	28	28	9,251	9,350	136	93	93	15,751	15,850	344	216	216			
2,851	2,950	29	29	29	9,351	9,450	138	94	94	15,851	15,950	348	218	218			
2,951	3,050	30	30	30	9,451	9,550	140	95	95	15,951	16,050	352	220	220			
3,051	3,150	31	31	31	9,551	9,650	142	96	96	16,051	16,150	356	222	222			
3,151	3,250	32	32	32	9,651	9,750	144	97	97	16,151	16,250	360	224	224			
3,251	3,350	33	33	33	9,751	9,850	146	98	98	16,251	16,350	364	226	226			
3,351	3,450	34	34	34	9,851	9,950	148	99	99	16,351	16,450	368	228	228			
3,451	3,550	35	35	35	9,951	10,050	150	100	100	16,451	16,550	372	230	230			
3,551	3,650	36	36	36	10,051	10,150	152	102	102	16,551	16,650	376	232	232			
3,651	3,750	37	37	37	10,151	10,250	154	104	104	16,651	16,750	380	234	234			
3,751	3,850	38	38	38	10,251	10,350	156	106	106	16,751	16,850	384	236	236			
3,851	3,950	39	39	39	10,351	10,450	158	108	108	16,851	16,950	388	238	238			
3,951	4,050	40	40	40	10,451	10,550	160	110	110	16,951	17,050	392	240	240			
4,051	4,150	41	41	41	10,551	10,650	162	112	112	17,051	17,150	396	242	242			
4,151	4,250	42	42	42	10,651	10,750	164	114	114	17,151	17,250	400	244	244			
4,251	4,350	43	43	43	10,751	10,850	166	116	116	17,251	17,350	404	246	246			
4,351	4,450	44	44	44	10,851	10,950	168	118	118	17,351	17,450	408	248	248			
4,451	4,550	45	45	45	10,951	11,050	170	120	120	17,451	17,550	412	250	250			
4,551	4,650	46	46	46	11,051	11,150	172	122	122	17,551	17,650	416	252	252			
4,651	4,750	47	47	47	11,151	11,250	174	124	124	17,651	17,750	420	254	254			
4,751	4,850	48	48	48	11,251	11,350	176	126	126	17,751	17,850	424	256	256			
4,851	4,950	49	49	49	11,351	11,450	178	128	128	17,851	17,950	428	258	258			
4,951	5,050	50	50	50	11,451	11,550	180	130	130	17,951	18,050	432	260	260			
5,051	5,150	52	51	51	11,551	11,650	182	132	132	18,051	18,150	436	262	262			
5,151	5,250	54	52	52	11,651	11,750	184	134	134	18,151	18,250	440	264	264			
5,251	5,350	56	53	53	11,751	11,850	186	136	136	18,251	18,350	444	266	266			
5,351	5,450	58	54	54	11,851	11,950	188	138	138	18,351	18,450	448	268	268			
5,451	5,550	60	55	55	11,951	12,050	192	140	140	18,451	18,550	452	270	270			
5,551	5,650	62	56	56	12,051	12,150	196	142	142	18,551	18,650	456	272	272			
5,651	5,750	64	57	57	12,151	12,250	200	144	144	18,651	18,750	460	274	274			
5,751	5,850	66	58	58	12,251	12,350	204	146	146	18,751	18,850	464	276	276			
5,851	5,950	68	59	59	12,351	12,450	208	148	148	18,851	18,950	471	278	278			
5,951	6,050	70	60	60	12,451	12,550	212	150	150	18,951	19,050	477	280	280			
6,051	6,150	72	61	61	12,551	12,650	216	152	152	19,051	19,150	483	282	282			
6,151	6,250	74	62	62	12,651	12,750	220	154	154	19,151	19,250	489	284	284			
6,251	6,350	76	63	63	12,751	12,850	224	156	156	19,251	19,350	495	286	286			
6,351	6,450	78	64	64	12,851	12,950	228	158	158	19,351	19,450	501	288	288			

Continued on next page.

1997 California Tax Table — Continued

Filing status: 1 or 3 (Single; Married filing Separate) 2 or 5 (Married filing Joint; Qualifying Widow(er)) 4 (Head of Household)

If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
19,451	19,550	507	290	290	26,451	26,550	936	484	484	33,451	33,550	1,504	764	821
19,551	19,650	513	292	292	26,551	26,650	944	488	488	33,551	33,650	1,513	768	827
19,651	19,750	519	294	294	26,651	26,750	952	492	492	33,651	33,750	1,522	772	833
19,751	19,850	525	296	296	26,751	26,850	960	496	496	33,751	33,850	1,531	776	839
19,851	19,950	531	298	298	26,851	26,950	968	500	500	33,851	33,950	1,541	780	845
19,951	20,050	537	300	300	26,951	27,050	976	504	504	33,951	34,050	1,550	784	851
20,051	20,150	543	302	302	27,051	27,150	984	508	508	34,051	34,150	1,559	788	857
20,151	20,250	549	304	304	27,151	27,250	992	512	512	34,151	34,250	1,569	792	863
20,251	20,350	555	306	306	27,251	27,350	1,000	516	516	34,251	34,350	1,578	796	869
20,351	20,450	561	308	308	27,351	27,450	1,008	520	520	34,351	34,450	1,587	800	875
20,451	20,550	567	310	310	27,451	27,550	1,016	524	524	34,451	34,550	1,597	804	881
20,551	20,650	573	312	312	27,551	27,650	1,024	528	528	34,551	34,650	1,606	808	887
20,651	20,750	579	314	314	27,651	27,750	1,032	532	532	34,651	34,750	1,615	812	893
20,751	20,850	585	316	316	27,751	27,850	1,040	536	536	34,751	34,850	1,624	816	899
20,851	20,950	591	318	318	27,851	27,950	1,048	540	540	34,851	34,950	1,634	820	905
20,951	21,050	597	320	320	27,951	28,050	1,056	544	544	34,951	35,050	1,643	824	911
21,051	21,150	603	322	322	28,051	28,150	1,064	548	548	35,051	35,150	1,652	828	917
21,151	21,250	609	324	324	28,151	28,250	1,072	552	552	35,151	35,250	1,662	832	923
21,251	21,350	615	326	326	28,251	28,350	1,080	556	556	35,251	35,350	1,671	836	929
21,351	21,450	621	328	328	28,351	28,450	1,088	560	560	35,351	35,450	1,680	840	935
21,451	21,550	627	330	330	28,451	28,550	1,096	564	564	35,451	35,550	1,690	844	941
21,551	21,650	633	332	332	28,551	28,650	1,104	568	568	35,551	35,650	1,699	848	947
21,651	21,750	639	334	334	28,651	28,750	1,112	572	572	35,651	35,750	1,708	852	953
21,751	21,850	645	336	336	28,751	28,850	1,120	576	576	35,751	35,850	1,717	856	959
21,851	21,950	651	338	338	28,851	28,950	1,128	580	580	35,851	35,950	1,727	860	965
21,951	22,050	657	340	340	28,951	29,050	1,136	584	584	35,951	36,050	1,736	864	971
22,051	22,150	663	342	342	29,051	29,150	1,144	588	588	36,051	36,150	1,745	868	977
22,151	22,250	669	344	344	29,151	29,250	1,152	592	592	36,151	36,250	1,755	872	983
22,251	22,350	675	346	346	29,251	29,350	1,160	596	596	36,251	36,350	1,764	876	989
22,351	22,450	681	348	348	29,351	29,450	1,168	600	600	36,351	36,450	1,773	880	995
22,451	22,550	687	350	350	29,451	29,550	1,176	604	604	36,451	36,550	1,783	884	1,001
22,551	22,650	693	352	352	29,551	29,650	1,184	608	608	36,551	36,650	1,792	888	1,007
22,651	22,750	699	354	354	29,651	29,750	1,192	612	612	36,651	36,750	1,801	892	1,013
22,751	22,850	705	356	356	29,751	29,850	1,200	616	616	36,751	36,850	1,810	896	1,019
22,851	22,950	711	358	358	29,851	29,950	1,208	620	620	36,851	36,950	1,820	900	1,025
22,951	23,050	717	360	360	29,951	30,050	1,216	624	624	36,951	37,050	1,829	904	1,031
23,051	23,150	723	362	362	30,051	30,150	1,224	628	628	37,051	37,150	1,838	908	1,037
23,151	23,250	729	364	364	30,151	30,250	1,232	632	632	37,151	37,250	1,848	912	1,043
23,251	23,350	735	366	366	30,251	30,350	1,240	636	636	37,251	37,350	1,857	916	1,049
23,351	23,450	741	368	368	30,351	30,450	1,248	640	640	37,351	37,450	1,866	920	1,055
23,451	23,550	747	370	370	30,451	30,550	1,256	644	644	37,451	37,550	1,876	924	1,061
23,551	23,650	753	372	372	30,551	30,650	1,264	648	648	37,551	37,650	1,885	930	1,067
23,651	23,750	759	374	374	30,651	30,750	1,272	652	653	37,651	37,750	1,894	936	1,073
23,751	23,850	765	376	376	30,751	30,850	1,280	656	659	37,751	37,850	1,903	942	1,079
23,851	23,950	771	380	380	30,851	30,950	1,288	660	665	37,851	37,950	1,913	948	1,085
23,951	24,050	777	384	384	30,951	31,050	1,296	664	671	37,951	38,050	1,922	954	1,093
24,051	24,150	783	388	388	31,051	31,150	1,304	668	677	38,051	38,150	1,931	960	1,101
24,151	24,250	789	392	392	31,151	31,250	1,312	672	683	38,151	38,250	1,941	966	1,109
24,251	24,350	795	396	396	31,251	31,350	1,320	676	689	38,251	38,350	1,950	972	1,117
24,351	24,450	801	400	400	31,351	31,450	1,328	680	695	38,351	38,450	1,959	978	1,125
24,451	24,550	807	404	404	31,451	31,550	1,336	684	701	38,451	38,550	1,969	984	1,133
24,551	24,650	813	408	408	31,551	31,650	1,344	688	707	38,551	38,650	1,978	990	1,141
24,651	24,750	819	412	412	31,651	31,750	1,352	692	713	38,651	38,750	1,987	996	1,149
24,751	24,850	825	416	416	31,751	31,850	1,360	696	719	38,751	38,850	1,996	1,002	1,157
24,851	24,950	831	420	420	31,851	31,950	1,368	700	725	38,851	38,950	2,006	1,008	1,165
24,951	25,050	837	424	424	31,951	32,050	1,376	704	731	38,951	39,050	2,015	1,014	1,173
25,051	25,150	843	428	428	32,051	32,150	1,384	708	737	39,051	39,150	2,024	1,020	1,181
25,151	25,250	849	432	432	32,151	32,250	1,392	712	743	39,151	39,250	2,034	1,026	1,189
25,251	25,350	855	436	436	32,251	32,350	1,400	716	749	39,251	39,350	2,043	1,032	1,197
25,351	25,450	861	440	440	32,351	32,450	1,408	720	755	39,351	39,450	2,052	1,038	1,205
25,451	25,550	867	444	444	32,451	32,550	1,416	724	761	39,451	39,550	2,062	1,044	1,213
25,551	25,650	873	448	448	32,551	32,650	1,424	728	767	39,551	39,650	2,071	1,050	1,221
25,651	25,750	879	452	452	32,651	32,750	1,432	732	773	39,651	39,750	2,080	1,056	1,229
25,751	25,850	885	456	456	32,751	32,850	1,440	736	779	39,751	39,850	2,089	1,062	1,237
25,851	25,950	891	460	460	32,851	32,950	1,448	740	785	39,851	39,950	2,099	1,068	1,245
25,951	26,050	897	464	464	32,951	33,050	1,457	744	791	39,951	40,050	2,108	1,074	1,253
26,051	26,150	904	468	468	33,051	33,150	1,466	748	797	40,051	40,150	2,117	1,080	1,261
26,151	26,250	912	472	472	33,151	33,250	1,476	752	803	40,151	40,250	2,127	1,086	1,269
26,251	26,350	920	476	476	33,251	33,350	1,485	756	809	40,251	40,350	2,136	1,092	1,277
26,351	26,450	928	480	480	33,351	33,450	1,494	760	815	40,351	40,450	2,145	1,098	1,285

Continued on next page.

1997 California Tax Table — Continued

Filing status: 1 or 3 (Single; Married filing Separate) 2 or 5 (Married filing Joint; Qualifying Widow(er)) 4 (Head of Household)

If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
40,451	40,550	2,155	1,104	1,293	43,951	44,050	2,480	1,314	1,573	47,451	47,550	2,806	1,524	1,888
40,551	40,650	2,164	1,110	1,301	44,051	44,150	2,489	1,320	1,581	47,551	47,650	2,815	1,530	1,897
40,651	40,750	2,173	1,116	1,309	44,151	44,250	2,499	1,326	1,589	47,651	47,750	2,824	1,536	1,906
40,751	40,850	2,182	1,122	1,317	44,251	44,350	2,508	1,332	1,597	47,751	47,850	2,833	1,542	1,916
40,851	40,950	2,192	1,128	1,325	44,351	44,450	2,517	1,338	1,605	47,851	47,950	2,843	1,548	1,925
40,951	41,050	2,201	1,134	1,333	44,451	44,550	2,527	1,344	1,613	47,951	48,050	2,852	1,554	1,934
41,051	41,150	2,210	1,140	1,341	44,551	44,650	2,536	1,350	1,621	48,051	48,150	2,861	1,560	1,943
41,151	41,250	2,220	1,146	1,349	44,651	44,750	2,545	1,356	1,629	48,151	48,250	2,871	1,566	1,953
41,251	41,350	2,229	1,152	1,357	44,751	44,850	2,554	1,362	1,637	48,251	48,350	2,880	1,572	1,962
41,351	41,450	2,238	1,158	1,365	44,851	44,950	2,564	1,368	1,646	48,351	48,450	2,889	1,578	1,971
41,451	41,550	2,248	1,164	1,373	44,951	45,050	2,573	1,374	1,655	48,451	48,550	2,899	1,584	1,981
41,551	41,650	2,257	1,170	1,381	45,051	45,150	2,582	1,380	1,664	48,551	48,650	2,908	1,590	1,990
41,651	41,750	2,266	1,176	1,389	45,151	45,250	2,592	1,386	1,674	48,651	48,750	2,917	1,596	1,999
41,751	41,850	2,275	1,182	1,397	45,251	45,350	2,601	1,392	1,683	48,751	48,850	2,926	1,602	2,009
41,851	41,950	2,285	1,188	1,405	45,351	45,450	2,610	1,398	1,692	48,851	48,950	2,936	1,608	2,018
41,951	42,050	2,294	1,194	1,413	45,451	45,550	2,620	1,404	1,702	48,951	49,050	2,945	1,614	2,027
42,051	42,150	2,303	1,200	1,421	45,551	45,650	2,629	1,410	1,711	49,051	49,150	2,954	1,620	2,036
42,151	42,250	2,313	1,206	1,429	45,651	45,750	2,638	1,416	1,720	49,151	49,250	2,964	1,626	2,046
42,251	42,350	2,322	1,212	1,437	45,751	45,850	2,647	1,422	1,730	49,251	49,350	2,973	1,632	2,055
42,351	42,450	2,331	1,218	1,445	45,851	45,950	2,657	1,428	1,739	49,351	49,450	2,982	1,638	2,064
42,451	42,550	2,341	1,224	1,453	45,951	46,050	2,666	1,434	1,748	49,451	49,550	2,992	1,644	2,074
42,551	42,650	2,350	1,230	1,461	46,051	46,150	2,675	1,440	1,757	49,551	49,650	3,001	1,650	2,083
42,651	42,750	2,359	1,236	1,469	46,151	46,250	2,685	1,446	1,767	49,651	49,750	3,010	1,656	2,092
42,751	42,850	2,368	1,242	1,477	46,251	46,350	2,694	1,452	1,776	49,751	49,850	3,019	1,662	2,102
42,851	42,950	2,378	1,248	1,485	46,351	46,450	2,703	1,458	1,785	49,851	49,950	3,029	1,668	2,111
42,951	43,050	2,387	1,254	1,493	46,451	46,550	2,713	1,464	1,795	49,951	50,000	3,036	1,672	2,118
43,051	43,150	2,396	1,260	1,501	46,551	46,650	2,722	1,470	1,804	OVER \$50,000 YOU MUST COMPUTE YOUR TAX USING THE TAX RATE SCHEDULES.				
43,151	43,250	2,406	1,266	1,509	46,651	46,750	2,731	1,476	1,813					
43,251	43,350	2,415	1,272	1,517	46,751	46,850	2,740	1,482	1,823					
43,351	43,450	2,424	1,278	1,525	46,851	46,950	2,750	1,488	1,832					
43,451	43,550	2,434	1,284	1,533	46,951	47,050	2,759	1,494	1,841					
43,551	43,650	2,443	1,290	1,541	47,051	47,150	2,768	1,500	1,850					
43,651	43,750	2,452	1,296	1,549	47,151	47,250	2,778	1,506	1,860					
43,751	43,850	2,461	1,302	1,557	47,251	47,350	2,787	1,512	1,869					
43,851	43,950	2,471	1,308	1,565	47,351	47,450	2,796	1,518	1,878					

1997 California Tax Rate Schedules

Caution: Use only if your taxable income on Form 540NR, line 19 is more than \$50,000. If \$50,000 or less, use the Tax Table.

If the amount on Form 540NR, line 19 is: over— But not over— Enter on Form 540NR, line 22 of the amount over—

Schedule X – Use if your filing status is Single or Married Filing Separate

\$ 0	\$ 5,016	\$ 0.00	+ 1.0%	\$ 0
5,016	11,888	50.16	+ 2.0%	5,016
11,888	18,761	187.60	+ 4.0%	11,888
18,761	26,045	462.52	+ 6.0%	18,761
26,045	32,916	899.56	+ 8.0%	26,045
32,916	AND OVER	1,449.24	+ 9.3%	32,916

Schedule Y – Use if your filing status is Married Filing Joint or Qualifying Widow(er) with Dependent Child

\$ 0	\$ 10,032	\$ 0.00	+ 1.0%	\$ 0
10,032	23,776	100.32	+ 2.0%	10,032
23,776	37,522	375.20	+ 4.0%	23,776
37,522	52,090	925.04	+ 6.0%	37,522
52,090	65,832	1,799.12	+ 8.0%	52,090
65,832	AND OVER	2,898.48	+ 9.3%	65,832

Schedule Z – Use if your filing status is Head of Household

\$ 0	\$ 10,033	\$ 0.00	+ 1.0%	\$ 0
10,033	23,776	100.33	+ 2.0%	10,033
23,776	30,648	375.19	+ 4.0%	23,776
30,648	37,931	650.07	+ 6.0%	30,648
37,931	44,803	1,087.05	+ 8.0%	37,931
44,803	AND OVER	1,636.81	+ 9.3%	44,803

Where To Get Income Tax Forms

By Internet – If you have Internet access, you may download, view and print California income tax forms and publications. Our Internet address is:

<http://www.ftb.ca.gov>

By phone – Use F.A.S.T. to order 1994, 1995, 1996 and 1997 California tax forms and 1997 federal forms. To order a form:

- Refer to the list in the next column and find the code number for the form you want to order.
- Call 1-800-338-0505.
- Select personal income tax form requests.
- Enter the three-digit code for the form when you are instructed to do so.

Please allow two weeks to receive your order. If you live outside California, please allow three weeks to receive your order.

In person – Most libraries, post offices and banks provide free California tax booklets during the filing season. Many libraries and some quick print businesses have forms and schedules for you to photocopy (you may have to pay a nominal fee). Note that employees at libraries, post offices, banks and quick print businesses cannot provide tax information or assistance.

By mail – Write to: TAX FORMS REQUEST UNIT, FRANCHISE TAX BOARD, PO BOX 307, RANCHO CORDOVA CA 95741-0307.

Letters

We can serve you by phone if you call us for information to complete your California income tax return or to find out about your tax refund. However, you may want to write to us if you are replying to a notice we sent you or to get a written reply. If you write to us, be sure your letter includes your social security number, your daytime and evening telephone numbers and a copy of the notice. Send your letter to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

We will acknowledge receipt of your letter within eight to ten weeks. In some cases, we may need to call you for additional information.

Your Rights As A Taxpayer

Our goal at the FTB is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency and fairness of our state tax system. FTB Pub. 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program and how you can request written advice from the FTB on whether a particular transaction is taxable. You can order FTB Pub. 4058 by calling or writing the FTB using the address above for letters.

General Toll-Free Phone Service

Our general toll-free phone service is available from 7:00 a.m. until 8:00 p.m. Monday through Friday from January 2 through April 15, 1998. The best times to call are between 7:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 8:00 p.m. Service is also available on Saturday, April 4 and April 11, from 8:00 a.m. until 5:00 p.m. After April 15, service is available Monday through Friday, from 8:00 a.m. until 5:00 p.m.

From within the United States 1-800-852-5711
From outside the United States 1-916-845-6500
(not toll-free)

For hearing impaired with TDD 1-800-822-6268
For federal tax questions,
call the IRS at 1-800-829-1040

Asistencia Bilingüe en Español

Para obtener servicios en Español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

California Tax Forms and Publications

- 900 California Resident Income Tax Booklet contents:
Form 540, Resident Income Tax Return
Form 540A, Resident Income Tax Return
Form 540EZ, Resident Income Tax Return For Single and Joint Filers With No Dependents
- 903 Schedule CA 540, California Adjustments
FTB 3885A, Depreciation & Amortization Adjustments
Schedule D, California Capital Gain or Loss Adjustment
- 907 540-ES, Estimated Tax for Individuals
- 908 540X, Amended Income Tax Return
- 909 Schedule D-1, Sales of Business Property
- 910 Schedule G-1, Tax on Lump-Sum Distribution
- 911 Schedule P (540), Alternative Minimum Tax and Credit Limitations — Residents
- 913 Schedule S, Other State Tax Credit
- 914 California Nonresident Income Tax Booklet contents:
Form 540NR, Nonresident or Part-Year Resident Income Tax Return
- 917 Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents
- 918 Schedule P (540NR), Alternative Minimum Tax and Credit Limitations
- 936 Form 565, California Partnership Return of Income Booklet
- 937 FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return
- 921 FTB 3519, Payment Voucher for Automatic Extension for Individuals
- 922 FTB 3525, Substitute W-2 Statement
- 923 FTB 3526, Investment Interest Expense Deduction
- 940 FTB 3540, Credit Carryover Summary
- 949 FTB 3567, Installment Agreement Request
- 938 FTB 3596, California Moving Expenses (1995 only)
- 924 FTB 3800, Tax Computation for Children with Investment Income
- 929 FTB 3801, Passive Activity Loss Limitations
- 930 FTB 3803, Parents' Election to Report Child's Interest and Dividends
- 925 FTB 3805E, Installment Sale Income
- 928 FTB 3805P, Additional Tax from Qualified Retirement Plans
- 926 FTB 3805V, Net Operating Loss
- 901 FTB 3805Z, Enterprise Zone Business Booklet
- 927 FTB 5805, Underpayment of Estimated Tax
- 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
- 941 FTB Pub. 1031, Guidelines for Determining Resident Status
- 942 FTB Pub. 1032, Tax Information for Military Personnel
- 951 FTB Pub. 1051A, Guidelines for Married Filing Separate Returns
- 934 FTB Pub. 1540, Head of Household

1997 Federal Tax Forms

(available January 2 through April 15, 1998 only)

- 902 1040 Booklet (includes Schedules A, B, D & E;
Forms 1040V, EIC and 2441)
- 904 1040A Booklet (includes Schedule 1; Form EIC)
- 915 1040EZ Booklet
- 906 Form 1040X, Amended U.S. Individual Income Tax Return
- 931 Form 1040-ES, Estimated Tax for Individuals
- 935 Publication 17, Your Federal Income Tax for Individuals
- 933 Form 2119, Sale or Exchange of Principal Residence
- 912 Form 2106, Employee Business Expenses
- 932 Form 4562, Depreciation and Amortization
- 916 Schedule C, Profit or (Loss) from Business or Profession
- 905 Schedule SE, Social Security Self-Employment Tax



Call **Fast Answers** about **State Taxes**, the F.A.S.T. toll-free phone service you can use to:

- Find out about your current year tax refund;
- Order California and federal income tax forms;
- Obtain balance due and payment information; and
- Hear recorded answers to many of your questions about California taxes.

F.A.S.T. is available in English and Spanish to callers with touch-tone telephones.

How To Use F.A.S.T.

Have paper and pencil ready to take notes.

Call from within the United States 1-800-338-0505

Call from outside the United States (not toll-free) . . . 1-916-845-6600

To Find Out About Your Current Year Tax Refund

You should wait at least eight weeks after you file your tax return before you call to find out about your refund. You will need your social security number, the numbers in your street address, box number or route number, and your zip code to use this service. Refund status information is available from 6:00 a.m. until 10:00 p.m., seven days a week, except state holidays. Call the F.A.S.T. number, select refund information and follow the recorded instructions.

To Order Forms

If your current address is on file, you can use F.A.S.T. to order current and prior year California tax forms. You can also order current year federal tax forms between January 2 and April 15. See the list of forms and instructions for ordering forms on page 31. This service is available from 6:00 a.m. until 10:00 p.m., seven days a week, except state holidays.

To Obtain Balance Due And Payment Information

You should wait at least 45 days from the date you mailed your payment before you call to verify receipt of your payment. You will need your social security number, the numbers in your street address, box number or route number, and your zip code to use this service. Balance due and payment information is available from 6:00 a.m. to 10:00 p.m., seven days a week, except state holidays.

To Hear Answers To California Tax Questions

Recorded answers to tax questions are available 24 hours a day, seven days a week. To receive answers to any of the following questions, call the F.A.S.T. number, select general tax information and enter the three digit code when instructed to do so.

Code-Filing Assistance:

- 100 – Do I need to file a return?
- 111 – Which form should I use?
- 112 – How do I file electronically and get a fast refund?
- 200 – Where can I pick up a form today?
- 201 – How can I get an extension to file?
- 202 – There is no envelope in the booklet. Where do I send my return?
- 203 – How much do I get for renter's credit?
- 204 – I never received a Form W-2. What do I do?
- 205 – I have no withholding taken out. What do I do?
- 206 – Do I have to attach a copy of my federal return?
- 207 – Should I file my return even though I do not have the money to pay?
- 208 – How do I figure my estimated tax payments?
- 209 – I lived in California for part of the year. Do I have to file a return?
- 210 – I do not live in California. Why do I have to file a return?
- 211 – How do I figure my IRA deduction?

- 212 – How do I claim my disaster related loss?
- 215 – Who qualifies me to use the head of household filing status?
- 216 – I'm due a refund. Do I still need to file a return?
- 217 – I am currently/was in the military. Do I have to file a California return?
- 218 – I'm in the military. Do I have to use the same filing status as federal?
- 219 – I sold my personal residence. How do I report the sale to California?
- 220 – There is no difference in my state and federal depreciation, business income and capital gain income. What do I do?
- 221 – What is community property?
- 222 – How much can I deduct for vehicle license fees?
- 227 – How do I get a refund of excess SDI?
- 239 – Where can I get help with filing my income tax return?
- 240 – Does a tax return have to be filed for a deceased taxpayer?

Refunds:

- 300 – My spouse passed away. You sent a refund with both our names on it. What do I do?
- 301 – I got a letter saying you sent my refund to another agency. Why?

Penalties:

- 400 – I have an extension of time to file my return. Why did I get a penalty?
- 401 – I filed my return on time. Why did I get a penalty?
- 402 – How can I protest a penalty?
- 403 – What is the estimate penalty rate?

Notices And Bills:

- 500 – I received a bill and I cannot pay it in full. What do I do?
- 501 – Why didn't you give me credit for my withholding?
- 502 – You didn't give me credit for my dependent. What do I do?
- 503 – I don't have a homeowner's exemption. Why did you deny my renter's credit?
- 504 – I'm head of my house. Why was I denied head of household filing status?
- 505 – Why was my IRA deduction denied?
- 506 – How can I get information about my Form 1099-G?
- 507 – Why did I receive a questionnaire?
- 508 – I received a notice that didn't show all payments made. How do I get credit for them?

Tax For Children Under 14:

- 601 – Can my child take a personal exemption credit when I claim her or him as a dependent on my return?
- 602 – Federal law limits the standard deduction. Is the state law the same?

Miscellaneous:

- 610 – Can I pay my taxes with a credit card?
- 611 – What address do I send my payment to?
- 612 – I mailed my return and haven't heard anything. Should I send a copy of my return?
- 613 – I forgot to attach my Form(s) W-2 when I mailed my return. What do I do?
- 614 – I forgot to attach a copy of my federal return. What do I do?
- 615 – How do I get a copy of my state tax return?
- 616 – What should I do if my federal tax return was examined and changed by the IRS?
- 617 – What are the current interest rates?

