

# Instructions for Form 540/540A — California Resident Income Tax Return

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2005**, and the California Revenue and Taxation Code (R&TC).

## Before You Begin

Complete your federal income tax return (Form 1040, Form 1040A, or Form 1040EZ) before you begin your California Form 540/540A. Use information from your federal income tax return to complete your Form 540/540A. Complete and mail Form 540/540A by April 15, 2010. If unable to mail your tax return by the due date, see page 2.



You may qualify for the federal earned income credit. See page 2 for more information. No comparable state credit exists.

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

## Filling in Your Tax Return

- Use black or blue ballpoint pen on the tax return you send to the Franchise Tax Board (FTB).
- Enter your social security number(s) (SSN) or individual taxpayer identification number(s) (ITIN) at the top of Form 540/540A, Side 1.
- Print numbers and CAPITAL LETTERS between the combed lines. Be sure to line up dollar amounts.
- Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.
- If you do not have an entry for a line, leave it blank unless the instructions for a line specifically tell you to enter -0-. **Do not** enter a dash, or the word "NONE."

## Name(s) and Address

Print your first name, middle initial, last name, and address in the spaces provided at the top of Form 540/540A.

### Private Mail Box

Include the Private Mail Box (PMB) in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

### Foreign Address

Enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country name.

### Principal Business Activity (PBA) Code (Form 540 only)

For federal Schedule C (Form 1040) business filers, enter the numeric principal business activity code from federal Schedule C (Form 1040), line B.

### Prior Name

If you or your spouse/RDP filed your 2008 tax return under a different last name, write the last name **only** from the 2008 tax return.

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

Enter your SSN in the spaces provided. To protect your privacy, your SSN is not printed on the tax booklet with your name and address. If filing a joint tax return, enter the SSNs in the same order as the names.

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

## Filing Status

### Line 1 through Line 5 – Filing Status

Fill in only one of the circles for line 1 through line 5. Enter the required additional information if you filled in the circle on line 3 or line 5. For filing status requirements, see page 3.

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

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

- An active member of the United States armed forces or any auxiliary military branch during 2009.

- A nonresident for the entire year and had no income from California sources during 2009.

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

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

Same-sex married individuals or registered domestic partners (RDPs) who file single for federal **must file** married/RDP filing jointly or married/RDP filing separately for California.

If you filed a joint tax return and either you or your spouse/RDP was a nonresident for 2009, you **must file** the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.

## Exemptions

### Line 6 – Can be Claimed as Dependent



601

Fill in the circle on line 6 if someone else can claim you or your spouse/RDP as a dependent on his or her tax return, even if he or she chooses not to.

### Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

**No** Follow the instructions on Form 540/540A, line 7.

**Yes** Ignore the instructions on Form 540/540A, line 7. Instead, enter in the box on line 7 the amount shown below for your filing status:

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

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

### Line 8 – Blind Exemptions

The first year you claim this exemption credit, attach a doctor's statement to the back of Form 540/540A indicating you or your spouse/RDP are visually impaired. Visually impaired means not capable of seeing better than 20/200 while wearing glasses or contact lenses, or if your field of vision is not more than 20 degrees.

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

### Line 9 – Senior Exemptions

If you were 65 years of age or older by December 31, 2009,\* you should claim an additional exemption credit on line 9. If you are married or an RDP, each spouse/RDP 65 years of age or older should claim an additional credit. You may contribute all or part of this credit to the California Seniors Special Fund. See page 22 for information about this fund.

\*If your 65th birthday is on January 1, 2010, you are considered to be age 65 on December 31, 2009.

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

### Line 10 – Dependent Exemptions

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

### Line 11 – Exemption Amount

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

## Taxable Income

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

**Line 12 – State Wages**

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

If you received wages and do not have a Form W-2, see “Attachments to your tax return” on page 17.

**Line 13 – Federal Adjusted Gross Income (AGI) from Form 1040, line 37; 1040A, line 21; or 1040EZ, line 4**

Same-sex married couples (SSMCs) or RDPs who file a California tax return as married/RDP filing jointly and have no SSMC adjustments or RDP adjustments between federal and California, combine their individual AGIs from their federal tax returns filed with the Internal Revenue Service (IRS). Enter the combined AGI on Form 540/540A, line 13.

SSMC adjustments and RDP adjustments include but are not limited to the following:

- Transfer of property between spouses/RDPs
- Capital loss
- Transactions between spouses/RDPs
- Sale of residence
- Dependent care assistance
- Investment interest
- Qualified residence interest acquisition loan & equity loan
- Expense depreciation property limits
- Individual Retirement Account
- Interest education loan
- Rental real estate passive loss
- Rollover of publicly traded securities gain into specialized small business investment companies

Same-sex married individuals filing as married/RDP filing separately, former spouses of a same-sex marriage filing separately, and SSMCs with SSMC adjustments will use the California SSMC Adjustment Worksheet in FTB Pub. 776, Tax Information for Same-Sex Married Couples, or complete a federal pro forma Form 1040. Transfer the amount from the California SSMC Adjustments Worksheet, line 37, column D, or federal pro forma Form 1040, line 37, to Form 540/540A, line 13.

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

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

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

If there are differences between your federal and California income or deductions, complete Schedule CA (540). Follow the instructions for Schedule CA (540) beginning on page 43. Enter on line 14 the amount from Schedule CA (540), line 37, column B. If a negative amount, see Schedule CA (540), line 37 instructions, page 48.

**Line 14a (Form 540A) – State Income Tax Refund**

Enter the amount of any state income tax refund shown on your federal Form 1040, line 10. If you filed federal Forms 1040A or 1040EZ, enter -0-.

**Line 14b (Form 540A) – Unemployment Compensation**

Enter the total of any unemployment compensation and/or Paid Family Leave Insurance benefits reported on federal Form(s) 1099-G, Certain Government Payments, and shown on your federal return. These types of income are not taxed by California and should be included on line 14b and in the total for line 14g.

**Line 14c (Form 540A) – Social Security Benefits (and Tier 1 or Tier 2 Railroad Retirement Benefits)**

- Enter the amount of U.S. social security benefits or equivalent tier 1 railroad retirement benefits reported on federal Form 1040A, line 14b or Form 1040, line 20b.
- Enter the amount of tier 1 (non-social security equivalent) and tier 2 railroad retirement benefits included in the amount on federal Form 1040A, line 12b or Form 1040, line 16b.

Do not include any other pension amounts on this line. If you filed Form 1040EZ, enter -0-.

**Line 14d (Form 540A) – California Nontaxable Interest or Dividend Income**

California does not tax interest earned from:

- United States savings bonds.
- United States Treasury bills, notes, and bonds.
- Bonds or obligations of United States territories, and government agency obligations specifically exempted by federal law.

Enter only the amount of interest that you received from these sources and that you included in the amount reported on your federal Form 1040A, line 8a; Form 1040, line 8a; or Form 1040EZ, line 2.

**Interest from municipal or state bonds from a state other than California:** This interest is taxed by California. You may not use Form 540A. Use Form 540, e-file, or CalFile.

**Interest from Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds, and Federal Home Loan Mortgage Corporation (FHLMC) securities:** This interest is taxed by California. Do not enter it on line 14d.

**Exempt-interest dividends from mutual funds:** 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 dividends that are tax-exempt will be shown on your annual statement from the mutual fund. If the amount of California tax-exempt interest is more than the amount of federal tax-exempt interest, enter the difference on line 14d. If the amount of California tax-exempt interest is less than the amount of federal tax-exempt interest, you may not use Form 540A. Use Form 540, e-file, or CalFile.

**Line 14e (Form 540A) – California Individual Retirement Account (IRA) Distributions**

Differences may exist between the taxable amounts of federal and California IRA distributions, pensions, and annuities. Enter any differences on line 14e and line 14f.

You cannot use Form 540A if you have Roth IRA conversions or distributions. Use Form 540, e-file, or CalFile.

The method of taxing IRA distributions is generally the same for California and federal purposes. However, there may be significant differences in the taxable amount depending on when you made your contributions.

The maximum IRA contribution allowed as a deduction for California was less than the maximum amount allowed for federal for years 1975 and 1982 through 1986. If you made contributions during these years, report the difference between the deduction you took for federal and the deduction you took for California on this line. For more information, get FTB Pub. 1005, Pension and Annuity Guidelines. See “Order Forms and Publications” on page 63.

Report the difference between your California and your federal taxable IRA distributions on line 14e. Attach Form 1099-R to your Form 540A if tax was withheld.

**Line 14f (Form 540A) – Non-taxable Pensions and Annuities**

Generally, you will not make any adjustments on this line. You should not make an adjustment solely because the pension was earned in another state. Federal and State tax laws require California residents to pay state income tax on all taxable pensions, regardless of where they were earned. However, California law treats railroad retirement benefits differently. If you received tier 2 railroad retirement benefits, tier 1 (non-social security equivalent) (included in the amount on federal Form 1040A, line 12b or Form 1040, line 16b), or partially taxable distributions from a pension plan, you may need to make the adjustment described on this page.

If you received a federal Form RRB-1099-R, Annuities or Pensions by the Railroad Retirement Board, for railroad retirement benefits and included all or part of these benefits in federal AGI on line 13, enter the taxable benefit amount on line 14f.

If you began receiving a retirement annuity between July 1, 1986, and January 1, 1987, and you elected to use the three-year recovery rule for California, make an adjustment because your federal taxable amount is less than your California taxable amount. Figure the difference between the gross distribution shown on your Form 1099-R, box 1 and the taxable amount shown in box 2a. Enter the difference in parentheses on line 14f. For example: “(12,325).”

If you received a lump-sum distribution from a profit sharing or retirement plan and choose the 10-year averaging method you may pay less tax on the distribution. To use this method file Form 540. See the instructions for Form 540 and get Schedule G-1, Tax on Lump-Sum Distributions (not in this booklet), for more information. See "Order Forms and Publications" on page 63.

California law now conforms to certain provisions of the Internal Revenue Code (IRC) related to pension plans and deferred compensation, as those provisions apply for federal purposes including amendments to the IRC that may be enacted in the future.

**Line 14g (Form 540A) – Total California Income Adjustments**

Combine line 14a through line 14f. If the result is less than zero, enter the amount in parentheses. For example, "(13,325)."

**Line 15 (Form 540) – Subtotal**

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

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

If there are differences between your federal and California income or deductions, complete Schedule CA (540). Follow the instructions for Schedule CA (540) beginning on page 43. Enter on line 16 the amount from Schedule CA (540), line 37, column C. If a negative amount, see Schedule CA (540), line 37 instructions, page 48.

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

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

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

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

On federal tax returns, individual taxpayers who claim the standard deduction are allowed an additional deduction for certain state or local real estate taxes paid, new motor vehicle taxes, and disaster losses. For California, deductions for certain state or local real estate taxes paid and disaster losses are only allowed for those individual taxpayers who itemized their deductions. California does not allow deductions for new motor vehicle taxes.

If married or an RDP and filing separate tax returns, you and your spouse/RDP must either both itemize your deductions or both take the standard deduction.

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

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

**Form 540 – Itemized deductions.** Figure your California itemized deductions by completing Schedule CA (540), Part II, line 38 through line 44. Enter the result on Form 540, line 18.

If you did not itemize deductions on your federal income tax return but will itemize deductions for your Form 540, first complete a sample federal Schedule A (Form 1040), Itemized Deductions. Then complete Schedule CA (540), Part II, line 38 through line 44. Attach both the federal Schedule A (Form 1040) and California Schedule CA (540) to the back of your tax return.

**Form 540A – Itemized deductions.** Figure your California itemized deductions by completing the Form 540A – California Itemized Deductions Worksheet on the next page. Enter the result on Form 540A, line 18.

If you did not itemize deductions on your federal income tax return but will itemize deductions for your Form 540A, first complete a federal Schedule A (Form 1040), Itemized Deductions. Then complete the Form 540A – California Itemized Deductions Worksheet on the next page. **Do not** attach federal Schedule A (Form 1040) to your Form 540A.

**Standard deduction.** Find your standard deduction on the California Standard Deduction Chart for Most People on this page. If you filled in the circle on Form 540/540A, line 6, use the California Standard Deduction Worksheet for Dependents on this page.

**California Standard Deduction Chart for Most People**  
Do not use this chart if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on his or her tax return.  
**Your Filing Status** **Enter On Line 18**

1 – Single	\$3,637
2 – Married/RDP filing jointly	\$7,274
3 – Married/RDP filing separately	\$3,637
4 – Head of household	\$7,274
5 – Qualifying widow(er)	\$7,274

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

**Form 540 – California Standard Deduction Worksheet for Dependents**  
Use this worksheet only if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on his or her tax return. **Use whole dollars only.**

1. Enter your earned income from: line 3 of the "Standard Deduction Worksheet" in the instructions for federal Form 1040; Form 1040A; or from line A of the worksheet on the back of Form 1040EZ.	1	
2. Minimum standard deduction	2	\$950.00
3. Enter the <b>larger</b> of line 1 or line 2 here	3	
4. Enter the amount shown for your filing status: • Single or married/RDP filing separately, enter \$3,637 • Married/RDP filing jointly, head of household, or qualifying widow(er), enter \$7,274	4	
5. <b>Standard deduction.</b> Enter the <b>smaller</b> of line 3 or line 4 here and on Form 540, line 18.	5	

**Form 540A** – If you filled in the circle on Form 540A, line 6, enter your wages, salaries, and tips on the Form 540A – California Standard Deduction Worksheet for Dependents, line 1 on this page. If you have earned income other than wages, then file Form 540 and use the standard deduction worksheet for that form.

**Form 540A – California Standard Deduction Worksheet for Dependents**  
Use this worksheet only if someone else can claim you (or your spouse/RDP) as a dependent on his or her tax return. **Use whole dollars only.**

1. Enter your total wages, salaries, and tips from all your Form(s) W-2, box 1. (You may also refer to federal Form 1040EZ, line 1; Form 1040A, line 7; or Form 1040, line 7)	1	
2.	2	\$300.00
3. Add line 1 and line 2. Enter total here	3	
4. Minimum standard deduction	4	\$950.00
5. Enter the <b>larger</b> of line 3 or line 4 here	5	
6. Enter the amount shown for your filing status: • Single or married/RDP filing separately, enter \$3,637 • Married/RDP filing jointly, head of household, or qualifying widow(er) enter \$7,274	6	
7. <b>Standard deduction.</b> Enter the <b>smaller</b> of line 5 or line 6 here and on Form 540A, line 18.	7	

**Form 540A – California Itemized Deductions Worksheet**  
Use whole dollars only.

1. Federal itemized deductions: Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28 . . . . . 1 \_\_\_\_\_
2. Add the following amounts from federal Schedule A (Form 1040) and enter on line 2
  - Line 5, state and local income tax or general sales tax: \_\_\_\_\_
  - State Disability Insurance (SDI): \_\_\_\_\_
  - Line 7, new motor vehicle tax: \_\_\_\_\_
  - Line 8, foreign income taxes: \_\_\_\_\_ 2 \_\_\_\_\_
3. Subtract line 2 from line 1. This amount is your total California **itemized deductions** . . . . . 3 \_\_\_\_\_
4. Is the amount on Form 540A, line 13, more than the amount shown below for your filing status?
 

Single or married/RDP filing separately . . . . .	\$160,739
Married/RDP filing jointly or qualifying widow(er) . . . . .	\$321,483
Head of household . . . . .	\$241,113

**Yes** Continue to line 5 of this worksheet  
**No** Enter on Form 540A, line 18, the **larger** of:

  - The amount on line 3; or,
  - Your standard deduction\* shown below:

Single or married/RDP filing separately . . . . .	\$3,637
Married/RDP filing jointly, head of household, or qualifying widow(er) . . . . .	\$7,274

**Do not complete the rest of this worksheet.**
5. Using California amounts, add the amounts on federal Schedule A, (Form 1040) lines 4, 14, 20, and any gambling losses included on line 28. . . . . 5 \_\_\_\_\_
6. Subtract line 5 from line 3 . . . . . 6 \_\_\_\_\_  
If zero, skip line 7 through line 12, enter the amount from line 3 on line 13 and continue to line 14.
7. Multiply line 6 by 80% (.80). . . . . 7 \_\_\_\_\_
8. Amount from Form 540A, line 13 . . . . . 8 \_\_\_\_\_
9. Enter the amount shown below for your filing status . . . . . 9 \_\_\_\_\_
 

Single or married/RDP filing separately . . . . .	\$160,739
Married/RDP filing jointly or qualifying widow(er) . . . . .	\$321,483
Head of household . . . . .	\$241,113
10. Subtract line 9 from line 8 . . . . . 10 \_\_\_\_\_  
If zero or less, skip line 11 and line 12, enter the amount from line 3 on line 13 and continue to line 14.
11. Multiply line 10 by 6% (.06). . . . . 11 \_\_\_\_\_
12. Compare line 7 and line 11. Enter the **smaller** amount here. . . . . 12 \_\_\_\_\_
13. Total itemized deductions. Subtract line 12 from line 3 . . . . . 13 \_\_\_\_\_
14. Enter on Form 540A, line 18, the **larger** of:
  - The amount on line 13; or,
  - Your standard deduction\* shown below:

Single or married/RDP filing separately . . . . .	\$3,637
Married/RDP filing jointly, head of household, or qualifying widow(er) . . . . .	\$7,274

**\*Standard Deduction for Dependents**  
If someone else can claim you as a dependent use the standard deduction amount from line 7 of the "Form 540A – California Standard Deduction Worksheet for Dependents" on the previous page instead of the standard deduction amount shown above.

**Line 19 (Form 540) – Taxable Income**

**Capital Construction Fund (CCF).** If you claim a deduction on your federal Form 1040, line 43 for the contribution made to a capital construction fund set up under the Merchant Marine Act of 1936, reduce the amount you would otherwise enter on line 19 by the amount of the deduction. Next to line 19, enter "CCF" and the amount of the deduction. For details, see federal Publication 595, Capital Construction Fund for Commercial Fishermen.

**Tax**

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

**Line 31 (Form 540A) – Tax**

If your taxable income on line 19 is:

- \$100,000 or less, use the tax table beginning on page 57. Use the correct column for your filing status.
- Over \$100,000, use the tax rate schedules on page 62. Use the correct tax rate schedule for your filing status.

**Line 31 (Form 540) – Tax**

To figure your tax, use one of the following methods and fill in the matching circle on line 31:

- **Tax Table.** If your taxable income on line 19 is \$100,000 or less, use the tax table beginning on page 57. Use the correct filing status column in the tax table.
- **Tax Rate Schedules.** If your taxable income on line 19 is over \$100,000, use the tax rate schedule for your filing status on page 62.
- **FTB 3800.** Generally, use form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate Form 540 for your child who was under age 14 on January 1, 2010, and who had more than \$1,900 of investment income. Attach form FTB 3800 to the child's Form 540.
- **FTB 3803.** If, as a parent, you elect to report your child's interest and dividend income of \$9,500 or less (but not less than \$950) on your tax return, complete form FTB 3803, Parents' Election to Report Child's Interest and Dividends. File a separate form FTB 3803 for each child whose income you elect to include on your Form 540. Add the amount of tax, if any, from each form FTB 3803, line 9, to the amount of your tax from the tax table or tax rate schedules and enter the result on Form 540, line 31. Attach form(s) FTB 3803 to your tax return.

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



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

**Line 32 – Exemption Credits**

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

For purposes of computing limitations based upon AGI, SSMCs and RDPs recalculate their AGI using a federal pro forma, California SSMC Adjustments Worksheet (located in FTB Pub. 776), or California RDP Adjustments Worksheet (located in FTB Pub. 737). If your recalculated federal AGI is more than the amount shown below for your filing status, your credits will be limited.

If your filing status is:

Single or married/RDP filing separately . . . . .	\$160,739
Married/RDP filing jointly or qualifying widow(er) . . . . .	\$321,483
Head of household . . . . .	\$241,113

- Yes** Complete the AGI Limitation Worksheet on the next page.
- No** Follow the instructions on Form 540/540A, line 32.

**Is Form 540/540A,**  
line 13 more than:

**AGI Limitation Worksheet**  
Use whole dollars only.

**a** Enter the amount from Form 540/540A, line 13 ..... **a** \_\_\_\_\_

**b** Enter the amount for your filing status on line b:  
 • Single or married/RDP filing separately ..... \$160,739  
 • Married/RDP filing jointly or  
 qualifying widow(er) ..... \$321,483  
 • Head of household ..... \$241,113 } **b** \_\_\_\_\_

**c** Subtract line b from line a ..... **c** \_\_\_\_\_

**d** Divide line c by \$2,500 (\$1,250 if married/RDP filing separately). If the result is not a whole number, round it to the next higher whole number. .... **d** \_\_\_\_\_

**e** Multiply line d by \$6 ..... **e** \_\_\_\_\_

**f** Add the numbers from the boxes on Form 540/540A, lines 7, 8, and 9 (not the dollar amounts) ..... **f** \_\_\_\_\_

**g** Multiply line e by line f ..... **g** \_\_\_\_\_

**h** Enter the total **dollar amount** for lines 7, 8, and 9. .... **h** \_\_\_\_\_

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

**j** Enter the number from the box on Form 540/540A, line 10 (not the dollar amount) ..... **j** \_\_\_\_\_

**k** Multiply line e by line j. .... **k** \_\_\_\_\_

**l** Enter the **dollar amount** from Form 540/540A, line 10 ..... **l** \_\_\_\_\_

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

**n** Add line i and line m. Enter the result here and on Form 540/540A, line 32. .... **n** \_\_\_\_\_

**Line 34 (Form 540) – Tax from Schedule G-1 and FTB 5870A**

If you received a qualified lump-sum distribution in 2009 and you were born before January 2, 1936, get Schedule G-1, to figure your tax by special methods that may result in less tax.

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

To get these forms, see "Order Forms and Publications" on page 63.

**Special Credits and Nonrefundable Renter's Credit**

**Form 540A** – Did you pay rent for at least six months in 2009 on your principal residence located in California?

- Yes** You may qualify to claim this credit which may reduce your tax. Complete the qualification record on page 50.
- No** Go to line 47.

**Form 540** – A variety of California tax credits are available to reduce your tax if you qualify. To figure and claim most special credits, you must complete a separate form or schedule and attach it to your Form 540. (**Note:** If your net business income is \$500,000 or more and you have business tax credits, complete Schedule P (540), Alternative Minimum Tax and Credit Limitations – Resident. See "Order Forms and Publications" on page 63.)

The Credit Chart on page 21 describes the credits and provides the name, credit code, and number of the required form or schedule. Many credits are limited to a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by tentative minimum tax (TMT). Answer the following questions before you claim credits on your tax return.

1. Do you qualify to claim the nonrefundable renter's credit? Complete the qualification record on page 50.  
Check  **Yes** or  **No**, then go to Question 2.
2. Are you claiming any other special credit listed on the Credit Chart on page 21?  
**No** If you checked "Yes" for Question 1 and entered an amount on Form 540, line 46, go to line 47. If you checked "No" for Question 1, skip to the instructions for line 48.  
**Yes** Figure your credit using the form, schedule, worksheet, or certificate identified on the Credit Chart. Then go to Box A to see if the total amount you may claim for all credits is limited by TMT. If you checked "Yes" for Question 1, verify you entered your nonrefundable renter's credit on line 46.

**Box A** – Did you complete federal Schedule C, D, E, or F and claim or receive any of the following (**Note:** If your business gross receipts are less than \$1,000,000 from all trades or businesses, you do not have to report alternative minimum tax (AMT). For more information, see line 61 instructions, on page 12.):

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

**Yes** Complete Schedule P (540). See "Order Forms and Publications" on page 63.  
**No** Go to Box B.

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

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

**Yes** Complete Schedule P (540). See "Order Forms and Publications" on page 63.  
**No** Go to Box C.

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

Single or head of household .....	\$221,674
Married/RDP filing jointly or qualifying widow(er) .....	\$295,564
Married/RDP filing separately .....	\$147,781

**Yes** Complete Schedule P (540). See "Order Forms and Publications" on page 63.  
**No** Your credits are not limited. Go to the instructions for Form 540, line 41.

**Line 41 and Line 42 (Form 540) - New Jobs Credit**

Qualified employers who had a net increase of qualified employees during the current taxable year or qualified employers who first commenced business in California during the current taxable year may be eligible to claim this credit. Use form FTB 3527, New Jobs Credit, to determine the amount of the credit available. Enter on line 41 the amount of the credit generated from form FTB 3527, line 12.

Answer the following question to determine the amount of the credit you can claim. Are you required to complete Schedule P (540)?

- Yes** Enter on line 42 the amount of the New Jobs credit claimed from Schedule P (540), Part III.
- No** Use this worksheet to figure the credit.

1. Enter the amount from Form 540, line 35. .... 1 \_\_\_\_\_
2. Enter the amount from form FTB 3527, line 14. .... 2 \_\_\_\_\_
3. Enter the smaller of line 1 or line 2 here and on Form 540, line 42\* and form FTB 3527, line 15. .... 3 \_\_\_\_\_

\* If you have other credits with limited carryovers, you may want to apply those credits first on line 43 through line 45 before claiming the New Jobs credit on line 42.

**Important:** Attach form FTB 3527 and Schedule P (540) to your Form 540.

**Line 43 through Line 45 (Form 540) – Additional Special Credits**

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

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

Do not claim the New Jobs credit on line 43, line 44, or line 45. Only use line 42 to claim the New Jobs credit.

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

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

**Credit for Joint Custody Head of Household — Code 170**  
You may not claim this credit if you used the married/RDP filing jointly, head of household, or qualifying widow(er) filing status.

Claim the credit if unmarried and not an RDP at the end of 2009 (or if married/or an RDP, you lived apart from your spouse/RDP for all of 2009 and you used the married/RDP filing separately filing status); and if you furnished more than one-half the household expenses for your home that also served as the main home of your child, step-child, or grandchild for at least 146 days but not more than 219 days of the taxable year. If the child is married or an RDP, you must be entitled to claim a dependent exemption credit for the child.

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

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

1. Enter the amount from Form 540, line 35 . . . . .	1	_____
2. Credit percentage — 30% . . . . .	2	x .30
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$387, whichever is less . . . . .	3	_____

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

**Credit for Dependent Parent — Code 173**

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

Claim this credit only if all of the following apply:

- You were married/or an RDP at the end of 2009 and you used the married/RDP filing separately filing status.
- Your spouse/RDP was not a member of your household during the last six months of the year.
- You furnished over one-half the household expenses for your dependent mother's or father's home, whether or not she or he lived in your home.

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

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

You may claim this credit if you:

- Were 65 years of age or older on December 31, 2009.\*
- Qualified as a head of household in 2007 or 2008 by providing a household for a qualifying individual who died during 2007 or 2008.
- Did not have AGI over \$62,874 for 2009.

\* If your 65th birthday is on January 1, 2010, you are considered to be age 65 on December 31, 2009.

If you meet all the conditions listed above, you do not need to qualify to use the head of household filing status for 2009 in order to claim this credit.

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

1. Enter the amount from Form 540, line 19 . . . . .	1	_____
2. Credit percentage — 2% . . . . .	2	x .02
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$1,185, whichever is less . . . . .	3	_____

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

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

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

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

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

**Note:**

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

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

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

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

Your allowable credit is limited to \$2,500 for 2009. Carry over the excess credit to future years until the credit is used.

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

Did you pay rent for at least six months in 2009 on your principal residence located in California?

**Yes** You may qualify to claim this credit which may reduce your tax. Complete the qualification record on page 50.

**No** Go to line 47.

**Line 48 (Form 540)**

Subtract the amount on line 47 from the amount on line 40. Enter the result on line 48. If the amount on line 47 is more than the amount on line 40, 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 48. 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 48.

**Other Taxes**

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

**Line 61 (Form 540) – 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:

- \$78,817 married/RDP filing jointly or qualifying widower(er)
- \$59,114 single or head of household
- \$39,407 married/RDP filing separately

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 (540) and included on the return is more than the sum of \$5,500 and the child's earned income.

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

Get Schedule P (540) for more information. See "Order Forms and Publications" on page 63.

**Line 62 – Mental Health Services Tax**

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

A. Taxable income from Form 540/540A, line 19 . . . . .	
B. Less . . . . .	\$(1,000,000)
C. Subtotal . . . . .	
D. Multiply line C by 1% . . . . .	x .01
E. Mental Health Services Tax – Enter this amount here and on Form 540/540A, line 62 . . . . .	

**Line 63 (Form 540) – Other Taxes and Credit Recapture**

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

California conforms to federal law for income received under IRC Section 409A on a nonqualified deferred compensation (NQDC) plan and discounted stock options and stock appreciation rights. Income received under IRC Section 409A is subject to an additional 20% tax plus interest. Include the additional tax, if any, on line 63. Write "NQDC" on the dotted line to the left of the amount.

If you used form(s)

- FTB 3501, Employer Child Care Program/Contribution Credit
- FTB 3805Z, Enterprise Zone Deduction and Credit Summary
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary
- FTB 3808, Manufacturing Enhancement Area Credit Summary
- FTB 3809, Targeted Tax Area Deduction and Credit Summary

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

**Payments**

To avoid a delay in the processing of your tax return, enter the correct amounts on line 71 through line 78.

**Line 71 – California Income Tax Withheld**

Enter the total California income tax withheld from your:

- Form(s) W-2, Wage and Tax Statement, box 17
- Form(s) W-2G, Certain Gambling Winnings, box 14
- Form(s) 1099-MISC, Miscellaneous Income, box 16
- Form(s) 1099-R, Distributions from Pensions, Annuities, Retirement, or Profit Sharing Plans, IRAs, Insurance Contracts, etc. box 10

Do not include city, local, or county tax withheld or tax withheld by other states. Do not include withholding from Forms 592-B, Resident and Nonresident Withholding Tax Statement, or Form 593, Real Estate Withholding Tax Statement, on this line. For more details, see instructions for line 73 on this page.

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

**Line 72 – 2009 CA Estimated Tax and Other Payments**

Enter the total of any:

- California estimated tax payments you made using 2009 Form 540-ES or Web Pay
- Overpayment from your 2008 California income tax return that you applied to your 2009 estimated tax
- Payment you sent with form FTB 3519, Payment for Automatic Extension for Individuals
- California estimated tax payments made on your behalf by an estate, trust, or S corporation on Schedule K-1 (541) or Schedule K-1 (100S)



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

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

Send statements to:

JOINT ESTIMATED CREDIT ALLOCATION MS F225  
TAXPAYER SERVICES CENTER  
FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO, CA 94240-0040

If you or your spouse/RDP made separate estimated tax payments, but are now filing a joint income tax return, add the amounts you each paid. Attach a statement to the front of Form 540/540A explaining that payments were made under both SSNs.

You do not have to make estimated tax payments if you are a nonresident or new resident of California in 2010 and did not have a California tax liability in 2009.

**Line 73 (Form 540) – Real Estate and Other Withholding**

Enter the total of California withholding from Form 593, Real Estate Withholding Tax Statement, and Form 592-B, Resident and Nonresident Withholding Tax Statement. Attach a copy of Form(s) 593 and 592-B to the lower front of Form 540, Side 1.

**Caution:** Do not include withholding from federal Form(s) W-2, W-2G, or 1099 on this line.

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

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

- You had **two or more** California employers during 2009.
- You received more than \$90,669 in wages.
- The amounts of SDI (or VPD) withheld appear on your Form(s) W-2. Be sure to attach your Form(s) W-2 to your Form 540/540A.

If SDI (or VPD) was withheld from your wages by a single employer, at more than 1.1% of your gross wages, you may not claim excess SDI (or VPD) on your Form 540/540A. Contact the employer for a refund.

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

<b>Excess SDI (or VPD) Worksheet</b>		
<b>Use whole dollars only.</b>		
	<b>You</b>	<b>Your Spouse/RDP</b>
1. Add amounts of SDI (or VPD) withheld shown on your Forms W-2. Enter the total here . . . . .	1	
2. 2009 SDI (or VPD) limit . . . . .	2 \$ 997.36	\$997.36
3. Excess SDI (or VPD) withheld. Subtract line 2 from line 1. Enter the results here. Combine the amounts on line 3 and enter the total, in <b>whole dollars only</b> on Form 540/540A, line 74 . . . . .	3	
If zero or less, enter -0- on line 74.		

**Line 75 through Line 78 – Child and Dependent Care Expenses Credit**

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

**Line 75 and Line 76**

Enter the qualifying person's SSN. Do not enter more than one qualifying person's SSN on line 75 or line 76 from form FTB 3506, Part III, line 2. If you have more than two qualifying persons, enter only the first two qualifying persons listed on form FTB 3506, Part III, line 2.

**Line 77**

Enter the amount from form FTB 3506, Part III, line 8.

**Line 78**

Enter the credit amount from form FTB 3506, Part III, line 12.

**Line 79 (Form 540)**

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

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

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

**Overpaid Tax or Tax Due**

If you received a refund for 2008, you may receive a federal Form 1099-G. The refund amount reported on your federal Form 1099-G will be different from the amount shown on your tax return if you claimed the Child and Dependent Care Expenses Credit. This is because the credit is not part of the refund from withholding or estimated tax payments.

To avoid delay in processing of your tax return, enter the correct amounts on line 91 through line 94.

**Line 91 – Overpaid Tax**

**Form 540** – If the amount on line 79 is more than the amount on line 64, your payments and credits are more than your tax. Subtract the amount on line 64 from the amount on line 79. Enter the result on line 91.

**Form 540A** – If the amount on line 79 is more than the amount on line 70, your payments and credits are more than your tax. Subtract the amount on line 70 from the amount on line 79. Enter the result on line 91.



Choose e-file and Direct Deposit and get your refund faster.

**Line 92 – Amount You Want Applied to Your 2010 Estimated Tax**

Apply all or part of the amount on line 91 to your estimated tax for 2010. Enter on line 92 the amount of line 91 that you want applied to your 2010 estimated tax.

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

**Line 93 – Overpaid Tax Available This Year**

If you entered an amount on line 92, subtract it from the amount on line 91. Enter the result on line 93. Choose to have this entire amount refunded to you, make contributions to the California Seniors Special Fund (see page 22), or make other voluntary contributions from this amount. If you make a contribution, skip line 94 and go to the Use Tax section of the tax return.

**Line 94 – Tax Due**

**Form 540** – If the amount on line 79 is less than the amount on line 64, subtract the amount on line 79 from the amount on line 64. Enter the result on line 94. Your tax is more than your payments and credits.

**Form 540A** – If the amount on line 79 is less than the amount on line 70, subtract the amount on line 79 from the amount on line 70. Enter the result on line 94. 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 94 is \$500 or more (\$250 or more if married/RDP filing separately).
- The amount of state income tax withheld on line 71 is less than 90% of the amount of your total tax on line 64.

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

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete EDD Form DE 4, Employee's Withholding Allowance Certificate, and give it to your employer's appropriate payroll staff. Get this form from your employer or by

calling EDD at 888.745.3886. Download the DE 4 at [www.edd.ca.gov](http://www.edd.ca.gov) or to use the online calculator, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **de 4**.

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

**Use Tax**

**Line 95 – Use Tax. This is not a total line.**

As explained on page 19, California use tax applies to purchases from out of state sellers (for example, purchases made by telephone, over the Internet, by mail, or in person). For questions on whether a purchase is taxable, go to State Board of Equalization's website at [boe.ca.gov](http://boe.ca.gov), or call their Taxpayer Information Section at 800.400.7115 or TTY/TDD 800.735.2929.

**Note:** The following businesses must continue to report purchases subject to use tax directly to the State Board of Equalization:

- Businesses that have a California seller's permit.
- Businesses that are not required to hold a California seller's permit, but receive at least \$100,000 in gross receipts.

If you are not required to report purchases subject to use tax directly to the State Board of Equalization, you may report use tax on your income tax return. To report use tax on your income tax return, complete the Use Tax Worksheet below.

If you owe use tax but you do not report it on your income tax return, you must report and pay the tax to the State Board of Equalization. For information on reporting use tax directly to the State Board of Equalization, go to their website at [boe.ca.gov](http://boe.ca.gov).

Failure to timely report and pay the use tax due may result in the assessment of penalties.

See page 19 for a general explanation of California use tax.

<b>Use Tax Worksheet</b>	
<b>Use whole dollars only.</b>	
1. Enter purchases from out-of-state sellers made without payment of California sales/use tax. See worksheet instructions below. . . . .	\$ _____00
2. Enter the decimal equivalent of the applicable sales and use tax rate. See table on page 18 . . . . .	_____
3. Multiply line 1 by the tax rate on line 2. Enter result here . . . . .	\$ _____00
4. Enter any sales or use tax you paid to another state for purchases included on line 1. See worksheet instructions below. . . . .	\$ _____00
5. Subtract line 4 from line 3. This is the total use tax due. Enter the amount due on line 95. If the amount is less than zero, enter -0-. . . . .	\$ _____00

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

- Report items that would have been taxable in a California store. For example, you would include purchases of clothing, but not purchases of prescription medicine.
  - Include handling charges.
  - Do not include any other state's sales or use tax paid on the purchases.
  - Enter only purchases made during the year that corresponds with the tax return you are filing.
  - If you traveled to a foreign country and brought items back to California, generally the use tax is due on the purchase price of the goods you listed on your U.S. Customs Declaration less the \$800 per-person exemption. This \$800 exemption does not apply to goods sent or shipped to California by mail or other common carrier.
  - If your filing status is "married/RDP filing separately," you may elect to report one-half of the use tax due or the entire amount on your income tax return. If you elect to report one-half, your spouse/RDP may report the remaining half on his or her income tax return or on the individual use tax return available from the State Board of Equalization.
- Note:** Report and pay any use tax you owe on the following purchases to the State Board of Equalization, **not** on your income tax return:
- Vehicles, vessels, and trailers that must be registered with the Department of Motor Vehicles.
  - Mobile homes or commercial coaches that must be registered annually as required by the Health and Safety Code.
  - Vessels documented with the U.S. Coast Guard.
  - Aircraft.



- Leases of machinery, equipment, vehicles, and other tangible personal property.

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

- Enter the decimal equivalent of the sales and use tax rate applicable to the place in California where the property is used, stored, or otherwise consumed. For example, the decimal equivalent of 8.25% is 0.0825, and the decimal equivalent of 8.375% is 0.08375.
- If you do not know the applicable rate, see the table on page 18, "Sales and Use Tax Rates by County." If you have questions regarding the use tax rate in effect in your area, please go to the State Board of Equalization's website at [boe.ca.gov](http://boe.ca.gov) or call their Taxpayer Information Section at 800.400.7115 or TTY/TDD 800.735.2929.

**Worksheet, Line 4, Credit for Tax Paid to Another State**

- This is a credit for tax paid to other states. You cannot claim a credit greater than the amount of tax that would have been due if the purchase had been made in California. For example, if you paid \$8.00 sales tax to another state for a purchase, and would have paid \$6.00 in California, you can claim a credit of only \$6.00 for that purchase.

**Contributions**

You can make voluntary contributions to the funds listed on Form 540, Side 3 or Form 540A, Side 2. See page 22 for a description of the funds.

**Amount You Owe**

Add or subtract correctly to figure the amount you owe.

**Line 111 – Amount You Owe**

If you have an amount on line 94, add the amount on line 94, line 95, and line 110, if any. Enter the result on line 111.

If you have an amount on line 93, subtract line 95 and line 110 from line 93. If the combined amount of line 95 and line 110 is more than line 93, enter the difference on line 111.

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

**Mandatory Electronic Payments.** You are required to remit all your payments electronically once you make an estimate or extension payment exceeding \$20,000 or you file an original return with a total tax liability over \$80,000 for any taxable year that begins on or after January 1, 2009. Once you meet this threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically. The first payment that would trigger the mandatory e-pay requirement does not have to be made electronically. Individuals that do not send the payment electronically will be subject to a one percent noncompliance penalty.

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

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

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

**Payment Options**

- Electronic Funds Withdrawal** – Instead of paying by check or money order, use this convenient option if you e-file. Simply provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.
- Web Pay** – Pay the amount you owe using our secure online payment service. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **web pay**.
- Credit Card** – Use your Discover/Novus, MasterCard, Visa, or American Express card to pay your tax. If you pay by credit card, do not mail form FTB 3519 to us. Call 800.272.9829 or go to the Official Payments Corp. website at [officialpayments.com](http://officialpayments.com), and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.
- Check or Money Order** – Using blue or black ink, make your check or money order payable to the "Franchise Tax Board." **Do not send cash.** Write your SSN or ITIN and "2009 Form 540" or "2009 Form 540A" as applicable on the check or money order. Enclose, but **do not** staple, your payment with your tax return.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution. **Do not** combine your 2009 tax payment and any 2010 estimated tax payment in the same check. Prepare two separate checks and mail each in a separate envelope.

If you e-filed your tax return, mail your check or money order with form FTB 3582, Payment Voucher for Individual e-filed Returns. **Do not** mail a copy of your e-filed tax return.

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

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

**Convenience Fee**

- 2.49% of the tax amount charged (rounded to the nearest cent)
- Minimum fee: \$1

**Example:**

Tax Payment = \$754.00    Convenience Fee = \$18.77

**When will my payments be effective?**

Your payment is effective on the date you charge it.

**What if I change my mind?**

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

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

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

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

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

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

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

If you cannot pay the full amount or can only make a partial payment for the amount shown on Form 540, line 114 or Form 540A, line 111, see the information regarding Installment Payments on page 20.

**Interest and Penalties**

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

Do not reduce the amount on line 91 or increase the amount on line 94 by any penalty or interest amounts. Enter on Form 540, line 112 the amount of interest and penalties.

**Line 112 (Form 540) – Interest and Penalties**

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

**Late Filing of Return.** If you do not file your tax return by October 15, 2010, you will incur a late filing penalty plus interest from the original due date of the tax return. The maximum total penalty is 25% of the tax not paid if the tax return is filed after October 15, 2010. The minimum penalty for filing a tax return more than 60 days late is \$100 or 100% of the balance due, whichever is less.

**Late Payment of Tax.** If you fail to pay your total tax liability by April 15, 2010, you will incur a late payment penalty plus interest. The penalty is 5% of the tax not paid when due plus 1/2% for each month, or part of a month, the tax remains unpaid. If you have paid at least 90% of the tax shown on the return by the original due date of the tax return, we will waive the penalty based on reasonable cause. However, the imposition of interest is mandatory. If, after April 15, 2010, you find that your estimate of tax due was too low, pay the additional tax as soon as possible to avoid or minimize further accumulation of penalties and interest.

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

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

**Line 113 – Underpayment of Estimated Tax**

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

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

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

Is line 94 less than \$500 (\$250 if married/RDP filing separately)?

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

Is line 94 less than 10% of the amount on line 48? Form 540 filers: this excludes the tax on lump-sum distributions on Form 540, line 34.

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

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

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

See "Important Due Dates" on page 2, for more information on estimated tax payments and how to avoid the underpayment penalty.

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

**Line 114 (Form 540) – Total Amount Due**

Is there an amount on line 111?

- Yes** Add line 111, line 112, and line 113. Enter the result on line 114. For payment options, see line 111 instructions.  
**No** Go to line 115.

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

**Refund or No Amount Due**

**Line 115 (Form 540A) – Refund or No Amount Due**

If you did not enter an amount on line 95 or line 110, enter the amount from line 93 on line 115. This is the amount that will be refunded to you. If it is less than \$1, attach a written statement to your Form 540A requesting the refund.

Subtract line 95 and line 110 from line 93. If the result is zero or more, enter the result on line 115. If the combined amount of line 95 and line 110 is more than line 93, enter the difference on line 111.

**Line 115 (Form 540) – Refund or No Amount Due**

Did you report amounts on line 95, line 110, line 112, or line 113?

- No** Enter the amount from line 93 on line 115. This is your refund amount. If it is less than \$1, attach a written statement to your Form 540 requesting the refund.  
**Yes** Combine the amounts from line 95, line 110, line 112, or line 113. If the result is:
- More than line 93, subtract line 93 from the sum of line 95, line 110, line 112, and line 113 and enter the result on line 114. This is your total amount due. For payment options, see line 111 instructions.
  - Less than line 93, subtract the sum of line 95, line 110, line 112, and line 113 from line 93 and enter on line 115. This is your refund amount.

**Want a fast refund?** Get your refund in 10 days or less when you e-file your tax return.

**Direct Deposit (Refund Only)**

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

Direct deposit is fast, safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Form 540/540A, line 116 and line 117. Fill in the routing and account numbers and indicate the account type. Verify routing and account numbers with your financial institution. **Do not** attach a voided check or deposit slip. See the illustration below.

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

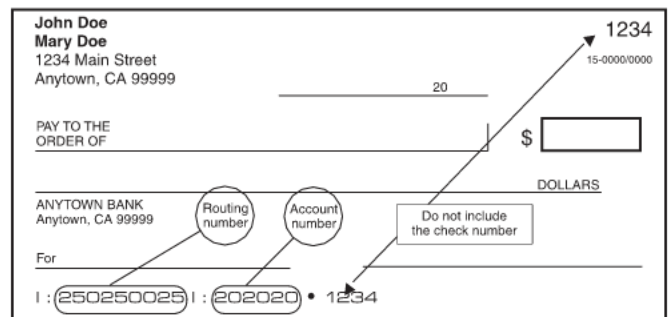
The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check, the routing number is 250250025. The account number can be up to 17 characters and can include numbers and letters. Include hyphens but omit spaces and special symbols. On the sample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

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

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

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

Some financial institutions will not allow a joint refund to be deposited to an individual account. If the direct deposit is rejected, the FTB will issue a paper check.



**Sign Your Tax Return**

You must sign your tax return in the space provided on Form 540, Side 3 or Form 540A, Side 2. If you file a joint tax return, your spouse/RDP must sign the tax return also.

**Joint Tax Return.** If you file a joint tax return, both you and your spouse/RDP are generally responsible for the tax and any interest or penalties due on the tax return. This means that if one spouse/RDP does not pay the tax due, the other may be liable. See "Innocent Joint Filer Relief," on page 19.

**Paid Preparer's Information.** If you pay a person to prepare your Form 540/540A, that person signs and completes the area at the bottom of Form 540, Side 3 or Form 540A, Side 2 including an identification number (social security number, FEIN, or PTIN). A paid preparer must give you two copies of your tax return: one to file with the FTB, and one to keep for your records.

**Third Party Designee.** If you want to allow a friend, family member, or any other person you choose to discuss your 2009 tax return with the FTB, check the "Yes" box in the signature area of your tax return. Also print the designee's name and telephone number. If you want to allow the paid preparer who signed your tax return to discuss it with the FTB, enter "Preparer" in the space for the designee's name and print the preparer's telephone number.

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

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

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the FTB. If you want to expand or change the designee's authorization, get form FTB 3520, Power of Attorney Declaration for the Franchise Tax Board.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2010 tax return. This is April 15, 2011, for most people. If you wish to revoke the authorization before it ends, notify us by telephone at 800.852.5711 or by writing to Franchise Tax Board, PO Box 942840, Sacramento, CA 94240-0040, include your name, SSN, and the designee's name.

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

For more information, get form FTB 1144, Power of Attorney Pamphlet, and form FTB 3520, Power of Attorney Declaration, available at [ftb.ca.gov](http://ftb.ca.gov). See "Where To Get Income Tax Forms and Publications" on page 63.

## Filing Your Tax Return

### Attachments to your tax return.

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

#### Form 540A Filers:

Do not attach a copy of your federal 1040 return to Form 540A.

#### Form 540 Filers:

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

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

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

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

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

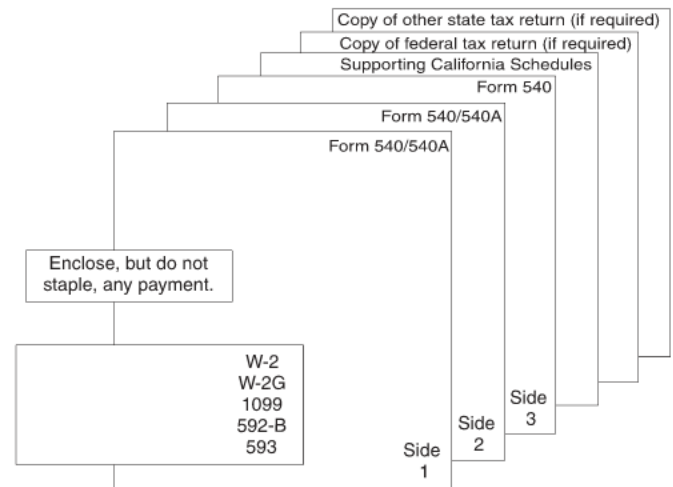
**Federal Form(s) W-2, W-2G, and 1099, and CA Form(s) 592-B and 593.** Attach all the Form(s) W-2 and W-2G you received to the front of your tax return. Also, attach any Forms(s) 1099, 592-B, and 593 showing California income tax withheld.

If you do not receive your Form(s) W-2 by January 31, 2010, contact your employer or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **myftb account**. Only your employer can issue or correct a Form W-2. If you cannot get a copy of your Form W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc. See "Order Forms and Publications" on page 63 or go to [ftb.ca.gov](http://ftb.ca.gov).

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

## Assembling Your Tax Return

Assemble your tax return in the order shown below.



## Mailing Your Tax Return

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

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0002

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

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

**Sales and Use Tax Rates by County**  
(includes state, local, and district taxes)  
As of December 31, 2009

**Note:** All tax rates listed include the 1 percent statewide sales and use tax increase effective April 1, 2009. Tax rates were 1 percent less prior to April 1, 2009 unless otherwise noted. (For example, the tax rate in San Francisco effective April 1, 2009 is 9.50%. The tax rate prior to April 1, 2009 was 8.50%)

County	Rate	County	Rate
Alameda	9.75%	Orange <sup>1</sup>	8.75%
Alpine	8.25%	Placer	8.25%
Amador <sup>2</sup>	8.75%	Plumas	8.25%
Butte	8.25%	Riverside	8.75%
Calaveras	8.25%	Sacramento <sup>1</sup>	8.75%
Colusa <sup>1</sup>	8.25%	San Benito <sup>1</sup>	8.25%
Contra Costa <sup>1</sup>	9.25%	San Bernardino <sup>1</sup>	8.75%
Del Norte	8.25%	San Diego <sup>1</sup>	8.75%
El Dorado <sup>1</sup>	8.25%	San Francisco	9.50%
Fresno <sup>1</sup>	8.975%	San Joaquin <sup>1</sup>	8.75%
Glenn	8.25%	San Luis Obispo <sup>1</sup>	8.25%
Humboldt <sup>1</sup>	8.25%	San Mateo	9.25%
Imperial	8.75%	Santa Barbara	8.75%
Inyo	8.75%	Santa Clara <sup>1</sup>	9.25%
Kern <sup>1</sup>	8.25%	Santa Cruz <sup>1</sup>	9.00%
Kings	8.25%	Shasta	8.25%
Lake <sup>1</sup>	8.25%	Sierra	8.25%
Lassen	8.25%	Siskiyou	8.25%
Los Angeles <sup>1,3</sup>	9.75%	Solano	8.375%
Madera	8.75%	Sonoma <sup>1,4</sup>	9.00%
Marin <sup>1,4</sup>	9.00%	Stanislaus <sup>1</sup>	8.375%
Mariposa	8.75%	Sutter	8.25%
Mendocino <sup>1</sup>	8.25%	Tehama	8.25%
Merced <sup>1</sup>	8.25%	Trinity	8.25%
Modoc	8.25%	Tulare <sup>1</sup>	8.75%
Mono <sup>1</sup>	8.25%	Tuolumne <sup>1</sup>	8.25%
Monterey <sup>1</sup>	8.25%	Ventura <sup>1</sup>	8.25%
Napa	8.75%	Yolo <sup>1</sup>	8.25%
Nevada <sup>1</sup>	8.375%	Yuba	8.25%

- Many cities in California impose a district tax which results in a higher sales and use tax rate than in other parts of the county. If you are reporting an item that was purchased for use in one of these counties, please check the following city list to see if a higher rate applies to your city. The tax rates shown apply within the city limits of the listed community.
- The tax rate in the county of Amador prior to April 1, 2009 was 7.25%.
- The tax rate in the county of Los Angeles prior to April 1, 2009 was 8.25%. The tax rate in the county of Los Angeles between April 1, 2009 and June 30, 2009 was 9.25%.
- The tax rate in the counties of Marin and Sonoma prior to April 1, 2009 was 7.75%.

County	City	Citywide Rate
Colusa	Williams	8.75%
Contra Costa	El Cerrito	9.75%
Contra Costa	Pinole	9.75%
Contra Costa	Richmond	9.75%
El Dorado	Placerville	8.50%
El Dorado	So. Lake Tahoe	8.75%
Fresno	Reedley	9.475%
Fresno	Sanger	9.725%
Fresno	Selma	9.475%
Humboldt	Arcata (effective 4/1/09) <sup>1</sup>	9.00%
Humboldt	Eureka (effective 4/1/09) <sup>2</sup>	8.50%
Humboldt	Trinidad (effective 4/1/09) <sup>3</sup>	9.00%
Kern	Arvin (effective 4/1/09) <sup>4</sup>	9.25%
Kern	Delano	9.25%
Lake	Clearlake	8.75%
Lake	Lakeport	8.75%
Los Angeles	Avalon	10.25%
Los Angeles	El Monte (effective 7/1/09) <sup>5</sup>	10.25%
Los Angeles	Inglewood	10.25%
Los Angeles	Pico Rivera (effective 7/1/09) <sup>6</sup>	10.75%
Los Angeles	South Gate	10.75%
Marin	San Rafael	9.50%
Mendocino	Fort Bragg	8.75%
Mendocino	Point Arena	8.75%
Mendocino	Ukiah	8.75%
Mendocino	Willits	8.75%
Merced	Los Banos	8.75%
Merced	Merced	8.75%
Mono	Mammoth Lakes	8.75%
Monterey	Del Rey Oaks	9.25%
Monterey	Pacific Grove	9.25%

Monterey	Salinas	8.75%
Monterey	Sand City	8.75%
Monterey	Seaside	9.25%
Nevada	Nevada City	8.875%
Nevada	Truckee	8.875%
Orange	La Habra (effective 4/1/09) <sup>7</sup>	9.25%
Orange	Laguna Beach (effective 7/1/09) <sup>15</sup>	8.75%
Sacramento	Galt (effective 4/1/09) <sup>8</sup>	9.25%
San Benito	Hollister	9.25%
San Benito	San Juan Bautista	9.00%
San Bernardino	Montclair	9.00%
San Bernardino	San Bernardino	9.00%
San Diego	El Cajon (effective 4/1/09) <sup>9</sup>	9.75%
San Diego	La Mesa (effective 4/1/09) <sup>10</sup>	9.50%
San Diego	National City	9.75%
San Diego	Vista	9.25%
San Joaquin	Manteca	9.25%
San Joaquin	Stockton	9.00%
San Luis Obispo	Arroyo Grande	8.75%
San Luis Obispo	Grover Beach	8.75%
San Luis Obispo	Morro Bay	8.75%
San Luis Obispo	Pismo Beach	8.75%
San Luis Obispo	San Luis Obispo	8.75%
Santa Clara	Campbell (effective 4/1/09) <sup>11</sup>	9.50%
Santa Cruz	Capitola	9.25%
Santa Cruz	Santa Cruz	9.50%
Santa Cruz	Scotts Valley (effective 4/1/09) <sup>12</sup>	9.25%
Santa Cruz	Watsonville	9.25%
Sonoma	Santa Rosa	9.25%
Sonoma	Sebastopol	9.25%
Stanislaus	Ceres	8.875%
Tulare	Dinuba	9.50%
Tulare	Farmersville	9.25%
Tulare	Porterville	9.25%
Tulare	Tulare	9.25%
Tulare	Visalia	9.00%
Tuolumne	Sonora	8.75%
Ventura	Oxnard (effective 4/1/09) <sup>13</sup>	8.75%
Ventura	Port Hueneme (effective 4/1/09) <sup>14</sup>	8.75%
Yolo	Davis	8.75%
Yolo	West Sacramento	8.75%
Yolo	Woodland	8.75%

- The tax rate in Arcata prior to April 1, 2009 was 7.25%
- The tax rate in Eureka prior to April 1, 2009 was 7.25%
- The tax rate in Trinidad prior to April 1, 2009 was 7.25%
- The tax rate in Arvin prior to April 1, 2009 was 7.25%
- The tax rate in El Monte prior to April 1, 2009 was 8.25%. The tax rate in El Monte between April 1, 2009 and June 30, 2009 was 9.75%
- The tax rate in Pico Rivera prior to April 1, 2009 was 8.25%. The tax rate in Pico Rivera between April 1, 2009 and June 30, 2009 was 10.25%
- The tax rate in La Habra prior to April 1, 2009 was 7.75%
- The tax rate in Galt prior to April 1, 2009 was 7.75%
- The tax rate in El Cajon prior to April 1, 2009 was 8.25%
- The tax rate in La Mesa prior to April 1, 2009 was 7.75%
- The tax rate in Campbell prior to April 1, 2009 was 8.25%
- The tax rate in Scotts Valley prior to April 1, 2009 was 8.50%
- The tax rate in Oxnard prior to April 1, 2009 was 7.25%
- The tax rate in Port Hueneme prior to April 1, 2009 was 7.25%
- The tax rate in Laguna Beach prior to April 1, 2009 was 8.25%. The tax rate in Laguna Beach between April 1, 2009 and June 30, 2009 was 9.25%