

# Instructions for Form 540 2EZ

## Things you need to know before you complete Form 540 2EZ

Use blue or black ink to complete Form 540 2EZ.

The **California 2EZ tables** are made for the Form 540 2EZ only. They may not be used with any other California tax form. There are three separate tables, one for each filing status. The tax amounts have been reduced for the standard deduction for your filing status, your personal exemption credit, and dependent exemption credits to which you are entitled.

**Use the label** on the cover of this booklet to speed processing and prevent common errors that can delay refunds. After completing your return, sign it and attach the mailing label. Make corrections to the label by crossing out any errors and printing the correct or missing information in black or blue ink.

Enter your social security number(s) in the space(s) provided. This information is not pre-printed on your label.

## Specific Line Instructions

These instructions are based on the Internal Revenue Code (IRC) as of January 1, 2001, and the California Revenue and Taxation Code (R&TC).

### Line 1 through Line 5 – Filing Status

See page 6 for the requirements for each of the filing statuses. Then fill in the circle on Form 540 2EZ for the filing status that applies to you.

### Line 6 – Can you be claimed as a dependent?

If your parent (or someone else) can claim you (or your spouse, if married) as a dependent on his or her tax return, even if he or she chooses not to, fill in the circle on line 6.

### Line 7 – Dependents

Enter the names of the dependents you are entitled to claim. Up to 3 dependents are allowed on Form 540 2EZ. If you are entitled to claim 4 or more dependents, you must e-file or use Form 540A or Form 540.



#### Refundable Child and Dependent Care Expenses Credit

If you qualify for the similar federal credit and your California adjusted gross income is \$100,000 or less, claim the credit using Form 540A or Form 540. The easiest way to claim the credit is to e-file. **This credit may not be claimed on Form 540 2EZ.**

### Line 8 – Wages

Enter the amount from Form W-2, box 16. If you have more than one W-2, add all amounts shown in box 16. The picture on this page shows where this information is located on your Form W-2.

Generally, federal Form W-2 box 1 and box 16 should reflect the same amounts. If they are different because you had income from a source outside California, you cannot file Form 540 2EZ. Go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and download and print Form 540A, Form 540, Long or Short Form 540NR, or see the back cover.

**Exception:** You may use Form 540 2EZ, if your Form W-2, box 1 and box 16 are different because you received ride-sharing benefits or sick pay under the Federal Insurance Contributions Act and Railroad Retirement Act.

If this exception applies to you, enter the amount from federal Form W-2, box 16.

### Line 9 – Interest Income

Enter interest income shown on Form 1099-INT, box 1.



Do not include amounts shown on Form 1099-INT, box 3, Interest on U.S. Savings Bonds and Treasury Obligations. This interest is not taxed by California.

### Line 10 – Unemployment Compensation

Enter unemployment compensation from federal Form 1099-G. This type of income is not taxed by California and will not be included in the total for line 11.

### Line 12 – Tax



The standard deduction and personal exemption credit are built into the tax tables and not reported on the tax return.

#### Did you fill in the circle for line 6?

**Yes** Complete the Dependent Tax Worksheet on this page.

**No** Follow the instructions below.

Use the California 2EZ table for your filing status to complete this line. The 2EZ tables in this booklet give you credit for the standard deduction for your filing status, your personal exemption credit, and dependent exemption credits. There are three different tables. Make sure you use the right one. If your filing status is:

- Single, go to page 15.
- Married filing jointly or qualifying widow(er), go to page 18.
- Head of household, go to page 23.

(Instructions continued on following page.)

# Instructions for Form 540 2EZ

## Dependent Tax Worksheet

1. Is the amount on line 11 less than or equal to:

- \$9,954 if single
- \$19,858 if married filing jointly or qualifying widow(er)
- \$14,058 if head of household, or

2. Do you have a dependent?

If the answer to question 1 or question 2 is:

**Yes Stop here.** You cannot use paper Form 540 2EZ because you will not be able to figure the correct amount of tax using the California 2EZ Tables. Please e-file (page 3), or get Form 540A or Form 540 at [www.ftb.ca.gov](http://www.ftb.ca.gov).

**No** If you can be claimed as a dependent by another taxpayer, your personal exemption credit amount is zero. You will need to adjust the tax from the 2EZ Table for this amount as follows:

1. Using the amount from Form 540 2EZ, line 11, and your filing status, look up the tax in 2EZ Table.

If your filing status is:

- Single, go to page 15.
- Married filing jointly or qualifying widow(er), go to page 18
- Head of household, go to page 23

2. If single or head of household, enter \$80

- If married and both spouses can be claimed as a dependent by another taxpayer, enter \$160

- If married and only one spouse can be claimed, enter \$80
- If qualifying widow(er), enter \$160

3. Add line 1 and line 2. Enter here and on Form 540 2EZ, line 12.

If line 20 is more than line 18, your contributions are more than your overpaid tax available. Subtract the amount on line 18 from the amount on line 20, enter the result on line 22, and follow the instructions for line 22.

## Line 22 – Amount You Owe

See page 11 and page 12, Paying Your Taxes.

Assemble your return as shown below and mail it in the Franchise Tax Board envelope provided. Be sure to attach the white label to the front of the envelope. The address is:

**FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001.**

## Direct Deposit

It's fast, safe, and convenient to have your refund directly deposited into your bank account. See the picture on page 11 for locating the bank information.

## Sign Your Return

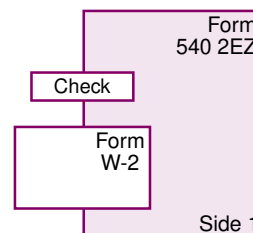
You must sign your return on Side 2. If you file a joint return, your spouse must sign it also.

**Note:** If you file a joint return, both you and your spouse are generally responsible for tax and any interest or penalties due on the return. If one spouse does not pay the tax, the other spouse may have to. See Innocent Spouse Relief on page 26.

If you pay a person to prepare your return, that person must sign on Side 2 and include either their social security number (or PTIN) or FEIN. 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.

## Assembling Your Return

Attach your Form(s) W-2 and check to your return as shown.



## Line 13 – Nonrefundable Renter's Credit

If you paid rent on your principal California residence in 2002, you may be eligible for a credit to reduce your tax. See page 9 for more information.

## Line 15 – Tax Withheld

Enter the amount from Form W-2, box 17. If you have more than one Form W-2, add all amounts shown in box 17. The picture on page 7 shows where this information is located on your Form W-2. The Franchise Tax Board verifies all withholding claimed from Forms W-2 with the Employment Development Department.

## Line 20 – Voluntary Contributions

You may contribute part or all of your refund to the funds listed on Form 540 2EZ, Side 2. See page 10 for descriptions of the funds.

## Line 21 – Refund or No Amount Due

If you did not enter an amount on line 20, enter the amount from line 18 on line 21. This amount will be refunded to you. If it is less than \$1, attach a written request to your Form 540 2EZ to receive the refund.

If you would like your refund to be deposited directly into your bank account, see Direct Deposit in the next column.

If you entered an amount on line 20, subtract it from the amount on line 18. If the result is zero or more, enter the result on line 21.

Assemble your return as shown on this page and mail it in the Franchise Tax Board envelope provided. Be sure to attach the green label to the front of the envelope. The address is:

**FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0002.**

### Questions?

See Frequently Asked Questions on page 14 for information about filing requirements, amending your return, how long to keep your return, etc...

