

Forms & Instructions

California 540 & 540A

2007 Personal Income Tax Booklet

**Members of the
Franchise Tax Board**

John Chiang, Chair
Betty T. Yee, Member
Michael C. Genest, Member

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Important Due Dates

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

April 15, 2008	Last day to file and pay the 2007 amount you owe to avoid penalties and interest.* See form FTB 3519 on page 41 for more information. *If you are living or traveling outside the United States on April 15, 2008, the due dates for filing your return and paying your tax are different. See form FTB 3519 on page 41 for more information.
October 15, 2008	Last day to file or e-file your 2007 return to avoid penalties and interest computed from the original due date of April 15, 2008.
April 15, 2008 June 16, 2008 September 15, 2008 January 15, 2009	Due dates for 2008 estimated tax payments. Generally, you do not have to make estimated tax payments if your California withholding in each payment period totals 90% of your required annual payment. Also, you do not have to make estimated tax payments if you will pay enough through withholding to keep the amount you owe with your return under \$200 (\$100 if married/Registered Domestic Partner (RDP) filing separately). However, if you do not pay enough tax either through withholding or by making estimated tax payments, you may have an underpayment penalty. See Form 540-ES instructions on page 45 for more information.

\$\$\$ for You

Earned Income Tax Credit (EITC) – EITC reduces your federal tax obligation, or allows a refund if no federal tax is due. You qualify if:

- You earned less than \$37,783 (\$39,783 if married filing jointly) and have qualifying children.
- You have no qualifying children and you earned less than \$12,590 (\$14,590 if married filing jointly).

Call the IRS at (800) 829-4477, when instructed enter topic 601, see your federal income tax booklet, or go to www.irs.gov and search for **EITC Assistant**. Currently, no comparable state credit exists.

Refund of Excess State Disability Insurance (SDI) – Taxpayers who worked for at least two employers during 2007 who together paid you more than \$83,389 in wages may qualify for a refund of excess SDI. See the instructions on page 15 (Form 540/540A).

Homeowner and Renter Assistance (HRA) – This California program provides a once-a-year state payment to qualifying homeowners and renters based on the property tax they paid in the prior year. See page 6 for more information.

Common Errors and How to Prevent Them

Help us process your return quickly and accurately. When we find an error, it requires us to stop to verify the information on the return, which slows processing. The most common errors consist of:

- Claiming the wrong exemption credit
- Claiming the wrong amount of real estate withholding
- Making tax computation errors
- Not rounding cents to the nearest whole dollar

To avoid errors and help process your return faster, use these helpful hints when preparing your return.

Claiming estimated tax payments:

- Verify the amount of estimated tax payments claimed on your return matches what you sent to the Franchise Tax Board (FTB) for that year. Go to our Website at www.ftb.ca.gov and search for **My Account** to view your total estimate tax payments before you file your return.
- If FTB records do not match the amount of estimated tax payments claimed, a "Return Information Notice" will be sent explaining the difference.

Totaling your exemptions:

- Add the exemption amounts and transfer the total to the line of the return.

Computing your tax:

- Go to our Website at www.ftb.ca.gov and search for **tax calculator** to compute your tax with the tax calculator or with the tax tables.
- Locate the correct tax amount from the tax table (page 21) and transfer it to your return correctly.

Claiming real estate withholding:

- Claim the amount of withholding from real estate sold in California during 2007. Your escrow company provides you with a California Form 593-B, Real Estate Withholding Tax Statement, indicating the amount withheld. For details, see the Form 540, line 38 instructions on page 15.

By using the helpful hints above, you assist in preventing delays in processing your return and unnecessary account adjustments.

Do I Have to File?

Steps to Determine Filing Requirement

Step 1: Is your gross income (all income received from all sources in the form of money, goods, property, and services that are not exempt from tax) more than the amount shown in the California Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, go to Step 2.

On 12/31/07, my filing status was:	and on 12/31/07, my age was: (If your 65th birthday is on January 1, 2008, you are considered to be age 65 on December 31, 2007)	California Gross Income			California Adjusted Gross Income		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of household	Under 65 65 or older	14,138 18,838	23,938 26,188	31,288 32,068	11,310 16,010	21,110 23,360	28,460 29,240
Married/RDP filing jointly Married/RDP filing separately (The income of both spouses/RDPs must be combined; both spouses/RDPs may be required to file a tax return even if only one spouse/RDP had income over the amounts listed.)	Under 65 (both spouses/RDPs) 65 or older (one spouse/RDP) 65 or older (both spouses/RDPs)	28,276 32,976 37,676	38,076 40,326 45,026	45,426 46,206 50,906	22,620 27,320 32,020	32,420 34,670 39,370	39,770 40,550 45,250
Qualifying widow(er)	Under 65 65 or older		23,938 26,188	31,288 32,068		21,110 23,360	28,460 29,240
Dependent of another person Any filing status	Any age	More than your standard deduction (Use the California Standard Deduction Worksheet for Dependents on page 11 or page 12 to figure your standard deduction.)					

Step 2: Is your adjusted gross income (federal adjusted gross income from all sources reduced or increased by all California income adjustments) more than the amount shown in the California Adjusted Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, you do not have a filing requirement, but you may be eligible for the federal EITC. See page 2 for more information.

Requirements for Children with Investment Income

Federal law allows parents' election to report a child's interest and dividend income from a child under age 18 on their return. California allows you to report your child's interest and dividend income on your return if they are under age 14. For each child under age 14 who received more than \$1,700 of investment income in 2007, complete Form 540 and 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.

If you qualify, you may elect to report your child's income of \$8,500 or less (but not less than \$850) on your return by completing form FTB 3803, Parents' Election to Report Child's Interest and Dividends. To make this election, your child's income must be **only** from interest and/or dividends. See "Order Forms and Publications" on page 67 or go to our Website at www.ftb.ca.gov.

Other Situations When You Must File

If you owe any of the following taxes for 2007, you must file Form 540.

- Tax on a lump-sum distribution.
- Tax on a qualified retirement plan including an Individual Retirement Arrangement (IRA) or an Archer Medical Savings Account (MSA).
- Tax for children under age 14 who have investment income greater than \$1,700 (see paragraph above).
- Alternative minimum tax.
- Recapture taxes.
- Deferred tax on certain installment obligations.
- Tax on an accumulation distribution from a trust.

Filing Status

Use the same filing status for California that you used for your federal income tax return, unless you are an RDP. If you are an RDP and file single for federal, you must file married/RDP filing jointly or married/RDP filing separately for California. If you are an RDP and file head of household for federal purposes, you may file head of household for California purposes only if you meet the requirements to be considered not in a domestic partnership.

Exception: If you file a joint return for federal purposes, 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 2007.
- A nonresident for the entire year and had no income from California sources during 2007.

For additional RDP filing status information get FTB Pub. 737, Tax Information for Registered Domestic Partners.

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 that you would have used to file a federal income tax return.

If you filed a joint return and either you or your spouse/RDP was a nonresident for 2007, file the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.

Single – If any of the following was true on December 31, 2007:

- You were never married or an RDP.
- You were divorced under a final decree of divorce, legally separated under a final decree of legal separation, or terminated your registered domestic partnership.
- You were widowed before January 1, 2007, and did not remarry or enter into another registered domestic partnership in 2007.

Married/RDP Filing Jointly – If any of the following is true:

- You were married or an RDP as of December 31, 2007, even if you did not live with your spouse/RDP at the end of 2007.
- Your spouse/RDP died in 2007 and you did not remarry or enter into another registered domestic partnership in 2007.
- Your spouse/RDP died in 2008 before you filed a 2007 return.

Married/RDP Filing Separately

- Community property rules apply to the division of income if you use the married/RDP filing separately status. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, FTB Pub. 737, Tax Information for Registered Domestic Partners, FTB Pub. 1051A, Guidelines for Married/RDP Filing Separate Returns, or FTB Pub. 1032, Tax Information for Military Personnel. See "Order Forms and Publications" on page 67.
- You cannot claim a personal exemption credit for your spouse/RDP even if your spouse/RDP had no income, is not filing a return, and is not claimed as a dependent on another person's return.
- You may be able to file as head of household if your child lived with you and you lived apart from your spouse/RDP during the entire last six months of 2007.

Head of Household is for unmarried individuals and certain married individuals or RDPs living apart who provide a home for a specified relative. You are entitled to use head of household filing status only if ALL of the following apply:

- You were unmarried and not in a registered domestic partnership, or you met the requirements to be considered unmarried or considered not in a registered domestic partnership on December 31, 2007.
- You paid more than one-half the cost of keeping up your home for the year in 2007.
- For more than half the year, your home was the main home for you and one of the specified relatives who by law can qualify you for head of household filing status.
- You were not a nonresident alien at any time during the year.

Beginning in 2005, for a child to qualify as your foster child for head of household purposes, the child must either be placed with you by an authorized placement agency or by order of a court.

(continued on next page)

Do I Have to File? *(continued)*

If you are unmarried, your unmarried child no longer qualifies you for head of household filing status if he or she is 19 years of age or older, is not a student, and has gross income equal to or greater than the federal exemption amount (\$3,400 in 2007). In addition, if you are unmarried, your unmarried child also no longer qualifies you for the status if he or she is under 19 years of age or a student under 24 and pays more than half of his or her own support.

For more information, go to our Website at www.ftb.ca.gov or get FTB Pub. 1540, California Head of Household Filing Status. See code 934 on page 67 to order FTB Pub. 1540 by telephone.

2007 What's New and Other Important Information

Differences between California and Federal Law

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2005. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to our Website at www.ftb.ca.gov and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

2007 Tax Law Changes/What's New

Registered Domestic Partners (RDP) – Effective for taxable years beginning on or after January 1, 2007, RDPs under California law must file their California income tax returns using either the married/RDP filing jointly or married/RDP filing separately filing status. RDPs will have the same legal benefits, protections, and responsibilities as married couples unless otherwise specified.

If you entered into a same sex legal union in another state, other than a marriage, and that union has been determined to be substantially equivalent to a California registered domestic partnership, effective for taxable years beginning on or after January 1, 2007, you are required to file a California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status. For more information on what states have legal unions that are considered substantially equivalent, go to our Website at www.ftb.ca.gov and search for **RDP**.

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified. When we use the initials (RDP) they refer to both a California Registered Domestic "Partner" and a California Registered Domestic "Partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars – Beginning with the 2007 tax forms, 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 round, FTB will disregard the cents. This change helps process your returns quickly and accurately.

Conformity – For updates regarding the following federal act, go to our Website at www.ftb.ca.gov and search for **conformity**.

- Small Business and Work Opportunity Tax Act of 2007
- Mortgage Forgiveness Debt Relief Act of 2007

Pending State Legislation – There is pending legislation that if enacted will provide full or partial conformity to Section 2 of the Mortgage Forgiveness Debt Relief Act of 2007. Assembly Bill 1918, as introduced, provides full conformity and Senate Bill 1055, as introduced, provides modified conformity.

Direct Deposit Refund – You can request a direct deposit refund on your tax return whether you e-file or file a paper return. Be sure to fill in the routing and account numbers carefully and double-check the numbers for accuracy to avoid it being rejected by your bank.

IRC 409A Additional Taxes for Discounted Stock Options and Stock

Appreciation Rights – For those employees who exercised certain discounted stock options or stock appreciation rights in 2006 and whose employer participated in the Franchise Tax Board's 2007 Compliance Resolution Program described in FTB Notice 2007-1 and paid the additional IRC Section 409A taxes on behalf of their employees, the additional taxes paid by the employer should be included as compensation in the employee's 2007 Form W-2.

Qualifying Widow(er) with Dependent Child

Fill in the circle on line 5 and use the joint return tax rates for 2007 if all five of the following apply:

- Your spouse/RDP died in 2005 or 2006 and you did not remarry or enter into another registered domestic partnership in 2007.
- You have a child, stepchild, adopted child, or foster child whom you can claim as a dependent.
- This child lived in your home for all of 2007. Temporary absences, such as for vacation or school, count as time lived in the home.
- You paid over half the cost of keeping up your home for this child.
- You could have filed a joint return with your spouse/RDP the year he or she died, even if you actually did not do so.

El Dorado and Southern California Wildfires – For tax treatment information for victims of the wildfires that occurred in El Dorado, Santa Barbara, Ventura, Los Angeles, San Bernardino, Orange, Riverside, and San Diego counties, get FTB Pub. 1034, How to Claim a State Tax Deduction for Your Disaster Loss.

January 2007, Freezing Conditions – For tax treatment information for victims of the January 2007, freeze that occurred in El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba counties, get FTB Pub. 1034, How to Claim a State Tax Deduction for Your Disaster Loss.

Teacher Retention Credit – For taxable years beginning on or after January 1, 2007, the Teacher Retention Credit has been repealed.

ReadyReturn – If you are single and your income is only from wages, you may qualify for ReadyReturn. It simplifies the filing process by pre-filing a tax return with information the state already has. For more information and to see if you qualify, go to our Website at www.ftb.ca.gov and search for **ReadyReturn** or call (800) 338-0505.

My FTB Account – Make tax time less taxing! Check My FTB Account for information about your estimated tax payments, FTB issued 1099-Gs, 1099-INTs, California wage and withholding data and more! Go to our Website at www.ftb.ca.gov and search for **My Account**.

Other Important Information

Heroes Earned Retirement Opportunities Act – California conforms to the Federal Heroes Earned Retirement Opportunities Act that allows members of the Armed Forces serving in a combat zone to make contributions to their individual retirement plans even if the compensation on which such contribution is based is excluded from gross income.

Capital Gains Distributed from Mutual Funds – For taxable years beginning on or after January 1, 2006, taxpayers can report capital gain distributions from mutual funds on Form 540 2EZ, if the amount reportable during the taxable year for federal and state purposes is the same.

Withholding on California Real Estate – For transactions occurring on or after January 1, 2007, that require withholding, a seller of California real estate may elect an alternative to withholding 3 1/3 percent of the total sales price. The seller may elect an alternative withholding amount based on the maximum tax rate for individuals, corporations, or banks and financial corporations, as applied to the gain on the sale. The seller is required to certify under penalty of perjury the alternative withholding amount to the Franchise Tax Board. For real estate installment sales, if a buyer receives a seller's certification as to an alternative withholding election, the buyer would be required to withhold either the full alternative withholding amount at the time of sale or an alternative withholding percentage on the amount of each installment payment.

Tax Shelter – If the individual was involved in a reportable transaction, including a listed transaction, the individual may have a disclosure requirement. Attach federal Form 8886, Reportable Transaction Disclosure Statement, to the back of the California return along with any other supporting schedules. If this is the first time the reportable transaction is disclosed on the return, send a duplicate copy of the federal Form 8886 to the address below. The FTB may impose penalties if the individual fails to file federal Form 8886, or any other required information.

ATSU 398 MS F385
FRANCHISE TAX BOARD
PO BOX 1673
SACRAMENTO CA 95812-9900

For more information, go to our Website at www.ftb.ca.gov and search for **tax shelters**.

Which Form Should I Use?



e-file and you won't have to decide which form to use! The software will select the correct form for you.

Were you and your spouse/RDP residents during the entire year 2007?

Yes. Check the chart below to see which form to use.

No. Use the Long or Short Form 540NR. To download or order the California Nonresident or Part-Year Resident Income Tax Booklet, see page 7, "Where to Get Income Tax Forms and Publications."

	Form 540 2EZ Form not included in this booklet. If you qualify to use Form 540 2EZ, go to www.ftb.ca.gov to e-file or to download this form, or see "Order Forms and Publications" on page 67. Single, married/RDP filing jointly, head of household, qualifying widow(er)	Form 540A Any filing status	Form 540 Any filing status
Filing Status	0-3 allowed	All dependents you are entitled to claim	All dependents you are entitled to claim
Dependents	Total income of: • \$100,000 or less if single or head of household • \$200,000 or less if married/RDP filing jointly or qualifying widow(er)	Any amount of income	Any amount of income
Amount of Income	Only income from: • Wages, salaries, tips • Taxable interest, dividends, and pensions • Taxable scholarship and fellowship grants (only if reported on Form(s) W-2) • Capital gains from mutual funds (reported on Form 1099DIV, box 2a only) • Unemployment compensation reported on Form 1099-G • Paid family leave • U.S. social security benefits • Tier 1 and tier 2 railroad retirement payments You cannot use Form 540 2EZ if you (or your spouse/RDP) can be claimed as a dependent by another taxpayer, and your TOTAL income is less than or equal to \$11,666 if single; \$23,282 if married/RDP filing jointly or qualifying widow(er); or \$16,482 if head of household.	Only income from: • Wages, salaries, tips • Taxable scholarship and fellowship grants • Interest and dividends • Unemployment compensation reported on Form 1099-G • Paid family leave • U.S. social security benefits • Tier 1 and tier 2 railroad retirement payments • Fully and partially taxable IRA distributions, pensions, and annuities • Alimony	All sources of income
Sources of Income	No adjustments to income	Allowed if the amount is the same as your federal adjustments to income. If you claimed educator expenses or the tuition and fees deduction, do not file Form 540A. Instead file Form 540.	All adjustments to income
Adjustments to Income	Allowed No itemized deductions	Allowed Allowed if the amount is the same as your federal itemized deductions (except for state, local, and foreign taxes paid)	Allowed All itemized deductions
Standard Deduction Itemized Deductions	Only withholding shown on Form(s) W-2, CA Sch W-2, or 1099-R	• Withholding shown on Form(s) W-2, CA Sch W-2, and 1099-R • Estimated tax payments • Payments made with extension voucher • Excess State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI)	• Withholding shown on Form(s) W-2, CA Sch W-2, W-2G, 1099, 592-B, 593-B, and 594 • Estimated tax payments • Payments made with extension voucher • Excess State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI)
Payments	• Personal exemption credit • Up to three dependent exemption credits • Nonrefundable renter's credit • Senior exemption credit	• Personal exemption credit • Senior exemption credit • Blind exemption credit • Dependent exemption credit • Nonrefundable renter's credit • Child and Dependent Care Expenses Credit	All tax credits
Tax Credits	Only tax computed using the 540 2EZ Table	• Tax computed using the tax table • Mental Health Services Tax	All taxes: • Tax computed using the tax table • Alternative minimum tax • Tax on early distributions from IRAs or other qualified retirement plans • Tax on distributions from MSAs and education IRAs • Tax for children under age 14 with investment income of more than \$1,700 • Tax on lump-sum distributions • Recapture taxes • Deferred tax on certain installment obligations • Tax on accumulation distributions of trusts • Mental Health Services Tax
Other Taxes	<p>If you qualify to use 540 2EZ or 540A, go to www.ftb.ca.gov to CalFile or e-file. You qualify for free!</p>		

Additional Information

California Use Tax General Information

The use tax has been in effect in California since July 1, 1935. It applies to purchases from out-of-state sellers and is similar to the sales tax paid on purchases you make in California. If you have not already paid all use tax due to the State Board of Equalization, you must report and pay the use tax due on your state income tax return. See the information below and the instructions for line 49 of your income tax return.

In general, you should pay California use tax on purchases made from out-of-state (for example, by telephone, over the Internet, by mail, or in person) if:

- The seller does not collect California sales or use tax.
- You use, give away, store, or consume the item in this state.

Example: You live in California and purchase a dining table from a company in North Carolina. The company ships the table from North Carolina to your home for your use and does not charge California sales or use tax. You owe use tax on the purchase.

Complete the Use Tax Worksheet on page 17 to calculate the amount due.

Extensions to file. If you request an extension to file your income tax return, wait until you file your return to report your purchases subject to use tax and make your use tax payment.

Penalty. To avoid late payment penalties for use tax, you must report and pay the use tax with a timely filed income tax return.

Changes in use tax reported. Do not file an Amended Income Tax Return (Form 540X) to revise the use tax previously reported. If you have changes to the amount of use tax previously reported on the original return contact the State Board of Equalization.

For assistance with your use tax questions, go to the State Board of Equalization's Website at www.boe.ca.gov or call their Information Center at (800) 400-7115 or TTY/TDD (800) 735-2929. Income tax information is not available at this number.

Collection Fees

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

Deceased Taxpayers

A final return must be filed for a person who died in 2007 if a return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the return. Print "deceased" and the date of death next to the taxpayer's name at the top of the return.

If you are a surviving spouse/RDP and no administrator or executor has been appointed, file a joint return if you did not remarry or enter into another registered domestic partnership during 2007. Indicate next to your signature that you are the surviving spouse/RDP.

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

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

Innocent Joint Filer Relief

You may qualify for relief from liability for tax on a joint return if (1) you were granted Innocent Spouse Relief by the IRS, (2) there is an understatement of tax because you are divorced, legally separated, terminated the registered domestic partnership or no longer living with your spouse/RDP, and (3) given all the facts and circumstances, it would be unfair to hold you liable for the tax. For more information, get FTB Pub. 705, Request for Innocent Joint Filer Relief Form and Brochure, by going to our Website at www.ftb.ca.gov or calling (916) 845-7072, Monday - Friday between 8 a.m. to 5 p.m. excluding state holidays.

Registered Domestic Partners

If you are a Registered Domestic Partner (RDP) and need additional information on how to file your return, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Military Personnel

If you are a member of the military and need additional information on how to file your return, get FTB Pub. 1032, Tax Information for Military Personnel. See "Order Forms and Publications" on page 67.

Homeowner and Renter Assistance

Homeowner assistance is a once-a-year payment from the State of California as a reimbursement for part of the property taxes you paid on your home. If eligible, you could receive up to 96% of the property taxes you paid in the prior year. In 2007, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2006: 62 years of age or older, blind, or disabled.
- Owned your home and lived in it on December 31, 2006, had total household income of \$42,770 or less, and were a U.S. citizen, designated alien, or qualified alien, when you file your claim.

Renter assistance is a once-a-year payment from the State of California as a reimbursement for part of the property taxes that you pay indirectly when you pay your rent. In 2007, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2006: 62 years of age or older, blind, or disabled.
- Paid \$50 or more rent per month in the prior year, had total household income of \$42,770 or less, and were a U.S. citizen, designated alien, or qualified alien when you file your claim.

The 2007 filing season ends June 30, 2008.

The 2008 filing season for these programs begins July 1, 2008. For more information, go to our Website at www.ftb.ca.gov or call (800) 868-4171.

Requesting a Copy of Your Tax Return

The FTB keeps personal income tax returns for three and one-half years from the original due date. To obtain a copy of your return, write a letter or complete form FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return. In most cases, a \$20 fee is charged for each taxable year you request. However, no charge applies for victims of a designated California or federal disaster; or you request copies from a field office that assisted you in completing your return. See "Order Forms and Publications" on page 67.

Mello-Roos

You cannot deduct Mello-Roos taxes if they are assessed to fund local benefits and improvements that tend to increase the value of your property. Mello-Roos taxes may appear on your annual county property tax bill with other deductible property taxes. You may only be able to deduct a portion of the total property tax shown on your bill.

For more information, you can:

- Contact your Mello-Roos District.
- Get federal Publication 17, Your Federal Income Taxes-Individuals, Chapter 22.

Vehicle License Fees for Federal Schedule A

On your federal Schedule A, you may deduct the California motor vehicle license fee listed on your Vehicle Registration Billing Notice from the Department of Motor Vehicles. The other fees listed on your billing notice such as registration fee, weight fee, and county fees are not deductible.

Voting Is Everybody's Business

You may register to vote if you meet these requirements:

- You are a United States citizen.
- You are a resident of California.
- You will be 18 years old by the date of the next election.
- You are not in prison or on parole for the conviction of a felony.

You need to re-register every time you move, change your name, or wish to change political parties. In order to vote in an election, you must be registered to vote at least 15 days before that election. To obtain a Voter Registration Card, call the California Secretary of State's toll-free voter hotline at (800) 345-VOTE or go to their Website at www.ss.ca.gov.

It's Your Right . . . Register and Vote

If You File Electronically

If you e-file your return, make sure all the amounts entered on the paper copy of your California return are correct before you sign form FTB 8453, California e-file Return Authorization for Individuals. If you are requesting direct deposit of a refund, make sure your account and routing information is correct. Your return can be transmitted to FTB by your preparer or electronic e-file service only after you sign form FTB 8453. The preparer or electronic e-file service must provide you with:

- A copy of form FTB 8453.
- Any original Form(s) W-2, CA Sch W-2CG, W-2G, 592-B, 593-B, 594, 1099-G, and other Form(s) 1099 that you provided.
- A paper copy of your California tax return showing the data transmitted to the FTB.

You cannot retransmit an e-filed tax return once we've accepted the original. You can correct an error only by completing Form 540X, Amended Individual Income Tax Return, and mailing the paper copy to us. See "Where To Get Income Tax Forms and Publications" on page 7.

How To Get California Tax Information

Where To Get Income Tax Forms and Publications

By Internet – You can download, view, and print California income tax forms and publications from our Website at www.ftb.ca.gov or you may have these forms and publications mailed to you. Many of our most frequently used forms may be filed electronically, printed out for submission, and saved for record keeping.

By phone – To order 2005-2007 California tax forms and publications:

- Refer to the list on page 67 and find the code number for the form you want to order.
- Call (800) 338-0505.
- Select “Personal Income Tax.”
- Select “Forms and Publications.”
- Enter the three-digit form code when you are instructed.

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

In person – Many post offices and libraries provide free California tax booklets during the filing season. Most libraries have forms and schedules for you to photocopy (a nominal fee may apply).

Employees at libraries and post offices cannot provide tax information or assistance.

By mail – Write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307.

Letters

If you write to us, be sure your letter includes your social security number or individual taxpayer identification number and your daytime and evening telephone numbers. Send your letter to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

We will respond to your letter within 10 weeks. In some cases, we may call you to respond to your inquiry, or ask you for additional information. Do not attach correspondence to your tax return unless the correspondence relates to an item on the return.

Your Rights As A Taxpayer

FTB's goals include making certain that your rights are protected so that you have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB Pub. 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how to request written advice from the FTB on whether a particular transaction is taxable. See “Where To Get Income Tax Forms and Publications,” on this page.

Privacy Notice

Reasons for Information Requests:

We ask for return information so that we can administer the tax law fairly and correctly.

Rights and Responsibility:

You have the right to see our records that contain your personal information. To obtain information about your records, you may write to:

FRANCHISE TAX BOARD
DISCLOSURE OFFICER MS A181
PO BOX 1468
SACRAMENTO CA 95812-1468

or call: (800) 852-5711 within the United States, or (916) 845-6500 outside of the United States.

Your Responsibility:

California Revenue and Taxation Code Sections 18501 and 18621 require you to file a return on the forms we prescribe if you meet certain requirements. It is mandatory that you furnish all requested information. You may be charged penalties and interest, and in certain cases, you may be criminally prosecuted if you do not provide the information we ask for, or you provide fraudulent information.

Information Disclosures:

As provided by law, we may give your tax information to other tax officials to determine your tax liability or collect tax amounts you owe. If you owe the Franchise Tax Board money we may also give your information to employers, financial institutions, county recorders, or others who hold assets belonging to you.

For full text of Franchise Tax Board's Privacy Notice, get form FTB 1131.

Need help with your return?

Go to www.ftb.ca.gov/individuals/vita/sites.asp for information about free help through the volunteer program, and how to find a site in your area.

View your California wage and withholding information
View your FTB-issued 1099-G and 1099-INT information
View your Tax Payments and Balance Due

Online
with
My FTB Account

Go to www.ftb.ca.gov and search for **My Account**.

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

Reference to 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, 2008. If unable to mail your 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.

Filling in Your Return

- Use black or blue ballpoint pen on the copy you send 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 on 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 zero. Do **not** enter a dash, or the word "NONE."
- Attach your label. If you don't have a label, print your name(s) and address in CAPITAL LETTERS.

Name(s) and Address

Is there a label with your name and address on the front of your booklet?

- Yes** Attach the label to your completed return. Verify your label is correct. Cross out any errors and print the correct information on the label.
- No** 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 the acronym "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 Code

Enter the numeric principal business activity code from federal Schedule C, line B.

Prior Name

If you filed your 2006 tax return under a different last name, write the last name **only** from the 2006 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 your label. If filing a joint 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 a social security number. It is a nine-digit number that always starts with the number 9.

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 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 2007.
- A nonresident for the entire year and had no income from California sources during 2007.

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.

RDPs who file single for federal **must file** married/RDP filing jointly or married/RDP filing separately for California.

If you filed a joint return and either you or your spouse/RDP was a nonresident for 2007, 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



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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 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 return.

Line 9 – Senior Exemptions

If you were 65 years of age or older by December 31, 2007*, 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 60 for information about this fund.

*If your 65th birthday is on January 1, 2008, you are considered to be age 65 on December 31, 2007.

Do not claim this credit if someone else can claim you as a dependent on their 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 additional space is needed, attach a separate sheet of paper. Multiply the number you entered by the pre-printed dollar amount and enter the result.

Line 11 – Total Personal, Blind, Senior, and Dependent Exemptions

Enter the total dollar amount of all exemptions for personal, blind, senior, and dependents.

Taxable Income

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

Line 12 – State Wages

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Enter the total amount of your state wages from all states from each of your Form(s) W-2, or CA Sch W-2. This amount appears on Form W-2, box 16, or CA Sch W-2, line 3.

If you received wages and do not have a Form W-2, see "Attachments to your return" on page 19.

Line 13 – Federal Adjusted Gross Income from Forms 1040, line 37; 1040A, line 21; 1040EZ, line 4

Registered Domestic Partners (RDP) who file a California tax return as married/RDP filing jointly and have no filing status 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.

Filing Status adjustments include but are not limited to the following:

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

RDPs filing as married/RDP filing separately, former RDPs filing separately, and RDPs with filing status 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).

If there are differences between your federal and California income or deductions, complete Schedule CA (540), California Adjustments — Residents. Follow the instructions for Schedule CA (540) beginning on page 51. 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 56.

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 Form 1040A or Form 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 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.
- 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 Arrangement (IRA) Distributions

Differences may exist between the taxable amounts of federal and California IRA distributions, pensions, and annuities. Enter any differences for 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 67.

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 for railroad retirement benefits and included all or part of these benefits in federal adjusted gross income 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 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 67.

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

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

Combine line 14a through line 14f. If the result is less than zero, enter the amount in parentheses, on Form 540A, Side 1, line 14g. 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), California Adjustments — Residents. Follow the instructions for Schedule CA (540) beginning on page 51. 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 56.

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.

If married or an RDP and filing separate 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 – Use Form 540A – California Standard Deduction Worksheet for Dependents on the next 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 540/540A, line 18.

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

Form 540A – Itemized deductions. Figure your California itemized deductions by completing the California Itemized Deductions Worksheet on page 12. 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 California Form 540A, first complete a federal Schedule A, Itemized Deductions. Then complete the California Itemized Deductions Worksheet on page 12. Do not attach federal Schedule A 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	\$3,516
2 – Married/RDP filing jointly	\$7,032
3 – Married/RDP filing separately	\$3,516
4 – Head of household	\$7,032
5 – Qualifying widow(er)	\$7,032
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 1 of the “Standard Deduction Worksheet for Dependents” 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	\$850.00
3. Enter the larger of line 1 or line 2 here	3	
4. Enter the amount shown for your filing status		
• Single or married/RDP filing separately, enter \$3,516	4	
• Married/RDP filing jointly, head of household, or qualifying widow(er), enter \$7,032		
5. Standard deduction. Enter the smaller of line 3 or line 4 here and on Form 540/540A, line 18	5	

Form 540A – If you filled in the circle on Form 540A, line 6, enter your wages, salaries, and tips on the California Standard Deduction Worksheet for Dependents, line 1 below. 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 or CA Sch W-2, line 3. (You may also refer to federal Form 1040EZ, line 1; Form 1040A, line 7; or Form 1040, line 7, 12, and 18, minus the amount, if any on line 27.) 1 _____
2. 2 \$300.00
3. Add line 1 and line 2. Enter total here 3 _____
4. Minimum standard deduction 4 \$850.00
5. Enter the **larger** of line 3 or line 4 here 5 _____
6. Enter the amount shown for your filing status:
 - Single or married/RDP filing separately, enter \$3,516 } 6 _____
 - Married/RDP filing jointly, head of household, or qualifying widow(er) enter \$7,032
7. **Standard deduction.** Enter the **smaller** of line 5 or line 6 here and on Form 540A, line 18 7 _____

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 and enter on line 2
 - Line 5, state and local income tax or general sales tax: _____
 - State Disability Insurance (SDI): _____
 - 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 \$155,416
 - Married/RDP filing jointly or qualifying widow(er) \$310,837
 - Head of household \$233,129

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 \$3,516
 - Married/RDP filing jointly, head of household, or qualifying widow(er) \$7,032**Do not complete the rest of this worksheet.**
5. Using California amounts, add the amounts on federal Schedule A, line 4, line 14, line 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 _____

(continued on next column)

9. Enter the amount shown below for your filing status. 9 _____
 Single or married/RDP filing separately . \$155,416
 Married/RDP filing jointly or qualifying widow(er) \$310,837
 Head of household \$233,129
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 . . \$3,516
 - Married/RDP filing jointly, head of household, or qualifying widow(er) \$7,032

***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 this 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 contributed 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 20 (Form 540A) – Tax

If your taxable income on line 19 is:

- \$100,000 or less, use the tax table beginning on page 21. Use the correct column for your filing status.
- Over \$100,000, use the tax rate schedules on page 26. Use the correct tax rate schedule.

Line 20 (Form 540) – Tax

To figure your tax, use one of the following methods and fill in the matching circle on line 20:

- **Tax Table.** If your taxable income on line 19 is \$100,000 or less, use the tax table beginning on page 21. 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 schedules on page 26.
- **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, 2008, and who had more than \$1,700 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 \$8,500 or less (but not less than \$850) on your 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 20. Attach form(s) FTB 3803 to your return.

To prevent possible delays in processing your 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 by going to our Website at www.ftb.ca.gov.



CalFile or e-file and you won't have to do the math. Go to our Website at www.ftb.ca.gov.

Line 21 – 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 adjusted gross income (AGI), RDPs recalculate their AGI using a federal pro forma or RDP Worksheet, located in FTB Pub. 737, Tax Information for Registered Domestic Partners. 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: **And Form 540/540A, line 13 or RDP recalculated AGI is more than:**

Single or married/RDP filing separately	\$155,416
Married/RDP filing jointly or qualifying widow(er)	\$310,837
Head of household	\$233,129

Yes Complete the AGI Limitation Worksheet on this page.
No Follow the instructions on Form 540/540A, line 21.

AGI Limitation Worksheet	
Use whole dollars only.	
a Enter the amount from Form 540/540A, line 13, or RDP recalculated AGI	a _____
b Enter the amount for your filing status on line b: Single or married/RDP filing separately \$155,416 Married/RDP filing jointly or qualifying widow(er) \$310,837 Head of household \$233,129	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, line 7, line 8, and line 9 (not the dollar amounts)	f _____
g Multiply line e by line f	g _____
h Enter the total dollar amount for line 7, line 8, and line 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 (that you filled in) 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 21	n _____

Line 23 (Form 540) – Tax from Schedule G-1 and Form FTB 5870A

If you received a qualified lump-sum distribution in 2007 and you were born before January 2, 1936, get Schedule G-1, Tax on Lump-Sum Distributions, 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 67.

Special Credits and Nonrefundable Renter’s Credit

Form 540A – Did you pay rent for at least six months in 2007 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 58.

No Go to line 29.

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. The Credit Chart on page 59 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 58.

Check **Yes** or **No**, then go to Question 2.

2. Are you claiming any other special credit listed on the Credit Chart on page 59?

No If you checked “Yes” for Question 1 and entered an amount on Form 540, line 28, go to line 29. If you checked “No” for Question 1, skip to the instructions for line 30.

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 28.

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 AMT. For more information, see line 31 instructions, on page 15.):

- 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 67.

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 return. **225**
- Income from installment sales of certain property.

Yes Complete Schedule P (540). See “Order Forms and Publications” on page 67.

No Go to Box C.

Box C – If your filing status is:	Is Form 540, line 17 more than:
Single or head of household	\$214,333
Married/RDP filing jointly or qualifying widow(er)	\$285,776
Married/RDP filing separately	\$142,887
Yes Complete Schedule P (540). See “Order Forms and Publications” on page 67.	
No Your credits are not limited. Go to the instructions for Form 540, line 25.	

Line 25 through Line 27 (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 25 and line 26. To claim more than two credits, use Schedule P (540), Part III. See “Order Forms and Publications” on page 67. List two of the credits on line 25 and line 26. Enter the total of any remaining credits from Schedule P (540) on line 27.

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 either the head of household or qualifying widow(er) filing status.

Claim the credit if unmarried and not an RDP at the end of 2007 (or if married/or an RDP, you lived apart from your spouse/RDP for all of 2007 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 24	1	_____
2. Credit percentage — 30%	2	x .30
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$374, 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 2007 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, 2007.*
- Qualified as a head of household in 2005 or 2006 by providing a household for a qualifying individual who died during 2005 or 2006.
- Did not have adjusted gross income over \$60,791 for 2007.

* If your 65th birthday is on January 1, 2008, you are considered to be age 65 on December 31, 2007.

If you meet all the conditions listed above, you do not need to qualify to use the head of household filing status for 2007 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 \$1,146, 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 2007. Carry over the excess credit to future years until the credit is used.

Line 28 – Nonrefundable Renter’s Credit

Did you pay rent for at least six months in 2007 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 58.

No Go to line 29.

Line 30 (Form 540)

Subtract the amount on line 29 from the amount on line 24. Enter the result on line 30. If the amount on line 29 is more than the amount on line 24, 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 30. 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 30.

Other Taxes

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

Line 31 (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:

- \$76,207 married/RDP filing jointly or qualifying widower(er)
- \$57,156 single or head of household
- \$38,102 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 67.

Line 32 – Mental Health Services Tax

If your taxable income is more than \$1,000,000, compute the Mental Health Services Tax below 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 32	_____

Line 33 (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 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 33 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 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 33. 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 3806, Los Angeles Revitalization Zone (LARZ) 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, if any, on line 33. Write the form number on the dotted line to the left of the amount on line 33.

Payments

To avoid a delay in the processing of your return, enter the correct amounts on line 36 through line 43.

Line 36 – California Income Tax Withheld

Enter the total California income tax withheld from your:

- Form(s) W-2, box 17
- Form(s) 1099-MISC, box 16
- CA Sch. W-2
- Form(s) 1099-R, box 10
- Form(s) W-2G, box 14

The Franchise Tax Board verifies all withholding claimed from Form W-2, CA Sch. W-2, Form W-2G, 1099-MISC, or 1099-R with the Employment Development Department.

Do not include city, local, or county tax withheld or tax withheld by other states. Do not include withholding from Forms 592-B, 593-B, or 594, on this line. For more details, see instructions for line 38 on this page.

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

Line 37 – 2007 CA Estimated Tax and Other Payments

Enter the total of any:

- California estimated tax payments you made using 2007 Form 540-ES or Web Pay
- Overpayment from your 2006 California income tax return that you applied to your 2007 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 our Website at www.ftb.ca.gov and search for **My 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 social security numbers.

You do not have to make estimated tax payments if you are a nonresident or new resident of California in 2008 and did not have a California tax liability in 2007.

Line 38 (Form 540) – Real Estate and Other Withholding

Enter the total of California withholding from the sale of real estate, Form 593-B or California payments, Forms 592-B or 594 on this line. Attach a copy of Forms 592-B, 593-B, or 594, to the lower front of Form 540, Side 1.

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

Line 39 – 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 2007.
- You received more than \$83,389 in wages.
- The amounts of SDI (or VPD) withheld appear on your Forms W-2 or CA Sch W-2. Be sure to attach your Forms W-2 or CA Sch W-2 to your Form 540/540A.

If SDI (or VPD) was withheld from your wages by a single employer, at more than 0.6% 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 39, 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.

Excess SDI (or VPD) Worksheet Use whole dollars only.		
Follow the instructions below to figure the amount of income tax to enter on Form 540/540A, line 39. If you are married/RDP and file a joint return, you must figure the amount of excess SDI (or VPD) separately for each spouse/RDP.		
	You	Your Spouse/ RDP
1. Add amounts of SDI (or VPD) withheld shown on your Forms W-2. Enter the total here	1	
2. 2007 SDI (or VPD) limit.	2 \$500.33	\$500.33
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 whole dollars only on Form 540/540A, line 39	3	
If zero or less, enter -0- on line 39.		

Line 40 through Line 43 – 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 adjusted gross income must be less than or equal to \$100,000 and you must complete and attach form FTB 3506, Child and Dependent Care Expenses Credit, included in this booklet.

Line 40 and Line 41

Enter the qualifying person’s social security number. Do not enter more than one qualifying person’s SSN on line 40 or line 41 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 42

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

Line 43

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

Line 44 (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 deduction 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), 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 2006, you may receive a Form 1099-G, Certain Government Payments. The refund amount reported on your 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 return, enter the correct amounts on line 45 through line 48.

Line 45 – Overpaid Tax

If the amount on line 44 is more than the amount on line 34, your payments and credits are more than your tax. Subtract the amount on line 34 from the amount on line 44. Enter the result on line 45.



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

Line 46 – Amount You Want Applied to Your 2008 Estimated Tax

Apply all or part of the amount on line 45 to your estimated tax for 2008. Enter on line 46 the amount of line 45 that you want applied to your 2008 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 47 – Overpaid Tax Available This Year

If you entered an amount on line 46, subtract it from the amount on line 45. Enter the result on line 47. Choose to have this entire amount refunded to you, make contributions to the California Seniors Special Fund (see page 60), or make other voluntary contributions from this amount. If you make a contribution, skip line 48 and go to the Use Tax section of the tax return.

Line 48 – Tax Due

If the amount on line 44 is less than the amount on line 34, subtract the amount on line 44 from the amount on line 34. Enter the result on line 48. 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 48 is \$200 or more (\$100 or more if married/RDP filing separately).
- The amount of state income tax withheld on line 36 is less than 90% of the amount of your total tax on line 34.

If this applies to you, go to line 64.

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete Employment Development Department (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 or use the online calculator by going to www.ftb.ca.gov and searching 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 49 – Use Tax. This is not a total line.

As explained on page 6, 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).

You may report use tax on your income tax return instead of filing a use tax return with the State Board of Equalization. To report use tax on your income tax return, complete the Use Tax Worksheet on the next page. For questions on whether a purchase is taxable, go to the State Board of Equalization’s Website at www.boe.ca.gov, or call their Information Center at (800) 400-7115 or TTY/TDD (800) 735-2929.

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. To do so, download a copy of Publication 79-B, California Use Tax, from www.boe.ca.gov or request a copy by calling the State Board of Equalization’s Information Center.

Use Tax Penalty

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

Note: Businesses that have a California seller's permit must continue to report business purchases subject to use tax on their sales and use tax returns.

See page 6 for a general explanation of California use tax.

Use Tax Worksheet	
Use whole dollars only.	
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 20	_____
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 49. 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 \$400 per-person exemption. This \$400 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 (see discussion of Publication 79-B on the previous page).

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 7.25% is 0.0725, and the decimal equivalent of 7.375% is 0.07375.
- If you do not know the applicable rate, see the table on page 20, "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 www.boe.ca.gov or call their Information Center 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

To make contributions, see the funds listed on Form 540/540A, Side 2. See page 60 for a description of the funds.

Amount You Owe

Add or subtract correctly to figure the amount you owe.

Line 62 – Amount You Owe

If you have an amount on line 48, add the amount on line 48, line 49, and line 61, if any. Enter the result on line 62.

If you have an amount on line 47, subtract line 49 and line 61 from line 47. If the combined amount of line 49 and line 61 is more than 47 enter the difference on line 62.

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.

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 our Website at www.ftb.ca.gov for more information.
- **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 visit the Official Payments Corp. Website at www.officialpayments.com, and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.
- **Check or Money Order** – Make your check or money order payable to the "Franchise Tax Board." **Do not send cash.** Write your SSN or ITIN and "2007 Form 540" or "2007 Form 540A" as applicable on the check or money order. Enclose, but do not staple, your payment with your return.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution. Do not combine your 2007 tax payment and any 2008 estimated tax payment in the same check. Prepare two separate checks and mail each in a separate envelope.

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

- 2.5% of the tax amount charged (rounded to the nearest cent)
- Minimum fee: \$1

Example:

Tax Payment = \$754.00 Convenience Fee = \$18.85

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 Franchise Tax Board 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 www.officialpayments.com or call their toll-free number (800) 2PAY-TAX or (800) 272-9829 and follow the recorded instructions. Official Payments Corp. provides customer assistance Monday through Friday, 9 a.m. to 5 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 65 or Form 540A, line 62, see the information regarding Installment Payments on page 28.

Interest and Penalties

If you file your 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 45 or increase the amount on line 48 by any penalty or interest amounts. Enter on Form 540, line 63 the amount of interest and penalties.

Line 63 (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 www.ftb.ca.gov and search for **interest**.

Late Filing of Return. The maximum total penalty is 25% of the tax not paid if the return is filed after October 15, 2008. The minimum penalty for filing a 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, 2008, you will incur a late payment penalty plus interest. If you have paid at least 90% of the tax shown on the return by the original due date of the return, we will waive the penalty based on reasonable cause. However, the imposition of interest is mandatory. If, after April 15, 2008, you find that your estimate of tax due was too low, pay the additional tax as soon as possible to avoid further accumulation of penalties and interest. If you do not file your tax return by October 15, 2008, you will incur a late filing penalty plus interest from the original due date of the return. 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.

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 64 – 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 return under \$200.

The Franchise Tax Board can figure the penalty for you when you file your return and send you a bill.

Is line 48 less than \$200 (\$100 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 48 less than 10% of the amount on line 30? Form 540 filers: this excludes the tax on lump-sum distributions on Form 540, line 23.

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).

For taxable years beginning on or after January 1, 2005, 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, Underpayment of Estimated Tax by Individuals and Fiduciaries or form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen.

If you complete one of these forms, attach it to the back of your Form 540/540A. Enter the amount of the penalty on line 64 and fill in the correct circle on line 64. 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 page 2, Important due dates, for more information on estimated tax payments and how to avoid the underpayment penalty.

See the instructions for Form 540, line 65 or Form 540A, line 62 for information about figuring your payment, if any.

Line 65 (From 540) – Total Amount Due

Is there an amount on line 62?

Yes Add line 62, line 63 and line 64. Enter the result on line 65. For payment options, see line 62 instructions.

No Go to line 66.

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

If you did not enter an amount on line 49 or line 61, enter the amount from line 47 on line 66. This is the amount that will be refunded to you.

Subtract line 49 and line 61 from line 47. If the result is zero or more, enter the result on line 66. If the combined amount of line 49 and line 61 is more than line 47, enter the difference on line 62.

Line 66 (Form 540) – Refund or No Amount Due

Did you report amounts on line 49, line 61, line 63, or line 64?

No Enter the amount from line 47 on line 66. This is your refund amount. If it is less than \$1, attach a written statement to your Form 540/540A requesting the refund.

Yes Combine the amounts from line 49, line 61, line 63, or line 64. If the result is:

More than line 47, subtract line 47 from the sum of line 49, line 61, line 63, and line 64 and enter the result on line 65. This is your total amount due. For payment options, see line 62 instructions.

Less than line 47, subtract the sum of line 49, line 61, line 63, and line 64 from line 47 and enter on line 66. This is your refund amount.

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

Direct Deposit (Refund Only)

Line 67 and Line 68 – 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, Side 2, line 67 and line 68. 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.

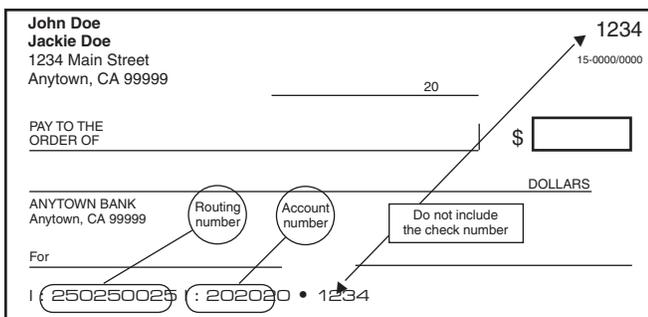
The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check, the routing number is 250250025. The account number can be up to 17 characters and can include numbers and letters. Include hyphens but omit spaces and special symbols. On the sample 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 67 and line 68 must equal the total amount of your refund. If line 67 and line 68 do not equal line 66, the Franchise Tax Board 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 Franchise Tax Board will issue a paper check.



Sign Your Return

You must sign your return in the space provided on Side 2. If you file a joint return, your spouse/RDP must sign it also. See below for more information on verifying and checking information on your return, attachments to your return, and assembling and mailing your return.

Joint Return. If you file a joint return, both you and your spouse/RDP are generally responsible for the tax and any interest or penalties due on the 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 6.

For information about Power of Attorney, go to our Website at www.ftb.ca.gov.

Filing Your Return

Attachments to your 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: Did you attach any federal forms or schedules other than Schedule A or Schedule B 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 to Form 540.

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

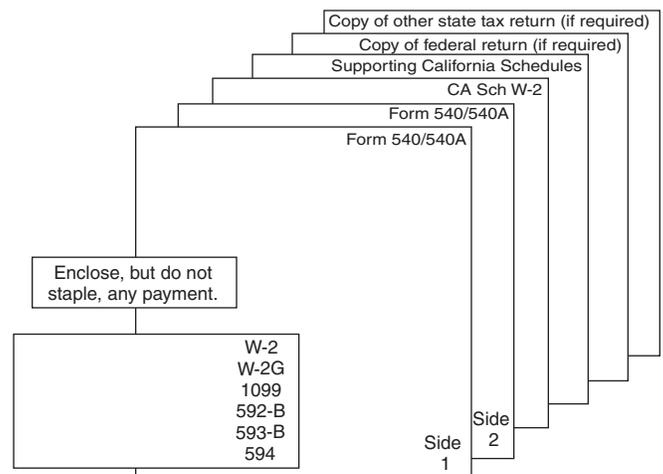
Form(s) W-2, W-2G, 592-B, 593-B, 594, and 1099: Make sure to attach all the Form(s) W-2 and W-2G you received to the front of your return. If you completed CA Sch W-2, attach CA Sch W-2 behind Side 2 of the tax return.

If you do not receive your Form(s) W-2 by January 31, 2008, contact your employer or go to our Website at www.ftb.ca.gov and search for **My 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 67 or go to our Website at www.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 Franchise Tax Board requests them from you.

Assembling Your Return

Assemble your return in the order shown below.



Mailing Your Return

Mail your return using the envelope provided in this booklet. If your return shows a refund or no amount due, 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

If your return has an amount due, 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

Sales and Use Tax Rates by County
(includes state, local, and district taxes)
As of December 31, 2007

County	Rate	County	Rate
Alameda	8.75%	Orange ¹	7.75%
Alpine	7.25%	Placer	7.25%
Amador	7.25%	Plumas	7.25%
Butte	7.25%	Riverside	7.75%
Calaveras	7.25%	Sacramento	7.75%
Colusa ¹	7.25%	San Benito ¹	7.25%
Contra Costa ¹	8.25%	San Bernardino ¹	7.75%
Del Norte	7.25%	San Diego ¹	7.75%
El Dorado ¹	7.25%	San Francisco	8.50%
Fresno ¹	7.975%	San Joaquin ¹	7.75%
Glenn	7.25%	San Luis Obispo ¹	7.25%
Humboldt ¹	7.25%	San Mateo	8.25%
Imperial	7.75%	Santa Barbara	7.75%
Inyo	7.75%	Santa Clara	8.25%
Kern	7.25%	Santa Cruz ¹	8.00%
Kings	7.25%	Shasta	7.25%
Lake ¹	7.25%	Sierra	7.25%
Lassen	7.25%	Siskiyou	7.25%
Los Angeles ¹	8.25%	Solano	7.375%
Madera ²	7.75%	Sonoma ¹	7.75%
Marin ¹	7.75%	Stanislaus	7.375%
Mariposa	7.75%	Sutter	7.25%
Mendocino ¹	7.25%	Tehama	7.25%
Merced ¹	7.25%	Trinity	7.25%
Modoc	7.25%	Tulare ^{1,3}	7.75%
Mono	7.25%	Tuolumne ¹	7.25%
Monterey ¹	7.25%	Ventura	7.25%
Napa	7.75%	Yolo ¹	7.25%
Nevada ¹	7.375%	Yuba	7.25%

1. 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.
2. The tax rate in Madera County prior to April 1, 2007 was 7.25%.
3. The tax rate in Tulare County prior to April 1, 2007 was 7.25%.

County	City	Citywide Rate
Colusa	Williams (effective 4/1/07) ¹	7.75%
Contra Costa	Pinole (effective 4/1/07) ²	8.75%
Contra Costa	Richmond	8.75%
El Dorado	Placerville	7.50%
El Dorado	South Lake Tahoe	7.75%
Fresno	Clovis	8.275%
Humboldt	Trinidad	8.25%
Lake	Clearlake	7.75%
Lake	Lakeport	7.75%
Los Angeles	Avalon	8.75%
Los Angeles	Inglewood (effective 4/1/07) ³	8.75%
Marin	San Rafael	8.25%
Mendocino	Fort Bragg	7.75%
Mendocino	Point Arena	7.75%
Mendocino	Ukiah	7.75%
Mendocino	Willits	7.75%
Merced	Los Banos	7.75%
Merced	Merced	7.75%
Monterey	Del Rey Oaks (effective 4/1/07) ⁴	8.25%
Monterey	Salinas	7.75%
Monterey	Sand City	7.75%
Nevada	Nevada City (effective 4/1/07) ⁵	7.875%
Nevada	Truckee	7.875%
Orange	Laguna Beach	8.25%
San Benito	San Juan Bautista	8.00%
San Bernardino	Montclair	8.00%
San Bernardino	San Bernardino (effective 4/1/07) ⁶	8.00%
San Diego	El Cajon	8.25%
San Diego	National City	8.75%
San Diego	Vista (effective 4/1/07) ⁷	8.25%
San Joaquin	Manteca (effective 4/1/07) ⁸	8.25%
San Joaquin	Stockton	8.00%
San Luis Obispo	Arroyo Grande (effective 4/1/07) ⁹	7.75%
San Luis Obispo	Grover Beach (effective 4/1/07) ¹⁰	7.75%
San Luis Obispo	Morro Bay (effective 4/1/07) ¹¹	7.75%
San Luis Obispo	San Luis Obispo (effective 4/1/07) ¹²	7.75%
Santa Cruz	Capitola	8.25%
Santa Cruz	Santa Cruz (effective 4/1/07) ¹³	8.50%
Santa Cruz	Scotts Valley	8.50%
Santa Cruz	Watsonville (effective 4/1/07) ¹⁴	8.25%
Sonoma	Sebastopol	8.00%
Sonoma	Santa Rosa	8.00%
Tulare	Dinuba (effective 04/01/07) ¹⁵	8.50%
Tulare	Farmersville (effective 04/01/07) ¹⁶	8.25%
Tulare	Porterville (effective 04/01/07) ¹⁷	8.25%
Tulare	Tulare (effective 04/01/07) ¹⁸	8.25%
Tulare	Visalia (effective 04/01/07) ¹⁹	8.00%
Tuolumne	Sonora	7.75%
Yolo	Davis	7.75%
Yolo	West Sacramento	7.75%
Yolo	Woodland	7.75%

1. The tax rate in Williams prior to April 1, 2007, was 7.25%.
2. The tax rate in Pinole prior to April 1, 2007 was 8.25%.
3. The tax rate in Inglewood prior to April 1, 2007 was 8.25%.
4. The tax rate in Del Rey Oaks prior to April 1, 2007 was 7.25%.
5. The tax rate in Nevada City prior to April 1, 2007 was 7.375%.
6. The tax rate in San Bernardino prior to April 1, 2007 was 7.75%.
7. The tax rate in Vista prior to April 1, 2007 was 7.75%.
8. The tax rate in Manteca prior to April 1, 2007 was 7.75%.
9. The tax rate in Arroyo Grande prior to April 1, 2007 was 7.25%.
10. The tax rate in Grover Beach prior to April 1, 2007 was 7.25%.
11. The tax rate in Morro Bay prior to April 1, 2007 was 7.25%.
12. The tax rate in San Luis Obispo prior to April 1, 2007 was 7.25%.
13. The tax rate in Santa Cruz prior to April 1, 2007 was 8.25%.
14. The tax rate in Watsonville prior to April 1, 2007 was 8.00%.
15. The tax rate in Dinuba prior to April 1, 2007 was 8.00%.
16. The tax rate in Farmersville prior to April 1, 2007 was 7.75%.
17. The tax rate in Porterville prior to April 1, 2007 was 7.75%.
18. The tax rate in Tulare prior to April 1, 2007 was 7.75%.
19. The tax rate in Visalia prior to April 1, 2007 was 7.50%.

2007 California Tax Table

To Find Your Tax:

- Read down the column labeled "If Your Taxable Income Is ..." to find the range that includes your taxable income from Form 540/540A, line 19.
- Read across the columns labeled "The Tax For Filing Status" until you find the tax that applies for your taxable income and filing status.

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)		2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))					4 (Head of Household)							
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
\$1	\$50	\$0	\$0	\$0	6,451	6,550	65	65	65	12,951	13,050	192	130	130
51	150	1	1	1	6,551	6,650	66	66	66	13,051	13,150	194	131	131
151	250	2	2	2	6,651	6,750	67	67	67	13,151	13,250	196	132	132
251	350	3	3	3	6,751	6,850	68	68	68	13,251	13,350	198	133	133
351	450	4	4	4	6,851	6,950	70	69	69	13,351	13,450	200	134	134
451	550	5	5	5	6,951	7,050	72	70	70	13,451	13,550	202	135	135
551	650	6	6	6	7,051	7,150	74	71	71	13,551	13,650	204	136	136
651	750	7	7	7	7,151	7,250	76	72	72	13,651	13,750	206	137	137
751	850	8	8	8	7,251	7,350	78	73	73	13,751	13,850	208	139	139
851	950	9	9	9	7,351	7,450	80	74	74	13,851	13,950	210	141	141
951	1,050	10	10	10	7,451	7,550	82	75	75	13,951	14,050	212	143	143
1,051	1,150	11	11	11	7,551	7,650	84	76	76	14,051	14,150	214	145	145
1,151	1,250	12	12	12	7,651	7,750	86	77	77	14,151	14,250	216	147	147
1,251	1,350	13	13	13	7,751	7,850	88	78	78	14,251	14,350	218	149	149
1,351	1,450	14	14	14	7,851	7,950	90	79	79	14,351	14,450	220	151	151
1,451	1,550	15	15	15	7,951	8,050	92	80	80	14,451	14,550	222	153	153
1,551	1,650	16	16	16	8,051	8,150	94	81	81	14,551	14,650	224	155	155
1,651	1,750	17	17	17	8,151	8,250	96	82	82	14,651	14,750	226	157	157
1,751	1,850	18	18	18	8,251	8,350	98	83	83	14,751	14,850	228	159	159
1,851	1,950	19	19	19	8,351	8,450	100	84	84	14,851	14,950	230	161	161
1,951	2,050	20	20	20	8,451	8,550	102	85	85	14,951	15,050	232	163	163
2,051	2,150	21	21	21	8,551	8,650	104	86	86	15,051	15,150	234	165	165
2,151	2,250	22	22	22	8,651	8,750	106	87	87	15,151	15,250	236	167	167
2,251	2,350	23	23	23	8,751	8,850	108	88	88	15,251	15,350	238	169	169
2,351	2,450	24	24	24	8,851	8,950	110	89	89	15,351	15,450	240	171	171
2,451	2,550	25	25	25	8,951	9,050	112	90	90	15,451	15,550	242	173	173
2,551	2,650	26	26	26	9,051	9,150	114	91	91	15,551	15,650	244	175	175
2,651	2,750	27	27	27	9,151	9,250	116	92	92	15,651	15,750	246	177	177
2,751	2,850	28	28	28	9,251	9,350	118	93	93	15,751	15,850	248	179	179
2,851	2,950	29	29	29	9,351	9,450	120	94	94	15,851	15,950	250	181	181
2,951	3,050	30	30	30	9,451	9,550	122	95	95	15,951	16,050	252	183	183
3,051	3,150	31	31	31	9,551	9,650	124	96	96	16,051	16,150	254	185	185
3,151	3,250	32	32	32	9,651	9,750	126	97	97	16,151	16,250	256	187	187
3,251	3,350	33	33	33	9,751	9,850	128	98	98	16,251	16,350	260	189	189
3,351	3,450	34	34	34	9,851	9,950	130	99	99	16,351	16,450	264	191	191
3,451	3,550	35	35	35	9,951	10,050	132	100	100	16,451	16,550	268	193	193
3,551	3,650	36	36	36	10,051	10,150	134	101	101	16,551	16,650	272	195	195
3,651	3,750	37	37	37	10,151	10,250	136	102	102	16,651	16,750	276	197	197
3,751	3,850	38	38	38	10,251	10,350	138	103	103	16,751	16,850	280	199	199
3,851	3,950	39	39	39	10,351	10,450	140	104	104	16,851	16,950	284	201	201
3,951	4,050	40	40	40	10,451	10,550	142	105	105	16,951	17,050	288	203	203
4,051	4,150	41	41	41	10,551	10,650	144	106	106	17,051	17,150	292	205	205
4,151	4,250	42	42	42	10,651	10,750	146	107	107	17,151	17,250	296	207	207
4,251	4,350	43	43	43	10,751	10,850	148	108	108	17,251	17,350	300	209	209
4,351	4,450	44	44	44	10,851	10,950	150	109	109	17,351	17,450	304	211	211
4,451	4,550	45	45	45	10,951	11,050	152	110	110	17,451	17,550	308	213	213
4,551	4,650	46	46	46	11,051	11,150	154	111	111	17,551	17,650	312	215	215
4,651	4,750	47	47	47	11,151	11,250	156	112	112	17,651	17,750	316	217	217
4,751	4,850	48	48	48	11,251	11,350	158	113	113	17,751	17,850	320	219	219
4,851	4,950	49	49	49	11,351	11,450	160	114	114	17,851	17,950	324	221	221
4,951	5,050	50	50	50	11,451	11,550	162	115	115	17,951	18,050	328	223	223
5,051	5,150	51	51	51	11,551	11,650	164	116	116	18,051	18,150	332	225	225
5,151	5,250	52	52	52	11,651	11,750	166	117	117	18,151	18,250	336	227	227
5,251	5,350	53	53	53	11,751	11,850	168	118	118	18,251	18,350	340	229	229
5,351	5,450	54	54	54	11,851	11,950	170	119	119	18,351	18,450	344	231	231
5,451	5,550	55	55	55	11,951	12,050	172	120	120	18,451	18,550	348	233	233
5,551	5,650	56	56	56	12,051	12,150	174	121	121	18,551	18,650	352	235	235
5,651	5,750	57	57	57	12,151	12,250	176	122	122	18,651	18,750	356	237	237
5,751	5,850	58	58	58	12,251	12,350	178	123	123	18,751	18,850	360	239	239
5,851	5,950	59	59	59	12,351	12,450	180	124	124	18,851	18,950	364	241	241
5,951	6,050	60	60	60	12,451	12,550	182	125	125	18,951	19,050	368	243	243
6,051	6,150	61	61	61	12,551	12,650	184	126	126	19,051	19,150	372	245	245
6,151	6,250	62	62	62	12,651	12,750	186	127	127	19,151	19,250	376	247	247
6,251	6,350	63	63	63	12,751	12,850	188	128	128	19,251	19,350	380	249	249
6,351	6,450	64	64	64	12,851	12,950	190	129	129	19,351	19,450	384	251	251

Continued on next page.

2007 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)		2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))			4 (Head of Household)									
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
19,451	19,550	388	253	253	26,451	26,550	687	393	393	33,451	33,550	1,107	556	556
19,551	19,650	392	255	255	26,551	26,650	693	395	395	33,551	33,650	1,113	560	560
19,651	19,750	396	257	257	26,651	26,750	699	397	397	33,651	33,750	1,119	564	564
19,751	19,850	400	259	259	26,751	26,850	705	399	399	33,751	33,850	1,125	568	568
19,851	19,950	404	261	261	26,851	26,950	711	401	401	33,851	33,950	1,131	572	572
20,951	20,050	408	263	263	26,951	27,050	717	403	403	33,951	34,050	1,137	576	576
20,051	20,150	412	265	265	27,051	27,150	723	405	405	34,051	34,150	1,143	580	580
20,151	20,250	416	267	267	27,151	27,250	729	407	407	34,151	34,250	1,149	584	584
20,251	20,350	420	269	269	27,251	27,350	735	409	409	34,251	34,350	1,155	588	588
20,351	20,450	424	271	271	27,351	27,450	741	411	411	34,351	34,450	1,161	592	592
20,451	20,550	428	273	273	27,451	27,550	747	413	413	34,451	34,550	1,167	596	596
20,551	20,650	432	275	275	27,551	27,650	753	415	415	34,551	34,650	1,173	600	600
20,651	20,750	436	277	277	27,651	27,750	759	417	417	34,651	34,750	1,179	604	604
20,751	20,850	440	279	279	27,751	27,850	765	419	419	34,751	34,850	1,185	608	608
20,851	20,950	444	281	281	27,851	27,950	771	421	421	34,851	34,950	1,191	612	612
20,951	21,050	448	283	283	27,951	28,050	777	423	423	34,951	35,050	1,197	616	616
21,051	21,150	452	285	285	28,051	28,150	783	425	425	35,051	35,150	1,203	620	620
21,151	21,250	456	287	287	28,151	28,250	789	427	427	35,151	35,250	1,209	624	624
21,251	21,350	460	289	289	28,251	28,350	795	429	429	35,251	35,350	1,215	628	628
21,351	21,450	464	291	291	28,351	28,450	801	431	431	35,351	35,450	1,221	632	632
21,451	21,550	468	293	293	28,451	28,550	807	433	433	35,451	35,550	1,228	636	636
21,551	21,650	472	295	295	28,551	28,650	813	435	435	35,551	35,650	1,236	640	640
21,651	21,750	476	297	297	28,651	28,750	819	437	437	35,651	35,750	1,244	644	644
21,751	21,850	480	299	299	28,751	28,850	825	439	439	35,751	35,850	1,252	648	648
21,851	21,950	484	301	301	28,851	28,950	831	441	441	35,851	35,950	1,260	652	652
21,951	22,050	488	303	303	28,951	29,050	837	443	443	35,951	36,050	1,268	656	656
22,051	22,150	492	305	305	29,051	29,150	843	445	445	36,051	36,150	1,276	660	660
22,151	22,250	496	307	307	29,151	29,250	849	447	447	36,151	36,250	1,284	664	664
22,251	22,350	500	309	309	29,251	29,350	855	449	449	36,251	36,350	1,292	668	668
22,351	22,450	504	311	311	29,351	29,450	861	451	451	36,351	36,450	1,300	672	672
22,451	22,550	508	313	313	29,451	29,550	867	453	453	36,451	36,550	1,308	676	676
22,551	22,650	512	315	315	29,551	29,650	873	455	455	36,551	36,650	1,316	680	680
22,651	22,750	516	317	317	29,651	29,750	879	457	457	36,651	36,750	1,324	684	684
22,751	22,850	520	319	319	29,751	29,850	885	459	459	36,751	36,850	1,332	688	688
22,851	22,950	524	321	321	29,851	29,950	891	461	461	36,851	36,950	1,340	692	692
22,951	23,050	528	323	323	29,951	30,050	897	463	463	36,951	37,050	1,348	696	696
23,051	23,150	532	325	325	30,051	30,150	903	465	465	37,051	37,150	1,356	700	700
23,151	23,250	536	327	327	30,151	30,250	909	467	467	37,151	37,250	1,364	704	704
23,251	23,350	540	329	329	30,251	30,350	915	469	469	37,251	37,350	1,372	708	708
23,351	23,450	544	331	331	30,351	30,450	921	471	471	37,351	37,450	1,380	712	712
23,451	23,550	548	333	333	30,451	30,550	927	473	473	37,451	37,550	1,388	716	716
23,551	23,650	552	335	335	30,551	30,650	933	475	475	37,551	37,650	1,396	720	720
23,651	23,750	556	337	337	30,651	30,750	939	477	477	37,651	37,750	1,404	724	724
23,751	23,850	560	339	339	30,751	30,850	945	479	479	37,751	37,850	1,412	728	728
23,851	23,950	564	341	341	30,851	30,950	951	481	481	37,851	37,950	1,420	732	732
23,951	24,050	568	343	343	30,951	31,050	957	483	483	37,951	38,050	1,428	736	736
24,051	24,150	572	345	345	31,051	31,150	963	485	485	38,051	38,150	1,436	740	740
24,151	24,250	576	347	347	31,151	31,250	969	487	487	38,151	38,250	1,444	744	744
24,251	24,350	580	349	349	31,251	31,350	975	489	489	38,251	38,350	1,452	748	748
24,351	24,450	584	351	351	31,351	31,450	981	491	491	38,351	38,450	1,460	752	752
24,451	24,550	588	353	353	31,451	31,550	987	493	493	38,451	38,550	1,468	756	756
24,551	24,650	592	355	355	31,551	31,650	993	495	495	38,551	38,650	1,476	760	760
24,651	24,750	596	357	357	31,651	31,750	999	497	497	38,651	38,750	1,484	764	764
24,751	24,850	600	359	359	31,751	31,850	1,005	499	499	38,751	38,850	1,492	768	768
24,851	24,950	604	361	361	31,851	31,950	1,011	501	501	38,851	38,950	1,500	772	772
24,951	25,050	608	363	363	31,951	32,050	1,017	503	503	38,951	39,050	1,508	776	776
25,051	25,150	612	365	365	32,051	32,150	1,023	505	505	39,051	39,150	1,516	780	780
25,151	25,250	616	367	367	32,151	32,250	1,029	507	507	39,151	39,250	1,524	784	784
25,251	25,350	620	369	369	32,251	32,350	1,035	509	509	39,251	39,350	1,532	788	788
25,351	25,450	624	371	371	32,351	32,450	1,041	512	512	39,351	39,450	1,540	792	792
25,451	25,550	628	373	373	32,451	32,550	1,047	516	516	39,451	39,550	1,548	796	796
25,551	25,650	633	375	375	32,551	32,650	1,053	520	520	39,551	39,650	1,556	800	800
25,651	25,750	639	377	377	32,651	32,750	1,059	524	524	39,651	39,750	1,564	804	804
25,751	25,850	645	379	379	32,751	32,850	1,065	528	528	39,751	39,850	1,572	808	808
25,851	25,950	651	381	381	32,851	32,950	1,071	532	532	39,851	39,950	1,580	812	812
25,951	26,050	657	383	383	32,951	33,050	1,077	536	536	39,951	40,050	1,588	816	816
26,051	26,150	663	385	385	33,051	33,150	1,083	540	540	40,051	40,150	1,596	820	820
26,151	26,250	669	387	387	33,151	33,250	1,089	544	544	40,151	40,250	1,604	824	824
26,251	26,350	675	389	389	33,251	33,350	1,095	548	548	40,251	40,350	1,612	828	828
26,351	26,450	681	391	391	33,351	33,450	1,101	552	552	40,351	40,450	1,620	832	832

Continued on next page.

2007 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)		2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))			4 (Head of Household)									
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
40,451	40,550	1,628	836	836	47,451	47,550	2,223	1,116	1,231	54,451	54,550	2,874	1,464	1,709
40,551	40,650	1,636	840	840	47,551	47,650	2,232	1,120	1,237	54,551	54,650	2,883	1,470	1,717
40,651	40,750	1,644	844	844	47,651	47,750	2,241	1,124	1,243	54,651	54,750	2,892	1,476	1,725
40,751	40,850	1,652	848	848	47,751	47,850	2,251	1,128	1,249	54,751	54,850	2,902	1,482	1,733
40,851	40,950	1,660	852	852	47,851	47,950	2,260	1,132	1,255	54,851	54,950	2,911	1,488	1,741
40,951	41,050	1,668	856	856	47,951	48,050	2,269	1,136	1,261	54,951	55,050	2,920	1,494	1,749
41,051	41,150	1,676	860	860	48,051	48,150	2,279	1,140	1,267	55,051	55,150	2,930	1,500	1,757
41,151	41,250	1,684	864	864	48,151	48,250	2,288	1,144	1,273	55,151	55,250	2,939	1,506	1,765
41,251	41,350	1,692	868	868	48,251	48,350	2,297	1,148	1,279	55,251	55,350	2,948	1,512	1,773
41,351	41,450	1,700	872	872	48,351	48,450	2,307	1,152	1,285	55,351	55,450	2,958	1,518	1,781
41,451	41,550	1,708	876	876	48,451	48,550	2,316	1,156	1,291	55,451	55,550	2,967	1,524	1,789
41,551	41,650	1,716	880	880	48,551	48,650	2,325	1,160	1,297	55,551	55,650	2,976	1,530	1,797
41,651	41,750	1,724	884	884	48,651	48,750	2,334	1,164	1,303	55,651	55,750	2,985	1,536	1,805
41,751	41,850	1,732	888	889	48,751	48,850	2,344	1,168	1,309	55,751	55,850	2,995	1,542	1,813
41,851	41,950	1,740	892	895	48,851	48,950	2,353	1,172	1,315	55,851	55,950	3,004	1,548	1,821
41,951	42,050	1,748	896	901	48,951	49,050	2,362	1,176	1,321	55,951	56,050	3,013	1,554	1,829
42,051	42,150	1,756	900	907	49,051	49,150	2,372	1,180	1,327	56,051	56,150	3,023	1,560	1,837
42,151	42,250	1,764	904	913	49,151	49,250	2,381	1,184	1,333	56,151	56,250	3,032	1,566	1,845
42,251	42,350	1,772	908	919	49,251	49,350	2,390	1,188	1,339	56,251	56,350	3,041	1,572	1,853
42,351	42,450	1,780	912	925	49,351	49,450	2,400	1,192	1,345	56,351	56,450	3,051	1,578	1,861
42,451	42,550	1,788	916	931	49,451	49,550	2,409	1,196	1,351	56,451	56,550	3,060	1,584	1,869
42,551	42,650	1,796	920	937	49,551	49,650	2,418	1,200	1,357	56,551	56,650	3,069	1,590	1,877
42,651	42,750	1,804	924	943	49,651	49,750	2,427	1,204	1,363	56,651	56,750	3,078	1,596	1,885
42,751	42,850	1,812	928	949	49,751	49,850	2,437	1,208	1,369	56,751	56,850	3,088	1,602	1,893
42,851	42,950	1,820	932	955	49,851	49,950	2,446	1,212	1,375	56,851	56,950	3,097	1,608	1,901
42,951	43,050	1,828	936	961	49,951	50,050	2,455	1,216	1,381	56,951	57,050	3,106	1,614	1,909
43,051	43,150	1,836	940	967	50,051	50,150	2,465	1,220	1,387	57,051	57,150	3,116	1,620	1,917
43,151	43,250	1,844	944	973	50,151	50,250	2,474	1,224	1,393	57,151	57,250	3,125	1,626	1,925
43,251	43,350	1,852	948	979	50,251	50,350	2,483	1,228	1,399	57,251	57,350	3,134	1,632	1,933
43,351	43,450	1,860	952	985	50,351	50,450	2,493	1,232	1,405	57,351	57,450	3,144	1,638	1,941
43,451	43,550	1,868	956	991	50,451	50,550	2,502	1,236	1,411	57,451	57,550	3,153	1,644	1,949
43,551	43,650	1,876	960	997	50,551	50,650	2,511	1,240	1,417	57,551	57,650	3,162	1,650	1,957
43,651	43,750	1,884	964	1,003	50,651	50,750	2,520	1,244	1,423	57,651	57,750	3,171	1,656	1,965
43,751	43,850	1,892	968	1,009	50,751	50,850	2,530	1,248	1,429	57,751	57,850	3,181	1,662	1,973
43,851	43,950	1,900	972	1,015	50,851	50,950	2,539	1,252	1,435	57,851	57,950	3,190	1,668	1,981
43,951	44,050	1,908	976	1,021	50,951	51,050	2,548	1,256	1,441	57,951	58,050	3,199	1,674	1,989
44,051	44,150	1,916	980	1,027	51,051	51,150	2,558	1,260	1,447	58,051	58,150	3,209	1,680	1,997
44,151	44,250	1,924	984	1,033	51,151	51,250	2,567	1,266	1,453	58,151	58,250	3,218	1,686	2,005
44,251	44,350	1,932	988	1,039	51,251	51,350	2,576	1,272	1,459	58,251	58,350	3,227	1,692	2,013
44,351	44,450	1,940	992	1,045	51,351	51,450	2,586	1,278	1,465	58,351	58,450	3,237	1,698	2,021
44,451	44,550	1,948	996	1,051	51,451	51,550	2,595	1,284	1,471	58,451	58,550	3,246	1,704	2,029
44,551	44,650	1,956	1,000	1,057	51,551	51,650	2,604	1,290	1,477	58,551	58,650	3,255	1,710	2,037
44,651	44,750	1,964	1,004	1,063	51,651	51,750	2,613	1,296	1,483	58,651	58,750	3,264	1,716	2,045
44,751	44,850	1,972	1,008	1,069	51,751	51,850	2,623	1,302	1,489	58,751	58,850	3,274	1,722	2,053
44,851	44,950	1,981	1,012	1,075	51,851	51,950	2,632	1,308	1,501	58,851	58,950	3,283	1,728	2,061
44,951	45,050	1,990	1,016	1,081	51,951	52,050	2,641	1,314	1,509	58,951	59,050	3,292	1,734	2,069
45,051	45,150	2,000	1,020	1,087	52,051	52,150	2,651	1,320	1,517	59,051	59,150	3,302	1,740	2,077
45,151	45,250	2,009	1,024	1,093	52,151	52,250	2,660	1,326	1,525	59,151	59,250	3,311	1,746	2,085
45,251	45,350	2,018	1,028	1,099	52,251	52,350	2,669	1,332	1,533	59,251	59,350	3,320	1,752	2,093
45,351	45,450	2,028	1,032	1,105	52,351	52,450	2,679	1,338	1,541	59,351	59,450	3,330	1,758	2,101
45,451	45,550	2,037	1,036	1,111	52,451	52,550	2,688	1,344	1,549	59,451	59,550	3,339	1,764	2,109
45,551	45,650	2,046	1,040	1,117	52,551	52,650	2,697	1,350	1,557	59,551	59,650	3,348	1,770	2,117
45,651	45,750	2,055	1,044	1,123	52,651	52,750	2,706	1,356	1,565	59,651	59,750	3,357	1,776	2,125
45,751	45,850	2,065	1,048	1,129	52,751	52,850	2,716	1,362	1,573	59,751	59,850	3,367	1,782	2,133
45,851	45,950	2,074	1,052	1,135	52,851	52,950	2,725	1,368	1,581	59,851	59,950	3,376	1,788	2,141
45,951	46,050	2,083	1,056	1,141	52,951	53,050	2,734	1,374	1,589	59,951	60,050	3,385	1,794	2,149
46,051	46,150	2,093	1,060	1,147	53,051	53,150	2,744	1,380	1,597	60,051	60,150	3,395	1,800	2,157
46,151	46,250	2,102	1,064	1,153	53,151	53,250	2,753	1,386	1,605	60,151	60,250	3,404	1,806	2,165
46,251	46,350	2,111	1,068	1,159	53,251	53,350	2,762	1,392	1,613	60,251	60,350	3,413	1,812	2,173
46,351	46,450	2,121	1,072	1,165	53,351	53,450	2,772	1,398	1,621	60,351	60,450	3,423	1,818	2,181
46,451	46,550	2,130	1,076	1,171	53,451	53,550	2,781	1,404	1,629	60,451	60,550	3,432	1,824	2,189
46,551	46,650	2,139	1,080	1,177	53,551	53,650	2,790	1,410	1,637	60,551	60,650	3,441	1,830	2,197
46,651	46,750	2,148	1,084	1,183	53,651	53,750	2,799	1,416	1,645	60,651	60,750	3,450	1,836	2,205
46,751	46,850	2,158	1,088	1,189	53,751	53,850	2,809	1,422	1,653	60,751	60,850	3,460	1,842	2,213
46,851	46,950	2,167	1,092	1,195	53,851	53,950	2,818	1,428	1,661	60,851	60,950	3,469	1,848	2,221
46,951	47,050	2,176	1,096	1,201	53,951	54,050	2,827	1,434	1,669	60,951	61,050	3,478	1,854	2,229
47,051	47,150	2,186	1,100	1,207	54,051	54,150	2,837	1,440	1,677	61,051	61,150	3,488	1,860	2,238
47,151	47,250	2,195	1,104	1,213	54,151	54,250	2,846	1,446	1,685	61,151	61,250	3,497	1,866	2,247
47,251	47,350	2,204	1,108	1,219	54,251	54,350	2,855	1,452	1,693	61,251	61,350	3,506	1,872	2,256
47,351	47,450	2,214	1,112	1,225	54,351	54,450	2,865	1,458	1,701	61,351	61,450	3,516	1,878	2,266

Continued on next page.

2007 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately)		2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er))			4 (Head of Household)									
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
61,451	61,550	3,525	1,884	2,275	68,451	68,550	4,176	2,304	2,926	75,451	75,550	4,827	2,816	3,577
61,551	61,650	3,534	1,890	2,284	68,551	68,650	4,185	2,310	2,935	75,551	75,650	4,836	2,824	3,586
61,651	61,750	3,543	1,896	2,294	68,651	68,750	4,194	2,316	2,945	75,651	75,750	4,845	2,832	3,596
61,751	61,850	3,553	1,902	2,303	68,751	68,850	4,204	2,322	2,954	75,751	75,850	4,855	2,840	3,605
61,851	61,950	3,562	1,908	2,312	68,851	68,950	4,213	2,328	2,963	75,851	75,950	4,864	2,848	3,614
61,951	62,050	3,571	1,914	2,322	68,951	69,050	4,222	2,334	2,973	75,951	76,050	4,873	2,856	3,624
62,051	62,150	3,581	1,920	2,331	69,051	69,150	4,232	2,340	2,982	76,051	76,150	4,883	2,864	3,633
62,151	62,250	3,590	1,926	2,340	69,151	69,250	4,241	2,346	2,991	76,151	76,250	4,892	2,872	3,642
62,251	62,350	3,599	1,932	2,349	69,251	69,350	4,250	2,352	3,000	76,251	76,350	4,901	2,880	3,651
62,351	62,450	3,609	1,938	2,359	69,351	69,450	4,260	2,358	3,010	76,351	76,450	4,911	2,888	3,661
62,451	62,550	3,618	1,944	2,368	69,451	69,550	4,269	2,364	3,019	76,451	76,550	4,920	2,896	3,670
62,551	62,650	3,627	1,950	2,377	69,551	69,650	4,278	2,370	3,028	76,551	76,650	4,929	2,904	3,679
62,651	62,750	3,636	1,956	2,387	69,651	69,750	4,287	2,376	3,038	76,651	76,750	4,938	2,912	3,689
62,751	62,850	3,646	1,962	2,396	69,751	69,850	4,297	2,382	3,047	76,751	76,850	4,948	2,920	3,698
62,851	62,950	3,655	1,968	2,405	69,851	69,950	4,306	2,388	3,056	76,851	76,950	4,957	2,928	3,707
62,951	63,050	3,664	1,974	2,415	69,951	70,050	4,315	2,394	3,066	76,951	77,050	4,966	2,936	3,717
63,051	63,150	3,674	1,980	2,424	70,051	70,150	4,325	2,400	3,075	77,051	77,150	4,976	2,944	3,726
63,151	63,250	3,683	1,986	2,433	70,151	70,250	4,334	2,406	3,084	77,151	77,250	4,985	2,952	3,735
63,251	63,350	3,692	1,992	2,442	70,251	70,350	4,343	2,412	3,093	77,251	77,350	4,994	2,960	3,744
63,351	63,450	3,702	1,998	2,452	70,351	70,450	4,353	2,418	3,103	77,351	77,450	5,004	2,968	3,754
63,451	63,550	3,711	2,004	2,461	70,451	70,550	4,362	2,424	3,112	77,451	77,550	5,013	2,976	3,763
63,551	63,650	3,720	2,010	2,470	70,551	70,650	4,371	2,430	3,121	77,551	77,650	5,022	2,984	3,772
63,651	63,750	3,729	2,016	2,480	70,651	70,750	4,380	2,436	3,131	77,651	77,750	5,031	2,992	3,782
63,751	63,850	3,739	2,022	2,489	70,751	70,850	4,390	2,442	3,140	77,751	77,850	5,041	3,000	3,791
63,851	63,950	3,748	2,028	2,498	70,851	70,950	4,399	2,448	3,149	77,851	77,950	5,050	3,008	3,800
63,951	64,050	3,757	2,034	2,508	70,951	71,050	4,408	2,456	3,159	77,951	78,050	5,059	3,016	3,810
64,051	64,150	3,767	2,040	2,517	71,051	71,150	4,418	2,464	3,168	78,051	78,150	5,069	3,024	3,819
64,151	64,250	3,776	2,046	2,526	71,151	71,250	4,427	2,472	3,177	78,151	78,250	5,078	3,032	3,828
64,251	64,350	3,785	2,052	2,535	71,251	71,350	4,436	2,480	3,186	78,251	78,350	5,087	3,040	3,837
64,351	64,450	3,795	2,058	2,545	71,351	71,450	4,446	2,488	3,196	78,351	78,450	5,097	3,048	3,847
64,451	64,550	3,804	2,064	2,554	71,451	71,550	4,455	2,496	3,205	78,451	78,550	5,106	3,056	3,856
64,551	64,650	3,813	2,070	2,563	71,551	71,650	4,464	2,504	3,214	78,551	78,650	5,115	3,064	3,865
64,651	64,750	3,822	2,076	2,573	71,651	71,750	4,473	2,512	3,224	78,651	78,750	5,124	3,072	3,875
64,751	64,850	3,832	2,082	2,582	71,751	71,850	4,483	2,520	3,233	78,751	78,850	5,134	3,080	3,884
64,851	64,950	3,841	2,088	2,591	71,851	71,950	4,492	2,528	3,242	78,851	78,950	5,143	3,088	3,893
64,951	65,050	3,850	2,094	2,601	71,951	72,050	4,501	2,536	3,252	78,951	79,050	5,152	3,096	3,903
65,051	65,150	3,860	2,100	2,610	72,051	72,150	4,511	2,544	3,261	79,051	79,150	5,162	3,104	3,912
65,151	65,250	3,869	2,106	2,619	72,151	72,250	4,520	2,552	3,270	79,151	79,250	5,171	3,112	3,921
65,251	65,350	3,878	2,112	2,628	72,251	72,350	4,529	2,560	3,279	79,251	79,350	5,180	3,120	3,930
65,351	65,450	3,888	2,118	2,638	72,351	72,450	4,539	2,568	3,289	79,351	79,450	5,190	3,128	3,940
65,451	65,550	3,897	2,124	2,647	72,451	72,550	4,548	2,576	3,298	79,451	79,550	5,199	3,136	3,949
65,551	65,650	3,906	2,130	2,656	72,551	72,650	4,557	2,584	3,307	79,551	79,650	5,208	3,144	3,958
65,651	65,750	3,915	2,136	2,666	72,651	72,750	4,566	2,592	3,317	79,651	79,750	5,217	3,152	3,968
65,751	65,850	3,925	2,142	2,675	72,751	72,850	4,576	2,600	3,326	79,751	79,850	5,227	3,160	3,977
65,851	65,950	3,934	2,148	2,684	72,851	72,950	4,585	2,608	3,335	79,851	79,950	5,236	3,168	3,986
65,951	66,050	3,943	2,154	2,694	72,951	73,050	4,594	2,616	3,345	79,951	80,050	5,245	3,176	3,996
66,051	66,150	3,953	2,160	2,703	73,051	73,150	4,604	2,624	3,354	80,051	80,150	5,255	3,184	4,005
66,151	66,250	3,962	2,166	2,712	73,151	73,250	4,613	2,632	3,363	80,151	80,250	5,264	3,192	4,014
66,251	66,350	3,971	2,172	2,721	73,251	73,350	4,622	2,640	3,372	80,251	80,350	5,273	3,200	4,023
66,351	66,450	3,981	2,178	2,731	73,351	73,450	4,632	2,648	3,382	80,351	80,450	5,283	3,208	4,033
66,451	66,550	3,990	2,184	2,740	73,451	73,550	4,641	2,656	3,391	80,451	80,550	5,292	3,216	4,042
66,551	66,650	3,999	2,190	2,749	73,551	73,650	4,650	2,664	3,400	80,551	80,650	5,301	3,224	4,051
66,651	66,750	4,008	2,196	2,759	73,651	73,750	4,659	2,672	3,410	80,651	80,750	5,310	3,232	4,061
66,751	66,850	4,018	2,202	2,768	73,751	73,850	4,669	2,680	3,419	80,751	80,850	5,320	3,240	4,070
66,851	66,950	4,027	2,208	2,777	73,851	73,950	4,678	2,688	3,428	80,851	80,950	5,329	3,248	4,079
66,951	67,050	4,036	2,214	2,787	73,951	74,050	4,687	2,696	3,438	80,951	81,050	5,338	3,256	4,089
67,051	67,150	4,046	2,220	2,796	74,051	74,150	4,697	2,704	3,447	81,051	81,150	5,348	3,264	4,098
67,151	67,250	4,055	2,226	2,805	74,151	74,250	4,706	2,712	3,456	81,151	81,250	5,357	3,272	4,107
67,251	67,350	4,064	2,232	2,814	74,251	74,350	4,715	2,720	3,465	81,251	81,350	5,366	3,280	4,116
67,351	67,450	4,074	2,238	2,824	74,351	74,450	4,725	2,728	3,475	81,351	81,450	5,376	3,288	4,126
67,451	67,550	4,083	2,244	2,833	74,451	74,550	4,734	2,736	3,484	81,451	81,550	5,385	3,296	4,135
67,551	67,650	4,092	2,250	2,842	74,551	74,650	4,743	2,744	3,493	81,551	81,650	5,394	3,304	4,144
67,651	67,750	4,101	2,256	2,852	74,651	74,750	4,752	2,752	3,503	81,651	81,750	5,403	3,312	4,154
67,751	67,850	4,111	2,262	2,861	74,751	74,850	4,762	2,760	3,512	81,751	81,850	5,413	3,320	4,163
67,851	67,950	4,120	2,268	2,870	74,851	74,950	4,771	2,768	3,521	81,851	81,950	5,422	3,328	4,172
67,951	68,050	4,129	2,274	2,880	74,951	75,050	4,780	2,776	3,531	81,951	82,050	5,431	3,336	4,182
68,051	68,150	4,139	2,280	2,889	75,051	75,150	4,790	2,784	3,540	82,051	82,150	5,441	3,344	4,191
68,151	68,250	4,148	2,286	2,898	75,151	75,250	4,799	2,792	3,549	82,151	82,250	5,450	3,352	4,200
68,251	68,350	4,157	2,292	2,907	75,251	75,350	4,808	2,800	3,558	82,251	82,350	5,459	3,360	4,209
68,351	68,450	4,167	2,298	2,917	75,351	75,450	4,818	2,808	3,568	82,351	82,450	5,469	3,368	4,219

Continued on next page.

2007 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married/RDP Filing Separately) 2 or 5 (Married/RDP Filing Jointly; Qualifying Widow(er)) 4 (Head of Household)														
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
82,451	82,550	5,478	3,376	4,228	88,951	89,050	6,082	3,896	4,833	95,451	95,550	6,687	4,492	5,437
82,551	82,650	5,487	3,384	4,237	89,051	89,150	6,092	3,904	4,842	95,551	95,650	6,696	4,502	5,446
82,651	82,750	5,496	3,392	4,247	89,151	89,250	6,101	3,912	4,851	95,651	95,750	6,705	4,511	5,456
82,751	82,850	5,506	3,400	4,256	89,251	89,350	6,110	3,920	4,860	95,751	95,850	6,715	4,520	5,465
82,851	82,950	5,515	3,408	4,265	89,351	89,450	6,120	3,928	4,870	95,851	95,950	6,724	4,529	5,474
82,951	83,050	5,524	3,416	4,275	89,451	89,550	6,129	3,936	4,879	95,951	96,050	6,733	4,539	5,484
83,051	83,150	5,534	3,424	4,284	89,551	89,650	6,138	3,944	4,888	96,051	96,150	6,743	4,548	5,493
83,151	83,250	5,543	3,432	4,293	89,651	89,750	6,147	3,953	4,898	96,151	96,250	6,752	4,557	5,502
83,251	83,350	5,552	3,440	4,302	89,751	89,850	6,157	3,962	4,907	96,251	96,350	6,761	4,567	5,511
83,351	83,450	5,562	3,448	4,312	89,851	89,950	6,166	3,971	4,916	96,351	96,450	6,771	4,576	5,521
83,451	83,550	5,571	3,456	4,321	89,951	90,050	6,175	3,981	4,926	96,451	96,550	6,780	4,585	5,530
83,551	83,650	5,580	3,464	4,330	90,051	90,150	6,185	3,990	4,935	96,551	96,650	6,789	4,595	5,539
83,651	83,750	5,589	3,472	4,340	90,151	90,250	6,194	3,999	4,944	96,651	96,750	6,798	4,604	5,549
83,751	83,850	5,599	3,480	4,349	90,251	90,350	6,203	4,009	4,953	96,751	96,850	6,808	4,613	5,558
83,851	83,950	5,608	3,488	4,358	90,351	90,450	6,213	4,018	4,963	96,851	96,950	6,817	4,622	5,567
83,951	84,050	5,617	3,496	4,368	90,451	90,550	6,222	4,027	4,972	96,951	97,050	6,826	4,632	5,577
84,051	84,150	5,627	3,504	4,377	90,551	90,650	6,231	4,037	4,981	97,051	97,150	6,836	4,641	5,586
84,151	84,250	5,636	3,512	4,386	90,651	90,750	6,240	4,046	4,991	97,151	97,250	6,845	4,650	5,595
84,251	84,350	5,645	3,520	4,395	90,751	90,850	6,250	4,055	5,000	97,251	97,350	6,854	4,660	5,604
84,351	84,450	5,655	3,528	4,405	90,851	90,950	6,259	4,064	5,009	97,351	97,450	6,864	4,669	5,614
84,451	84,550	5,664	3,536	4,414	90,951	91,050	6,268	4,074	5,019	97,451	97,550	6,873	4,678	5,623
84,551	84,650	5,673	3,544	4,423	91,051	91,150	6,278	4,083	5,028	97,551	97,650	6,882	4,688	5,632
84,651	84,750	5,682	3,552	4,433	91,151	91,250	6,287	4,092	5,037	97,651	97,750	6,891	4,697	5,642
84,751	84,850	5,692	3,560	4,442	91,251	91,350	6,296	4,102	5,046	97,751	97,850	6,901	4,706	5,651
84,851	84,950	5,701	3,568	4,451	91,351	91,450	6,306	4,111	5,056	97,851	97,950	6,910	4,715	5,660
84,951	85,050	5,710	3,576	4,461	91,451	91,550	6,315	4,120	5,065	97,951	98,050	6,919	4,725	5,670
85,051	85,150	5,720	3,584	4,470	91,551	91,650	6,324	4,130	5,074	98,051	98,150	6,929	4,734	5,679
85,151	85,250	5,729	3,592	4,479	91,651	91,750	6,333	4,139	5,084	98,151	98,250	6,938	4,743	5,688
85,251	85,350	5,738	3,600	4,488	91,751	91,850	6,343	4,148	5,093	98,251	98,350	6,947	4,753	5,697
85,351	85,450	5,748	3,608	4,498	91,851	91,950	6,352	4,157	5,102	98,351	98,450	6,957	4,762	5,707
85,451	85,550	5,757	3,616	4,507	91,951	92,050	6,361	4,167	5,112	98,451	98,550	6,966	4,771	5,716
85,551	85,650	5,766	3,624	4,516	92,051	92,150	6,371	4,176	5,121	98,551	98,650	6,975	4,781	5,725
85,651	85,750	5,775	3,632	4,526	92,151	92,250	6,380	4,185	5,130	98,651	98,750	6,984	4,790	5,735
85,751	85,850	5,785	3,640	4,535	92,251	92,350	6,389	4,195	5,139	98,751	98,850	6,994	4,799	5,744
85,851	85,950	5,794	3,648	4,544	92,351	92,450	6,399	4,204	5,149	98,851	98,950	7,003	4,808	5,753
85,951	86,050	5,803	3,656	4,554	92,451	92,550	6,408	4,213	5,158	98,951	99,050	7,012	4,818	5,763
86,051	86,150	5,813	3,664	4,563	92,551	92,650	6,417	4,223	5,167	99,051	99,150	7,022	4,827	5,772
86,151	86,250	5,822	3,672	4,572	92,651	92,750	6,426	4,232	5,177	99,151	99,250	7,031	4,836	5,781
86,251	86,350	5,831	3,680	4,581	92,751	92,850	6,436	4,241	5,186	99,251	99,350	7,040	4,846	5,790
86,351	86,450	5,841	3,688	4,591	92,851	92,950	6,445	4,250	5,195	99,351	99,450	7,050	4,855	5,800
86,451	86,550	5,850	3,696	4,600	92,951	93,050	6,454	4,260	5,205	99,451	99,550	7,059	4,864	5,809
86,551	86,650	5,859	3,704	4,609	93,051	93,150	6,464	4,269	5,214	99,551	99,650	7,068	4,874	5,818
86,651	86,750	5,868	3,712	4,619	93,151	93,250	6,473	4,278	5,223	99,651	99,750	7,077	4,883	5,828
86,751	86,850	5,878	3,720	4,628	93,251	93,350	6,482	4,288	5,232	99,751	99,850	7,087	4,892	5,837
86,851	86,950	5,887	3,728	4,637	93,351	93,450	6,492	4,297	5,242	99,851	99,950	7,096	4,901	5,846
86,951	87,050	5,896	3,736	4,647	93,451	93,550	6,501	4,306	5,251	99,951	100,000	7,103	4,908	5,853
87,051	87,150	5,906	3,744	4,656	93,551	93,650	6,510	4,316	5,260	IF YOUR TAXABLE INCOME IS OVER \$100,000 YOU MUST COMPUTE YOUR TAX USING THE TAX RATE SCHEDULES.				
87,151	87,250	5,915	3,752	4,665	93,651	93,750	6,519	4,325	5,270					
87,251	87,350	5,924	3,760	4,674	93,751	93,850	6,529	4,334	5,279					
87,351	87,450	5,934	3,768	4,684	93,851	93,950	6,538	4,343	5,288					
87,451	87,550	5,943	3,776	4,693	93,951	94,050	6,547	4,353	5,298					
87,551	87,650	5,952	3,784	4,702	94,051	94,150	6,557	4,362	5,307					
87,651	87,750	5,961	3,792	4,712	94,151	94,250	6,566	4,371	5,316					
87,751	87,850	5,971	3,800	4,721	94,251	94,350	6,575	4,381	5,325					
87,851	87,950	5,980	3,808	4,730	94,351	94,450	6,585	4,390	5,335					
87,951	88,050	5,989	3,816	4,740	94,451	94,550	6,594	4,399	5,344					
88,051	88,150	5,999	3,824	4,749	94,551	94,650	6,603	4,409	5,353					
88,151	88,250	6,008	3,832	4,758	94,651	94,750	6,612	4,418	5,363					
88,251	88,350	6,017	3,840	4,767	94,751	94,850	6,622	4,427	5,372					
88,351	88,450	6,027	3,848	4,777	94,851	94,950	6,631	4,436	5,381					
88,451	88,550	6,036	3,856	4,786	94,951	95,050	6,640	4,446	5,391					
88,551	88,650	6,045	3,864	4,795	95,051	95,150	6,650	4,455	5,400					
88,651	88,750	6,054	3,872	4,805	95,151	95,250	6,659	4,464	5,409					
88,751	88,850	6,064	3,880	4,814	95,251	95,350	6,668	4,474	5,418					
88,851	88,950	6,073	3,888	4,823	95,351	95,450	6,678	4,483	5,428					

2007 California Tax Rate Schedules



Go to www.ftb.ca.gov to e-file and eliminate the math. Or search our Website for **tax calculator** to use the online tax calculator to figure your tax.

Use only if your taxable income on Form 540/540A, line 19 is more than \$100,000. If \$100,000 or less, use the Tax Table.

Schedule X -

Use if your filing status is
Single or Married/RDP Filing Separately

If the amount on Form 540/540A, line 19 is		Enter on Form 540/540A, line 20		of the
over -	But not over -			amount over -
\$ 0	\$ 6,827	\$ 0.00	+ 1.0%	\$ 0.00
6,827	16,185	68.27	+ 2.0%	6,827
16,185	25,544	255.43	+ 4.0%	16,185
25,544	35,460	629.79	+ 6.0%	25,544
35,460	44,814	1,224.75	+ 8.0%	35,460
44,814	AND OVER	1,973.07	+ 9.3%	44,814

Schedule Y -

Use if your filing status is
**Married/RDP Filing Jointly or Qualifying
Widow(er) with Dependent Child**

If the amount on Form 540/540A, line 19 is		Enter on Form 540/540A, line 20		of the
over -	But not over -			amount over -
\$ 0	\$ 13,654	\$ 0.00	+ 1.0%	\$ 0.00
13,654	32,370	136.54	+ 2.0%	13,654
32,370	51,088	510.86	+ 4.0%	32,370
51,088	70,920	1,259.58	+ 6.0%	51,088
70,920	89,628	2,449.50	+ 8.0%	70,920
89,628	AND OVER	3,946.14	+ 9.3%	89,628

Schedule Z -

Use if your filing status is
Head of Household

If the amount on Form 540/540A, line 19 is		Enter on Form 540/540A, line 20		of the
over -	But not over -			amount over -
\$ 0	\$ 13,662	\$ 0.00	+ 1.0%	\$ 0.00
13,662	32,370	136.62	+ 2.0%	13,662
32,370	41,728	510.78	+ 4.0%	32,370
41,728	51,643	885.10	+ 6.0%	41,728
51,643	61,000	1,480.00	+ 8.0%	51,643
61,000	AND OVER	2,228.56	+ 9.3%	61,000

How to Figure Tax Using the 2007 California Tax Rate Schedules

Example: John and Jackie Anderson are filing a joint return using Form 540. Their taxable income on Form 540, line 19 is \$125,000.

Step 1: Using Schedule Y, they find the taxable income range that includes their taxable income of \$125,000. See the boxed range in the sample below.

If the amount on Form 540, line 19 is:		Enter on Form 540, line 20		of the
over -	But not over -			amount over -
\$ 0	\$ 13,654	\$ 0.00	+ 1.0%	\$ 0.00
13,654	32,370	136.54	+ 2.0%	13,654
32,370	51,088	510.86	+ 4.0%	32,370
51,088	70,920	1,259.58	+ 6.0%	51,088
70,920	89,628	2,449.50	+ 8.0%	70,920
89,628	AND OVER	3,946.14	+ 9.3%	89,628

	Example	Your Income
Step 2: They subtract the amount at the beginning of their range from their taxable income.	\$125,000 - 89,628 \$ 35,372	\$ - \$
Step 3: They multiply the result from Step 2 by the percentage for their range.	\$35,372 x .093 \$3,289.59	\$ x \$
Step 4: They round the amount from Step 3 to two decimals (if necessary) and add it to the tax amount for their income range. After rounding the result, they will enter \$7,236 on Form 540, line 20. For information on rounding, see "Filling in your return" on page 9.	\$3,946.14 + 3,289.59 \$7,235.73	\$ + \$

2007

Wage and Withholding Summary

W-2

Important: Attach this schedule directly behind Side 2 of your return.

Name(s) as shown on return SSN or ITIN

Attach your Form(s) W-2 to the front of your income tax return, or complete CA Sch W-2. Use this schedule to transfer information from your Form(s) W-2. If you need more space, complete a separate CA Sch W-2. If you complete a CA Sch W-2, do not submit your Form(s) W-2. Keep them for your records. Transfer the amounts from your Form(s) W-2 to the appropriate boxes on this schedule. If Form(s) W-2 contain data from multiple states, you cannot use this form. The shaded areas need to be completed to ensure excess SDI/VPDI claims.

Taxpayer W-2 information. (Transfer amounts from your Form(s) W-2 to the appropriate boxes below.) Complete a box for each Form W-2 you receive.

1st W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

2nd W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

3rd W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

4th W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

Spouse/RDP W-2 information. (Transfer amounts from your Form(s) W-2 to the appropriate boxes below.) Complete a box for each Form W-2 you receive.

1st W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

2nd W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

3rd W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

4th W-2 table with fields: Social Security Number (box a), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI/VPDI (Local Income Tax) (box 14 or 19)

- 1. Total state wages from the Form(s) W-2 for taxpayer (Add box 16 from all Form(s) W-2 for taxpayer) For nonresidents or part-year residents, enter your total California wages from all your Form(s) W-2 for taxpayer (Add box 16 from all Form(s) W-2 for taxpayer). \$
2. Total state wages from the Form(s) W-2 for spouse/RDP (Add box 16 from all Form(s) W-2 for spouse/RDP) For nonresidents or part-year residents, enter the total California wages from all Form(s) W-2 for spouse/RDP (Add box 16 from all Form(s) W-2 for spouse/RDP). \$
3. Total California Wages from all Form(s) W-2. (Add line 1 and line 2, enter here and on Form 540 2EZ, line 9; Form 540, Form 540A, or Form 540NR (Long or Short), line 12. If completing Form 540X, report any W-2 income on line a, Column B, that was not reported on the original tax return.) \$

Frequently Asked Questions

(Go to our Website at www.ftb.ca.gov for more frequently asked questions)

1. What if I can't file by April 15, 2008, and I think I owe tax?

You must pay 100% of the amount you owe by April 15, 2008, to avoid interest and penalties. If you cannot file because you have not received all your Form(s) W-2, estimate the amount of tax you owe by completing form FTB 3519, Payment for Automatic Extension for Individuals, on page 41. Mail it to the FTB with your payment by April 15, 2008, or pay online at www.ftb.ca.gov. Then, when you receive all your Form(s) W-2, complete and mail your return by October 15, 2008 (you must use Form 540A or Form 540).

2. I never received a Form W-2. What should I do?



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If all of your Form(s) W-2 were not received by January 31, 2008, contact your employer. Only an employer issues or corrects a Form W-2. For more information, call (800) 338-0505, select "Personal Income Tax," then "Frequently Asked Questions," and enter code 204 when instructed.

If you cannot get a copy of your Form(s) W-2, complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099, Distributions from Pensions, Annuities, Retirement, or Profit Sharing Plans, IRAs, Insurance Contracts, etc. See "Where To Get Income Tax Forms and Publications" on page 7. For online wage and withhold information, go to www.ftb.ca.gov and search for **My Account**.

3. How can I get help?

Throughout California more than 1,500 sites provide trained volunteers offering free help during the tax filing season to persons who need to file simple federal and state income tax returns. Many military bases also provide this service for members of the U.S. Armed Forces. Participating locations are listed on our Website at www.ftb.ca.gov, from January 2 through April 15, or call the FTB at (800) 852-5711 to find a location near you.

4. What do I do if I can't pay what I owe with my 2007 return?

Pay as much as possible when you file your return. If unable to pay your tax in full with your return, make a request for monthly payments. However, interest accrues and an underpayment penalty may be charged on the tax not paid by April 15, 2008, even if your request for monthly payments is approved. To make monthly payments, complete form FTB 3567, Installment Agreement Request, online or mail it to the address on the form. Do not mail it with your return.

The Installment Agreement Request might not be processed and approved until after your return is processed, and you may receive a bill before you receive approval of your request.



949

To order this form go to our Website at www.ftb.ca.gov or by phone, call (800) 338-0505, select "Personal Income Tax," then select "Forms and Publications," and enter code 949 when instructed.



610

For more information on how to pay by credit card, go to our Website at www.ftb.ca.gov, or call (800) 338-0505, select "Personal Income Tax," then select "Frequently Asked Questions," and enter code 610 when instructed.

5. How long will it take to get my refund?



112

If you e-file, you get the fastest possible refund. Your refund check is mailed within seven to ten calendar days (or if you request direct deposit, the refund posts to your checking or savings account within five to seven banking days) from the time the FTB receives your e-filed return. For more information about e-filing, go to our Website at www.ftb.ca.gov or call (800) 338-0505, select "Personal Income Tax," then select "Frequently Asked Questions," and enter code 112 when instructed.

If you do not e-file your return, you will receive your refund check within six to eight weeks after you file your return. If you request direct deposit, the refund posts to your account within six to eight weeks after you file your return.

6. I expected my refund by now. How can I check on the status?

Check the status of your refund on our Website at www.ftb.ca.gov. You will need your social security number (SSN) or individual taxpayer identification number (ITIN) and the refund amount from your return.

You can also call our automated phone service. See page 67 for more information.

7. I discovered an error on my tax return. What should I do?

If you discover that you made an error on your California income tax return after you filed it (paper or e-filed), use Form 540X, Amended Individual Income Tax Return, to correct your return. Get Form 540X online at www.ftb.ca.gov or call (800) 338-0505 and enter code 908. You cannot e-file an amended return.

8. The Internal Revenue Service (IRS) made changes to my federal return. What should I do?

If your federal income tax return is examined and changed by the IRS and you owe additional tax, report these changes to the FTB within six months of the date of the final federal determination. If the changes the IRS made result in a refund due for California, claim a refund within two years of the date of the final federal determination. Either use Form 540X, Amended Individual Income Tax Return, to correct the California income tax return you already filed, or send a copy of the federal changes to:

ATTN RAR/VOL MS F310
FRANCHISE TAX BOARD
PO BOX 1998
RANCHO CORDOVA CA 95741-1998

or Fax the information to (916) 843-2269.

If you have a question relating to the IRS audit adjustment call (916) 845-4028.

Regardless of which method you use to notify the FTB, you must include a copy of the final federal determination along with all data and schedules on which the federal adjustment was based. Get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California, for more information. See "Order Forms and Publications" on page 67.

File Form 540X only if the change affected your California tax liability.

9. How long should I keep my tax information?

Requests for information regarding your California income tax return usually occurs within the California statute of limitations period, which is usually the later of four years from the due date of the return or four years from the file date of the return. (**Exception:** An extended statute of limitations period applies for California or federal tax returns related or subject to a federal audit.)

Keep a copy of your return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as needed to figure the basis of the property or records needed to verify carryover items (i.e., net operating losses) or records needed to track deferred gains on a 1031 exchange.

10. I will be moving after I file my return. How do I notify the FTB of my new address?

Notify the FTB of your new address by using form FTB 3533, Change of Address. This form is available on our Website at www.ftb.ca.gov as a fillable form or you may call (800) 852-5711, select "Personal Income Tax," then select option 6 to report a change of address.

After filing your return, report a change of address to us for up to four years, especially if you leave the state and no longer have a requirement to file a California return.

11. Are all domestic partners required to file joint or separate returns under the new law?

No, only domestic partners who are registered with the California Secretary of State are required to file using the married/RDP filing jointly or married/RDP filing separately filing status.

Your name: _____ Your SSN or ITIN: _____

35 Enter the amount from Side 1, line 34 35 00
36 California income tax withheld. (see page 15) 36 00
37 2007 California estimated tax and payment with form FTB 3519 and amount applied from 2006 return 37 00
39 Excess SDI. To see if you qualify, (see page 15). 39 00

Overpaid Tax/Tax Due

Child and Dependent Care Expenses Credit. (see page 16.) Attach form FTB 3506.

40 _____

41 _____

42 00

43 00

44 Total payments and credits. Add line 36, line 37, line 39, and line 43 44 00

45 Overpaid tax. If line 44 is more than line 35, subtract line 35 from line 44 45 00

46 Enter the amount of line 45 you want applied to your 2008 estimated tax 46 00

47 Overpaid tax available this year. Subtract line 46 from line 45 47 00

48 Tax due. If line 44 is less than line 35, subtract line 44 from line 35. (see page 16). 48 00

Use Tax

49 Use Tax. This is not a total line. (see page 16) 49 00

Contributions

CA Seniors Special Fund (see page 60) 50 00
Alzheimer's Disease/Related Disorders Fund 51 00
CA Fund for Senior Citizens 52 00
Rare and Endangered Species Preservation Program 53 00
State Children's Trust Fund for the Prevention of Child Abuse 54 00
CA Breast Cancer Research Fund 55 00

CA Firefighters' Memorial Fund 56 00
Emergency Food Assistance Program Fund 57 00
CA Peace Officer Memorial Foundation Fund 58 00
CA Military Family Relief Fund 59 00
CA Sea Otter Fund 60 00

61 Add line 50 through line 60. These are your total contributions. 61 00

Amount You Owe

62 AMOUNT YOU OWE. Add line 48, line 49, and line 61 (see page 17). Do not send cash.

Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 62 00

Pay Online - Go to our Website at www.ftb.ca.gov and search for Web Pay.

64 Underpayment of estimated tax. If form FTB 5805 is attached, fill in this circle. 64 00

66 REFUND or NO AMOUNT DUE. Subtract line 49 and line 61 from line 47 (see page 18).

Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 66 00

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 19). Have you verified the routing and account numbers? Use whole dollars only.

All or the following amount of my refund (line 66) is authorized for direct deposit into the account shown below:

Routing number Type Account number Direct deposit amount
[] Checking
[] Savings

The remaining amount of my refund (line 66) is authorized for direct deposit into the account shown below:

Routing number Type Account number Direct deposit amount
[] Checking
[] Savings

Sign Here

It is unlawful to forge a spouse's/RDP's signature.

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature Spouse's/RDP's signature (if filing jointly, both must sign) Daytime phone number (optional)

Joint return? (see page 19).

X X Date

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

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

Your name: _____ Your SSN or ITIN: _____

35 Enter the amount from Side 1, line 34 35 00
36 California income tax withheld. (see page 15) ● 36 00
37 2007 California estimated tax and payment with form FTB 3519 and amount applied from 2006 return ● 37 00
39 Excess SDI. To see if you qualify, (see page 15). ● 39 00

Overpaid Tax/Tax Due

Child and Dependent Care Expenses Credit. (see page 16.)
Attach form FTB 3506.

● 40
● 41
● 42 00 ● 43 00

44 Total payments and credits. Add line 36, line 37, line 39, and line 43 44 00
45 Overpaid tax. If line 44 is more than line 35, subtract line 35 from line 44 45 00
46 Enter the amount of line 45 you want applied to your 2008 estimated tax ● 46 00
47 Overpaid tax available this year. Subtract line 46 from line 45 ● 47 00
48 Tax due. If line 44 is less than line 35, subtract line 44 from line 35. (see page 16). 48 00

Use Tax

49 Use Tax. This is not a total line. (see page 16) ● 49 00

Contributions

CA Seniors Special Fund (see page 60) ● 50 00 CA Firefighters' Memorial Fund ● 56 00
Alzheimer's Disease/Related Disorders Fund ● 51 00 Emergency Food Assistance Program Fund ● 57 00
CA Fund for Senior Citizens ● 52 00 CA Peace Officer Memorial Foundation Fund ● 58 00
Rare and Endangered Species Preservation Program ● 53 00 CA Military Family Relief Fund ● 59 00
State Children's Trust Fund for the Prevention of Child Abuse ● 54 00 CA Sea Otter Fund ● 60 00
CA Breast Cancer Research Fund ● 55 00

61 Add line 50 through line 60. These are your total contributions. ● 61 00

Amount You Owe

62 AMOUNT YOU OWE. Add line 48, line 49, and line 61 (see page 17). Do not send cash.
Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 ● 62 00
Pay Online – Go to our Website at www.ftb.ca.gov and search for Web Pay.
64 Underpayment of estimated tax. If form FTB 5805 is attached, fill in this circle. ○ ● 64 00

Refund and Direct Deposit

66 REFUND or NO AMOUNT DUE. Subtract line 49 and line 61 from line 47 (see page 18).
Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 ● 66 00

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 19).
Have you verified the routing and account numbers? Use whole dollars only.

All or the following amount of my refund (line 66) is authorized for direct deposit into the account shown below:

Checking 00
 Savings
● Routing number ● Type ● Account number ● 67 Direct deposit amount

The remaining amount of my refund (line 66) is authorized for direct deposit into the account shown below:

Checking 00
 Savings
● Routing number ● Type ● Account number ● 68 Direct deposit amount

Sign Here

It is unlawful to forge a spouse's/RDP's signature.

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature _____ Spouse's/RDP's signature (if filing jointly, both must sign) _____ Daytime phone number (optional) () _____

Joint return? (see page 19).

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

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

Your name: _____ Your SSN or ITIN: _____

35	Total tax from line 34, Side 1		35	00
36	California income tax withheld (see page 15)	● 36		00
37	2007 CA estimated tax and other payments (see page 15)	● 37		00
38	Real estate and other withholding, Forms 592-B, 593-B, and 594 (see page 15)	● 38		00
39	Excess SDI. To see if you qualify (see page 15)	● 39		00

Child and Dependent Care Expenses Credit (see page 16). Attach form FTB 3506.

● 40	_____	● 41	_____	
● 42	_____00	● 43	_____00	
44	Add line 36, line 37, line 38, line 39, and line 43. These are your total payments (see page 16)		44	00

45	Overpaid tax. If line 44 is more than line 35, subtract line 35 from line 44		45	00
46	Amount of line 45 you want applied to your 2008 estimated tax	● 46		00
47	Overpaid tax available this year. Subtract line 46 from line 45	● 47		00
48	Tax due. If line 44 is less than line 35, subtract line 44 from line 35		48	00

49	Use Tax. This is not a total line (see page 16)	● 49		00
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CA Seniors Special Fund (see page 60)	● 50	00	CA Firefighters' Memorial Fund	● 56	00
Alzheimer's Disease/Related Disorders Fund	● 51	00	Emergency Food Assistance Program Fund	● 57	00
CA Fund for Senior Citizens	● 52	00	CA Peace Officer Memorial Foundation Fund	● 58	00
Rare and Endangered Species Preservation Program	● 53	00	CA Military Family Relief Fund	● 59	00
State Children's Trust Fund for the Prevention of Child Abuse	● 54	00	CA Sea Otter Fund	● 60	00
CA Breast Cancer Research Fund	● 55	00			

61	Add line 50 through line 60. These are your total contributions	● 61		00
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62 AMOUNT YOU OWE. Add line 48, line 49, and line 61 (see page 17). **Do not send cash.**
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001.** ● 62 _____00
 Pay online – Go to our Website at **www.ftb.ca.gov** and search for **Web Pay.**

63	Interest, late return penalties, and late payment penalties		63	00
64	Underpayment of estimated tax. Fill in circle: <input type="radio"/> FTB 5805 attached <input type="radio"/> FTB 5805F attached	● 64		00
65	Total amount due (see page 18). Enclose, but do not staple, any payment		65	00

66 REFUND OR NO AMOUNT DUE. Subtract line 49 and line 61 from line 47 (see page 19).
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002** ● 66 _____00

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 19).
 Have you verified the routing and account numbers? **Use whole dollars only.**

All or the following amount of my refund (line 66) is authorized for direct deposit into the account shown below:
 Checking
 Savings
 ● Routing number ● Type ● Account number ● 67 Direct deposit amount _____00

The remaining amount of my refund (line 66) is authorized for direct deposit into the account shown below:
 Checking
 Savings
 ● Routing number ● Type ● Account number ● 68 Direct deposit amount _____00

Sign Here

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature	Spouse's/RDP's signature (if a joint return, both must sign)	Daytime phone number (optional)
X	X	() _____
It is unlawful to forge a spouse's/RDP's signature.	Paid preparer's signature (<i>declaration of preparer is based on all information of which preparer has any knowledge</i>)	Date _____
Joint return? (see page 19)	Firm's name (or yours, if self-employed)	Firm's address
		FEIN _____

Your name: _____ Your SSN or ITIN: _____

35	Total tax from line 34, Side 1	35	00
36	California income tax withheld (see page 15)	36	00
37	2007 CA estimated tax and other payments (see page 15)	37	00
38	Real estate and other withholding, Forms 592-B, 593-B, and 594 (see page 15)	38	00
39	Excess SDI. To see if you qualify (see page 15)	39	00

Child and Dependent Care Expenses Credit (see page 16). Attach form FTB 3506.

40	_____	41	_____
42	_____00	43	_____00
44	Add line 36, line 37, line 38, line 39, and line 43. These are your total payments (see page 16)	44	_____00

45	Overpaid tax. If line 44 is more than line 35, subtract line 35 from line 44	45	_____00
46	Amount of line 45 you want applied to your 2008 estimated tax	46	_____00
47	Overpaid tax available this year. Subtract line 46 from line 45	47	_____00
48	Tax due. If line 44 is less than line 35, subtract line 44 from line 35	48	_____00

49	Use Tax. This is not a total line (see page 16)	49	_____00
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50	CA Seniors Special Fund (see page 60)	00	56	CA Firefighters' Memorial Fund	00
51	Alzheimer's Disease/Related Disorders Fund	00	57	Emergency Food Assistance Program Fund	00
52	CA Fund for Senior Citizens	00	58	CA Peace Officer Memorial Foundation Fund	00
53	Rare and Endangered Species Preservation Program	00	59	CA Military Family Relief Fund	00
54	State Children's Trust Fund for the Prevention of Child Abuse	00	60	CA Sea Otter Fund	00
55	CA Breast Cancer Research Fund	00			

61	Add line 50 through line 60. These are your total contributions	61	_____00
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62 AMOUNT YOU OWE. Add line 48, line 49, and line 61 (see page 17). **Do not send cash.**
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001.**
 Pay online – Go to our Website at **www.ftb.ca.gov** and search for **Web Pay.**

63	Interest, late return penalties, and late payment penalties	63	_____00
64	Underpayment of estimated tax. Fill in circle: <input type="radio"/> FTB 5805 attached <input type="radio"/> FTB 5805F attached	64	_____00
65	Total amount due (see page 18). Enclose, but do not staple, any payment	65	_____00

66 REFUND OR NO AMOUNT DUE. Subtract line 49 and line 61 from line 47 (see page 19).
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002**

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 19).
 Have you verified the routing and account numbers? **Use whole dollars only.**

All or the following amount of my refund (line 66) is authorized for direct deposit into the account shown below:

Checking Savings

 ● Routing number ● Type ● Account number ● **67** Direct deposit amount

The remaining amount of my refund (line 66) is authorized for direct deposit into the account shown below:

Checking Savings

 ● Routing number ● Type ● Account number ● **68** Direct deposit amount

Sign Here

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature _____ Spouse's/RDP's signature (if a joint return, both must sign) _____ Daytime phone number (optional) (_____) _____

It is unlawful to forge a spouse's/RDP's signature. _____ _____ Date _____

Joint return? (see page 19) _____ Paid preparer's signature (*declaration of preparer is based on all information of which preparer has any knowledge*) _____ Paid preparer's SSN/PTIN _____

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

Part II Adjustments to Federal Itemized Deductions

38 Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28 **38** _____

39 Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax) and line 8 (foreign taxes **only**). See instructions **39** _____

40 Subtract line 39 from line 38 **40** _____

41 Other adjustments including California lottery losses. See instructions. Specify _____ **41** _____

42 Combine line 40 and line 41 **42** _____

43 Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?
Single or married/RDP filing separately **\$155,416**
Head of household **\$233,129**
Married/RDP filing jointly or qualifying widow(er) **\$310,837**

No. Transfer the amount on line 42 to line 43

Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43 **43**

44 Enter the larger of the amount on line 43 or your standard deduction listed below
Single or married/RDP filing separately **\$3,516**
Married/RDP filing jointly, head of household, or qualifying widow(er) **\$7,032**

Transfer the amount on line 44 to Form 540, line 18 44

2007

California Capital Gain or Loss Adjustment

Do not complete this schedule if all of your California gains (losses) are the same as your federal gains (losses).

D (540)

Name(s) as shown on return

SSN or ITIN

	(a) Description of property (identify S corporation stock) Example 100 shares of "Z" (S stock)	(b) Sales price	(c) Cost or other basis	(d) Loss. If (c) is more than (b), subtract (b) from (c)	(e) Gain. If (b) is more than (c), subtract (c) from (b)
1a					
1b					
2	Net gain or (loss) shown on California Schedule(s) K-1 (541, 565, 568, and 100S)			2	
3	Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2c)				3
4	Total 2007 gains from all sources. Add column (e) amounts of line 1a, line 1b, line 2, and line 3				4
5	2007 loss. Add column (d) amounts of line 1a, line 1b, and line 2. Enter as a negative amount			5	
6	California capital loss carryover from 2006, if any. See instructions. Enter as a negative amount			6	
7	Total 2007 loss. Add line 5 and line 6. Enter as a negative amount			7	
8	Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10.				8
9	If line 8 is a loss, enter the smaller of: (a) the loss on line 8. (b) \$3,000 (\$1,500 if married or an RDP filing a separate return). See instructions				9 ()
10	Enter the gain or (loss) from federal Form 1040, line 13				10
11	Enter the California gain from line 8 or (loss) from line 9.				11
12 a	If line 10 is more than line 11, enter the difference here and on Schedule CA (540) line 13, column B				12a
12 b	If line 10 is less than line 11, enter the difference here and on Schedule CA (540), line 13, column C.				12b

2007

Depreciation and Amortization Adjustments

Do not complete this form if your California depreciation amounts are the same as federal amounts.

3885A

Part I Identify the activity as passive or nonpassive. (See instructions.)

Business or activity to which form FTB 3885A relates

- 1 This form is being completed for a passive activity.
 This form is being completed for a nonpassive activity.

Part II Election to Expense Certain Tangible Property (IRC Section 179).

2 Enter the amount from line 12 of the Tangible Property Expense Worksheet in the instructions 2

Part III Depreciation

	(a) Description of property placed in service	(b) Date placed in service	(c) California basis for depreciation	(d) Method	(e) Life or rate	(f) California depreciation deduction
3						

4 Add the amounts on line 3, column (f) 4

5 California depreciation for assets placed in service prior to 2007 5

6 Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5. 6

7 Total federal depreciation from this activity. Enter depreciation from federal Form 4562 or 4562-FY, line 22. 7

8 a If line 6 is more than line 7, enter the difference here and see instructions 8a

b If line 6 is less than line 7, enter the difference here and see instructions 8b

Part IV Amortization

	(a) Description of cost amortizable	(b) Date placed in service	(c) California basis for amortization	(d) Code section	(e) Period or percentage	(f) California amortization deduction
9						

10 Total California amortization from this activity. Add the amounts on line 9, column (f) 10

11 California amortization of costs that began before 2007 11

12 Total California amortization from this activity. Add the amounts on line 10 and line 11 12

13 Total federal amortization from this activity. Enter amortization from federal Form 4562 or 4562-FY, line 44 13

14 a If line 12 is more than line 13, enter the difference here and see instructions 14a

b If line 12 is less than line 13, enter the difference here and see instructions 14b

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visit our Website:

www.ftb.ca.gov

Instructions for Form FTB 3519

Payment for Automatic Extension for Individuals

What's New

Registered Domestic Partners (RDP)

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars – Beginning with the 2007 tax forms, round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

General Information

Use form FTB 3519 **only** if both of the following apply:

- You cannot file your 2007 return by April 15, 2008.
- You owe tax for 2007.

When you file your 2007 return, you can **e-file**. Go to our Website at www.ftb.ca.gov. Use Form 540A, Form 540, or Long Form 540NR. If you use form FTB 3519, you may not file Form 540 2EZ or Short Form 540NR.

Use the worksheet below to determine if you owe tax.

- If you **do not** owe tax, **do not** complete or mail this voucher. However, file your return by October 15, 2008.
- If you owe tax, choose one of the following payment options:
 - Web Pay:** To make a payment online or to schedule a future payment (up to one year in advance), go to our Website at www.ftb.ca.gov and search for **web pay**. **Do not** mail the voucher to us.
 - Credit Card:** Use your major credit card. Call (800) 272-9829 or go to the Website www.officialpayments.com, use code 1555. Official Payments Corp. charges a convenience fee for using this service. **Do not** mail the voucher to us.

Corp. charges a convenience fee for using this service. **Do not** mail the voucher to us.

- Check or Money Order:** Complete the payment voucher below and mail it with your check or money order to the Franchise Tax Board (FTB). Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.
- Installment Agreement:** Go to our Website at www.ftb.ca.gov and search for **installments** or get FTB 3567, Installment Agreement Request Booklet.

Penalties and Interest

If you fail to pay your total tax liability by April 15, 2008, you will incur a late payment penalty plus interest. If you have paid at least 90% of the tax shown on the return by the original due date of the return, we will waive the penalty based on reasonable cause. However, the imposition of interest is mandatory. If, after April 15, 2008, you find that your estimate of tax due was too low, pay the additional tax as soon as possible to avoid further accumulation of penalties and interest. Pay your additional tax with another form FTB 3519 voucher. If you do not file your tax return by October 15, 2008, you will incur a late filing penalty plus interest from the original due date of the return.

Taxpayers Residing or Traveling Outside the USA

If you are living or traveling outside the USA on April 15, 2008, the deadline to file your return and pay the tax is June 16, 2008. Interest will accrue from the original due date (April 15, 2008) until the date of payment. If you need additional time to file, you will be allowed a six-month extension without filing a request. To qualify for the extension, file your tax return by December 15, 2008. To avoid any late-payment penalties, pay your tax liability by June 16, 2008. When filing your tax return, attach a statement to the front indicating that you were "Outside the USA on April 15, 2008."

TAX PAYMENT WORKSHEET KEEP FOR YOUR RECORDS

1	Total tax you expect to owe. This is the amount you expect to enter on Form 540 or 540A, line 34; or Long Form 540NR, line 42.	1	00
2	Payments and credits:		
	a California income tax withheld (including real estate and nonresident withholding)	2a	00
	b California estimated tax payments and amount applied from your 2006 tax return.	2b	00
	(Check your estimated tax payments on our Website at www.ftb.ca.gov and search for my account .)		
	c Other payments and credits, including any tax payments made with any previous form FTB 3519 voucher.	2c	00
3	Total tax payments and credits. Add line 2a, line 2b, and line 2c	3	00
4	Tax due. Is line 1 more than line 3?	4	00

- No. Stop here.** You have no tax due. **DO NOT MAIL THE PAYMENT VOUCHER.** Your return, when filed by October 15, 2008, will verify that you qualified for the extension.
- Yes.** Subtract line 3 from line 1. This is your tax due. Enter the tax due amount from line 4 as the "Amount of payment" on the form FTB 3519 voucher below. Fill in your name(s), address, and SSN(s) or ITIN(s), and separate the voucher from this page where it says "DETACH HERE." Make a check or money order payable to the "Franchise Tax Board." Also write your SSN or ITIN and "2007 FTB 3519" on the check or money order. Enclose, but **do not** staple your check or money order with the voucher and mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0051**

Save the stamp – pay online or by credit card!

✂ DETACH HERE _____ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM _____ DETACH HERE ✂

Calendar year – File and Pay by April 15, 2008

TAXABLE YEAR

CALIFORNIA FORM

2007

Payment for Automatic Extension for Individuals

3519 (PIT)

Your first name	Initial	Last name	Your SSN or ITIN
_____	_____	_____	_____
If joint payment, spouse's/RDP's first name	Initial	Last name	Spouse's/RDP's SSN or ITIN
_____	_____	_____	_____
Address (including number and street, PO Box, or PMB no.)			Apt. no./Ste. no.
_____			_____
City	State	ZIP Code	
_____	_____	_____	

IF PAYMENT IS DUE, MAIL TO:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0051

If amount of payment is zero, do not mail form } ▶

Amount of payment

_____ 00

2008 Estimated Tax for Individuals

File and Pay by April 15, 2008

540-ES

Fiscal year filers, enter year ending month: Year 2009

Your first name		Initial	Last name		Your SSN or ITIN	
If joint payment, spouse's/RDP's first name		Initial	Last name		Spouse's/RDP's SSN or ITIN	
Address (including number and street, PO Box, or PMB no.)					Apt no./Ste. no.	
City (If you have a foreign address, see instructions)				State	ZIP Code	

**Payment
Voucher
1**

Do not combine this payment with payment of your tax due for 2007. Make your check or money order payable to the "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "2008 Form 540-ES" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.**

If No Payment is Due, Do Not Mail This Form.

See Section A of the instructions for an alternative to using this form.

Amount of payment

00

For Privacy Notice, get form FTB 1131.

1201081

Form 540-ES 2007 (REV 04-08)

PAY ONLINE:

Use Web Pay and enjoy the ease of our free online payment service. Go to our Website at www.ftb.ca.gov and search for "Payment Options." **Do not mail this form if you use Web Pay.**

2008 Estimated Tax for Individuals File and Pay by June 16, 2008 540-ES

Fiscal year filers, enter year ending month: Year 2009

Form fields for name, address, and SSN/ITIN for Payment Voucher 2.

Do not combine this payment with payment of your tax due for 2007. Make your check or money order payable to the "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "2008 Form 540-ES" on it. Mail this voucher and your check or money order to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.

If No Payment is Due, Do Not Mail This Form.

See Section A of the instructions for an alternative to using this form.

Amount of payment

00

For Privacy Notice, get form FTB 1131.

1201083

Form 540-ES 2007

DETACH HERE IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM DETACH HERE

2008 Estimated Tax for Individuals File and Pay by Sept. 15, 2008 540-ES

Fiscal year filers, enter year ending month: Year 2009

Form fields for name, address, and SSN/ITIN for Payment Voucher 3.

Do not combine this payment with payment of your tax due for 2007. Make your check or money order payable to the "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "2008 Form 540-ES" on it. Mail this voucher and your check or money order to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.

If No Payment is Due, Do Not Mail This Form.

See Section A of the instructions for an alternative to using this form.

Amount of payment

00

For Privacy Notice, get form FTB 1131.

1201083

Form 540-ES 2007

DETACH HERE IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM DETACH HERE

2008 Estimated Tax for Individuals File and Pay by Jan. 15, 2009 540-ES

Fiscal year filers, enter year ending month: Year 2009

Form fields for name, address, and SSN/ITIN for Payment Voucher 4.

Do not combine this payment with payment of your tax due for 2007. Make your check or money order payable to the "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "2008 Form 540-ES" on it. Mail this voucher and your check or money order to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.

If No Payment is Due, Do Not Mail This Form.

See Section A of the instructions for an alternative to using this form.

Amount of payment

00

For Privacy Notice, get form FTB 1131.

1201083

Form 540-ES 2007

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visit our Website:

www.ftb.ca.gov

2008 Instructions for Form 540-ES Estimated Tax For Individuals

What's New

Registered Domestic Partners (RDP)

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. When we use the initials (RDP) they refer to both a California Registered Domestic "Partner" and a California Registered Domestic "Partnership", as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars – Beginning with the 2007 tax forms, round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

A Purpose

Use this form, with the instructions and the 2008 Estimated Tax Worksheet, to determine if you owe estimated tax for 2008 and to figure the required amounts. Estimated tax is the tax you expect to owe in 2008 after subtracting the credits you plan to take and tax you expect to have withheld.

If you need to make a payment for your 2007 tax liability or make a separate payment for any balance due on your 2007 tax return, use form FTB 3519, Payment for Automatic Extension for Individuals, or form FTB 3567, Installment Agreement Request, or call (800) 338-0505.

Generally, the required estimated tax amount is based on the lesser of 90% of the current year's tax or 100% of the prior year's tax including Alternative Minimum Tax (AMT).

Certain taxpayers are limited in their use of the prior year's tax as a basis for figuring their estimated tax. See paragraph C below for more information. Check for estimated payments we've received by going to our Website at www.ftb.ca.gov and search for **my account**.

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete Employment Development Department (EDD) Form DE 4, Employee's Withholding Allowance Certificate, and give it to your employer's appropriate payroll staff. You can get this form from your employer, or by calling EDD at (888) 745-3886. You can download the Form DE 4 at EDD's Website at www.edd.ca.gov or by going to our Website at www.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.

B Who Must Make Estimated Tax Payments

Generally, you must make estimated tax payments if you expect to owe at least \$200 (\$100 if married/RDP filing separately) in tax for 2008 (after subtracting withholding and credits) and you expect your withholding and credits to be less than the **smaller** of:

1. 90% of the tax shown on your 2008 tax return.
2. The tax shown on your 2007 tax return including AMT.

Note:

- You do not have to make estimated tax payments if you are a nonresident or new resident of California in 2007 and did not have a California tax liability in 2007.
- If you are a military servicemember not domiciled in California, do not include your military pay in your computation of estimated tax payments. For additional information, get FTB Pub. 1032, Tax Information for Military Personnel.

If you and your spouse/RDP paid joint estimated tax payments, but are now filing separate returns, either of you may claim all of the amount paid, or you may each claim part of the joint estimated payments. If you want the estimated tax payments to be divided, notify the FTB before the end of the tax year in which you wish to file separate returns so that 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. The statements should be sent to:

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

C Limit on the Use of Prior Year's Tax

Individuals who are required to make estimated payments, and whose 2007 adjusted gross income is more than \$150,000 (or \$75,000 if married/RDP filing separately), must figure estimated tax based on the lesser of 90% of their tax for 2008 or 110% of their tax for 2007 including AMT. This rule does not apply to farmers or fishermen.

D When to Make Your Estimated Tax Payments

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date. If you do not pay enough tax by the due date of each of the payment periods, you may be charged a penalty even if you are due a refund when you file your income tax return. The payment periods and due dates are:

For the payment period:

January 1 through March 31, 2008
April 1 through May 31, 2008
June 1 through August 31, 2008
Sept. 1 through Dec. 31, 2008

File and Pay by:

April 15, 2008
June 16, 2008
September 15, 2008
January 15, 2009

Filing an Early Return In Place of the 4th Installment. If you file your 2008 tax return by January 31, 2009, and pay the entire balance due, you do not have to make your last estimated tax payment. In addition, you will not owe a penalty for the fourth installment.

Annualization Option. If you do not receive your taxable income evenly during the year, it may be to your advantage to annualize your income. This method allows you to match your estimated tax payments to the actual period when you earned the income. You may use the annualization schedule included with the 2007 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

Farmers and Fishermen. If you are a farmer or fisherman, and at least two-thirds of your 2007 and 2008 gross income is from farming or fishing, you may do either of the following:

- Pay all of your estimated tax by January 15, 2009.
- File your tax return for 2008 on or before March 3, 2009, and pay the total tax due. In this case, you need not make estimated tax payments for 2008. Use the 2007 form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, to determine if you paid the required estimated tax. If the estimated tax is underpaid, attach the completed form FTB 5805F to the back of your return.

Fiscal Year. If you file your return on a fiscal year basis, your due dates will be the 15th day of the 4th, 6th, and 9th months of your fiscal year and the 1st month of the following fiscal year. If the due date falls on a Saturday, Sunday, or legal holiday, use the next business day.

Mental Health Services Tax. If your taxable income or nonresident CA source taxable income is more than \$1,000,000, compute the Mental Health Services Tax below.

A. Taxable income from Form 540A, line 19; Form 540, line 19; or Long Form 540NR, line 22	
B. Less:	\$ (1,000,000)
C. Subtotal	
D. Multiply line C by 1%	x .01
E. Mental Health Services Tax – Enter this amount on line 17 of the 2008 Estimated Tax Worksheet on the next page	

E How to Use Form 540-ES Payment Voucher

Use the Estimated Tax Worksheet and your 2007 California income tax return as a guide for figuring your 2008 estimated tax. Be sure that the amount shown on line 21 of the Estimated Tax Worksheet has been reduced by any overpaid tax on your 2007 tax return which you chose to apply toward your 2008 estimated tax payment.

Note:

- Form 540-ES is not an application for an installment agreement. If you have a financial hardship and cannot pay your taxes in full, you may request to make monthly installment payments. Go to our Website at www.ftb.ca.gov and search for **installment agreement booklet**.
- If you filed Form 540 2EZ for 2007, do not use the Form 540 2EZ instructions for figuring amounts on this worksheet. Instead, get the 2007 California 540 & 540A Personal Income Tax Booklet.

There is a separate payment voucher for each due date. Please be sure you use the voucher with the correct due date shown in the top margin of the voucher. Complete Form 540-ES using black or blue ink:

1. Print your name, address, and social security number or individual taxpayer identification number in the space provided on Form 540-ES. If you have a 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.
2. Complete the amount of payment line of the voucher by entering the amount of the payment that you are sending. Your entry must match the amount you are sending.
3. Paying your tax:

Web Pay – To make a payment online or to schedule a future payment (up to one year in advance), go to our Website at www.ftb.ca.gov and search for **web pay**. **Do not mail** the voucher to us.

Credit card – Go to our Website at www.ftb.ca.gov and search for **pay by credit card** or call (800) 272-9829. You will be charged a fee for this service. **Do not mail** the voucher if you pay by credit card.

Check or money order – Make your check or money order payable to the "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "2008 Form 540-ES" on it and mail to the address on the voucher.

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

4. Complete the Record of Estimated Tax Payments on the next page for your files.
5. **Fiscal year filers:** Enter the month of your fiscal year end (located directly below the form's title).

F Failure to Make Estimated Tax Payments

If you do not make the required estimate payments, if you pay an installment after the date it is due, or if you underpay any installment, a penalty may be assessed on the portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of your tax return, whichever is earlier. Refer to the 2007 form FTB 5805 for more information.

2008 California Estimated Tax Worksheet Keep this worksheet for your records.

- 1 Residents: Enter your estimated 2008 California AGI. Nonresidents and part-year residents: Enter your estimated 2008 total AGI from all sources. If you are a military servicemember not domiciled in California, do not include your military pay **1** _____
- 2 **a** If you plan to itemize deductions, enter the estimated total of your itemized deductions **2a** _____
b If you do not plan to itemize deductions, enter the standard deduction for your filing status:
 \$3,516 single or married/RDP filing separately
 \$7,032 married/RDP filing jointly, head of household, or qualifying widow(er) **2b** _____
c Enter the amount from line 2a or line 2b, whichever applies **2c** _____
- 3 Subtract line 2c from line 1 **3** _____
- 4 Tax. Figure your tax on the amount on line 3 using the 2007 tax table for Form 540, Form 540A, or Long Form 540NR. Also include any tax from form FTB 3800, Tax Computation for Children with Investment Income; form FTB 3803, Parents' Election to Report Child's Interest and Dividends **4** _____
- 5 **Residents:** Skip to line 6a. **Nonresidents and part-year residents:**
a Enter your estimated California taxable income from Schedule CA (540NR), Part IV, line 49 **5a** _____
b Compute the CA Tax Rate: $\frac{\text{Tax on total taxable income from line 4}}{\text{Total taxable income from line 3}}$ **5b** _____
c Multiply the amount on line 5a by the CA Tax Rate on line 5b **5c** _____
- 6 **a Residents:** Enter the exemption credit amount from the 2007 instructions for Form 540 or Form 540A **6a** _____
b Nonresidents or part-year residents: Enter the CA credit proration percentage. Divide line 5a by line 3. If more than 1 enter 1.0000 **6b** _____
- 7 **Nonresidents:** CA prorated Exemption credits. Multiply the total exemption credit amount by line 6b. **7** _____
- 8 **Residents:** Subtract line 6a from line 4. **Nonresidents or part-year residents:** Subtract line 7 from line 5c **8** _____
- 9 Tax on accumulation distribution of trusts. See instructions for form FTB 5870A, Tax on Accumulation Distribution of Trusts **9** _____
- 10 Add line 8 and line 9 **10** _____
- 11 Credits for joint custody head of household, dependent parent, senior head of household, and child and dependent care expenses. **11** _____
Nonresidents and part-year residents: For the child and dependent care expenses credit, use the amount from your 2007 Long Form 540NR, line 50. For the other credits listed on line 11, multiply the total 2007 credit amount by the ratio on line 6b.
- 12 Subtract line 11 from line 10. **12** _____
- 13 Other credits (such as other state tax credit). See the 2007 instructions for Form 540, Form 540A, or Long Form 540NR **13** _____
- 14 Subtract line 13 from line 12. **14** _____
- 15 Interest on deferred tax from installment obligations under IRC Sections 453 or 453A **15** _____
- 16 Alternative Minimum Tax. See Schedule P (540 or 540NR) **16** _____
- 17 Mental Health Services Tax Worksheet, line E, from page 15 **17** _____
- 18 2008 Estimated Tax. Add line 14 through 17. Enter the result, but not less than zero. **18** _____
- 19 **a** Multiply line 18 by 90% (.90). Farmers and fishermen multiply line 18 by 66 2/3% (.6667) **19a** _____
b Enter the sum of line 30, line 31, and line 32 from your 2007 Form 540; line 34 from Form 540A; or the sum of line 38, line 39, and line 40 from your Long Form 540NR. **19b** _____
c Enter the amount from your 2007 Forms 540 or 540A, line 17; or Long Form 540NR, line 21 **19c** _____
d Is the amount on line 19c more than \$150,000 (\$75,000 if married/RDP filing separately)?
Yes. Go to line 19e. **No.** Enter the lesser of line 19a or line 19b. Skip line 19e and 19f and go to line 20. **19d** _____
e Multiply 110% (1.10) by the sum of line 30, line 31, and line 32 from your 2007 Form 540; line 34 from Form 540A; or the sum of line 38, line 39, and line 40 from your Long Form 540NR. **19e** _____
f Enter the lesser of line 19a or line 19e and go to line 20 **19f** _____
Caution: Generally, if you do not prepay at least the amount on line 19d (or 19f if no amount on line 19d), you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimated tax on line 18 is as accurate as possible. If you prefer, you may pay 100% of your 2008 estimated tax (line 18).
- 20 California income tax withheld and estimated to be withheld during 2007 (include withholding on pensions, annuities, etc.) **20** _____
- 21 **Balance.** Subtract line 20 from line 19d (or line 19f if no amount on line 19d). If less than \$200 (or less than \$100, if married/RDP filing separately), you do not have to make a payment at this time. **21** _____
- 22 **Installment** amount. Divide the amount on line 21 by 4. Enter the result here and on each of your Forms 540-ES. If you will earn your income at an uneven rate during the year, see Annualization Option in the instructions under paragraph D. **22** _____

Record of Estimated Tax Payments

Payment voucher number	(a) Date	(b) Web Pay/Credit Card and confirmation number	(c) Amount paid	(d) 2007 overpayment applied	(e) Total amount paid and credited add (c) and (d)
1			\$	\$	\$
2					
3					
4					
Total			\$	\$	\$

Instructions for California Schedule D (540)

California Capital Gain or Loss Adjustment

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2005. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to our Website at www.ftb.ca.gov and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

Although federal law increased the IRC Section 179 expense to \$125,000, the maximum deduction amount under California law is \$25,000.

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified. When we use the initials (RDP) they refer to both a California Registered Domestic "Partner" and a California Registered Domestic "Partnership", as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Purpose

Use California Schedule D (540) **only** if there is a difference between your California and federal capital gains and losses.

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments for more information about the following:

- Disposition of property inherited before 1987.
- Disposition of S corporation stock acquired before 1987.
- Gain on the sale or disposition of a qualified assisted housing development to low-income residents or to specific entities maintaining housing for low-income residents.
- Capital loss carryback.

Exclusion of Gain on Qualified Small Business Stock. California law (R&TC Section 18152.5) provides an exclusion (similar to the federal exclusion under IRC Section 1202) of 50% of the gain on the sale of qualifying small business stock originally issued after 8/10/93 that was held for more than five years. However, for California purposes, at least 80% of the issuing corporation's payroll must be attributable to employment located within California, and at least 80% of the value of the corporation's assets must be used by the corporation to actively conduct one or more qualified trades or businesses in California.

If you have gain on the sale of qualified small business stock that qualifies for the federal Section 1202 exclusion, go to the specific line instructions for line 1b.

Installment Sales. If you sold property at a gain (other than publicly traded stocks or securities) and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to do so. Get form FTB 3805E, Installment Sale Income. Also, use that form if you received a payment in 2007, for an installment sale made in an earlier year.

You may elect not to use the installment sale method for California by reporting the entire gain on Schedule D (540) (or Schedule D-1 for business assets) in the year of the sale and filing your return on or before the due date.

At-Risk Rules and Passive Activity Limitations. If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and the

amounts in the activity for which you are not at risk, get and complete federal Form 6198, At-Risk Limitations, using California amounts to figure your California deductible loss under the at-risk rules. Once a loss becomes allowable under the at-risk rules, it becomes subject to the passive activity rules. Get form FTB 3801, Passive Activity Loss Limitations.

Specific Line Instructions

Line 1a – List each capital asset transaction.

Column (a) – Description of Property. Describe the asset you sold or exchanged.

Column (b) – Sales Price. Enter in this column either the gross sales price or the net sales price. If you received a Form 1099-B, 1099-S, or similar statement showing the gross sales price, enter that amount in column (b). However, if box 2 of Form 1099-B indicates that gross proceeds less commissions and option premiums were reported to the IRS, enter that net amount in column (b). If you entered the net amount in column (b), do not include the commissions and option premiums in column (c).

Column (c) – Cost or Other Basis. In general, the cost or other basis represents the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. Enter the cost or adjusted basis of the asset for California purposes. Use your records and California tax returns for years before 1987 to determine the California amount to enter in column (c). If you used an amount other than cost as the original basis, your federal basis may be different from your California basis. Other reasons for differences include:

Depreciation Methods and Property Expensing

Before 1987, California law disallowed the use of accelerated cost recovery system (ACRS) and disallowed the use of an asset depreciation range 20% above or below the standard rate. Before 1999, California had different limits on the expensing of property under IRC Section 179. California law permits rapid write-off of certain property such as solar energy systems, pollution control devices, and property used in an Enterprise Zone, LAMBRA, Targeted Tax Area, or Los Angeles Revitalization Zone (LARZ).

Inherited Property – The California basis of property inherited from a decedent is generally fair market value (FMV) at the time of death.

S Corporation Stock – Prior to 1987, California law did not recognize S corporations; therefore, your California basis in S corporation stock may differ from your federal basis. In general, your California basis will be cost-adjusted for income, loss, and distributions received after 1986, while your stock was California S corporation stock. Your federal basis will be cost-adjusted for income, loss, and distributions received during the time your stock qualified for federal S corporation treatment. Effective for taxable years beginning on or after 1/1/02, any corporation with a valid federal S corporation election is considered an S corporation for California purposes. Existing law already requires federal C corporations to be treated as C corporations for California purposes.

Special Credits – California law authorizes special tax credits not allowed under federal law or computed differently under federal law. In many instances if you claimed special credits related to capital assets, you must reduce your basis in the assets by the amount of credit.

Other adjustments may apply differently to the federal and California basis of your capital assets. Figure the original basis of your asset using the California law in effect when the asset was acquired, and adjust it according to provisions of California law in effect during the period of your ownership.

Line 1b – R&TC Section 18152.5 Exclusion. If the gain qualifying for the IRC Section 1202 exclusion also qualifies for the California exclusion under R&TC Section 18152.5: Enter in column (a) "Section 18152.5 Exclusion." Complete column (b) and column (c) according to the instructions for line 1a. Enter in column (d) the amount of gain

that qualifies for the California exclusion. Enter in column (e) the entire gain realized. **If the gain qualifying for the IRC Section 1202 exclusion does not qualify for the California exclusion:** Complete column (a), column (b), and column (c) according to the instructions for line 1a. Enter -0- in column (d) and enter the entire gain realized in column (e).

Line 3 – Capital Gain Distributions. If you receive federal Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, from a mutual fund, do not include the **undistributed** capital gain dividends on Schedule D. If you receive federal Form 1099-DIV, Dividends and Distributions, enter the amount of **distributed** capital gain dividends.

Line 6 – 2006 California Capital Loss Carryover. If you were a resident of California for all prior years, enter your California capital loss carryover from 2006. However, if you were a nonresident of California during any taxable year that generated a portion of your 2006 capital loss carryover, recalculate your 2006 capital loss carryover loss as if you resided in California for all prior years. Get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency, for more information. Enter your California capital loss carryover amount from 2006 on line 6 as a negative number.

Line 8 – Net Gain or Loss. If the amount on line 4 is more than the amount on line 7, subtract line 7 from line 4. Enter the difference as a gain on line 8.

If the amount on line 7 is more than the amount on line 4, subtract line 4 from line 7 and enter the difference as a negative amount on line 8.

Use the worksheet on this page to figure your capital loss carryover to 2008.

Line 9 – If line 8 is a net capital loss, enter the smaller of the loss on line 8 or \$3,000 (\$1,500 if you are married or an RDP filing a separate return).

Line 12a – Compare the amounts entered on line 10 and 11 to figure the adjustment to enter on Schedule CA (540), line 13, column B.

For example:

Loss on line 10 is less than loss on line 11.

Federal loss on line 10 is (\$1,000)
California loss on line 11 is (\$2,000)
Difference between line 10 and line 11 \$1,000

Gain on line 10 and loss on line 11.

Federal gain on line 10 is \$3,000
California loss on line 11 is (\$3,000)
Difference between line 10 and line 11 \$6,000

Line 12b – Compare the amounts on line 10 and 11 to figure the adjustment to enter on Schedule CA (540), line 13, column C.

For example:

Loss on line 10 is more than loss on line 11.

Federal loss on line 10 is (\$2,000)
California loss on line 11 is (\$1,000)
Difference between line 11 and line 10 \$1,000

Loss on line 10 and gain on line 11.

Federal loss on line 10 is (\$2,000)
California gain on line 11 is \$5,000
Difference between line 10 and line 11 \$7,000

California Capital Loss Carryover Worksheet	
1. Loss from Schedule D (540), line 11, stated as a positive number.	1 _____
2. Amount from Form 540, line 17	2 _____
3. Amount from Form 540, line 18	3 _____
4. Subtract line 3 from line 2. If less than zero, enter as a negative amount.	4 _____
5. Combine line 1 and line 4. If less than zero, enter -0-.	5 _____
6. Loss from Schedule D (540), line 8.	6 _____
7. Enter the smaller of line 1 or line 5	7 _____
8. Subtract line 7 from line 6. This is your capital loss carryover to 2008	8 _____

Instructions for Form FTB 3885A Depreciation and Amortization Adjustments

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2005. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to our Website at www.ftb.ca.gov and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information on differences between California and federal law for the following items:

- Amortization of certain intangibles (IRC Section 197)
- Qualified Indian Reservation property
- Grapevines subject to Phylloxera or Pierce's disease
- Additional depreciation

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified. When we use the initials (RDP) they refer to both a California Registered Domestic "Partner" and a California Registered Domestic "Partnership", as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Purpose

Use form FTB 3885A **only** if there is a difference between the amount of depreciation and amortization allowed as a deduction using California law and the amount allowed using federal law. California law and federal law have not always allowed the same depreciation methods, special credits, or accelerated write-offs. As a result, the recovery periods or the basis on which the depreciation is figured for California may be different from the amounts used for federal purposes. You will probably have reportable differences if all or part of your assets were placed in service:

- **Before 1/1/87.** California disallowed depreciation under the federal accelerated cost recovery system (ACRS). Continue to figure California depreciation for those assets in the same manner as in prior years for those assets.
- **On or after 1/1/87.** California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. California did not conform to all changes to federal law enacted in 1993; therefore, the California basis or recovery periods may be different for some assets.

- **On or after 9/11/01.** If you claimed the 30% additional depreciation for federal purposes, California has not conformed to the federal Job Creation and Worker Assistance Act of 2002 which allows taxpayers to take an additional first year depreciation deduction and Alternative Minimum Tax depreciation adjustment for property placed in service after September 10, 2001.
- California generally conforms to the federal 2003 increase (IRC Section 280F) for the limitation on luxury automobile depreciation. However, California does not conform to the IRC Section 168(k) provisions (30% and 50% additional first year depreciation). In addition, SUVs and minivans built on a truck chassis are included in the definition of trucks and vans when applying the 6,000 pound gross weight limit.

Differences may also occur for other less common reasons, and the instructions for Schedule CA (540 or 540NR) list them on the line for the type of income likely to be affected. Get FTB Pub. 1001 for more information about figuring and reporting these adjustments.

If reporting a difference for assets related to a passive activity, get form FTB 3801, Passive Activity Loss Limitations, for more information about passive activities.

Do not use form FTB 3885A to report depreciation expense from federal Form 2106, Employee Business Expenses. Instead, see the instructions for Schedule CA (540 or 540NR), line 41.

Specific Line Instructions

Prepare and file a separate form FTB 3885A for each business or activity on your return that has a difference between California and federal depreciation or amortization. Enter the name of the business or activity in the space provided at the top of the form. If you need more space, attach additional sheets. However, complete Part II, Election to Expense Certain Tangible Property (IRC Section 179), only once.

Part I Identify the Activity as Passive or Nonpassive

Line 1 – Check the box to identify the activity as passive or nonpassive. A passive activity is any activity involving the conduct of any trade or business in which you did not materially participate. Get form FTB 3801 for more information.

If the activity is passive, use this form as a worksheet to figure the depreciation adjustment to carry to form FTB 3801. Beginning in 1994, and for federal purposes only, rental real estate activities of persons in real property business are not automatically treated as passive activities. California did not conform to this provision.

Part II Election To Expense Certain Tangible Property

If you qualify, you may elect to expense part of the cost of depreciable personal property used in your trade or business and certain other property described in federal Publication 946, How to Depreciate Property. To qualify, you must have purchased property, as defined in the IRC Section 179(d)(2), and placed it in service during 2007, or have a carryover of unused cost from 2006. If you elect this deduction, you must reduce your California depreciable basis by the IRC Section 179 expense. The maximum Section 179 expense allowed for 2007 is \$25,000.

Complete the worksheet in the next column to figure IRC Section 179 expense for California. Include all assets qualifying for the deduction because the limit applies to all qualifying assets as a group rather than to each asset individually. **Refer to federal Form 4562 or 4562-FY for information.**

Tangible Property Expense Worksheet

1	Maximum dollar limitation for California	1	\$25,000
2	Total cost of Section 179 property placed in service	2	
3	Threshold cost of Section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-	5	
(a) Description of property (b) Cost (c) Elected cost			
6			
7	Listed property (elected Section 179 cost)	7	
8	Total elected cost of Section 179 property. Add line 6 column (c) and line 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 2006	10	
11	Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction for California. Add line 9 and line 10, but do not enter more than line 11. Also, enter the result on form FTB 3885A, line 2	12	
13	Carryover of disallowed deduction to 2008. Add line 9 and line 10. Subtract line 12 from the result	13	

Part III Depreciation

Line 3 – Complete column (a) through column (f) for each tangible asset or group of assets placed in service during the tax year. Use the California basis for assets on which you elected to take the Section 179 deduction. It will be the difference between line 6, column (b) and line 6, column (c) of the Tangible Property Expense Worksheet in Part II.

Line 8a and Line 8b – Are you using this form as a worksheet in connection with form FTB 3801?

Yes Enter the amount from line 8a or line 8b on form FTB 3801, Side 2, California Passive Activity Worksheet, column (e).

No Include the amount from line 8a on Schedule CA (540 or 540NR) in column B on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

Include the amount from line 8b on Schedule CA (540 or 540NR) in column C on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

Part IV Amortization

Line 9 – Complete column (a) through column (f) for intangible assets placed in service during the tax year. Use the California basis and the California recovery period.

Line 14a and Line 14b – Are you using this form as a worksheet in connection with form FTB 3801?

Yes Enter the amount from line 14a or line 14b on form FTB 3801, Side 2, California Passive Activity Worksheet, column (e).

No Include the amount from line 14a on Schedule CA (540 or 540NR) in column B on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

Include the amount from line 14b on Schedule CA (540 or 540NR) in column C on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

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visit our Website:

www.ftb.ca.gov

Instructions for Schedule CA (540)

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

What's New

Registered Domestic Partners (RDP)

Effective for taxable years beginning on or after January 1, 2007, RDPs under California law **must file** their California income tax returns using either the married/RDP filing jointly or married/RDP filing separately filing status. RDPs will have the same legal benefits, protections, and responsibilities as married couples unless otherwise specified.

If you entered into a same sex legal union in another state, other than a marriage, and that union has been determined to be substantially equivalent to a California registered domestic partnership, effective for taxable years beginning on or after January 1, 2007, you are required to file a California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status. For more information on what states have legal unions that are considered substantially equivalent, go to our Website at www.ftb.ca.gov and search for **RDP**.

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified. When we use the initials (RDP) they refer to both a California Registered Domestic "Partner" and a California Registered Domestic "Partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Conformity

For updates regarding the following federal act, go to our Website at www.ftb.ca.gov and search for **conformity**.

- Small Business and Work Opportunity Tax Act of 2007
- Mortgage Forgiveness Debt Relief Act of 2007

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2005. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to our Website at www.ftb.ca.gov and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

Military Personnel – Servicemembers domiciled outside of California, and their spouses/RDPs, may exclude the servicemember's military compensation from gross income when computing the tax rate on nonmilitary income. Requirements for military servicemembers domiciled in California remain unchanged. Military servicemembers domiciled in California must include their military pay in total income. In addition, they must include their military pay in California source income when stationed in California. However, military pay is not California source income when a servicemember is permanently stationed outside of California. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

Purpose

Use this schedule to make adjustments to your federal adjusted gross income and to your federal itemized deductions using California law.

Part I – Specific Line Instructions

Column A — Federal Amounts

Line 7 through Line 21

Enter on line 7 through line 21 the same amounts you entered on your federal Form 1040, line 7 through line 21; Form 1040A, line 7 through line 14b; or Form 1040EZ line 1, line 2, and line 3.

Registered Domestic Partners – RDPs will compute their limitations based on the combined federal adjusted gross income (AGI) of each partner's individual tax return filed with the Internal Revenue Service (IRS). For column A, line 7 through line 21, combine your federal amounts from each partner's individual federal tax return. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

The combined federal AGI used to compute limitations is different from the recalculated federal AGI used on Form 540, line 13. In situations where RDPs have no filing status adjustment, these amounts may be the same.

Line 22 – Total

Combine the amounts on line 7 through line 21.

Line 23 through Line 30 and Line 32 through Line 35

Enter the same amounts entered on your federal Form 1040, line 23 through line 30 and line 32 through line 35 or Form 1040A, line 16 through line 19.

Line 31a and Line 31b

Enter on line 31a the same amount entered on your federal Form 1040, line 31a. Enter on line 31b the social security number (SSN) or individual taxpayer identification number (ITIN) and last name of the person to whom you paid alimony.

Line 36

Add line 23 through line 31a and line 32 through line 35. However, if you made any of the adjustments described in the instructions for federal Form 1040, line 36 or if you claimed the foreign housing deduction from federal Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion, enter the amount from Form 1040, line 36 on this line.

Line 37 – Total

Subtract line 36 from line 22.

Column B and Column C — Subtractions and Additions

Use these columns to enter subtractions and additions to the federal amounts in column A that are necessary because of differences between California and federal law. Enter all amounts as positive numbers unless instructed otherwise.

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

- 1001, Supplemental Guidelines to California Adjustments
- 1005, Pension and Annuity Guidelines
- 1031, Guidelines for Determining Resident Status
- 1032, Tax Information for Military Personnel
- 1100, Taxation of Nonresidents and Individuals Who Change Residency

To get a publication or form go to our Website at www.ftb.ca.gov or see page 67 of your 540/540A tax booklet.

Line 7 – Wages, Salaries, Tips, etc.

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

Active duty military pay. Special rules apply to active duty military taxpayers. Get FTB Pub. 1032, Tax Information for Military Personnel, for more information.

Sick pay received under the Federal Insurance Contributions Act and Railroad Retirement Act. California excludes this item from income.

Enter in column B the amount of these benefits included in the amount in column A.

Ridesharing fringe benefit differences. Under federal law, qualified transportation benefits are excluded from gross income. Under the Revenue and Taxation Code, there are no monthly limits for the exclusion of these benefits and California's definitions are more expansive. Enter the amount of ridesharing benefits received and included in federal income on line 7, column B.

Exclusion for compensation from exercising a California Qualified Stock Option (CQSO). To claim this exclusion:

- Your earned income is \$40,000 or less from the corporation granting the CQSO.
- The market value of the options granted to you must be \$100,000 or less.
- The total number of shares must be 1,000 or less.
- The corporation issuing the stock must designate that the stock issued is a California qualified stock option at the time the option is granted.

If you included an amount qualifying for this exclusion in federal income, enter that amount in column B.

Exclusion for Medical Expenses Reimbursement. California allows an exclusion from gross income for employer-provided accident, health insurance, and medical expense reimbursement for registered domestic partners and the partner's dependents if they were not previously deducted. Self-employed individuals may also claim a deduction for health insurance costs paid for themselves, their spouse or registered domestic partner, and their dependent(s), including the dependent(s) of their RDP. Enter the amount included in federal income in column B.

Compensation of merchant seamen, military servicemembers, rail, motor, and aircraft carriers. Exclude the following from gross income: compensation for the performance of duties of certain merchant seamen, rail carriers, motor carriers, aircraft carriers, and military servicemembers.

Line 8 – Taxable Interest Income

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

Enter in column B the interest you received from:

- U.S. savings bonds (except for interest from series EE U.S. savings bonds issued after 1989 that qualified for the Education Savings Bond Program exclusion).
- U.S. Treasury bills, notes, and bonds.
- Any other bonds or obligations of the United States and its territories.
- Interest from Ottoman Turkish Empire Settlement Payments.
- Interest income from children between the ages of 14 and 18. (For more information, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments.)
- Interest income from children under the age of 14, included on the parent's or child's federal return and reported on the California return by the opposite taxpayer.

Certain mutual funds pay "exempt-interest dividends." If the mutual fund has at least 50% of its assets invested in tax-exempt U.S. obligations and/or in California or its municipal obligations, that amount of dividend is exempt from California tax. The proportion of dividends that are tax-exempt will be shown on your annual statement or statement issued with Form 1099-INT.

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

- The federally exempt interest dividends from other states, or their municipal obligations and/or from mutual funds that do not meet the 50% rule above.
- Non-California state bonds.
- Non-California municipal bonds issued by a county, city, town, or other local government unit.
- Obligations of the District of Columbia issued after 12/27/73.

- Non-California bonds if the interest was passed through to you from S corporations, trusts, partnerships, or Limited Liability Companies (LLCs).
- Interest or other earnings earned from a Health Savings Account (HSA) are not treated as taxed deferred. Interest or earnings in a HSA are taxable in the year earned.
- Interest on any bond or other obligation issued by the Government of American Samoa.
- Interest income from children under the age of 14, excluded on the parent's or child's federal return and reported on the California return.

Make no entries in either column B or column C for interest you earned on Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds, and Federal Home Loan Mortgage Corporations (FHLMC) securities, or grants paid to low income individuals.

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, if you received interest income from the following sources:

- Loans made in an enterprise zone (EZ) or the former Los Angeles Revitalization Zone (LARZ).
- Items listed above passed through to you from S corporations, trusts, estates, partnerships, or LLCs.

Line 9 – Ordinary dividends

Generally, no difference exists between the amount of dividends reported in Column A and the amount reported using California law. However, California taxes dividends derived from other states and their municipal obligations.

Add dividends received from the following and enter in column B:

- Non-cash patronage dividends from farmers' cooperatives or mutual associations.
- Dividend income for children between the ages of 14 and 18. (For more information, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments.)
- Dividend income from children under the age of 14, included on the parent's or child's federal return and reported on the California return by the opposite taxpayer.

Add dividends received from the following and enter in column C:

- Controlled foreign corporation dividends in the year distributed.
- Regulated investment company (RIC) capital gains in the year distributed.
- Distributions of pre-1987 earnings from an S corporation.
- Non-cash patronage dividends from farmers' cooperatives or mutual associations.
- Dividend income from children under the age of 14, excluded on the parent's or child's federal return and reported on the California return.

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, if you received dividends from:

- Non-cash patronage dividends from farmers' cooperatives or mutual associations.
- A controlled foreign corporation.
- Distributions of pre-1987 earnings from S corporations.
- Undistributed capital gains for regulated investment company (RIC) shareholders.

Line 10 – Taxable refunds, credits, or offsets of state and local income taxes

California does not tax the state income tax refund received in 2007. Enter in column B the amount of state tax refund entered in column A.

Line 11 – Alimony Received

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

Line 12 – Business Income or (Loss)

Adjustments to federal business income or loss you reported in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and

accelerated write-offs. As a result, the recovery period or basis used to figure California depreciation may be different from the amount used for federal purposes.

Adjustments are figured on form FTB 3885A, Depreciation and Amortization Adjustments, and are most commonly necessary because of the following:

- **Before January 1, 1987**, California did not allow depreciation under the federal accelerated cost recovery system. Continue to figure California depreciation for those assets in the same manner as prior years.
- **On or after January 1, 1987**, California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. Refer to the bulleted list on the next page.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 12 if you have:

- One or more passive activities that produce a loss.
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule C.

Use form FTB 3885A to figure the total adjustment for line 12 if you have:

- Only nonpassive activities which produce either gains or losses (or combination of gains and losses).
- Passive activities that produce gains.

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information about:

Income related to:

- Business, trade, or profession carried on within California that is an integral part of a unitary business carried on both within and outside California.
- Pro-rata share of income received from a controlled foreign corporation by a U.S. shareholder.

Basis adjustments related to:

- Property acquired prior to becoming a California resident.
- Sales or use tax credit for property used in an EZ, Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or former LARZ.
- Reduced recovery periods for fruit-bearing grapevines replaced in a California vineyard on or after 1/1/92 as a result of phylloxera infestation; or on or after 1/1/97 as a result of Pierce's disease.
- Expenditures for tertiary injectants.
- Property placed in service on an Indian reservation after 1/1/94 and before 1/1/05.
- Amortization of pollution control facilities.
- Discharge of real property business indebtedness.
- Employer-paid child care program.
- Employer-paid child care plan.
- Vehicles used in an employer-sponsored ridesharing program.
- An enhanced oil recovery system.
- Joint Strike Fighter property costs.
- The cost of making a business accessible to disabled individuals.
- Property for which you received an energy conservation subsidy from a public utility on or after 1/1/95 and before 1/1/97.
- Research and experimental expenditures.

Business expense deductions related to:

- Wages paid in an EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA.
- Certain employer costs for employees who are also enrolled members of Indian tribes.
- Abandonment or tax recoupment fees for open-space easements and timberland preserves.
- Business located in an EZ, LAMBRA, or TTA.
- Research expense.
- Employer wage expense for the Work Opportunity Credit and Welfare-to-Work Credit.
- Pro-rata share of deductions received from a controlled foreign corporation by a U.S. shareholder.

- Interest paid on indebtedness in connection with company-owned life insurance policies.
- Premiums paid on life insurance policies, annuities, or endowment contracts issued after 6/8/97 where the owner of the business is directly or indirectly a policy beneficiary.
- Commercial Revitalization Deductions for Renewal Communities.

Line 13 – Capital Gain or (Loss)

Generally, no adjustments are made on this line. California taxes long and short term capital gains as regular income. No special rate for long term capital gains exists. However, the California basis of the assets listed below may be different from the federal basis due to differences between California and federal laws. If there are differences, use Schedule D (540), California Capital Gain or Loss Adjustment, to calculate the amount to enter on line 13.

- Gain on the sale of qualified small business stock which qualifies for the gain exclusion under IRC Section 1202.
- Basis amounts resulting from differences between California and federal law in prior years.
- Gain or loss on stock and bond transactions.
- Installment sale gain reported on form FTB 3805E, Installment Sale Income.
- Gain on the sale of personal residence where depreciation was allowable.
- Flow-through gain or loss from partnerships, fiduciaries, S corporations, or LLCs.
- Capital loss carryover from your 2006 California Schedule D (540).

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information about:

- Disposition of S corporation stock acquired before 1987.
- Gain on sale or disposition of qualified assisted housing development to low-income residents or to specified entities maintaining housing for low-income residents.
- Undistributed capital gain for RIC shareholders.
- Gain or loss on the sale of property inherited before 1/1/87.
- Capital loss carrybacks.
- Capital gain distribution for children between the ages of 14 and 18.

Line 14 – Other Gains or (Losses)

Generally, no adjustments are made on this line. However, the California basis of your other assets may differ from your federal basis due to differences between California and federal law. Therefore, you may have to adjust the amount of other gains or losses. Get Schedule D-1, Sales of Business Property.

Line 15 – Total IRA Distributions

Generally, no adjustments are made on this line. However, there may be significant differences in the taxable amount of a distribution (including a distribution from conversion of a traditional IRA to a Roth IRA), depending on when you made your contributions to the IRA. Differences also occur if your California IRA deductions were different from your federal deductions because of differences between California and federal self-employment income.

If the taxable amount using California law is:

- Less than the amount taxable under federal law, enter the difference in column B.
- More than the amount taxable under federal law, enter the difference in column C.

Get FTB Pub. 1005, Pension and Annuity Guidelines, for more information and worksheets for figuring the adjustment to enter on line 15, if any.

If you have an IRA basis and were a nonresident in prior years, you may need to restate your California IRA basis. Get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency.

Coverdell ESA formerly known as Education (ED) IRA – If column A includes a taxable distribution from an ED IRA, you may owe additional tax on that amount. Get form FTB 3805P, Additional Taxes on Qualified

Plans (Including IRAs) and Other Tax-Favored Accounts. Report only the taxable amount of the distribution on line 21f.

Line 16 – Total Pensions and Annuities

Generally, no adjustments are made on this line. However, if you received Tier 2 railroad retirement benefits or partially taxable distributions from a pension plan, you may need to make the following adjustments.

If you received a federal Form RRB 1099-R for railroad retirement benefits and included all or part of these benefits in taxable income in column A, enter the taxable benefit amount in column B.

If you began receiving a retirement annuity between 7/1/86 and 1/1/87 and elected to use the three-year rule for California purposes and the annuity rules for federal purposes, enter in column C the amount of the annuity payments you excluded for federal purposes.

You may have to pay an additional tax if you received a taxable distribution from a qualified retirement plan before reaching age 59½ and the distribution was not rolled over into another qualified plan. See Form 540, line 33 instructions; or form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.

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

Adjustments to federal income or loss you reported in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis used to figure California depreciation may be different from the recovery period or amount used for federal. For more information, see the instructions for column B and column C, line 12.

California law does not conform to federal law for material participation in rental real estate activities. Beginning in 1994, and for federal purposes only, rental real estate activities conducted by persons in real property business are not automatically treated as passive activities. Get form FTB 3801, Passive Activity Loss Limitations, for more information.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 17 if you have:

- One or more passive activities that produce a loss.
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule E.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 17 if you have:

- Only nonpassive activities which produce either gains or losses (or combination of gains and losses).
- Passive activities that produce gains.

LLCs that are classified as partnerships for California purposes and limited liability partnerships (LLPs) are subject to the same rules as other partnerships. LLCs report distributive items to members on Schedule K-1 (568), Member's Share of Income, Deductions, Credits, etc. LLPs report to partners on Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc.

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information about accumulation distributions to beneficiaries for which the trust was not required to pay California tax because the beneficiary's interest was contingent.

Line 18 – Farm Income or (Loss)

Adjustments to federal income or loss you report in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis you use to figure California depreciation may be different from the amount used for federal purposes, and you may need to make an adjustment to your farm income or loss.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 18 if you have:

- One or more passive activities that produce a loss.

- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule F.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 18 if you have:

- Only nonpassive activities which produce either gains or losses (or combination of gains and losses).
- Passive activities that produce gains.

Line 19 – Unemployment Compensation

California excludes unemployment compensation from taxable income. Enter on line 19, column B the amount of unemployment compensation shown in column A.

Paid Family Leave Insurance (PFL) benefits, also known as Family Temporary Disability Insurance. Payments received from the PFL Program in 2007, are reported on your Form 1099-G in Column B, line 19. For additional information, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments.

Line 20 – U.S. Social Security Benefits

California excludes U.S. social security benefits or equivalent Tier 1 railroad retirement benefits from taxable income. Enter in column B the amount of U.S. social security benefits or equivalent Tier 1 railroad retirement benefits shown in column A.

Line 21 – Other Income

a. California Lottery Winnings. California excludes California lottery winnings from taxable income. Enter in column B the amount of California lottery winnings included in the federal amount on line 21 in column A.

Make no adjustment for lottery winnings from other states. They are taxable by California. California and federal laws allow gambling losses only to the extent of reported gambling income. If you reduced gambling income for California lottery income, you may need to reduce the losses included in the federal itemized deductions on line 38. Enter these losses on line 41 as a negative number.

b. Disaster Loss Carryover from form FTB 3805V, Part III, line 6. If you have a California disaster loss carryover from your 2006 form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts, enter that amount as a positive number in column B.

c. Federal NOL from Form 1040, line 21. If the amount on line 21 in column A includes a federal NOL, enter the amount of the federal NOL as a positive number in column C. Get form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts, to figure the allowable California NOL.

d. NOL carryover from form FTB 3805V, Part III, line 5. The allowable NOL carryover under California law is different from the allowable NOL carryover under federal law. Use form FTB 3805V to figure the allowable California NOL and enter it as a positive number in column B.

e. NOL from form FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809. Enter in column B the total NOL figured on the following forms.

- FTB 3805D, Net Operating Loss (NOL) Computation and Limitation – Pierce's Disease
- FTB 3805Z, Enterprise Zone Deduction and Credit Summary, line 5b
- FTB 3806, Los Angeles Revitalization Zone Deduction and Credit Summary, line 3b
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary, line 5b
- FTB 3809, Targeted Tax Area Deduction and Credit Summary, line 4b

f. Other (describe).

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

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

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

Beverage container recycling income. Enter in column B the amount of recycling income included in the amount on line 21 in column A.

Rebates or vouchers from a local water agency, energy agency, or energy supplier. California law allows an income exclusion for rebates or vouchers from a local water agency, energy agency, or energy supplier for the purchase and installation of water conservation appliances and devices. Enter in column B the amount of this type of income included in the amount on line 21 in column A.

Original issue discount (OID) for debt instruments issued in 1985 and 1986. In the year of sale or other disposition, you must recognize the difference between the amount reported on your federal return and the amount reported for California purposes. **Issuers:** Enter the difference between the federal deductible amount and the California deductible amount on line 21f in column B. **Holders:** Enter the difference between the amount included in federal gross income and the amount included for California purposes on line 21f in column C.

Foreign income of nonresident aliens. Adjust federal income to reflect worldwide income computed under California law. Enter losses from foreign sources in column B. Enter foreign source income in column C.

Cost-share payments received by forest landowners. Enter in column B the cost-share payments received from the Department of Forestry and Fire Protection under the California Forest Improvement Act of 1978 or from the United States Department of Agriculture, Forest Service, under the Forest Stewardship Program and the Stewardship Incentives Program, pursuant to the Cooperative Forestry Assistance Act.

Foreign Income. If you excluded income exempted by U.S. tax treaties on your federal Form 1040 (unless specifically exempt for state purposes), enter the excluded amount in Column C. If you claimed foreign earned income or housing cost exclusion on your federal Form 1040 (under IRC Section 911), see the instructions for line 21.

Compensation for False Imprisonment. California excludes compensation for false imprisonment from income. Enter the amount of compensation on line 21f, column B.

Coverdell (ESA) Distributions. If you received a distribution from a Coverdell ESA, report only the taxable amount of the distribution on line 21f.

Grants paid to low-income individuals. California excludes grants paid to low-income individuals to construct or retrofit buildings to make them more energy efficient. Federal has no similar exclusion. Enter on line 21f, column B the amount of this type of income.

Health Savings Account (HSA) Distributions for unqualified medical expense. Distributions from a HSA not used for qualified medical expenses, and included in federal income, are not taxable for California purposes. Enter the distribution not used for qualified medical expenses on line 21f, column B.

California National Guard Surviving Spouse & Children Relief Act of 2004. Death benefits up to \$10,000 received from the State of California by a surviving spouse/RDP or member-designated beneficiary of certain military personnel killed in the performance of duty is excluded from gross income. Military personnel include the California National Guard, State Military Reserve, or the Naval Militia. If you reported a death benefit on line 21, column A, enter the death benefit amount in column B.

Ottoman Turkish Empire Settlement Payments. If you received settlement payments as a person persecuted by the regime that was in control of the Ottoman Turkish Empire from 1915 until 1923 your gross income does not include those excludable settlement payments, or interest, received by you, your heirs, or your estate for payments received on or after January 1, 2005. If you reported settlement payments on line 21, column A, enter the amount of settlement payments in column B.

Mortgage relief upon sale or other disposition of principal residence. For taxable years 2007 through 2009, federal law allows an exclusion

of income from discharge of indebtedness from the disposition of your principal residence. If you were personally liable for a mortgage and you were relieved of liability for the mortgage indebtedness by disposition of the property then you may have realized a gain. To the extent the amount discharged exceeded the fair market value at the time of disposition, the difference is income from discharge of indebtedness. See federal Publication 544, Sales and Other Disposition of Assets, for more information. If you excluded income from the discharge of indebtedness on your federal return enter the amount in column C.

Hokie Spirit Memorial Fund exclusion. Enter in column C the amount excluded from federal income. For more information, get FTB Pub. 1001.

Line 22 – Total

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

Line 23 through Line 31a and Line 32 through Line 35 – California law is the same as federal law with the exception of the following:

- Line 23 (Educator expense) – Enter the amount from column A, line 23 to column B, line 23.
- Line 24 (Certain business expenses of reservists, performing artists, and fee-basis government officials) – If claiming a depreciation deduction as an unreimbursed employee business expense on federal Form 2106, you may have an adjustment in column B or column C.
- Line 25 (Health Savings Account (HSA) Deduction) – Federal law allows a deduction for contributions to an HSA account. California does not conform to this provision. Transfer the amount from Column A, line 25, to column B, line 25.
- Line 29 (Self-Employed Health Insurance Deduction) – Most people do not have any entry in column B or column C.
Enter on line 29, column C, the amount paid for health insurance coverage (established under your business) for your registered domestic partner and their dependents. Your total California deduction cannot exceed the limitations explained in the federal instructions. Do not include health insurance costs for any month you were eligible to participate in any subsidized health plan maintained by you or your registered domestic partner's employer.
Enter on line 29, column B, the amount of health insurance cost included in column A, line 29, for any month you were eligible to participate in any subsidized health plan maintained by your registered domestic partner's employer.
- Line 31a (Alimony Paid) – Enter the SSN or ITIN and last name of the person to whom you paid alimony.
If you are a nonresident alien and did not deduct alimony on your federal return, enter the amount you paid in column C.
- Line 32 (IRA Deduction) – If you are an active duty military servicemember domiciled outside of California, you may have an adjustment. See line 36.
California does not conform to the federal increase to the indexing of AGI requirements for IRAs. The phase-out for California remains at:
 - Single or Head of Household \$50,000 - \$60,000
 - Married/RDP filing joint or qualifying Widow(er) \$80,000 - \$100,000
 - Individual not active, spouse participant \$150,000 - \$160,000Federal amounts have increased to:
 - Single or Head of Household \$52,000 - \$62,000
 - Married filing joint/qualifying Widow(er) \$83,000 - \$103,000
 - Individual not active, spouse participant \$156,000 - \$166,000Compute your federal IRA deduction following the federal instructions using the federal IRA worksheet. Compute your California IRA deduction using the federal IRA worksheet using California phase-out amounts instead of federal amounts. Enter as an adjustment in column B, the difference between the amount determined for the federal IRA deduction and the California IRA deduction.
- Line 33 (Student Loan Interest Deduction) – California conforms to federal law regarding student loan interest deduction except for a spouse/RDP of a non-California domiciled military taxpayer residing in a community property state. Use the Student Loan Interest Deduction

Worksheet below to compute the amount to enter on line 33. See FTB Pub. 1032, Tax Information for Military Personnel, for more information.

Student Loan Interest Deduction Worksheet

1 Enter the total amount from Schedule CA (540), line 33, column A. If the amount on line 1 is zero, STOP. Enter zero on Schedule CA (540), column B. You are not allowed a deduction for California **1** _____

2 Enter the total interest you paid in 2007 on qualified student loans but not more than \$2,500 here . . **2** _____

3 From Form 1040, add line 33 (student loan interest deduction) to line 37 (AGI). Enter the result here **3** _____

4 Enter the total military income included in federal adjusted gross income (see FTB Pub. 1032) **4** _____

5 Subtract line 4 from line 3. **5** _____

6 Enter the amount shown below for your filing status.

- Single, head of household, or qualifying widow(er) – \$55,000
- Married/RDP filing jointly – \$110,000

6 _____

7 Is the amount on line 5 more than the amount on line 6?
 No. Skip lines 7 and 8, enter -0- on line 9, and go to line 10.
 Yes. Subtract line 6 from line 5 **7** _____

8 Divide line 7 by \$15,000 (\$30,000 if married/RDP filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000 . . **8** _____

9 Multiply line 2 by line 8 **9** _____

10 Student loan interest deduction. Subtract line 9 from line 2. **10** _____

11 Student loan interest adjustment. Enter the result here. If line 1 is less than line 10, enter the difference on Schedule CA (540), column C. **11** _____

- Line 34 (Tuition and fees deduction) – Enter the amount from column A, line 34, to column B, line 34.
- Line 35 (Domestic production activities deduction) – California does not conform to the federal law regarding the domestic production activities deduction. If you made an adjustment on your federal return for domestic production activities, enter that amount in column B.

Registered Domestic Partner – RDPs will compute their limitations based on the combined federal adjusted gross income (AGI) of each partner’s individual tax return filed with the Internal Revenue Service (IRS). For column A, line 23 through line 35, combine your federal amounts from each partner’s individual federal tax return. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Line 36 – Add line 23 through line 31a and line 32 through line 35 in column B and column C.

If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 36. Enter the amount and “Form 2555” or “Form 2555-EZ” on the dotted line next to line 36.

If you are active duty military and not domiciled in California and your IRA deduction was limited because of a federal AGI limitation, recalculate your deduction excluding your active duty military pay. If the recalculated amount is larger than the amount on line 32, column A, enter the difference between the two amounts in Column C, line 36. Enter the amount and “MPA Adjustment” on the dotted line next to line 36.

Line 37 – Total

Subtract line 36 from line 22 in column B and column C.

Also, transfer the amount from:

- Line 37, column B to Form 540, Side 1, line 14

If column B is a negative number, transfer the amount as a positive number to line 16.

- Line 37, column C to Form 540, Side 1, line 16

If column C is a negative number, transfer the amount as a positive number to line 14.

When itemizing deductions, go to Part II.

Part II – Specific Line Instructions

Line 38 – Federal Itemized Deductions

Enter the total amount of itemized deductions from your federal Form 1040, Schedule A, lines 4, 9, 15, 19, 20, 27, and 28.

Important: If you did not itemize deductions on your federal tax return but will itemize deductions on your California tax return, first complete federal Schedule A. Then complete Schedule CA (540), Part II, line 38 through line 44.

Line 39 – State, Local, Foreign Income Taxes, and General Sales Tax
 Add the following amounts from federal Schedule A (Form 1040) and enter on line 39:

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

If you are deducting either local general sales and use taxes or state and local income taxes as an itemized deduction on federal Schedule A, line 5, enter the amount on Schedule CA, line 39.

For taxable years beginning in 2004 and 2005, the American Jobs Creation Act of 2004 allows taxpayers to elect to claim either local general sales and use taxes or state and local income taxes as an itemized deduction. If you are deducting either of these on line 5 of federal Schedule A, enter the amount on line 39.

Line 41 – Other Adjustments

Adoption-Related Expenses – If you deducted adoption-related expenses on your federal Form 1040, Schedule A and are claiming the adoption cost credit for the same amounts on your Form 540, enter the amount of the adoption cost credit claimed as a negative number on line 41.

Mortgage Interest Credit – If you reduced your federal mortgage interest deduction by the amount of your mortgage interest credit (from federal Form 8396, Mortgage Interest Credit), increase your California itemized deductions by the same amount. Enter the amount of your federal mortgage interest credit as a positive number on line 41.

Nontaxable Income Expenses – If, on federal Schedule A, you claim expenses related to producing income taxed under federal law but not taxed by California, enter the amount as a negative number on line 41.

You may claim expenses related to producing income taxed by California law but not taxed under federal law by entering the amount as a positive number on line 41.

Employee Business Expense – If you completed federal Form 2106, Employee Business Expense or Form 2106-EZ, Unreimbursed Employee Business Expense, prepare a second set of forms reflecting your employee business expense using California amounts (i.e., following California law).

Generally, California law conforms with federal law and no adjustment is needed. However, differences occur when:

- Assets (requiring depreciation) were placed in service before 1/1/87. Figure the depreciation based on California law.
- Federal employees were on temporary duty status. California does not conform to the federal provision that expanded temporary duties to include prosecutive duties, in addition to investigative duties. Therefore, travel expenses paid or incurred in connection with temporary duty status (exceeding one year), involving the prosecution (or support of the prosecution) of a federal crime, should not be included in the California amount.

Compare line 10 on the federal form and the form completed using California amounts. If the federal amount is larger, enter the difference as a negative number on line 41 (bracket the number). If the California amount is larger, enter the difference as a positive number on line 41.

Investment Interest Expense – Your California deduction for investment interest expense may be different from your federal deduction. Use form FTB 3526, Investment Interest Expense Deduction, to figure the amount to enter on line 41.

Interest Expense Deduction – Your California interest expense deduction may be different from your federal deduction. A deduction is allowed for interest paid on any loan or financed indebtedness from a utility company to purchase energy efficient equipment and products for California residences. Enter as a positive number on line 41.

Gambling Losses – California lottery losses are not deductible for California. Enter the amount of California lottery losses shown on federal Schedule A as a negative number on line 41.

Federal Estate Tax – Federal estate tax paid on income in respect of a decedent is not deductible for California. Enter the amount of federal estate tax shown on federal Schedule A as a negative number on line 41.

Generation Skipping Transfer Tax – Tax paid on generation skipping transfers is not deductible under California law. Enter the amount of expenses shown on federal Schedule A as a negative number on line 41.

State Legislator’s Travel Expenses – Under California law, deductible travel expenses for state legislators include only those incurred while away from their place of residence overnight. Figure the difference between the amount allowed using federal law and the amount allowed using California law. Enter the difference as a negative number on line 41.

Charitable Qualified Contributions – Your California deduction may be different from your federal deduction. California limits the amount of your deduction to 50% of your federal adjusted gross income.

Charitable Contribution Carryover Deduction – If deducting a prior year charitable contribution carryover, and the California carryover is larger than the federal carryover, enter the additional amount as a positive number on line 41.

Health Savings Account (HSA) Distributions – If you received a tax-free HSA distribution for qualified medical expenses, enter the qualified expenses paid that exceed 7.5% of federal AGI as an adjustment to itemized deductions. To determine the amount of the itemized deduction adjustment:

- Calculate the medical expense deduction for California.
- Calculate the medical expense deduction for federal.
- Subtract the federal amount from the California amount. Enter the amount on line 41, as a positive amount.

Carryover Deduction Appreciated Stock Contributed to a Private Foundation prior to 1/1/02 – If deducting a charitable contribution carryover of appreciated stock donated to a private operating foundation prior to 1/1/02, and the fair market value allowed for federal purposes is larger than the basis allowed for California purposes, enter the difference as a negative number on line 41.

Interest on loans from utility companies – Taxpayers are allowed a tax deduction for interest paid or incurred on a public utility company financed loan that is used to purchase and install energy efficient equipment or products, including zone-heating products for a qualified residence located in California. Federal law has no equivalent deduction. Enter the amount as a positive number on line 41.

Medical benefits paid on behalf of registered domestic partners – Taxpayer benefits are extended to include the taxpayer’s registered domestic partner and their dependent(s) for medical expenses and health insurance benefits that occur on or after 1/1/02. Federal law does not include this provision. Enter the amount as a positive number on line 41.

Private Mortgage Insurance (PMI) – If you took the deduction on Form 1040, Schedule A, line 13, then subtract the same amount on line 41.

Claim of Right – If you had to repay an amount that you included in your income in an earlier year, because at the time you thought you had an unrestricted right to it, you may be able to deduct the amount repaid from your income for the year in which you repaid it. Or, if the amount you repaid is more than \$3,000, you may take a credit against your tax for the year in which you repaid it, whichever results in the least tax.

If the amount repaid was not taxed by California, then no deduction or credit is allowed.

If you claimed a credit for the repayment on your federal return and are deducting the repayment for California, enter the allowable deduction as a positive amount on Schedule CA (540NR), line 41. Deductions of \$3,000 or less are subject to the 2% federal AGI limit.

If you deducted the repayment on your federal return and are taking a credit for California, enter the amount of the federal deduction as a negative amount on Schedule CA(540NR), line 41. To help you determine whether to take a credit or deduction, see the Repayment section of federal Publication 525, Taxable and Nontaxable Income. Remember to use the California tax rate in your computations. If you choose to take the credit instead of the deduction for California, add the credit amount on line 44, the total payment line, of the Form 540. To the left of the total, write “IRC 1341” and the amount of the credit.

Line 43 – California Itemized Deductions

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

Single or married/RDP filing separately	\$155,416
Head of household	\$233,129
Married/RDP filing jointly or qualifying widow(er)	\$310,837

NO Transfer the amount from line 42 to line 43. Do not complete the worksheet.

YES Complete the Itemized Deductions Worksheet.

Note:

- If married or an RDP and filing a separate return, you and your spouse/RDP must either both itemize your deductions or both take the standard deduction.
- Also, if someone else can claim you as a dependent, claim the greater of the standard deduction or your itemized deductions. See the instructions for “California Standard Deduction Worksheet for Dependents” on page 11 or page 12 of the 540/540A tax booklet to figure your standard deduction.

Itemized Deductions Worksheet	
1. Amount from Schedule CA (540), line 42.	1 _____
2. Using California amounts, add the amounts on federal Form 1040, Schedule A, line 4, line 14, and line 20 plus any gambling losses included on line 28	2 _____
3. Subtract line 2 from line 1	3 _____
If zero, STOP. Enter the amount from line 1 on Schedule CA (540), line 43.	
4. Multiply line 3 by 80% (.80)	4 _____
5. Amount from Form 540, line 13.	5 _____
6. Enter the amount shown above for your filing status	6 _____
7. Subtract line 6 from line 5	7 _____
Note: If zero or less, STOP. Enter the amount from line 1 on Schedule CA (540), line 43.	
8. Multiply line 7 by 6% (.06)	8 _____
9. Compare line 4 and line 8. Enter the smaller amount here.	9 _____
10. Total itemized deductions. Subtract line 9 from line 1. Enter here and on Schedule CA (540), line 43	10 _____

Nonrefundable Renter's Credit Qualification Record



e-file and skip this page! The software you use to e-file will help you find out if you qualify for this credit and will figure the correct amount of the credit automatically. Go to our Website at www.ftb.ca.gov to check your e-file options.

If you were a resident of California and paid rent on property in California, which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions below to see if you qualify. For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified. When we use the initials (RDP) they refer to both a California Registered Domestic "Partner" and a California Registered Domestic "Partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners. **Do not mail this record. Keep with your tax records.**

<p>1. Were you a resident of California for the entire year in 2007? Military personnel. If you are not a legal resident of California, you do not qualify for this credit. However, your spouse/RDP may claim this credit if he or she was a resident, did not live in military housing during 2007, and is otherwise qualified. YES. Go to question 2. NO. Stop. File the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. See "Order Forms and Publications" on page 67.</p>
<p>2. Is your California adjusted gross income the amount on Form 540/540A, line 17: <ul style="list-style-type: none"> • \$33,272 or less if single or married/RDP filing separately; or • \$66,544 or less if married/RDP filing jointly, head of household, or qualifying widow(er)? YES. Go to question 3. NO. Stop here. You do not qualify for this credit.</p>
<p>3. Did you pay rent, for at least half of 2007, on property (including a mobile home that you owned on rented land) in California, which was your principal residence? YES. Go to question 4. NO. Stop here. You do not qualify for this credit.</p>
<p>4. Can you be claimed as a dependent by a parent, foster parent, legal guardian, or any other person in 2007? NO. Go to question 6. YES. Go to question 5.</p>
<p>5. For more than half the year in 2007, did you live in the home of the person who can claim you as a dependent? NO. Go to question 6. YES. Stop here. You do not qualify for this credit.</p>
<p>6. Was the property you rented exempt from property tax in 2007? You do not qualify for this credit if, for more than half of the year, you rented property that was exempt from property taxes. Exempt property includes most government-owned buildings, church-owned parsonages, college dormitories, and military barracks. However, if you or your landlord paid possessory interest taxes for the property you rented, then you may claim this credit. NO. Go to question 7. YES. Stop here. You do not qualify for this credit.</p>
<p>7. Did you claim the homeowner's property tax exemption anytime during 2007? You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified. NO. Go to question 8. YES. Stop here. You do not qualify for this credit.</p>
<p>8. Were you single in 2007? YES. Go to question 11. NO. Go to question 9.</p>
<p>9. Did your spouse/RDP claim the homeowner's property tax exemption anytime during 2007? You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified. NO. Go to question 11. YES. Go to question 10.</p>
<p>10. Did you and your spouse/RDP maintain separate residences for the entire year in 2007? YES. Go to question 11. NO. Stop here. You do not qualify for this credit.</p>
<p>11. If you are: <ul style="list-style-type: none"> • Single, enter \$60 below. • Married/RDP filing separately; if you and your spouse/RDP file separate returns, lived in the same rental property and both qualify for this credit, one spouse/RDP may claim the full amount of the credit (\$120), or each spouse/RDP may claim half the amount (\$60 each). • Married/RDP filing jointly, head of household, or qualifying widow(er), enter \$120 below. (Exception: If married/RDP filing jointly and one spouse/RDP claimed the homeowner's property tax exemption, enter \$60 below.) Enter this figure on Form 540/540A, line 28. \$ _____ Fill in the street address(es) and landlord information below for the residence(s) you rented in California during 2007, which qualified you for this credit.</p>

Street Address	City, State, and ZIP Code	Dates Rented in 2007 (From _____ to _____)
-----------------------	----------------------------------	---

a _____
b _____

Enter the name, address, and telephone number of your landlord(s) or the person(s) to whom you paid rent for the residence(s) listed above.

Name	Street Address	City, State, ZIP Code, and Telephone Number
-------------	-----------------------	--

a _____
b _____

CREDIT CHART

Credit Name	Code	Description
Child Adoption – Worksheet on page 14	197	50% of qualified costs in the year an adoption is ordered
Child and Dependent Care Expenses – FTB 3506 See the instructions on page 63	None	Similar to the federal credit except that the California credit amount is based on a specified percentage of the federal credit and is refundable
Community Development Financial Institution Deposits – Certification Required	209	20% of each qualified deposit made to a community development financial institution Obtain certification from: California Organized Investment Network (COIN), Department of Insurance, 300 Capitol Mall, Suite 1600, Sacramento CA 95814, or go to www.insurance.ca.gov
Dependent Parent – See page 14	173	Must use married/RDP filing separately status and have a dependent parent
Disabled Access for Eligible Small Businesses – FTB 3548	205	Similar to the federal credit but limited to \$125 based on 50% of qualified expenditures that do not exceed \$250
Donated Agricultural Products Transportation – FTB 3547	204	50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations
Employer Child Care Contribution – FTB 3501	190	Employer: 30% of contributions to a qualified plan
Employer Child Care Program – FTB 3501	189	Employer: 30% of cost for establishing a child care program or constructing a child care facility
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California.
Enterprise Zone Employee – FTB 3553	169	5% of wages from work in an enterprise zone
Enterprise Zone Hiring & Sales or Use Tax – FTB 3805Z	176	Business incentives for enterprise zone businesses
Environmental Tax – FTB 3511	218	Five cents (\$.05) for each gallon of ultra low sulfur diesel fuel produced during the taxable year by a small refiner at any facility located in this state
Farmworker Housing – Certification required	207	50% of new construction or rehabilitation costs for farmworker housing Obtain certification from: Farmworker Housing Assistance Program, California Tax Credit Allocation Committee, 915 Capitol Mall, Room 485, Sacramento CA 95814, or go to www.treasurer.ca.gov
Joint Custody Head of Household – Worksheet on page 14	170	30% of tax up to \$374 for taxpayers who are single or married/RDP filing separately, who have a child and meet the support test
Local Agency Military Base Recovery Area (LAMBRA) Hiring & Sales or Use Tax – FTB 3807	198	Business incentives for LAMBRA
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Manufacturing Enhancement Area (MEA) Hiring – FTB 3808	211	Percentage of qualified wages paid to qualified disadvantaged individuals
Natural Heritage Preservation – FTB 3503	213	55% of the fair market value of any qualified contribution of property donated to the state, any local government, or any nonprofit organization designated by a local government
Nonrefundable Renter's – See page 58	None	For California residents who paid rent for their principal residence for at least 6 months in 2007 and whose AGI does not exceed a certain limit
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California
Prior Year Alternative Minimum Tax – FTB 3510	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 2007
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Rice Straw – Certification required	206	\$15 per ton of purchased rice straw grown in California Obtain certification from: Rice Straw Tax Credit Program, Department of Food and Agriculture, 1220 N Street, Room 140, Sacramento, CA 95814, or go to www.cdfa.ca.gov
Senior Head of Household – Worksheet on page 14	163	2% of taxable income up to \$1,111 for seniors who qualified for head of household in 2005 or 2006 and whose qualifying individual died during 2005 or 2006
Targeted Tax Area (TTA) Hiring & Sales or Use Tax – FTB 3809	210	Business incentives for TTA businesses

Repealed Credits: The expiration dates for these credits have passed. However, these credits had carryover provisions. You may claim these credits only if there is a carryover available from prior years. If you are not required to complete Schedule P (540), get form FTB 3540, Credit Carryover Summary, to figure your credit carryover to future years. See "Where To Get Income Tax Forms and Publications" on page 7.

Agricultural Products	175	Joint Strike Fighter Property Cost	216	Ridesharing	171
Commercial Solar Electric System	196	Los Angeles Revitalization Zone (LARZ) Hiring & Sales or Use Tax	159	Salmon & Steelhead Trout Habitat Restoration	200
Commercial Solar Energy	181	Low-Emission Vehicles	160	Solar Energy	180
Employee Ridesharing	194	Manufacturers' Investment	199	Solar Pump	179
Employer Ridesharing: Large employer	191	Orphan Drug	185	Solar or Wind Energy System	217
Small employer	192	Political Contributions	184	Water Conservation	178
Transit passes	193	Recycling Equipment	174	Young Infant	161
Energy Conservation	182	Residential Rental & Farm Sales	186		
Joint Strike Fighter Wages	215				

Owe Money?

Web Pay lets you pay **online**, so you can schedule it, and forget it!
Go to www.ftb.ca.gov and search for **Web Pay**.

Voluntary Contribution Fund Descriptions

Make voluntary contributions of \$1 or more in whole dollar amounts to the funds listed below. To contribute to the California Seniors Special Fund use the instructions for code 50 below. The amount you contribute either reduces your overpaid tax or increases your tax due. You may contribute to only the funds listed and cannot change the amount you contribute after you file your return. Go to our Website at www.ftb.ca.gov and search for **voluntary contributions**.

Enter the amounts you want to contribute on the line for the fund on Side 2. Enter the total contributions on line 61.

Fund Name	Code	Description
California Seniors Special Fund	50	If you and/or your spouse/RDP are 65 years of age or older as of December 31, 2007, and claim the Senior Exemption Credit on line 9, you may make a combined total contribution of up to \$188 or \$94 per spouse/RDP. Contributions entered to this fund will be distributed to the Area Agency of Aging Councils (TACC) to provide advice on and sponsorship of Senior Citizens issues. Any excess contributions not required by TACC will be distributed to senior citizen service organizations throughout California for meals, adult day care, and transportation.
Alzheimer's Disease/Related Disorders Fund	51	Contributions will provide grants to California scientists who study Alzheimer's disease and related disorders. This research includes basic science, diagnosis, treatment, prevention, behavioral problems, and care giving. With one-half million Californians living with the disease and another 2 million providing care to a loved one with Alzheimer's, our state is in the early stages of a major public health crisis. Your contribution will ensure that Alzheimer's disease receives the attention, research, and resources it deserves.
California Fund for Senior Citizens	52	Contributions will provide support for the California Senior Legislature (CSL). The CSL are volunteers who prioritize statewide senior related legislative proposals in areas of health, housing, transportation, and community services. Any excess contributions not required by the CSL will be distributed to senior citizen service organizations throughout California.
Rare and Endangered Species Preservation Program	53	Contributions will be used to help protect and conserve California's many threatened and endangered species and the wild lands that they need to survive, for the enjoyment and benefit of you and future generations of Californians.
State Children's Trust Fund for the Prevention of Child Abuse	54	Contributions will be used to fund programs for the prevention, intervention, and treatment of child abuse and neglect.
California Breast Cancer Research Fund	55	Contributions will fund research toward preventing and curing breast cancer. Breast cancer is the most common cancer to strike women in California. It kills 4,000 California women each year. Contributions also fund research on prevention and better treatment, and keep doctors up-to-date on research progress. For more about the research your contributions support, please see our Website at www.cbcrp.org . Your contribution can help make breast cancer a disease of the past.
California Firefighters' Memorial Fund	56	Contributions will be used for the repair and maintenance of the California Firefighters' Memorial on the grounds of the State Capitol, ceremonies to honor the memory of fallen firefighters and to assist surviving loved ones, and for an informational guide detailing survivor benefits to assist the spouses/RDPs and children of fallen firefighters.
Emergency Food Assistance Program Fund	57	Contributions will be used to help local food banks feed California's hungry. Your contribution will fund the purchase of much-needed food for delivery to food banks, pantries, and soup kitchens throughout the state. The State Department of Social Services will monitor its distribution to ensure the food is given to those most in need.
California Peace Officer Memorial Foundation Fund	58	Contributions will be used to preserve the memory of California's fallen peace officers and assist the families they left behind. Since statehood, over 1,300 courageous California peace officers have made the ultimate sacrifice while protecting law-abiding citizens. The non-profit charitable organization, California Peace Officers' Memorial Foundation, has accepted the privilege and responsibility of maintaining a memorial for fallen officers on the State Capitol grounds. Each May, the Memorial Foundation conducts a dignified ceremony honoring fallen officers and their surviving families by offering moral support, crisis counseling, and financial support that includes academic scholarships for the children of those officers who have made the supreme sacrifice. On behalf of all of us and the law-abiding citizens of California, thank you for your participation.
California Military Family Relief Fund	59	Contributions will be used to provide financial aid grants to members of the California National Guard who are California residents, and have been called to active duty.
California Sea Otter Fund	60	The California Coastal Conservancy and the Department of Fish and Game will each be allocated 50% of the contributions. The California Coastal Conservancy will use the contributions for research and programs related to the near-shore ecosystem, including sea otters. The Department of Fish and Game will use the contributions to establish a sea otter fund within the department's index coding system for increased investigation, prevention, and enforcement action.

2007 Child and Dependent Care Expenses Credit

3506

Attach to your California Form 540, 540A, or Long Form 540NR.

Name(s) as shown on return

SSN or ITIN

Part I Unearned Income and Other Funds Received in 2007. See instructions.

Table with 4 columns: SOURCE OF INCOME/FUNDS, AMOUNT, SOURCE OF INCOME/FUNDS, AMOUNT

Part II Persons or Organizations Who Provided the Care in California - You must complete this part. See instructions.

1 Enter the following information for each person or organization that provided care in California. (Only care provided in California qualifies for the credit). If you need more space, attach a separate sheet.

Table with 3 columns: Care provider's name, Provider, Provider

Did you receive dependent care benefits? No Complete Part III below. Yes Complete Part IV before Part III.

Part III Credit for Child and Dependent Care Expenses

2 Information about your qualifying person(s). See instructions.

Table with 5 columns: (a) Qualifying person's name, (b) Qualifying person's social security number (SSN), (c) Qualifying person's date of birth, (d) Percentage of physical custody, (e) Qualified expenses

Table with 3 columns: Description, Line number, Amount

Part IV Dependent Care Benefits

13	Enter the total amount of dependent care benefits you received for 2007. This amount should be shown in box 10 of your Form(s) W-2. Do not include amounts that were reported to you as wages in box 1 of Form(s) W-2. Include amounts you received under a dependent care assistance program from your sole proprietorship or partnership	13		00
14	Enter the amount, if any, you carried over from 2006 and used in 2007 during the grace period	14		00
15	Enter the amount, if any, you forfeited or carried forward to 2008.	15	(00)
16	Combine line 13 through line 15	16		00
17	Enter the total amount of qualified expenses incurred in 2007 for the care of the qualifying person(s) . See instructions.	17		00
18	Enter the smaller of line 16 or line 17	18		00
19	Enter YOUR earned income	19		00
20	If married or an RDP filing a joint return, enter YOUR SPOUSE'S/RDP's earned income (if your spouse/RDP was a student or was disabled, see the instructions for line 5); if married or an RDP filing a separate return, see the instructions for the amount to enter; all others , enter the amount from line 19.	20		00
21	Enter the smallest of line 18, line 19, or line 20.	21		00
22	Enter the amount from line 13 that you received from your sole proprietorship or partnership. If you did not receive any amounts, enter -0-	22		00
23	Subtract line 22 from line 16	23		00
24	Enter \$5,000 (\$2,500 if married or an RDP filing separately and you were required to enter your spouse's/RDP's earned income on line 20).	24		00
25	Deductible benefits. Enter the smallest of line 21, line 22, or line 24. Also, include this amount on the appropriate line(s) of your return.	25		00
26	Enter the smaller of line 21 or line 24	26		00
27	Enter the amount from line 25	27		00
28	Excluded benefits. Subtract line 27 from line 26. If zero or less, enter -0-	28		00
29	Taxable benefits. Subtract line 28 from line 23. If zero or less, enter -0-	29		00
30	Enter \$3,000 (\$6,000 if two or more qualifying persons)	30		00
31	Enter the amount from line 25 and line 28	31		00
32	Subtract the amount on line 31 from the amount on line 30. If zero or less, stop . You do not qualify for the credit. Exception – If you paid 2006 expenses in 2007, see instructions for line 11	32		00
33	Complete Side 1, Part III, line 2. Add the amounts in column (e) and enter the total here	33		00
34	Enter the amount from your federal Form 2441, Part III, line 32	34		00
35	Enter the smaller of line 32, line 33, or line 34. Also, enter this amount on Side 1, line 3 on the front of this form and complete line 4 through line 12	35		00

Worksheet – Credit for 2006 Expenses Paid in 2007

- 1) Enter your 2006 qualified expenses paid in 2006. If you did not claim the credit for these expenses on your 2006 return, get and complete a 2006 form FTB 3506 for these expenses. You may need to amend your 2006 return. _____
- 2) Enter your 2006 qualified expenses paid in 2007 _____
- 3) Add the amounts on line 1 and line 2 _____
- 4) Enter \$3,000 if care was for one qualifying person (\$6,000 for two or more). _____
- 5) Enter any dependent care benefits received for 2006 and excluded from your income (from line 24 of 2006 form FTB 3506). _____
- 6) Subtract amount on line 5 from amount on line 4 and enter the result _____
- 7) Compare your and your spouse's/RDP's earned income for 2006 and enter the **smaller** amount. _____
- 8) Compare the amounts on line 3, line 6, and line 7 and enter the **smallest** amount. _____
- 9) Enter the amount from your 2006 form FTB 3506, line 6 _____
- 10) Subtract amount on line 9 from amount on line 8 and enter the result. If zero or less, **stop** here. You cannot increase your credit by any previous year's expenses _____
- 11) Enter your 2006 federal adjusted gross income (AGI) (from your 2006 Form 540, line 13; 540A, line 12b; or Long Form 540NR, line 13). _____
- 12) 2006 federal AGI decimal amount (from 2006 form FTB 3506, instructions for line 7). X
- 13) Multiply line 10 by line 12 _____
- 14) 2006 California AGI decimal amount (from 2006 form FTB 3506, instructions for line 9). X
- 15) Multiply line 13 by line 14. Enter the result here and on line 11 of your 2007 form FTB 3506 _____

Instructions for Form FTB 3506

Child and Dependent Care Expenses Credit

What's New

Registered Domestic Partners (RDP)

Effective for taxable years beginning on or after January 1, 2007, RDPs under California law must file their California income tax returns using either the married/RDP filing jointly or married/RDP filing separately filing status. RDPs will have the same legal benefits, protections, and responsibilities as married couples unless otherwise specified.

If you entered into a same sex legal union in another state, other than a marriage, and that union has been determined to be substantially equivalent to a California registered domestic partnership, effective for taxable years beginning on or after January 1, 2007, you are required to file a California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status. For more information on what states have legal unions that are considered substantially equivalent, go to our Website at www.ftb.ca.gov and search for RDP.

For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified. When we use the initials (RDP), they refer to both a California Registered Domestic "Partner" and a California Registered Domestic "Partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars

Beginning with the 2007 tax forms, 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 round, FTB will disregard the cents. This change helps process your returns quickly and accurately.

General Information

Attach the completed form FTB 3506 to your return if you claim the child and dependent care expenses credit.

A Purpose

You may qualify to claim the 2007 credit for child and dependent care expenses, if you (and your spouse/RDP) paid someone in California to care for your child or other qualifying person while you worked or looked for employment. You must have earned income to do so. If you qualify to claim the credit, use form FTB 3506 to figure the amount of your credit.

If you received dependent care benefits for 2007 but do not qualify to claim the credit, you are not required to complete form FTB 3506. For additional definitions, requirements, and instructions, get federal Form 2441, Child and Dependent Care Expenses.

B Differences in California and Federal Law

The differences between California and federal law are as follows:

- California allows this credit only for care provided in California.
- If you were a nonresident, you must have earned wages from working in California or earned self-employment income from California business activities.
- Federal adjusted gross income must be \$100,000 or less to qualify for the California credit.
- The California credit is a percentage of the federal credit as modified by California law.
- The California credit is refundable.
- An RDP may file a joint California return and claim this credit.

C Qualifications

You may take the credit if **all eight** of the following apply.

1. If you are married or an RDP, you must file a joint return. For an exception, see Section E, Married Persons or RDPs Filing Separate Returns, on page 64.
2. Care must be provided in California for one or more qualifying persons. See Section D, Qualifying Person Defined, on this page.
3. You paid for care so you (and your spouse/RDP) could work or look for work. However, if you did not find a job and have no earned income, you do not qualify for the credit. If your spouse/RDP was a student or disabled, see the instructions for Part III, line 5, on page 66.

4. You (and your spouse/RDP) must have earned income (wages or self-employment income) during the year. See the instructions for Part III, line 4, on page 65 for more information on earned income.
5. You and the qualifying person(s) live in the same home for more than half the year.
6. The person who provided care was not your spouse/RDP, the parent of your qualifying child, or a person for whom you can claim a dependent exemption. If your child provided the care, the child must have been age 19 or older by the end of 2007.
7. You report the required information about the care provider(s) in Part II, line 1, and the information about the qualifying person(s) in Part III, line 2.
8. Your federal adjusted gross income is \$100,000 or less.

D Qualifying Person Defined

Rules for Most People	
A qualifying person is:	
1.	A child under age 13 who meets the requirements to be your dependent as a Qualifying Child. A child who turned 13 during the year qualifies only for the part of the year when he or she was 12 years old.
2.	Your spouse/RDP who was physically or mentally incapable of self-care.
3.	Any person who was physically or mentally incapable of self-care whom you can claim as a dependent (or could claim as a dependent except that the person had gross income of \$3,400 or more or filed a joint return).
4.	Any disabled person not able to care for himself or herself whom you could claim as a dependent except that you (or your spouse/RDP if filing a joint return), could be claimed as a dependent on someone else's 2007 return.

Qualifying Child

A Qualifying Child is a child who meets all of the following tests:

- **Relationship Test** - The child must be your son, daughter, stepchild, adopted child, eligible foster child, brother, sister, half-brother, half-sister, stepbrother, stepsister, or a descendant of one of these. An adopted child includes a child who has been lawfully placed with you for legal adoption even if the adoption is not yet final. An eligible foster child must be placed with you by an authorized placement agency or by a court.
- **Age Test** - The child must be under 19 years of age or a full-time student under 24. (For the purposes of qualifying for the Child and Dependent Care Expenses Credit, the child must be under 13.)
- **Residency Test** - The child must live with you for more than half the year.
- **Support Test** - The child must not have provided more than half of his or her own support.
- **Joint Return Test** - The child must not have filed a joint federal or state income tax return with his or her spouse/RDP.
- **Citizenship Test** - The child must be a citizen or national of the U.S. or a resident of the U.S., Canada, or Mexico.

Qualifying Child of More Than One Person -- Tie-Breaker Rules	
If...	Then the child will be treated as the qualifying child of the...
Only one of the persons is the child's parent	Parent.
Both persons are the child's parent	Parent with whom the child lived with for the longer period of time. If the child lived with each parent for the same amount of time then the child will be treated as the qualifying child of the parent with the highest adjusted gross income.
None of the persons are the child's parent	Person with the highest adjusted gross income.

Divorced, RDP terminated, Separated, or Never Married Parents

For divorced, separated, RDP terminated, or never married parents, special rules apply in determining if your child meets the requirements to be your qualifying person. When parents file separate returns, only one parent qualifies to claim a child as a qualifying person.

Even if both parents pay for child care for the same child, both parents cannot qualify for the credit. Some custody agreements designate which parent is entitled to the credit. However, the designated parent must meet all the qualifications in Section C, Qualifications, to claim the credit. To verify that your child meets the requirements to be your qualifying person, use the table below.

RULES FOR DIVORCED, SEPARATED, OR NEVER MARRIED PARENTS		
IF	AND	THEN
<p>ALL four of the following apply:</p> <p>1. Your child was under 13 and/or physically or mentally incapable of self-care when the care was provided. Children turning 13 during the year qualify only for the part of the year they were 12 years old.</p> <p>2. One of the following applies</p> <p>a. You are divorced, legally separated, or have terminated the registered domestic partnership.</p> <p>b. You are separated under a written separation agreement.</p> <p>c. You and the other parent lived apart at all times during the last 6 months of the year. (This includes parents never married to each other.)</p> <p>3. One or both parents had custody of the child for more than half the year.</p> <p>4. One or both parents provided more than half the child's support for the year.</p>	<p>You were the custodial parent <u>and</u> you can claim the dependent exemption credit for the child.</p>	<p>The child is your qualifying person.</p>
	<p>You were the custodial parent and under the provisions of a decree of divorce, legal separation, termination of registered domestic partnership, or a written separation agreement, the noncustodial parent claimed the dependent exemption credit, or you signed a statement releasing the dependent exemption credit to the noncustodial parent.</p>	<p>The child is your qualifying person.</p>
	<p>You are <u>not</u> the custodial parent.</p>	<p>The child is <u>not</u> your qualifying person.</p>
	<p>One or more of the four statements above do not apply.</p>	<p>Use the "Rules for Most People" on page 63, section D.</p>

Custodial parent. You are the custodial parent if you had physical custody of your child longer than the other parent during the calendar year. On days where custody is shared, the parent having custody of the child for more than 12 hours is considered to have custody for that day.

E Married Persons or RDPs Filing Separate Returns

Generally, if you are married or an RDP, you must file a joint return to claim the credit. However, you can take the credit on your separate return if:

- You meet all three requirements below:
 - You lived apart from your spouse/RDP at all times during the last six months of 2007.
 - The qualifying person(s) lived in your home more than half of 2007.
 - You provided over half the cost of keeping up your home.
- You meet all the other qualifications in Section C, Qualifications.

F Nonresidents and Part-Year Residents

- You must complete and attach Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents, to your tax return, Long Form 540NR. If Part I of Schedule CA (540NR) is not fully completed, we may disallow your credit.
- Nonresidents must have earned income from California sources to qualify for the credit. Beginning with taxable year 2007, a nonresident servicemember's military wages are considered earned income from a California source for the purpose of qualifying for the credit.
- Part-year residents must have earned income while a California resident or earned income from California sources while a nonresident to qualify for the credit.

Specific Line Instructions

Part I

Unearned Income and Other Funds

List the source and amount of **any** money you received in 2007 that is not included in your earned income (line 4 and line 5) but that was used to support your household. Include child support, property settlements, public assistance benefits, court awards, inheritances, insurance proceeds, pensions and annuities, social security payments, workers' compensation, unemployment compensation, interest, or dividends.

Part II

Line 1

Complete line 1a through line 1g for each person or organization that provided the care in California. Only care provided in California qualifies for the credit. Use federal Form W-10, Dependent Care Provider's Identification and Certification, or any other source listed in the instructions for Form W-10 to get the information from your care provider. If your provider does not give you the information, complete as much of the information as possible and explain that your provider did not give you the information you requested.

If you do not give correct and complete information, we may disallow your credit unless you can show you used due diligence in trying to get the required information.

Lines 1a through Line 1c

Enter your California care provider's complete name (or business name), address, and telephone number (including the area code). If you do not give complete information, we may disallow your credit. We may contact your care provider to verify the information you provide.

If you were covered by your employer's dependent care plan and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name on line 1a. Next, enter "See W-2" on line 1b. Complete line 1c through line 1f. Then leave line 1g blank. But, if your employer paid a third party (not hired by your employer) on your behalf to provide care, you must provide information on the third party on line 1a through line 1g.

Line 1d

For each care provider, check one box indicating whether the care provider is a person or organization.

Line 1e

If your care provider is	Then enter on line 1e
An individual	The provider's social security number (SSN) or Individual Taxpayer Identification Number (ITIN)
Not an individual	The provider's federal employer identification number (FEIN)
A tax-exempt organization	"Tax-exempt"

Line 1f

Enter the complete physical address where the care was provided. A post office box is not acceptable. If you do not provide correct or complete information, your credit may be disallowed. Only care provided in California qualifies for the credit.

Line 1g

Enter the total amount you **actually paid** in 2007 to your care provider for care provided in California. Also include amounts your employer paid to a third party on your behalf. It does not matter when the expenses were incurred. Do not reduce this amount by any reimbursement you received.

We may ask you to provide proof of payment. Cash payments without documentation may not be accepted.

Part III

Line 2

Complete column (a) through column (e) for each qualifying person for whom care was provided in California. If claiming more than three qualifying persons, attach a sheet of paper to your return with the required information and write "see attached." Write your name and social security number (SSN) or Individual Taxpayer Identification Number (ITIN) on the sheet.

Column (a)

Enter each qualifying person's name.

Column (b)

Enter each qualifying person's SSN. Verify that the name and SSN match the qualifying person's social security card to avoid the reduction or disallowance of your credit. If the person was born in, and later died in, 2007, and does not have a SSN, enter "Deceased" in column (b) and attach a copy of the person's birth and death certificates.

Enter the SSNs of the first two qualifying persons on Form 540, line 40 and line 41; Form 540A, line 40 and line 41; or Long Form 540NR, line 47 and line 48.

Column (c)

Enter the qualifying person's date of birth (mm/dd/yyyy) in the space provided or if the qualifying person is disabled (physically or mentally incapable of self-care), check the "Yes" box. Incomplete information could result in a delay or disallowance of your credit.

Column (d)

If you shared custody of the qualifying person(s), enter the percentage of time you possessed physical custody during 2007. If you have 50% or less physical custody of your child, you don't qualify for the credit.

Column (e)

Enter the qualified expenses you incurred and paid in 2007 for the qualifying person(s). Include only the qualified expenses for care provided in California. If the child turned 13 years old during the year, include only the qualified expenses for the part of the year the child was under 13.

Do not include in column (e) qualified expenses:

- You incurred in 2007 but did not pay until 2008. You may be able to use these expenses to increase your 2008 credit.
- You incurred in 2006 but did not pay until 2007. Instead, see instructions for line 11.
- You prepaid in 2007 for care to be provided in 2008. These expenses may only be used to figure your 2008 credit.

A qualified expense does not include the amount you paid for education (school tuition) or the amount you received through a subsidy program.

Qualified Expenses are amounts paid for the care of your qualifying person while you worked or looked for work.

Qualified expenses include:	Qualified expenses do not include:
<ul style="list-style-type: none">• The cost of care for the qualifying person's well-being and protection. If care was provided by a dependent care center, the center must meet all applicable state and local regulations.• Cost of pre-school or similar program below the kindergarten level.• Day camp, even if it specialized in a particular activity, such as soccer.	<ul style="list-style-type: none">• Child support payments.• Payments made to the parent of your qualifying child.• Payments made to your spouse/RDP.• Payments made to your child who is under age 19 at the end of the year, even if he or she is not your dependent.• Payments made to a dependent for whom you (or your spouse/RDP) can claim a dependent exemption.• Expenses paid by or reimbursed through a subsidy program.• Cost for education (school tuition) at the kindergarten level and above.• Overnight camp.

Line 4

Earned income Includes:	Earned income does not include:
<ul style="list-style-type: none">• Wages, salary, tips, and other taxable employee compensation, as well as, military compensation including compensation in a combat zone.• Net earnings from self-employment.• Strike benefits.• Disability payments you report as wages.• Active duty pay received by servicemembers of the armed forces is considered earned income regardless of whether the member is domiciled in this state or elsewhere.	<ul style="list-style-type: none">• Pensions or annuities.• Social security payments.• Workers' compensation.• Interest.• Dividends.• Capital gains.• Unemployment compensation.• Public assistance.• Homeowner and Renter Assistance.

Nonresidents and Part-Year Residents Only: Earned income from California sources includes:	Earned income does not include:
<ul style="list-style-type: none">• Wages, salary, tips, and other taxable employee compensation for working in California, as well as, military compensation including compensation for service in a combat zone.• Net earnings from self-employment from California business activities.• Strike benefits related to California employment.• Disability payments you report as California wages.• Active duty pay received by servicemembers of the armed forces is considered earned income regardless of whether the servicemembers is domiciled in this state or elsewhere.	<ul style="list-style-type: none">• Pensions or annuities.• Social security payments.• Workers' compensation.• Interest.• Dividends.• Capital gains.• Unemployment compensation.• Public assistance.• Homeowner and Renter Assistance.

Line 5

Spouse/RDP Who Was a Student or Disabled

Your spouse/RDP was a **student** if he or she was enrolled as a full-time student at a school during any 5 months of 2007. A school does not include a night school or correspondence school.

Your spouse/RDP was **disabled** if he or she was not capable of self-care. Figure your spouse's/RDP's earned income on a monthly basis.

For each month your spouse/RDP was a full-time student or disabled, enter on line 5 the larger of the following:

- Your spouse's/RDP's actual earned income for that month.
- \$250 (\$500, if you have 2 or more qualifying persons).

If, in the same month, both you and your spouse/RDP qualified as either full-time students or disabled, only one of you receive treatment as having earned income of \$250 (or \$500) in that month. For any month that your spouse/RDP was not a full-time student or disabled, use your spouse's/RDP's actual earned income for that month.

Line 7

Use the chart on this page to determine the decimal amount to enter on line 7. Your federal adjusted gross income (AGI) is on Form 540A, line 13; Form 540, line 13; or Long Form 540NR, line 13.

If your Federal AGI is:		The decimal amount on Line 7 is:
Over	But not over	
\$0	\$15,000	.35
15,000	17,000	.34
17,000	19,000	.33
19,000	21,000	.32
21,000	23,000	.31
23,000	25,000	.30
25,000	27,000	.29
27,000	29,000	.28
29,000	31,000	.27
31,000	33,000	.26
33,000	35,000	.25
35,000	37,000	.24
37,000	39,000	.23
39,000	41,000	.22
41,000	43,000	.21
43,000	No limit	.20

Line 9

Use the chart below to determine the decimal amount to enter on line 9.

If your federal AGI from Form 540A, line 13; Form 540, line 13; or Long Form 540NR, line 13 is:	The decimal amount to enter on Line 9 is:
\$40,000 or less	.50
Over \$40,000 but not over \$70,000	.43
Over \$70,000 but not over \$100,000	.34
Over \$100,000	Stop. You do not qualify for this credit.

Line 11

If you had qualified expenses for care that was provided in 2006 that you paid for in 2007, you may be able to increase your credit for 2007. Complete the Worksheet on Side 2 of form FTB 3506. You will need a copy of your 2006 California tax return to complete the worksheet.

Part IV

Line 13

Dependent care benefits are:

- Amounts an employer paid directly to you (or your spouse/RDP), or to your care provider for the care of your qualifying person(s), while you worked.
- A day-care facility provided by your employer.
- Generally deducted from your salary.
- Shown in box 10 of your 2007 Form(s) W-2.

Line 14

Enter the amount from federal Form 2441, line 13.

Line 15

If you had a flexible spending account, any amount included on line 13 that you did not receive because you did not incur the expense is considered forfeited. Do not include amounts you expect to receive at a future date.

Line 17

Enter the total of all qualified expenses incurred in 2007. It does not matter when the expenses were paid.

A qualified expense does not include the amount you paid for education (school tuition) or the amount you received through a subsidy program.

Example: You received \$2,000 cash under your employer's dependent care plan for 2007. The \$2,000 is shown in box 10 of your Form W-2. You incurred \$900 of qualified expenses in 2007 for the care of your 3-year-old dependent child. Enter \$900 on line 17, but report the entire \$2,000 on line 13.

For all other lines, follow specific line instructions on the form. For additional information, get federal Form 2441 or federal Publication 503, Child and Dependent Care Expenses.

Line 20

If you are married or an RDP filing a separate return and you meet the requirements of section E, Married Persons Filing Separate Returns, part 1, then enter your earned income from line 19. On line 24, enter \$5,000. If you were married or an RDP and filed a separate return but did not meet the requirements of section E, Married Persons Filing Separate Returns, part 1, then enter **your spouse's/RDP's earned income**. If your spouse/RDP was a student or disabled in 2007, see the instructions for line 5. On line 24, enter \$2,500.

Line 12 and line 14

You need the 2006 form FTB 3506 instructions to complete the Credit for 2006 Expenses Paid in 2007 Worksheet, on Side 2. Forms are available from our Website at www.ftb.ca.gov or by calling (800) 338-0505.

Line 12

Enter the decimal amount from the chart in the line 7 instructions of the **2006** form FTB 3506 that corresponds to your **2006** federal adjusted gross income.

Line 14

Enter the decimal amount from the chart in the line 9 instructions of the **2006** form FTB 3506 that corresponds to your **2006** California adjusted gross income.



Automated Toll-Free Phone Service

(Keep This Booklet For Future Use)

General Toll-Free Phone Service

Telephone assistance is available year-round from 7 a.m. until 6 p.m. Monday through Friday, except holidays.

From within the United States . . . (800) 852-5711

From outside the United States

(not toll-free) (916) 845-6500

For federal tax questions,

call the IRS at (800) 829-1040

Assistance for persons with disabilities

We comply with the Americans with Disabilities Act. Persons with a hearing or speech impairment call:

TTY/TDD (800) 822-6268

Large-print forms and instructions – The Resident Booklet is available in large print upon request and is also available on audio CD. See “Where To Get Income Tax Forms and Publications” on page 7.

CD. See “Where To Get Income Tax Forms and Publications” on page 7.

Asistencia bilingüe en español

Asistencia telefónica esta disponible todo el año durante las 7 a.m. y las 6 p.m. lunes a viernes, excepto días festivos.

Dentro de los Estados Unidos,

llame al (800) 852-5711

Fuera de los Estados Unidos,

llame al (cargos aplican) (916) 845-6500

Para preguntas sobre impuestos

federales, llame el IRS al. (800) 829-1040

Página Electrónica: www.ftb.ca.gov

Asistencia para personas discapacitadas:

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla, pueden llamar al (800) 822-6268 con un aparato de telecomunicación TTY/TTD.

Use our automated toll-free phone service to get recorded answers to many of your questions about California Taxes and to order current year Personal Income Tax Forms and Publications. You can also:

- Get current year tax refund information.
- Get balance due and payment information.

Have paper and pencil ready to take notes.

Call from within the

United States (800) 338-0505

Call from outside the

United States (916) 845-6500
(not toll-free)

Order Forms and Publications

If your current address is on file, you can order California tax forms for the current and previous two years. See the instructions on page 7.

Code California Tax Forms and Publications

900 California Resident Income Tax Booklet:

Form 540, Resident Income Tax Return

Form 540A, Resident Income Tax Return

965 Form 540 2EZ Tax Booklet

903 Schedule CA (540), California Adjustments

– Residents FTB 3885A, Depreciation and

Amortization Adjustments Schedule D,

California Capital Gain or Loss Adjustment

969 Large Print Resident Booklet

970 Resident Booklet on Audio CD

907 Form 540-ES, Estimated Tax for Individuals

908 Form 540X, Amended Individual Income Tax Return

909 Schedule D-1, Sales of Business Property

910 Schedule G-1, Tax on Lump-Sum Distributions

911 Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents

913 Schedule S, Other State Tax Credit

914 California Nonresident Income Tax Booklet:

Long and Short Form 540NR, Nonresident

or Part-Year Resident Income Tax Return

917 Schedule CA (540NR), California

Adjustments – Nonresidents or Part-Year

Residents

918 Schedule P (540NR), Alternative Minimum

Tax and Credit Limitations – Nonresidents

or Part-Year Residents

932 FTB 3506, Child and Dependent Care

Expenses Credit

937 FTB 3516, Request for Copy of Personal

Income Tax or Fiduciary Return

921 FTB 3519, Payment for Automatic

Extension for Individuals

972 FTB 3520, Power of Attorney form and FTB

Pub. 1144, Power of Attorney Frequently

Asked Questions

922 FTB 3525, Substitute for W-2 Wage and Tax

Statement

923 FTB 3526, Investment Interest Expense

Deduction

940 FTB 3540, Credit Carryover Summary

949 FTB 3567, Installment Agreement Request

924 FTB 3800, Tax Computation for Children

with Investment Income

929 FTB 3801, Passive Activity Loss Limitations

925 FTB 3805E, Installment Sale Income

928 FTB 3805P, Additional Taxes from Qualified

Retirement Plans

926 FTB 3805V, Net Operating Loss (NOL)

– Individuals

927 FTB 5805, Underpayment of Estimated Tax

by Individuals and Fiduciaries

919 FTB Pub. 1001, Supplemental Guidelines to

California Adjustments

920 FTB Pub. 1005, Pension and Annuity

Guidelines

945 FTB Pub. 1006, California Tax Forms and

Related Federal Forms

946 FTB Pub. 1008, Federal Tax Adjustments

and Your Notification Responsibilities

943 FTB Pub. 4058, California Taxpayers’ Bill of

Rights

941 FTB Pub. 1031, Guidelines for Determining

Resident Status

942 FTB Pub. 1032, Tax Information for Military

Personnel

951 FTB Pub. 1051A, Guidelines for Married/

RDP Filing Separate Returns

934 FTB Pub. 1540, California Head of

Household Filing Status

Current Year Refund Information

If you file by mail, wait at least 8 weeks after you file your tax return before you call to find out about your refund. You need your social security number, the numbers in your street address, box number, route number, or PMB number, and your ZIP Code to use this service.

Balance Due and Payment Information

Wait at least 45 days from the date you mailed your payment before you call to verify receipt. You need your social security number, the numbers in your street address, box number, route number, or PMB number, and your ZIP Code to use this service.

Answers To Tax Questions

Call our automated phone service, select “Personal Income Tax,” then “Frequently Asked Questions,” and enter the 3-digit code.

Code Filing Assistance:

100 Do I need to file a return?

111 Which form should I use?

112 How do I file electronically and get a fast refund?

201 How can I get an extension to file?

203 What is the nonrefundable renter’s credit and how do I qualify?

204 I never received a Form W-2. What do I do?

205 I have no withholding taken out. What do I do?

206 Do I have to attach a copy of my federal return?

209 I lived in California for part of the year. Do I have to file a return?

210 I did not live in California. Do I have to file a return?

215 Who qualifies me to use the head of household filing status?

222 How much can I deduct for vehicle license fees?

Penalties

403 What is the estimate penalty rate?

Notices And Bills

503 How do I file a protest against a Notice of Proposed Assessment?

506 How can I get information about my Form 1099-G?

Tax For Children

601 Can my child take a personal exemption credit when I claim her or him as a dependent on my return?

Miscellaneous

611 What address do I send my payment to?

619 How do I report a change of address?

ReadyReturn

If you are single and your income is only from wages, you may qualify for ReadyReturn. It provides you with a pre-filled 2007 tax return. To see if you qualify:

- Call (800) 338-0505 or
- Go to www.ftb.ca.gov and search for **ReadyReturn**



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