



State of California  
**Franchise Tax Board**

# 2015 VITA/TCE California Volunteer Reference Manual

**California Volunteers Make the Difference**

Instructions for:

- ▶ Form 540
- ▶ Schedule CA
- ▶ Form 3506
- ▶ Volunteer Procedures
- ▶ Tax Wise Tips



Prepared By: Franchise Tax Board

## Critical Numbers

Site Identification Number (SIDN)

Site Name

Partner: \_\_\_\_\_

Phone: \_\_\_\_\_

State Coordinator: \_\_\_\_\_

Phone: \_\_\_\_\_

### Franchise Tax Board Field Offices

LOS ANGELES FIELD OFFICE  
300 S SPRING STREET SUITE 5704  
LOS ANGELES CA 90013-1204

SAN DIEGO FIELD OFFICE  
7575 METROPOLITAN DRIVE SUITE 201  
SAN DIEGO CA 92108-4402

OAKLAND FIELD OFFICE  
1515 CLAY STREET SUITE 306  
OAKLAND CA 94612-1432

SAN FRANCISCO FIELD OFFICE  
121 SPEAR STREET SUITE 400  
SAN FRANCISCO CA 94105-3685

SACRAMENTO FIELD OFFICE  
3321 POWER INN ROAD SUITE 250  
SACRAMENTO CA 95826-3389

SANTA ANA FIELD OFFICE  
600 W. SANTA ANA BLVD SUITE 300  
SANTA ANA CA 92701-4532

**Volunteer Hotline** (For Volunteer Use Only)

800.522.5665

### Automated Phone Service

From Within the United States, call

800.338.0505

From Outside the United States, call (not toll-free)

916.845.6600

### Public Assistance Numbers

From Within the United States, call

800.852.5711

From Outside the United States, call (not toll-free)

916.845.6500

### Website

Get More Information at [ftb.ca.gov](http://ftb.ca.gov)

- How to e-file
- Check the status of a refund
- Options for paying taxes
- Have California forms mailed to you
- Download forms and publications

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**2015 California Volunteer  
Reference Manual**

**Introduction  
Section**



## **What's New for 2015?**

### **State EITC**

California now offers its own Earned Income Tax Credit (CA EITC). The CA EITC is "refundable," meaning that you will receive a refund if the amount of the credit is greater than the tax you owe. This credit is available to California households with adjusted gross incomes of less than \$6,580 if there are no qualifying children, less than \$9,880 if there is one qualifying child, or less than \$13,870 if there are two or more qualifying children.

### **Standard Deduction Amounts:**

- Single and married filing separately - \$4,044.
- Married filing jointly/RDP, head of household, and qualifying widow(er) - \$8,088.

### **Exemption Credit Amounts Changed:**

- For dependents - \$337
- For personal, senior, and blind - \$109

## **Reminders**

### **Child & Dependent Care Expenses Credit**

For taxable years beginning on or after January 1, 2011 the Child and Dependent Care Expenses Credit is nonrefundable. The information has been moved from the payment section to the tax and credit section of the 540.

### **Use Tax Table**

For purchases less than \$1,000, a use tax table based on California AGI is included in the 540 Booklet.

### **Capital Gain Exclusion**

California conforms to capital gain exclusion amounts for sale of personal residence by a surviving spouse/RDP.

### **Computer Based Training**

The VITA/TCE computer based training (CBT) quiz and test are offered as a supplement or alternative to classroom training at a basic certification level. Find the CBT online at

[https://www.ftb.ca.gov/individuals/vita/Training\\_Course/mainmenu.aspx](https://www.ftb.ca.gov/individuals/vita/Training_Course/mainmenu.aspx) or search the volunteer program webpage at [https://www.ftb.ca.gov/individuals/vita/index.shtml?WT.mc\\_id=Ind\\_Sidebar\\_VITA](https://www.ftb.ca.gov/individuals/vita/index.shtml?WT.mc_id=Ind_Sidebar_VITA).

**Estimated Tax Payments** – Installments due for each tax year beginning on or after January 1, 2012, shall be 30 percent of the required annual payment for the first required installment, 40 percent of the annual payment for the second required installment, no installment due for the third required installment, and 30 percent of the annual payment for the fourth required installment. Taxpayers with a tax liability less than \$500 (\$250 for married/RDP filing separately) do not need to make estimated tax payments.

**Important Due Dates**

|   |   |
|---|---|
| <p style="text-align: center;"><b>April 18, 2016</b></p>  | <p>Last day for your client to file and pay the 2015 tax, they owe to avoid penalties and interest. See FTB 3519, <i>Payment for Automatic Extension for Individuals</i>, for more information.</p> <p>If a client is living or traveling outside the United States on April 18, 2016, the due dates for filing a return and paying tax are different.</p>  |
| <p style="text-align: center;"><b>October 17, 2016</b></p>  | <p>Last day for your client to file their 2015 tax return to avoid penalties and interest computed from the original due date of April 18, 2016.</p>  |
| <p style="text-align: center;"><b>April 18, 2016 (30%)</b></p> <p style="text-align: center;"><b>June 15, 2016 (40%)</b></p> <p style="text-align: center;"><b>September 15, 2016 (0%)</b></p> <p style="text-align: center;"><b>January 17, 2017 (30%)</b></p> | <p>Due dates for 2016 estimated tax payments. Generally, your clients do not have to make estimated tax payments if their California withholding in each payment period totals 90 percent of their required annual payment. Also, they will not have to make estimated tax payments if they pay enough through withholding to keep the amount they owe with their tax return under \$500 (\$250 if married/RDP filing separately). However, if they do not pay enough tax either through withholding or by making estimated tax payments, they may have an underpayment penalty. See Form 540-ES instructions for more information.</p> |

## State and Federal Differences

### California does not tax:

- Interest income from savings bonds, U.S. Treasury Bills, or any other bonds of the U.S. or U.S. Territories.
- State income tax refunds.
- Unemployment compensation and paid family medical leave.
- Social security benefits.
- Tier 1 and tier 2 railroad retirement benefits.
- California lottery winnings.

### California does tax:

- Foreign earned income.
- Interest income from non-California state and local bonds.
- Interest income from District of Columbia bonds issued after December 27, 1973.
- Interest income from municipal bonds issued by a county, city, town, or other local government unit in a state other than California.
- Foreign social security income.

California law differs from federal law with regard to certain itemized deductions. California disallows some of the federal adjustments to gross income. California offers partial conformity to federal provisions. Refer to FTB 1001, *Supplemental Guidelines to California Adjustments*, for important differences. California allows contributions to many different funds. Under federal law, a spouse may seek relief in instances where a refund on a joint return is used to pay (offset) a debt of the other spouse. California does not conform to this provision.

**Example:** In 1998, Sam was a full-time student and Sally was employed. Sam and Sally filed a joint tax return. Sam and Sally's refund was used to offset past-due child support owed by Sam. For federal purposes, Sally is an injured spouse. Thus, Sally may claim her share of the refund on federal Form 8379, *Injured Spouse Allocation*. California does not conform to this provision.

### **California tax credits include:**

- Nonrefundable Renter’s Credit.
- Child and Dependent Care Expenses.
- Joint Custody Head of Household.
- Refundable Earned Income Tax Credit.
- Dependent Parents.
- Senior Head of Household.
- Child Adoption.
- As well as many other special credits. Refer to Form 540 instruction booklet for additional credits.

### **Additional Information**

#### **Scope of VITA/TCE**

The VITA/TCE program provides assistance to individuals with limited income who need help completing simple federal and state income tax returns. Non-resident and part-year resident tax returns can be complex. This manual excludes instructions for the California long or short Form 540NR. This manual limits instructions to California resident tax returns only.

Generally, volunteer sites open as early as January 15 and provide assistance through April 15 each year. In all cases, VITA/TCE sites do not charge for assistance.

#### **General Filing Requirements**

If in doubt about if a return needs to be filed or not, file a tax return. By filing a tax return, your client avoids penalties for failure to file.

If a client may be claimed as a dependent on someone else’s tax return, file a tax return if gross income exceeds the standard deduction. Use the “Standard Deduction Worksheet for Dependents” to figure the standard deduction amount.

Remember, even if your client does not have a filing requirement, file a tax return to claim a refund if:

- There is California withholding on Form W-2 or 1099s.
- The client paid estimated tax payments to the State of California.
- The client paid out of pocket child care expenses.

### **Deceased Taxpayers**

If a tax return is normally required, file a final tax return for individuals who died during 2015. If there is no administrator or executor appointed, file a joint tax return with the surviving spouse/RDP as long as the spouse/RDP did not remarry during 2015. Write “surviving spouse/RDP” next to their signature on the tax return.

If your client is not the surviving spouse/RDP, and claims a refund due a deceased taxpayer, attach to the tax return federal Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, and a copy of the death certificate.

### **Children Under 19 With More Than \$2,000 of Investment Income**

State and federal rules conform for children under age 19, or under age 24 and a full time student, who received more than \$2,000 of investment income in 2015. The taxpayer must complete Form 540 and FTB 3800, *Tax Computation for Children with Investment Income*, or FTB 3803, *Parents' Election to Report Child's Interest and Dividends*.

This rule does not apply if the child, aged 19 through 24, has earned income that exceeds half of their support.

Prior to 2010, there were differences in conformity between federal and state. For information on prior year differences, contact the Volunteer Hotline, 800.522.5665.

### **Rounding**

Please round cents to the nearest whole dollar. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. If you add two or more sums to figure the amount to enter on a line, include cents when adding and round only the total.

### **California Tax Forms on the Internet**

Download, view, and print California income tax forms and publications at [ftb.ca.gov](http://ftb.ca.gov).

## Filing Requirements for Most Clients

Read down the first column to find your client's filing status at the end of 2015. Read across to find the age of your client at the end of 2014 and the number of dependents they claim for 2015. File a tax return if either the California gross income or the California adjusted gross income exceeds the listed amount for their filing status, age, and number of dependents.

| On<br>12/31/2015<br>my client's<br>filing status<br>was:  | And my client's<br>age was:               | California Gross Income  |        |              | California Adjusted<br>Gross Income |        |              |
|---|---|--|--------|--------------|-------------------------------------|--------|--------------|
|   |   | Number of Dependents   |        |              | Number of Dependents                |        |              |
|   |   | 0  | 1      | 2 or<br>more | 0                                   | 1      | 2 or<br>more |
| Single or<br>Head of<br>Household   | Under 65                                  | 16,256   | 27,489 | 35,914       | 13,005                              | 24,238 | 32,663       |
|   | *65 or older                              | 21,706   | 30,131 | 36,871       | 18,455                              | 26,880 | 33,620       |
| Married<br>Filing<br>Jointly/RDP<br>or Married<br>Filing<br>Separately/<br>RDP (with<br>combined<br>incomes*) | Under 65                                  | 32,514   | 43,747 | 52,172       | 26,012                              | 37,245 | 45,670       |
|   | *65 or older (1<br>spouse or<br>RDP)      | 37,964   | 46,389 | 53,129       | 31,462                              | 39,887 | 46,627       |
|   | *65 or older<br>(both spouses<br>or RDPs) | 43,414   | 51,839 | 58,579       | 36,912                              | 45,337 | 52,077       |
| Qualifying<br>Widow/<br>Widower   | Under 65                                  |  | 27,489 | 35,914       |                                     | 24,238 | 32,663       |
|   | *65 or older                              |  | 30,131 | 36,871       |                                     | 26,880 | 33,620       |
| Dependent of another<br>person. (Any filing status,<br>any age)   |   | More than your client's<br>standard deduction.<br><br>*Married filing separate<br>filing status may be<br>different. |        |              |                                     |        |              |

**California Gross Income** is all income your client's received in the form of money, goods, property, and services that are not exempt from tax. Gross income does not include any adjustments or deductions.

**California Adjusted Gross Income (AGI)** is your client's federal adjusted gross income from all sources reduced or increased by all California adjustments.

**Note:** If your client's 65th birthday is on January 1, 2016, they are considered to be age 65 on December 31, 2015.

## California Income Tax Returns

There are four state personal income tax forms for California:

- 540 2EZ – For full year residents
- 540 – For full year residents
- 540NR – *Long Form* for part year residents and nonresidents
- 540NR – *Short Form* for part year residents and nonresidents

This manual covers instructions for:

- Form 540
- Schedule CA (540)
- Form 3506
- TaxWise Tips
- Volunteer Procedures

### Filling in Paper Tax Returns

Use a black or blue ballpoint pen to fill in the copy of the tax return for the Franchise Tax Board (FTB). The scanning machine cannot read red, other colored ink, or pencil.

Print all names and words in **CAPITAL LETTERS**.

Enter your client's social security number at the top of the form. Social security numbers are not on mailing labels or letters.

Print numbers inside boxes. Line up dollar amounts. Always round cents to the nearest whole dollar on the tax return and schedules.

If there is no entry for a line, leave it blank. Do not enter a dash. Also, do not enter a zero unless the instructions specifically advise you to enter a zero.

See the example below for filling in the name.

| J | O | H | N | |

If any of your client's names or addresses are too long to fit in the boxes, ignore the boxes and fit the information in the provided space. John SmithBarney enters his last name as follows:

| S | M | I | T | H | B | A | R | N | E | Y |

**Important Note:** Remember to write the social security number for each client and spouse/RDP, if applicable. Paper filers enter date of birth. If either a taxpayer or spouse/RDP filed a tax return using a different last name in 2014, enter the last name used on that tax return in the space provided.

**Which Tax Form to Use – 540 2EZ or 540?**

|                      | <b>540 2EZ</b>  | <b>540</b>                                     |
|----------------------|---|--|
| Filing Status        | Single, married/RDP filing jointly, head of household, or qualifying widower  | Any filing status                              |
| Dependents           | 0-3 allowed   | All dependents the client is entitled to claim |
| Sources of Income    | <ul style="list-style-type: none"> <li>• Wages, salaries, tips</li> <li>• Scholarship or fellowship grants</li> <li>• Unemployment compensation</li> <li>• U.S. Social Security</li> <li>• Railroad retirement</li> <li>• Pensions</li> <li>• Dividends</li> <li>• Mutual Funds</li> <li>• Capital gains</li> </ul> | All sources of income                          |
| Amount of Income     | Taxable 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). If your client can be claimed as a dependent by another taxpayer, see form instructions.   | Any amount of income                           |
| Adjustment to Income | None  | All adjustments to income                      |

**Which Tax Form to Use – 540 2EZ or 540? (CON'T.)**

|                     | <b>540 2EZ</b>   | <b>540</b>   |
|---------------------|--|--|
| Standard Deduction  | Allowed (included in tax table calculation)  | Allowed  |
| Itemized Deductions | None   | All itemized deductions  |
| Payments            | Withholding shown on Form W-2  | Same as 540 2EZ and withholding from: <ul style="list-style-type: none"> <li>• Withholding shown on IRS Forms W-2G and 1099R</li> <li>• Estimated tax payments</li> <li>• Payments made with extension voucher</li> <li>• Excess State Disability Insurance (SDI) or Voluntary Plan Disability (VPDI)</li> <li>• 592-B</li> <li>• 593-B</li> </ul> |
| Tax Credits         | Personal, dependent, and senior exemption credits.<br>Nonrefundable Renter's Credit. |  |



# **2015 California Volunteer Reference Manual**

# **General Information Section**

The General Information section covers common rules that apply to two or more of the California tax forms. Find specific information in the appropriate 540 or 540 2EZ booklet.



**All of the information in this section appears on two or more California tax forms.**

**Name and Address**

- Paper filers complete the entire tax form, and then check your entire math and line amounts.
- Make sure the information is correct, give the tax return to a fellow volunteer for quality review, before the client signs, and dates the tax return.
- If your client has multiple last names, use the last name on the social security card. The state software rejects hyphenated last names. If your client has a hyphenated last name, enter both names minus the hyphen on the state tax return.

When your client files married/RDP filing jointly or married filing separately, always enter both social security numbers.

Postal regulations require using PMB with your client's mailbox number if they leased the box from a private business rather than the United States Postal Service. If a private mailbox is used, enter your client's box number in the field labeled address and use PMB plus number.

**Important Note:** When using software, check the box and enter apartment numbers separately on the state tax return (Form 540, Page 1).

**Social Security Numbers**

Enter your client's social security number in the correct space. If filing a joint return, list the social security numbers in the same order as the names on the tax return.

If your client has applied for, but not yet received, an Individual Taxpayer Identification number (ITIN), write *Applied For* in the social security field.

**Important Info:** If your client does not have a social security number because they are a nonresident or resident alien for federal tax purposes, and the IRS issued your client an ITIN, enter the ITIN in the space provided for the social security number.

**Filing Status**

Your client's filing status for California must be the same as the filing status used on the federal return unless the client is part of a Registered Domestic Partnership.

**Exception:** Married clients who file a joint federal income tax return may file separate state tax returns if either spouse:

- Was an active duty member of the United States armed forces (or any auxiliary military branch) during 2015.
- Was a California nonresident for the entire year with no California source income.

The exceptions above require income splitting. Since income splitting rules are complex and outside the scope of the VITA/TCE volunteer program, if military, refer them to their Staff Judge Advocate’s Office.

Completely fill in the circle for the filing status that applies to your clients.

**Claimed as a Dependent**

Completely fill in the circle on line 6 if your client, or their spouse/RDP, meet the dependency rules on someone else’s tax return.

**Exemptions**

**Personal**

Find the exemption credit amounts in the exemption section of Form 540.

If the **square on line 6 is blank** and the filing status is:

|                                      |          |
|--------------------------------------|----------|
| Single, enter                        | <b>1</b> |
| Married/RDP filing jointly, enter    | <b>2</b> |
| Married/RDP filing separately, enter | <b>1</b> |
| Head of Household, enter             | <b>1</b> |
| Qualifying widow(er), enter          | <b>2</b> |

If you **did** check the square on line 6 and the filing status is:

- Single, married/RDP filing separately, head of household or married/RDP filing jointly, and both your client and their spouse/RDP can be claimed as a dependent, **enter 0.**
- Married/RDP filing jointly and only your client or their spouse/RDP can be claimed as a dependent, **enter 1.**

Then, multiply this number by \$109 and enter the amount on line 7 of Form 540.

## **Blind**

Claim an additional personal exemption credit if your client, or spouse/RDP if filing jointly, is visually impaired. If this exemption is claimed for the first time, attach a doctor's statement verifying the visual impairment to the **back** of the tax return.

*Visually impaired* means: "Vision is no better than 20/200 while wearing glasses or contact lenses, or that the field of vision is not more than 20 degrees." Enter 1 if your client qualifies or 2 if both the client and their spouse/RDP qualify. Multiply this number by \$109 and enter the amount on line 8 of Form 540.

**Important Info:** This exemption credit cannot be taken if your client can be claimed as a dependent on someone else's tax return.

## **Senior**

Claim an additional personal exemption credit if your client, or their spouse/RDP, if filing jointly, is 65 years of age or older by December 31, 2015. Enter 1 if your client qualifies or 2 if both your client and spouse/RDP are 65 or older. Multiple this number by \$109 and enter the amount on line 9 of Form 540.

If your client's 65th birthday is on January 1, 2016, they are considered age 65 on December 31, 2015.

If your client can be claimed as a dependent on someone else's return, they may not claim this exemption credit.

**Important Note:** You must check the "blind" box located on the main information screen and/or enter your client's birth date on the main information screen in order for the blind and senior exemption credits to automatically enter on the state tax return.

## **Dependents**

An exemption credit is allowed for each dependent. Write the name and relationship of each dependent in the appropriate space.

Listed dependents must be the same on both federal and state tax returns.

Count the number of dependents listed, and enter the total in the appropriate boxes on the forms. Multiply the number of dependents by \$337 and enter the amount on line 10 of Form 540.

**Important Info:** The Dependent Exemption Credit on Form 540 2EZ is included in Form 540 2EZ tax tables.

### **Income Adjustments**

These are the adjustments available on the California Form 540. Refer to the Form 540 section for additional information and income adjustments available.

### **State Income Tax Adjustment**

California does not tax state income tax refunds. Enter the amount of any state income tax refund on Form 1040, line 10, as a subtraction adjustment to income on the California tax return.

### **Unemployment Compensation Adjustment**

California does not tax unemployment compensation or paid family medical leave reported on federal Form(s) 1099-G and shown on the federal tax return. Enter the amount of taxable unemployment compensation or paid family medical leave on Form 1040, line 19, as a subtraction adjustment to income on the California tax return.

### **Social Security Benefits, Tier I and Tier 2 Railroad Retirement Benefit Adjustments**

California does not tax:

- Social security benefits and equivalent tier I railroad retirement benefits on Form 1040, line 20b.
- Tier 2 railroad retirement benefits on Form 1040, line 16b.

Enter the total taxable amounts of the income types above on your client's federal tax return as a subtraction adjustment to income on the California return.

Adjust the income types above on California Adjustments – Residents Form CA (540) for Form 540 filers.

**Important Note:** If your client has a 1099R with tier I or tier 2 income, make sure you "X" the "Railroad" box when entering the Form 1099R to indicate taxable income from this 1099R qualifies for subtraction on the California Schedule CA (540).

## **California Nontaxable Interest or Dividend Income Adjustment**

California does not tax interest income from:

- United States savings bonds.
- United States Treasury Bills.
- Any other bonds or obligations of the United States, U.S. territories, and government agency obligations specifically exempt by federal law.

Enter nontaxable interest amounts included on Form 1040, line 8a, as a subtraction adjustment to income on the California tax return. Adjust the income types above on California Adjustments – Residents Form Schedule CA (540) for Form 540 filers.

### **Interest from municipal or state bonds from a state other than California:**

Report this interest, taxable by California but not by federal, on Form Schedule CA (540). If you identify this type of interest income as tax exempt on your client's federal return, add it back on their state return. Enter the federal tax-exempt interest on line 8, column C, Form Schedule CA (540).

### **Exempt-interest dividends from mutual funds:**

Certain qualified mutual funds pay "exempt interest dividends." If at least 50 percent of their assets, at the end of each quarter, consist of tax-exempt government obligations, including tax-exempt government obligations of the state of California and its' municipalities, that amount of dividend is exempt from California tax. Find the tax-exempt portion of the dividend on your client's annual statement. Enter the California exempt-interest amount that exceeds the federal exempt-interest amount on Form Schedule CA (540), line 8, column B.

Tax exempt interest dividends include:

- Exempt federal obligations, or
- California state or local obligations.

For California purposes, federal and California state obligations may be combined to meet the 50 percent test. California tax exempt obligations are different than federal. The differences are:

- Federal – State or local obligations of any state.
- California – California state or local obligations. U.S. federal obligations.

**Important Info:** The mutual fund determines the tax-exempt amount for federal tax purposes and sends a statement to the taxpayer. The federal amount will be correct for California if the exempt-interest dividends are from California state and local obligations.

Only federal obligations that would be exempt from California taxation if held by the individual taxpayer qualify for tax-exempt treatment.

The amount designated by the mutual fund as an exempt interest dividend may contain items that are not exempt from California tax (e.g. non-California state obligations or non-deductible interest expenses). In this case, only a percentage of the dividend will be exempt for California purposes.

**Important Note:** On the federal Schedule B, interest statement, enter a “+” in the state adjustment column, for interest that needs to be added to the state tax return. Place a “-” in the column for interest that is nontaxable to the state and needs to be subtracted on the state tax return.

### **California Distributions**

Although the taxing method of IRA distributions is generally the same for California and federal calculations, there may be differences in the taxable amount depending on the year the client made the contribution.

If your client or their spouse/RDP contributed to an IRA in 1975, or 1982 through 1986, you may need to make an adjustment. California and federal deduction rules differed during these years. The client may owe less California tax on the distribution amount.

Consider an IRA fully taxable if your client took the full deduction at the time of the contribution. If the IRA contribution was partially or fully nondeductible, then the nondeductible contribution is not taxed when your client begins taking distributions.

Since California law differs from federal law, complete the “IRA Adjustment Worksheet” in this chapter to determine California basis.

#### **1975:**

IRA deductions disallowed for California. Federal allowed an IRA deduction up to \$1,500.

**1982 through 1986:**

California and federal law differed. The maximum federal individual deduction equaled \$2,000. Active participants in qualified and government retirement plans, and persons who contributed to tax-sheltered annuities, qualified for the federal deduction. For California, the maximum deduction equaled the lesser of \$1,500 or 15% of earned income with an additional deduction for a “nonworking spouse,” up to an overall limit of \$1,750. California disallowed all IRA deductions if an individual was an active participant in a qualified or government retirement plan or contributed to a tax-sheltered annuity.

**1987 through present:**

California law conforms to the federal law. Therefore, if your clients made an IRA contribution during those years, no adjustment is necessary.

**California residents who were formerly nonresidents:**

California law changed for tax years beginning on or after January 1, 2002.

Under the prior law, when your client became a California resident, they received a stepped-up basis in their IRA equal to their annual contributions made while a nonresident, plus their IRA earnings while a nonresident. A nonresident’s IRA basis was carried over until fully recovered. But now, under the new law, they no longer have this stepped-up basis.

The law treats a former nonresident as if they were a resident for all prior years for all items of deferred income, which includes IRAs. Therefore, a former nonresident claims a basis only for nondeductible contributions under California law for a California resident. This applies only to contributions made prior to 1987.

If your client became a California resident prior to 2002 with an unrecovered stepped-up basis carryover for 2002, restate their IRA basis using the new law.

If a client does not recover basis from the initial distribution, the client may amend for applicable years. Otherwise, any unrecovered basis is lost.

**Important Note:** For more information, see FTB 1005, *Pension and Annuity Guidelines*.

**Below is an example of how to figure a California Basis Adjustment**

| <b>Basis Worksheets – Worksheet I Figuring California Basis/Adjustment to Federal AGI</b>   |  |
|---|--|
| <b>Part A - Pre-1987 California Basis</b> (If you have already computed your California basis as of 12/31/2015, or have always been a California resident, skip to Part B.) |  |
| 1. Enter your total federal deductions claimed prior to 1987.   |  |
| 2. Enter total California deductions claimed prior to 1987 (or the deductions you could have claimed if you had been a California resident).                                |  |
| 3. Total California basis (subtract line 2 from line 1).  |  |
| 4. Enter your California basis recovered in prior years.  |  |
| 5. California basis as of 12/31/2015. Subtract line 4 from line 3.  |  |
| <b>Part B – Adjustments to Federal AGI and Remaining Pre-1987 California Basis</b>  |  |
| 1. Enter your taxable distribution from your Federal Form 1040, line 15b (or line 16b).   |  |
| 2. Enter your California basis as of 12/31/2015.  |  |
| 3. Enter the smaller of line 1 or line 2. Enter this amount on Schedule CA (540), line 15b, or line 16b.  |  |
| 4. Remaining California basis as of 12/31/2015. Subtract line 3 from line 2.  |  |

|   |                 |
|---|-----------------|
| <b>Enter Total California basis from information above or client's records:</b>                 | <b>1. \$900</b> |
| <b>Enter California basis recovered in prior years:</b>   | <b>2. \$0</b>   |
| <b>California basis as of 12/31/2015:</b>   | <b>3. \$900</b> |
| <b>Enter client's taxable distribution from Form 1040, line 15b:</b>                            | <b>4. \$500</b> |
| <b>Enter client's basis as of 12/31/2015 (from line 3 above):</b>                               | <b>5. \$900</b> |
| <b>Enter the smaller of line 4 or line 5. Enter this amount on Schedule CA (540), line 15b:</b> | <b>6. \$500</b> |
| <b>Remaining California basis as of 12/31/2015, subtract line 6 from line 5:</b>                | <b>7. \$400</b> |

## Use this IRA Adjustment Worksheet to Calculate Your Client's IRA California Basis.

| <i>Year</i>  | <i>Contributions</i> | <i>Federal Deductions</i> | <i>State Deductions</i> |
|--------------|----------------------|---------------------------|-------------------------|
| 1975         |                      |                           |                         |
| 1982         |                      |                           |                         |
| 1983         |                      |                           |                         |
| 1984         |                      |                           |                         |
| 1985         |                      |                           |                         |
| 1986         |                      |                           |                         |
| <b>Total</b> |                      |                           |                         |
|              | <b>(A)</b>           | <b>(B)</b>                | <b>(C)</b>              |

### Contributions and Deductions by Year

Your client must be able to provide information to complete the chart in order for you to determine whether an adjustment is necessary. If your client does not have this necessary information, no adjustment can be made.

If your client can provide the necessary information, subtract total California Deductions (C) from total Federal Deductions (B). This amount is your client's California basis. If there is no difference between B and C, there is no adjustment on Form Schedule CA (540), line 15.

### Basis of an Inherited IRA

An inherited IRA is considered inherited income, not inherited property. The IRA basis is not stepped up to fair market value at the date of death. The beneficiary's basis in the IRA is the same as the decedent's basis in the IRA.

### California Pension and Annuity Adjustments

California and federal laws generally treat pension and annuity income the same. However, if any of the following apply, your client may have an adjustment on the California tax return:

- They receive a federal Form RRB 1099-R for tier 2 railroad retirement benefits and you included all or part of these benefits as taxable income on the federal tax return.
- They received a retirement annuity between July 1, 1986, and January 1, 1987, and elected to use the three year rule for California purposes. The federal taxable amount is less than the California taxable amount.
- They receive federally nontaxable foreign social security income.
- Elect a different treatment for 2013 Roth IRA conversion for federal and state.

Roth adjustments are made on Schedule CA (540), line 15, Columns B or C. Pension adjustments are made on Schedule CA (540), line 16, Columns B or C, as appropriate. For more information, see the instructions for Form 540 and Schedule CA (540), and FTB 1005, *Pension and Annuity Guidelines*.

### Standard and Itemized Deductions

Your client decides whether to itemize their deductions or to take the state standard deduction. Use the method that gives your client the larger deduction. Your client may itemize for state, federal, or both.

Clients over age 65, who take the federal standard deduction, may receive a greater state deduction if they itemize.

If your clients are married/RDP and filing separate tax returns, the client and their spouse/RDP must either both itemize their deductions or both take the standard deduction.

### The Standard Deduction

If your client takes the standard deduction on their federal tax return, in many cases the state standard deduction will be greater than the allowable itemized deductions.

Any dependent, filing their individual tax return, must use the "California Standard Deduction Worksheet for Dependents" in this chapter.

**Line 6** – If your client completed the square on line 6, indicating possible dependent status on someone else's tax return, complete the "California Standard Worksheet for Dependents" below.

|    |   |         |
|----|---|---------|
| 1. | Earned income. For purposes of the standard deduction, earned income includes only wages. | \$400   |
| 2. | Enter \$300.  | \$300   |
| 3. | Add line 1 and line 2.  | \$700   |
| 4. | Minimum standard deduction (\$1,317 for tax year 2015).                                   | \$1,317 |
| 5. | Enter the larger of line 3 or line 4.   | \$1,317 |
| 6. | California standard deduction for the filing status.                                      | \$4,044 |
| 7. | Allowable standard deduction. Enter the smaller of line 5 or line 6.                      | \$1,317 |

## Itemized Deductions

Your clients may itemize for federal, state, or both.

If your client claims itemized deductions on their state tax return, adjust the amount from their federal Schedule A. If your client files Form 540, complete and attach Schedule CA (540) Part II – Adjustments to Federal Itemized Deductions. Complete state itemized deductions using the “California Itemized Deductions Worksheet” below.

If your client or their spouse/RDP claims additional standard deduction amounts on their federal tax return because your client or their spouse/RDP is age 65 or older, then your client may benefit from itemizing on their state tax return even if they took the federal standard deduction.

To itemize for just the state, complete Form 1040, Schedule A following federal rules, and then complete the “California Itemized Deductions Worksheet” or Schedule CA (540), Part II – Adjustments to Federal Itemized Deductions. Do not attach the federal Schedule A to your client’s tax return.

| <b>California Itemized Deduction Worksheet</b>  |  |
|---|--|
| 1. Enter the amount of itemized deductions from federal Schedule A, line 28, Itemized Deductions.   |  |
| 2. Enter the amount from federal Schedule A, line 5, line 7, <b>and</b> only the portion relating to foreign income taxes from line 8. Be sure to include any amount deducted for State Disability Insurance (SDI), California Lottery losses claimed as a federal itemized deduction, and any Primary Mortgage Insurance premiums claimed on the federal Schedule A. |  |
| 3. Subtract line 2 from line 1. This amount is your client’s total <b>itemized deductions for California</b> .  |  |
| 4. Enter the <b>Standard Deduction</b> for your client’s filing status.   |  |
| 5. Compare the amounts on line 3 and line 4 above. Enter the larger of the two amounts here and on Form 540, line 18.   |  |
| <b>If your client can be claimed as a dependent on someone else’s tax return, complete the “Standard Deduction Worksheet for Dependents.” Enter the amount from line 7 of that worksheet on line 4 of this worksheet.</b>   |  |

## Tax and Credits

### Tax

Determine your client’s tax by using the tax table in the 540 Booklet or in this manual. If you are filing a paper Form 540 2EZ, the tax tables are specially calculated to include the standard deduction and exemption credit. Do not use the Form 540 2EZ tax tables for Form 540.

Follow the instructions at the top of the table. Use the correct filing status and taxable income from your client’s Form 540, line 20.

First Column

- 1 – Single
- 3 – Married/RDP filing separately

Second Column

- 2 – Married/RDP filing jointly
- 5 – Qualifying widow-(er)

Third Column

- 4 – Head of Household

**Use Tax**

California enacted use tax on July 1, 1935. It applies to purchases from out of state sellers, similar to sales tax paid on purchases made in California.

In general, your client pays California use tax on purchases from out of state (i.e., telephone, over the Internet, by mail, or in person) if both apply:

- The seller did not collect California sales or use tax.
- Your client used, gave away, stored, or consumed the item in this state.

If your client owes use tax, but chooses not to report it on their income tax return, they must report and pay the tax to the State Board of Equalization. For more information, contact the State Board of Equalization at **boe.ca.gov** or call **800.400.7115**.

Complete the worksheet below to figure your client’s use tax.

| <b>Use Tax Worksheet</b>   |  |
|--|--|
| 1. Enter your client’s total purchases subject to use tax. Include handling charges. Do not include any sales or use tax your client paid to the seller. |  |
| 2. Enter the applicable sales and use tax rate from chart below.   |  |
| 3. Multiple line 1 by the tax rate on line 2.  |  |
| 4. Enter any sales or use tax your client paid to another state for purchases included on line 1.*   |  |
| 5. Subtract line 4 from line 3. Enter line 5 on Form 540, line 95.   |  |

\*This is a credit paid to other states.

Your client 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 your client paid \$8.00 in sales tax to another state for a purchase, and they would have paid \$6.00 in California, they can claim a credit of only \$6.00 for that purchase.

| <b>County</b>        | <b>Rate</b> | <b>County</b>          | <b>Rate</b> |
|----------------------|-------------|------------------------|-------------|
| <b>Alameda</b>       | 9.50%       | <b>Orange*</b>         | 8.00%       |
| <b>Alpine</b>        | 7.50%       | <b>Placer</b>          | 7.50%       |
| <b>Amador</b>        | 8.00%       | <b>Plumas</b>          | 7.50%       |
| <b>Butte</b>         | 7.50%       | <b>Riverside</b>       | 8.00%       |
| <b>Calaveras</b>     | 7.50%       | <b>Sacramento</b>      | 8.00%       |
| <b>Colusa</b>        | 7.50%       | <b>San Benito*</b>     | 7.50%       |
| <b>Contra Costa*</b> | 8.50%       | <b>San Bernardino*</b> | 8.00%       |
| <b>Del Norte</b>     | 7.75%       | <b>San Diego*</b>      | 8.00%       |
| <b>El Dorado*</b>    | 7.50%       | <b>San Francisco</b>   | 8.75%       |
| <b>Fresno*</b>       | 8.225%      | <b>San Joaquin*</b>    | 8.00%       |
| <b>Glenn</b>         | 7.50%       | <b>San Luis Obispo</b> | 7.50%       |
| <b>Humboldt*</b>     | 8.00%       | <b>San Mateo</b>       | 9.00%       |
| <b>Imperial*</b>     | 8.00%       | <b>Santa Barbara</b>   | 8.00%       |
| <b>Inyo</b>          | 8.00%       | <b>Santa Clara</b>     | 8.75%       |
| <b>Kern</b>          | 7.50%       | <b>Santa Cruz*</b>     | 8.25%       |
| <b>Kings</b>         | 7.50%       | <b>Shasta</b>          | 7.50%       |
| <b>Lake*</b>         | 7.50%       | <b>Sierra</b>          | 7.50%       |
| <b>Lassen</b>        | 7.50%       | <b>Siskiyou</b>        | 7.50%       |
| <b>Los Angeles*</b>  | 9.00%       | <b>Solano</b>          | 7.625%      |
| <b>Madera</b>        | 8.00%       | <b>Sonoma*</b>         | 8.25%       |
| <b>Marin*</b>        | 8.50%       | <b>Stanislaus</b>      | 7.625%      |
| <b>Mariposa</b>      | 8.00%       | <b>Sutter</b>          | 7.50%       |
| <b>Mendocino*</b>    | 7.625%      | <b>Tehama</b>          | 7.50%       |
| <b>Merced*</b>       | 7.50%       | <b>Trinity</b>         | 7.50%       |
| <b>Modoc</b>         | 7.50%       | <b>Tulare*</b>         | 8.00%       |
| <b>Mono</b>          | 7.50%       | <b>Tuolumne*</b>       | 7.50%       |

|                 |        |                |       |
|-----------------|--------|----------------|-------|
| <b>Monterey</b> | 7.625% | <b>Ventura</b> | 7.50% |
| <b>Napa</b>     | 8.00%  | <b>Yolo*</b>   | 7.50% |
| <b>Nevada*</b>  | 7.625% | <b>Yuba</b>    | 7.50% |

\*Many cities and towns in California impose a district tax, which results in a higher sales and use tax than in other parts of the county.

If your clients are reporting an item that was purchased for use in any of the following cities or towns, please use the appropriate tax rates for those areas. The following tax rates apply within the city limits or the town limits of the listed community.

| <b>County</b>  | <b>City or Town With a Special District Tax</b>        | <b>Effective Tax Rate</b>             |
|----------------|--|---------------------------------------|
| Contra Costa   | Richmond   | 9.50%                                 |
| El Dorado      | Placerville and South Lake Tahoe                       | 8.00% and 8.00%                       |
| Fresno         | Clovis   | 8.225%                                |
| Humboldt       | Trinidad   | 8.75%                                 |
| Imperial       | Calexico   | 8.50%                                 |
| Lake           | Clearlake and Lakeport                                 | 8.00% and 8.00%                       |
| Los Angeles    | Avalon   | 9.50%                                 |
| Marin          | San Rafael   | 9.25%                                 |
| Mendocino      | Point Arena and Fort Bragg                             | 8.125% and 8.625%                     |
| Mendocino      | Willits and Ukiah                                      | 8.125% and 8.125%                     |
| Merced         | Los Banos and Merced                                   | 8.00% and 8.00%                       |
| Monterey       | Salinas and Sand City                                  | 9.125% and 8.625%                     |
| Nevada         | Truckee  | 8.375%                                |
| Orange         | Laguna Beach   | 8.00%                                 |
| San Benito     | San Juan Bautista                                      | 8.25%                                 |
| San Bernardino | Montclair  | 8.25%                                 |
| San Diego      | El Cajon and National City                             | 8.50% and 9.00%                       |
| San Joaquin    | Stockton   | 9.00%                                 |
| Santa Cruz     | Capitola, Santa Cruz, and Scotts Valley                | 8.75%, 8.75%, and 8.75%               |
| Sonoma         | Sebastopol and Santa Rosa                              | 9.00% and 8.75%                       |
| Tulare         | Dinuba, Farmersville, Porterville, Tulare, and Visalia | 8.75%, 8.50%, 8.50%, 8.50%, and 8.25% |

### **California Income Tax Withheld**

Enter total California income tax withheld from box 17 on Forms W-2. If filing a joint tax return, include the amount withheld from the spouse's/RDP's wages. If filing separate tax returns, claim half of the **total** withholding from **both** spouses/RDPs on each tax return.

Also, include amounts from Form W-2G, box 14, and 1099-R, box 10. If your clients received Form 1099 showing California income tax withholding on dividends and interest income, include these amounts.

### **Do not include any amount of local income tax withheld.**

Advise clients who do not receive Form W-2 by January 31, 2015, to contact their employers. Only an employer distributes or corrects Form W-2. Clients who cannot get a copy of Form W-2 must complete FTB 3525, *Substitute for Form W-2, Wage and Tax Statement*, or 1099-R, *Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.* If your client forgets to send their Form W-2 with a paper tax return, advise them not to send them separately. It is best to wait until Franchise Tax Board contacts your client to request them.

### **2015 California Estimated Tax and Payment with FTB 3519**

Enter total of any:

- 2015 California estimated tax payments your clients made using Form 540-ES.
- Overpayment from your client's 2014 California income tax return that they applied to their 2015 estimated tax.
- Any payment with form FTB 3519, *Payment Voucher for Automatic Extension for Individuals*, which your client may have made if they are filing after April 18, 2015.
- Amounts claimed by your client who, with their spouse/RDP, paid in 2015 joint estimated tax but are not filing a separate tax return.

When filing a separate tax return after estimate payments have been jointly sent to Franchise Tax Board, either the client or the spouse/RDP claims the entire amount paid or they each claim a part of it. Provide a signed statement from the client and their spouse/RDP explaining how they want their payments divided. Always show both social security numbers on the separate tax returns.

### **Nonrefundable Renter's Credit**

Is your client's income on Form 540, line 17:

- \$38,259 or less if single or married/RDP filing separately?
- \$76,518 or less if married filing jointly, head of household, or qualifying widow(er)?

#### **AND**

Your client paid rent on their principal residence in California for at least 6 months in 2015?

**Yes:** Complete the "Nonrefundable Renter's Credit Worksheet" to see if they qualify.

**No:** They do not qualify for this credit.

Your client does not qualify for the Nonrefundable Renter's Credit if, for more than half of the year, they rented property exempt from property taxes. Exempt property includes most government owned buildings, church owned buildings and parsonages, college dormitories, and military barracks. However, if your client's landlord paid possessory interest taxes for the rented property, then your client may claim the Nonrefundable Renter's Credit.

Your client does not qualify for the Nonrefundable Renter's Credit if they or their spouse/RDP received a property tax exemption at any time during the year. However, if your client lived apart from their spouse/RDP for the entire year, and your client's spouse/RDP received a homeowner's property tax exemption for a separate residence, then claim the Nonrefundable Renter's Credit if the client meets all other qualifications.

If your client and their spouse/RDP file separate returns, live in the same rental property, and both qualify for the Nonrefundable Renter's Credit, each claims half of the amount, \$60, or one of them claims the whole amount, \$120. If your client and their spouse/RDP maintained separate residences, they each claim only half the amount, \$60.

**Important Note:** TaxWise does not automatically enter the Nonrefundable Renter's Credit. If your clients qualify, you must remember to enter the credit on the state tax return. A checkbox on Form 540, Page 1, loads the Nonrefundable Renter's Credit Worksheet. The worksheet calculates the credit and enters it into the software.

## Do Not Mail This Worksheet to FTB

### Nonrefundable Renter's Credit Worksheet

1. Was your client a resident of California for the entire year in 2015?  
 YES Go to the next question.  
 NO Stop here. File Form 540NR, California Non-Resident or Part-Year Resident Income Tax Return.
  
2. Is your client's California adjusted gross income \$38,259 or less if single or married/RDP filing separately; or \$76,518 or less if married/RDP filing jointly, head of household, or qualifying widow(er)?  
 YES Go to the next question.  
 NO Stop here. Your client does not qualify for this credit.
  
3. Did your client pay rent, for at least half of 2015, for property (including a mobile home that your client may have owned on rented land) in California, which was your client's principal residence?  
 YES Go to the next question.  
 NO Stop here. Your client does not qualify for this credit.
  
4. Could your client be claimed as a dependent by a parent, foster parent, legal guardian or any other person in 2015?  
 NO Go to question 6.  
 YES Go to question 5.
  
5. For more than half the year, did your client live in the home of the person who can claim them as a dependent for 2015?  
 NO Go to question 6.  
 YES Stop here. Your client does not qualify for this credit.
  
6. Was the property your client rented exempt from property tax in 2015?  
 NO Go to question 8.  
 YES Stop here. Your client does not qualify for this credit.
  
7. Did your client claim the homeowner's property tax exemption anytime during 2015?  
 NO Go to the next question.  
 YES Stop here. Your client does not qualify for this credit.
  
8. Was your client single in 2015?  
 YES Go to question 11.  
 NO Go to question 9.
  
9. Did your client's spouse/RDP claim the homeowner's property tax exemption anytime during 2015?  
 NO Go to question 11.  
 YES Go to question 10.
  
10. Did your client and your client's spouse/RDP maintain separate residences for the entire year in 2015?  
 YES Go to question 11.  
 NO Stop here. Your client does not qualify for this credit.
  
11. If your client is:  
 Single or married filing separately, enter \$60 on Form 540.  
 Married filing jointly, head of household, or qualifying widow(er), enter \$120 on Form 540.
  
12. Fill in the address(es) of the residence(s) your clients rented in California during 2015, which qualified them for this credit. Do not list post office boxes.

|                 |                           |   |
|-----------------|---------------------------|---|
| Street Address: | City, State and ZIP Code: | Dates Rented in 2015<br>(From _____ To _____) |
|                 |                           |   |

13. List the names, address(es), and telephone number(s) of your client's landlord or the person to whom your client paid rent for the residence(s) listed above.

| Name | Address | Phone Number |
|------|---------|--------------|
|      |         |              |

**Excess SDI or VPDI Withheld**

Your clients may claim a credit for excess California State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) if they meet all of the conditions below:

- A client had **two or more** employers during 2015.
- The client received more than \$104,378 in combined wages during 2015 from more than one employer.
- The amount of SDI or VPDI withholding appears on the Forms W-2.

A client with one employer and SDI withholding that exceeds the maximum withholding amount of \$939.40 or withholding that exceeds 0.9 percent of your client's gross wages, cannot take the credit. Your client's employer refunds the difference.

Use the "Excess SDI or VPDI Worksheet" below to figure your client's credit.

**Excess California SDI or VPDI Withheld**

1. Add amounts of SDI (or VPDI) withheld on your client's Form W-2.

Enter the total here.

\_\_\_\_\_

2. 2015 SDI (or VPDI) limit.

\$939.40 \_\_\_\_\_

3. Subtract Line 2 from Line 1. This is your client's excess SDI (or VPDI) withheld.

Enter the result here, and on Form 540.

\_\_\_\_\_

For married/RDP clients filing a joint tax return, compute the credit separately for each spouse/RDP, add the two credits together, and enter the combined credit on Form 540.

**Important Note:** Employers often enter SDI in Box 14 on Form W-2. TaxWise software will not calculate the federal SDI Schedule A deduction if SDI is entered in Box 14 of Form W-2.

## Child and Dependent Care Expense Credit Form 3506

Prior to the 2011 tax year, the Child and Dependent Care Expense Credit was a refundable credit on Form 540. For 2015, the Child and Dependent Care Expense credit is **nonrefundable**. Nonrefundable means that your client uses the credit only to reduce the amount of state tax owed on the 2015 California tax return.

If your client paid someone to care for their child or other qualifying person in order to work or look for work in 2015, they may be eligible for the child and dependent care expense credit. They must earn income in 2015 to claim the credit. If they qualify for the credit, use FTB Form 3506, *Child and Dependent Care Expenses Credit*, to figure the credit amount.

Your client does not have to take the federal Child and Dependent Care Expense Credit to claim the California credit.

### Differences in California and Federal law

- California allows this credit only for care provided in California.
- Federal adjusted gross income of \$100,000 or less to qualify for the California credit.
- Never married parents, who have lived apart at all times during the last six months of the year, may be treated differently for the California credit.
- The California credit is a percentage of the federal credit as modified by California law.
- An RDP may file a joint tax return and claim this credit.

### Qualifications

Check with your client to see if **all eight** of the following rules apply:

1. Married/RDP clients must file a joint tax return. For exceptions, see the "Married clients filing separate returns" section on the next page.
2. All care provided in California for one or more qualifying persons. A qualifying person is:
  - Any child age 12 or under for whom your client claims the dependent exemption credit. Children turning 13 during the year qualify for the part of the year they were 12.
  - Your client's spouse/RDP was physically or mentally incapable of self-care.

- Your client's dependent was physically or mentally incapable of self-care. Your client must claim the dependent exemption credit for this person.
  - Any disabled person unable to care for themselves whom you could claim as a dependent; however, you (or your spouse/RDP filing a joint tax return) could be claimed as a dependent on someone else's 2015 tax return.
3. The care was provided so your client or their spouse/RDP could work or look for work during 2015. However, if they did not find a job and have no earned income for the year, they cannot take the credit. If your client's spouse/RDP was a student or disabled, see the instructions for Form 3506, line 5.
  4. You and your spouse/RDP must have earned income during the year.
  5. Your client and the qualifying person(s) must have lived in the same home for more than half the year.
  6. The person providing the care is not the spouse/RDP, the parent of the qualifying child, or a person for whom your client can claim a dependent exemption. If a client's child provides the care, the child must have been 19 or older by the end of 2015.
  7. Reported provider and qualifying child information.
  8. Your client's federal adjusted gross income must be \$100,000 or less.

**Important Note:** Nonresident rules are not covered in this manual. If your client was a part year or nonresident of California, see the Form FTB 3506, *Child and Dependent Care Expense Credit* instructions.

### **Married/RDP Clients Filing Separate Returns**

If your client is married and files a separate return, and they meet the three requirements below, plus **all** the other qualifications listed previously, they may take the credit:

- They lived apart from their spouse/RDP during the last 6 months of 2015.
- The qualifying person lived in their home more than half of 2015.
- They provided over half the cost of keeping up the home.

### **Divorced, Separated, or Never Married Parents**

If your client is divorced, separated, or never married, special rules apply for determining if their child is their qualifying person. A child can only be the qualifying person of one parent when the parents are filing separate returns. Even if both parents pay for childcare 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 still meet **all** of the previous qualifications.

### **Custodial Parent**

Your client is considered the custodial parent if they had physical custody of their 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. If your client and other parent have physical custody for the same number of days, then neither your client nor the other parent is the custodial parent.

For more information on divorced, separated, never married, or custodial parents, see the instructions for Form FTB 3506.

## **Part I**

### **Unearned Income and Other Funds Received in 2015**

List the source and amount of any money your client received in 2015, not included in earned income (listed on lines 4 and 5, Form FTB 3506), but used to support their 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
- Dividends

## Part II

### Persons or Organizations Who Provided the Care

Complete columns (a) through columns (g) for each person or organization that provides dependent care. 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 necessary information from the care provider. If the provider does not give your client the information, complete as much of the information as possible and explain that the provider did not give the information requested. If the correct or complete information is not given, your client's credit may be disallowed unless they can show they used due diligence trying to get the required information.

#### Line 1, column (a) and (b)

Enter the care provider's name and address. Also, check if the provider is a person or an organization.

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

#### Line 1, column (c)

Enter the telephone number of the care provider, including area code. FTB may call to verify the provider information.

#### TaxWise Tip:

The care provider's phone number is a "required" field on the Form FTB 3506. Failure to provide the phone number causes e-file reject for the state tax return.

#### Line 1, column (d)

Check the box indicating whether the care provider is a person or organization.

#### Line 1, column (e)

If the care provider is an individual, enter his/her social security number. Otherwise, enter the provider's employer identification number. If the provider is a tax-exempt organization, enter "Tax-Exempt" in column (c).

**Line 1, column (f)**

Enter the address where the care was provided. **Only care provided in California qualifies for the credit.**

**Line 1, column (g)**

Enter the total amount your client actually paid in 2015 to the care provider. Also, include amounts the employer paid to a third party on their behalf. It doesn't matter when the expenses were incurred. Do not reduce this amount by any reimbursement they received.

Inform the client that FTB may ask for proof of payments made at a later date. Cash payments without verifiable documentation may not be accepted.

**Part III**

**Credit for Child and Dependent Care Expenses**

**Line 2**

**Information about your qualifying person(s)**

Complete column (a) through column (e) for each qualifying person. If your client has more than three qualifying persons, attach a statement to the return with the required information and write, "see attached." Be sure to put your client's name and social security number on the statement.

**Line 2, column (a)**

Enter each qualifying person(s) name.

**Line 2, column (b)**

Enter the qualifying person's SSN unless he or she was born and died in 2015. Be sure the name and SSN entered agree with the person's social security card.

If the person was born and died in 2015, and did not have an SSN, enter "Deceased" in column (b) and attach a copy of the person's birth and death certificates.

**Line 2, column (c)**

Enter the qualifying person's date of birth. If the qualifying person is disabled, check the "Yes" box.

**Line 2, column (d)**

If your client shared custody of the qualifying person(s), enter the percentage of time they had physical custody. Physical custody must be greater than 50 percent to qualify for the credit.

**Line 2, column (e)**

Enter the qualified expenses your client incurred and paid in 2015 for the person listed in column (a). Do not include in column (e) qualified expenses your client:

- Incurred in 2015, but did not pay until 2016.
- Incurred in 2014, but did not pay until 2015. Instead, see line 11, Credit for Prior Year's Expenses.
- Prepaid in 2015 for care to be provided in 2016. These expenses may only be used to figure the 2016 credit.

**Line 3 Add**

Add the amounts in column (e) and enter on line 3. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more qualifying persons.

**Line 4 Earned Income**

Earned income includes wages, salaries, tips, other employee compensation, net earnings from self-employment, strike benefits, and disability payments your client reported as wages. Earned income does not include pensions and annuities, social security payments, worker's compensation, interest, dividends, public assistance, capital gains, or unemployment compensation.

**Line 5 Spouse/RDP Who is a Student or Disabled**

Your client's spouse/RDP can be considered a student if he/she was enrolled as a full-time student at a school during any five months of 2015. A school does not include a night school or correspondence school.

Your client's spouse/RDP is considered disabled if he or she was not capable of self-care.

Figure your client's spouse/RDP income on a monthly basis. For each month or part of a month your client's spouse/RDP was a student or was disabled, he/she is considered to have worked and earned income. His/her income for each month is considered to be at least \$250 (\$500 if two or more qualifying persons). If your client's spouse/RDP also worked during that month, use the higher of \$250/\$500 or their actual earned income for that month.

If, in the same month, both your client and their spouse/RDP were either students or disabled, only one of them can be treated as having earned income in that month. For any month that their spouse/RDP was not a student or disabled, use your client's spouse/RDP actual earned income if he/she worked during that month.

**Line 7 Federal Adjusted Gross Income**

Determine your client's federal adjusted gross income from Form 540, line 13. Then use the chart below to determine the decimal to use on line 7.

| <b>Federal AGI is Over</b> | <b>But Not Over</b> | <b>Decimal for Line 7</b> |
|----------------------------|---------------------|---------------------------|
| \$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                       |
| 41,000                     | 43,000              | .21                       |
| 43,000                     | No Limit            | .20                       |

**Line 9 California Credit Percentage**

Use the chart below to determine the California percentage.

If the amount from Form 540, line 13 is:                      Enter on Line 9, FTB 3506:

|                                 |     |
|---------------------------------|-----|
| \$40,000 or less                | .50 |
| \$40,000 but not over \$70,000  | .43 |
| \$70,000 but not over \$100,000 | .34 |
| Over \$100,000 does not qualify |     |

**Line 11 Prior Year Expenses**

If your client had qualified expenses for care that was provided in 2014 that they did not pay until 2015, they may be able to increase the amount of credit they can take in 2015. You will need a copy of the 2014 tax return to complete this line.

**Line 12 Add**

Add line 10 and line 11. Enter this result on Form 540, line 78.

## **Part IV**

### **Dependent Care Benefits**

#### **Line 13 – Line 27**

Part IV is to be completed only if your client received dependent care benefits from an employer. See FTB 3506 instructions for detailed information.

#### **Credit for 2014 Expenses Paid in 2015**

You will need the instructions for the 2014 FTB 3506 if your client feels he/she qualifies for 2014 expenses paid in 2015.

#### **Contributions on the California Tax Return**

Some clients make charitable contributions to charitable funds listed on the back of Form 540. For a list of the funds and a description of each, see the Contribution section in this manual. The contribution reduces any refund due. The contribution also increases the balance due, if there is tax owed on the tax return.

Contributions must be \$1 or more, in whole dollar amounts. Your client cannot change the contribution amount after FTB accepts an e-file or paper tax return.

#### **Earned Income Credit**

This credit is available to California households with adjusted gross income of less than **\$6,580** if there are **no** qualifying children, less than **\$9,880** if there is **one** qualifying child or less than **\$13,870** if there are **two** or more qualifying children. The CA EITC requires earned income reported on a W-2 form, such as wages, salaries, and tips, which must be subject to California withholding. Unlike the federal EITC, income from self-employment **cannot** be used to qualify for the California credit. You, your spouse, and any qualifying children must each have a social security number issued by the Social Security Administration that is valid for employment. You must file using the single, married/registered domestic partner (RDP) filing jointly, or head of household filing status. The "married/RDP filing separately" status **may not** be used. Your principal residence must be in California for more than half the tax year. FTB 3514, California Earned Income Tax Credit, must be completed and filed with return to claim credit. The credit amount, if you qualify, is on line 23 of the 540 2EZ, line 75 of the 540 return, line 82 of the 540NR (short) and line 85 of the 540NR (Long)

### **Refund or No Amount Due**

If your client made Form 540 contributions, the amount of the refund is the amount of overpaid tax available this year minus the amount of the contributions.

If your client made no Form 540 charitable contributions, then the amount of their refund is the same as the amount of the overpaid tax available this year.

Refunds automatically issue for \$1 or more. For refunds less than \$1, attach a written request to Form 540. Send Refund or No Amount Due tax returns to:

**STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO, CA 94240-0002**

### **Amount You Owe**

If your client made contributions the amount of the payments are the amount of tax due plus the amount of contributions.

If your client did not contribute, enter the amount from the Tax Due line on the Amount You Owe line. Have your client attach a check or money order for this amount.

Make the check or money order payable to “Franchise Tax Board” for the full amount shown on the Amount You Owe line. Have your client write their social security number, the tax year, and the form number on their check or money order.

**Example:** Joan Smith would include 555-55-5555 (her social security number) and a 2015 Form 540 (the tax year and the form number of the tax return she is filing).

Have the client attach the check or money order to their tax return and mail the tax return to:

**STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO, CA 94267-0001**

## Direct Deposit

If your client expects a refund, encourage direct deposit. Provide the bank routing number, the bank account number, and the type of account in the boxes provided on the form. If the client chooses, split refunds between two different bank accounts.

It's fast, safe, and convenient for clients to use direct deposit. The illustration on the next page shows the bank numbers to transfer to the third page of Form 540.

Please put the direct deposit information in the specified section of the forms.

**Important Note:** As long as depositing into the same account, the software allows a check box for the state refund and uses the bank account information from the federal tax return to direct deposit the state refund.

Do not use a deposit slip to find the bank numbers. Deposit slips sometimes have different numbers. Contact your client's financial institution for assistance in getting correct routing numbers. Also, do **not** attach a copy of a voided check.

|   |   |  |
|---|---|--|
| John Doe<br>Mary Doe<br>1234 Main Street<br>Anytown, CA 99999   | <b>123</b><br>15 000000 00  |  |
| PAY TO THE ORDER OF   | \$  |  |
| Anytown Bank<br>Anytown, CA 99999   |   |  |
| <div style="border: 1px solid black; display: inline-block; padding: 5px; margin: 5px;">234873992</div> | <div style="border: 1px solid black; display: inline-block; padding: 5px; margin: 5px;">00000982937</div> | <div style="border: 1px solid black; display: inline-block; padding: 5px; margin: 5px;">123</div>  |
|  Routing Number      |  Account Number        |  Check Number |

## Can Clients Pay FTB Online?

Yes. Go to [ftb.ca.gov](http://ftb.ca.gov) and search **Payment Options**. Choose **Web Pay**. Follow the easy directions, including how to obtain a MyFTB Account, and enjoy the convenience of deciding which date and what dollar amount to debit directly from your bank account. Payments may be scheduled up to a year in advance.

### **Western Union**

FTB accepts Western Union payments. Western Union charges a fee for the service.

### **Credit Card Payments**

Now pay by credit card. The client can use a Discover/Novus, MasterCard, VISA, or American Express card to pay personal income tax. Pay the balance due for this year (2015), estimated taxes for 2016, extension payments, or amounts owed for prior years.

There is a convenience fee charged for this service. Pay the fee directly to the "Official Payments Corp." for the automated service. The client's tax payment determines the amount of the fee.

### **Rate**

2.5% of tax amount charged (round to nearest cent). Minimum fee: \$1.  
Example: Tax Payment = \$754, 2.5% Fee = \$18.85.

### **When will my client's payment be posted?**

Payment is effective on the transaction date charged.

### **What happens if my client changes their mind?**

If your client pays their tax liability by credit card and later reverse the credit card transaction, they may be subject to penalties, interest, and other fees imposed by Franchise Tax Board for nonpayment or late payment of their tax liability.

### **How does my client use their credit card to pay their tax due?**

Have the Discover/Novus, MasterCard, VISA, or American Express card, and the following information ready:

- Credit card number
- Expiration date
- Amount to be paid
- Spouse/RDP's SSN
- First 4 letters of your client's and their spouse/RDP last name
- Tax year
- Home phone number
- ZIP code for the address where your client's monthly credit card bill is sent
- **FTB Jurisdiction Code: 1555**

Use a touch tone telephone to call **800.2PAY.TAX** or **800.272.9829** and follow the recorded instructions. Official Payments Corp. will tell your client the convenience fee before they complete the transaction. You can go to the Official Payments website at **officialpayments.com**.

### **Signing the Tax Return**

Your client must sign and date the return. If your client files a joint return, each spouse/RDP must sign. By signing, your client declares under penalty of perjury that their return is correct and complete to the best of their knowledge.

**Important Note:** Practitioner PIN should be used for e-filed tax returns. Your client and spouse/RDP must sign and date a California Form 8879. Give the signed Form 8879 to the taxpayer to keep with their tax return records.

If your client files a joint return and their spouse/RDP died during 2015, write "Surviving Spouse/RDP" next to the client's signature.

Be sure to enter your site identification number (SIDN) and initials in the space below "Paid Preparer's SSN/FEIN."

### **Quality Review Checklist**

- Double-check that names and social security numbers are complete and in the correct order.
- Quality Review all returns per IRS and FTB policy.
- Make sure Quality Review Sheet is complete.
- Double-check the amount of California withholding on Forms W-2 and 1099.
- Double-check all Schedule A itemized deductions on Form CA (540).
- Check your math and income statements. Double check each information line on the tax return.
- Make sure the client signs and dates the tax return.
- Enter site information number (SIDN) on every tax return.
- Run diagnostics on every computer-generated tax return.

**2015 California Volunteer  
Reference Manual**

**Form 540  
Section**



## **Before You Begin the Form 540**

Complete your client's federal tax return before completing Form 540. Important information from the federal tax return carries over to the California tax return.

TaxWise generates all California tax returns on Form 540 unless manually changed by the user.

Form 540 is required if your clients:

- Claim any additional credits in the Tax and Credits section.
- Have California Lottery winnings.
- Differences between federal and state wages on Form W-2.
- Interest on state and municipal bonds from a state other than California.
- Claimed educator expense, student loan interest deduction, or tuition and fees deduction.
- Complete a federal Schedule C or CEZ for 1099-MISC income or a federal Schedule D for Sale of Stock or Personal Residence.

## **Name, Address, and Social Security Number**

The instructions for name and address are all the same for all Forms 540 2EZ, and 540. Refer to the General Information section for specific instructions.

## **Filing Status**

Fill in only one of the squares on lines 1 through 5. Be sure to enter the required information if you filled in the square on line 3 or 5. For additional information about filing status, refer to the General Information section.

Filing status must be the same for federal and state. Exceptions to this rule are generally out of scope of the volunteer program.

## **Line 6**

### **Can Be Claimed as a Dependent**

If your client or their spouse/RDP can be claimed as a dependent on someone else's tax return, fill in the square on Line 6. For additional information about clients who can be claimed as dependents, refer to federal tax law training. Federal and state tax law conforms on this line.

## **Exemptions**

### **Line 7**

#### **Personal Exemption**

Enter the number of personal exemptions claimed on the tax return. Filing status 1, 3, or 4 allows one personal exemption. Filing status 2 or 5 allows two personal exemption credits. TaxWise software automatically enters personal exemptions for you.

### **Line 8**

#### **Blind Exemption**

For information about the blind exemption credit, refer to the General Information section. TaxWise software requires completion of the Main Information Sheet for Blind Exemption credit flow through.

### **Line 9**

#### **Senior Exemption**

For more information about the senior exemption, refer to the General Information section. TaxWise software automatically enters the Senior Exemption based on birth date information provided on the Main Information Sheet or during the software based interview.

### **Line 10**

#### **Dependent Exemption**

Allow an exemption credit for each dependent. For additional information regarding dependent exemptions, refer to the General Information section. Federal and state tax law conforms regarding dependent exemptions.

### **Line 11**

#### **Exemption Amount**

Add line 7 through line 10 amounts. Transfer this amount to the Exemption Credit line in the Tax and Credits section of the form. TaxWise software completes this step automatically.

### **Line 12**

#### **State Wages**

Add up the amounts of state wages, tips, etc. from Box 16 on each of your client's Forms W-2 and enter the total on line 12. TaxWise software completes this step from information entered on the W-2.

### **Line 13**

#### **Federal Adjusted Gross Income**

State tax calculations begin with the federal adjusted gross income. Enter the federal adjusted gross income from the Form 1040. TaxWise automatically enters this information.

### **Line 14 and 16**

#### **California Adjustments**

Certain types of income are nontaxable in California, but taxable on your client's federal tax return. Frequently, the difference is between the taxable amount of federal and California IRA distribution, pension, and annuity income. Other income types, social security and unemployment, are taxed by federal but not by California.

If there are differences between your client's federal taxable income and state taxable income, complete a Schedule CA (540). TaxWise software will automatically generate a Schedule CA (540), although the flow through of information depends on information entered on income statements, worksheets, and the main information sheet.

Enter income taxable to federal, but not to the state. Enter the amount from Schedule CA (540), column B, line 37 to Form 540, line 14.

Enter income taxable to the state, but not to federal. Enter the amount from Schedule CA (540), column C, line 37 to Form 540, line 16.

After populating the Schedule CA (540), TaxWise software requires the preparer to review the form and mark a check box stating that the form is correct. For more detailed information on California adjustments, refer to the General Information Section, the Schedule CA (540) detail later in this chapter, and FTB 1001, *Supplemental Guidelines to California Adjustments*.

The most common California adjustments are:

- Any state income tax refund
- Unemployment compensation
- Federally taxable U.S. social security or railroad retirement
- California nontaxable interest or dividend income
- California IRA distributions resulting from an increased California basis
- Non-taxable pensions and annuities
- California Lottery winnings
- Tuition and fees deduction
- Educator expense



**Part II Adjustments to Federal Itemized Deductions**

38 Federal itemized deductions. Enter the amount from 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 income 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 ..... \$176,413  
 Head of household ..... \$264,623  
 Married/RDP filing jointly or qualifying widow(er) ..... \$352,830  
 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. See instructions. .... \$3,992  
 Married/RDP filing jointly, head of household, or qualifying widow(er) ..... \$7,984  
 Transfer the amount on line 44 to Form 540, line 18  44

This space reserved for 2D barcode

The purpose of this form is to make adjustments to your client's federal adjusted gross income for differences between federal and California income or deductions.

**Differences between California and Federal law for 2015:**

California law does not conform to federal law for:

- The deduction allowed and interest earned on Health Savings Accounts (HSA). HSA contributions may not be deducted and any interest earned on the account is taxable to California.

California law does conform to federal law for:

- Child and Dependent Care Expenses Credit is non-refundable.

**Included for informational purposes:** Mortgage Forgiveness Debt Relief Law amounts of indebtedness, debt relief: Indebtedness limit is \$800,000 for all except \$400,000 MFS. California limited debt relief to \$500,000 MFJ/RDP, Single, HOH, and qualifying widow(er), and \$250,000 MFS/RDP until 31 Dec 2012. California **extended** its exclusion to 2013 and is **pending for 2014, but not 2015**. Enter the amount of discharge on line 21f, column C.

**Column A**

Enter in Column A, lines 7 through 21, the same amounts you entered on federal Form 1040, lines 7 through 21 (or your client's federal Form 1040A, line 7 through 14b).

**Columns B and C**

**Line 7 Wages, Salaries, Tips, Etc.**

Generally, you will not make any adjustments on this line unless your clients received any of the types of income listed below:

- Ride sharing benefits
- Sick pay received under the Federal Insurance Contributions and Railroad Retirement Acts
- California Qualified Stock Options (CQSO)
- Employer provided RDP and RDP's dependent health and accident insurance and medical expense reimbursements

If your client received any income from the sources listed above, figure the difference between the taxable amounts reported on this line in column A and the taxable amount using California law. Enter the result on line 7,

column B. If your client received any income exempted by U.S. tax treaties (unless specifically exempt for state purposes also) or employer provided HSA contributions and excluded the amount on their federal tax return, enter the excluded amount on line 7, column C. Find employer HSA contribution amounts on the W-2, box 12, code W. State exempt tax treaty income is substantiated by a copy of the treaty obtained by the taxpayer from their embassy.

## Line 8

### Taxable Interest Income

Enter on line 8, **column B**, interest from column A that your client received from the following:

- United States Savings Bonds
- United States Treasury Bills
- Any other bonds or obligations of the U.S. and its territories
- Interest income from children reported on the parent's tax return

See FTB 1001, *Supplemental Guidelines to California Adjustments*, for detailed information.

Enter on line 8, **column C**, interest identified as tax exempt interest on Form 1040, line 8b (or Form 1040A, line 8b), and from the following sources:

- Non-California state bonds
- District of Columbia obligations issued after December 27, 1973
- Non-California municipal bonds issued by a county, city, town, or other local government unit
- Interest from a health savings account

## Line 9

### Ordinary Dividends

Generally, make no adjustment on this line. However, certain mutual funds qualify to pay "exempt interest dividends" if at least 50 percent of their assets consist of tax-exempt government obligations. **Find the tax-exempt part of the dividend on your client's annual statement.**

For California tax purposes, a mutual fund may qualify to pay tax-exempt interest dividends if, at the end of each quarter, at least 50% of the funds' assets are invested in federal or **California** state or local obligations. The federal and California obligations may be combined to meet the 50% test. Individual shareholders do **not** include tax-exempt interest or dividends in income.

**Important Note:** Interest dividends from agency bonds such as **FNMA** (Fannie Mae) and **GNMA** (Ginny Mae) are **not** considered federal obligations, and are not tax-exempt. Only federal obligations that would be exempt from California taxation if held by the individual taxpayer qualify for tax-exempt treatment.

The amount designated by the mutual fund as an exempt interest dividend may contain items that are not exempt from California tax (e.g. non-California state obligations or non-deductible interest expenses). In this case, only a percentage of the dividend will be exempt for California purposes.

If the California exempt-interest amount is more than the federal exempt-interest amount, enter the difference on line 9, **column B**.

HSA dividends line 9, **column C**.

**Line 10**  
**State Tax Refund**

California does not tax state income tax refunds. Enter in column B the amount of any state tax refund also entered in column A.

**Line 11**  
**Alimony Received**

Only a nonresident alien who received alimony not included in their federal income would make an entry on this line in **column C**. Otherwise, make no adjustment.

**Line 12**  
**Business Income or Loss**

Business income or loss adjustment is beyond the scope of the VITA/TCE volunteer program. Make no entry in **column B or C**.

**Line 13**  
**Capital Gain or Loss**

Generally, there is no difference between the amount of capital gain or loss in column A and the amount to report using California law. California taxes long and short term capital gains as regular income. Get FTB 1001, *Supplemental Guidelines for California Adjustments*, for more information.

**Important Note:** Capital loss carryovers require TaxWise software adjustments on the California Schedule D. Otherwise, all information flows automatically from the federal to the California tax return.

Use Schedule D, *California Gain or Loss Adjustment*, if there are differences from any of the following. Basis amounts resulting from differences between California and federal law in prior years. Gain or loss from stock and bond transactions, installment sale gain from FTB 3805E, *Installment Sale Income*, gain on sale of personal residence claiming depreciation in a prior year, and capital loss carryover. If your client thinks there is an adjustment to their federal capital gain or loss amount, refer them to the Franchise Tax Board's toll-free public assistance number, **800.852.5711**.

**Line 14**  
**Other Gains and Losses**

This is beyond the scope of the VITA/TCE volunteer program.

**Line 15**  
**Total IRA Distributions**

Generally, make no adjustments on this line. However, there may be significant differences in the taxable amount of a distribution depending on when your client made their contributions to the IRA. Restate the IRA basis for individuals who in prior years contributed to an IRA as nonresidents (see FTB 1100). For additional information on Individual Retirement Accounts, including 2010 Roth IRA conversions, refer to the General Information section and FTB 1005, *Pension and Annuity Guidelines*.

**Line 16**  
**Total Pensions and Annuities**

California and federal law generally treat pension and annuity income the same. However, if your client receives tier 2 railroad retirement benefits or partially taxable distributions from a pension, you may need to make an adjustment.

If your client receives Form RRB-1099-R and included some or all of these benefits in federal adjusted gross income, enter the taxable benefit amount in **column B**.

If your client began receiving a retirement annuity between July 1, 1986 and January 1, 1987, 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.

Enter additional tax on an early distribution from an IRA or pension plan on Form 540, line 63.

**Important Note:** TaxWise software will automatically generate the additional tax on line 63 based on information entered from the 1099-R.

**Line 17**

**Rental Real Estate, Royalties, Partnerships, S Corporations, and Trusts**

This is beyond the scope of the VITA/TCE program. The exception is Royalty income reported on a K-1. Royalty income reported on a 1099-MISC is out of scope. When the federal Schedule E and K-1 are complete, TaxWise software automatically flows royalty information from the federal to the state tax return.

**Line 18**

**Farm Income or Loss**

This is beyond the scope of the VITA/TCE program.

**Line 19**

**Unemployment Compensation**

California does not tax unemployment compensation or paid family medical leave. Enter the amount of unemployment compensation from line 19, column A on line 19, column B.

**Line 20**

**Social Security Benefits**

Enter in column B the amount of social security benefits or equivalent tier 1 railroad retirement benefits shown in column A. Column A only includes the federal taxable amount. These amounts can be found on Form 1040, line 20b.

**Line 21**

**Other Income**

**Line a – California Lottery Winnings**

California does not tax California lottery winnings. Enter the amount of California lottery winnings included in the amount on line 21, column A on line 21, column B.

**Important Note:** Do not make adjustments for lottery winnings from other states. These winnings are taxable to California.

Make sure to check the box on the TaxWise W2G to exclude California Lottery winnings from the California tax return. This causes TaxWise to automatically deduct the income on Schedule CA (540), line 21a.

**Lines b through e Disaster loss carryover and net operating loss (NOL)**

These adjustments are beyond the scope of the VITA/TCE volunteer program.

### **Line f Other**

Include on line f, column B, income that you included in your client's federal income on Form 1040 from:

- Beverage container recycling
- Rebates from local water agencies, energy agencies, or energy suppliers
- Reward from a crime hotline
- Compensation for false imprisonment
- Cost-share payments received by forest landowners
- Grants paid to low income individuals to retrofit or construct buildings
- Health Savings Account distributions for unqualified medical expenses
- Death benefits received from the State of California by a surviving spouse/RDP or beneficiary of certain military personnel killed in the performance of duty. Military personnel include the California National Guard, State Military Reserve, or the Naval Militia

### **Line f Other Cont'd.**

Include on line f, column C, income that you excluded from your client's federal income on Form 1040:

- Federal foreign earned income or housing exclusion.
- Foreign income exempted by U.S. Tax Treaties.

### **Line 22**

#### **Total Income**

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

### **Part I Section B**

Use this section of the Schedule CA (540) for adjustments to entries made on Form 1040, lines 23 through 35. If your clients have no adjustments to income on these lines on their Form 1040, skip to line 36.

#### **Column A**

Enter in column A, lines 23 through 35, the same amounts you entered on your client's federal Form 1040, lines 23 through 35.

#### **Columns B and C**

##### **Line 23 through Line 31**

Below is a description of any adjustment necessary for columns B and C. California law is the same as federal unless otherwise noted.

**Line 24**

**Certain Business Expenses of Reservists, Performing Artists, and Fee Basis Government Officials**

Enter the amount from line 24, column A, to line 24, column B.

**Line 25**

**Health Savings Account**

Enter the amount from line 25, column A, to line 25, column B.

**Line 26**

**Moving Expenses**

No adjustment necessary.

**Line 27**

**Self-Employment Tax**

No adjustment necessary.

**Line 28**

**Self-employed, SIMPLE, and Qualified Plans**

No adjustment necessary.

**Line 29**

**Self Employed Health Insurance Deduction**

No adjustment necessary.

**Line 30**

**Penalty on Early Withdrawal of Savings**

No adjustment necessary.

**Line 31**

**Alimony Paid**

Enter the name and social security number of the individual to whom your client paid alimony.

**Line 32**

**IRA Deduction**

No adjustment necessary.

**Line 33**

**Student Loan Interest Deduction**

California conforms to federal law regarding student loan interest deduction. TaxWise software automatically calculates the California deduction amount correctly. There is an exception for military spouse/RDP.

**Line 34**

**Tuition and Fees Deduction**

California does not conform. Enter column A amount in column B on this line.

**Line 35**

**Domestic Production Activities Deduction**

This is beyond the scope of the VITA/TCE program.

**Line 36**

**Add**

Add line 23 through line 35 in column B and C.

**Line 37**

**Total**

Subtract line 35 from line 22 in column B and column C.

**Important Note:** Paper filers transfer any line 27, column B, negative numbers to Form 540, line 16, as a positive number. If line 37, column C is a negative number, transfer the amount to Form 540, line 14, as a positive number. TaxWise automatically transfers appropriate amounts from the Schedule CA (540) to Form 540.

**Part II**

**Adjustments to Federal Itemized Deductions**

**Line 38**

Enter itemized deductions from federal Schedule A, lines 4, 9, 15, 19, 20, 27, and 28.

**Line 39**

**State and Local Income Taxes**

Enter the state and local tax (SDI), or sales tax, from federal Schedule A, line 5, and only the part relating to foreign income taxes from line 8. If your client deducts general sales tax, enter the amount of sales tax on this line.

**Line 40**

**Subtract**

Subtract line 39 from line 38. Enter the result here.

**Line 41**

**Other Adjustments**

Enter the amount of California lottery losses from your client's federal Schedule A. Some of the adjustments below are additions and some are subtractions. Find other line 41 adjustments below:

- Adoption- related expenses
- Mortgage interest credit
- Nontaxable income expenses
- Employee business expenses
- Investment interest expense
- Federal estate tax
- Generation skipping transfer tax
- HSA distributions
- Interest on loans from utility companies
- Private mortgage insurance (PMI)
- Qualified charitable contributions

Find more information about the California itemized deduction adjustments listed in the 540 Personal Income Tax Booklet and FTB 1001, *Supplemental Guidelines to California Adjustments*.

## **Line 42 Combine**

Combine line 40 and line 41. This is the total amount of itemized deductions allowed on the state tax return. Compare this amount to the standard deduction allowed for your client's filing status. Take the larger of adjusted itemized deductions or the standard deduction and enter that amount on Form 540, line 18.

If your client can be claimed as a dependent on someone else's tax return, complete the "California Standard Deduction Worksheet for Dependents" available in the Personal Income Tax Booklet and in the General Information section of this manual.

TaxWise software automatically calculates California itemized deductions based on information from the federal Schedule A. **It is still important to review TaxWise to make sure your client has access to all available deductions, and has made all necessary adjustments, on line 41 of the Schedule CA (540).**

## **Line 43 CA Itemized Deductions**

Is the amount on Form 540, line 13, more than the amount shown below for your client's filing status? Income amounts in excess of amounts listed on Schedule CA (540), line 43, and are outside the scope of the VITA program. If income is below this amount, transfer the amount of California itemized deductions from line 42 to line 43.

Single or married/RDP filing separately, \$176,413  
Married filing jointly/RDP or qualifying widow(er), \$352,830  
Head of household, \$264,623

**Line 44**

**Larger of Standard Deduction or Itemized Deduction**

Single or Married/RDP filing separately, \$3,992  
Married/RDP filing jointly, head of household, or qualify widow(er), \$7,984

Enter the larger of the standard or itemized deductions on line 44 and transfer to Form 540, line 18.

**Next, the software will calculate and paper filers turn their attention to:**

**Line 19 Taxable Income**

Line 19 includes the California adjusted gross income minus the standard or itemized deduction amount. This is your client's taxable income.

**Line 31**

**Tax**

Determine your client's tax by using the tax table in your client's booklet or in the Tax Table section of this manual. For additional information about tax, refer to the General Information section.

**Tax Rate Schedule**

Taxpayers with taxable income, line 19, of \$100,000 or more must use the Tax Rate Schedule to compute the amount of tax due. The tax rate schedule is beyond the scope of the VITA/TCE volunteer program. TaxWise correctly calculates taxable income in excess of \$100,000.

**Line 32**

**Exemption Credits**

Enter the amount from line 11.

**Line 33**

**Subtract**

Subtract line 32 from line 31 and enter the result on line 33. If the amount on line 33 is less than zero, enter zero.

**Line 34**

**Tax From Schedule G-1 and Form FTB 5870A**

This is beyond the scope of the VITA/TCE volunteer program.

### **Line 35 & Line 36**

#### **Add**

Add line 33 and line 34 and enter the result on line 35. Continue to side 2; enter the amount from line 35 on line 36.

### **Line 40**

#### **Child and Dependent Care Expenses Credit**

On or after January 1, 2011 this credit is nonrefundable. Enter the qualifying person's social security number. If the client has more than three qualifying persons, refer to the Form 3506 instructions for additional information. If paper filing, complete and attach FTB Form 3506 to your client's Form 540. FTB Form 3506 also transmits through the e-file process. If your client received a refund for 2014, they may receive a federal Form 1099-G. The refund amount on Form 1099-G will not include any refundable Child and Dependent Care Expenses Credit. This is because the credit is not part of the refund from withholding or estimated tax payments. The credit is not taxable on the federal tax return.

### **Line 43 through line 45**

#### **Special Credit Section**

A variety of additional credits are available to qualified clients to reduce their tax liability. To claim your client's credits, figure the amount of the credit and enter the credit name, code number, and amount of the credit on line 43 through line 45. Consider the following question:

Does your client claim any of the credits listed on the Credit Chart on Pages 21 and 22 of the Form 540 instruction booklet?

**No:** Skip line 41 through line 45. Go to line 46.

**Yes:** Figure the amount of your client's credit or credits. Enter the total amount of credit and the credit code number on line 43 through line 45. See below a list of the most common credits. For a list of all credit codes available, see the credit chart in the Form 540 instruction booklet or the chart following this section.

#### **Credit for Joint Custody Head of Household Code 170**

Do not claim this credit if your client filed head of household, married filing jointly/RDP, or qualifying widow(er).

Claim a credit for joint custody head of household if your client was unmarried at the end of 2015, or if the client lived apart from their spouse/RDP for all of 2015 and file married filing separately. They furnish more than one-half of the household expenses for their home, which also served as the home of their child, stepchild, or grandchild for at least 146

days but not more than 219 days. If the child is married, your client must claim the dependent exemption for the child.

The custody arrangement for the child is part of a decree of dissolution, legal separation, or separate maintenance, or is a part of a written agreement between the parents in effect during the period between the petition and issuance of the final decree.

Use the worksheet below to compute the credit.

| <b>Credit for Joint Custody Head of Household Worksheet</b>                                   |              |
|---|--------------|
| 1. Enter the amount from Form 540, line 35.   | _____        |
| 2. Credit percentage.   | <u>x .30</u> |
| 3. Credit amount. Multiple line 1 by line 2.<br>Enter the result or \$431, whichever is less. | _____        |

### **Credit for Dependent Parent Code 173**

Do not claim this credit if your client claimed single, head of household, married filing jointly/RDP, or qualifying widow(er) filing status or the CDC. Your client claims this credit if all of the following conditions apply:

- Married at the end of 2015 and use the married filing separately filing status.
- Their spouse/RDP did not live in the client's household during the last six months of the year.
- They furnished over one-half of the household for their dependent mother's or father's home (whether or not the parent lived in your client's home).

To figure the Credit for Dependent Parent, use the Joint Custody Head of Household Worksheet above.

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

Claim this credit if all of the following conditions apply:

- The client is 65 years of age or older on December 31, 2015.
- The client qualifies for the head of household filing status in 2013 or 2014 by providing a household for a qualifying individual who died during 2014 or 2015.
- California adjusted gross income is \$69,902 or less for 2015.

**Important Note:** If your client's 65th birthday is January 1, 2016, consider them age 65 on December 31, 2015.

Use the worksheet below to compute the credit.

|  |
|--|
| <p><b>Credit for Senior Head of Household Worksheet</b></p> <p>1. Enter the amount from Form 540, line 19. _____</p> <p>2. Multiply line 1 by 2% (.02). Enter the result or \$1,300 _____<br/>whichever is less.</p> |
|--|

**Credit for Child Adoption Costs Code 197**

For the year of court filed adoption, your client claims a credit of 50 percent of the cost of adopting a child who is a citizen or legal resident of the United States, and a California public agency or a California political subdivision held custody of the child prior to the adoption. Qualifying costs include:

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

Use the following worksheet to compute the credit.

|   |
|---|
| <p><b>Credit for Child Adoption Costs Worksheet</b></p> <p>1. Enter the total qualifying costs. _____</p> <p>2. Multiply line 1 by 50% (.50). Enter the result or \$2,500, _____<br/>whichever is less. The maximum credit is \$2,500 per minor child. Your clients may carry over the excess credit to future years until they use the credit.</p> |
|---|

Below is a list of possible special credits. If your client potentially qualifies for any of these credits, have them call Franchise Tax Board’s public assistance telephone number, 800.852.5711, for more detail.

| CODE NAME  | CODE # | DESCRIPTION  |
|--|--------|--|
| Child Adoption                                     | 197    | 50% of qualified costs in the year an adoption is ordered.   |
| FTB 3506, <i>Child and Dependent Care Expenses</i> | 232    | Similar to the federal credit except that the California credit amount is based on a specified percentage of the federal credit. |

| <b>CODE NAME</b>  | <b>CODE #</b> | <b>DESCRIPTION</b>   |
|---|---------------|--|
| Community Development Financial Institution Deposits – Certification Required | 209           | 20% of each qualified deposit made to a community development institution. Obtain certification from California Organized Investment Network (COIN), Department of Insurance, 300 Capitol Mall Ste 1600, Sacramento, CA 95814<br>Website: <a href="http://insurance.ca.gov">insurance.ca.gov</a> |
| Dependent Parent  | 173           | Must use married/RDP filing separately filing status and have a dependent parent.  |
| College Access  | 235           | The credit, which is allocated and certified by the California Educational Facilities Authority, is available for taxpayers who contribute to the College Access Tax Credit Fund.<br>Website: <a href="http://treasurer.ca.gov/cefa/">treasurer.ca.gov/cefa/</a>                                 |
| FTB 3547, <i>Disabled Access for Eligible Small Business</i>                  | 205           | Similar to the federal credit but limited to \$125 based on 50% of qualified expenditures that do not exceed \$250.  |
| FTB 3547, <i>Donated Agricultural Products Transportation</i>                 | 204           | 50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations.   |
| FTB 3546, <i>Enhanced Oil Recovery</i>  | 203           | One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California.   |
| FTB 3511, <i>Environmental Tax</i>  | 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.  |
| FTB 3521, <i>Low-Income Housing</i>   | 172           | Similar to the federal credit but limited to low-income housing in California.   |
| FTB 3808, <i>Manufacturing Enhancement Area (MEA) Hiring</i>                  | 211           | Percentage of qualified wages paid to qualified disadvantaged individuals.   |
| New Employment Credit   | 234           | Taxpayer that hires full time employee and pays or incurs wages in a designated census tract or economic development area, and receives a tentative credit reservation for that full-time employee.  |

|   |      |  |
|---|------|--|
| FTB 3503, <i>Natural Heritage Preservation</i>      | 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 Credit                       | None | For California, residents who paid rent for their principal residence for at least 6 months in 2014 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.  |
| FTB 3510, <i>Prior Year Alternative Minimum Tax</i> | 188  | Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 2014.  |
| FTB 3507, <i>Prison Inmate Labor</i>                | 162  | 10% of wages paid to prison inmates.   |
| FTB 3523, <i>Research</i>                           | 183  | Similar to the federal credit but limited to costs for research activities in CA   |
| Senior Head of Household                            | 163  | 2% of taxable income up to \$1,196 for seniors who qualified for head of household in 2012 or 2013 and whose qualifying individual died during 2013 or 2014.                       |

**The following credits are no longer available. However, your clients may claim these credits if there are carryovers available from prior years.**

| <b>CODE NAME &amp; NUMBER</b>          | <b>CODE NAME &amp; NUMBER</b> | <b>CODE NAME &amp; NUMBER</b>   | <b>CODE NAME &amp; NUMBER</b>           |
|--|-------------------------------|---|---|
| Agricultural Products - 175            | Employee Ridesharing - 194    | Joint Strike Fighter Property Cost - 216                                | Political Contributions - 184           |
| Commercial Solar Electric System - 196 | Energy Conservation - 182     | Los Angeles Revitalization Zone (LARZ) Hiring and Sales & Use Tax - 159 | Recycling Equipment - 174               |
| Commercial Solar Energy - 181          | Farm worker Housing - 207     | Low-emission vehicles - 160   | Residential Rental and Farm Sales - 186 |

|  |  |   |                                  |
|--|--|---|----------------------------------|
| Employer Ridesharing<br>Large Employer - 191<br>Small Employer - 192<br>Transit Passes - 193   | Orphan Drug - 185                                  | Manufacturers' Investment - 199           | Rice Straw - 206                 |
| Employee Ridesharing - 194   | Salmon & Steelhead Trout Habitat Restoration - 200 | Solar Energy - 180                        | Ridesharing - 171                |
| Solar Pump – 179   | Solar or Wind Energy System - 217                  | Water Conservation – 178                  | Young Infant - 161               |
| Local Agency Military Base Recovery Area (LAMBRA) – 198  | FTB 3549 – First-Time Buyer – 222                  | FTB 3553 – Enterprise Zone Employee - 169 | FTB 3549 – New Home Credit – 221 |
| FTB 3527, <i>New Jobs Credit</i> 220<br>\$3,000 allowed for a qualified employer for each increase in qualified full-time employees hired in the current tax year. |  |   |                                  |

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

To determine if your client qualifies for the Nonrefundable Renter's Credit, refer to the General Information section.

**Line 47****Total Credits**

Add line 40 and line 42 through line 46. These are the total credits.

### **Line 48**

#### **Subtract**

Subtract line 47 from line 36 and enter the result on line 48. If the amount on line 48 is zero or less, **enter 0**.

### **Lines 61 through 63**

#### **Other Taxes**

TaxWise figures the amount of other taxes, line 63, correctly, provided the birth date and income statement are correct. TaxWise computes the amount of additional tax owed on an early distribution of a qualified retirement plan based on information from Form 1099-R. The computation of any other tax in this section is beyond the scope of the VITA/TCE volunteer program. If your client is subject to taxes beyond program scope, refer them to Franchise Tax Board.

### **Line 64**

#### **Total Tax**

Add line 48, line 61, and line 63. This is the total tax.

### **Line 71**

#### **California Income Tax Withheld**

Enter your client's total California income tax withholding from box 17 on Forms W-2. If filing a joint tax return, be sure to include the amount withheld from the spouse's/RDP's wages.

For additional information about income tax withheld, refer to the General Information section or the 540 instruction booklet.

### **Line 72**

#### **2015 California Estimated Tax and Other Payments**

For information about estimate tax and other payments, refer to the General Information section. Clients make estimate payments using electronic funds withdrawal, Web Pay, check with a voucher, and credit card.

### **Line 73**

#### **Real Estate Withholding**

Generally, real estate withholding is out of scope for the volunteer program. If your client has real estate tax withholding from the sale of California real estate, enter the total California tax withheld from Form 592-B, 593-B, or 594.

### **Line 74**

#### **Excess California SDI or VPD I Withheld**

Claim excess California State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) as a credit on the California tax return. For additional information about excess SDI or VPD I, refer to the General Information Section or the Form 540 instruction booklet.

### **Line 75**

#### **EITC**

If taxpayer qualified for CA Earned Income Tax Credit, enter on this line.

### **Line 76**

#### **Total Payments**

Add line 71, line 72, line 73, line 74, and line 75. Enter the total on line 76. This is your client's total payment amount. TaxWise software calculates this step for you.

The next section discusses overpaid tax or tax due.

### **Line 91**

#### **Use Tax**

Please refer to the General Information section or Form 540 instruction booklet for information regarding use tax. Use tax may be reported directly to the State Board of Equalization (BOE) or on the California personal income tax return. **The 540 booklet includes a worksheet used to figure use tax amounts based on California AGI.** Refer questions on the taxability of purchases to the State Board of Equalization website, [boe.ca.gov](http://boe.ca.gov), or call the BOE Taxpayer Information Section, **800.400.7115**.

### **Line 92**

**Payments balance.** If line 76 is more than line 91, subtract line 91 from line 76.

### **Line 93**

**Use Tax balance.** If line 91 is more than line 76, subtract line 76 from line 91.

### **Line 94**

#### **Overpaid Tax**

If the amount on line 92 is more than the amount on line 64, your payments and credits are more than your tax. Subtract the amount on line 64 from the amount on line 92. Enter the result on line 94.

Refund to your client, apply to the client's 2016 estimate tax, or apply all or part as a charitable contribution.

**Line 95**

**Amount applied to Your 2016 Estimated Tax**

Enter the amount of line 94, if any, your client wants applied to 2016 estimated tax. The amount on line 94 must be at least \$5.00.

**Line 96**

**Amount of Overpaid Tax Available This Year**

If you enter an amount on line 94, subtract that amount from line 94 and enter the result on line 96.

**Line 97**

**Tax Due**

If the amount on line 92 is less than the amount on line 64, subtract the amount on line 92 from the amount on line 64. Enter the result on line 97. Your tax is more than your payments and credits.

Advise your client that FTB assesses penalties for not paying enough tax during the year. FTB assesses the penalty if the tax due on line 97 is \$500 or more, and the state tax withholding amount on line 71 is less than 90 percent of the amount of the total tax on line 64.

If your clients owe a penalty, let Franchise Tax Board compute the penalty and send a bill. Override to zero any estimate penalty calculated by the software.

**Line 110**

**Total Contributions**

Your client may make contributions to any of the listed funds on Page 3 of Form 540. For a list of these funds, and a description of each, see the Contribution section of this manual or the Form 540 instruction booklet. The contribution amount reduces your client's refund or, in the event of tax due, will increase the amount your client owes. Add all contribution lines. Enter the result on Line 110. This is your client's total charitable contribution.

**Line 111**

**Amount You Owe**

Add the amount on line 93, line 97, and line 110, if any. Enter the amount on line 111. For additional information on tax due returns and payment information, refer to the General Information section.

### **Line 112**

#### **Interest and Penalties**

It is beyond the scope of the VITA/TCE volunteer program to calculate interest, late filing, late payment, and underpayment of estimated tax penalties. Refer clients with possible penalties to FTB's public assistance telephone number, **800.852.5711**.

### **Line 113**

#### **Underpayment of Estimated Tax**

This is beyond the scope of the VITA/TCE program. Refer those clients to Franchise Tax Board's public assistance number, **800.852.5711**. Delete any penalties assessed in TaxWise. Inform your client that Franchise Tax Board computes the penalty and sends a bill.

### **Line 114**

#### **Total Amount Due**

TaxWise calculates this line. Transfer the amount from line 111 to line 114.

### **Line 115**

#### **Refund or No Amount Due**

If the amount on line 95 or line 110 is zero, enter the amount from line 93 on line 115. This line states your client's refund amount. For a refund of \$1 or less, attach a written statement requesting the refund for your client. For additional information about Refund or No Tax Due returns or refund direct deposit information, refer to the General Information section.

**Refund direct deposit is fast, safe, and convenient.**

### **Sign Here**

Signing the tax return is the same for all Forms (5402EZ and 540). For e-file returns, use TaxWise Form 8879. Give the client Form 8879 to keep with their records. Do not send Form 8879 to FTB.

### **Quality Review Checklist**

Always quality review the tax return. For a quality review checklist and additional tasks to finish the tax return, refer to the General Information section.

## Form 540 Problem 1 Data Sheet

Form 1040 is included for the following clients. Below is information needed to complete the state tax return.

### Client Information

---

|                |   |
|----------------|---|
| Name:          | Christopher Thomas – 000-00-0000              |
| Birth Date:    | 10/18/1949                                    |
|                | Terrie Thomas – 000-00-0000                   |
|                | 07/04/1954                                    |
| Address:       | 1234 Whaler Way<br>Huntington Beach, CA 92647 |
| Phone #:       | 805.111.1111                                  |
| Filing Status: | Married Filing Jointly/RDP                    |
| Dependents:    | None  |

### Additional Information

---

1. The interest shown on line 8a of Form 1040 (\$200), issued on personal savings accounts, is a joint asset.
2. Christopher and Terrie are full year residents.
3. They itemize their deductions for both federal and state. Their Federal Schedule A is attached.
4. Christopher and Terrie own a home.
5. Christopher carries over a \$2,465 capital loss from stock sold during 2014.
6. Terrie paid \$2,000 in tuition as a continuing education requirement for her teaching credential. (Golden West College ID#33-0073702, 15744 Golden West St, Huntington Beach, CA 92647) She received a 1098T from the school.
7. There is a federal married filing joint tax return to assist you.
8. Christopher and Terrie had health care coverage for the year.
9. Christopher received \$11,500 in Social Security benefits. (1040, line 20a)

## Form 540, Problem 1 W-2 Information for Terrie Thomas

|   |                            |  |   |   |                     |
|---|----------------------------|--|---|---|---------------------|
| <b>22222</b>  |                            | a Employee's social security number<br><b>000-00-0000</b>  |   | OMB No: 1545-0008                                 |                     |
| b Employer identification number (EIN)<br><b>94-5678786</b>   |                            |  | 1 Wages, tips, other compensation<br><b>42,000.00</b> | 2 Federal income tax withheld<br><b>2,500.00</b>  |                     |
| c Employer's name, address, and ZIP code<br><b>SCHOOL DISTRICT<br/>P O BOX 111<br/>HUNTINGTON BEACH, CA<br/>92648</b> |                            |  | 3 Social security wages<br><b>47,000.00</b>           | 4 Social security tax withheld<br><b>2,914.00</b> |                     |
|   |                            |  | 5 Medicare wages and tips<br><b>47,000.00</b>         | 6 Medicare tax withheld<br><b>682.00</b>          |                     |
|   |                            |  | 7 Social security tips                                | 8 Allocated tips                                  |                     |
| d Control number  |                            |  | 9   | 10 Dependent care benefits                        |                     |
| e Employee's first name and initial   |                            | Last name  |   | Suff.   |                     |
| <b>TERRIE THOMAS<br/>1234 WHALER WY<br/>HUNTING BEACH CA,<br/>92648</b>   |                            | 11 Nonqualified plans  |   | 12a <b>D</b>   <b>5,000.00</b>                    |                     |
|   |                            | 13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/> |   | 12b   |                     |
|   |                            | 14 Other   |   | 12c   |                     |
|   |                            |  |   | 12d   |                     |
| f Employee's address and ZIP code   |                            |  |   |   |                     |
| 15 State  | Employer's state ID number | 16 State wages, tips, etc.   | 17 State income tax                                   | 18 Local wages, tips, etc.                        | 19 Local income tax |
| <b>CA</b>   | <b>999999</b>              | <b>42,000.00</b>   | <b>250.00</b>   | <b>42,000.00</b>                                  | <b>378.00</b>       |
|   |                            |  | 20 Locality name<br><b>CASDI</b>                      |   |                     |

Form **W-2** Wage and Tax Statement  
Copy 1 – For State, City, or Local Tax Department

2014

Department of the Treasury – Internal Revenue Service

|   |   |  |  |  |
|---|---|--|--|--|
| Form <b>1040</b> Department of the Treasury - Internal Revenue Service (99) <b>2014</b> OMB No. 1545-0074 IRS Use Only-Do not write or staple in this space.  |   | See separate instructions.   |  |  |
| For the year Jan. 1-Dec. 31, 2014, or other tax year beginning .,2014, ending .,20  |   |  |  |  |
| Your first name and initial <b>CHRISTOPHER THOMAS</b> Last name   |   | Your social security number  |  |  |
| If a joint return, spouse's first name and initial <b>TERRIE THOMAS</b> Last name   |   | Spouse's social security number  |  |  |
| Home address (number and street). If you have a P.O. box, see instructions.<br><b>1234 WHALER WY</b>  |   | Apt. no.   | ▲ Make sure the SSN(s) above and on line 6c are correct.   |  |
| City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).<br><b>HUNTINGTON BEACH CA 92647-</b>  |   |  |  |  |
| Foreign country name  |   | Foreign province/state/county  | Foreign postal code  |  |
| <b>Filing Status</b><br>1 <input type="checkbox"/> Single<br>2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)<br>3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶<br>4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions). If the qualifying person is a child but not your dependent, enter this child's name here. ▶<br>5 <input type="checkbox"/> Qualifying widow(er) with dependent child |   | <b>Presidential Election Campaign</b><br>Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.<br><input type="checkbox"/> You <input type="checkbox"/> Spouse                        |  |  |
| <b>Exemptions</b><br>6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a<br>b <input checked="" type="checkbox"/> Spouse  |   | Boxes checked on 6a and 6b <b>2</b><br>No. of children on 6c who:<br>• lived with you <b>0</b><br>• did not live with you due to divorce or separation (see instructions) <b>0</b><br>Dependents on 6c not entered above <b>0</b><br>Add numbers on lines above ▶ <b>2</b> |  |  |
| If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>  | <b>c Dependents:</b>  |  | (4) <input checked="" type="checkbox"/> If child under age 17 qualifying for child tax credit (see instr.) |  |
|   | (1) First name  | Last name  |  | (2) Dependent's social security number |
|   |   |  |  | (3) Dependent's relationship to you    |
|   |   |  |  |  |
|   |   |  |  |  |
| d Total number of exemptions claimed  |   | <b>2</b>   |  |  |
| <b>Income</b><br><br>Attach Forms(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.<br><br>If you did not get a W-2, see instructions.  | 7 Wages, salaries, tips, etc. Attach Form(s) W-2  | 7  | 42,000.  |  |
|   | 8a Taxable interest. Attach Schedule B if required  | 8a   | 200.   |  |
|   | b Tax-exempt interest. Do not include on line 8a  | 8b   |  |  |
|   | 9a Ordinary dividends. Attach Schedule B if required  | 9a   |  |  |
|   | b Qualified dividends   | 9b   |  |  |
|   | 10 Taxable refunds, credits, or offsets of state and local income taxes   | 10   |  |  |
|   | 11 Alimony received   | 11   |  |  |
|   | 12 Business income or (loss). Attach Schedule C or C-EZ   | 12   |  |  |
|   | 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>          | 13   | (2,465.)   |  |
|   | 14 Other gains or (losses). Attach Form 4797  | 14   |  |  |
|   | 15a IRA distributions   | 15a  |  |  |
|   | b Taxable amount  | 15b  |  |  |
|   | 16a Pensions and annuities  | 16a  |  |  |
|   | b Taxable amount  | 16b  |  |  |
|   | 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E                            | 17   |  |  |
| 18 Farm income or (loss). Attach Schedule F   | 18  |  |  |  |
| 19 Unemployment compensation  | 19  |  |  |  |
| 20a Social security benefits  | 20a   | 11,500.  |  |  |
| b Taxable amount  | 20b   | 7,012.   |  |  |
| 21 Other income. List type and amount   | 21  |  |  |  |
| 22 Combine the amounts in the far right col for lines 7 through 21. This is your total income ▶   | 22  | 46,747.  |  |  |
| <b>Adjusted Gross Income</b>  | 23 Educator expenses  | 23   |  |  |
|   | 24 Certain business expenses of reservists, performing artists, and fee-basis gov. officials. Attach Form 2106 or 2106-EZ | 24   |  |  |
|   | 25 Health savings account deduction. Attach Form 8889   | 25   |  |  |
|   | 26 Moving expenses. Attach Form 3903  | 26   |  |  |
|   | 27 Deductible part of self-employment tax. Attach Schedule SE   | 27   |  |  |
|   | 28 Self-employed SEP, SIMPLE, and qualified plans   | 28   |  |  |
|   | 29 Self-employed health insurance deduction   | 29   |  |  |
|   | 30 Penalty on early withdrawal of savings   | 30   |  |  |
|   | 31a Alimony paid b Recipient's SSN ▶  | 31a  |  |  |
|   | 32 IRA deduction  | 32   |  |  |
|   | 33 Student loan interest deduction  | 33   |  |  |
| 34 Tuition and fees. Attach Form 8917   | 34  |  |  |  |
| 35 Domestic production activities deduction. Attach Form 8903   | 35  |  |  |  |
| 36 Add lines 23 through 35  | 36  |  |  |  |
| 37 Subtract line 36 from line 22. This is your adjusted gross income ▶  | 37  | 46,747.  |  |  |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form 1040 (2014)

Form 1040 (2014) **CHRISTOPHER & TERRIE THOMAS** Page **2**

|   |   |                                |  |
|---|---|--------------------------------|--|
| <b>38</b> Amount from line 37 (adjusted gross income) . . . . .   |   | <b>38</b>                      | 46,747.                                      |
| <b>Tax and Credits</b>  |   |                                |  |
| <b>39a</b> Check <input checked="" type="checkbox"/> You were born before Jan. 2, 1950, <input type="checkbox"/> Blind. <input checked="" type="checkbox"/> Spouse was born before Jan. 2, 1950, <input type="checkbox"/> Blind. Total boxes checked <b>▶ 39a</b> <b>2</b>  |   |                                |  |
| <b>b</b> If your spouse itemizes on a separate return or you were a dual-status alien, check here <b>▶ 39b</b> <input type="checkbox"/>   |   |                                |  |
| <b>40</b> Itemized deductions (from Schedule A) or your standard deduction (see left margin) . . . . .  |   | <b>40</b>                      | 14,863.                                      |
| <b>41</b> Subtract line 40 from line 38 . . . . .   |   | <b>41</b>                      | 31,884.                                      |
| <b>42</b> Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions . . . . .   |   | <b>42</b>                      | 7,900.                                       |
| <b>43</b> Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- . . . . .   |   | <b>43</b>                      | 23,984.                                      |
| <b>44</b> Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 9814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> . . . . .  |   | <b>44</b>                      | 2,689.                                       |
| <b>45</b> Alternative minimum tax (see instructions). Attach Form 6251 . . . . .  |   | <b>45</b>                      |  |
| <b>46</b> Excess advance premium tax credit repayment. Attach Form 8962 . . . . .   |   | <b>46</b>                      |  |
| <b>47</b> Add lines 44, 45, and 46 . . . . .  |   | <b>47</b>                      | 2,689.                                       |
| <b>48</b> Foreign tax credit. Attach Form 1116 if required . . . . .  |   | <b>48</b>                      |  |
| <b>49</b> Credit for child and dependent care expenses. Attach Form 2441 . . . . .  |   | <b>49</b>                      |  |
| <b>50</b> Education credits from Form 8863, line 19 . . . . .   |   | <b>50</b>                      | 400.   |
| <b>51</b> Retirement savings contributions credit. Attach Form 8880 . . . . .   |   | <b>51</b>                      | 200.   |
| <b>52</b> Child tax credit. Attach Schedule 8812, if required . . . . .   |   | <b>52</b>                      |  |
| <b>53</b> Residential energy credits. Attach Form 5695 . . . . .  |   | <b>53</b>                      |  |
| <b>54</b> Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> . . . . .   |   | <b>54</b>                      |  |
| <b>55</b> Add lines 48 through 54. These are your total credits . . . . .   |   | <b>55</b>                      | 600.   |
| <b>56</b> Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- . . . . .   |   | <b>56</b>                      | 2,089.                                       |
| <b>57</b> Self-employment tax. Attach Schedule SE . . . . .   |   | <b>57</b>                      |  |
| <b>58</b> Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 . . . . .  |   | <b>58</b>                      |  |
| <b>59</b> Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . .   |   | <b>59</b>                      |  |
| <b>60a</b> Household employment taxes from Schedule H . . . . .   |   | <b>60a</b>                     |  |
| <b>b</b> First-time homebuyer credit repayment. Attach Form 5405 if required . . . . .  |   | <b>60b</b>                     |  |
| <b>61</b> Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/> . . . . .  |   | <b>61</b>                      |  |
| <b>62</b> Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) . . . . .  |   | <b>62</b>                      |  |
| <b>63</b> Add lines 56 through 62. This is your total tax . . . . .   |   | <b>63</b>                      | 2,089.                                       |
| <b>64</b> Federal income tax withheld from Forms W-2 and 1099 . . . . .   |   | <b>64</b>                      | 2,500.                                       |
| <b>65</b> 2014 estimated tax payments and amount applied from 2013 return . . . . .   |   | <b>65</b>                      |  |
| <b>66a</b> Earned income credit (EIC) . . . . .NQ . . . . .   |   | <b>66a</b>                     |  |
| <b>b</b> Nontaxable combat pay election <b>66b</b> . . . . .  |   |                                |  |
| <b>67</b> Additional child tax credit. Attach Form 8812 . . . . .   |   | <b>67</b>                      |  |
| <b>68</b> American opportunity credit from Form 8863, line 8 . . . . .  |   | <b>68</b>                      |  |
| <b>69</b> Net premium tax credit. Attach Form 8962 . . . . .  |   | <b>69</b>                      |  |
| <b>70</b> Amount paid with request for extension to file . . . . .  |   | <b>70</b>                      |  |
| <b>71</b> Excess social security and tier 1 RRTA tax withheld . . . . .   |   | <b>71</b>                      |  |
| <b>72</b> Credit for federal tax on fuels. Attach Form 4136 . . . . .   |   | <b>72</b>                      |  |
| <b>73</b> Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Re-served c <input type="checkbox"/> Re-served d <input type="checkbox"/> . . . . .   |   | <b>73</b>                      |  |
| <b>74</b> Add lines 64, 65, 66a, and 67 through 73. These are your total payments . . . . .   |   | <b>74</b>                      | 2,500.                                       |
| <b>75</b> If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid . . . . .   |   | <b>75</b>                      | 411.   |
| <b>76a</b> Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> . . . . .  |   | <b>76a</b>                     | 411.   |
| Direct deposit? <input checked="" type="checkbox"/>   | <b>b</b> Routing number <b>121058782</b> <b>▶</b> c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings |                                |  |
| See instructions <input checked="" type="checkbox"/>  | <b>d</b> Account number <b>000180155</b>  |                                |  |
| <b>77</b> Amount of line 75 you want applied to your 2015 estimated tax <b>▶ 77</b> . . . . .   |   | <b>77</b>                      |  |
| <b>78</b> Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions . . . . .  |   | <b>78</b>                      |  |
| <b>79</b> Estimated tax penalty (see instructions) . . . . .  |   | <b>79</b>                      |  |
| <b>Third Party Designee</b> Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input checked="" type="checkbox"/> No  |   |                                |  |
| Designee's name <b>▶</b> . . . . .  |   | Phone no. <b>▶</b> . . . . .   |  |
| Personal identification number (PIN) <b>▶</b> . . . . .   |   |                                |  |
| <b>Sign Here</b> Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. |   |                                |  |
| Joint return? <input type="checkbox"/>  | Your signature . . . . .  | Date . . . . .                 | Your occupation <b>RETIRED</b> . . . . .     |
| See instructions <input checked="" type="checkbox"/>  | Spouse's signature. If a joint return, both must sign. . . . .  |                                | Spouse's occupation <b>TEACHER</b> . . . . . |
| Keep a copy for your records.   | Date . . . . .  |                                | Daytime phone number . . . . .               |
| Print/Type preparer's name . . . . .  |   | Preparer's signature . . . . . | Date . . . . .                               |
| Check <input type="checkbox"/> if self-employed   |   | PTIN <b>S71018851</b>          |  |
| <b>Paid Preparer Use Only</b> Firm's name <b>▶ FTB</b> . . . . .  |   | Firm's EIN <b>▶</b> . . . . .  |  |
| Firm's address <b>▶ P O BOX 651</b> . . . . .   |   | Phone no. <b>800-522-5665</b>  |  |
| SACRAMENTO CA 95812 . . . . .   |   |                                |  |

www.irs.gov/form1040 Form **1040** (2014)

**SCHEDULE A  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Itemized Deductions**

► Information about Schedule A and its separate instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040).  
► Attach to Form 1040.

OMB No. 1545-0074

**2014**

Attachment  
Sequence No. **07**

Name(s) shown on Form 1040

CHRISTOPHER & TERRIE THOMAS

Your social security number

|                                       |   |  |    |         |
|---------------------------------------|---|--|----|---------|
| <b>Medical and Dental Expenses</b>    | <b>Caution.</b> Do not include expenses reimbursed or paid by others. |  |    |         |
|                                       | 1   | Medical and dental expenses (see instructions) . . . . .   | 1  |         |
|                                       | 2   | Enter amount from Form 1040, line 38 <input type="text" value="2"/> <input type="text" value="46,747"/> .  | 2  | 46,747. |
|                                       | 3   | Multiply line 2 by 10% (.10). But if either you or your spouse was born before Jan. 2, 1950, multiply line 2 by 7.5% (.075) instead . . . . .  | 3  | 3,506.  |
|                                       | 4   | Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- . . . . .  | 4  |         |
| <b>Taxes You Paid</b>                 | 5 State and local (check only one box):                               |  | 5  | 628.    |
|                                       | a <input checked="" type="checkbox"/>                                 | Income taxes, or   |    |         |
|                                       | b <input type="checkbox"/>  | General sales taxes  |    |         |
|                                       | 6   | Real estate taxes (see instructions) . . . . .   | 6  | 1,550.  |
|                                       | 7   | Personal property taxes . . . . .  | 7  |         |
|                                       | 8   | Other taxes. List type and amount ►<br>VLF   | 8  | 180.    |
|                                       | 9   | Add lines 5 through 8 . . . . .  | 9  | 2,358.  |
| <b>Interest You Paid</b>              | 10  | Home mortgage interest and points reported to you on Form 1098 . . . . .   | 10 | 12,505. |
|                                       | 11  | Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see inst. and show that person's name, identifying no., and address ►<br>_____   | 11 |         |
|                                       | 12  | Points not reported to you on Form 1098. See instructions for special rules . . . . .  | 12 |         |
|                                       | 13  | Mortgage insurance premiums (see instructions) . . . . .   | 13 |         |
|                                       | 14  | Investment interest. Attach Form 4952 if required. (See instructions.)   | 14 |         |
|                                       | 15  | Add lines 10 through 14 . . . . .  | 15 | 12,505. |
| <b>Gifts to Charity</b>               | 16  | Gifts by cash or check. If you made any gift of \$250 or more, see instructions . . . . .  | 16 |         |
|                                       | 17  | Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 . . . . .   | 17 |         |
|                                       | 18  | Carryover from prior year . . . . .  | 18 |         |
|                                       | 19  | Add lines 16 through 18 . . . . .  | 19 |         |
| <b>Casualty and Theft Losses</b>      | 20  | Casualty or theft loss(es). Attach Form 4684. (See instructions.) . . . . .  | 20 |         |
|                                       | <b>Job Expenses and Certain Miscellaneous Deductions</b>              |  |    |         |
|                                       | 21  | Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ► _____  | 21 |         |
|                                       | 22  | Tax preparation fees . . . . .   | 22 |         |
|                                       | 23  | Other expenses - investment, safe deposit box, etc. List type and amount ► _____   | 23 |         |
|                                       | 24  | Add lines 21 through 23 . . . . .  | 24 |         |
|                                       | 25  | Enter amount from Form 1040, line 38 <input type="text" value="25"/> <input type="text" value="46,747"/> .   | 25 | 46,747. |
|                                       | 26  | Multiply line 25 by 2% (.02) . . . . .   | 26 | 935.    |
|                                       | 27  | Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- . . . . .  | 27 |         |
| <b>Other Miscellaneous Deductions</b> | 28  | Other - from list in the inst. List type and amount ► _____  | 28 |         |
| <b>Total Itemized Deductions</b>      | 29  | Is Form 1040, line 38, over \$152,525?<br><input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.<br><input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter. | 29 | 14,863. |
|                                       | 30  | If you elect to itemize deductions even though they are less than your standard deduction, check here . . . . . <input type="checkbox"/>   |    |         |

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 2014

BCA

## Form 540 Problem 2 Data Sheet

Form 1040 is completed for the following client. You must now complete a Form 540. Below is information needed to complete the state tax return.

### Client Information

---

|                |   |
|----------------|---|
| Name:          | Sandra Short – 000-00-0000              |
| Birth Date:    | 09/28/1987                              |
| Address:       | 452 Shoo Fly Lane<br>Fillmore, CA 93015 |
| Phone #:       | 000.000.0000                            |
| Filing Status: | Head of Household                       |
| Dependents:    | Shelly Short                            |
| Birth Date:    | 05/12/2011                              |

### Additional Information

---

1. Sandra worked part time in 2015. She takes the standard deduction.
2. Shelly is Sandra's daughter and lives with her all year.
3. Sandra's brother, Sam, lives with Sandra all year but she is not sure if she can claim him as a dependent. Sam is 25, attends community college, and does not work. Sam's dad gives him \$100.00 per month to help with expenses until he graduates. Sam's SSN: 000-00-0000. Sam's birth date: 02/15/1990.
4. Sandra pays \$1,800.00 per year childcare for Shelly. Her daycare provider is Susie Smith, 000-00-0000, located at 555 Shoo Fly Lane, Fillmore, CA 93015. All care was provided at 555 Shoo Fly Lane. Her telephone number is 831.000.0000.
5. Sandra thinks she qualifies for the renter's credit. Everyone in the household is all year covered under Sandra's insurance plan through her employer.
6. Sandra has rented the same house for the entire year. The rental property is not exempt from property tax. Sandra pays rent to Firestone Properties, 379 Fernbridge Way Fillmore, CA 93015 831.111.1111.

## Form 540, Problem 2 W-2 Information for Sandra Short

|  |  |   |                                   |  |                         |
|--|--|---|-----------------------------------|--|-------------------------|
| <b>22222</b>   | <b>a</b> Employee's social security number<br><b>000-00-0000</b> | OMB No. 1545-0008   |                                   |  |                         |
| <b>b</b> Employer identification number (EIN)<br><b>95-1144332</b>   |  | <b>1</b> Wages, tips, other compensation<br><b>5,000.00</b>   |                                   | <b>2</b> Federal income tax withheld                   |                         |
| <b>c</b> Employer's name, address, and ZIP code<br><b>STACKERS SUPPLY</b><br><b>865 FREEMONT AVE</b><br><b>FILMORE, CA 93105</b>                 |  | <b>3</b> Social security wages<br><b>5,000.00</b>   |                                   | <b>4</b> Social security tax withheld<br><b>310.00</b> |                         |
|  |  | <b>5</b> Medicare wages and tips<br><b>5,000.00</b>   |                                   | <b>6</b> Medicare tax withheld<br><b>73.00</b>         |                         |
|  |  | <b>7</b> Social security tips   |                                   | <b>8</b> Allocated tips                                |                         |
| <b>d</b> Control number  |  | <b>9</b>  |                                   | <b>10</b> Dependent care benefits                      |                         |
| <b>e</b> Employee's first name and initial      Last name      Suff.<br><b>SANDRA SHORT</b><br><b>452 SHOO FLY LN</b><br><b>FILMORE CA 93105</b> |  | <b>11</b> Nonqualified plans  |                                   | <b>12a</b><br><b>DD</b> <b>1856.00</b>                 |                         |
|  |  | <b>13</b> Statutory employee      Retirement plan      Third-party sick pay<br><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |                                   | <b>12b</b>   |                         |
|  |  | <b>14</b> Other<br><b>CASDI 250.00</b>  |                                   | <b>12c</b>   |                         |
|  |  |   |                                   | <b>12d</b>   |                         |
| <b>f</b> Employee's address and ZIP code   |  |   |                                   |  |                         |
| <b>15</b> State      Employer's state ID number<br><b>CA</b> <b>840 5344</b>   | <b>16</b> State wages, tips, etc.<br><b>5,000.00</b>             | <b>17</b> State income tax  | <b>18</b> Local wages, tips, etc. | <b>19</b> Local income tax                             | <b>20</b> Locality name |

Form **W-2** Wage and Tax Statement  
 Copy 1 – For State, City, or Local Tax Department

2014

Department of the Treasury – Internal Revenue Service

|   |  |  |   |                     |
|---|--|--|---|---------------------|
| <b>Form 1040</b> Department of the Treasury - Internal Revenue Service (99) <b>2014</b> U.S. Individual Income Tax Return   |  | OMB No. 1545-0074  | IRS Use Only-Do not write or staple in this space.  |                     |
| For the year Jan. 1-Dec. 31, 2014, or other tax year beginning .,2014, ending .,20  |  |  | See separate instructions.  |                     |
| Your first name and initial<br>SANDRA SHORT   |  | Last name  |   |                     |
| If a joint return, spouse's first name and initial  |  | Last name  |   |                     |
| Home address (number and street). If you have a P.O. box, see instructions.<br>452 SHOO FLY LN  |  | Apt. no.   |   |                     |
| City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).<br>FILLMORE CA 93015-   |  |  | <b>Presidential Election Campaign</b><br>Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.<br><input type="checkbox"/> You <input type="checkbox"/> Spouse |                     |
| Foreign country name  |  | Foreign province/state/county  |   | Foreign postal code |
| <b>Filing Status</b><br>1 <input type="checkbox"/> Single<br>2 <input type="checkbox"/> Married filing jointly (even if only one had income)<br>3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶<br>4 <input checked="" type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶<br>5 <input type="checkbox"/> Qualifying widow(er) with dependent child   |  |  |   |                     |
| <b>Exemptions</b><br>6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a<br>b <input type="checkbox"/> Spouse   |  | Boxes checked on 6a and 6b <b>1</b>  |   |                     |
| If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>  | <b>c Dependents:</b><br>(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instr.) |  | No. of children on 6c who:<br>• lived with you <b>1</b><br>• did not live with you due to divorce or separation (see instructions) <b>0</b><br>Dependents on 6c not entered above <b>1</b><br>Add numbers on lines above <b>3</b>                   |                     |
|   | SHELLY SHORT   |  |   | DAUGHTER            |
|   | SAM SHORT  |  |   | BROTHER             |
|   |  |  |   |                     |
| d Total number of exemptions claimed  |  |  |   |                     |
| <b>Income</b><br>7 Wages, salaries, tips, etc. Attach Form(s) W-2<br>8a Taxable interest. Attach Schedule B if required<br>b Tax-exempt interest. Do not include on line 8a<br>9a Ordinary dividends. Attach Schedule B if required<br>b Qualified dividends<br>10 Taxable refunds, credits, or offsets of state and local income taxes<br>11 Alimony received<br>12 Business income or (loss). Attach Schedule C or C-EZ<br>13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/><br>14 Other gains or (losses). Attach Form 4797<br>15a IRA distributions<br>16a Pensions and annuities<br>17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E<br>18 Farm income or (loss). Attach Schedule F<br>19 Unemployment compensation<br>20a Social security benefits<br>21 Other income. List type and amount<br>22 Combine the amounts in the far right col for lines 7 through 21. This is your total income |  | 7 5,000.<br>8a 15.<br>9a<br>10<br>11<br>12<br>13<br>14<br>15a 15b<br>16a 16b<br>17<br>18<br>19<br>20a 20b<br>21<br>22 5,015. |   |                     |
| <b>Adjusted Gross Income</b><br>23 Educator expenses<br>24 Certain business expenses of reservists, performing artists, and fee-basis gov. officials. Attach Form 2106 or 2106-EZ<br>25 Health savings account deduction. Attach Form 8889<br>26 Moving expenses. Attach Form 3903<br>27 Deductible part of self-employment tax. Attach Schedule SE<br>28 Self-employed SEP, SIMPLE, and qualified plans<br>29 Self-employed health insurance deduction<br>30 Penalty on early withdrawal of savings<br>31a Alimony paid b Recipient's SSN ▶<br>32 IRA deduction<br>33 Student loan interest deduction<br>34 Tuition and fees. Attach Form 8917<br>35 Domestic production activities deduction. Attach Form 8903<br>36 Add lines 23 through 35<br>37 Subtract line 36 from line 22. This is your adjusted gross income  |  | 23<br>24<br>25<br>26<br>27<br>28<br>29<br>30<br>31a<br>32<br>33<br>34<br>35<br>36<br>37 5,015.                               |   |                     |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form 1040 (2014)

Form 1040 (2014) **SANDRA SHORT** Page **2**

|  |  |   |
|--|--|---|
| <b>Tax and Credits</b>   | <b>38</b> Amount from line 37 (adjusted gross income) . . . . . <b>38</b> 5,015.   |   |
|  | <b>39a</b> Check <input type="checkbox"/> You were born before Jan. 2, 1950, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked <b>▶ 39a</b> <input type="checkbox"/><br>if: <input type="checkbox"/> Spouse was born before Jan. 2, 1950, <input type="checkbox"/> Blind.               |   |
| <b>Standard Deduction for-</b><br>• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.<br>• All others:<br>Single or Married filing separately, \$6,200<br>Married filing jointly or Qualifying widow(er), \$12,400<br>Head of household, \$9,100 | <b>b</b> If your spouse itemizes on a separate return or you were a dual-status alien, check here <b>▶ 39b</b> <input type="checkbox"/>  |   |
|  | <b>40</b> Itemized deductions (from Schedule A) or your standard deduction (see left margin) . . . . . <b>40</b> 9,100.  |   |
|  | <b>41</b> Subtract line 40 from line 38 . . . . . <b>41</b> (4,085.)   |   |
|  | <b>42</b> Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions. . . . . <b>42</b> 11,850.   |   |
|  | <b>43</b> Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- . . . . . <b>43</b> 0  |   |
|  | <b>44</b> Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> . . . . . <b>44</b>   |   |
|  | <b>45</b> Alternative minimum tax (see instructions). Attach Form 6251 . . . . . <b>45</b>   |   |
|  | <b>46</b> Excess advance premium tax credit repayment. Attach Form 8962 . . . . . <b>46</b>  |   |
|  | <b>47</b> Add lines 44, 45, and 46 . . . . . <b>▶ 47</b>   |   |
|  | <b>48</b> Foreign tax credit. Attach Form 1116 if required . . . . . <b>48</b>   |   |
| <b>49</b> Credit for child and dependent care expenses. Attach Form 2441 . . . . . <b>49</b>   |  |   |
| <b>50</b> Education credits from Form 8863, line 19 . . . . . <b>50</b>  |  |   |
| <b>51</b> Retirement savings contributions credit. Attach Form 8880 . . . . . <b>51</b>  |  |   |
| <b>52</b> Child tax credit. Attach Schedule 8812, if required . . . . . <b>52</b>  |  |   |
| <b>53</b> Residential energy credits. Attach Form 5695 . . . . . <b>53</b>   |  |   |
| <b>54</b> Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> . . . . . <b>54</b>  |  |   |
| <b>55</b> Add lines 48 through 54. These are your total credits . . . . . <b>55</b>  |  |   |
| <b>56</b> Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- . . . . . <b>▶ 56</b>  |  |   |
| <b>Other Taxes</b>   | <b>57</b> Self-employment tax. Attach Schedule SE . . . . . <b>57</b>  |   |
| <b>58</b> Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 . . . . . <b>58</b>   |  |   |
| <b>59</b> Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . . <b>59</b>  |  |   |
| <b>60a</b> Household employment taxes from Schedule H . . . . . <b>60a</b>   |  |   |
| <b>b</b> First-time homebuyer credit repayment. Attach Form 5405 if required . . . . . <b>60b</b>  |  |   |
| <b>61</b> Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/> . . . . . <b>61</b>   |  |   |
| <b>62</b> Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) . . . . . <b>62</b>   |  |   |
| <b>63</b> Add lines 56 through 62. This is your total tax . . . . . <b>▶ 63</b>  |  |   |
| <b>Payments</b>  | <b>64</b> Federal income tax withheld from Forms W-2 and 1099 . . . . . <b>64</b>  |   |
| <b>65</b> 2014 estimated tax payments and amount applied from 2013 return . . . . . <b>65</b>  |  |   |
| <b>66a</b> Earned income credit (EIC) . . . . . <b>66a</b> 1,709.  |  |   |
| <b>b</b> Nontaxable combat pay election <b>66b</b>   |  |   |
| <b>67</b> Additional child tax credit. Attach Form 8812 . . . . . <b>67</b> 300.   |  |   |
| <b>68</b> American opportunity credit from Form 8863, line 8 . . . . . <b>68</b>   |  |   |
| <b>69</b> Net premium tax credit. Attach Form 8962 . . . . . <b>69</b>   |  |   |
| <b>70</b> Amount paid with request for extension to file . . . . . <b>70</b>   |  |   |
| <b>71</b> Excess social security and tier 1 RRTA tax withheld . . . . . <b>71</b>  |  |   |
| <b>72</b> Credit for federal tax on fuels. Attach Form 4136 . . . . . <b>72</b>  |  |   |
| <b>73</b> Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Re-served c <input type="checkbox"/> Re-served d <input type="checkbox"/> . . . . . <b>73</b>  |  |   |
| <b>74</b> Add lines 64, 65, 66a, and 67 through 73. These are your total payments . . . . . <b>▶ 74</b> 2,009.   |  |   |
| <b>Refund</b>  | <b>75</b> If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid <b>75</b> 2,009.   |   |
| <b>76a</b> Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <b>▶</b> <input type="checkbox"/>  | <b>76a</b> 2,009.  |   |
| Direct deposit? <b>▶</b> <b>b</b> Routing number 121058782 <b>▶</b> c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings  |  |   |
| See instructions <b>▶</b> <b>d</b> Account number 000180155  |  |   |
| <b>77</b> Amount of line 75 you want applied to your 2015 estimated tax <b>▶</b> <b>77</b>   |  |   |
| <b>78</b> Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions <b>▶</b> <b>78</b>  |  |   |
| <b>79</b> Estimated tax penalty (see instructions) . . . . . <b>79</b>   |  |   |
| <b>Third Party Designee</b>  | Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input checked="" type="checkbox"/> No   | Designee's name <input type="text"/> Phone no. <input type="text"/> Personal identification number (PIN) <input type="text"/> |
| <b>Sign Here</b>   | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. |   |
| Joint return? <b>▶</b> See instructions. Keep a copy for your records.   | Your signature <input type="text"/> Date <input type="text"/> Your occupation CLERK Daytime phone number 916-845-7052  |   |
|  | Spouse's signature. If a joint return, both must sign. <input type="text"/> Date <input type="text"/> Spouse's occupation <input type="text"/> If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>  |   |
| <b>Paid Preparer Use Only</b>  | Print/Type preparer's name <input type="text"/> Preparer's signature <input type="text"/> Date <input type="text"/> Check <input type="checkbox"/> if self-employed PTIN S71018851   |   |
|  | Firm's name <b>▶</b> FTB Firm's EIN <b>▶</b> <input type="text"/>  |   |
|  | Firm's address <b>▶</b> P O BOX 651 Phone no. 800-522-5665   |   |
|  | SACRAMENTO CA 95812  |   |

www.irs.gov/form1040 Form **1040** (2014)

### Form 540 Problem 3 Data Sheet

Form 1040 is completed for the following client. Complete a Form 540. Below is information needed to complete the state tax return.

#### Client Information

---

|                |  |
|----------------|--|
| Name:          | Randall Rivers 000-00-0000                       |
| Birth Date:    | 10/31/1961                                       |
|                | Rose Rivers 000-00-0000                          |
|                | 12/25/1965                                       |
|                | Rita Rivers 000-00-0000                          |
|                | 05/11/2010                                       |
| Address:       | 1234 Pretty Picture Lane<br>Sacramento, CA 95814 |
| Telephone:     | 916.000.0000                                     |
| Filing Status: | Married Filing Joint                             |

#### Additional Information

---

1. Randall and Rose would like to file married filing joint.
2. Rose has healthcare coverage through a plan with her employer that covers Randall and Rita all year.
3. During 2015, Randall and Rose rented the same duplex for the entire year. The property is not exempt from property tax. They paid rent to:  
  
 Apex Property Management  
 2000 Service Blvd  
 Golden, Colorado 80401  
 Phone: 303 555-8642
4. Randall and Rose do not itemize deductions.
5. Randall received \$8,000.00 unemployment benefits during 2015.

Their daughter and grandson lived with them all year but they cannot claim them as dependents. They have one dependent granddaughter.

### Form 540, Problem 3 W-2 Information for Rose Rivers

|   |   |  |   |                            |                                |
|---|---|--|---|----------------------------|--------------------------------|
| <b>22222</b>  | a Employee's social security number<br><b>000-00-0000</b> | OMB No. 1545-0008  |   |                            |                                |
| b Employer identification number (EIN)<br><b>95-6790989</b>   |   | 1 Wages, tips, other compensation<br><b>5,000.00</b>   | 2 Federal income tax withheld<br><b>250.00</b>  |                            |                                |
| c Employer's name, address, and ZIP code<br><b>LUCKY CASINO<br/>P O BOX 12<br/>RANCHO CORDOVA, CA 95827</b>                   |   | 3 Social security wages<br><b>5,020.00</b>   | 4 Social security tax withheld<br><b>311.00</b> |                            |                                |
|   |   | 5 Medicare wages and tips<br><b>5,020.00</b>   | 6 Medicare tax withheld<br><b>73.00</b>         |                            |                                |
|   |   | 7 Social security tips   | 8 Allocated tips                                |                            |                                |
| d Control number  |   | 9  | 10 Dependent care benefits                      |                            |                                |
| e Employee's first name and initial Last name Suff.<br><b>ROSE RIVERS<br/>1234 PRETTY PICTURE LN<br/>SACRAMENTO CA, 95814</b> |   | 11 Nonqualified plans  |   | 12a<br><b>D 20.00</b>      |                                |
|   |   | 13 Statutory employee Retirement plan Third-party sick pay<br><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |   | 12b                        |                                |
|   |   | 14 Other   |   | 12c                        |                                |
|   |   |  |   | 12d                        |                                |
| f Employee's address and ZIP code   |   |  |   |                            |                                |
| 15 State  | Employer's state ID number                                | 16 State wages, tips, etc.   | 17 State income tax                             | 18 Local wages, tips, etc. | 19 Local income tax            |
| <b>CA</b>   | <b>999999</b>   | <b>5,000.00</b>  | <b>25.00</b>                                    | <b>5,000.00</b>            | <b>4.00</b>                    |
|   |   |  |   |                            | 20 Locality name<br><b>SDI</b> |

Form **W-2** Wage and Tax Statement  
Copy 1 – For State, City, or Local Tax Department

2014

Department of the Treasury – Internal Revenue Service

|   |                          |   |   |
|---|--------------------------|---|---|
| <b>Form 1040</b> Department of the Treasury - Internal Revenue Service (99) <b>2014</b> U.S. Individual Income Tax Return                             |                          | OMB No. 1545-0074   | IRS Use Only-Do not write or staple in this space.                        |
| For the year Jan. 1-Dec. 31, 2014, or other tax year beginning .2014, ending .20  |                          | See separate instructions.  |   |
| Your first name and initial Last name<br>RANDALL RIVERS   |                          | Your social security number   |   |
| If a joint return, spouse's first name and initial Last name<br>ROSE RIVERS   |                          | Spouse's social security number   |   |
| Home address (number and street). If you have a P.O. box, see instructions.<br>1234 PRETTY PICTURE LN   |                          | Apt. no.  | ▲ Make sure the SSN(s) above and on line 6c are correct.                  |
| City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).<br>SACRAMENTO CA 95814- |                          |   |   |
| Foreign country name  |                          | Foreign province/state/county   | Foreign postal code   |
| <b>Filing Status</b>  |                          | <b>Presidential Election Campaign</b><br>Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.<br><input type="checkbox"/> You <input type="checkbox"/> Spouse |   |
| 1 <input type="checkbox"/> Single   |                          | 4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.)<br>If the qualifying person is a child but not your dependent, enter this child's name here. ▶   |   |
| 2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)  |                          |   |   |
| 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶  |                          | 5 <input type="checkbox"/> Qualifying widow(er) with dependent child  |   |
| Check only one box.   |                          |   |   |
| <b>Exemptions</b>   |                          | <b>Boxes checked on 6a and 6b</b>   |   |
| 6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a   |                          | 2   |   |
| b <input checked="" type="checkbox"/> Spouse  |                          |   |   |
| c <b>Dependents:</b>  |                          |   |   |
| If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>  | (1) First name Last name | (2) Dependent's social security number  | (3) Dependent's relationship to you                                       |
|   | RITA RIVERS              |   | GRANDCHILD  |
|   |                          |   |   |
|   |                          |   |   |
|   |                          | (4) <input checked="" type="checkbox"/> If child under age 17 qualifying for child tax credit (see instr.)  | <b>No. of children on 6c who:</b>   |
|   |                          |   | • lived with you 1  |
|   |                          |   | • did not live with you due to divorce or separation (see instructions) 0 |
|   |                          |   | <b>Dependents on 6c not entered above</b> 0                               |
| d Total number of exemptions claimed  |                          | <b>Add numbers on lines above</b> ▶ 3   |   |
| <b>Income</b>   |                          |   |   |
| 7 Wages, salaries, tips, etc. Attach Form(s) W-2  |                          | 7   | 5,000.  |
| 8a Taxable interest. Attach Schedule B if required  |                          | 8a  |   |
| b Tax-exempt interest. Do not include on line 8a  |                          | 8b  |   |
| 9a Ordinary dividends. Attach Schedule B if required  |                          | 9a  |   |
| b Qualified dividends   |                          | 9b  |   |
| 10 Taxable refunds, credits, or offsets of state and local income taxes   |                          | 10  |   |
| 11 Alimony received   |                          | 11  |   |
| 12 Business income or (loss). Attach Schedule C or C-EZ   |                          | 12  |   |
| 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>                                      |                          | 13  |   |
| 14 Other gains or (losses). Attach Form 4797  |                          | 14  |   |
| 15a IRA distributions   |                          | 15a   |   |
| b Taxable amount  |                          | 15b   |   |
| 16a Pensions and annuities  |                          | 16a   |   |
| b Taxable amount  |                          | 16b   |   |
| 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E  |                          | 17  |   |
| 18 Farm income or (loss). Attach Schedule F   |                          | 18  |   |
| 19 Unemployment compensation  |                          | 19  | 8,000.  |
| 20a Social security benefits  |                          | 20a   |   |
| b Taxable amount  |                          | 20b   |   |
| 21 Other income. List type and amount   |                          | 21  |   |
| 22 Combine the amounts in the far right col for lines 7 through 21. This is your total income ▶   |                          | 22  | 13,000.   |
| <b>Adjusted Gross Income</b>  |                          |   |   |
| 23 Educator expenses  |                          | 23  |   |
| 24 Certain business expenses of reservists, performing artists, and fee-basis gov. officials. Attach Form 2106 or 2106-EZ                             |                          | 24  |   |
| 25 Health savings account deduction. Attach Form 8889   |                          | 25  |   |
| 26 Moving expenses. Attach Form 3903  |                          | 26  |   |
| 27 Deductible part of self-employment tax. Attach Schedule SE   |                          | 27  |   |
| 28 Self-employed SEP, SIMPLE, and qualified plans   |                          | 28  |   |
| 29 Self-employed health insurance deduction   |                          | 29  |   |
| 30 Penalty on early withdrawal of savings   |                          | 30  |   |
| 31a Alimony paid b Recipient's SSN ▶  |                          | 31a   |   |
| 32 IRA deduction  |                          | 32  |   |
| 33 Student loan interest deduction  |                          | 33  |   |
| 34 Tuition and fees. Attach Form 8917   |                          | 34  |   |
| 35 Domestic production activities deduction. Attach Form 8903   |                          | 35  |   |
| 36 Add lines 23 through 35  |                          | 36  |   |
| 37 Subtract line 36 from line 22. This is your adjusted gross income ▶  |                          | 37  | 13,000.   |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form 1040 (2014)

|  |  |  |   |   |  |
|--|--|--|---|---|--|
| Form 1040 (2014)   |  | RANDALL & ROSE RIVERS  |   | Page <b>2</b>                                   |  |
| <b>Tax and Credits</b>   | 38   | Amount from line 37 (adjusted gross income)  | 38  | 13,000.   |  |
|  | 39a  | Check <input type="checkbox"/> You were born before Jan. 2, 1950, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before Jan. 2, 1950, <input type="checkbox"/> Blind. Total boxes checked <b>▶ 39a</b> |   |   |  |
|  |  | b If your spouse itemizes on a separate return or you were a dual-status alien, check here <b>▶ 39b</b> <input type="checkbox"/>   |   |   |  |
|  | 40   | Itemized deductions (from Schedule A) or your standard deduction (see left margin)   | 40  | 12,400.   |  |
|  | 41   | Subtract line 40 from line 38  | 41  | 600.  |  |
|  | 42   | Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions  | 42  | 11,850.   |  |
|  | 43   | Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-  | 43  | 0   |  |
|  | 44   | Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>   | 44  |   |  |
|  | 45   | Alternative minimum tax (see instructions). Attach Form 6251   | 45  |   |  |
|  | 46   | Excess advance premium tax credit repayment. Attach Form 8962  | 46  |   |  |
| <b>Standard Deduction for-</b><br>• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.<br>• All others:<br>Single or Married filing separately, \$6,200<br>Married filing jointly or Qualifying widow(er), \$12,400<br>Head of household, \$9,100 | 47   | Add lines 44, 45, and 46   | 47  |   |  |
|  | 48   | Foreign tax credit. Attach Form 1116 if required   | 48  |   |  |
|  | 49   | Credit for child and dependent care expenses. Attach Form 2441   | 49  |   |  |
|  | 50   | Education credits from Form 8863, line 19  | 50  |   |  |
|  | 51   | Retirement savings contributions credit. Attach Form 8880  | 51  |   |  |
|  | 52   | Child tax credit. Attach Schedule 8812, if required  | 52  |   |  |
|  | 53   | Residential energy credits. Attach Form 5695   | 53  |   |  |
|  | 54   | Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>  | 54  |   |  |
|  | 55   | Add lines 48 through 54. These are your total credits  | 55  |   |  |
|  | 56   | Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-  | 56  |   |  |
| <b>Other Taxes</b>   | 57   | Self-employment tax. Attach Schedule SE  | 57  |   |  |
|  | 58   | Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919   | 58  |   |  |
|  | 59   | Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required  | 59  |   |  |
|  | 60a  | Household employment taxes from Schedule H   | 60a   |   |  |
|  | 60b  | First-time homebuyer credit repayment. Attach Form 5405 if required  | 60b   |   |  |
|  | 61   | Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>   | 61  |   |  |
|  | 62   | Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)   | 62  |   |  |
|  | 63   | Add lines 56 through 62. This is your total tax  | 63  |   |  |
| <b>Payments</b>  | 64   | Federal income tax withheld from Forms W-2 and 1099  | 64  | 250.  |  |
|  | 65   | 2014 estimated tax payments and amount applied from 2013 return  | 65  |   |  |
|  | 66a  | Earned income credit (EIC)   | 66a   | 1,709.  |  |
|  |  | b Nontaxable combat pay election <b>66b</b>  |   |   |  |
|  | 67   | Additional child tax credit. Attach Form 8812  | 67  | 300.  |  |
|  | 68   | American opportunity credit from Form 8863, line 8   | 68  |   |  |
|  | 69   | Net premium tax credit. Attach Form 8962   | 69  |   |  |
|  | 70   | Amount paid with request for extension to file   | 70  |   |  |
|  | 71   | Excess social security and tier 1 RRTA tax withheld  | 71  |   |  |
|  | 72   | Credit for federal tax on fuels. Attach Form 4136  | 72  |   |  |
| 73   | Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Re-served c <input type="checkbox"/> Re-served d <input type="checkbox"/>  | 73   |   |   |  |
| 74   | Add lines 64, 65, 66a, and 67 through 73. These are your total payments  | 74   | 2,259.  |   |  |
| <b>Refund</b>  | 75   | If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid  | 75  | 2,259.  |  |
|  | 76a  | Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>  | 76a   | 2,259.  |  |
|  |  | b Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings   |   |   |  |
|  | d Account number <input type="text"/>  |  |   |   |  |
| 77   | Amount of line 75 you want applied to your 2015 estimated tax  | 77   |   |   |  |
| <b>Amount You Owe</b>  | 78   | Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions   | 78  |   |  |
|  | 79   | Estimated tax penalty (see instructions)   | 79  |   |  |
| <b>Third Party Designee</b>  | Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input checked="" type="checkbox"/> No   |  |   |   |  |
|  | Designee's name <input type="text"/>   | Phone no. <input type="text"/>   | Personal identification number (PIN) <input type="text"/> |   |  |
| <b>Sign Here</b>   | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. |  |   |   |  |
|  | Your signature <input type="text"/>  | Date <input type="text"/>  | Your occupation<br>UNEMPLOYED                             | Daytime phone number <input type="text"/>       |  |
|  | Joint return? <input type="checkbox"/> See instructions. Keep a copy for your records.   | Spouse's signature. If a joint return, both must sign. <input type="text"/>  | Date <input type="text"/>                                 | Spouse's occupation<br>SERVICE WORKER           | If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/> |
|  | Print/Type preparer's name <input type="text"/>  | Preparer's signature <input type="text"/>  | Date <input type="text"/>                                 | Check <input type="checkbox"/> if self-employed | PTIN<br>S71018851  |
| <b>Paid Preparer Use Only</b>  | Firm's name <input type="text"/>   | Firm's EIN <input type="text"/>  |   |   |  |
|  | Firm's address <input type="text"/>  | Phone no. <input type="text"/>   |   |   |  |
|  | SACRAMENTO CA 95812  |  | 800-522-5665  |   |  |

**2015 California Volunteer  
Reference Manual**

**Contribution  
Section**



**Code 400**

**California Seniors Special Fund**

If your client and/or their spouse/RDP are 65 years or older and claim the Senior Exemption Credit on line 9, they may make a combined total contribution of up to \$218 or \$109 per spouse/RDP. Contributions entered for this fund will be distributed to the Area Agency on 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. If your client's 65th birthday is on January 1, 2016, they are considered age 65 on December 31, 2015.

**Code 401**

**Alzheimer's Disease/Related Disorders Fund**

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 over 600,000 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. For more information, go to [cdph.ca.gov](http://cdph.ca.gov) and search for **Alzheimer**.

**Code 403**

**Rare and Endangered Species Preservation Program**

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 your enjoyment and benefit to you and future generations of Californians.

**Code 405**

**California Breast Cancer Research Fund**

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 doctor's up-to-date on research progress. For more about the research your contributions support, go to [cbcrp.org](http://cbcrp.org). Your contribution can help make breast cancer a disease of the past.

**Code 406**

**California Firefighters' Memorial Fund**

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.

**Code 407**

**Emergency Food for Families Fund**

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.

**Code 408**

**California Peace Officer Memorial Foundation Fund**

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 Officer's 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.

**Code 410**

**California Sea Otter Fund**

The California Coastal Conservancy and the Department of Fish and Game will each be allocated 50 percent of the contributions. Contributions allocated to the California Coastal Conservancy will be used for research, science, protection, projects, or programs related to the Federal Sea Otter Recovery Plan or improving the near-shore ecosystem, including program activities to reduce sea otter mortality. Contributions allocated to the Department of Fish and Game will be used to establish a sea otter fund within the department's index coding system for increased investigation, prevention, and enforcement action.

**Code 413**

**California Cancer Research Fund**

Contributions will be used to conduct research relating to the causes, detection, and prevention of cancer and to expand community-based education on cancer, and to provide prevention and awareness activities for communities that are disproportionately at risk or afflicted by cancer.

**Code 419**

**Child Victims of Human Trafficking Fund**

Contributions will be used to fund, through grants, eligible community based organizations that agree to provide services to minors who are victims of human trafficking.

**Code 422**

**School Supplies for Homeless Children Fund**

Contributions will be used to provide school supplies and health-related products to homeless children.

**Code 423**

**State Parks Protection Fund/Parks Pass Purchase**

Contributions will be used for the protection and preservation of California's state parks and for the cost of a Vehicle Day Use Annual Pass valid at most park units where day use fees are collected. The pass is not valid at off-highway vehicle units, or for camping, oversized vehicle, extra vehicle, per-person, or supplemental fees. If a taxpayer's contribution equals or exceeds \$195 the taxpayer will receive a single Vehicle Day Use Annual Pass. Amounts contributed in excess of the parks pass cost may be deducted as a charitable contribution for the year in which the voluntary contribution is made. Any contribution less than \$195 will be treated as a voluntary contribution and may be deducted as a charitable contribution. For more information, go to [parks.ca.gov/annualpass](http://parks.ca.gov/annualpass) or email [info@parks.ca.gov](mailto:info@parks.ca.gov).

**Code 424**

**Protect Our Coast and Oceans Fund**

Contributions will be used for grants to community organizations working to protect, restore, and enhance the California coast and ocean. Contributions will support shoreline cleanups, habitat restoration, coastal access improvements and ocean education programs.

**Code 425**

**Keep Arts in Schools Fund**

Contributions will be used by the Arts Council for the allocation of grants to individuals or organizations administering arts programs for children in preschool through 12th grade.

**Code 427**

**California Senior Legislative Fund**

Contributions will be used to conduct the sessions of the California Senior Legislature and to support its ongoing activities on behalf of older persons.

**Code 428**

**Habitat for Humanity Fund**

Contributions will be used to build affordable housing in California.

**Code 429**

**California Sexual Violence Victim Services Fund**

Contributions will be used to further the services that California's rape crisis centers provide for victims of rape or sexual assault.

**Code 430**

**State Children's Trust Fund for the Prevention of Child Abuse**

Contributions will be used to support child abuse prevention programs with demonstrated success, public education efforts to change adult behaviors and educate parents, innovative research to identify best practices, and the replication of those practices to prevent child abuse and neglect.

**Code 431**

**Prevention of Animal Homelessness & Cruelty Fund**

Contributions will be used to provide funding to research that explores novel approaches to preventing and eliminating pet homelessness and the prevention, investigations, and prosecution of animal cruelty and neglect.

**2015 California Volunteer  
Reference Manual**

**Volunteer  
Procedures**



## **Responsibility of the Volunteer**

As a volunteer tax assistant, be careful to:

- Use the correct forms
- Provide your clients accurate information
- Follow the procedures and instructions in this manual
- Complete a volunteer information sheet each tax season

Volunteers help their client's complete tax returns. You are not a professional preparer. You do not have any legal responsibility regarding the accuracy of the tax returns you complete. Make sure your clients know that they assume legal responsibility for their tax return.

## **Confidentiality of Information**

All tax return information is **confidential**. As a volunteer, under no circumstances, discuss information about any of the tax returns you prepare. Do not retain tax information from an individual's tax return. Do not jeopardize the credibility of the VITA/TCE program by disclosure of information to unauthorized individuals. To enhance the privacy of clients who come to a site, arrange the assistance area so that others cannot see or overhear information exchanged between the volunteer and the client.

## **Privacy Act Information**

If a person requests information about the Federal Privacy Act or the California Information Practices Act of 1977, refer them to Franchise Tax Board's web site: **ftb.ca.gov** and search for **privacy notice**.

## **Acceptance of Payment**

Under no circumstances, accept any form of payment either for your services or on behalf of Franchise Tax Board.

## **Questions or Assistance Unrelated to Personal Income Tax Law**

VITA/TCE trains volunteers to assist in the preparation of personal income tax returns. If a person requests help on personal income tax laws other than those within the program scope, refer the person to Franchise Tax Board's public assistance number. If a person requests help on matters other than personal income tax, suggest that they seek help elsewhere.

## **Site Number/SIDN**

The IRS assigns every volunteer site a site number (SIDN). Include this number and your initials on all tax returns for identification purposes, including e-filed tax returns.

## **Replenishing Your Supply of Forms**

To replenish your supply of state forms and publications, complete Form 2333V-CA and return it to Volunteer Income Tax Assistance Team. You may also call the Volunteer Hotline, **800.522.5665**, to order forms, or email an order to **volunteercoordinator@ftb.ca.gov**.

The volunteer hotline assists with tracking forms order shipments, as well as tax preparation and volunteer program advice and assistance. Reach the Volunteer Hotline program staff, 8 a.m. to 4 p.m., weekdays, except state holidays, at **800.522.5665**. There is a voicemail option after hours.

## **Change in Service Hours or Location**

An effective volunteer program is open and staffed during publicized hours. If you plan to be absent, arrange in advance for another volunteer to provide assistance during your assigned time.

If you change the hours or location of your volunteer site:

1. Call the Volunteer Hotline and inform them of the following:
  - That you volunteer for the VITA/TCE program
  - The present location of your site (including county and ZIP code)
  - The change in hours or location
2. Notify the organizations, media, and other persons whom you previously contacted regarding publicity.
3. Correct or remove the posters distributed throughout the community so the public does not go to the old location or to a closed volunteer site.

## **Site List**

We provide links to volunteer site lists provided by the IRS and AARP. Your timely updates are important. Any change in service hours, location, or contact numbers should be updated with the IRS as soon as possible.

## **Publicizing Your Program**

To a great extent, volunteer program success depends on how many people know about the service you provide. As a member of your local community, you know the activities, organization, and individuals that help get information out to the public. If you take it upon yourself to get the word out about the program, it helps guarantee the success of your individual volunteer site.

One of the most effective ways for you to publicize VITA/TCE is through “word of mouth.” If you tell five people about the program and they each tell five people, you effectively advertise the program. Remember, you provide a valuable service, so talk to as many people as possible.

A close second to “word of mouth” publicity is referral from local leaders and community agency personnel. Talk to your pastor, prominent citizens, local government officials, and representatives of local clubs. Ask them to spread the information about your program and to refer interested people.

If you belong to a club or organization, or plan to attend a luncheon, ask for a few minutes to speak about the program. If you know of a church bulletin, church newsletter, senior citizen paper, or local throwaway (a free paper usually passed out at grocery stores), ask the publishers to print your volunteer site location, dates, and times as a community service. They might even print a small story about the program.

FTB sends volunteer program posters to your sponsor and coordinator. Put the posters where you think they get the best exposure (i.e., a bulletin board, store window, library, church, bank, senior citizen home, etc.).

Remember, anyone visiting your volunteer site is a possible information source. If you provide good service, this person recommends your service to someone else.



**2015 California Volunteer  
Reference Manual**

**Tax Table  
Form 540**



# 2015 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, 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       | 182                       | 130       | 130  |
| 51  | 150          | 1   | 1         | 1    | 6,551                         | 6,650        | 66                        | 66        | 66   | 13,051                        | 13,150       | 184                       | 131       | 131  |
| 151   | 250          | 2   | 2         | 2    | 6,651                         | 6,750        | 67                        | 67        | 67   | 13,151                        | 13,250       | 186                       | 132       | 132  |
| 251   | 350          | 3   | 3         | 3    | 6,751                         | 6,850        | 68                        | 68        | 68   | 13,251                        | 13,350       | 188                       | 133       | 133  |
| 351   | 450          | 4   | 4         | 4    | 6,851                         | 6,950        | 69                        | 69        | 69   | 13,351                        | 13,450       | 190                       | 134       | 134  |
| 451   | 550          | 5   | 5         | 5    | 6,951                         | 7,050        | 70                        | 70        | 70   | 13,451                        | 13,550       | 192                       | 135       | 135  |
| 551   | 650          | 6   | 6         | 6    | 7,051                         | 7,150        | 71                        | 71        | 71   | 13,551                        | 13,650       | 194                       | 136       | 136  |
| 651   | 750          | 7   | 7         | 7    | 7,151                         | 7,250        | 72                        | 72        | 72   | 13,651                        | 13,750       | 196                       | 137       | 137  |
| 751   | 850          | 8   | 8         | 8    | 7,251                         | 7,350        | 73                        | 73        | 73   | 13,751                        | 13,850       | 198                       | 138       | 138  |
| 851   | 950          | 9   | 9         | 9    | 7,351                         | 7,450        | 74                        | 74        | 74   | 13,851                        | 13,950       | 200                       | 139       | 139  |
| 951   | 1,050        | 10  | 10        | 10   | 7,451                         | 7,550        | 75                        | 75        | 75   | 13,951                        | 14,050       | 202                       | 140       | 140  |
| 1,051   | 1,150        | 11  | 11        | 11   | 7,551                         | 7,650        | 76                        | 76        | 76   | 14,051                        | 14,150       | 204                       | 141       | 141  |
| 1,151   | 1,250        | 12  | 12        | 12   | 7,651                         | 7,750        | 77                        | 77        | 77   | 14,151                        | 14,250       | 206                       | 142       | 142  |
| 1,251   | 1,350        | 13  | 13        | 13   | 7,751                         | 7,850        | 78                        | 78        | 78   | 14,251                        | 14,350       | 208                       | 143       | 143  |
| 1,351   | 1,450        | 14  | 14        | 14   | 7,851                         | 7,950        | 80                        | 79        | 79   | 14,351                        | 14,450       | 210                       | 144       | 144  |
| 1,451   | 1,550        | 15  | 15        | 15   | 7,951                         | 8,050        | 82                        | 80        | 80   | 14,451                        | 14,550       | 212                       | 145       | 145  |
| 1,551   | 1,650        | 16  | 16        | 16   | 8,051                         | 8,150        | 84                        | 81        | 81   | 14,551                        | 14,650       | 214                       | 146       | 146  |
| 1,651   | 1,750        | 17  | 17        | 17   | 8,151                         | 8,250        | 86                        | 82        | 82   | 14,651                        | 14,750       | 216                       | 147       | 147  |
| 1,751   | 1,850        | 18  | 18        | 18   | 8,251                         | 8,350        | 88                        | 83        | 83   | 14,751                        | 14,850       | 218                       | 148       | 148  |
| 1,851   | 1,950        | 19  | 19        | 19   | 8,351                         | 8,450        | 90                        | 84        | 84   | 14,851                        | 14,950       | 220                       | 149       | 149  |
| 1,951   | 2,050        | 20  | 20        | 20   | 8,451                         | 8,550        | 92                        | 85        | 85   | 14,951                        | 15,050       | 222                       | 150       | 150  |
| 2,051   | 2,150        | 21  | 21        | 21   | 8,551                         | 8,650        | 94                        | 86        | 86   | 15,051                        | 15,150       | 224                       | 151       | 151  |
| 2,151   | 2,250        | 22  | 22        | 22   | 8,651                         | 8,750        | 96                        | 87        | 87   | 15,151                        | 15,250       | 226                       | 152       | 152  |
| 2,251   | 2,350        | 23  | 23        | 23   | 8,751                         | 8,850        | 98                        | 88        | 88   | 15,251                        | 15,350       | 228                       | 153       | 153  |
| 2,351   | 2,450        | 24  | 24        | 24   | 8,851                         | 8,950        | 100                       | 89        | 89   | 15,351                        | 15,450       | 230                       | 154       | 154  |
| 2,451   | 2,550        | 25  | 25        | 25   | 8,951                         | 9,050        | 102                       | 90        | 90   | 15,451                        | 15,550       | 232                       | 155       | 155  |
| 2,551   | 2,650        | 26  | 26        | 26   | 9,051                         | 9,150        | 104                       | 91        | 91   | 15,551                        | 15,650       | 234                       | 156       | 156  |
| 2,651   | 2,750        | 27  | 27        | 27   | 9,151                         | 9,250        | 106                       | 92        | 92   | 15,651                        | 15,750       | 236                       | 157       | 157  |
| 2,751   | 2,850        | 28  | 28        | 28   | 9,251                         | 9,350        | 108                       | 93        | 93   | 15,751                        | 15,850       | 238                       | 159       | 159  |
| 2,851   | 2,950        | 29  | 29        | 29   | 9,351                         | 9,450        | 110                       | 94        | 94   | 15,851                        | 15,950       | 240                       | 161       | 161  |
| 2,951   | 3,050        | 30  | 30        | 30   | 9,451                         | 9,550        | 112                       | 95        | 95   | 15,951                        | 16,050       | 242                       | 163       | 163  |
| 3,051   | 3,150        | 31  | 31        | 31   | 9,551                         | 9,650        | 114                       | 96        | 96   | 16,051                        | 16,150       | 244                       | 165       | 165  |
| 3,151   | 3,250        | 32  | 32        | 32   | 9,651                         | 9,750        | 116                       | 97        | 97   | 16,151                        | 16,250       | 246                       | 167       | 167  |
| 3,251   | 3,350        | 33  | 33        | 33   | 9,751                         | 9,850        | 118                       | 98        | 98   | 16,251                        | 16,350       | 248                       | 169       | 169  |
| 3,351   | 3,450        | 34  | 34        | 34   | 9,851                         | 9,950        | 120                       | 99        | 99   | 16,351                        | 16,450       | 250                       | 171       | 171  |
| 3,451   | 3,550        | 35  | 35        | 35   | 9,951                         | 10,050       | 122                       | 100       | 100  | 16,451                        | 16,550       | 252                       | 173       | 173  |
| 3,551   | 3,650        | 36  | 36        | 36   | 10,051                        | 10,150       | 124                       | 101       | 101  | 16,551                        | 16,650       | 254                       | 175       | 175  |
| 3,651   | 3,750        | 37  | 37        | 37   | 10,151                        | 10,250       | 126                       | 102       | 102  | 16,651                        | 16,750       | 256                       | 177       | 177  |
| 3,751   | 3,850        | 38  | 38        | 38   | 10,251                        | 10,350       | 128                       | 103       | 103  | 16,751                        | 16,850       | 258                       | 179       | 179  |
| 3,851   | 3,950        | 39  | 39        | 39   | 10,351                        | 10,450       | 130                       | 104       | 104  | 16,851                        | 16,950       | 260                       | 181       | 181  |
| 3,951   | 4,050        | 40  | 40        | 40   | 10,451                        | 10,550       | 132                       | 105       | 105  | 16,951                        | 17,050       | 262                       | 183       | 183  |
| 4,051   | 4,150        | 41  | 41        | 41   | 10,551                        | 10,650       | 134                       | 106       | 106  | 17,051                        | 17,150       | 264                       | 185       | 185  |
| 4,151   | 4,250        | 42  | 42        | 42   | 10,651                        | 10,750       | 136                       | 107       | 107  | 17,151                        | 17,250       | 266                       | 187       | 187  |
| 4,251   | 4,350        | 43  | 43        | 43   | 10,751                        | 10,850       | 138                       | 108       | 108  | 17,251                        | 17,350       | 268                       | 189       | 189  |
| 4,351   | 4,450        | 44  | 44        | 44   | 10,851                        | 10,950       | 140                       | 109       | 109  | 17,351                        | 17,450       | 270                       | 191       | 191  |
| 4,451   | 4,550        | 45  | 45        | 45   | 10,951                        | 11,050       | 142                       | 110       | 110  | 17,451                        | 17,550       | 272                       | 193       | 193  |
| 4,551   | 4,650        | 46  | 46        | 46   | 11,051                        | 11,150       | 144                       | 111       | 111  | 17,551                        | 17,650       | 274                       | 195       | 195  |
| 4,651   | 4,750        | 47  | 47        | 47   | 11,151                        | 11,250       | 146                       | 112       | 112  | 17,651                        | 17,750       | 276                       | 197       | 197  |
| 4,751   | 4,850        | 48  | 48        | 48   | 11,251                        | 11,350       | 148                       | 113       | 113  | 17,751                        | 17,850       | 278                       | 199       | 199  |
| 4,851   | 4,950        | 49  | 49        | 49   | 11,351                        | 11,450       | 150                       | 114       | 114  | 17,851                        | 17,950       | 280                       | 201       | 201  |
| 4,951   | 5,050        | 50  | 50        | 50   | 11,451                        | 11,550       | 152                       | 115       | 115  | 17,951                        | 18,050       | 282                       | 203       | 203  |
| 5,051   | 5,150        | 51  | 51        | 51   | 11,551                        | 11,650       | 154                       | 116       | 116  | 18,051                        | 18,150       | 284                       | 205       | 205  |
| 5,151   | 5,250        | 52  | 52        | 52   | 11,651                        | 11,750       | 156                       | 117       | 117  | 18,151                        | 18,250       | 286                       | 207       | 207  |
| 5,251   | 5,350        | 53  | 53        | 53   | 11,751                        | 11,850       | 158                       | 118       | 118  | 18,251                        | 18,350       | 288                       | 209       | 209  |
| 5,351   | 5,450        | 54  | 54        | 54   | 11,851                        | 11,950       | 160                       | 119       | 119  | 18,351                        | 18,450       | 290                       | 211       | 211  |
| 5,451   | 5,550        | 55  | 55        | 55   | 11,951                        | 12,050       | 162                       | 120       | 120  | 18,451                        | 18,550       | 292                       | 213       | 213  |
| 5,551   | 5,650        | 56  | 56        | 56   | 12,051                        | 12,150       | 164                       | 121       | 121  | 18,551                        | 18,650       | 294                       | 215       | 215  |
| 5,651   | 5,750        | 57  | 57        | 57   | 12,151                        | 12,250       | 166                       | 122       | 122  | 18,651                        | 18,750       | 297                       | 217       | 217  |
| 5,751   | 5,850        | 58  | 58        | 58   | 12,251                        | 12,350       | 168                       | 123       | 123  | 18,751                        | 18,850       | 301                       | 219       | 219  |
| 5,851   | 5,950        | 59  | 59        | 59   | 12,351                        | 12,450       | 170                       | 124       | 124  | 18,851                        | 18,950       | 305                       | 221       | 221  |
| 5,951   | 6,050        | 60  | 60        | 60   | 12,451                        | 12,550       | 172                       | 125       | 125  | 18,951                        | 19,050       | 309                       | 223       | 223  |
| 6,051   | 6,150        | 61  | 61        | 61   | 12,551                        | 12,650       | 174                       | 126       | 126  | 19,051                        | 19,150       | 313                       | 225       | 225  |
| 6,151   | 6,250        | 62  | 62        | 62   | 12,651                        | 12,750       | 176                       | 127       | 127  | 19,151                        | 19,250       | 317                       | 227       | 227  |
| 6,251   | 6,350        | 63  | 63        | 63   | 12,751                        | 12,850       | 178                       | 128       | 128  | 19,251                        | 19,350       | 321                       | 229       | 229  |
| 6,351   | 6,450        | 64  | 64        | 64   | 12,851                        | 12,950       | 180                       | 129       | 129  | 19,351                        | 19,450       | 325                       | 231       | 231  |

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## 2015 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       | 329                       | 233   | 233  | 26,451                        | 26,550       | 609                       | 373       | 373                   | 33,461                        | 33,560       | 972                       | 513       | 513  |
| 19,551  | 19,650       | 333                       | 235   | 235  | 26,551                        | 26,650       | 613                       | 375       | 375                   | 33,561                        | 33,660       | 978                       | 515       | 515  |
| 19,651  | 19,750       | 337                       | 237   | 237  | 26,651                        | 26,750       | 617                       | 377       | 377                   | 33,661                        | 33,760       | 984                       | 517       | 517  |
| 19,751  | 19,850       | 341                       | 239   | 239  | 26,751                        | 26,850       | 621                       | 379       | 379                   | 33,761                        | 33,860       | 990                       | 519       | 519  |
| 19,851  | 19,950       | 345                       | 241   | 241  | 26,851                        | 26,950       | 625                       | 381       | 381                   | 33,861                        | 33,960       | 996                       | 521       | 521  |
| 19,951  | 20,050       | 349                       | 243   | 243  | 26,951                        | 27,050       | 629                       | 383       | 383                   | 33,961                        | 34,060       | 1,002                     | 523       | 523  |
| 20,051  | 20,150       | 353                       | 245   | 245  | 27,051                        | 27,150       | 633                       | 385       | 385                   | 34,061                        | 34,160       | 1,008                     | 525       | 525  |
| 20,151  | 20,250       | 357                       | 247   | 247  | 27,151                        | 27,250       | 637                       | 387       | 387                   | 34,161                        | 34,260       | 1,014                     | 527       | 527  |
| 20,251  | 20,350       | 361                       | 249   | 249  | 27,251                        | 27,350       | 641                       | 389       | 389                   | 34,261                        | 34,360       | 1,020                     | 529       | 529  |
| 20,351  | 20,450       | 365                       | 251   | 251  | 27,351                        | 27,450       | 645                       | 391       | 391                   | 34,361                        | 34,460       | 1,026                     | 531       | 531  |
| 20,451  | 20,550       | 369                       | 253   | 253  | 27,451                        | 27,550       | 649                       | 393       | 393                   | 34,461                        | 34,560       | 1,032                     | 533       | 533  |
| 20,551  | 20,650       | 373                       | 255   | 255  | 27,551                        | 27,650       | 653                       | 395       | 395                   | 34,561                        | 34,660       | 1,038                     | 535       | 535  |
| 20,651  | 20,750       | 377                       | 257   | 257  | 27,651                        | 27,750       | 657                       | 397       | 397                   | 34,661                        | 34,760       | 1,044                     | 537       | 537  |
| 20,751  | 20,850       | 381                       | 259   | 259  | 27,751                        | 27,850       | 661                       | 399       | 399                   | 34,761                        | 34,860       | 1,050                     | 539       | 539  |
| 20,851  | 20,950       | 385                       | 261   | 261  | 27,851                        | 27,950       | 665                       | 401       | 401                   | 34,861                        | 34,960       | 1,056                     | 541       | 541  |
| 20,951  | 21,050       | 389                       | 263   | 263  | 27,951                        | 28,050       | 669                       | 403       | 403                   | 34,961                        | 35,060       | 1,062                     | 543       | 543  |
| 21,051  | 21,150       | 393                       | 265   | 265  | 28,051                        | 28,150       | 673                       | 405       | 405                   | 35,061                        | 35,160       | 1,068                     | 545       | 545  |
| 21,151  | 21,250       | 397                       | 267   | 267  | 28,151                        | 28,250       | 677                       | 407       | 407                   | 35,161                        | 35,260       | 1,074                     | 547       | 547  |
| 21,251  | 21,350       | 401                       | 269   | 269  | 28,251                        | 28,350       | 681                       | 409       | 409                   | 35,261                        | 35,360       | 1,080                     | 549       | 549  |
| 21,351  | 21,450       | 405                       | 271   | 271  | 28,351                        | 28,450       | 685                       | 411       | 411                   | 35,361                        | 35,460       | 1,086                     | 551       | 551  |
| 21,451  | 21,550       | 409                       | 273   | 273  | 28,451                        | 28,550       | 689                       | 413       | 413                   | 35,461                        | 35,560       | 1,092                     | 553       | 553  |
| 21,551  | 21,650       | 413                       | 275   | 275  | 28,551                        | 28,650       | 693                       | 415       | 415                   | 35,561                        | 35,660       | 1,098                     | 555       | 555  |
| 21,651  | 21,750       | 417                       | 277   | 277  | 28,651                        | 28,750       | 697                       | 417       | 417                   | 35,661                        | 35,760       | 1,104                     | 557       | 557  |
| 21,751  | 21,850       | 421                       | 279   | 279  | 28,751                        | 28,850       | 701                       | 419       | 419                   | 35,761                        | 35,860       | 1,110                     | 559       | 559  |
| 21,851  | 21,950       | 425                       | 281   | 281  | 28,851                        | 28,950       | 705                       | 421       | 421                   | 35,861                        | 35,960       | 1,116                     | 561       | 561  |
| 21,951  | 22,050       | 429                       | 283   | 283  | 28,951                        | 29,050       | 709                       | 423       | 423                   | 35,961                        | 36,060       | 1,122                     | 563       | 563  |
| 22,051  | 22,150       | 433                       | 285   | 285  | 29,051                        | 29,150       | 713                       | 425       | 425                   | 36,061                        | 36,160       | 1,128                     | 565       | 565  |
| 22,151  | 22,250       | 437                       | 287   | 287  | 29,151                        | 29,250       | 717                       | 427       | 427                   | 36,161                        | 36,260       | 1,134                     | 567       | 567  |
| 22,251  | 22,350       | 441                       | 289   | 289  | 29,251                        | 29,350       | 721                       | 429       | 429                   | 36,261                        | 36,360       | 1,140                     | 569       | 569  |
| 22,351  | 22,450       | 445                       | 291   | 291  | 29,351                        | 29,450       | 726                       | 431       | 431                   | 36,361                        | 36,460       | 1,146                     | 571       | 571  |
| 22,451  | 22,550       | 449                       | 293   | 293  | 29,451                        | 29,550       | 732                       | 433       | 433                   | 36,461                        | 36,560       | 1,152                     | 573       | 573  |
| 22,551  | 22,650       | 453                       | 295   | 295  | 29,551                        | 29,650       | 738                       | 435       | 435                   | 36,561                        | 36,660       | 1,158                     | 575       | 575  |
| 22,651  | 22,750       | 457                       | 297   | 297  | 29,651                        | 29,750       | 744                       | 437       | 437                   | 36,661                        | 36,760       | 1,164                     | 577       | 577  |
| 22,751  | 22,850       | 461                       | 299   | 299  | 29,751                        | 29,850       | 750                       | 439       | 439                   | 36,761                        | 36,860       | 1,170                     | 579       | 579  |
| 22,851  | 22,950       | 465                       | 301   | 301  | 29,851                        | 29,950       | 756                       | 441       | 441                   | 36,861                        | 36,960       | 1,176                     | 581       | 581  |
| 22,951  | 23,050       | 469                       | 303   | 303  | 29,951                        | 30,050       | 762                       | 443       | 443                   | 36,961                        | 37,060       | 1,182                     | 583       | 583  |
| 23,051  | 23,150       | 473                       | 305   | 305  | 30,051                        | 30,150       | 768                       | 445       | 445                   | 37,061                        | 37,160       | 1,188                     | 585       | 585  |
| 23,151  | 23,250       | 477                       | 307   | 307  | 30,151                        | 30,250       | 774                       | 447       | 447                   | 37,161                        | 37,260       | 1,194                     | 587       | 587  |
| 23,251  | 23,350       | 481                       | 309   | 309  | 30,251                        | 30,350       | 780                       | 449       | 449                   | 37,261                        | 37,360       | 1,200                     | 591       | 591  |
| 23,351  | 23,450       | 485                       | 311   | 311  | 30,351                        | 30,450       | 786                       | 451       | 451                   | 37,361                        | 37,460       | 1,206                     | 595       | 595  |
| 23,451  | 23,550       | 489                       | 313   | 313  | 30,451                        | 30,550       | 792                       | 453       | 453                   | 37,461                        | 37,560       | 1,212                     | 599       | 599  |
| 23,551  | 23,650       | 493                       | 315   | 315  | 30,551                        | 30,650       | 798                       | 455       | 455                   | 37,561                        | 37,660       | 1,218                     | 603       | 603  |
| 23,651  | 23,750       | 497                       | 317   | 317  | 30,651                        | 30,750       | 804                       | 457       | 457                   | 37,661                        | 37,760       | 1,224                     | 607       | 607  |
| 23,751  | 23,850       | 501                       | 319   | 319  | 30,751                        | 30,850       | 810                       | 459       | 459                   | 37,761                        | 37,860       | 1,230                     | 611       | 611  |
| 23,851  | 23,950       | 505                       | 321   | 321  | 30,851                        | 30,950       | 816                       | 461       | 461                   | 37,861                        | 37,960       | 1,236                     | 615       | 615  |
| 23,951  | 24,050       | 509                       | 323   | 323  | 30,951                        | 31,050       | 822                       | 463       | 463                   | 37,961                        | 38,060       | 1,242                     | 619       | 619  |
| 24,051  | 24,150       | 513                       | 325   | 325  | 31,051                        | 31,150       | 828                       | 465       | 465                   | 38,061                        | 38,160       | 1,248                     | 623       | 623  |
| 24,151  | 24,250       | 517                       | 327   | 327  | 31,151                        | 31,250       | 834                       | 467       | 467                   | 38,161                        | 38,260       | 1,254                     | 627       | 627  |
| 24,251  | 24,350       | 521                       | 329   | 329  | 31,251                        | 31,350       | 840                       | 469       | 469                   | 38,261                        | 38,360       | 1,260                     | 631       | 631  |
| 24,351  | 24,450       | 525                       | 331   | 331  | 31,351                        | 31,450       | 846                       | 471       | 471                   | 38,361                        | 38,460       | 1,266                     | 635       | 635  |
| 24,451  | 24,550       | 529                       | 333   | 333  | 31,451                        | 31,550       | 852                       | 473       | 473                   | 38,461                        | 38,560       | 1,272                     | 639       | 639  |
| 24,551  | 24,650       | 533                       | 335   | 335  | 31,551                        | 31,650       | 858                       | 475       | 475                   | 38,561                        | 38,660       | 1,278                     | 643       | 643  |
| 24,651  | 24,750       | 537                       | 337   | 337  | 31,651                        | 31,750       | 864                       | 477       | 477                   | 38,661                        | 38,760       | 1,284                     | 647       | 647  |
| 24,751  | 24,850       | 541                       | 339   | 339  | 31,751                        | 31,850       | 870                       | 479       | 479                   | 38,761                        | 38,860       | 1,290                     | 651       | 651  |
| 24,851  | 24,950       | 545                       | 341   | 341  | 31,851                        | 31,950       | 876                       | 481       | 481                   | 38,861                        | 38,960       | 1,296                     | 655       | 655  |
| 24,951  | 25,050       | 549                       | 343   | 343  | 31,951                        | 32,050       | 882                       | 483       | 483                   | 38,961                        | 39,060       | 1,302                     | 659       | 659  |
| 25,051  | 25,150       | 553                       | 345   | 345  | 32,051                        | 32,150       | 888                       | 485       | 485                   | 39,061                        | 39,160       | 1,308                     | 663       | 663  |
| 25,151  | 25,250       | 557                       | 347   | 347  | 32,151                        | 32,250       | 894                       | 487       | 487                   | 39,161                        | 39,260       | 1,314                     | 667       | 667  |
| 25,251  | 25,350       | 561                       | 349   | 349  | 32,251                        | 32,350       | 900                       | 489       | 489                   | 39,261                        | 39,360       | 1,320                     | 671       | 671  |
| 25,351  | 25,450       | 565                       | 351   | 351  | 32,351                        | 32,450       | 906                       | 491       | 491                   | 39,361                        | 39,460       | 1,326                     | 675       | 675  |
| 25,451  | 25,550       | 569                       | 353   | 353  | 32,451                        | 32,550       | 912                       | 493       | 493                   | 39,461                        | 39,560       | 1,332                     | 679       | 679  |
| 25,551  | 25,650       | 573                       | 355   | 355  | 32,551                        | 32,650       | 918                       | 495       | 495                   | 39,561                        | 39,660       | 1,338                     | 683       | 683  |
| 25,651  | 25,750       | 577                       | 357   | 357  | 32,651                        | 32,750       | 924                       | 497       | 497                   | 39,661                        | 39,760       | 1,344                     | 687       | 687  |
| 25,751  | 25,850       | 581                       | 359   | 359  | 32,751                        | 32,850       | 930                       | 499       | 499                   | 39,761                        | 39,860       | 1,350                     | 691       | 691  |
| 25,851  | 25,950       | 585                       | 361   | 361  | 32,851                        | 32,950       | 936                       | 501       | 501                   | 39,861                        | 39,960       | 1,356                     | 695       | 695  |
| 25,951  | 26,050       | 589                       | 363   | 363  | 32,951                        | 33,050       | 942                       | 503       | 503                   | 39,961                        | 40,060       | 1,362                     | 699       | 699  |
| 26,051  | 26,150       | 593                       | 365   | 365  | 33,051                        | 33,150       | 948                       | 505       | 505                   | 40,061                        | 40,160       | 1,368                     | 703       | 703  |
| 26,151  | 26,250       | 597                       | 367   | 367  | 33,151                        | 33,250       | 954                       | 507       | 507                   | 40,161                        | 40,260       | 1,374                     | 707       | 707  |
| 26,251  | 26,350       | 601                       | 369   | 369  | 33,251                        | 33,350       | 960                       | 509       | 509                   | 40,261                        | 40,360       | 1,380                     | 711       | 711  |
| 26,351  | 26,450       | 605                       | 371   | 371  | 33,351                        | 33,450       | 966                       | 511       | 511                   | 40,361                        | 40,460       | 1,386                     | 715       | 715  |

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## 2015 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       | 1,392                     | 719       | 718  | 47,451                        | 47,550  | 1,946                     | 999       | 998   | 54,451                        | 54,550       | 2,545                     | 1,279     | 1,409 |  |  |  |
| 40,551  | 40,650       | 1,398                     | 723       | 722  | 47,551                        | 47,650  | 1,954                     | 1,003     | 1,002 | 54,551                        | 54,650       | 2,554                     | 1,283     | 1,415 |  |  |  |
| 40,651  | 40,750       | 1,404                     | 727       | 726  | 47,651                        | 47,750  | 1,962                     | 1,007     | 1,006 | 54,651                        | 54,750       | 2,564                     | 1,287     | 1,421 |  |  |  |
| 40,751  | 40,850       | 1,410                     | 731       | 730  | 47,751                        | 47,850  | 1,970                     | 1,011     | 1,010 | 54,751                        | 54,850       | 2,573                     | 1,291     | 1,427 |  |  |  |
| 40,851  | 40,950       | 1,418                     | 735       | 734  | 47,851                        | 47,950  | 1,978                     | 1,015     | 1,014 | 54,851                        | 54,950       | 2,582                     | 1,295     | 1,433 |  |  |  |
| 40,951  | 41,050       | 1,426                     | 739       | 738  | 47,951                        | 48,050  | 1,986                     | 1,019     | 1,019 | 54,951                        | 55,050       | 2,592                     | 1,299     | 1,439 |  |  |  |
| 41,051  | 41,150       | 1,434                     | 743       | 742  | 48,051                        | 48,150  | 1,994                     | 1,023     | 1,025 | 55,051                        | 55,150       | 2,601                     | 1,303     | 1,445 |  |  |  |
| 41,151  | 41,250       | 1,442                     | 747       | 746  | 48,151                        | 48,250  | 2,002                     | 1,027     | 1,031 | 55,151                        | 55,250       | 2,610                     | 1,307     | 1,451 |  |  |  |
| 41,251  | 41,350       | 1,450                     | 751       | 750  | 48,251                        | 48,350  | 2,010                     | 1,031     | 1,037 | 55,251                        | 55,350       | 2,619                     | 1,311     | 1,457 |  |  |  |
| 41,351  | 41,450       | 1,458                     | 755       | 754  | 48,351                        | 48,450  | 2,018                     | 1,035     | 1,043 | 55,351                        | 55,450       | 2,629                     | 1,315     | 1,463 |  |  |  |
| 41,451  | 41,550       | 1,466                     | 759       | 758  | 48,451                        | 48,550  | 2,026                     | 1,039     | 1,049 | 55,451                        | 55,550       | 2,638                     | 1,319     | 1,469 |  |  |  |
| 41,551  | 41,650       | 1,474                     | 763       | 762  | 48,551                        | 48,650  | 2,034                     | 1,043     | 1,055 | 55,551                        | 55,650       | 2,647                     | 1,323     | 1,475 |  |  |  |
| 41,651  | 41,750       | 1,482                     | 767       | 766  | 48,651                        | 48,750  | 2,042                     | 1,047     | 1,061 | 55,651                        | 55,750       | 2,657                     | 1,327     | 1,481 |  |  |  |
| 41,751  | 41,850       | 1,490                     | 771       | 770  | 48,751                        | 48,850  | 2,050                     | 1,051     | 1,067 | 55,751                        | 55,850       | 2,666                     | 1,331     | 1,487 |  |  |  |
| 41,851  | 41,950       | 1,498                     | 775       | 774  | 48,851                        | 48,950  | 2,058                     | 1,055     | 1,073 | 55,851                        | 55,950       | 2,675                     | 1,335     | 1,493 |  |  |  |
| 41,951  | 42,050       | 1,506                     | 779       | 778  | 48,951                        | 49,050  | 2,066                     | 1,059     | 1,079 | 55,951                        | 56,050       | 2,685                     | 1,339     | 1,499 |  |  |  |
| 42,051  | 42,150       | 1,514                     | 783       | 782  | 49,051                        | 49,150  | 2,074                     | 1,063     | 1,085 | 56,051                        | 56,150       | 2,694                     | 1,343     | 1,505 |  |  |  |
| 42,151  | 42,250       | 1,522                     | 787       | 786  | 49,151                        | 49,250  | 2,082                     | 1,067     | 1,091 | 56,151                        | 56,250       | 2,703                     | 1,347     | 1,511 |  |  |  |
| 42,251  | 42,350       | 1,530                     | 791       | 790  | 49,251                        | 49,350  | 2,090                     | 1,071     | 1,097 | 56,251                        | 56,350       | 2,712                     | 1,351     | 1,517 |  |  |  |
| 42,351  | 42,450       | 1,538                     | 795       | 794  | 49,351                        | 49,450  | 2,098                     | 1,075     | 1,103 | 56,351                        | 56,450       | 2,722                     | 1,355     | 1,523 |  |  |  |
| 42,451  | 42,550       | 1,546                     | 799       | 798  | 49,451                        | 49,550  | 2,106                     | 1,079     | 1,109 | 56,451                        | 56,550       | 2,731                     | 1,359     | 1,529 |  |  |  |
| 42,551  | 42,650       | 1,554                     | 803       | 802  | 49,551                        | 49,650  | 2,114                     | 1,083     | 1,115 | 56,551                        | 56,650       | 2,740                     | 1,363     | 1,535 |  |  |  |
| 42,651  | 42,750       | 1,562                     | 807       | 806  | 49,651                        | 49,750  | 2,122                     | 1,087     | 1,121 | 56,651                        | 56,750       | 2,750                     | 1,367     | 1,541 |  |  |  |
| 42,751  | 42,850       | 1,570                     | 811       | 810  | 49,751                        | 49,850  | 2,130                     | 1,091     | 1,127 | 56,751                        | 56,850       | 2,759                     | 1,371     | 1,547 |  |  |  |
| 42,851  | 42,950       | 1,578                     | 815       | 814  | 49,851                        | 49,950  | 2,138                     | 1,095     | 1,133 | 56,851                        | 56,950       | 2,768                     | 1,375     | 1,553 |  |  |  |
| 42,951  | 43,050       | 1,586                     | 819       | 818  | 49,951                        | 50,050  | 2,146                     | 1,099     | 1,139 | 56,951                        | 57,050       | 2,778                     | 1,379     | 1,559 |  |  |  |
| 43,051  | 43,150       | 1,594                     | 823       | 822  | 50,051                        | 50,150  | 2,154                     | 1,103     | 1,145 | 57,051                        | 57,150       | 2,787                     | 1,383     | 1,565 |  |  |  |
| 43,151  | 43,250       | 1,602                     | 827       | 826  | 50,151                        | 50,250  | 2,162                     | 1,107     | 1,151 | 57,151                        | 57,250       | 2,796                     | 1,387     | 1,571 |  |  |  |
| 43,251  | 43,350       | 1,610                     | 831       | 830  | 50,251                        | 50,350  | 2,170                     | 1,111     | 1,157 | 57,251                        | 57,350       | 2,805                     | 1,391     | 1,577 |  |  |  |
| 43,351  | 43,450       | 1,618                     | 835       | 834  | 50,351                        | 50,450  | 2,178                     | 1,115     | 1,163 | 57,351                        | 57,450       | 2,815                     | 1,395     | 1,583 |  |  |  |
| 43,451  | 43,550       | 1,626                     | 839       | 838  | 50,451                        | 50,550  | 2,186                     | 1,119     | 1,169 | 57,451                        | 57,550       | 2,824                     | 1,399     | 1,589 |  |  |  |
| 43,551  | 43,650       | 1,634                     | 843       | 842  | 50,551                        | 50,650  | 2,194                     | 1,123     | 1,175 | 57,551                        | 57,650       | 2,833                     | 1,403     | 1,595 |  |  |  |
| 43,651  | 43,750       | 1,642                     | 847       | 846  | 50,651                        | 50,750  | 2,202                     | 1,127     | 1,181 | 57,651                        | 57,750       | 2,843                     | 1,407     | 1,601 |  |  |  |
| 43,751  | 43,850       | 1,650                     | 851       | 850  | 50,751                        | 50,850  | 2,210                     | 1,131     | 1,187 | 57,751                        | 57,850       | 2,852                     | 1,411     | 1,607 |  |  |  |
| 43,851  | 43,950       | 1,658                     | 855       | 854  | 50,851                        | 50,950  | 2,218                     | 1,135     | 1,193 | 57,851                        | 57,950       | 2,861                     | 1,415     | 1,613 |  |  |  |
| 43,951  | 44,050       | 1,666                     | 859       | 858  | 50,951                        | 51,050  | 2,226                     | 1,139     | 1,199 | 57,951                        | 58,050       | 2,871                     | 1,419     | 1,619 |  |  |  |
| 44,051  | 44,150       | 1,674                     | 863       | 862  | 51,051                        | 51,150  | 2,234                     | 1,143     | 1,205 | 58,051                        | 58,150       | 2,880                     | 1,423     | 1,625 |  |  |  |
| 44,151  | 44,250       | 1,682                     | 867       | 866  | 51,151                        | 51,250  | 2,242                     | 1,147     | 1,211 | 58,151                        | 58,250       | 2,889                     | 1,427     | 1,631 |  |  |  |
| 44,251  | 44,350       | 1,690                     | 871       | 870  | 51,251                        | 51,350  | 2,250                     | 1,151     | 1,217 | 58,251                        | 58,350       | 2,898                     | 1,431     | 1,637 |  |  |  |
| 44,351  | 44,450       | 1,698                     | 875       | 874  | 51,351                        | 51,450  | 2,258                     | 1,155     | 1,223 | 58,351                        | 58,450       | 2,908                     | 1,435     | 1,643 |  |  |  |
| 44,451  | 44,550       | 1,706                     | 879       | 878  | 51,451                        | 51,550  | 2,266                     | 1,159     | 1,229 | 58,451                        | 58,550       | 2,917                     | 1,439     | 1,649 |  |  |  |
| 44,551  | 44,650       | 1,714                     | 883       | 882  | 51,551                        | 51,650  | 2,275                     | 1,163     | 1,235 | 58,551                        | 58,650       | 2,926                     | 1,443     | 1,655 |  |  |  |
| 44,651  | 44,750       | 1,722                     | 887       | 886  | 51,651                        | 51,750  | 2,283                     | 1,167     | 1,241 | 58,651                        | 58,750       | 2,936                     | 1,447     | 1,661 |  |  |  |
| 44,751  | 44,850       | 1,730                     | 891       | 890  | 51,751                        | 51,850  | 2,294                     | 1,171     | 1,247 | 58,751                        | 58,850       | 2,945                     | 1,452     | 1,667 |  |  |  |
| 44,851  | 44,950       | 1,738                     | 895       | 894  | 51,851                        | 51,950  | 2,303                     | 1,175     | 1,253 | 58,851                        | 58,950       | 2,954                     | 1,456     | 1,673 |  |  |  |
| 44,951  | 45,050       | 1,746                     | 899       | 898  | 51,951                        | 52,050  | 2,313                     | 1,179     | 1,259 | 58,951                        | 59,050       | 2,964                     | 1,464     | 1,679 |  |  |  |
| 45,051  | 45,150       | 1,754                     | 903       | 902  | 52,051                        | 52,150  | 2,322                     | 1,183     | 1,265 | 59,051                        | 59,150       | 2,973                     | 1,470     | 1,685 |  |  |  |
| 45,151  | 45,250       | 1,762                     | 907       | 906  | 52,151                        | 52,250  | 2,331                     | 1,187     | 1,271 | 59,151                        | 59,250       | 2,982                     | 1,476     | 1,691 |  |  |  |
| 45,251  | 45,350       | 1,770                     | 911       | 910  | 52,251                        | 52,350  | 2,340                     | 1,191     | 1,277 | 59,251                        | 59,350       | 2,991                     | 1,482     | 1,697 |  |  |  |
| 45,351  | 45,450       | 1,778                     | 915       | 914  | 52,351                        | 52,450  | 2,350                     | 1,195     | 1,283 | 59,351                        | 59,450       | 3,001                     | 1,488     | 1,703 |  |  |  |
| 45,451  | 45,550       | 1,786                     | 919       | 918  | 52,451                        | 52,550  | 2,359                     | 1,199     | 1,289 | 59,451                        | 59,550       | 3,010                     | 1,494     | 1,711 |  |  |  |
| 45,551  | 45,650       | 1,794                     | 923       | 922  | 52,551                        | 52,650  | 2,368                     | 1,203     | 1,295 | 59,551                        | 59,650       | 3,019                     | 1,500     | 1,719 |  |  |  |
| 45,651  | 45,750       | 1,802                     | 927       | 926  | 52,651                        | 52,750  | 2,378                     | 1,207     | 1,301 | 59,651                        | 59,750       | 3,029                     | 1,506     | 1,727 |  |  |  |
| 45,751  | 45,850       | 1,810                     | 931       | 930  | 52,751                        | 52,850  | 2,387                     | 1,211     | 1,307 | 59,751                        | 59,850       | 3,038                     | 1,512     | 1,735 |  |  |  |
| 45,851  | 45,950       | 1,818                     | 935       | 934  | 52,851                        | 52,950  | 2,396                     | 1,215     | 1,313 | 59,851                        | 59,950       | 3,047                     | 1,518     | 1,743 |  |  |  |
| 45,951  | 46,050       | 1,826                     | 939       | 938  | 52,951                        | 53,050  | 2,406                     | 1,219     | 1,319 | 59,951                        | 60,050       | 3,057                     | 1,524     | 1,751 |  |  |  |
| 46,051  | 46,150       | 1,834                     | 943       | 942  | 53,051                        | 53,150  | 2,415                     | 1,223     | 1,325 | 60,051                        | 60,150       | 3,066                     | 1,530     | 1,759 |  |  |  |
| 46,151  | 46,250       | 1,842                     | 947       | 946  | 53,151                        | 53,250  | 2,424                     | 1,227     | 1,331 | 60,151                        | 60,250       | 3,075                     | 1,536     | 1,767 |  |  |  |
| 46,251  | 46,350       | 1,850                     | 951       | 950  | 53,251                        | 53,350  | 2,433                     | 1,231     | 1,337 | 60,251                        | 60,350       | 3,084                     | 1,542     | 1,775 |  |  |  |
| 46,351  | 46,450       | 1,858                     | 955       | 954  | 53,351                        | 53,450  | 2,443                     | 1,235     | 1,343 | 60,351                        | 60,450       | 3,094                     | 1,548     | 1,783 |  |  |  |
| 46,451  | 46,550       | 1,866                     | 959       | 958  | 53,451                        | 53,550  | 2,452                     | 1,239     | 1,349 | 60,451                        | 60,550       | 3,103                     | 1,554     | 1,791 |  |  |  |
| 46,551  | 46,650       | 1,874                     | 963       | 962  | 53,551                        | 53,650  | 2,461                     | 1,243     | 1,355 | 60,551                        | 60,650       | 3,112                     | 1,560     | 1,799 |  |  |  |
| 46,651  | 46,750       | 1,882                     | 967       | 966  | 53,651                        | 53,750  | 2,471                     | 1,247     | 1,361 | 60,651                        | 60,750       | 3,122                     | 1,566     | 1,807 |  |  |  |
| 46,751  | 46,850       | 1,890                     | 971       | 970  | 53,751                        | 53,850  | 2,480                     | 1,251     | 1,367 | 60,751                        | 60,850       | 3,131                     | 1,572     | 1,815 |  |  |  |
| 46,851  | 46,950       | 1,898                     | 975       | 974  | 53,851                        | 53,950  | 2,489                     | 1,255     | 1,373 | 60,851                        | 60,950       | 3,140                     | 1,578     | 1,823 |  |  |  |
| 46,951  | 47,050       | 1,906                     | 979       | 978  | 53,951                        | 54,050  | 2,499                     | 1,259     | 1,379 | 60,951                        | 61,050       | 3,150                     | 1,584     | 1,831 |  |  |  |
| 47,051  | 47,150       | 1,914                     | 983       | 982  | 54,051                        | 54,150  | 2,508                     | 1,263     | 1,385 | 61,051                        | 61,150       | 3,159                     | 1,590     | 1,839 |  |  |  |
| 47,151  | 47,250       | 1,922                     | 987       | 986  | 54,151                        | 54,250  | 2,517                     | 1,267     | 1,391 | 61,151                        | 61,250       | 3,168                     | 1,596     | 1,847 |  |  |  |
| 47,251  | 47,350       | 1,930                     | 991       | 990  | 54,251                        | 54,350  | 2,526                     | 1,271     | 1,397 | 61,251                        | 61,350       | 3,177                     | 1,602     | 1,855 |  |  |  |
| 47,351  | 47,450       | 1,938                     | 995       | 994  | 54,351                        | 54,450  | 2,536                     | 1,275     | 1,403 | 61,351                        | 61,450       | 3,187                     | 1,608     | 1,863 |  |  |  |

Continued on next page.

# 2015 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       | 3,196                     | 1,614     | 1,871 | 68,451                        | 68,550  | 3,847                     | 2,034     | 2,431 | 75,451                        | 75,550                | 4,498                     | 2,454     | 3,061 |  |
| 61,551  | 61,650       | 3,205                     | 1,620     | 1,879 | 68,551                        | 68,650  | 3,856                     | 2,040     | 2,439 | 75,551                        | 75,650                | 4,507                     | 2,460     | 3,070 |  |
| 61,651  | 61,750       | 3,215                     | 1,626     | 1,887 | 68,651                        | 68,750  | 3,866                     | 2,046     | 2,447 | 75,651                        | 75,750                | 4,517                     | 2,466     | 3,079 |  |
| 61,751  | 61,850       | 3,224                     | 1,632     | 1,895 | 68,751                        | 68,850  | 3,875                     | 2,052     | 2,455 | 75,751                        | 75,850                | 4,526                     | 2,472     | 3,088 |  |
| 61,851  | 61,950       | 3,233                     | 1,638     | 1,903 | 68,851                        | 68,950  | 3,884                     | 2,058     | 2,463 | 75,851                        | 75,950                | 4,535                     | 2,478     | 3,096 |  |
| 61,951  | 62,050       | 3,243                     | 1,644     | 1,911 | 68,951                        | 69,050  | 3,894                     | 2,064     | 2,471 | 75,951                        | 76,050                | 4,545                     | 2,484     | 3,107 |  |
| 62,051  | 62,150       | 3,252                     | 1,650     | 1,919 | 69,051                        | 69,150  | 3,903                     | 2,070     | 2,479 | 76,051                        | 76,150                | 4,554                     | 2,490     | 3,117 |  |
| 62,151  | 62,250       | 3,261                     | 1,656     | 1,927 | 69,151                        | 69,250  | 3,912                     | 2,076     | 2,487 | 76,151                        | 76,250                | 4,563                     | 2,496     | 3,126 |  |
| 62,251  | 62,350       | 3,270                     | 1,662     | 1,935 | 69,251                        | 69,350  | 3,921                     | 2,082     | 2,495 | 76,251                        | 76,350                | 4,572                     | 2,502     | 3,135 |  |
| 62,351  | 62,450       | 3,280                     | 1,668     | 1,943 | 69,351                        | 69,450  | 3,931                     | 2,088     | 2,503 | 76,351                        | 76,450                | 4,582                     | 2,508     | 3,145 |  |
| 62,451  | 62,550       | 3,289                     | 1,674     | 1,951 | 69,451                        | 69,550  | 3,940                     | 2,094     | 2,511 | 76,451                        | 76,550                | 4,591                     | 2,514     | 3,154 |  |
| 62,551  | 62,650       | 3,298                     | 1,680     | 1,959 | 69,551                        | 69,650  | 3,949                     | 2,100     | 2,519 | 76,551                        | 76,650                | 4,600                     | 2,520     | 3,163 |  |
| 62,651  | 62,750       | 3,308                     | 1,686     | 1,967 | 69,651                        | 69,750  | 3,959                     | 2,106     | 2,527 | 76,651                        | 76,750                | 4,610                     | 2,526     | 3,172 |  |
| 62,751  | 62,850       | 3,317                     | 1,692     | 1,975 | 69,751                        | 69,850  | 3,968                     | 2,112     | 2,535 | 76,751                        | 76,850                | 4,619                     | 2,532     | 3,182 |  |
| 62,851  | 62,950       | 3,326                     | 1,698     | 1,983 | 69,851                        | 69,950  | 3,977                     | 2,118     | 2,543 | 76,851                        | 76,950                | 4,628                     | 2,538     | 3,191 |  |
| 62,951  | 63,050       | 3,336                     | 1,704     | 1,991 | 69,951                        | 70,050  | 3,987                     | 2,124     | 2,551 | 76,951                        | 77,050                | 4,638                     | 2,544     | 3,200 |  |
| 63,051  | 63,150       | 3,345                     | 1,710     | 1,999 | 70,051                        | 70,150  | 3,996                     | 2,130     | 2,559 | 77,051                        | 77,150                | 4,647                     | 2,550     | 3,210 |  |
| 63,151  | 63,250       | 3,354                     | 1,716     | 2,007 | 70,151                        | 70,250  | 4,005                     | 2,136     | 2,568 | 77,151                        | 77,250                | 4,656                     | 2,556     | 3,219 |  |
| 63,251  | 63,350       | 3,363                     | 1,722     | 2,015 | 70,251                        | 70,350  | 4,014                     | 2,142     | 2,577 | 77,251                        | 77,350                | 4,665                     | 2,562     | 3,228 |  |
| 63,351  | 63,450       | 3,373                     | 1,728     | 2,023 | 70,351                        | 70,450  | 4,024                     | 2,148     | 2,587 | 77,351                        | 77,450                | 4,675                     | 2,568     | 3,238 |  |
| 63,451  | 63,550       | 3,382                     | 1,734     | 2,031 | 70,451                        | 70,550  | 4,033                     | 2,154     | 2,596 | 77,451                        | 77,550                | 4,684                     | 2,574     | 3,247 |  |
| 63,551  | 63,650       | 3,391                     | 1,740     | 2,039 | 70,551                        | 70,650  | 4,042                     | 2,160     | 2,605 | 77,551                        | 77,650                | 4,693                     | 2,580     | 3,256 |  |
| 63,651  | 63,750       | 3,401                     | 1,746     | 2,047 | 70,651                        | 70,750  | 4,052                     | 2,166     | 2,614 | 77,651                        | 77,750                | 4,703                     | 2,586     | 3,265 |  |
| 63,751  | 63,850       | 3,410                     | 1,752     | 2,055 | 70,751                        | 70,850  | 4,061                     | 2,172     | 2,624 | 77,751                        | 77,850                | 4,712                     | 2,592     | 3,275 |  |
| 63,851  | 63,950       | 3,419                     | 1,758     | 2,063 | 70,851                        | 70,950  | 4,070                     | 2,178     | 2,633 | 77,851                        | 77,950                | 4,721                     | 2,598     | 3,284 |  |
| 63,951  | 64,050       | 3,429                     | 1,764     | 2,071 | 70,951                        | 71,050  | 4,080                     | 2,184     | 2,642 | 77,951                        | 78,050                | 4,731                     | 2,604     | 3,293 |  |
| 64,051  | 64,150       | 3,438                     | 1,770     | 2,079 | 71,051                        | 71,150  | 4,089                     | 2,190     | 2,652 | 78,051                        | 78,150                | 4,740                     | 2,610     | 3,303 |  |
| 64,151  | 64,250       | 3,447                     | 1,776     | 2,087 | 71,151                        | 71,250  | 4,098                     | 2,196     | 2,661 | 78,151                        | 78,250                | 4,749                     | 2,616     | 3,312 |  |
| 64,251  | 64,350       | 3,456                     | 1,782     | 2,095 | 71,251                        | 71,350  | 4,107                     | 2,202     | 2,670 | 78,251                        | 78,350                | 4,758                     | 2,622     | 3,321 |  |
| 64,351  | 64,450       | 3,466                     | 1,788     | 2,103 | 71,351                        | 71,450  | 4,117                     | 2,208     | 2,680 | 78,351                        | 78,450                | 4,768                     | 2,628     | 3,331 |  |
| 64,451  | 64,550       | 3,475                     | 1,794     | 2,111 | 71,451                        | 71,550  | 4,126                     | 2,214     | 2,689 | 78,451                        | 78,550                | 4,777                     | 2,634     | 3,340 |  |
| 64,551  | 64,650       | 3,484                     | 1,800     | 2,119 | 71,551                        | 71,650  | 4,135                     | 2,220     | 2,698 | 78,551                        | 78,650                | 4,786                     | 2,640     | 3,349 |  |
| 64,651  | 64,750       | 3,494                     | 1,806     | 2,127 | 71,651                        | 71,750  | 4,145                     | 2,226     | 2,707 | 78,651                        | 78,750                | 4,796                     | 2,646     | 3,358 |  |
| 64,751  | 64,850       | 3,503                     | 1,812     | 2,135 | 71,751                        | 71,850  | 4,154                     | 2,232     | 2,717 | 78,751                        | 78,850                | 4,805                     | 2,652     | 3,368 |  |
| 64,851  | 64,950       | 3,512                     | 1,818     | 2,143 | 71,851                        | 71,950  | 4,163                     | 2,238     | 2,726 | 78,851                        | 78,950                | 4,814                     | 2,658     | 3,377 |  |
| 64,951  | 65,050       | 3,522                     | 1,824     | 2,151 | 71,951                        | 72,050  | 4,173                     | 2,244     | 2,735 | 78,951                        | 79,050                | 4,824                     | 2,664     | 3,386 |  |
| 65,051  | 65,150       | 3,531                     | 1,830     | 2,159 | 72,051                        | 72,150  | 4,182                     | 2,250     | 2,745 | 79,051                        | 79,150                | 4,833                     | 2,670     | 3,396 |  |
| 65,151  | 65,250       | 3,540                     | 1,836     | 2,167 | 72,151                        | 72,250  | 4,191                     | 2,256     | 2,754 | 79,151                        | 79,250                | 4,842                     | 2,676     | 3,405 |  |
| 65,251  | 65,350       | 3,549                     | 1,842     | 2,175 | 72,251                        | 72,350  | 4,200                     | 2,262     | 2,763 | 79,251                        | 79,350                | 4,851                     | 2,682     | 3,414 |  |
| 65,351  | 65,450       | 3,559                     | 1,848     | 2,183 | 72,351                        | 72,450  | 4,210                     | 2,268     | 2,773 | 79,351                        | 79,450                | 4,861                     | 2,688     | 3,424 |  |
| 65,451  | 65,550       | 3,568                     | 1,854     | 2,191 | 72,451                        | 72,550  | 4,219                     | 2,274     | 2,782 | 79,451                        | 79,550                | 4,870                     | 2,694     | 3,433 |  |
| 65,551  | 65,650       | 3,577                     | 1,860     | 2,199 | 72,551                        | 72,650  | 4,228                     | 2,280     | 2,791 | 79,551                        | 79,650                | 4,879                     | 2,700     | 3,442 |  |
| 65,651  | 65,750       | 3,587                     | 1,866     | 2,207 | 72,651                        | 72,750  | 4,238                     | 2,286     | 2,800 | 79,651                        | 79,750                | 4,889                     | 2,706     | 3,451 |  |
| 65,751  | 65,850       | 3,596                     | 1,872     | 2,215 | 72,751                        | 72,850  | 4,247                     | 2,292     | 2,810 | 79,751                        | 79,850                | 4,898                     | 2,712     | 3,461 |  |
| 65,851  | 65,950       | 3,605                     | 1,878     | 2,223 | 72,851                        | 72,950  | 4,256                     | 2,298     | 2,819 | 79,851                        | 79,950                | 4,907                     | 2,718     | 3,470 |  |
| 65,951  | 66,050       | 3,615                     | 1,884     | 2,231 | 72,951                        | 73,050  | 4,266                     | 2,304     | 2,828 | 79,951                        | 80,050                | 4,917                     | 2,724     | 3,479 |  |
| 66,051  | 66,150       | 3,624                     | 1,890     | 2,239 | 73,051                        | 73,150  | 4,275                     | 2,310     | 2,838 | 80,051                        | 80,150                | 4,926                     | 2,730     | 3,489 |  |
| 66,151  | 66,250       | 3,633                     | 1,896     | 2,247 | 73,151                        | 73,250  | 4,284                     | 2,316     | 2,847 | 80,151                        | 80,250                | 4,935                     | 2,736     | 3,498 |  |
| 66,251  | 66,350       | 3,642                     | 1,902     | 2,255 | 73,251                        | 73,350  | 4,293                     | 2,322     | 2,856 | 80,251                        | 80,350                | 4,944                     | 2,742     | 3,507 |  |
| 66,351  | 66,450       | 3,652                     | 1,908     | 2,263 | 73,351                        | 73,450  | 4,303                     | 2,328     | 2,866 | 80,351                        | 80,450                | 4,954                     | 2,748     | 3,517 |  |
| 66,451  | 66,550       | 3,661                     | 1,914     | 2,271 | 73,451                        | 73,550  | 4,312                     | 2,334     | 2,875 | 80,451                        | 80,550                | 4,963                     | 2,754     | 3,526 |  |
| 66,551  | 66,650       | 3,670                     | 1,920     | 2,279 | 73,551                        | 73,650  | 4,321                     | 2,340     | 2,884 | 80,551                        | 80,650                | 4,972                     | 2,760     | 3,535 |  |
| 66,651  | 66,750       | 3,680                     | 1,926     | 2,287 | 73,651                        | 73,750  | 4,331                     | 2,346     | 2,893 | 80,651                        | 80,750                | 4,982                     | 2,766     | 3,544 |  |
| 66,751  | 66,850       | 3,689                     | 1,932     | 2,295 | 73,751                        | 73,850  | 4,340                     | 2,352     | 2,903 | 80,751                        | 80,850                | 4,991                     | 2,772     | 3,554 |  |
| 66,851  | 66,950       | 3,698                     | 1,938     | 2,303 | 73,851                        | 73,950  | 4,349                     | 2,358     | 2,912 | 80,851                        | 80,950                | 5,000                     | 2,778     | 3,563 |  |
| 66,951  | 67,050       | 3,708                     | 1,944     | 2,311 | 73,951                        | 74,050  | 4,359                     | 2,364     | 2,921 | 80,951                        | 81,050                | 5,010                     | 2,784     | 3,572 |  |
| 67,051  | 67,150       | 3,717                     | 1,950     | 2,319 | 74,051                        | 74,150  | 4,368                     | 2,370     | 2,931 | 81,051                        | 81,150                | 5,019                     | 2,790     | 3,582 |  |
| 67,151  | 67,250       | 3,726                     | 1,956     | 2,327 | 74,151                        | 74,250  | 4,377                     | 2,376     | 2,940 | 81,151                        | 81,250                | 5,028                     | 2,796     | 3,591 |  |
| 67,251  | 67,350       | 3,735                     | 1,962     | 2,335 | 74,251                        | 74,350  | 4,386                     | 2,382     | 2,949 | 81,251                        | 81,350                | 5,037                     | 2,802     | 3,600 |  |
| 67,351  | 67,450       | 3,745                     | 1,968     | 2,343 | 74,351                        | 74,450  | 4,396                     | 2,388     | 2,959 | 81,351                        | 81,450                | 5,047                     | 2,808     | 3,610 |  |
| 67,451  | 67,550       | 3,754                     | 1,974     | 2,351 | 74,451                        | 74,550  | 4,405                     | 2,394     | 2,968 | 81,451                        | 81,550                | 5,056                     | 2,814     | 3,619 |  |
| 67,551  | 67,650       | 3,763                     | 1,980     | 2,359 | 74,551                        | 74,650  | 4,414                     | 2,400     | 2,977 | 81,551                        | 81,650                | 5,065                     | 2,821     | 3,628 |  |
| 67,651  | 67,750       | 3,773                     | 1,986     | 2,367 | 74,651                        | 74,750  | 4,424                     | 2,406     | 2,986 | 81,651                        | 81,750                | 5,075                     | 2,828     | 3,637 |  |
| 67,751  | 67,850       | 3,782                     | 1,992     | 2,375 | 74,751                        | 74,850  | 4,433                     | 2,412     | 2,996 | 81,751                        | 81,850                | 5,084                     | 2,837     | 3,647 |  |
| 67,851  | 67,950       | 3,791                     | 1,998     | 2,383 | 74,851                        | 74,950  | 4,442                     | 2,418     | 3,005 | 81,851                        | 81,950                | 5,093                     | 2,845     | 3,656 |  |
| 67,951  | 68,050       | 3,801                     | 2,004     | 2,391 | 74,951                        | 75,050  | 4,452                     | 2,424     | 3,014 | 81,951                        | 82,050                | 5,103                     | 2,853     | 3,665 |  |
| 68,051  | 68,150       | 3,810                     | 2,010     | 2,399 | 75,051                        | 75,150  | 4,461                     | 2,430     | 3,024 | 82,051                        | 82,150                | 5,112                     | 2,861     | 3,675 |  |
| 68,151  | 68,250       | 3,819                     | 2,016     | 2,407 | 75,151                        | 75,250  | 4,470                     | 2,436     | 3,033 | 82,151                        | 82,250                | 5,121                     | 2,869     | 3,684 |  |
| 68,251  | 68,350       | 3,828                     | 2,022     | 2,415 | 75,251                        | 75,350  | 4,479                     | 2,442     | 3,042 | 82,251                        | 82,350                | 5,130                     | 2,877     | 3,693 |  |
| 68,351  | 68,450       | 3,838                     | 2,028     | 2,423 | 75,351                        | 75,450  | 4,489                     | 2,448     | 3,052 | 82,351                        | 82,450                | 5,140                     | 2,885     | 3,703 |  |

Continued on next page.

## 2015 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       | 5,140                     | 2,893     | 3,712 | 88,951                        | 89,050  | 5,754                     | 3,413     | 4,316 | 95,451   | 95,550                | 6,358                     | 3,933     | 4,921 |  |
| 82,551  | 82,650       | 5,158                     | 2,901     | 3,721 | 89,051                        | 89,150  | 5,763                     | 3,421     | 4,326 | 95,551   | 95,650                | 6,367                     | 3,941     | 4,930 |  |
| 82,651  | 82,750       | 5,168                     | 2,909     | 3,730 | 89,151                        | 89,250  | 5,772                     | 3,429     | 4,335 | 95,651   | 95,750                | 6,377                     | 3,949     | 4,939 |  |
| 82,751  | 82,850       | 5,177                     | 2,917     | 3,740 | 89,251                        | 89,350  | 5,781                     | 3,437     | 4,344 | 95,751   | 95,850                | 6,386                     | 3,957     | 4,949 |  |
| 82,851  | 82,950       | 5,186                     | 2,925     | 3,749 | 89,351                        | 89,450  | 5,791                     | 3,445     | 4,354 | 95,851   | 95,950                | 6,395                     | 3,965     | 4,958 |  |
| 82,951  | 83,050       | 5,196                     | 2,933     | 3,758 | 89,451                        | 89,550  | 5,800                     | 3,453     | 4,363 | 95,951   | 96,050                | 6,405                     | 3,973     | 4,967 |  |
| 83,051  | 83,150       | 5,205                     | 2,941     | 3,768 | 89,551                        | 89,650  | 5,809                     | 3,461     | 4,372 | 96,051   | 96,150                | 6,414                     | 3,981     | 4,977 |  |
| 83,151  | 83,250       | 5,214                     | 2,949     | 3,777 | 89,651                        | 89,750  | 5,819                     | 3,469     | 4,381 | 96,151   | 96,250                | 6,423                     | 3,989     | 4,986 |  |
| 83,251  | 83,350       | 5,223                     | 2,957     | 3,786 | 89,751                        | 89,850  | 5,828                     | 3,477     | 4,391 | 96,251   | 96,350                | 6,432                     | 3,997     | 4,995 |  |
| 83,351  | 83,450       | 5,233                     | 2,965     | 3,796 | 89,851                        | 89,950  | 5,837                     | 3,485     | 4,400 | 96,351   | 96,450                | 6,442                     | 4,005     | 5,005 |  |
| 83,451  | 83,550       | 5,242                     | 2,973     | 3,805 | 89,951                        | 90,050  | 5,847                     | 3,493     | 4,409 | 96,451   | 96,550                | 6,451                     | 4,013     | 5,014 |  |
| 83,551  | 83,650       | 5,251                     | 2,981     | 3,814 | 90,051                        | 90,150  | 5,856                     | 3,501     | 4,419 | 96,551   | 96,650                | 6,460                     | 4,021     | 5,023 |  |
| 83,651  | 83,750       | 5,261                     | 2,989     | 3,823 | 90,151                        | 90,250  | 5,865                     | 3,509     | 4,428 | 96,651   | 96,750                | 6,470                     | 4,029     | 5,032 |  |
| 83,751  | 83,850       | 5,270                     | 2,997     | 3,833 | 90,251                        | 90,350  | 5,874                     | 3,517     | 4,437 | 96,751   | 96,850                | 6,479                     | 4,037     | 5,042 |  |
| 83,851  | 83,950       | 5,279                     | 3,005     | 3,842 | 90,351                        | 90,450  | 5,884                     | 3,525     | 4,447 | 96,851   | 96,950                | 6,488                     | 4,045     | 5,051 |  |
| 83,951  | 84,050       | 5,289                     | 3,013     | 3,851 | 90,451                        | 90,550  | 5,893                     | 3,533     | 4,456 | 96,951   | 97,050                | 6,498                     | 4,053     | 5,060 |  |
| 84,051  | 84,150       | 5,298                     | 3,021     | 3,861 | 90,551                        | 90,650  | 5,902                     | 3,541     | 4,465 | 97,051   | 97,150                | 6,507                     | 4,061     | 5,070 |  |
| 84,151  | 84,250       | 5,307                     | 3,029     | 3,870 | 90,651                        | 90,750  | 5,912                     | 3,549     | 4,474 | 97,151   | 97,250                | 6,516                     | 4,069     | 5,079 |  |
| 84,251  | 84,350       | 5,316                     | 3,037     | 3,879 | 90,751                        | 90,850  | 5,921                     | 3,557     | 4,484 | 97,251   | 97,350                | 6,525                     | 4,077     | 5,088 |  |
| 84,351  | 84,450       | 5,326                     | 3,045     | 3,888 | 90,851                        | 90,950  | 5,930                     | 3,565     | 4,493 | 97,351   | 97,450                | 6,535                     | 4,085     | 5,098 |  |
| 84,451  | 84,550       | 5,335                     | 3,053     | 3,898 | 90,951                        | 91,050  | 5,940                     | 3,573     | 4,502 | 97,451   | 97,550                | 6,544                     | 4,093     | 5,107 |  |
| 84,551  | 84,650       | 5,344                     | 3,061     | 3,907 | 91,051                        | 91,150  | 5,949                     | 3,581     | 4,512 | 97,551   | 97,650                | 6,553                     | 4,101     | 5,116 |  |
| 84,651  | 84,750       | 5,354                     | 3,069     | 3,916 | 91,151                        | 91,250  | 5,958                     | 3,589     | 4,521 | 97,651   | 97,750                | 6,563                     | 4,109     | 5,125 |  |
| 84,751  | 84,850       | 5,363                     | 3,077     | 3,926 | 91,251                        | 91,350  | 5,967                     | 3,597     | 4,530 | 97,751   | 97,850                | 6,572                     | 4,117     | 5,135 |  |
| 84,851  | 84,950       | 5,372                     | 3,085     | 3,935 | 91,351                        | 91,450  | 5,977                     | 3,605     | 4,540 | 97,851   | 97,950                | 6,581                     | 4,125     | 5,144 |  |
| 84,951  | 85,050       | 5,382                     | 3,093     | 3,944 | 91,451                        | 91,550  | 5,986                     | 3,613     | 4,549 | 97,951   | 98,050                | 6,591                     | 4,133     | 5,153 |  |
| 85,051  | 85,150       | 5,391                     | 3,101     | 3,954 | 91,551                        | 91,650  | 5,995                     | 3,621     | 4,558 | 98,051   | 98,150                | 6,600                     | 4,141     | 5,163 |  |
| 85,151  | 85,250       | 5,400                     | 3,109     | 3,963 | 91,651                        | 91,750  | 6,005                     | 3,629     | 4,567 | 98,151   | 98,250                | 6,609                     | 4,149     | 5,172 |  |
| 85,251  | 85,350       | 5,409                     | 3,117     | 3,972 | 91,751                        | 91,850  | 6,014                     | 3,637     | 4,577 | 98,251   | 98,350                | 6,618                     | 4,157     | 5,181 |  |
| 85,351  | 85,450       | 5,419                     | 3,125     | 3,982 | 91,851                        | 91,950  | 6,023                     | 3,645     | 4,586 | 98,351   | 98,450                | 6,628                     | 4,165     | 5,191 |  |
| 85,451  | 85,550       | 5,428                     | 3,133     | 3,991 | 91,951                        | 92,050  | 6,033                     | 3,653     | 4,595 | 98,451   | 98,550                | 6,637                     | 4,173     | 5,200 |  |
| 85,551  | 85,650       | 5,437                     | 3,141     | 4,000 | 92,051                        | 92,150  | 6,042                     | 3,661     | 4,605 | 98,551   | 98,650                | 6,646                     | 4,181     | 5,209 |  |
| 85,651  | 85,750       | 5,447                     | 3,149     | 4,009 | 92,151                        | 92,250  | 6,051                     | 3,669     | 4,614 | 98,651   | 98,750                | 6,656                     | 4,189     | 5,218 |  |
| 85,751  | 85,850       | 5,456                     | 3,157     | 4,019 | 92,251                        | 92,350  | 6,060                     | 3,677     | 4,623 | 98,751   | 98,850                | 6,665                     | 4,197     | 5,228 |  |
| 85,851  | 85,950       | 5,465                     | 3,165     | 4,028 | 92,351                        | 92,450  | 6,070                     | 3,685     | 4,633 | 98,851   | 98,950                | 6,674                     | 4,205     | 5,237 |  |
| 85,951  | 86,050       | 5,475                     | 3,173     | 4,037 | 92,451                        | 92,550  | 6,079                     | 3,693     | 4,642 | 98,951   | 99,050                | 6,684                     | 4,213     | 5,246 |  |
| 86,051  | 86,150       | 5,484                     | 3,181     | 4,047 | 92,551                        | 92,650  | 6,088                     | 3,701     | 4,651 | 99,051   | 99,150                | 6,693                     | 4,221     | 5,256 |  |
| 86,151  | 86,250       | 5,493                     | 3,189     | 4,056 | 92,651                        | 92,750  | 6,098                     | 3,709     | 4,660 | 99,151   | 99,250                | 6,702                     | 4,229     | 5,265 |  |
| 86,251  | 86,350       | 5,502                     | 3,197     | 4,065 | 92,751                        | 92,850  | 6,107                     | 3,717     | 4,670 | 99,251   | 99,350                | 6,711                     | 4,237     | 5,274 |  |
| 86,351  | 86,450       | 5,512                     | 3,205     | 4,075 | 92,851                        | 92,950  | 6,116                     | 3,725     | 4,679 | 99,351   | 99,450                | 6,721                     | 4,245     | 5,284 |  |
| 86,451  | 86,550       | 5,521                     | 3,213     | 4,084 | 92,951                        | 93,050  | 6,126                     | 3,733     | 4,688 | 99,451   | 99,550                | 6,730                     | 4,253     | 5,293 |  |
| 86,551  | 86,650       | 5,530                     | 3,221     | 4,093 | 93,051                        | 93,150  | 6,135                     | 3,741     | 4,698 | 99,551   | 99,650                | 6,739                     | 4,261     | 5,302 |  |
| 86,651  | 86,750       | 5,540                     | 3,229     | 4,102 | 93,151                        | 93,250  | 6,144                     | 3,749     | 4,707 | 99,651   | 99,750                | 6,748                     | 4,269     | 5,311 |  |
| 86,751  | 86,850       | 5,549                     | 3,237     | 4,112 | 93,251                        | 93,350  | 6,153                     | 3,757     | 4,716 | 99,751   | 99,850                | 6,758                     | 4,277     | 5,321 |  |
| 86,851  | 86,950       | 5,558                     | 3,245     | 4,121 | 93,351                        | 93,450  | 6,163                     | 3,765     | 4,726 | 99,851   | 99,950                | 6,767                     | 4,285     | 5,330 |  |
| 86,951  | 87,050       | 5,568                     | 3,253     | 4,130 | 93,451                        | 93,550  | 6,172                     | 3,773     | 4,735 | 99,951   | 100,000               | 6,774                     | 4,291     | 5,337 |  |
| 87,051  | 87,150       | 5,577                     | 3,261     | 4,140 | 93,551                        | 93,650  | 6,181                     | 3,781     | 4,744 | OVER \$100,000 YOU MUST COMPUTE YOUR TAX USING THE TAX RATE SCHEDULES. |                       |                           |           |       |  |
| 87,151  | 87,250       | 5,586                     | 3,269     | 4,149 | 93,651                        | 93,750  | 6,191                     | 3,789     | 4,753 |  |                       |                           |           |       |  |
| 87,251  | 87,350       | 5,595                     | 3,277     | 4,158 | 93,751                        | 93,850  | 6,200                     | 3,797     | 4,763 |  |                       |                           |           |       |  |
| 87,351  | 87,450       | 5,605                     | 3,285     | 4,168 | 93,851                        | 93,950  | 6,209                     | 3,805     | 4,772 |  |                       |                           |           |       |  |
| 87,451  | 87,550       | 5,614                     | 3,293     | 4,177 | 93,951                        | 94,050  | 6,219                     | 3,813     | 4,781 |  |                       |                           |           |       |  |
| 87,551  | 87,650       | 5,623                     | 3,301     | 4,186 | 94,051                        | 94,150  | 6,228                     | 3,821     | 4,791 |  |                       |                           |           |       |  |
| 87,651  | 87,750       | 5,633                     | 3,309     | 4,195 | 94,151                        | 94,250  | 6,237                     | 3,829     | 4,800 |  |                       |                           |           |       |  |
| 87,751  | 87,850       | 5,642                     | 3,317     | 4,205 | 94,251                        | 94,350  | 6,246                     | 3,837     | 4,809 |  |                       |                           |           |       |  |
| 87,851  | 87,950       | 5,651                     | 3,325     | 4,214 | 94,351                        | 94,450  | 6,256                     | 3,845     | 4,819 |  |                       |                           |           |       |  |
| 87,951  | 88,050       | 5,661                     | 3,333     | 4,223 | 94,451                        | 94,550  | 6,265                     | 3,853     | 4,828 |  |                       |                           |           |       |  |
| 88,051  | 88,150       | 5,670                     | 3,341     | 4,233 | 94,551                        | 94,650  | 6,274                     | 3,861     | 4,837 |  |                       |                           |           |       |  |
| 88,151  | 88,250       | 5,679                     | 3,349     | 4,242 | 94,651                        | 94,750  | 6,284                     | 3,869     | 4,846 |  |                       |                           |           |       |  |
| 88,251  | 88,350       | 5,688                     | 3,357     | 4,251 | 94,751                        | 94,850  | 6,293                     | 3,877     | 4,856 |  |                       |                           |           |       |  |
| 88,351  | 88,450       | 5,698                     | 3,365     | 4,261 | 94,851                        | 94,950  | 6,302                     | 3,885     | 4,865 |  |                       |                           |           |       |  |
| 88,451  | 88,550       | 5,707                     | 3,373     | 4,270 | 94,951                        | 95,050  | 6,312                     | 3,893     | 4,874 |  |                       |                           |           |       |  |
| 88,551  | 88,650       | 5,716                     | 3,381     | 4,279 | 95,051                        | 95,150  | 6,321                     | 3,901     | 4,884 |  |                       |                           |           |       |  |
| 88,651  | 88,750       | 5,726                     | 3,389     | 4,288 | 95,151                        | 95,250  | 6,330                     | 3,909     | 4,893 |  |                       |                           |           |       |  |
| 88,751  | 88,850       | 5,735                     | 3,397     | 4,298 | 95,251                        | 95,350  | 6,339                     | 3,917     | 4,902 |  |                       |                           |           |       |  |
| 88,851  | 88,950       | 5,744                     | 3,405     | 4,307 | 95,351                        | 95,450  | 6,349                     | 3,925     | 4,912 |  |                       |                           |           |       |  |
|   |              |                           |           |       |                               |   |                           |           |       |  |                       |                           |           |       |  |

**2015 California Volunteer  
Reference Manual**

**TaxWise Tips**



### Before You Begin

Load the California software onto your computer. Check with your site coordinator regarding site procedures for obtaining software. Once the California software is released by TaxWise, TWO users receive the download automatically. After obtaining the state software, find the CA 540 Page 1 and other CA forms, following the federal forms, located on the “Find a form screen,” or in the list of forms on the left side of your screen, in the “tree view.”

Desktop users: If there are no state forms, use an active EFIN and download the state software from the TaxWise webpage at [taxwise.com](http://taxwise.com). A transmitting computer automatically updates with each transmission when updates become available.

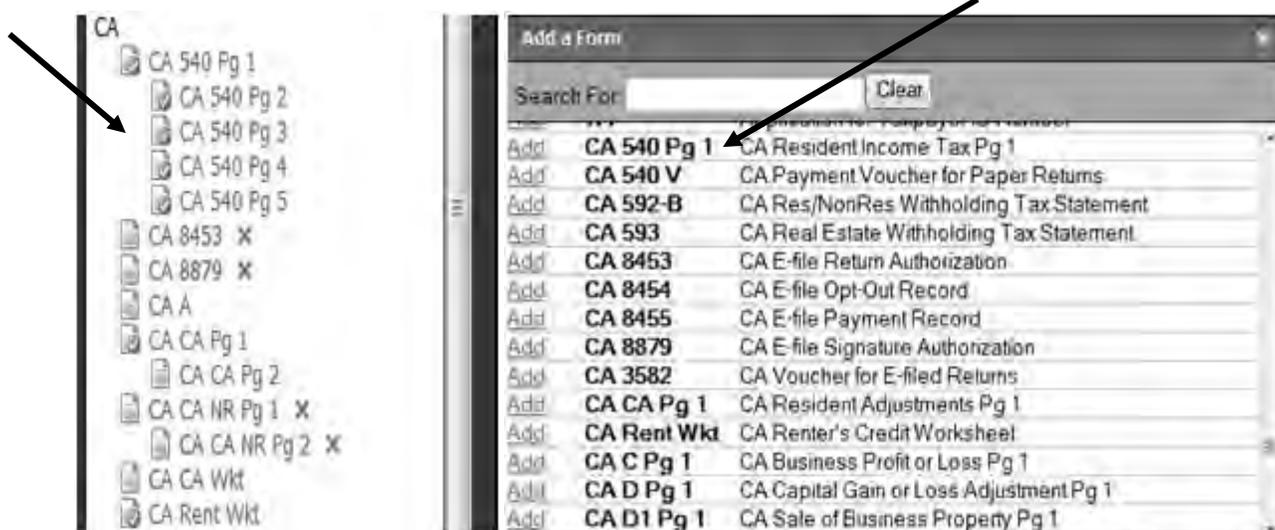
TWO users: If there are no state forms, check to make sure the California software has been released and CA is indicated on the Main Info screen.

### California residency must be indicated on the Main Info screen.

**State Information** If you are not preparing a state return, check here  or fill in state information below  
 Full year resident: CA and     Part-year:     and     Nonresident:                        

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**Type of Return**  Bank products  E-file ONLY  Paper



### Start the State Tax Return

You must complete your client's federal tax return before you start the California tax return. Use information from W-2s, 1099s, and federal returns to complete the state tax return. Make sure to complete the following forms before beginning the Form 540:

- Main Information Screen.
- Form W2.
- Forms 1099.
- Federal Tax Forms.
- Federal Schedules.
- Any income supporting worksheets and schedules.

California requires that the state ID box on Forms W2, W2-G and 1099R include the employer's state ID number. If any of the forms above have a blank state ID, enter six **0** or six **9** digits in this field. How you complete the income statement determines how TaxWise applies the information based on California tax law.

**TaxWise requires that all Forms W2, W2G, and 1099R are complete prior to beginning the state tax form.**

| 15 State | State ID number | 16 State wages | 17 State tax | 18 Local wages | 19 Local tax | 20 Local name |
|----------|-----------------|----------------|--------------|----------------|--------------|---------------|
| CA       | 999999          | 45000          | 300          | 45000          | 396          | SDI           |
|          |                 | 0              | 0            | 0              | 0            |               |

### State Disability Insurance

State Disability Insurance (SDI) is an itemized deduction on the federal tax return, but you subtract it from the state itemized deduction amount on Schedule CA (540). By following the instructions below, TaxWise reports SDI correctly for both federal and state purposes.

Many employers enter CA SDI in box 14 of the Form W-2. Do not input this information in box 14 of your screen. There are two options for correct SDI input. Enter SDI amounts in the California W2s Only box at the bottom of the W2 **or** enter the SDI amount in box 19 "Local tax" and the letters "SDI" in box 20 "Local name" (see example screen). **Do not enter SDI twice.** For additional information on SDI and to calculate excess SDI, please see the General Information Section.

**Important Note:** Box 14 is an information only box and will not correctly calculate the federal itemized deduction.

| 15 State | State ID number | 16 State wages | 17 State tax | 18 Local wages | 19 Local tax | 20 Local name |
|----------|-----------------|----------------|--------------|----------------|--------------|---------------|
| CA       | 999999          | 45000          | 300          | 45000          | 396          | SDI           |
|          |                 | 0              | 0            | 0              | 0            |               |
|          |                 | 0              | 0            | 0              | 0            |               |
|          |                 | 0              | 0            | 0              | 0            |               |

**Important Note:** Double check software for accuracy of SDI deduction on federal Schedule A.

| 15 State | State ID number | 16 State wages | 17 State tax | 18 Local wages | 19 Local tax | 20 Local name |
|----------|-----------------|----------------|--------------|----------------|--------------|---------------|
| CA       | 999999          | 45000          | 300          | 45000          | 396          | SDI           |
|          |                 | 0              | 0            | 0              | 0            |               |
|          |                 | 0              | 0            | 0              | 0            |               |
|          |                 | 0              | 0            | 0              | 0            |               |

**Instructions for W2**

**Nontaxable combat pay**  
Amount excluded from income by reason of section 112 0

**Statutory employees**  
 Check if you are going to use Schedules C or CEZ to report this income. This will prevent this W2 from adding in to line 7 of page 1 of any 1040 form. You must go to Schedule C or CEZ and insert the amount.

**State exclusion:** See state instructions, included with each state, before checking these boxes. Instructions vary by state. Example: Some states will only allow an exclusion for military pay if the employee is stationed out of state.  
Check if this W2 is from:  Military  National Guard

**Ministerial income**  
 Check if this W2 is ministerial income and Schedule SE will be used.

**California W2s only**  
See CA instructions. SDI literal:  SDI amount: 0

### W2G/California Lottery and Gambling Losses

To exclude California lottery winnings from the state tax return, "X" the State box on W2G. When completed correctly, TaxWise deducts this income on the CA Schedule CA 540, line 21a.

|   |  |   |
|---|--|---|
| Payer's Federal ID number _____                     | <b>1</b> Gross winnings<br>_____0                | <b>2</b> Date won<br>_____              |
| Phone _____   | <b>3</b> Type of wager<br>_____                  | <b>4</b> Federal tax withheld<br>_____0 |
| Name code _____                                     | <b>5</b> Transaction<br>_____                    | <b>6</b> Race<br>_____                  |
| Payer's name<br>_____▶                              | <b>7</b> Identical wagers<br>_____0              | <b>8</b> Cashier<br>_____               |
| Payer's address<br>_____<br>_____                   | <b>9</b> Winner's ID number<br>300-01-4863 _____ | <b>10</b> Window<br>_____               |
| Payer's Zip code, city, and state<br>_____<br>_____ | <b>11</b> First ID<br>_____                      | <b>12</b> Second ID<br>_____            |
|   | <b>13</b> State and state ID<br>_____<br>_____   | <b>14</b> State winnings<br>_____0      |
|   | <b>15</b> State tax withheld<br>_____0           | <b>16</b> Local winnings<br>_____0      |

\* See F-1 Help on the state return for the use of this box  
Instructions vary by state.

Note: CA Schedule CA 540, Line 21a, Columns A (federal amounts) and B (California subtractions). Example of how a correctly completed W2G creates the CA lottery income adjustment on the California return.

|   |      |      |   |
|---|------|------|---|
| <b>18</b> Farm income or loss                           | 0    | 0    | 0 |
| <b>19</b> Unemployment compensation                     | 6000 | 6000 |   |
| <b>20</b> Social security benefits                      | 0    | 0    |   |
| <b>21</b> Other income                                  | 5000 | 5000 |   |
| <b>a</b> California lottery winnings                    |      |      |   |
| <b>b</b> Disaster loss carryover from FTB 3805V         |      | 0    |   |
| <b>c</b> Federal NOL from Form 1040, line 21            |      |      | 0 |
| <b>d</b> NOL carryover from FTB 3805V                   |      | 0    |   |
| <b>e</b> NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809 |      | 0    | 0 |
| <b>f</b> Other: _____                                   |      | 0    | 0 |

TaxWise automatically subtracts California lottery losses claimed as a gambling loss on federal Schedule A when the State box on the W2G is checked and the losses are entered on form W2G.

**Other Miscellaneous Deductions**

|           |   |                               |      |      |
|-----------|---|-------------------------------|------|------|
| <b>28</b> | Type  | GAMBLING LOSSES               |      |      |
| ***       | Amount  | TSJ: <input type="checkbox"/> | 1500 | 1500 |
| ***       | Schedules K-1, Forms 4684, 4797, 2106, 2106EZ, and W2G losses add in here. If you are using a statement, check here <input type="checkbox"/> AND manually enter: 1500 |                               |      |      |
|           | Line 28 amount for state returns  |                               | 1500 |      |

See TaxWise CA Schedule CA 540, Page 2, line 41, and double check this automatic adjustment. Non-California lottery gambling losses are allowed as an itemized deduction up to the amount of gambling winnings.

**Note:** California lottery losses are **not** deductible because California lottery winnings are **not** taxable.

**1099R Pension and Railroad Retirement Income**

Generally, federal and state treat pension income the same. Find additional and more detailed information in the General Information section and FTB 1001, *Supplemental Guidelines to California Adjustments*.

If your client receives a 1099R with tier 1 or tier 2 railroad retirement income, "X" the "Railroad" box on Form 1099R to indicate the taxable income from this 1099R qualifies for subtraction on the CA Schedule CA.

|   |                     |                                  |                              |
|---|---------------------|----------------------------------|------------------------------|
| See F1 Help on the state return for use of these boxes.<br>Instructions vary by state.<br>Check if applies.<br>Box 1<br>Box 2<br>Box 3<br>Railroad retirement | <b>12</b> State tax | <b>13</b> State and state ID no. | <b>14</b> State distribution |
|   | _____ 0             | _____                            | _____ 0                      |
|   | _____ 0             | _____                            | _____ 0                      |
|   | <b>15</b> Local tax | <b>16</b> Locality name          | <b>17</b> Local distribution |
| _____ 0   | _____               | _____ 0                          |                              |
| _____ 0   | _____               | _____ 0                          |                              |

Checking this box causes TaxWise to deduct the income on the CA Schedule CA 540. Note the placement of the taxable portion of railroad retirement benefits located in Column B of the CA Schedule CA 540, line 16.

### Form 540, Page 1

Once the federal return is complete and correct, double click on CA 540 Page 1. TaxWise automatically enters most line amounts on Page 1 of the 540. Even without a red error, double check all entries on this page.

### Name, SSN, and Address

TaxWise completes this step. Double check the taxpayer’s name and address for state purposes. If TaxWise leaves any field blank, check the federal return and the Main Information Sheet. Use the check box to change the California address and to add an apartment number on the California address line.

**Note:** California addresses with less than 32 characters, including spaces and apartment numbers, do not require the check box described above.

Check here to change the address listed below if you live in an apartment, building, etc. If your address is in a foreign country, the foreign country will be calculated in the country field, enter the foreign city in the city field, and if applicable, the foreign country's postal code in the foreign zip field. Do not use special characters (hyphens, etc) in the Foreign zip field. Use spaces in the place of any special characters. See F1 help for address formatting requirements.

|              |                        |  |                          |
|--------------|------------------------|--|--------------------------|
| Federal:     | 1234 PRETTY PICTURE LN | Apartment, building, etc:  | _____                    |
| California:  | 1234 PRETTY PICTURE LN | Number:  | _____                    |
|              | SACRAMENTO CA 95814-   | PMB no:  | _____                    |
| Country:     | _____                  | Address is outside U.S.:   | <input type="checkbox"/> |
| Foreign zip: | _____                  | Use spaces in the place of special characters (" ", etc) for this field. |                          |

### Filing Status

TaxWise completes this step. State filing status must be the same as the filing status on the federal tax return. See the General Information section for exceptions. Call the FTB Volunteer Hotline, **800.522.5665**, for information on Registered Domestic Partners or nonresident spouse.

**Important Note: State filing status and exemption credits must be the same as used on the federal return.**

### Form 540, Page 2

#### Exemptions

TaxWise completes this step. The number of state exemption credits must be the same as the number of exemption credits on the federal return.

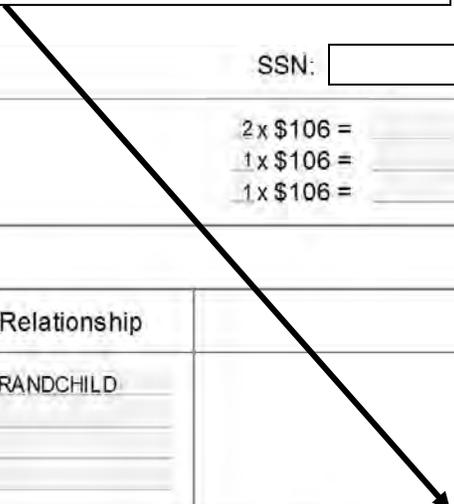
Federal and state treat exemption credits differently. TaxWise automatically calculates exemption credits from information entered on the Interview Worksheet, Main Info screen, and federal Form 1040. State exemption credits decrease actual tax. Federal exemption credits decrease taxable income.

California gives additional credits to individuals over the age of 65 or blind. If both spouses on a tax return are over age 65 or blind they receive two additional exemption credits. When a client claims the blindness exemption for the first time, attach a physician’s statement to the back of the paper tax return and e-file clients keep the physician’s statement with their records. FTB may send a letter requesting the statement. See the General Information section for more detail and the definition of visual impairment.

The definition of a dependent for California purposes is the same as federal.

Example: Two personal exemptions, one senior exemption, one blind exemption, and one dependent exemption, total of five exemptions. Notice that TaxWise carries over all exemption and dependent information, including name, from the Interview Worksheet or Main Information Screen.

|                            |                            |   |
|----------------------------|----------------------------|---|
| Name: RANDALL & ROSE RIVER |                            | SSN: <input style="width: 100px;" type="text"/> |
| 7                          | Personal                   | 2 x \$106 = 212                                 |
| 8                          | Blind                      | 1 x \$106 = 106                                 |
| 9                          | Senior                     | 1 x \$106 = 106                                 |
| <hr/>                      |                            |   |
| 10                         | Dependents                 |   |
|                            | First name                 | Last Name                                       |
|                            | RITA                       | RIVERS  |
|                            | Relationship               | GRANDCHILD                                      |
| <hr/>                      |                            |   |
|                            | Total dependent exemptions | 1 x \$326 = 326                                 |
| 11                         | Exemption amount           | 750   |



## Taxable Income

TaxWise completes most of this step. Notice that most of the line amounts are yellow. This means TaxWise calculates the field. However, it is vitally important that you review each line to make sure the information transfers correctly from the federal tax return.

If the tax return shows a California adjustment for line 14 or line 16, double check CA Schedule CA 540 for accuracy. Press F9 with the cursor on line 14 to link to the CA Schedule CA 540. Do not try to link from the CA Schedule CA 540.

**When you see an amount on line 14 or line 16 of the Form 540, Page 2, always open the CA Schedule CA 540 and double-check the adjustments.**

| Taxable Income |   |       |
|----------------|---|-------|
| 12             | State wages from Forms W-2, box 16  | 45000 |
| 13             | Federal adjusted gross income   | 57500 |
| 14             | California adjustments - subtractions                                     | 12500 |
| 15             | Subtract line 14 from line 13   | 45000 |
| 16             | California adjustments - additions  | 0     |
| 17             | California adjusted gross income  | 45000 |
| 18             | Larger of California standard deduction or California itemized deductions | 7812  |
| 19             | Taxable income. If less than zero, enter zero                             | 37188 |

## CA Schedule CA 540 Adjustments

California does not tax certain types of income that may be taxable on the federal return. You must complete a CA Schedule CA 540 (See CA CA Page 1 on the forms tree) when there are differences in income taxability between federal and state. Even though TaxWise automatically figures most of these adjustments for you, it is still very important that you check to make sure all adjustments are correct. Find differences between federal and state tax law in the Introduction and General Information section of this manual and in FTB 1001, *Supplemental Guidelines to California Adjustments*.

Form 540, Page 2, line 14 includes all income taxable on the federal return and not taxable by California. Line 14 is always the same as the figure calculated on line 37, column B, on the CA Schedule CA 540. Line 14 decreases taxable income.

California does not tax:

- State income tax refunds from any state
- Unemployment compensation/paid Family Medical Leave
- Social security benefits
- Tier 1 and tier 2 railroad retirement benefits
- California Lottery
- Interest earned from U.S. Savings bonds, U.S. Treasury Bills, or any other bonds of the U.S. and U.S. territories

Line 16 includes all income that is nontaxable on the federal tax return but is taxable by California. The amount on line 16, Form 540, Page 2 is always the same as the amount on CA Schedule CA 540, line 37, column C. Line 16 increases taxable income.

California does tax:

- Foreign earned income or foreign social security
- Interest income from bonds issued by a state other than California
- Interest income from municipal bonds issued by a county, city, town, or other local government unit in a state other than California
- Interest income from obligations of the District of Columbia issued after December 27, 1973

### **Line 7 Wages, Salaries, Tips, Etc.**

Generally, do not make any adjustments on this line. Some exceptions include employer HSA contributions and certain American Indian tribal income. For additional information, see the Form 540 Booklet and FTB 1001, *Supplemental Guidelines to California Adjustments*. Directly enter allowable exceptions on line 7.

### **Line 8 Taxable Interest Income**

The most common type of interest you calculate is simple interest from a taxpayer's checking or savings account. For example, to adjust savings bond interest, TaxWise automatically makes this adjustment when you enter the correct information.

**US Schedule B** **Interest and Ordinary Dividends** **2013**

Name: RANDALL & ROSE RIVERS SSN: \_\_\_\_\_

**Part I: Interest**

**1a Seller-financed mortgages**  
 Interest income from seller-financed mortgages and the buyer used the property as a personal residence. Show the buyer's name, address, and social security number.  
 Name: \_\_\_\_\_ ID number: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_ Amount: \_\_\_\_\_ 0

State Information for seller-financed mortgage interest  
 Joint amount: \_\_\_\_\_ 0 Spouse amount: \_\_\_\_\_ 0

**Other interest**  
 Payer. If the payer is a brokerage firm, list the firm's name as the payer.

|         | Amount |
|---------|--------|
| b _____ | 0      |
| c _____ | 0      |
| d _____ | 0      |
| e _____ | 0      |

Open the federal Schedule B. Highlight the "Amount" column, hit F9, and clicks "Interest Statement" or right clicks and choose "Link," then "Interest Statement."

**US Schedule B** **Interest Received** **2013**

Amounts shown in Box 8 should not be entered in the "Box 1 or 3 amount" column. Instead, enter an "E" in the "NAEOB column" and the amount from Box 8 in the "NAEOB amount" column.

| Payer | Box 1 or 3 amount | TSJ | State adjust +/- Amount | NAE OB | NAEOB amount | AMT PAB | Early penalty | Federal withheld |
|-------|-------------------|-----|-------------------------|--------|--------------|---------|---------------|------------------|
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |
| _____ | 0                 |     | 0                       |        | 0            | 0       | 0             | 0                |

Designate interest income entries on federal Schedule B interest statement, State Adjust Amount column, with a "+" for interest that needs to be added to the state and is exempt from tax on the federal tax return. Place a "-" in the column for interest nontaxable to the state but taxable on the federal tax return. TaxWise automatically transfers this addition or subtraction amount to the CA Schedule CA 540, line 8, in the appropriate state adjustment column.

Column B entries identify income nontaxable to California but taxable to federal. Column C entries identify income taxable to California but nontaxable to federal.

**Line 9 Ordinary Dividends**

Enter dividend income on the federal Schedule B, Part II – Ordinary Dividends. If your client has California adjustments for dividend income, TaxWise automatically makes this adjustment from information entered on the Dividend Income Worksheet.

**Part II: Ordinary Dividends**

| 5 Payer. If the payer is a brokerage firm, list the firm's name as the payer. | Amount |
|---|--------|
| a _____   | 0      |
| b _____   | 0      |
| c _____   | 0      |
| d _____   | 0      |
| e _____   | 0      |
| f _____   | 0      |
| g _____   | 0      |
| h _____   | 0      |
| * i _____   | 0      |
| ** j _____  | 0      |

Use the same procedure on the Ordinary Dividends section as you do for the Interest Statement. Link from the amount column and choose Dividend Statement.

| US Schedule B | Dividend Income    |                     |     |                         |   |              | 2013      |          |            |                  |         |
|---------------|--------------------|---------------------|-----|-------------------------|---|--------------|-----------|----------|------------|------------------|---------|
| Payer         | Ordinary dividends | Qualified dividends | TSJ | State adjust +/- Amount | N | Capital gain | 1250 gain | 28% gain | Fed. with. | Exempt int. div. | AMT PAB |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |
| _____         | 0                  | 0                   | -   | 0                       |   | 0            | 0         | 0        | 0          | 0                | 0       |

Highlight Dividend Statement and click "OK." Designate dividend income entries with a "+" for dividend income exempt from federal tax but taxable on the state tax return. Place a "-" in the column for dividend income nontaxable to California but taxable on the federal tax return. TaxWise transfers this addition or subtraction amount on the CA Schedule CA 540, line 9, in the appropriate state adjustment column. Find more information about dividends in the General Information section.

TaxWise correctly calculates the dividend income amount taxable to California when the “Dividend Income Statement” is complete. For exempt interest dividends from mutual funds, please see the General Information section.

**Line 10 State Tax Refund**

TaxWise automatically transfers any state tax refund amount to CA Schedule CA 540, line 10, column B, from information entered on the State Tax Refund Worksheet. You need the amount of the refund, the amount of itemized deductions from the prior year, and the prior year AGI.

Double-check CA Schedule CA 540, line 13, for capital gain and loss accuracy. In some instances, TaxWise requires a CA Schedule D to correctly calculate taxability of dividend income and capital losses found on the federal tax return.

**Line 13 Capital Gain (or Loss)**

If your client reports a Capital Loss Carryover on the federal tax return, TaxWise adds the carryover back on the state tax return as an addition to income.

Addition in Column C is an incorrect entry. To correct, add a California Schedule D, and enter the capital loss carryover on line 6 as a positive number.

| Section A: Income |   | Federal amounts | Subtractions | Additions |
|-------------------|---|-----------------|--------------|-----------|
| 7                 | Wages, salaries, tips, etc.                                       | 45000           | 0            | 0         |
| 8a                | Taxable interest income   | 0               | 0            | 0         |
| b                 | Tax-exempt interest   | 0               |              |           |
| 9a                | Ordinary dividends  | 0               | 0            | 0         |
| b                 | Qualified dividends   | 0               |              |           |
| 10                | Taxable refunds, credits, offsets of state and local income taxes | 0               | 0            |           |
| 11                | Alimony received  | 0               |              | 0         |
| 12                | Business income or loss   | 0               | 0            | 0         |
| 13                | Capital gain or loss  | -3000           | 0            | 3000      |
| 14                | Other gains or losses   | 0               | 0            | 0         |
| 15                | Total IRA distributions   | 0               | 0            | 0         |
| 16                | Total pension and annuities                                       | 2500            | 2500         | 0         |

**Watch for Capital Loss Carryovers added back into the California return.**



### Line 15 Total IRA Distributions

Enter the amount, if any, of your client’s California Basis. In general, the federal and state tax IRA distributions are the same. Differences occur when contributions were made during 1975, or 1982 through 1986. To calculate the difference in basis between federal and state, your client provides records detailing the contribution amounts made and deductions taken for the years above. You can find an IRA adjustment worksheet in the General Information section of this manual. More information is available in FTB 1005, *Pension and Annuity Guidelines*.

| Section A: Income   |                 |              |           |
|---|-----------------|--------------|-----------|
|   | Federal amounts | Subtractions | Additions |
| 7 Wages, salaries, tips, etc  | 45000           | 0            | 0         |
| 8a Taxable interest income  | 0               | 0            | 0         |
| b Tax-exempt interest   | 0               |              |           |
| 9a Ordinary dividends   | 0               | 0            | 0         |
| b Qualified dividends   | 0               |              |           |
| 10 Taxable refunds, credits, offsets of state and local income taxes        | 0               | 0            |           |
| 11 Alimony received   | 0               |              | 0         |
| 12 Business income or loss  | 0               | 0            | 0         |
| 13 Capital gain or loss   | -3000           | 0            | 0         |
| 14 Other gains or losses  | 0               | 0            | 0         |
| 15 Total IRA distributions  | 0               | 0            | 0         |
| 16 Total pension and annuities  | 2500            | 1000         | 0         |
| 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc | 0               | 0            | 0         |
| 18 Farm income or loss  | 0               | 0            | 0         |
| 19 Unemployment compensation  | 6000            | 6000         |           |
| 20 Social security benefits   | 0               | 0            |           |
| 21 Other income   | 5000            |              |           |
| a California lottery winnings   |                 | 5000         |           |
| b Disaster loss carryover from FTB 3805V                                    |                 | 0            |           |
| c Federal NOL from Form 1040, line 21                                       |                 |              | 0         |
| d NOL carryover from FTB 3805V  |                 | 0            |           |
| e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809                            |                 | 0            |           |
| f Other:  |                 | 0            | 0         |
| Total other   |                 | 0            | 0         |
| 22 Total  | 55500           | 12000        | 0         |

Complete the IRA Adjustment Worksheet, based on the client’s records, and override (F8) the subtraction column, CA Schedule CA 540, to enter the amount of nontaxable IRA California basis. **If the client does not provide records, do not make the adjustment.**

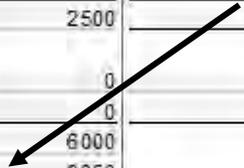
### Line 16 Total Pensions and Annuities

California and federal law generally treat pension and annuity income the same. If your client receives a 1099R with railroad tier 1 or tier 2 income, check the General Information section, FTB 1005, *Pension and Annuity Guidelines*, and the example 1099R in this section for additional information.

California treats railroad retirement, tier 1 and tier 2, income similarly to social security income. Any federally taxable tier 2 income listed on Schedule CA, line 16, column A, also needs to be entered on line 16, column B. Tier 1 railroad retirement income is entered on the TaxWise form 1040 Wkt 1. TaxWise automatically completes CA Schedule CA 540, line 20, columns A and B, correctly.

| Section A: Income   |                 |              |           |
|---|-----------------|--------------|-----------|
|   | Federal amounts | Subtractions | Additions |
| 7 Wages, salaries, tips, etc  | 45000           | 0            | 0         |
| 8a Taxable interest income  | 0               | 0            | 0         |
| b Tax-exempt interest   | 0               |              |           |
| 9a Ordinary dividends   | 0               | 0            | 0         |
| b Qualified dividends   | 0               |              |           |
| 10 Taxable refunds, credits, offsets of state and local income taxes        | 0               |              |           |
| 11 Alimony received   | 0               |              |           |
| 12 Business income or loss  | 0               |              |           |
| 13 Capital gain or loss   | -3000           |              |           |
| 14 Other gains or losses  | 0               |              |           |
| 15 Total IRA distributions  | 0               | 0            |           |
| 16 Total pension and annuities  | 2500            | 2500         | 0         |
| 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc | 0               | 0            | 0         |
| 18 Farm income or loss  | 0               | 0            | 0         |
| 19 Unemployment compensation  | 6000            | 6000         |           |
| 20 Social security benefits   | 9350            | 9350         |           |
| 21 Other income   | 5000            |              |           |
| a California lottery winnings   |                 | 5000         |           |
| b Disaster loss carryover from FTB 3805V                                    |                 | 0            |           |
| c Federal NOL from Form 1040, line 21                                       |                 |              | 0         |
| d NOL carryover from FTB 3805V  |                 | 0            |           |
| e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809                            |                 | 0            |           |
| f Other:  |                 | 0            | 0         |
| Total other   |                 | 0            | 0         |
| 22 Total  | 64850           | 22850        | 0         |

Both Social Security and Tier 1 Railroad Retirement Income is reported in columns A and B, line 20.



**Line 20 Social Security Benefits**

TaxWise automatically deducts the federally taxable social security income amount listed on Form 1040, line 20(b) in column B, CA Schedule CA 540.

**Line 21 Other Income**

**California Lottery**

TaxWise deducts California lottery winnings on the CA Schedule CA 540, column B. Reference the TaxWise example and instructions for W2G provided in this section.

**Nonqualified HSA Distributions**

Distributions from an HSA not used for qualified medical expenses, and included in federal income, are not taxable for California purposes. On CA Schedule CA 540, direct enter on line 21f, a description of the income type (ex: Nonqual HSA) and in column B, the amount of federally taxable distribution.

For additional information on line 21f income, reference the 540 Instruction Booklet, FTB 1001, *Supplemental Guidelines to California Adjustments*, and the 540 section of this manual.

**CA Schedule CA 540 – Part II**

California itemized deductions differ from federal itemized deductions. California disallows any deduction of state or foreign taxes, sales tax, or SDI.

Once you complete the CA Schedule CA 540, check the box at the top of the TaxWise form stating that you verify the amounts on the form.

|  |                             |                           |
|--|-----------------------------|---------------------------|
| <b>CA Sch CA (540)</b>   | <b>Resident Adjustments</b> | <b>2013</b>               |
| Name: RANDALL & ROSE RIVERS  |                             | SSN: <input type="text"/> |
| <b>Part I: Income Adjustment Schedule</b>  |                             |                           |
| Check here <input checked="" type="checkbox"/> after you have verified the amounts on this form. |                             |                           |

**Form 540 Page 1**

**Tax Section**

TaxWise completes this step. TaxWise calculates this figure using information entered on the federal tax return, the Form(s) W2, and 1099, and income worksheets completed by the preparer.

## **Form 540 Page 2**

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

This step contains several lines that will not carry over from the federal tax return. For more information on California credits reference the General Information and 540 sections in this manual and the 540 Instruction Booklet.

### **Line 43 and Line 44 Credits**

To claim the Joint Custody Head of Household Credit:

1. Highlight line 43 on Form 540.
2. F9 to link.
3. Choose CA Sch P, Page 2. Locate Joint Custody Head of Household credit.
4. Manually enter amount of credit from worksheet in 540 Section of this manual.
5. TaxWise transfers the credit name and amount from CA Sch P to line 43.

To locate credit name abbreviations and credit code numbers, highlight line 43 and F1 to link. Choose CA Codes and then California Credit Names and Codes in the drop down box.

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

The Nonrefundable Renter's Credit is one of the few line items that is not automatic for TaxWise. You must remember to ask your client if they qualify. If the taxpayer meets the requirements, complete the renter's credit worksheet.

To claim the credit:

- Check “Yes” to the question regarding rent on Form 540, Page 1.
- Find the Nonrefundable Renter’s Credit worksheet in the Forms Tree and answer completely. Make sure to complete all fields highlighted red.
- The form asks for landlord’s name, address, and phone number. For e-file tax returns, the taxpayer may provide either name and address or name and telephone number. Advise the taxpayer to have the information available if they receive a letter from FTB.

|  |   |
|--|---|
| Check here if 2/3 of your 2012 or 2013 gross income is from farming or fishing   | <input type="checkbox"/>                                      |
| Did you pay rent, for at least half of 2013, on property in California, including a mobile home that you owned on rented land, which was your principal residence? | <input checked="" type="radio"/> Yes <input type="radio"/> No |
| If you answered yes, complete the CA Rent Wkt.   |   |
| Check here if you are filing or paying late due to a qualifying disaster. Write the name of the qualifying disaster in red at the top of the printed form          | <input type="checkbox"/>                                      |



Checking the “No” box will prevent TaxWise from placing the Nonrefundable Renter’s Credit worksheet in the Forms Tree. Check the box “No” when:

- The California adjusted gross income, Form 540, line 17, exceeds the allowable income limit for the credit.
- Before applying withholding, there is zero tax owed on the California tax return.
- The client does not meet any other credit qualifications.

After completing the worksheet, TaxWise enters the appropriate amount for your client’s filing status. Although you can manually enter the amount of renter’s credit on Form 540, use the worksheet to eliminate the most common qualification errors.

### Renter’s Credit Qualifications

- Income less than \$38,259 if single or married/RDP filing separately.
- Income less than \$76,518 or less if married/filing RDP filing jointly, head of household, or qualifying widow(er).
- Pay rent on a principal residence in California for 6 months or more during 2015.
- The county assesses property tax on the residence.

TaxWise automatically enters the correct amount of credit according to your client’s filing status and tax amount. If you need to make a change to the tax return after calculating the credit, completion of the Renter’s Credit Worksheet allows the software to recalculate the credit based on changes made.

| CA 540 (2013)               |   | Page 3                    |
|-----------------------------|---|---------------------------|
| Name: RANDALL & ROSE RIVERS |   | SSN: <input type="text"/> |
| <b>Special Credits</b>      |   |                           |
| 40                          | Nonrefundable Child and Dependent Care Expenses Credit - Attach Form 3506 | 0                         |
| 41                          | New jobs credit, amount generated   | 0                         |
| 42                          | New jobs credit, amount claimed   | 0                         |
| 43                          | Credit name code no 0 amount  | 0                         |
| 44                          | Credit name code no 0 amount  | 0                         |
| 45                          | Other credits, if more than two claimed                                   | 0                         |
| 46                          | Nonrefundable renter's credit   | 79                        |
| 47                          | Total credits   | 79                        |
| 48                          | Subtract line 47 from line 35. If less than zero, enter zero              | 0                         |

If the amount on line 46 is incorrect, double check the information below:

- Mark “Yes” on Form 540, Page 1.
- Clear all red errors on the Nonrefundable Renter’s Credit Worksheet?
- Enter the total number of months rented on the worksheet.
- Double-check your client’s California adjusted gross income.
- Is your client’s tax amount less than the credit amount?

To claim other California credits, follow the instructions for the Joint Custody Head of Household credit, and substitute the credit name, code, and worksheet as appropriate.

**Other Taxes**

TaxWise completes this step based on code information from the 1099R. Line 63, Other Taxes, shows the amount of additional tax California assesses on retirement plan income issued to a client prior to age 59½.

### Payments

TaxWise completes this step. If no withholding is shown on line 71, or you disagree with the amount, the employer makes the correction for Form W2, 1099, and other supporting forms. If the taxpayer made 2015 CA estimated tax payments, complete the TaxWise worksheet F/S Tax Pd.

#### State Estimated Tax Payments

- \*\* The day listed in the date of payment section is the due date for most state estimated tax payments. If your state has different due dates, disregard the date suggested. If payment 1 was paid on or before the date due for payment 1, enter it in payment 1, etc.
- \* Check the \* column, if payment 4 was paid before 01/01/2014.

#### Taxpayer, Joint, or Combined State Return

Enter estimate payments made, as well as payments made on balance due returns in a prior year, on this worksheet. TaxWise calculates tax, and tax deductions, using information you enter here.

| State | Credit from last year | 04/15/2013 Amount 1 | 06/15/2013 Amount 2 | 09/15/2013 Amount 3 | 01/15/2014 Amount 4 | *                        | Total |
|-------|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|-------|
| CA    | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |

|  |      |   |
|--|------|---|
| CA state and/or local balance due from previous years' returns paid in 2013. Include amounts paid with a 2012 extension paid in 2013 | TSJ: | 0 |
| state and/or local balance due from previous years' returns paid in 2013. Include amounts paid with a 2012 extension paid in 2013    | TSJ: | 0 |
| CA last state estimate payment for 2012 paid in 2013 (due January 15, 2013)  | TSJ: | 0 |
| last state estimate payment for 2012 paid in 2013 (due January 15, 2013)   | TSJ: | 0 |

#### Spouse Filing Married Separate State Tax Return or Second Full Year Resident State

\*\*Date of Payment

| State | Credit from last year | 04/15/2013 Amount 1 | 06/15/2013 Amount 2 | 09/15/2013 Amount 3 | 01/15/2014 Amount 4 | *                        | Total |
|-------|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|-------|
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |
|       | 0                     | 0                   | 0                   | 0                   | 0                   | <input type="checkbox"/> | 0     |

### Form 3506 Child and Dependent Care Expenses Credit

Reference the Introduction section of this manual for new information on this credit. The TaxWise CA 3506 comes pre-filled with information TaxWise transfers from the federal child and dependent care form. California requires completion of Part I. A provider telephone number is mandatory to claim the credit.

CA 3506 Child and Dependent Care Expenses Credit 2013

Name: SANDRA SHORT SSN:

Only care provided in California qualifies for the credit. If any part of the care is not provided in California, you must manually remove or alter the care provider information and qualifying person information to reflect only the amounts paid for care in California.  
 Was all care provided in California?  Yes  No

If the Federal adjusted gross income is more than \$100,000, you do not qualify for this credit.

#### Part I: Unearned Income and Other Funds Received in 2013

| Source of income / funds | Amount | Source of income / funds | Amount |
|--------------------------|--------|--------------------------|--------|
| STOCK SALE               | 10000  |                          | 0      |
|                          | 0      |                          | 0      |
|                          | 0      |                          | 0      |

#### Part II: Persons or Organizations Who Provided the Care in California

|   |   |  |
|---|---|--|
| <b>1</b>  | Provider 1  |  |
| <p><b>a</b> Name<br/>                 Individual <input type="checkbox"/><br/>                 Business <input type="checkbox"/></p> <p><b>b</b> Address</p> <p><b>c</b> Telephone</p> <p><b>d</b> Person or organization<br/> <input checked="" type="checkbox"/> Person <input type="checkbox"/> Organization</p> <p><b>e</b> SSN<br/>                 EIN or Tax Exempt <input type="checkbox"/></p> <p><b>f</b> Address where care was provided<br/>                 City, state and ZIP code</p> <p><b>g</b> Amount paid</p> | <p>SUSIE SMITH<br/>                 SUSIE SMITH</p> <p>555 SHOO FLY LANE<br/>                 FILLMORE CA 93015-<br/>                 831-111-1111</p> <p>SSN: 123584863<br/>                 EIN: TE</p> <p>379 FERNBRIDGE WAY<br/>                 93015- FILLMORE CA<br/>                 1800</p> |  |

| Part III: Credit for Child and Dependent Care Expenses   |           |                        |                          |               |                          |                             |                         |
|--|-----------|------------------------|--------------------------|---------------|--------------------------|-----------------------------|-------------------------|
| 2 Information about your qualifying persons.   |           |                        |                          |               |                          |                             |                         |
| Qualifying person's name   |           | Social security number | Died this year           | Date of birth | Dis-abled                | Percent of physical custody | Qualified expenses paid |
| First name   | Last name |                        |                          |               |                          |                             |                         |
| SHELLY   | SHORT     | 123-56-4863            | <input type="checkbox"/> | 05/12/2007    | <input type="checkbox"/> | 0.00                        | 1800                    |
|  |           |                        | <input type="checkbox"/> |               | <input type="checkbox"/> | 0.00                        | 0                       |
|  |           |                        | <input type="checkbox"/> |               | <input type="checkbox"/> | 0.00                        | 0                       |
| 3 Total qualified expenses but not more than \$3,000 for one qualifying person or \$6,000 for two or more qualifying persons. If you completed Part V, amount from line 34 |           |                        |                          |               |                          |                             | 1800                    |
| 4 Your earned income   |           |                        |                          |               |                          |                             | 45000                   |
| Nonresident and part-year resident earned income - F8 to change   _____ 0  |           |                        |                          |               |                          |                             |                         |
| 5 If married or an RDP filing a joint return, your spouse's / RDP's earned income; all others, amount from line 4  |           |                        |                          |               |                          |                             | 45000                   |
| Nonresident and part-year resident earned income - F8 to change   _____ 0  |           |                        |                          |               |                          |                             |                         |
| 6 Smallest of line 3, line 4, or line 5  |           |                        |                          |               |                          |                             | 1800                    |
| 7 Decimal amount shown in the chart in the instructions for line 7   |           |                        |                          |               |                          |                             | 0.20                    |
| 8 Multiply line 6 by the decimal amount on line 7  |           |                        |                          |               |                          |                             | 360                     |
| 9 Decimal amount listed in the chart in the instructions for line 9  |           |                        |                          |               |                          |                             | 0.43                    |
| 10 Multiply the amount on line 8 by the decimal on line 9  |           |                        |                          |               |                          |                             | 155                     |
| 11 Credit for prior year expenses paid in 2013. See the worksheet on page 2  |           |                        |                          |               |                          |                             | 0                       |
| 12 Add line 10 and line 11   |           |                        |                          |               |                          |                             | 155                     |

California also requires the client to state the address where child care was provided and the client's percentage of physical custody for the child or dependent. Input this information and the provider telephone number in FTB 3506, *Child and Dependent Care Expenses Credit*, Part II. Never submit a volunteer prepared tax return without this important information.

**Overpaid Tax or Tax Due**

TaxWise completes this step.

**Contributions**

Enter the amount of charitable contributions your client wants to deduct from the refund, if any.

**Refund or Amount You Owe**

TaxWise figures the amount of refund or balance due. Line down to check all calculations.

**Interest and Penalties**

TaxWise figures the amounts of interest and penalties. Delete all penalties. Penalties and interest are beyond the scope of the VITA/TCE program. Inform your client's that Franchise Tax Board computes the penalties and sends a bill.

### Do You Want to File This Form Electronically?

You will find this question on all 540 forms, Page 5. Check the “Yes” box if you are going to electronically file for state. If electronically filing, does the taxpayer want to sign their tax return electronically? Check the “Yes” box. These two options should be set as a default by the site coordinator.

---

Do you want to electronically file this return?     Yes     No

---

If electronically filing, does the taxpayer want to sign their return electronically?     Yes     No

---

**Direct Deposit of Refund or Electronic Funds Withdrawal of Balance Due**

---

Check here if you want the state refund deposited to the same bank account as listed for your Federal refund, including Money Clip. This information will not appear below, but will be transmitted to California if e-filing and will appear on the printed 540 and CA 8453. You cannot split the refund between two accounts if you select this option.

Check here if you want the refund deposited into a different account and enter account information. The refund can be separated into two accounts. If only depositing to one account, you can leave the "Amount to direct deposit" field blank. TaxWise will default to the full refund.

Check here to have your state refund check mailed to you.

### Electronic Signature

Electronic filing with TaxWise allows two options for the taxpayer to sign the tax return. Each taxpayer and spouse/RDP (if applicable) signs the tax return electronically, or physically signs the state Form 8453, *California e-file Authorization for Individuals*. Electronic signature, the practitioner PIN method, eliminates the requirement for Form 8453, *California e-file Authorization for Individuals*.

To use the electronic signature option on the state tax return, mark “Yes” on the Form CA 540, Page 3. This triggers the appropriate actions in TaxWise.

When you check the “Yes” box, TaxWise places form CA 8879 in your forms tree. You need to know your client’s 2013 California AGI in order to complete the **self-select** PIN signature method. Practitioner PIN does not require prior year California AGI and is preferred.

If you do not want your client to electronically sign the tax return, mark the “No” box on Form 540, page 3.

### California Signature Documents Form 8453

A California Form 8453, *California e-file Authorization for Individuals*, is an e-file requirement for state forms if your client does not choose to electronically sign the state tax return. Under the correct social security number, choose CA 8453 from the add tax forms screen. Line down to check all calculations. Double-check to make sure all fields are complete and there are no red errors.

Indicate on Form 540, Page 3, how the taxpayer wants their refund (direct deposit, mail a paper check, etc.) or how to pay the balance due (electronically debited or mail in the check). TaxWise prompts you with red highlights.

Original signatures for both taxpayer and spouse/RDP must be on all the state signature documents. Give this form back to the taxpayer and inform them to keep this copy with their tax return.

### **E-file Signature Authorization Form CA 8879**

Complete form CA 8879 when your client electronically signs the state tax return by using the Practitioner PIN method. Generally, this is faster and easier than using the self-select PIN method.

- If you used a PIN for the federal signature, check the box that allows TaxWise to use the same PIN for the state return. This may be set as a default by your site coordinator. Form 8879 is now complete!
- Complete refund or balance due information on Form 540, Page 3.

### **Required Defaults**

Make sure the following fields are set as tax form defaults.

- The “authorize” box on Form 8879 is checked for both taxpayer and spouse/RDP.
- Firm name, EFIN, ERO Pin, and SIDN fields entered on the Main Info Screen and federal Form 8879, and transferred in yellow to Form 540, Page 3, and Form CA 8879.

**Hint:** The client’s ZIP code is an easy PIN to use. The client will not need to remember the PIN. It is most important that the client retain the signed 8879.

### **Head of Household**

Submit a Head of Household Schedule (Form CA 3532) with every return claiming the head of household filing status. Form CA 3532 is available in the CA 540 instruction booklet for taxpayers filing paper tax returns.

**Always help the taxpayer complete the HOH Questionnaire. This is in their best interest.**

TAXABLE YEAR **2015** Head of Household Filing Status Schedule **3532** CALIFORNIA FORM

Attach to your California Form 540, Long or Short Form 540NR, Form 540 2EZ, or Form 540X.

Name(s) as shown on tax return  SSN or ITIN

**Part I – Marital Status**

1 Check one box below to identify your marital status. See instructions.

- a Not legally married/RDP during 2015  1a
  - b Widow/widower (my spouse/RDP died before 01/01/2015)  1b
  - c Marriage/RDP was annulled  1c
  - d Received final decree of divorce, legal separation, dissolution, or termination of marriage/RDP by 12/31/2015  1d
  - e Legally married/RDP and did not live with spouse/RDP during 2015  1e
  - f Legally married/RDP and lived with spouse/RDP during 2015. List the beginning and ending dates for each period when you lived together:  1f
- From:  To:  From:  To:

1

**Part II – Qualifying Person**

2 Check one box below to identify the relationship of the person that qualifies you for the head of household filing status. See instructions.

- a Son, daughter, stepson, or stepdaughter  2a
- b Grandchild, brother, sister, half brother, half sister, stepbrother, stepsister, nephew, or niece  2b
- c Eligible foster child  2c
- d Father, mother, stepfather, or stepmother  2d
- e Grandfather, grandmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, uncle, or aunt  2e

2

**Part III – Qualifying Person Information**

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

First Name

Last Name

SSN

DOB (MM/DD/YYYY)

4 Enter qualifying person's gross income in 2015. See instructions.

5 Number of days your qualifying person lived with you during 2015. See instructions.

3

When calculating the total number of days your qualifying person lived with you, you may include any days your qualifying person was temporarily absent from your home. For example, illness, education, business, vacation, military service, and, (in some circumstances), incarceration.

Complete all red fields on this form.

1. Check the box that fits your client’s situation. If the taxpayer lived with their spouse some time during the tax year but not all year, add the appropriate dates in the boxes at the bottom of the section.
2. Check the box to show the client’s relationship with the individual that qualifies them for head of household filing status.
3. Provide the name, social security number, date of birth, gross income, and the number of days lived with the individual that qualifies your client for head of household filing status.

### Refund Direct Deposit

Direct deposit refunds, and even split refunds, into two different accounts. Taxpayers pick a date and automatically debit balances due from their bank account. Complete the information at the bottom of Form 540, Page 3. The request includes the same bank information as entered on the federal tax return or information for a different bank for state refund or debit. Any tax return that includes refunds for one entity and debits for another require software manipulation. TaxWise diagnostics tool guides you through the process.

| Direct Deposit of Refund or Electronic Funds Withdrawal of Balance Due   |   |
|--|---|
| <input checked="" type="checkbox"/> Check here if you want the state refund deposited to the same bank account as listed for your Federal refund, including Money Clip. This information will not appear below, but will be transmitted to California if e-filing and will appear on the printed 540 and CA8453. You cannot split the refund between two accounts if you select this option.   | ← 1   |
| <input type="checkbox"/> Check here if you want the refund deposited into a different account and enter account information. The refund can be separated into two accounts. If only depositing to one account, you can leave the "Amount to direct deposit" field blank. TaxWise will default to the full refund.  | ← 2   |
| <input type="checkbox"/> Check here to have your state refund check mailed to you.   | ← 3   |
| <input type="checkbox"/> <b>Electronic Filing Only</b> - Check here if you want your balance due withdrawn from your bank account and enter your account information and the date of the electronic funds withdrawal. The requested payment date is _____<br>Amount to be withdrawn by electronic funds withdrawal _____<br>The date requested must be between today and 10/15/2014. To avoid penalties and interest, you must enter a date on or before 04/15/2014. Today's date is _____ |   |
| <input type="checkbox"/> <b>Electronic Filing Only</b> - Check here if you will mail your balance due to California.   |   |
| Account 1<br>Routing number _____<br>Account number _____  | Account type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings<br>Amount to direct deposit: _____ |
| Account 2 - for direct deposit only<br>Routing number _____<br>Account number _____  | Account type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings<br>Amount to direct deposit: _____ |
| Will this refund or balance due go to or from a financial institution outside of the territorial jurisdiction of the United States? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |   |

1. Check the first box in this section if your client wants their state tax refund automatically deposited into the same bank account used on the federal tax return. **Do not** enter bank account information in the spaces below the check boxes.
2. Check the second box if there is an amount due for state and a refund for federal, or an amount due for federal and a refund for state. Enter the bank routing and account number information in the spaces below the check boxes, even if the client uses the same bank account for both entities.
3. Check the third box if the client prefers the state refund check mailed to the address on the tax return.

**Important Note:** The banking information may not appear on the printed Form 540 but should appear on the TaxWise version of Form 540 and the printed federal form. The correct information is transmitted through the e-file process.

### Deceased Taxpayers

The California tax return requires several steps when filing for a decedent. Executor, PIN, and 8879 fields need review and revision.

| Deceased Taxpayer or Spouse Information  |                             |
|--|-----------------------------|
| Taxpayer date of death: _____  | Spouse date of death: _____ |
| Executor or guardian name: _____   |                             |
| Executor or guardian phone: _____  |                             |
| Decedent Representative: _____   | Name: _____                 |
|  | Spouse / RDP: _____         |
| Representative type: <input type="checkbox"/> Administrator <input type="checkbox"/> Beneficiary         |                             |
| <input type="checkbox"/> Executor <input type="checkbox"/> Spouse / RDP <input type="checkbox"/> Trustee |                             |

List an executor for all deceased taxpayers on the California tax return, Form 540, Page 1, even if MFJ filing status with surviving spouse/RDP as sole beneficiary. Enter the surviving spouse/RDP name in the executor field and check the box marked Spouse/RDP.

Accurately mark the Representative Type box to declare which type of representative is filing a return for the deceased taxpayer.

The deceased taxpayer field must also list a Practitioner PIN on the California tax return and complete the ERO declaration on the California 8879.

### Estimate Penalty

Always inform the taxpayer that FTB sends a bill for estimate penalties owed. The volunteer program does not calculate penalty amounts.

| CA 5805  | Underpayment of Estimated Tax | 2013   |
|--|-------------------------------|--|
| Name: SANDRA SHORT   |                               | SSN: <input style="width: 100px;" type="text"/>  |
| <b>Part I: Questions</b>   |                               |  |
| 1 Are you requesting a waiver of the penalty? If yes, provide an explanation below   |                               | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| 2 Did you use the annualized income installment method?  |                               | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| 3 Was your California withholding not withheld in equal installments and are you able to show the actual amounts withheld per period and actual dates withheld?  |                               | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A |
| 4/15: <input type="text"/> 6/15: <input type="text"/> 9/15: <input type="text"/> 1/15: <input type="text"/>  |                               |  |
| 4 For estates and trusts: Was the date of death less than 2 years from the end of the tax year?  |                               | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| <b>Part II: Required Annual Payment</b>  |                               |  |
| 1 Current year tax after credits   | <input type="text"/>          | 1  |
| 2 Multiply line 1 by 90%   | <input type="text"/>          | 1  |
| 3 Withholding taxes. Do not include any estimated tax payments on this line  | <input type="text"/>          | 410  |
| 4 Subtract line 3 from line 1. If less than \$500 (\$250 if married / RDP filing separately), stop here. You do not owe the penalty. Do not file form FTB 5805   | <input type="text"/>          | 0  |
| 5 Tax shown on your 2012 tax return. If zero, override line 6 to zero. Check here if your 2012 California AGI was over \$150,000 (\$75,000 if you were married filing separate)  | <input type="checkbox"/>      | 0  |
| 6 Required annual payment. Enter the earlier of the date any balance due was paid or 04/15/2014  | <input type="text"/>          | 0  |
| <b>Short Method</b> You may use the short method only if you made no estimated tax payments or your only payments were California income tax withheld; or you paid estimated tax in four equal amounts on the due dates. Check here to use the short method <input type="checkbox"/> |                               |  |
| 7 Amount, if any, from Part II, line 3 above   | <input type="text"/>          | 0  |
| 8 Total amount, if any, of estimated tax payments you made   | <input type="text"/>          | 0  |
| 9 Add line 7 and line 8  | <input type="text"/>          | 0  |
| 10 Total underpayment for year   | <input type="text"/>          | 0  |
| 11 Multiply line 10 by .02121370   | <input type="text"/>          | 0  |
| 12 Penalty reduction for early payment   | <input type="text"/>          | 0  |
| 13 <b>Penalty.</b> Amount from the CA 5805 worksheet or the short method. Amount you request to be waived  | <input type="text"/>          | 0  |

Tax owed in excess of \$500 forces the FTB Form 5805. Check No on boxes 1 and 2. Override line 6 to zero. Estimate penalty will calculate to zero. Override line 5 to get the red out. Leave the zero in line 5.

Entering a tax amount in line 5 that is less than or equal to the amount of tax owed on the prior year tax return, or a tax amount equal to the amount of current year withholding, also recalculates the estimate penalty to zero. Let the red fields be your guide on Form 5805. Complete only the red fields.

### State Estimate Payments Sent

Use the F/S Pd Worksheet. Under the heading Taxpayer, Joint, or Combined State Tax Return, enter in the CA line, under the appropriate date paid, each estimate payment sent to the Franchise Tax Board. TaxWise automatically calculates the total and enters the total on line 72 of Form 540, Page 2.

**State Estimated Tax Payments**

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\*\* The daylisted in the date of payment section is the due date for most state estimated tax payments. If your state has different due dates, disregard the date suggested. If payment 1 was paid on or before the date due for payment 1, enter it in payment 1, etc.

\* Check the \* column, if payment 4 was paid before 01/01/2014.

---

**Taxpayer, Joint, or Combined State Return**

For a spouse filing a married separate state return, or a second full year resident state, page down to list the estimated payments made to that state. Do not override the state column.

---

\*\* Date of Payment

| State | Credit from last year   | 04/15/2013 Amount 1 | 06/15/2013 Amount 2 | 09/15/2013 Amount 3 | 01/15/2014 Amount 4 | *       | Total |
|-------|---|---------------------|---------------------|---------------------|---------------------|---------|-------|
| CA    | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
|       | 0   | 0                   | 0                   | 0                   | 0                   |         | 0     |
| CA    | state and/or local balance due from previous years' returns paid in 2013. Include amounts paid with a 2012 extension paid in 2013 |                     |                     |                     |                     | TSJ: -- | 0     |
|       | state and/or local balance due from previous years' returns paid in 2013. Include amounts paid with a 2012 extension paid in 2013 |                     |                     |                     |                     | TSJ: -- | 0     |
| CA    | last state estimate payment for 2012 paid in 2013 (due January 15, 2013)  |                     |                     |                     |                     | TSJ: -- | 0     |
|       | last state estimate payment for 2012 paid in 2013 (due January 15, 2013)  |                     |                     |                     |                     | TSJ: -- | 0     |

1

2

1. Enter the amount of estimate payments made under the appropriate date. Taxpayers often bring in handwritten estimate payment information. Use information provided by the taxpayer. If FTB finds any difference in estimate amounts, a *Return Information Notice* is sent to the taxpayer.
2. Enter any state tax paid owed on the 2012 tax return and paid in 2013. Also, enter any 2012 state estimate tax paid in 2013 and not deducted on a prior year tax return.

### Calculate State Estimate Payments

Add a form, CA 540ES Wkt. Check filing status box, complete line 1. TaxWise calculates estimated payments owed. To enter a different amount, complete line 21, Estimate Desired. TaxWise recalculates the tax and completes all vouchers.

| 2014 Estimated Tax Worksheet   |  |            |            |            |  |
|--|--|------------|------------|------------|--|
| Anticipated filing status for 2014   |  |            |            |            |  |
| <input type="checkbox"/> Single  | <input type="checkbox"/> Married / RDP filing separately   |            |            |            |  |
| <input type="checkbox"/> Head of household   | <input type="checkbox"/> Married / RDP filing joint or qualifying widow(er)  |            |            |            |  |
| <b>1</b>   | Residents: Enter your estimated 2014 California AGI. Nonresidents and part-year residents: Enter your estimated 2014 total AGI from all sources. If you are a military servicemember not domiciled in California, do not include your military pay |            |            |            |  |
| <b>2a</b>  | If you plan to itemize deductions, enter the estimated total of your itemized deductions   | 0          |            |            |  |
| <b>b</b>   | Standard deduction   | 0          |            |            |  |
| <b>c</b>   | Amount from line 2a or line 2b, whichever applies  |            | 0          |            |  |
| <b>3</b>   | Subtract line 2c from line 1   |            |            | 0          |  |
| <b>4</b>   | Tax. Enter amount of tax from Form FTB 3800 or FTB 3803 here   | 0          |            |            | 0  |
| <b>5</b>   | Residents: Skip to line 6. Nonresidents and part-year residents  |            |            |            |  |
| <b>a</b>   | Estimated California taxable income  |            |            |            | 0  |
| <b>b</b>   | California tax rate  |            |            |            | 0.0000   |
| <b>c</b>   | Multiply the amount on line 5a by the California tax rate on line 5b   |            |            |            | 0  |
| <b>6a</b>  | Enter the exemption credit amount  |            |            |            | 0  |
| <b>b</b>   | Nonresidents and part-year residents - California credit proration percentage  |            |            |            | 0.0000   |
| <b>7</b>   | Nonresidents - California prorated exemption credits   |            |            |            | 0  |
| <b>8</b>   | Residents - subtract line 6 from line 4. Nonresidents or part-year residents, subtract line 7 from line 5c   |            |            |            | 0  |
| <b>9</b>   | Tax on accumulation distribution of trusts   |            |            |            | 0  |
| <b>10</b>  | Add line 8 and line 9  |            |            |            | 0  |
| <b>11</b>  | Credits for joint custody/head of household, dependent parent, senior head of household, and child and dependent care expenses   |            |            |            | 0  |
| <b>12</b>  | Subtract line 11 from line 10  |            |            |            | 0  |
| <b>13</b>  | Other credits (such as other state tax credit)   |            |            |            | 0  |
| <b>14</b>  | Subtract line 13 from line 12  |            |            |            | 0  |
| <b>15</b>  | Interest on deferred tax from certain installment obligations under IRC sections 453 or 453A   |            |            |            | 0  |
| <b>16</b>  | Alternative minimum tax  |            |            |            | 0  |
| <b>17</b>  | Mental Health Services Tax   |            |            |            | 0  |
| <b>18</b>  | 2014 estimated tax   |            |            |            | 0  |
| <b>19a</b>   | Multiply line 18 by 90% <input type="checkbox"/> Check if farmer or fisherman: <input type="checkbox"/>  |            |            |            | 0  |
| <b>b</b>   | 100% of the tax shown on your 2013 return  |            |            |            | 1  |
| <b>c</b>   | Adjusted gross income from your California return  |            |            |            | 55000  |
| <b>d</b>   | If the amount on line 19c is more than \$150,000 (\$75,000 married / RDP filing a separate return), go to line 19e. Otherwise, lesser of line 19a or line 19b  |            |            |            | 0  |
| <b>e</b>   | Multiply 110% by the tax shown on your 2013 return   |            |            |            | 0  |
| <b>f</b>   | Lesser of line 19a or line 19e   |            |            |            | 0  |
| <b>20</b>  | California income tax withheld and estimated to be withheld during 2014  |            |            |            | 0  |
| <b>21</b>  | Estimated tax (Check here <input type="checkbox"/> to use 2013 tax listed on line 19b or 19e) Estimate desired, if different from required   |            |            |            | 0  |
| If your estimated tax is less than \$500 (\$250 if married / RDP filing separately), no estimates are due. |  |            |            |            |  |
| Current year overpayment:  |  | 409        | Credit:    |            | <input type="checkbox"/> All (Check here <input type="checkbox"/> for equal division)<br><input type="checkbox"/> 1st installment only |
| Amount applied to 2014 tax:  |  | 0          |            |            |  |
| Payment due  | 04/15/2014   | 06/17/2014 | 09/16/2014 | 01/15/2015 |  |
| Amount   | 0  | 0          | 0          | 0          |  |
| Overpayment  | 0  | 0          | 0          | 0          |  |
| Balance  | 0  | 0          | 0          | 0          |  |

1. Select filing status.
2. Enter estimated California AGI. You also have the option to enter projected itemized deductions. If you do not, the system will automatically pick the standard deduction.
3. Enter the amount of exemption credits.
4. Option to use current year refund as estimate payments for next season. The taxpayer may opt to apply the refund equally to all quarters, or use the entire refund for only the first quarter estimate payment. An option also exists to change the TaxWise calculated estimate payment requirement to an amount of your choosing. Exercise caution changing any calculation.

### **Important Information**

When using the debit option for a balance due, e-filing a tax return, manually enter the banking information twice. The FTB website allows the taxpayer to pay by credit card. There is also an option for the taxpayer to mail the payment and payment voucher (FTB 3582 e-file) directly to the Franchise Tax Board.

You may also request a debit of state estimate payments using TaxWise. Complete the CA 540ES Wkt, TaxWise automatically enters estimated debit amounts on Form 540, page 3, in the Electronic Filing Estimated Tax Payments field. Check the boxes next to the estimate payment dates to designate the direct debit option.

Taxpayers may go to [ftb.ca.gov](http://ftb.ca.gov), search online services, then Web Pay, for options to direct debit tax return balances, estimate payments, or an extension payment. This service requires the taxpayer's social security number, last name on the tax return, and the aforementioned information much match FTB records.

### **Volunteer Procedures**

As a volunteer tax assistant, always provide your clients accurate information, follow the procedures in the Volunteer Reference Manual, and protect confidential taxpayer information.

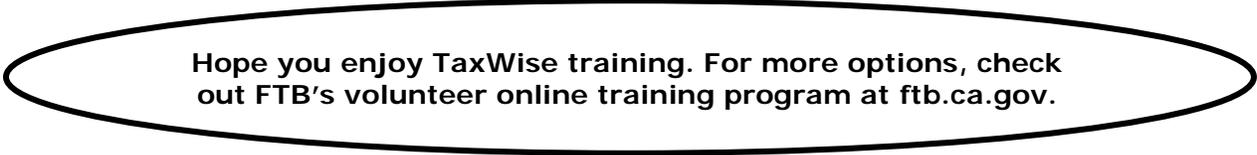
Refer questions regarding state tax law to the Franchise Tax Board Volunteer Hotline, **800.522.5665**. Also, order forms, reference manuals, and posters using this toll-free number, and locate additional VITA/TCE sites statewide. This number is for volunteer use only. **Please do not give this number to the taxpayer.**

If a taxpayer needs to contact the Franchise Tax Board, please ask them to call **800.852.5711** for customer service or **800.338.0505** for automated telephone service.

Call the volunteer hotline or your local volunteer program coordinator to obtain a *Volunteer Reference Manual*.

All tax return information is confidential. Volunteers discuss information about tax returns prepared when seeking tax or procedural help from their local volunteer program coordinator or the volunteer hotlines only. The VITA program destroys all taxpayer information once the e-file process completes. Please delete all records on TaxWise at the end of each volunteer tax program season. Credibility of the VITA/TCE program is lost when unauthorized disclosure of information occurs. Examine your site location for maximum privacy for volunteers and clients.

Under no circumstances accept any form of payment either for your services or on behalf of the Franchise Tax Board. For more information, please see the Volunteer Procedure section in this manual.



**Hope you enjoy TaxWise training. For more options, check out FTB's volunteer online training program at [ftb.ca.gov](http://ftb.ca.gov).**



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## Volunteer Information

1. Including this year, how many years have you been a VITA/TCE volunteer?

- a.  First year
- b.  2 – 5 years
- c.  6 – 10 years
- d.  11 – 15 years
- e.  16 – 20 years
- f.  over 20 years

Please check the appropriate box. I am a:

- VITA Volunteer
- TCE Volunteer
- Military Volunteer

First Name

Initial

Last Name

C/O (if applicable)

Mailing Address

Apt. No., Space, Etc.

City

ZIP Code

CA

Area Code

Daytime Telephone Number

Date

Site Number

Site Name

Email Address

Email or fax to: [volunteercoordinator@ftb.ca.gov](mailto:volunteercoordinator@ftb.ca.gov) or 916.845.9004.





## Training Evaluation

Trainer: \_\_\_\_\_ Class Location: \_\_\_\_\_

1. This year will be my \_\_\_\_\_ year as a Volunteer Program assistant.

2. Was the training suited to your level of experience?  
 Too Basic    Just Right    Too Complex

What information will be most useful? \_\_\_\_\_

What information will be least useful? \_\_\_\_\_

3. Were class objectives stated clearly at the beginning of the class?  
 Yes    No

Comments: \_\_\_\_\_

4. Did the class time allow for adequate coverage of each objective?  
 Yes    No

Comments: \_\_\_\_\_

5. Did the California volunteer manual contain accurate and comprehensive information for the stated objectives?  
 Yes    No

Comments: \_\_\_\_\_

6. Based upon the desired objectives, what is your overall rating of the state training?  
 Excellent    Good    Fair    Needs Improvement

Comments: \_\_\_\_\_

7. How would you rate the performance of the instructor?  
 Excellent    Good    Fair    Needs Improvement

Comments: \_\_\_\_\_

Include additional comments about the program presentation and/or the instructor below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email or fax your request to: [Volunteercoordinator@ftb.ca.gov](mailto:Volunteercoordinator@ftb.ca.gov) or 916.845.9004.

**California Volunteers Make The Difference**

Thank You!



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**GENERAL INFORMATION SECTION**

**540**

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