

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

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

## Before You Begin

Complete your federal income tax return (Form 1040, Form 1040A, Form 1040EZ, Form 1040NR, or Form 1040NR-EZ) before you begin your Long Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. Use information from your federal income tax return to complete your Long Form 540NR. Complete and mail Long Form 540NR by April 15, 2009. If unable to mail your return by the due date see page 2.

To get forms and publications referred to in these instructions, go to our website at [ftb.ca.gov](http://ftb.ca.gov) or see "Where To Get Income Tax Forms and Publications" on page 62.

**Important:** Attach a copy of your federal income tax return, and all supporting federal forms and schedules, to Long Form 540NR.



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

## Filling in Your Return

- Use black or blue ballpoint pen on the copy you send to the Franchise Tax Board (FTB).
- Enter your Social Security Number(s) (SSN) or Individual Taxpayer Identification Number(s) (ITIN) at the top of Long Form 540NR, Side 1.
- Print numbers and CAPITAL LETTERS between the combed lines. Be sure to line up dollar amounts.
- Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.
- If you do not have an entry for a line, leave it blank unless the instructions for a line specifically tell you to enter zero. Do **not** enter a dash or the word "NONE."

## Name(s) and Address

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

### Private Mail Box

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

### Foreign Address

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

### Principal Business Activity (PBA) Code

For Schedule C business filers, please enter the numeric principal business activity code from federal Schedule C, line B in the field labeled "PBA Code" in the address area.

### Prior Name

If you filed your 2007 tax return under a different last name, write the last name **only** from the 2007 return.

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

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

If you do not have an SSN because you are a nonresident or a resident alien for federal tax purposes, and the IRS issued you an ITIN, enter the ITIN in the space provided for the SSN.

An ITIN is a tax processing number issued by the IRS to foreign nationals and others who have a federal tax filing requirement and do not qualify for an SSN. It is a nine-digit number that always starts with the number 9.

## Filing Status

Fill in only one of the circles for line 1 through line 5. Enter the required additional information if you filled in the circle on line 3 or line 5.

Usually, your California filing status must be the same as the filing status you used on your federal income tax return.

If you did not file a federal return because you did not have a federal filing requirement, use the filing status you would have used had you been required to file.

**Nonresident Alien** – A joint return may be filed if, in the case of a nonresident alien married to a United States citizen or resident, both spouses/RDPs elect to treat the nonresident alien spouse/RDP as a resident for tax purposes.

**Exception for married taxpayers who file a joint federal income tax return** – You may file separate California returns if either spouse was:

- An active member of the United States Armed Forces or any auxiliary military branch during 2008.
- A nonresident for the entire year and had no income from California sources during 2008.

**Community Property.** If either spouse earned California source income while domiciled in a community property state, the community income will be split equally between the spouses. Both spouses will have California source income and they will **not** qualify for the nonresident spouse exception. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, and FTB Pub. 1051A, Guidelines For Married/RDP Filing Separate Returns.

**If you filed federal Form 1040NR or Form 1040NR-EZ**, you do not qualify to use the head of household or married/RDP filing jointly filing statuses. Instead, use single, married/RDP filing separately, or qualifying widow(er) filing status, whichever applies to you.

**If You Are Married or an RDP and File a Separate Return**, enter your spouse's/RDP's full name on line 3 and SSN or ITIN in the space provided.

**If You File as Head of Household**, do not claim yourself or a nonrelative as the qualifying individual for head of household. Get FTB Pub. 1540, Tax Information for Head of Household Filing Status, for more information. See "Where To Get Income Tax Forms and Publications" on page 62.

## Exemptions

### Line 6 – Can be Claimed as a Dependent

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

### Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

**No** Follow the instructions on Long Form 540NR, line 7.

**Yes** Ignore the instructions on Long Form 540NR, line 7. Instead, enter the amount shown below for your filing status:

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

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

### Line 8 – Blind Exemptions

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

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

### Line 9 – Senior Exemptions

If you were 65 years of age or older by December 31, 2008\*, you should claim an additional exemption credit on line 9. If you are married or an RDP, each

spouse/RDP 65 years of age or older should claim an additional credit. You may contribute all or part of this credit to the California Seniors Special Fund. See page 56 for information about this fund.

\* If your 65th birthday is on January 1, 2009, you are considered to be age 65 on December 31, 2008.

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

**Line 10 – Dependent Exemptions**

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

**Line 11 – Exemption Amount**

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

**Total Taxable Income**

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

**Line 12 – California Wages**

Enter the total amount of your California wages from your Form(s) W-2, Wage and Tax Statement, or CA Sch W-2, Wage and Withholding Summary. This amount appears in box 16 of Form W-2 or line 3 of CA Sch W-2.

**Line 13 – Federal AGI from Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 35; or 1040NR-EZ, line 10**

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

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

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

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

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

**Line 14 – California Adjustments — Subtractions**

(from Schedule CA (540NR), line 37, column B)

Complete Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents, to find the amount to enter on Long Form 540NR, line 14. Follow the instructions for Schedule CA (540NR) beginning on page 41. Enter the amount from Schedule CA (540NR), line 37, column B on Long Form 540NR, line 14.

If the amount on Schedule CA (540NR) line 37, column B is a negative number, do not transfer it to Long Form 540NR, line 14 as a negative number. Instead, transfer the number as a positive number to Long Form 540NR, line 16.

**Line 15 – Subtotal**

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

**Line 16 – California Adjustments — Additions  
(from Schedule CA (540NR), line 37, column C)**

Complete Schedule CA (540NR), to find the amount to enter on Long Form 540NR, line 16. Follow the instructions for Schedule CA (540NR) beginning on page 41. Enter the amount from Schedule CA (540NR), line 37, column C on Long Form 540NR, line 16.

If the amount on Schedule CA (540NR) line 37, column C is a negative number, do not transfer it to Long Form 540NR, line 16 as a negative number. Instead, transfer the number as a positive number to Long Form 540NR, line 14.

**Line 17 – Adjusted Gross Income From All Sources**

Combine line 15 and line 16. This amount should match the amount on Schedule CA (540NR), line 37, column D.

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

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

- Itemized deductions (total itemized deductions allowed under California law).
- Standard deduction.

On federal tax returns, individual taxpayers who claim the standard deduction are allowed an additional deduction for state and local real estate taxes paid. For California, deductions for state and local real estate taxes paid are only allowed for those individual taxpayers who itemized their deductions.

If married or an RDP and filing separate Long Form 540NR, you and your spouse/RDP must either both itemize your deductions or both take the standard deduction.

Also, if someone else can claim you as a dependent, you may claim the greater of the standard deduction or your itemized deductions. To figure your standard deduction, see the California Standard Deduction Worksheet for Dependents on the next page.

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

If you did not itemize deductions on your federal income tax return but will itemize deductions for your Long Form 540NR, first complete a sample federal Schedule A, Itemized Deductions. Then complete Schedule CA (540NR), Part III, line 38 through line 44.

**Standard deduction.** Find your standard deduction on the California Standard Deduction Chart for Most People below. If you filled in the circle on Long Form 540NR, line 6, use the California Standard Deduction Worksheet for Dependents, on the next page, instead.

<b>California Standard Deduction Chart for Most People</b>	
Do not use this chart if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on his or her tax return.	
<b>Your Filing Status</b>	<b>Enter On Line 18</b>
1 – Single . . . . .	\$3,692
2 – Married/RDP filing jointly . . . . .	\$7,384
3 – Married/RDP filing separately . . . . .	\$3,692
4 – Head of household . . . . .	\$7,384
5 – Qualifying widow(er) . . . . .	\$7,384
The California standard deduction amounts are less than the federal standard deduction amounts.	

**California Standard Deduction Worksheet for Dependents**

Use this worksheet only if your parent, or someone else, can claim you (or your spouse/RDP) as a dependent on his or her tax return. **Use whole dollars only.**

1. Enter your earned income from: line 1 of the "Standard Deduction Worksheet for Dependents" in the instructions for federal Form 1040; Form 1040A; or from line A of the worksheet on the back of Form 1040EZ. . . . . 1 \_\_\_\_\_
2. Minimum standard deduction . . . . . 2 \$900.00
3. Enter the **larger** of line 1 or line 2 here . . . . . 3 \_\_\_\_\_
4. Enter the amount shown for your filing status:
  - Single or married/RDP filing separately, enter \$3,692
  - Married/RDP filing jointly, head of household, or qualifying widow(er), enter \$7,384
 } . . . . . 4 \_\_\_\_\_
5. **Standard deduction.** Enter the **smaller** of line 3 or line 4 here and on the Short or Long Form 540NR, line 18 . . . . . 5 \_\_\_\_\_

**Line 19 – Taxable Income**

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

**California Taxable Income**

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

**Line 20 – Tax**



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

To figure your tax on the amount on line 19, use one of the following methods and fill in the matching circle on line 20:

- **Tax Table.** If your taxable income on line 19 is \$100,000 or less, use the tax table beginning on page 31. Use the correct filing status column in the tax table.
- **Tax Rate Schedules.** If your taxable income on line 19 is over \$100,000, use the tax rate schedules on page 36.
- **FTB 3800.** Generally, you use form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate Long Form 540NR for your child who was under age 14 on January 1, 2009, and who had more than \$1,800 of investment income. Attach form FTB 3800 to the child's Long Form 540NR.
- **FTB 3803.** If, as a parent, you elect to report your child's interest and dividend income of \$9,000 or less (but not less than \$900) on your return, complete form FTB 3803, Parents' Election to Report Child's Interest and Dividends. File a separate form FTB 3803 for each child whose income you elect to include on your Long Form 540NR. Add the amount of tax, if any, from each form FTB 3803, line 9, to the amount of your tax from the tax table or tax rate schedules and enter the result on Long Form 540NR, line 20. Attach form(s) FTB 3803 to your return.

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

**Line 21 – CA Adjusted Gross Income**

Complete Schedule CA (540NR), line 45 to determine your California adjusted gross income. Follow the instructions for Schedule CA (540NR) beginning on page 41. Enter on Long Form 540NR, line 21 the amount from Schedule CA (540NR), line 45.

**Line 23 – CA Tax Rate**

In this computation, the FTB rounds the tax rate to four digits after the decimal. If your computation is different, you may receive a notice due to the difference in rounding. Contact us at 800.852.5711 if you disagree with this notice.

**Line 25a – CA Exemption Credit Percentage**

Divide the California Taxable Income (line 22) by Total Taxable Income (line 19). This percentage does not apply to the Nonrefundable Renter's Credit, Other State Tax Credit, or credits that are conditional upon a transaction occurring wholly within California. **If more than 1, enter 1.0000.**

**Line 25b – CA Prorated Exemption Credits**

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

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

Single or married/RDP filing separately . . . . .	\$163,187
Married/RDP filing jointly or qualifying widow(er) . . . . .	\$326,379
Head of household . . . . .	\$244,785

**Yes** Complete the AGI Limitation Worksheet on this page.

**No** Multiply line 11 by line 25a.

<b>AGI Limitation Worksheet</b>	
<b>Use whole dollars only</b>	
<b>a</b> Enter the amount from Long Form 540NR, line 13, or RDP recalculated AGI . . . . .	<b>a</b> _____
<b>b</b> Enter the amount for your filing status on line b: <ul style="list-style-type: none"> <li>• Single or married/RDP filing separately . . . \$163,187</li> <li>• Married/RDP filing jointly or qualifying widow(er) . . . . . \$326,379</li> <li>• Head of household . . . . . \$244,785</li> </ul>	<b>b</b> _____
<b>c</b> Subtract line b from line a . . . . .	<b>c</b> _____
<b>d</b> Divide line c by \$2,500 (\$1,250 if married/RDP filing separately). If the result is not a whole number, round it to the next higher whole number . . . . .	<b>d</b> _____
<b>e</b> Multiply line d by \$6 . . . . .	<b>e</b> _____
<b>f</b> Add the numbers from the boxes on Long Form 540NR, line 7, line 8, and line 9 (not the dollar amounts) . . . . .	<b>f</b> _____
<b>g</b> Multiply line e by line f . . . . .	<b>g</b> _____
<b>h</b> Add the total <b>dollar amounts</b> from Long Form 540NR, line 7, line 8, and line 9 . . . . .	<b>h</b> _____
<b>i</b> Subtract line g from line h. If zero or less enter -0- . . . . .	<b>i</b> _____
<b>j</b> Enter the number from the box on Long Form 540NR, line 10 (not the dollar amount) . . . . .	<b>j</b> _____
<b>k</b> Multiply line e by line j . . . . .	<b>k</b> _____
<b>l</b> Enter the <b>dollar amount</b> (that you filled in) from Long Form 540NR, line 10 . . . . .	<b>l</b> _____
<b>m</b> Subtract line k from line l. If zero or less, enter -0- . . . . .	<b>m</b> _____
<b>n</b> Add line i and line m. Enter the result here . . . . .	<b>n</b> _____
<b>o</b> Multiply the amount on line n by the CA Exemption Credit Percentage on Long Form 540NR, line 25a. Enter the result here and on Long Form 540NR, line 25b . . . . .	<b>o</b> _____

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

If you received a qualified lump-sum distribution in 2008 and you were born before January 2, 1936, get Schedule G-1, Tax on Lump-Sum Distributions, to figure your tax by special methods that may result in less tax.

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

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

## Special Credits and Nonrefundable Renter's Credit

A variety of California tax credits are available to reduce your tax if you qualify. To figure and claim most credits, complete a separate form or schedule and attach it to your Long Form 540NR. (**Note:** If your net business income is \$500,000 or more and you have business tax credits, complete Schedule P (540NR), Alternative Minimum Tax and Credit Limitations – Nonresidents or Part-Year Residents. See "Order Forms and Publications" on page 63.) The Credit Chart on page 58 describes the credits and provides the name, credit code, and number of the required form, schedule, worksheet, or certificate you need to complete. Many credits are limited to a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by tentative minimum tax (TMT). Answer the following questions before you claim credits on your tax return.



- Do you qualify to claim the nonrefundable renter's credit? Complete the qualification record on page 57.  
Check  **Yes** or  **No**, then go to Question 2.
- Are you claiming any other special credit listed in the Credit Chart on page 58?  
**No** If you checked "Yes" for Question 1 and entered an amount on Long Form 540NR, line 35, go to line 36. If you checked "No" for Question 1, skip to the instructions for line 37.  
**Yes** Figure your credit using the form, schedule, worksheet, or certificate identified in the Credit Chart. Then go to Box A below to see if the total amount you may claim for all credits is limited by TMT. If you checked "Yes" for Question 1, verify that you entered your nonrefundable renter's credit on line 35.

**Box A –** Did you complete federal Schedule C, D, E, or F **and** claim or receive any of the following (**Note:** If your business gross receipts are less than \$1,000,000 from all trades or businesses, you do not have to report AMT. For more information, see line 39 instructions, on page 21.):

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

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

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

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

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

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

- Single or head of household. . . . . \$225,050
- Married/RDP filing jointly or qualifying widow(er) . . . . . \$300,065
- Married/RDP filing separately. . . . . \$150,031

**Yes** Get and complete Schedule P (540NR). See "Order Forms and Publications" on page 63.  
**No** Your credits are not limited. Go to the instructions for the Long Form 540NR, line 32, on page 21.

**Carryovers:** If you claim a credit with carryover provisions and the amount of the credit available this year exceeds your tax, carry over any excess credit to future years until the credit is used (unless the carryover period is a fixed number of years). If you claim a credit carryover from an expired credit, use form FTB 3540, Credit Carryover Summary, to figure the amount of the credit.

If you need to complete Schedule P (540NR) **and** if you claim any of the credits on line 28 through line 30, do not enter an amount on line 28 through line 30. Instead, enter the total amount of these credits from Schedule P (540NR), Part III, Section A1, line 4 through line 11, on Long Form 540NR, line 31. Do not follow the instructions for line 31. Write "Schedule P (540NR)" to the left of the amount entered on line 31.

### Line 28 – Credit for Joint Custody Head of Household — Code 170

You may **not** claim this credit if you used the head of household, married/RDP filing jointly, or the qualifying widow(er) filing status.

Claim the credit if unmarried and not an RDP at the end of 2008 (or if married or an RDP, you lived apart from your spouse/RDP for all of 2008 and you used the married/RDP filing separately filing status); and if you furnished more than one-half the household expenses for your home that also served as the main home of your child, step-child, or grandchild for at least 146 days but not more than 219 days of your taxable year. If the child is married or an RDP, you must be entitled to claim a dependent exemption for the child.

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

**If your Federal AGI is more than \$163,187, subtract line n from the AGI Limitation Worksheet on page 19 from line 20 of the Long Form 540NR and enter this amount on line 1 of the worksheet below to calculate your credit.**

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

1. Subtract line 11 from line 20 on Long Form 540NR and enter the result here. . . . .	<b>1</b>	
2. Enter the amount from Long Form 540NR, line 26. . . . .	<b>2</b>	
3. Add line 1 and line 2. . . . .	<b>3</b>	
4. Credit percentage — 30%. . . . .	<b>4</b>	
5. Credit amount. Multiply line 3 by line 4. Enter on this line the result or \$393, whichever is less. Enter this amount on line 28 of the Long Form 540NR, Side 1. . . . .	<b>5</b>	x .30

If you qualify for both the Credit for Joint Custody Head of Household and the Credit for Dependent Parent, you are only allowed to claim one or the other, not both. Select the credit that will allow the maximum benefit.

### Line 29 – Credit for Dependent Parent — Code 173

You may **not** claim this credit if you used the single, head of household, qualifying widow(er), or married/RDP filing jointly filing status.

If you qualify for both the Credit for Joint Custody Head of Household and the Credit for Dependent Parent, you are only allowed to claim one or the other, not both. Select the credit that will allow the maximum benefit.

Claim this credit only if all of the following apply:

- You were married or an RDP at the end of 2008 and you used the married/RDP filing separately filing status.
- Your spouse/RDP was not a member of your household during the last six months of the year.
- You furnished over one-half the household expenses for your dependent mother's or father's home, whether or not she or he lived in your home.

To figure the amount of this credit, use the worksheet for the credit for joint custody head of household, on this page.

On the last line of the worksheet, enter the result or \$393, whichever is less. Enter this amount on line 29 of the Long Form 540NR, Side 1.

### Line 30 – Credit for Senior Head of Household — Code 163

Claim this credit if you:

- Were 65 years of age or older on December 31, 2008\*.
- Qualified as a head of household in 2006 or 2007 by providing a household for a qualifying individual who died during 2006 or 2007.

- Did not have adjusted gross income over \$63,831 for 2008.

\*If your 65th birthday is on January 1, 2009, you are considered to be age 65 on December 31, 2008.

If you meet all the conditions listed, you do not need to qualify to use the head of household filing status for 2008 in order to claim this credit.

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

1. Enter the amount from Long Form 540NR, line 19	1	_____
2. Credit percentage — 2%	2	x .02
3. Credit amount. Multiply line 1 by line 2. Enter on this line the result or \$1,203, whichever is less. Enter this amount on line 30 of the Long Form 540NR, Side 1	3	_____

**Line 31 – Credit Percentage and Credit Amount**

Complete the worksheet below to compute your credit percentage and the allowable prorated credit to enter on line 31 **using whole dollars only**. If you completed Schedule P (540NR), see the instructions above the Line 28 instructions, on page 20.

**Part I – Credit Percentage**

1. Divide Long Form 540NR, line 22 by line 19. Enter the result here and on Long Form 540NR, line 31a	1	_____
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**Part II – Credit Amount**

**Credit for Joint Custody Head of Household**

1. Enter the amount from Long Form 540NR, line 28	1	_____
2. Credit Percentage from Part I, line 1	2	x _____
3. Multiply line 1 by line 2	3	_____
4. Enter the lesser of the amount from line 3 or \$393	4	_____

**Credit for Dependent Parent**

5. Enter the amount from Long Form 540NR, line 29	5	_____
6. Credit Percentage from Part I, line 1	6	x _____
7. Multiply line 5 by line 6	7	_____
8. Enter the lesser of the amount on line 7 or \$393	8	_____

**Credit for Senior Head of Household**

9. Enter the amount from Long Form 540NR, line 30	9	_____
10. Credit Percentage from Part I, line 1	10	x _____
11. Multiply line 9 by line 10	11	_____
12. Enter the lesser of the amount on line 11 or \$1,203	12	_____

**Total Prorated Credits**

13. Add line 4, line 8, and line 12. Enter the result here and on Long Form 540NR, line 31	13	_____
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**Line 32 through Line 34 – Additional Special Credits**

A code number identifies each credit. To claim only one or two credits, enter the credit name, code number, and amount of the credit on line 32 and line 33. To claim more than two credits, get Schedule P (540NR) complete Part III to list the additional credits. See “Where To Get Income Tax Forms and Publications” on page 62. List two of the credits on line 32 and line 33. Enter on line 34 the total of any remaining credits from Schedule P (540NR).

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

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

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

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

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

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

**Note:**

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

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

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

Your allowable credit is limited to \$2,500 for 2008. You may carryover the excess credit to future years until the credit is used.

**Line 35 – Nonrefundable Renter’s Credit**

Did you pay rent for at least six months in 2008 on your principal residence located in California?

- Yes** You may qualify to claim this credit which may reduce your tax. Complete the qualification record on page 57.
- No** Go to line 36.

**Line 37**

Subtract the amount on line 36 from the amount on line 27. Enter the result on line 37. If the amount on line 36 is more than the amount on line 27, enter -0-. If you owe interest on deferred tax from installment obligations, include the additional tax, if any, in the amount you enter on line 37. Write “IRC Section 453 interest” or “IRC Section 453A interest” and the amount on the dotted line to the left of the amount on line 37.

**Other Taxes**

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

**Line 39 – Alternative Minimum Tax (AMT)**

If you claim certain types of deductions, exclusions, and credits, you may owe AMT if your total income is more than:

- \$80,017 married/RDP filing jointly or qualifying widow(er)
- \$60,014 single or head of household
- \$40,007 married/RDP filing separately

A child under age 14 may owe AMT if the sum of the amount on line 19 (taxable income) and any preference items listed on Schedule P (540NR) and included on the return is more than the sum of \$5,500 plus the child’s earned income.

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

Get Schedule P (540NR) for more information. See “Where To Get Income Tax Forms and Publications” on page 62.

**Line 40 – Mental Health Services Tax**

If your taxable income or nonresident CA source taxable income is more than \$1,000,000, compute the Mental Health Services tax below **using whole dollars only**:

A. Taxable income from Long Form 540NR, line 22	_____
B. Less	\$(1,000,000)
C. Subtotal	_____
D. Multiply line C by 1%	x .01
E. Mental Health Services Tax - Enter this amount here and on Long Form 540NR, line 40	_____

**Line 41 – Other Taxes and Credit Recapture**

If you received an early distribution of a qualified retirement plan and were required to report additional tax on your federal return, you may also be required to report additional tax on your California tax return. Get form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts. If required to report additional tax, report it on line 41 and write “FTB 3805P” to the left of the amount.

California conforms to federal law for income received under IRC Section 409A on a nonqualified deferred compensation (NQDC) plan and discounted stock options and stock appreciation rights. Income received under IRC Section 409A is subject to an additional 20% tax plus interest. Include the additional tax, if any, on line 41. Write "NQDC" on the dotted line to the left of the amount.

If you used form(s)

- FTB 3501, Employer Child Care Program/Contribution Credit
- FTB 3805Z, Enterprise Zone Deduction and Credit Summary
- FTB 3806, Los Angeles Revitalization Zone Deduction and Credit Summary
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary
- FTB 3808, Manufacturing Enhancement Area Credit Summary
- FTB 3809, Targeted Tax Area Deduction and Credit Summary

Include the additional tax, if any, on line 41. Write the form number on the dotted line to the left of the amount on line 41.

**Payments**

Have your Form(s) W-2 (or CA Sch W-2), W-2G, Certain Gambling Winnings, 1099-MISC, Miscellaneous Income, 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., 592-B, Nonresident Withholding Tax Statement, 593, Real Estate Withholding Tax Statement, and 594, Notice to Withhold Tax at Source, before you begin this section.

If you received wages and do not have a Form W-2, see page 8, Question 2.

**Line 43 – California Income Tax Withheld**

Enter the total California income tax withheld from your Form(s):

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

Do not include city, local, or county tax withheld or tax withheld by other states. Do not include nonresident or real estate withholding from Form(s) 592-B, 593, or 594 on this line. Do not include nonconsenting nonresident (NCNR) member's tax from Schedule K-1 (568), line 15e as withholding. See line 44. If you had California tax withheld and did not receive Form(s) W-2 or 1099, contact the entity that paid the income.

If you received Form(s) 1099-MISC or 1099-R showing California income tax withheld, include in the total on line 43 the amount(s) withheld and attach a copy of the Form(s) 1099 to your return.

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

**Line 44 – Nonresident Withholding**

If you were a nonresident who received California source income or sold California real estate, enter the total California tax withheld from your Form(s) 592-B, 593, or 594. Attach a copy of Form(s) 592-B, 593, or 594 to the lower front of Long Form 540NR, Side 1.

Do not include withholding from other forms on this line. Do not include NCNR member's tax from Schedule K-1 (568), line 15e as withholding. If you had California income tax withheld and did not receive Form(s) W-2 or 1099, contact the entity that paid the income.

**Line 45 – 2008 CA Estimated Tax and Other Payments**

Enter the total of any:

- California estimated tax payments you made using Form 540-ES or Web Pay for 2008.
- Overpayment from your 2007 California income tax return that you applied to your 2008 estimated tax.
- Payment you sent with form FTB 3519, Payment for Automatic Extension for Individuals.
- California estimated tax payments made on your behalf by an estate or trust on Schedule K-1 (541) or an S Corporation on Schedule K-1(100S).

If you are including NCNR tax, write "LLC" on the dotted line to the left of the amount on line 45, and attach Schedule K-1 (568) with the amount of the NCNR tax claimed.

If you and your spouse/RDP paid joint estimated taxes but are now filing separate income tax returns, either of you may claim the entire amount paid, or each may claim part of the joint estimated tax payments. If you want the estimated

tax payments to be divided, notify the FTB before you file the tax returns so the payments can be applied to the proper account. The FTB will accept in writing, any divorce agreement (or court-ordered settlement) or a statement showing the allocation of the payments along with a notarized signature of both taxpayers.

Send statements to:

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

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

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

You do not have to make estimated tax payments if you are a nonresident or new resident of California in 2009 and did not have a California tax liability in 2008.

**Line 46 – Excess California SDI (or VPD) Withheld**

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

- You had **two or more** California employers during 2008.
- You received more than \$86,698 in wages.
- The amounts of SDI (or VPD) withheld appear on your Forms W-2 or CA Sch W-2. Be sure to attach your Forms W-2 (or CA Sch W-2) to your Long Form 540NR.

If SDI (or VPD) was withheld from your wages by a single employer, at a rate of more than 0.8% of your gross wages, you may not claim excess SDI (or VPD) on your Long Form 540NR. Contact the employer for a refund.

To determine the amount to enter on line 46, complete the Excess SDI (or VPD) Worksheet below. If married/RDP filing jointly, figure the amount of excess SDI (or VPD) separately for each spouse/RDP.

Excess SDI (or VPD) Worksheet		
Use whole dollars only		
	You	Your Spouse/RDP
1. Add amounts of SDI (or VPD) withheld shown on your Forms W-2. Enter the total here . . . . .		
2. 2008 SDI (or VPD) limit . . . . .	\$693.58	\$693.58
3. Excess SDI (or VPD) withheld. Subtract line 2 from line 1. Enter the results here. Combine the amounts on line 3 and enter the total, in <b>whole dollars only</b> on Long Form 540NR, line 46 . . . . .		
If zero or less, enter -0- on line 46.		

**Line 47 through Line 50 – Child and Dependent Care Expenses Credit**

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

The care must have been provided in California. You must have California-sourced income (wages earned working in California or self-employment income from California business activities).

A servicemember's active duty military pay is considered earned income, regardless of whether the servicemember is domiciled in California. Get FTB Pub. 1032, Tax Information for Military Personnel, for more information.

**Line 47 and Line 48**

Enter the qualifying person's SSN. Do not enter more than one qualifying person's SSN on line 47 or line 48 from form FTB 3506, Part III, line 2. If you have more than two qualifying persons, enter only the first two qualifying persons listed on form FTB 3506, Part III, line 2.

**Line 49**

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

**Line 50**

Enter the credit amount allowed from form FTB 3506, Part III, line 12. See "Where To Get Income Tax Forms and Publications" on page 62.

**Line 51**

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

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

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

**Overpaid Tax or Tax Due**

If you received a refund for 2007, you may receive a Form 1099-G, Certain Government Payments. The refund amount reported on your Form 1099-G will be different from the amount shown on your tax return if you claimed the Child and Dependent Care Expenses Credit. This is because the credit is not part of the refund from withholding or estimated tax payments.

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

**Line 52 – Overpaid Tax**

If the amount on line 51 is more than the amount on line 42, subtract the amount on line 42 from the amount on line 51. Enter the result on line 52. Your payments and credits are more than your tax.

**Line 53 – Amount You Want Applied to Your 2009 Estimated Tax**

Apply all or part of the amount on line 52 to your estimated tax for 2009. Enter on line 53 the amount of line 52 you want applied to 2009.

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

**Line 54 – Overpaid Tax Available This Year**

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

**Line 55 – Tax Due**

If the amount on line 51 is less than the amount on line 42, subtract the amount on line 51 from the amount on line 42. Enter the result on line 55. Your tax is more than your payments and credits.

There is a penalty for not paying enough tax during the year. You may have to pay a penalty if:

- The tax due on line 55 is \$200 or more (\$100 or more if married/RDP filing separately).
- The amount of state income tax withheld on line 43 is less than 90% of the amount of your total tax on line 42.

If you owe a penalty, the FTB will figure the penalty and send you a bill.

**Contributions**

Make voluntary contributions of \$1 or more in whole dollar amounts for code 400 through code 414. The amount you contribute either reduces your overpaid tax or increases your tax due. Contribute only to the funds listed on page 56. No changes can be made to contributions after you file your return.

**Code 400– Contribution to California Seniors Special Fund**

If you and/or your spouse/RDP are 65 years of age or older and claim the Senior Exemption Credit on line 9, you may make a combined total contribution of up to \$198 or \$99 per spouse/RDP. Contributions entered on code 400 will be distributed to The Area Agency on Aging Council of California (TACC) to provide advice on and sponsorship of Senior Citizen 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.

Use the worksheet on this page to figure your contribution:

1. If you contribute, enter \$99; if you and your spouse/RDP contribute, enter \$198 . . . . . 1 \_\_\_\_\_
2. Enter the ratio from Long Form 540NR, line 25a . . . . . 2 \_\_\_\_\_
3. Contribution amount. Multiply line 1 by line 2. Enter the result (rounded to the nearest whole dollar) here. . . . . 3 \_\_\_\_\_

You may contribute any amount up to the amount on line 3. Enter your contribution on line 57.

**Line 68 – Total Contributions**

Add code 400 through code 414. Enter the result on line 68. If you show an amount on line 54, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 55, you must add your total contributions to your tax due.

**Amount You Owe**

Add or subtract correctly to figure the amount you owe.

**Line 69 – Amount You Owe**

If you did not enter an amount on line 68, enter the amount from line 55 on line 69. This is the amount you owe with your Long Form 540NR.

If you entered an amount on line 68, add that amount to the amount on line 55. Enter the result on line 69. This is the amount you owe with your Long Form 540NR.

If you have an amount on line 54 and line 68, subtract line 68 from line 54. If line 68 is more than line 54 enter the difference on line 69.

To avoid a late filing penalty, file your Long Form 540NR by the extended due date even if unable to pay the amount you owe.

**Do not** combine your 2008 tax payment and any 2009 estimated tax payment in the same check or money order. Prepare two separate checks or money orders and mail each in a separate envelope.

**Payment Options**

- **Electronic Funds Withdrawal** – Instead of paying by check or money order, you may use this convenient option if you e-file. Provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.
- **Web Pay** – Pay the amount you owe using our secure online payment service. Go to our website at [ftb.ca.gov](http://ftb.ca.gov) and search for **web pay**.
- **Credit Card** – Whether you e-file or file by mail, you can use your Discover/Novus, MasterCard, Visa, or American Express card to pay your personal income taxes. If you pay by credit card, do not mail form FTB 3519 to us. Call 800.272.9829 or go to the Official Payments Corp. website at [officialpayments.com](http://officialpayments.com), and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.
- **Check or Money Order** – Make your check or money order payable to the "Franchise Tax Board." **Do not send cash.** Write your SSN or ITIN and "2008 Long Form 540NR" on the check or money order. Enclose, but do **not** staple, your payment with your return.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution. **Do not** combine your 2008 tax payment and any 2009 estimated tax payment in the same check. Prepare two separate checks and mail each in a separate envelope.

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

If you enter an amount on line 70 or line 71, see the instructions for line 72 for information about how to prepare your check or money order.

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

**Convenience Fee**

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

**Example:** Tax Payment = \$754.00 Convenience Fee = \$18.85

**When will my payments be effective?**

Your payment is effective on the date you charge it.

**What if I change my mind?**

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

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

Once you have determined the type of payment and how much you owe, the following information is needed:

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

Go to the Official Payments Corp. website at [officialpayments.com](http://officialpayments.com) and select **Payment Center**, or use the toll-free number at 800.2PAY.TAX or 800.272.9829. Follow the recorded instructions. Official Payments Corp. provides customer assistance Monday through Friday, 5 a.m. to 5:30 p.m. PST. Official Payments Corp. will tell you the convenience fee before you complete your transaction. Decide whether to complete the transaction at that time.

Payment Date : \_\_\_\_\_ Confirmation Number: \_\_\_\_\_

If you cannot pay the full amount shown on Long Form 540NR, line 69, see the information regarding monthly payments on page 8, question 4.

**Interest and Penalties**

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

Do not reduce the amount on line 52 or increase the amount on line 55 by any penalty or interest amounts. Enter on Long Form 540NR, line 70 the amount of interest and penalties.

**Line 70 – Interest and Penalties**

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

**Late Filing of Return.** The maximum total penalty is 25% of the tax not paid if the return is filed after October 15, 2009. The minimum penalty for filing a return more than 60 days late is \$100 or 100% of the balance of tax due, whichever is less.

**Late Payment of Tax.** If you fail to pay your total tax liability by April 15, 2009, you will incur a late payment penalty plus interest. If you have paid at least 90% of the tax shown on the return by the original due date of the return, we will waive the penalty based on reasonable cause. However, the imposition of interest is mandatory. If, after April 15, 2009, you find that your estimate of tax due was too low, pay the additional tax as soon as possible to avoid or minimize further accumulation of penalties and interest. If you do not file your tax return by October 15, 2009, you will incur a late filing penalty plus interest from the original due date of the return. The penalty is 5% of the tax not paid when due plus 1/2% for each month, or part of a month, the tax remains unpaid.

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

**Line 71 – Underpayment of Estimated Tax**

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

- Your withholding and credits are less than 90% of your current tax year liability.
- Your withholding and credits are less than 100% of your prior year tax liability (110% if AGI is more than \$150,000 or \$75,000 if married/RDP filing separately).
- You did not pay enough through withholding to keep the amount you owe with your return under \$200.

Is line 55 less than \$200 (\$100 if married/RDP filing separately)?

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

Is line 55 less than 10% of the amount on line 37 (excluding the tax on lump-sum distributions on line 26)?

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

If you complete one of these forms, enter the amount of the penalty on line 71 and fill in the correct circle on line 71. Complete and attach the form if you claim a waiver, use the annualized income installment method, or pay tax according to the schedule for farmers and fishermen, even if no penalty is owed.

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

There will be a waiver of penalties imposed for the underpayment of tax with respect to any law enacted during the 2008 tax year. To request a waiver of underpayment of estimated tax penalty, get form FTB 5805 or form FTB 5805F. See "Where To Get Income Tax Forms and Publications" on page 62.

**Line 72 – Total Amount Due**

Is there an amount on line 69?

- Yes** Add line 69, line 70, and line 71. Enter the result on line 72. For payment options, see line 69 instructions.
- No** Go to line 73.

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

**Line 73 – Refund or No Amount Due**

Did you report amounts on line 68, line 70, or line 71?

- No** Enter the amount from line 54 on line 73. This is your refund amount. If it is less than \$1, attach a written statement to your Long Form 540NR requesting the refund.
- Yes** Combine the amounts from line 68, line 70, and line 71. If the result is:
  - More than line 54, subtract line 54 from the sum of line 68, line 70, and line 71 and enter the result on line 72. This is your total amount due. For payment options, see line 69 instructions.
  - Less than line 54, subtract the sum of line 68, line 70, and line 71 from line 54 and enter on line 73. This is your refund amount.



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If the result is less than zero, your contributions are more than your overpaid tax available on line 54. In this case, do not enter an amount on line 73. Instead, enter the result on line 69 and see the instructions for line 69.

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

**Direct Deposit (Refund Only)**

**Line 74 and Line 75 – Direct Deposit of Refund**

Direct deposit is fast, safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Long Form 540NR, Side 2, line 74 and line 75. Fill in the routing and account numbers and indicate the account type. Verify routing and account numbers with your financial institution. **Do not** attach a voided check or deposit slip. See the illustration on the next page.

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

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

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

Enter the portion of your refund you want directly deposited into each account. Each deposit must be at least \$1. The total of line 74 and line 75 must equal the total amount of your refund on line 73. If line 74 and line 75 do not equal line 73, the FTB will issue a paper check.

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

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

**John Doe  
Mary Doe**  
1234 Main Street  
Anytown, CA 99999

15-0000/0000 1234

PAY TO THE ORDER OF \$ [ ] DOLLARS

ANYTOWN BANK  
Anytown, CA 99999

For [ ]

Routing number: 250250025  
Account number: 202020

Do not include the check number

**Sign Your Return**

Sign your return in the designated space on Side 2. If you file a joint return, your spouse/RDP must sign the return also.

**Joint Return.** If you file a joint return, both you and your spouse/RDP are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse/RDP does not pay the tax due, the other spouse/RDP may have to pay the tax due. See Innocent Spouse Relief, on page 7.

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

**Third Party Designee.** If you want to allow a friend, family member, or any other person you choose to discuss your 2008 tax return with the FTB, check the "Yes" box in the signature area of your return. Also print the designee's name and telephone number. If you want to allow the paid preparer who signed your return to discuss it with the FTB, enter "Preparer" in the space for the designee's name and print the preparer's telephone number.

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

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

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

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2009 tax return. This is April 15, 2010, for most people. If you wish to revoke the authorization before it ends, notify us by telephone at 800.338.0505 or by writing to Franchise Tax Board, PO Box 942840, Sacramento, CA 94240-0040, include your name, SSN, and the designee's name.

**Power of Attorney.** If another person prepared your return, he or she is not automatically granted access to your tax information in future dealings with us. At some point, you may wish to designate someone to act on your behalf in matters related or unrelated to your 2008 tax return (e.g., an audit examination). To protect your privacy, you must submit to us a legal document called a "Power of Attorney" (POA) authorizing another person to discuss or receive personal information about your income tax records.

For more information, get form FTB 1144 (pamphlet) and form FTB 3520 (POA form), available at [ftb.ca.gov](http://ftb.ca.gov). See "Where To Get Income Tax Forms and Publications" on page 62.

**Check Your Social Security Number (or ITIN).** Verify that you have written your social security number (or ITIN) in the spaces provided at the top of Long Form 540NR. If you file a joint return, verify that you and your spouse's/RDP's numbers are entered in the same order as your names.

**Form(s) W-2, W-2G, 1099, 592-B, 593, and 594.** Attach all the Form(s) W-2 and W-2G you received to the front of your return. Also, attach any Form(s) 1099, 592-B, 593, and 594 showing California income tax withheld. If you completed CA Sch W-2, attach CA Sch W-2 behind side 2 of the tax return.

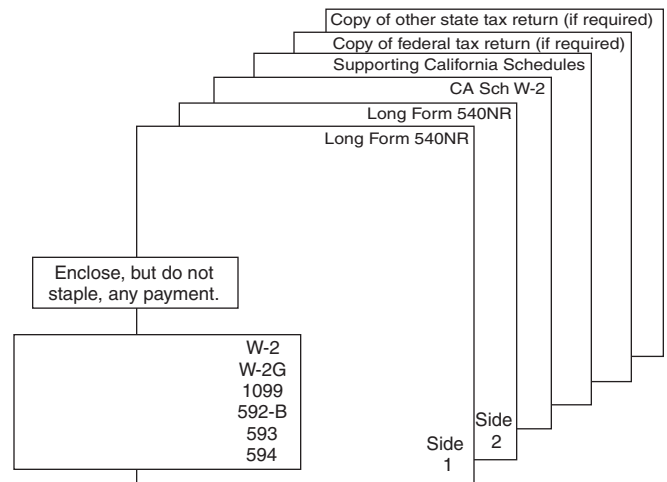
If you cannot get a copy of your Form W-2, complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. See "Where To Get Income Tax Forms and Publications" on page 62.

If you forget to send your Form(s) W-2 (or any other withholding form(s)) with your income tax return, do not send it separately. Wait until the FTB requests it from you.

**Important:** Attach a copy of your federal income tax return, and all supporting federal forms and schedules to the back of Long Form 540NR.

**Assembling Your Tax Return**

Assemble your tax return in the order shown below.



**Mailing Your Tax Return**

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

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0002

**If you owe,** mail your return to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001