Forms & Instructions

California 540 & 540A

2002 Personal Income Tax Booklet

Members of the
Franchise Tax Board

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FRANCHISE TAX BOARD

COVER GRAPHICS OMITTED FOR DOWNLOADING SPEED

Table of Contents

Important Due Dates 2
What Would Make Filing Your Taxes Easier? 3
What's New for 2002? 4
We Welcome Your Comments 5
Which Form Should I Use? 6
Do I Have to File? 7
Helpful Hints 8
Instructions for Form 540A 9
Instructions for Form 540 15
Voluntary Contribution Fund Descriptions 23
FTB Pub. 1540, Tax Information for Head of Household Filing Status 24
Form 540A, California Resident Income Tax Return 29
Form 540, California Resident Income Tax Return 33
Schedule CA (540), California Adjustments – Residents 37
Schedule D (540), California Capital Gain or Loss Adjustment 38
FTB 3885A, Depreciation and Amortization Adjustments 38
FTB 3519, Payment Voucher for Automatic Extension for Individuals 41
Form 540-ES, Estimated Tax for Individuals 42
Instructions for Schedule CA (540) 45
Instructions for Schedule D (540) 49
Instructions for FTB 3885A 50
Instructions for Form 540-ES 51
FTB 3506, Child and Dependent Care Expenses Credit 53
Instructions for FTB 3506 55
Nonrefundable Renter's Credit Qualification Record 58
Frequently Asked Questions 59
Additional Information 60
2002 California Tax Table 61
2002 California Tax Rate Schedules 66
How To Get California Tax Information 67
Privacy Act Notice 67
Automated Toll-Free Phone Service 68

INTERNET ASSISTANCE

We have made significant changes to our Website in an effort to help answer questions when completing your income tax return. Come visit us at **www.ftb.ca.gov** to get helpful information such as:

- Getting a Customer Service Number and other tips for e-filing your tax return
- Checking the status of your refund and account balance inquiry (**NEW**)
- Learn about new and more convenient methods for paying your taxes
- Download tax forms, publications - sorted by year and by form number
- Access legal notices, rulings, regulations; see FTB's analysis of pending legislation; and get current law/policy information by reading ***Tax News*** Online
- Find out if you can Telefile
- View internal procedure manuals to learn how we administer the law (NEW)

AUTOMATED PHONE SERVICE SYSTEM

Get recorded answers to your tax questions, 24 hours a day, 7 days a week - at NO charge to you. Just call toll-free at **(800) 338-0505** and follow the instructions provided. For quicker service, first choose Spanish or English, then press 1-4-1 (allow 3 seconds for a prompt), then enter the three-digit **general information code** found wherever you see the above phone symbol throughout this booklet. See page 68 for a complete list of general information topics and access codes.

$$$ for You

Earned Income Credit (EIC) – If you earned less than $34,178 (less than $11,050 if you do not have any qualifying children), you may be eligible to get the EIC to reduce the federal tax you owe, or get a refund if you do not owe any federal tax. Call the IRS at (800) 829-4477 and enter topic 601 when instructed, or see your federal income tax booklet. There is no comparable state credit.

Refund of Excess State Disability Insurance (SDI) – You may be eligible for a refund of excess SDI if you had at least two employers during 2002 who together paid you more than $46,327 in wages. See the instructions on page 12 (Form 540A) or on page 19 (Form 540).

Homeowner and Renter Assistance (HRA) – This California program reimburses qualifying homeowners and renters for a portion of the property tax they paid in the prior year. See page 60.

Important due dates

April 15, 2003	Last day to pay the 2002 amount you owe to avoid penalties and interest.* See form FTB 3519 on page 41 for more information. *If you are living or traveling outside the United States on April 15, 2003, the due dates for filing your return and paying your tax are different. See form FTB 3519 on page 41 for more information.
October 15, 2003	Last day to file your 2002 return to avoid penalties and interest computed from the original due date of April 15, 2003.
April 15, 2003 June 16, 2003 September 15, 2003 January 15, 2004	Due dates for 2003 estimated tax payments. Generally, you do not have to make estimated tax payments if your California withholding in each payment period is at least 1/4 of your required annual payment. Also, you do not have to make estimated tax payments if you will pay enough through withholding to keep the amount you owe with your return under $200 ($100 if married filing separately). However, if you do not pay enough tax either through withholding or by making estimated tax payments, you may have an underpayment penalty. See Form 540-ES instructions on page 51 for more information.

Just click and go. . .

For the quickest and easiest way to file your return. . .

e-file!

Free...
Most taxpayers qualify for free e-file

Fast...
Get your refund in 7 days or less

Easy...
No math

Learn more!

www.ftb.ca.gov

Check out our website for free offers and other important information about filing your taxes.

- California: www.ftb.ca.gov
- Federal: www.irs.gov

✓Check out our other great Internet services:

- Check your refund status
- Make a payment
- Look up your account balance
- Find payments you've made
- Request installment payments
- Request a Real Estate Withholding Waiver

What's New for 2002?

Differences Between California and Federal Law

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), the Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554), and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147).

2002 Tax Law Changes

Teacher Retention Credit – The Teacher Retention Credit is suspended for tax year 2002. In addition, there are no carryover provisions for this credit.

Natural Heritage Preservation Tax Credit – is suspended for the fiscal year July 1, 2002 through June 30, 2003.

Child and Dependent Care Expenses Refundable Credit/Treatment of never married persons – Parents who are not married are treated the same as divorced or separated parents for purposes of the California Child and Dependent Care Expenses Credit. For more information, please refer to the instructions for form FTB 3506 on page 55.

Net Operating Loss (NOL)
For taxable years beginning in 2002 and 2003 the NOL carryover deduction is suspended. Taxpayers may continue to compute and carryover an NOL during the suspension period. The deduction for disaster losses is not affected by the NOL suspension rules.

The carryover period for suspended losses is extended by two years for losses incurred before January 1, 2002 and by one year for losses incurred after January 1, 2002, and before January 1, 2003.

After the suspension period, the Net Operating Loss deduction will be allowed at 100%.

For more information get form FTB 3805V.

Withholding on Real Property Sales – Effective January 1, 2003, the 3⅓% withholding requirement for transfers of California real property is expanded to include sales made by California residents. Exemptions from the withholding requirements will be allowed for transactions involving like-kind exchanges and involuntary conversions. For individuals, waivers from the withholding requirement are limited to transactions where there has been a loss on the sale of property.

Penalty Waiver – A waiver of penalties is provided for the underpayment of tax with respect to any law enacted during the 2002 calendar year. To request a waiver of underpayment of estimated tax penalty, get form FTB 5805, Underpayment of Estimated Tax by Individuals.

Additional First-Year Depreciation – California has not conformed to the Federal Job Creation and Worker Assistance Act of 2002 provision that allows taxpayers to take an additional first-year depreciation deduction and AMT depreciation adjustment for property placed in service after September 10, 2001.

New California Income Exclusions

Exclusions for Domestic Partners:

Effective January 1, 2002, several taxpayer benefits are extended to apply to a taxpayer's "domestic partner" and the domestic partner's dependent(s) for medical expenses and health insurance benefits that occur on or after January 1, 2002. These benefits include:

- The exclusion from gross income for employer-provided accident and health insurance,
- An exclusion from gross income for medical expense reimbursement if the expense was not previously deducted,
- Medical expenses deductible as an itemized deduction,
- Long-term health care insurance deductible as a medical expense, and
- A deduction by self-employed individuals for health insurance costs paid for themselves, their spouses, and dependents. The deduction may **not** exceed the net earnings from the trade or business in which the insurance plan is established.

The deductions are taken as an adjustment on the Schedule CA (540) or Schedule CA (540NR).

Holocaust Restitution Payments – An exclusion is provided for holocaust reparations received by eligible individuals, their heirs, or estate for holocaust restitution payments, distributions or excludable trust.

Energy Rebates – An exclusion is allowed for vouchers, rebates or other financial incentives received from the California Energy Commission, the Public Utilities Commission, or a local publicly owned utility for the purchase or installation of specified energy production systems.

Military Service Benefits – Extensions of time are provided to members of the National Guard ordered into active service by the Governor of California or active federal service by the President of the United States for emergency purposes and to reservists called to active duty. The extensions apply to, among other things, court proceedings, contract obligations, rental agreements, taxes or assessments, and health or medical insurance.

In addition, California allows an exemption from taxes to any California taxpayer who dies on active duty with any branch of the armed forces of the United States.

New Voluntary Contributions Fund – You may make voluntary contributions to the Asthma and Lung Disease Research Fund.

New Federal Conformity Items

- California now treats a C corporation as an S corporation if it is also an S corporation for federal purposes. Therefore, the difference in estimated tax payments based on C corporation status to S corporation status should be reported on Form 540 line 39 and Long Form 540NR, line 49. In addition, taxpayers must include a statement received from the corporation showing the date(s) and amount(s) of payments made on their behalf.
- Disallowance of club dues.
- Disallowance of lobbying and political expenses.
- California has conformed to the Victims of Terrorism Tax Relief Act of 2001 to allow victims who have died as a result of the terrorist attacks of September 11, 2001, the anthrax incidents in 2001, as well as the Oklahoma City bombing that occurred on April 19, 1995, a forgiveness of their state tax liability for the year immediately preceding the incident and all subsequent tax years until the date of

death. This will result in a forgiveness of tax liability for tax years 2000 and 2001 for victims of the September 11, 2001 or anthrax incidents, and a forgiveness for tax years 1994 and 1995 for the Oklahoma city bombing victims. For more information, get Form 540X, Amended Individual Income Tax Return and instructions.

In addition, with respect to either a declared disaster or terroristic or military action occurring on or after September 11, 2001, you may receive an extension of up to one year to file a tax return and/or make estimated tax payments.

Head of Household Filing Status

For information, see FTB Pub. 1540 on page 24.

Check Out Your Tax Preparer

The California Board of Accountancy (CBA) licenses and regulates individual Certified Public Accountants and Public Accountants, as well as accountancy firms and corporations, in California.

If you currently use or are thinking about using a Certified Public Accountant or Public Accountant for tax preparation or other services, the California Board of Accountancy can:

- Verify online or by telephone that the CPA, PA, or firm has a current license to practice.
- Provide information about any disciplinary actions taken against the license.
- Answer your questions about whether a particular service or activity of a licensee is regulated by the CBA.
- Provide you with the information and forms to file a complaint against an individual or business regulated by the CBA. Complaints can be submitted online, by mail, facsimile, or at the Board office.

Web: *www.cba.ca.gov*
Email *enforcementinfo.ccba.ca.gov*
Telephone (916) 263-3680
Fax: (916) 263-3675
Mail: California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815

Enrolled Agents are professional tax practitioners who are enrolled to represent taxpayers before the Internal Revenue Service. Enrolled Agents are licensed by the federal government. Questions or complaints about Enrolled Agents in the state of California should be directed to the Director of Practice at (313) 234-1280, or to the California society of Enrolled Agents at (800) 777-2732.

We Welcome Your Comments

We at the Franchise Tax Board want to make doing business with us as easy and convenient as possible for you. Over the past several years, we have begun to offer you new ways to get information and help, file your return, and pay your taxes. These include fast and convenient electronic options, such as Telefile, e-filing, e-pay, and payment by credit card. Through our Internet Website, you can get forms and information, check the status of your refund, and take care of other business with us. I encourage you to visit our Website at **www.ftb.ca.gov** to find out more information about the services available to you.

We will continue to look for ways to serve you better. In addition, we think it is important to spend tax dollars wisely by cutting our costs while improving results. We also appreciate the trust that you place in us to keep your tax information safe and private, and pledge to continue to safeguard the information that you send to us both on paper and electronically.

Your comments and suggestions provide valuable input. We want you to tell us what you think we are doing well, as well as what we can do to improve our products and services to better suit your needs. You can help us by sending me your comments and suggestions. Please write me at:

Email: Go to **www.ftb.ca.gov** and select "Send email to the Executive Officer"

Mail: GERALD GOLDBERG, EXECUTIVE OFFICER
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO, CA 94240-0040

Which Form Should I Use?

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

Were you a resident of California during the entire year 2002?

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

No. You must use the Long or Short Form 540NR. To download or order the California Nonresident or Part-Year Resident Income Tax Booklet, see page 68, "Where to Get Income Tax Forms and Publications."

	Form 540 2EZ **Form not included in booklet. *See the note at the bottom of this column.**	Form 540A	Form 540
Filing Status	Single, married filing jointly, head of household, qualifying widow(er), under 65 and not blind	Any filing status	Any filing status
Dependents	0-3 allowed	All dependents you are entitled to claim	All dependents you are entitled to claim
Amount of Income	Total income of: • $50,000 or less if single or head of household • $100,000 or less if married filing jointly or qualifying widow(er)	Any amount of income	Any amount of income
Sources of Income	Only income from: • Wages, salaries, tips • Taxable interest • Taxable scholarship and fellowship grants (only if reported on Form W-2) • Unemployment compensation **Note:** You cannot use Form 540 2EZ if you (or your spouse, if married) can be claimed as a dependent by another taxpayer, and your TOTAL income is less than or equal to $9,954 if single; $19,858 if married filing jointly or qualifying widow(er); or $14,058 if head of household.	Only income from: • Wages, salaries, tips • Taxable scholarship and fellowship grants • Interest and dividends • Unemployment compensation reported on Form 1099-G • Social security benefits • Tier 1 and tier 2 railroad retirement payments • Fully and partially taxable IRA distributions, pensions, and annuities • Alimony	All sources of income
Adjustment to Income	No adjustments to income	Allowed if the amount is the same as your federal adjustments to income	All adjustments to income
Standard Deduction	Allowed	Allowed	Allowed
Itemized Deductions	No itemized deductions	Allowed if the amount is the same as your federal itemized deductions (except for state, local, and foreign taxes paid)	All itemized deductions
Payments	Only withholding shown on Form(s) W-2	• Withholding shown on Form(s) W-2, W-2G, and 1099-R • Estimated tax payments • Payments made with extension voucher • Excess State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI)	• Withholding from all sources • Estimated tax payments • Payments made with extension voucher • Excess State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI)
Tax Credits	• Personal exemption credit • Up to three dependent exemption credits • Nonrefundable renter's credit	• Personal exemption credit • Senior exemption credit • Blind exemption credit • Dependent exemption credit • Nonrefundable renter's credit • Child and Dependent Care Expenses Credit	All tax credits
Other Taxes	Only tax computed using the 540 2EZ Table ***Note:** If you qualify to use Form 540 2EZ, go to **www.ftb.ca.gov** to e-file or to download this form, or see "Order Forms and Publications" on page 67.	Tax computed using the tax table or tax rate schedules	All taxes: • Tax computed using the tax table or tax rate schedules • Alternative minimum tax • Tax on early distributions from IRAs or other qualified retirement plans • Tax on distributions from MSAs and education IRAs • Tax for children under age 14 who have investment income of more than $1,500 • Tax on lump-sum distributions • Recapture taxes • Deferred tax on certain installment obligations • Tax on accumulation distributions of trusts

Do I Have to File?

Requirements for Most People

Read down the first column to find your filing status at the end of 2002. Read across to find your age at the end of 2002, and number of dependents you are entitled to claim for 2002. You must file a return if **either** your California gross income or your California adjusted gross income was more than the amount shown for your filing status, age, and number of dependents.

✓Tip Even if you do not have a filing requirement based on the chart below, you should file a return in order to get a refund if California state income tax was withheld from your pay, or if you made California estimated tax payments. Try e-file! It's fast, easy and convenient and there are several free options. Go to **www.ftb.ca.gov** for the details.

On 12/31/02, my filing status was:	**and on 12/31/02, my age was[6]:**	California Gross Income[1]			California Adjusted Gross Income[2]		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of household[3]	Under 65	12,080	20,447	26,722	9,664	18,031	24,306
	65 or older	16,080	22,355	27,375	13,664	19,939	24,959
Married filing jointly or Married filing separately[4]	Under 65 (both spouses)	24,160	32,527	38,802	19,328	27,695	33,970
	65 or older (one spouse)	28,160	34,435	39,455	23,328	29,603	34,623
	65 or older (both spouses)	32,160	38,435	43,455	27,328	33,603	38,623
Qualifying widow(er)	Under 65		20,447	26,722		18,031	24,306
	65 or older		22,355	27,375		19,939	24,959
Dependent of another person Any filing status	Any age	More than your standard deduction[5]					

[1] **California gross income** is all income you received in the form of money, goods, property, and services from all sources that are not exempt from tax. Gross income does not include any adjustments or deductions.
[2] **California adjusted gross income** is your federal adjusted gross income from all sources reduced or increased by all California income adjustments.
[3] See page 24.
[4] The income of both spouses must be combined; both spouses may be required to file a return even if only one spouse had income over the amounts listed.
[5] Use the California Standard Deduction Worksheet for Dependents on page 11 or page 16 to figure your standard deduction.
[6] If your 65th birthday is on January 1, 2002, you are considered to be age 65 on December 31, 2002.

Requirements for Children With Investment Income

California law is the same as federal law for the income of children under age 14. For each child under age 14 who received more than $1,500 of investment income in 2002, complete Form 540 and form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate Form 540 for your child.

Note: If you qualify, you may elect to report your child's income of $7,500 or less (but not less than $750) on your return by completing form FTB 3803, Parents' Election to Report Child's Interest and Dividends. To make this election, your child's income must be **only** from interest and/or dividends. See "Order Forms and Publications" on page 68.

Other Situations When You Must File

If you owe any of the following taxes for 2002, you must file Form 540.

- Tax on a lump-sum distribution;
- Tax on a qualified retirement plan, including an individual retirement arrangement (IRA) or on an Archer medical savings account (MSA);
- Tax for children under age 14 who have investment income greater than $1,500 (see paragraph above);
- Alternative minimum tax;
- Recapture taxes;
- Deferred tax on certain installment obligations; or
- Tax on an accumulation distribution from a trust.

Helpful Hints (e-file and skip this page! See www.ftb.ca.gov)

Filling in your return.

Tips on how you should fill in Form 540A or Form 540:

- Use only black or blue ballpoint pen on the copy you send us.
- Enter your social security number(s) at the top of Form 540A or Form 540, Side 1, Step 1a.
- Print numbers and CAPITAL LETTERS inside boxes. 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.
- Attach your label. If you don't have a label, please print your name(s) and address in CAPITAL LETTERS in Step 1.

Verify Step 1, Step 1a, Step 2, and Step 3.

Step 1: Use your first name, middle initial and last name, and complete address including ZIP Code.

If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

Step 1a: Make sure you entered your social security number and that it agrees with your social security card. If you file a joint return, make sure that you enter the social security numbers in the same order that your names are shown.

Step 2: Make sure you meet all the requirements for your filing status. See page 9 for more information. If you believe that you qualify for the head of household filing status, please review the requirements on page 24 through page 28.

Step 3: Take your personal exemption credit to reduce your tax. See the instructions for Form 540A, line 18 or Form 540, line 21.

Check other areas.

Federal Adjusted Gross Income: Double-check that you correctly transferred your federal adjusted gross income from your federal TeleFile Tax Record, line I; Form 1040EZ, line 4; Form 1040A, line 21; or Form 1040, line 35.

California Standard Deduction: Make sure you entered the California standard deduction amount and not the federal amount.

Itemized Deductions: Be sure you reduced your federal itemized deductions by the amount of state and local income taxes you claimed on your federal Schedule A. Form 540 filers, use Schedule CA (540), Part II, on page 37. Form 540A filers, see page 11.

Double-check your math: Double-check each subtraction, addition, and any other calculation.

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

Attachments to your return.

Check or money order: Make your check or money order payable to the Franchise Tax Board. Do not send cash. Write your social security number and "2002 Form 540A" or "2002 Form 540" on the check or money order, then see "Assembling your return" in the next column. A penalty may be imposed if your check is returned by your bank for insufficient funds.

Form(s) W-2, W-2G, and 1099: Make sure to staple all the Form(s) W-2 and W-2G you received to the front of your return where it says "Attach copy of your Form(s) W-2 and W-2G." Also, attach any Form(s) 1099 showing California income tax withheld such as "backup withholding" on dividends and interest income.

If you do not receive your Form(s) W-2 by January 31, 2003, contact your employer. Only your employer can issue or correct a Form W-2. If you cannot get a copy of your Form W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, Etc. See "Order Forms and Publications" on page 67 or go to our Website at: **www.ftb.ca.gov**.

If you forget to send your Form(s) W-2 with your income tax return, do not send it separately, or with another copy of your return. Wait until the Franchise Tax Board requests it from you.

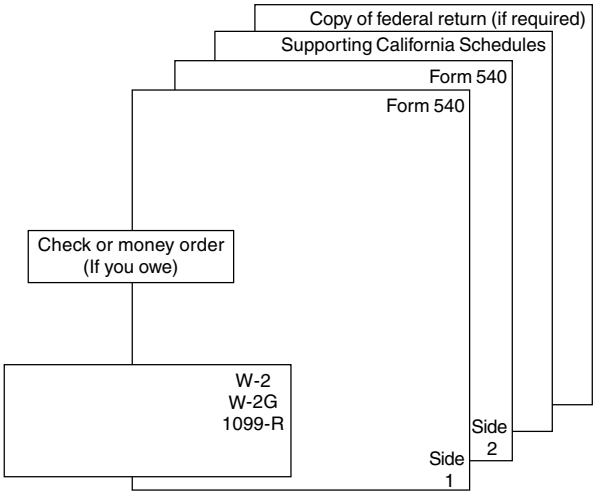
Federal Form 1040: Do not attach your federal return if you file Form 540A. If you file Form 540, did you attach any federal forms or schedules, other than Schedule A or Schedule B, to your federal Form 1040?

No. Do not attach Form 1040 to Form 540.

Yes. Attach a copy of Form 1040 and all supporting federal forms and schedules to Form 540.

Assembling your return.

Assemble your return in the order shown below.



Mailing your return.

Mail your return using the envelope provided in this booklet. If your return shows a **refund or no amount due**, be sure to attach the green label to the front of the envelope. The address is:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0002

If your return has an **amount due**, be sure to attach the white label to the front of the envelope. The address is:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

Instructions for Form 540A — California Resident Income Tax Return

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

Before You Begin

You must complete your federal income tax return (Form 1040, Form 1040A, Form 1040EZ, or federal TeleFile Tax Record) before you begin your Form 540A. You will use the information you entered on your federal income tax return to complete your Form 540A. See "Order Forms and Publications" on page 64 for information on how to get the forms and publications referred to in these instructions.

✓Tip You may qualify for the federal earned income credit. See page 2 of this booklet for more information. There is no comparable state credit.

Step 1 — Name and Address

If there is a label on the front of your booklet, attach the label to your completed return. Make sure that the information on your label is correct. Cross out any errors and print the correct information.

If there is no label on the front of your booklet, print your first name(s), middle initial(s) and last name(s), and address in the spaces provided at the top of Form 540A. See page 8, Helpful Hints, "Filling in your return."

If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

Step 1a — Social Security Number(s)

Enter your social security number(s) in the spaces provided. To protect your privacy, your social security number(s) are not printed on your label. If you file a joint return, enter the social security numbers in the same order as the names.

Note: If you do not have a social security number because you are a nonresident or resident alien for federal tax purposes, and the IRS issued you an Individual Taxpayer Identification Number (ITIN), enter the ITIN in the space for the social security number.

Step 2 — Filing Status

Fill in only one of the circles for line 1 through line 5. Be sure to enter the required additional information if you filled in the circle for line 3 or line 5.

You must use the same filing status for California that you used for your federal income tax return.

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

- An active member of the United States armed forces or any auxiliary military branch during 2002, or
- A nonresident for the entire year and had no income from California sources during 2002.

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

Note: If you filed a joint return and either you or your spouse was a nonresident for 2002, you must file the Long or Short Form 540NR, California Nonresident or Part-year Resident Income Tax Return.

Line 1 – Single

You may fill in the circle on line 1 if **any** of the following was true on December 31, 2002:

- You were never married;
- You were legally separated under a decree of divorce or of separate maintenance; or
- You were widowed before January 1, 2002, and did not remarry in 2002.

Line 2 – Married Filing Jointly

You may fill in the circle on line 2 if **any** of the following is true:

- You were married as of December 31, 2002, even if you did not live with your spouse at the end of 2002;
- Your spouse died in 2002 and you did not remarry in 2002; or
- Your spouse died in 2003 before you filed a 2002 return.

Line 3 – Married Filing Separately

If you fill in the circle on line 3, be sure to enter your spouse's full name on line 3 and social security number in Step 1a.

Note: You cannot claim a personal exemption credit for your spouse even if your spouse had no income, is not filing a return, and is not claimed as a dependent on another person's return.

Note: You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the entire last six months of 2002. See page 23 for more information.

For reporting separate income and deductions, get FTB Pub. 1051A, Guidelines for Married Filing Separate Returns. See "Order Forms and Publications" on page 68.

Line 4 – Head of Household

This filing status is for unmarried individuals who provide a home for a qualifying relative. Before you select this filing status, see the head of household requirements and self-test beginning on page 24.

✓Tip **e-file and you can close this book now!** The software you use to e-file will help you find out if you qualify to claim the head of household filing status. Most software also provide a questionnaire, 4803e, which will help verify your eligibility to the FTB. See **www.ftb.ca.gov**

Line 5 – Qualifying Widow(er) with Dependent Child

You may fill in the circle on line 5 and use the joint return tax rates for 2002 if **all five** of the following apply:

1. Your spouse died in 2000 or 2001 and you did not remarry in 2002; and
2. You have a child, stepchild, adopted child, or foster child whom you can claim as a dependent; and
3. This child lived in your home for all of 2002. Temporary absences, such as for vacation or school, count as time lived in the home; and
4. You paid over half the cost of keeping up your home for this child; and
5. You could have filed a joint return with your spouse the year he or she died, even if you actually did not do so.

Note: If your spouse died in 2002, see the instructions for line 2.

Step 3 — Exemptions

Line 6 – Can be Claimed as Dependent

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

Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

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

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

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

Line 8 – Blind Exemptions

The first year you claim this exemption credit, you must attach a doctor's statement to the back of Form 540A indicating you or your spouse are visually impaired. Visually impaired means you cannot see

better than 20/200 while wearing glasses or contact lenses, or that your field of vision is not more than 20 degrees.

Caution: 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, 2002*, you should claim an additional exemption credit on line 9. If you are married, each spouse 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 46 for information about these funds.

*If your 65th birthday is on January 1, 2003, you are considered to be age 65 on December 31, 2002.

Caution: 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 additional space is needed, attach a schedule. The persons you list as dependents must be the same persons you listed as dependents on your federal income tax return. Multiply the total by the pre-printed dollar amount and enter the result.

Line 11 – Total Personal, Blind, and Senior Exemptions

Enter the total dollar amount of all exemptions, personal and dependent.

Step 4 — Taxable Income and California Income Adjustments

Refer to your completed federal income tax return to complete Step 4.

Line 12a – State Wages

Enter the total amount of your state wages from all states from each of your Form(s) W-2. This amount should be on Form W-2, box 16.

Line 13 – California Income Adjustments

California does not tax certain types of income that are taxable on your federal return. In addition, there may be differences between the taxable amounts of federal and California IRA distributions, pensions, and annuities.

Line 13a – State Income Tax Refund

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

Line 13b – Unemployment Compensation

Enter the amount of any unemployment compensation shown on your federal TeleFile Tax Record, line D; Form 1040EZ, line 3; Form 1040A, line 13; or Form 1040, line 19.

Note: Do not include qualified state tuition program earnings.

Line 13c – Social Security Benefits (and tier 1 or tier 2 railroad retirement benefits)

Enter the total of any of these amounts shown on your federal return:

Social security benefits and equivalent tier 1 railroad retirement benefits reported on federal Form 1040A, line 14b or Form 1040, line 20b.

Note: Do not include any other pension amounts on this line.

If you filed Form 1040EZ, enter -0- .

Line 13d – California Nontaxable Interest or Dividend Income

California does not tax interest earned from:

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

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

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

Interest from Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds, and Federal Home Loan Mortgage Corporation (FHLMC) securities: This interest is taxed by California. Do not enter it on line 13d.

Exempt-interest dividends from mutual funds: Certain mutual funds are qualified to pay "exempt-interest dividends" if **at least 50%** of their assets consist of tax-exempt government obligations. The portion of the dividends that are tax-exempt will be shown on your annual statement from the mutual fund. If the amount of California tax-exempt interest is more than the amount of federal tax-exempt interest, enter the difference on line 13d. If the amount of California tax-exempt interest is less than the amount of federal tax-exempt interest, you may not use Form 540A. Use Form 540 or e-file.

Line 13e – California Individual Retirement Account (IRA) Distributions

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

The method of taxing IRA distributions is generally the same for California and federal purposes. However, there may be significant differences in the taxable amount depending on when you made your contributions. Before 1987, the maximum IRA contribution you were allowed to deduct from California income was less than the maximum amount you were allowed to deduct from federal income. For this reason, the amount of your IRA distribution taxed by California may be different from the amount taxed under federal law.

Report the difference between your California and your federal taxable IRA distributions on line 13e. Be sure to attach Form 1099-R to your Form 540A if tax was withheld. Get FTB Pub. 1005, Pension and Annuity Guidelines, for more information. See "Order Forms and Publications" on page 68.

Line 13f – California Pensions and Annuities

Generally, you will not make any adjustments on this line. However, if you received tier 2 railroad retirement benefits, tier 1 (non-social security equivalent) (included in the amount on federal Form 1040A, line 12b or Form 1040, line 16b), or partially taxable distributions from a pension plan, you may need to make the adjustment described below.

If you received a federal Form RRB 1099 – R for railroad retirement benefits and included all or part of these benefits in federal adjusted gross income on line 12b, enter the taxable benefit amount on line 13f.

If you began receiving a retirement annuity between July 1, 1986, and January 1, 1987, and you elected to use the three-year recovery rule for California, you must make an adjustment because your federal taxable amount is less than your California taxable amount. Figure the difference between the gross distribution shown on your Form 1099-R, box 1 and the taxable amount shown in box 2a. Enter the difference in parentheses on line 13f. For example: "(12,325)."

If you received a lump-sum distribution from a profit sharing or retirement plan, you may pay less tax on the distribution if you choose the 10-year averaging method. However, you must file Form 540 to use this method. See the instructions for Form 540 and

get Schedule G-1, Tax on Lump-Sum Distributions (not in this booklet), for more information. See "Order Form and Publications" on page 68.

Line 13g –Total California Adjustments

Combine line 13a through line 13f. If the result is less than zero, enter the amount in parentheses on Form 540A, Side 1, line 13g. In this case only, treat the amount on line 13g as a positive number and add it to the amount on line 12b.

Line 14 – California Adjusted Gross Income

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

Line 15 – CA Itemized Deductions or CA Standard Deduction

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

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

If you are married and file a separate return, you and your spouse must either both itemize your deductions, or both take the standard deduction.

Itemized deductions. Figure your California itemized deductions by completing the California Itemized Deductions Worksheet on this page. Enter the result on Form 540A, line 15.

Note: If you did not itemize deductions on your federal income tax return but will itemize deductions for your California Form 540A, first complete a federal Schedule A, Itemized Deductions. Then complete the California Itemized Deductions Worksheet on this page. Do not attach federal Schedule A to this return.

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

California Standard Deduction Chart for Most People

Do not use this chart if your parent, or someone else, can claim you (or your spouse, if married) as a dependent on his or her tax return.

Your Filing Status	Enter On Line 15
1 – Single	$3,004
2 – Married filing jointly	$6,008
3 – Married filing separately	$3,004
4 – Head of household	$6,008
5 – Qualifying widow(er)	$6,008

Note: 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 if married) as a dependent on his or her tax return.

1. Enter your total wages, salaries, and tips from all your Form(s) W-2, box 1. (You may also refer to federal Form 1040EZ, line 1; Form 1040A, line 7; or Form 1040, line 7.) . . . . 1 _____
2. . . . . 2 $250.00
3. Add line 1 and line 2. Enter total here . . . . . 3 _____
4. Minimum standard deduction 4 $750.00
5. Enter the **larger** of line 3 or line 4 here . . . . . 5 _____
6. Enter the amount shown for your filing status:
   - Single or married filing separately, enter $3,004
   - Married filing jointly, head of household, or qualifying widow(er) enter $6,008

   . . . 6 _____
7. **Standard deduction.** Enter the **smaller** of line 5 or line 6 here and on Form 540A, line 15 . 7 _____

California Itemized Deductions Worksheet

1. Federal itemized deductions: Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27 . . . . . 1 _____
2. Add the following amounts from federal Schedule A and enter on line 2:
   - Line 5, state and local income tax: _____
   - State Disability Insurance (SDI): _____
   - Line 8, foreign income taxes: _____

   2 _____
3. Subtract line 2 from line 1. This amount is your total California **itemized deductions** . . . . . 3 _____
4. Is the amount on Form 540A, line 12b, more than the amount shown below for your filing status?
   Single or married filing separately $132,793
   Married filing jointly or qualifying widow(er) $265,589
   Head of household $199,192
   Yes Continue to line 5 of this worksheet
   No Enter on Form 540A, line 15, the larger of:
   - The amount on line 3; or,
   - Your standard deduction* shown below:
     Single or married filing separately $3,004
     Married filing jointly, head of household, or qualifying widow(er) $6,008

   Do not complete the rest of this worksheet.
5. Using California amounts, add the amounts on federal Schedule A, line 4, line 13, line 19 and any gambling losses included on line 27 . . . . . 5 _____
6. Subtract line 5 from line 3 . . . . . 6 _____
   Note: If -0-, skip line 7 through line 12, enter the amount from line 3 on line 13 and continue to line 14.
7. Multiply line 6 by 80% (.80) . . . . . 7 _____
8. Amount from Form 540A, line 12b . . . . . 8 _____

Worksheet continued on next page

9. Enter the amount shown below for your filing status . . . . . 9 _____
   Single or married filing separately . . $132,793
   Married filing jointly or qualifying widow(er) $265,589
   Head of household $199,192
10. Subtract line 9 from line 8 . . . . . 10 _____
   Note: If -0- or less, skip line 11 and line 12, enter the amount from line 3 on line 13 and continue to line 14.
11. Multiply line 10 by 6% (.06) . . . . . 11 _____
12. Compare line 7 and line 11. Enter the smaller amount here . . . . . 12 _____
13. Total itemized deductions. Subtract line 12 from line 3 . . . . . 13 _____
14. Enter on Form 540A, line 15, the larger of:
   The amount on line 13; or,
   Your standard deduction* shown below:
   Single or married filing separately $3,004
   Married filing jointly, head of household, or qualifying widow(er) $6,008

***Standard Deduction for Dependents.**
If your parent, or someone else, can claim you as a dependent, use the standard deduction amount from line 7 of the "California Standard Deduction Worksheet for Dependents" on page 11 instead of the standard deduction amount shown above.

Step 5 — Tax and Credits

First figure your tax. Be sure to use the correct filing status and taxable income amount. Then make sure you qualify to claim your credits.

Line 17 – Tax

If your taxable income on line 16 is:

- $100,000 or less, you must use the tax table beginning on page 61. Be sure to use the correct column for your filing status.
- Over $100,000, you must use the tax rate schedules on page 66.

Line 18 – Exemption Credits

Use your exemption credits to reduce your tax. If your federal adjusted gross income (AGI) on line 12b is more than the amounts shown below for your filing status, your credits will be limited.

If your filing status is:	Is Form 540A, line 12b more than:
Single or married filing separately	$132,793
Married filing jointly or qualifying widow(er)	$265,589
Head of household	$199,192

Yes Complete the AGI Limitation Worksheet below.

No Follow the instructions shown on Form 540A, line 18.

AGI Limitation Worksheet

a. Enter the amount from Form 540A, line 12b . . . . a _____
b. Enter the amount for your filing status on line b . . b _____
   Single or married filing separately . . $132,793
   Married filing jointly or qualifying widow(er) $265,589
   Head of household $199,192
c. Subtract line b from line a . . . . . c _____
d. Divide line c by $2,500 ($1,250 if married filing separately) . . . . . d _____
   Note: If the result is not a whole number, round it to the next higher whole number
e Multiply line d by $6 . . . . . e _____
f Add the numbers from the boxes on Form 540A, line 7, line 8, and line 9 (not the dollar amounts) . f _____
g Multiply line e by line f . . . . . g _____

Worksheet continued in next column

h Enter the dollar amount for line 7, line 8, and line 9 . . . . . h _____
i Subtract line g from line h. If zero or less, enter -0- . . . . . i _____
j Enter the number from the box on Form 540A, line 10 (not the dollar amount) . . . . . j _____
k Multiply line e by line j . . . . . k _____
l Enter the dollar amount (that you filled in) from Form 540A, line 10 . . . . . l _____
m Subtract line k from line l. If zero or less, enter -0- . . . . . m _____
n Add line i and line m. Enter the result here and on Form 540A, line 18 . . . . . n _____

Line 19 – Nonrefundable Renter's Credit

Did you pay rent for at least six months in 2002 on your principal residence located in California?

Yes You may qualify to claim this credit which may reduce your tax. Complete the qualification record on page 58.

No Go to line 20.

Step 6 — Overpaid Tax or Tax Due

To avoid a delay in the processing of your return, be sure you enter the correct amounts on line 25 through line 36.

Line 25 – California Income Tax Withheld

205

Enter on line 25 the total amount shown as California income tax withheld on your Form(s) W-2 in box 17; Form(s) W-2G in box 14; or Form(s) 1099-R in box 10. **Caution**: Do not include city or county tax withheld or tax withheld by other states.

Note: The Franchise Tax Board (FTB) verifies all withholding claimed from a Form W-2, W-2G, 1099-MISC or 1099-R with the Employment Development Department.

If you received a Form 1099 showing California income tax withheld ("backup withholding") on dividends and interest income, include the amount withheld in the total on line 25 and attach a copy of the Form 1099 to your return.

If you do not have a Form W-2, see "Attachments to your return" on page 8.

Line 26 – 2002 California Estimated Tax and Payment with form FTB 3519

Enter the total of any:

- California estimated tax payments you made using 2002 Form 540-ES;
- Overpayment from your 2001 California income tax return applied to your 2002 estimated tax; and
- Payment you sent with form FTB 3519, Payment Voucher for Automatic Extension for Individuals.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you may claim all of the amount paid, or you may each claim part of it. Attach a statement, signed by you and your spouse, explaining how you want your payments divided. Be sure to show both social security numbers on your separate returns. If you or your spouse made separate estimated tax payments, but you are now filing a joint income tax return, add the amounts you each paid. Attach a statement to the front of Form 540A explaining that payments have been made under both social security numbers.

Line 27 – Excess California SDI (or VPDI) Withheld

If California State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) was withheld from your wages by a single employer at more than .9% of your gross wages, you may not claim excess SDI (or VPDI) on your Form 540A. Contact the employer for a refund.

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

- You had **two or more** employers during 2002;
- You received more than $46,327 in wages; and
- The amounts of SDI (or VPDI) withheld appear on your Forms W-2. Be sure to attach your Forms W-2 to your Form 540A.

Complete the Excess SDI (or VPDI) Worksheet below to figure the amount to enter on line 27.

Excess SDI (or VPDI) Worksheet

Follow the instructions below to figure the amount to enter on Form 540A, line 27. If you are married and file a joint return, you must figure the amount of excess SDI (or VPDI) separately for each spouse.

		You	Your Spouse
1. Add amounts of SDI (or VPDI) withheld shown on your Forms W-2. Enter the total here	1		
2. 2002 SDI (or VPDI) limit	2	$416.94	$416.94
3. Excess SDI (or VPDI) withheld. Subtract line 2 from line 1. Enter the result here and on Form 540A, line 27.	3		

Note: If zero or less, enter -0- on line 27.

Line 28 through line 31 – Child and Dependent Care Expenses Credit

You may be able to 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 if physically or mentally incapable of caring for him or herself. To claim this credit, your adjusted gross income must be less than $100,000. You must complete and attach form FTB 3506, Child and Dependent Care Expenses Credit, included in this booklet.

Line 28 and Line 29

Enter the qualifying person's social security number. Do not enter more than one qualifying persons' social security number on line 28 or line 29 from form FTB 3506, Part III. If you have more than two qualifying persons, see instructions for form FTB 3506, Part III, line 2.

Line 30

Enter the credit allowed from form FTB 3506, Part III, line 8 (do not round this amount).

Line 31

Enter the credit allowed from form FTB 3506, Part III, line 12 (do not round this amount).

Note: If you received a refund for 2001, 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 withholdings or estimated tax payments.

Line 33 – Overpaid Tax

If the amount on line 32 is more than the amount on line 24, your payments and credits are more than your tax. Subtract the amount on line 24 from the amount on line 32. Enter the result on line 33. This is the amount of your overpaid tax. If the amount on line 32 is less than the amount on line 24, go to line 36.

Line 34 – Amount You Want Applied To Your 2003 Estimated Tax

If you pay estimated tax, you may apply all or part of the amount on line 33 to your 2003 estimated tax. Enter on line 34 the amount of line 33 you want applied to your 2003 estimated tax.

Line 35 – Overpaid Tax Available This Year

If you entered an amount on line 34, subtract that amount from line 33. Enter the result on line 35. You may choose to have this entire amount refunded to you or you may make contributions to the California Seniors Special Fund or make voluntary contributions from this amount. If you choose to make contributions, skip line 36 and go to Step 7.

Line 36 – Tax Due

If the amount on line 32 is less than the amount on line 24, your tax is more than your payments and credits. Subtract the amount on line 32 from the amount on line 24. Enter the result on line 36. This is the amount of your tax due.

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 36 is $200 ($100 if married filing separately) or more; and
- California income tax withheld on line 25 is less than 90% of the amount of your total tax on line 24.

If you owe a penalty, the Franchise Tax Board will figure the penalty and send you a bill.

Step 7 — Contributions

You may make contributions to the funds listed on Form 540A, Side 2, Step 7. See page 23 for a description of the funds.

Line 37 – Total Contributions

Enter the amount of your total contributions on line 37. If you did not make any contributions, do not enter an amount on line 37. If you show an amount on line 35, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 36, you must add the amount you contribute to your tax due.

Step 8 — Refund or Amount You Owe and Direct Deposit (Refund Only)

Line 38 – Refund Or No Amount Due

If you did not enter an amount on line 37, enter the amount from line 35 on line 38. This is the amount that will be refunded to you. If the amount is less than $1, attach a written request to your Form 540A to receive the refund.

If you entered an amount on line 37, subtract that amount from the amount on line 35. If the result is zero or more, enter the result on line 38.

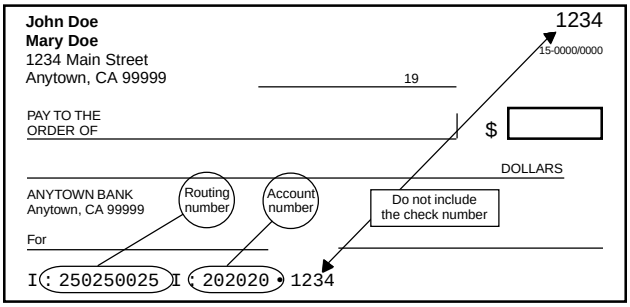
Direct Deposit of Refund

Direct deposit is fast, safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Form 540A, Side 2, Step 8. Please be sure to fill in all three boxes. **Do not** attach a voided check or deposit slip. See the illustration on the next page.

The illustration on page 14 shows which bank numbers to transfer to the preprinted boxes on Form 540A, Side 2, Step 8 or Form 540, Side 2, Step 13.

Do not use a deposit slip to find the bank numbers. Contact your financial institution for assistance in getting the correct routing number.

The Franchise Tax Board is not responsible when a financial institution rejects a direct deposit. If the bank or financial institution rejects the direct deposit due to an error in the routing number, the Franchise Tax Board will issue a paper check.



If an amount was entered on line 37, and when subtracted from the amount on line 35 the result is less than zero, your contributions are more than your overpaid tax available on line 35. In this case, do not enter an amount on line 38. Instead, subtract the amount on line 35 from the amount on line 37. Enter the result on line 39 and see the instructions for line 39.

Line 39 – Amount You Owe

If you did not enter an amount on line 37, enter the amount from line 36 on line 39. This is the amount you owe with your Form 540A.

If you entered an amount on line 37, add that amount to the amount on line 36. Enter the result on line 39. This is the amount you owe with your Form 540A.

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

Do not combine your 2002 tax payment and any 2003 estimated tax payment in the same check. You must prepare two separate checks and mail each in a separate envelope.

Paying by Check or Money Order – See page 8, Helpful Hints, "Attachments to Your Return." Write your social security number and 2002 tax year on your payment. Make your check or money order payable to the Franchise Tax Board.

Other Payment Options

- **Electronic Funds Withdrawal** – Instead of paying by check you can use this convenient option if you e-file. Simply provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.
- **Credit Card** – You may use your Discover/NOVUS, Mastercard, Visa or American Express card to pay your tax. If you pay by credit card, do not mail form FTB 3519 to us. Call (800) 272-9829 or visit our website at **www.officialpayments.com**, and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.

Paying by 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 (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 = $753.56 Convenience Fee = $18.84

When will my payments be effective?
Your payment is effective on the date you charge it.

What if I change my mind?
If you pay your tax liability by credit card and later reverse the credit card transaction, you may be subject to penalties, interest, and other fees imposed by the Franchise Tax Board for nonpayment or late payment of your tax liability.

How do I use my credit card to pay my income tax bill?
Once you have determined the type of payment and how much you owe, you should have the following information ready:

- Your Discover/Novus, Mastercard, Visa, or American Express card
- Credit card number
- Expiration date
- Amount you are paying
- Your and your spouses' SSN
- First 4 letters of your and your spouses' last name
- Tax 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 (**www.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. will tell you the convenience fee before you complete your transaction. You can decide whether to complete the transaction at that time.

Payment Date : _____

Confirmation Number: _____

If you cannot pay the full amount shown on line 39 with your return, you may request monthly payments.

Line 40 – Underpayment of Estimated Tax

You may owe a penalty if:

- Line 36 is $200 ($100 if married filing separately) or more and more than 20% of the tax shown on line 24; or
- You underpaid your 2002 estimated tax liability for any payment period. The Franchise Tax Board can figure the penalty for you when you file your return and send you a bill. Or you can get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries, to see if you owe a penalty and to figure the amount. If you complete form FTB 5805, enter the amount of the penalty on line 40 and fill in the circle on line 40. You must complete and attach form FTB 5805 if you claim a waiver of the penalty or use the annualized income installment method.

Note: Do not reduce the amount on line 33 or increase the amount on line 36 by any penalty or interest amounts.

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

Line 41 – 2003 Tax Forms

If your Form 540A is prepared by someone else or if you do not need tax forms mailed to you next year, fill in the circle on line 41.

Step 9 — Sign Your Return

You must sign your return in the space provided on Side 2. If you file a joint return, your spouse must sign it also. See page 8 "Helpful Hints" for information on verifying and checking information on your return, attachments to your return, and assembling and mailing your return.

Joint Return. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. See "Innocent Spouse Relief" on page 60.

Mailing Your Return

Mail your return in the envelope provided in this booklet. If your return shows **a refund or no amount due**, be sure to attach the green label to the front of the envelope. If your return has an **amount you owe**, be sure to attach the white label to the front of the envelope.

If you have misplaced your envelope, see page 8, "Mailing your return" for the correct address.

Instructions for Form 540 — California Resident Income Tax Return

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

Before You Begin

You must complete your federal income tax return (Form 1040, 1040A, 1040EZ, or federal TeleFile Tax Record) before you begin your California Form 540. You will use information from your federal income tax return to complete your Form 540. Be sure to complete and mail Form 540 by April 15, 2003. If you cannot mail your return by the due date, see page 2.

✓Tip You may qualify for the federal earned income credit. See page 2 for more information. There is no comparable state credit.

Step 1 — Name and Address

If there is a label on the front of your booklet, attach the label to your completed return. Make sure that the information on your label is correct. Cross out any errors and print the correct information.

If there is no label, print your first name(s), middle initial(s), and last name(s) and address in the spaces provided at the top of Form 540. See page 8, Helpful Hints, "Filling in your return."

If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

Principal Business Activity Code

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

Step 1a — Social Security Number(s)

Enter your social security number(s) in the spaces provided. To protect your privacy, your social security number(s) are not printed on your label. If you file a joint return, enter the social security numbers in the same order as the names.

Note: If you do not have a social security number because you are a nonresident or resident alien for federal tax purposes, and the IRS issued you an Individual Taxpayer Identification Number (ITIN), enter the ITIN in the spaces for the social security number.

Step 2 — Filing Status

Fill in only one of the circles for line 1 through line 5. Be sure to enter the required additional information if you filled in the circle for line 3 or line 5.

You must use the same filing status for California that you used for your federal income tax return.

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

- An active member of the United States armed forces or any auxiliary military branch during 2002, or
- A nonresident for the entire year and had no income from California sources during 2002.

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

Note: If you filed a joint return and either you or your spouse was a nonresident for 2002, you must file the Long or Short Form 540NR, California Nonresident or Part-year Resident Income Tax Return.

You Are Married and File a Separate Return: Enter your spouse's full name on line 3 and social security number in the space provided in "Step 1a."

Note: Community property rules apply to the division of income if you use the married filing separately status. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status and FTB Pub. 1051A, Guidelines for Married Filing Separate Returns. See "Order Forms and Publications" on page 68.

Head of Household

This filing status is for unmarried individuals who provide a home for a qualifying relative. Before you select this filing status, see the requirements and self-test for head of household beginning on page 24.

✓Tip **e-file and you can close this book now!** The software you use to e-file will help you find out if you qualify to claim the head of household filing status. Most software also provides a questionnaire, 4803e, which will help verify your eligibility to the FTB. See **www.ftb.ca.gov**

Step 3 — Exemptions

Line 6 – Can be Claimed as a Dependent

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

Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

No Follow the instructions on Form 540, line 7.

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

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

Line 8 – Blind Exemptions

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

Caution: 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, 2002*, you should claim an additional exemption credit on line 9. If you are married, each spouse 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 23 for information about these funds.

*If your 65th birthday is on January 1, 2003, you are considered to be age 65 on December 31, 2002.

Caution: 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 additional space is needed, attach a schedule. The persons you list as dependents must be the same persons you listed as dependents on your federal income tax return. Multiply the number you entered by the pre-printed dollar amount and enter the result.

Line 11 – Enter the total dollar amount of all exemptions, personal and dependent.

Step 4 — Taxable Income

Refer to your completed federal income tax return to complete "Step 4."

Line 12 – State Wages

204

Enter the total amount of your state wages from all states from each of your Form(s) W-2. This amount should be on Form W-2, box 16.

If you received wages and do not have a Form W-2, see "Attachments to your return" on page 8.

Line 14 – California Adjustments — Subtractions (from Schedule CA (540), line 35, column B)

If there are differences between your federal and California income or deductions, you must complete Schedule CA (540), California Adjustments — Residents. Follow the instructions for Schedule CA (540) beginning on page 38. Enter on this line the amount from Schedule CA (540), line 35, column B. If a negative amount, see Schedule CA (540), line 35 instructions, page 48.

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 result in parentheses. For example: "(12,325)."

Line 16 – California Adjustments — Additions (from Schedule CA (540), line 35, column C)

If there are differences between your federal and California income or deductions, you must complete Schedule CA (540), California Adjustments — Residents. Follow the instructions for Schedule CA (540) beginning on page 38. Enter on this line the amount from Schedule CA (540), line 35, column C. If a negative amount, see Schedule CA (540), line 35 instructions, page 48.

Line 18 – California Itemized Deductions or California Standard Deduction

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

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

If you are married and file a separate return, you and your spouse must either both itemize your deductions or both take the standard deduction.

Itemized deductions. Figure your California itemized deductions by completing Schedule CA (540), Part II, line 36 through line 41. Enter the result on Form 540, line 18.

Note: If you did not itemize deductions on your federal income tax return but will itemize deductions for your California Form 540, first complete a federal Schedule A, Itemized Deductions. Then complete Schedule CA (540), Part II, line 36 through line 41.

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

California Standard Deduction Chart for Most People

Do not use this chart if your parent, or someone else, can claim you (or your spouse, if married) as a dependent on his or her tax return.

Your Filing Status	Enter On Line 18
1 – Single	$3,004
2 – Married filing jointly	$6,008
3 – Married filing separately	$3,004
4 – Head of household	$6,008
5 – Qualifying widow(er)	$6,008

Note: 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 if married) as a dependent on his or her tax return.

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. If you used federal TeleFile, add $250 to the total of your wages from all Form(s) W-2, box 1 and enter the result here . . . . . 1 _____
2. Minimum standard deduction 2 $750.00
3. Enter the **larger** of line 1 or line 2 here . . . . . 3 _____
4. Enter the amount shown for your filing status:
   - Single or married filing separately, enter $3,004
   - Married filing jointly, head of household, or qualifying widow(er), enter $6,008

   . . . . 4 _____
5. **Standard deduction.** Enter the **smaller** of line 3 or line 4 here and on Form 540, line 18 . . 5 _____

Step 5 — Tax

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

Line 20 – Tax

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

- **Tax Table.** If your taxable income on line 19 is $100,000 or less, you must use the tax table beginning on page 61. Be sure you use the correct filing status column in the tax table.
- **Tax Rate Schedules.** If your taxable income on line 19 is over $100,000, you must use the tax rate schedules on page 66.
- **FTB 3800.** Generally, you must use form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate Form 540 for your child who was under age 14 on January 1, 2003, and who had more than $1,500 of investment income. Attach form FTB 3800 to the child's Form 540.
- **FTB 3803.** If, as a parent, you elect to report your child's interest and dividend income of $7,500 or less (but not less than $750) on your return, complete form FTB 3803, Parents' Election to Report Child's Interest and Dividends. You must file a separate form FTB 3803 for each child whose income you elect to include on your Form 540. Add the amount of tax, if any, from each form FTB 3803, line 9, to the amount of your tax from the tax table or tax rate schedules and enter the result on Form 540, line 20. Attach form(s) FTB 3803 to your return.

Line 21 – 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 shown below for your filing status, your credits will be limited.

If your filing status is:	Is Form 540, line 13 more than:
Single or married filing separately	$132,793
Married filing jointly or qualifying widow(er)	$265,589
Head of household	$199,192

Yes Complete the AGI Limitation Worksheet on the next page.

No Follow the instructions on Form 540, line 21.

AGI Limitation Worksheet

a	Enter the amount from Form 540, line 13	**a**	_____
b	Enter the amount for your filing status on line b: Single or married filing separately . . . . . $132,793 Married filing jointly or qualifying widow(er) . . . . . $265,589 Head of household $199,192	**b**	_____
c	Subtract line b from line a	**c**	_____
d	Divide line c by $2,500 ($1,250 if married filinG separately). **Note:** If the result is not a whole number, round it to the next higher whole number	**d**	_____
e	Multiply line d by $6	**e**	_____
f	Add the numbers from the boxe**s** on Form 540, line 7, line 8, and line 9 (not dollar amounts)	**f**	_____
g	Multiply line e by line f	**g**	_____
h	Enter the total dollar amount for line 7, line 8 and line 9	**h**	_____
i	Subtract line g from line h. If zero or less, enter -0-	**i**	_____
j	Enter the number from the box on Form 540, line 10 (not the dollar amount)	**j**	_____
k	Multiply line e by line j	**k**	_____
l	Enter the dollar amount (that you filled in) from Form 540, line 10	**l**	_____
m	Subtract line k from line l. If zero or less, enter -0-	**m**	_____
n	Add line i and line m. Enter the result here and on Form 540, line 21	**n**	_____

Line 23 – Tax from Schedule G-1 and form FTB 5870A

Fill in the circle for and enter the amount of taxes from:

- Schedule G-1, Tax on Lump-Sum Distributions; and
- Form FTB 5870A, Tax on Accumulation Distribution of Trusts.

Step 6 — 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 special credits, you must complete a separate form or schedule and attach it to your Form 540. The Credit Chart on the page 22 describes the credits and provides the name, credit code, and number of the required form or schedule. Many credits are limited to a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by tentative minimum tax (TMT). Answer the following questions before you claim credits on your tax return.

1. Do you qualify to claim the nonrefundable renter's credit? Complete the qualification record on page 56.
   Check ☐ **Yes** or ☐ **No,** then go to Question 2.
2. Are you claiming any other special credit listed on the Credit Chart on page 22?

No If you checked "Yes" for Question 1 and entered an amount on Form 540, line 31, go to line 33. If you checked "No" for Question 1, skip to the instructions for line 34.

Yes Figure your credit using the form, schedule, worksheet, or certificate identified in the Credit Chart. Then go to Box A to see if the total amount you may claim for all credits is limited by TMT. If you checked "Yes" for Question 1, be sure that you entered your nonrefundable renter's credit on line 31.

Box A – Did you complete federal Schedule C, D, E, or F **and** claim or receive any of the following:

- 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); or
- Excluded gain on the sale of qualified small business stock

Yes You must complete Schedule P (540). See "Order Forms and Publications" on page 68.
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; or
  Note: Net operating losses are suspended for two years 2002-2003.

Yes You must complete Schedule P (540). See "Order Forms and Publications" on page 68.
No Go to Box C.

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

Single or head of household	$183,132
Married filing jointly or qualifying widow(er)	$244,176
Married filing separately	$122,087

Yes You must complete Schedule P (540). See "Order Forms and Publications" on page 68.
No Your credits are not limited. Go to the instructions for Form 540, line 28.

Line 28 through Line 30 – Additional Special Credits

Each credit has a code number. To claim only one or two credits, enter the credit name, code number, and amount of the credit on line 28 and line 29. To claim more than two credits, use Schedule P (540). See "Order Forms and Publications" on page 68. List two of the credits on line 28 and line 29. Enter the total of any remaining credits from Schedule P (540) on line 30.

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

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

Credit for Joint Custody Head of Household — Code 170

Note: You may not claim this credit if you used either the head of household or qualifying widow(er) filing status.

You may claim a credit if you were unmarried at the end of 2002 (or if married, you lived apart from your spouse for all of 2002 and you used the married filing separately filing status); and if you furnished more than one-half the household expenses for your home that also served as the main home of your child, step-child, or grandchild for at least 146 days but not more than 219 days of the taxable year. If the child is married, you must be entitled to claim a dependent exemption credit for the child.

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

Use the worksheet below to figure the joint custody head of household credit.

1. Enter the amount from Form 540, line 24 . . . . . 1 _____
2. Enter the form FTB 5870A tax, if any, included on Form 540, line 23 . . . . . 2 _____
3. Subtract line 2 from line 1 . . . . . 3 _____
4. Credit percentage — 30% . . . . . 4 x .30
5. Credit amount. Multiply line 3 by line 4. Enter the result or $320, whichever is less . . . . . 5 _____

Credit for Dependent Parent — Code 173

Note: You may not claim the credit for dependent parent if you used the single, head of household, qualifying widow(er) or married filing jointly filing status.

You may claim this credit only if:

- You were married at the end of 2002 and you used the married filing separately filing status;
- Your spouse was not a member of your household during the last six months of the year; and
- You furnished over one-half the household expenses for your dependent mother's or father's home, whether or not she or he lived in your home.

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

Credit for Senior Head of Household — Code 163

You may claim this credit if you:

- Were 65 years of age or older on December 31, 2002*;
- Qualified as a head of household in 2000 or 2001 by providing a household for a qualifying individual who died during 2000 or 2001; and
- Did not have adjusted gross income over $51,941 for 2002.

*If your 65th birthday is on January 1, 2003, you are considered to be age 65 on December 31, 2002.

Note: If you meet all the conditions listed above, you do not need to qualify to use the head of household filing status for 2002 in order to claim this credit.

Use this worksheet to figure this credit.

1. Enter the amount from Form 540, line 19 . . . . . 1_____
2. Credit percentage — 2% . . . . . 2 x .02
3. Credit amount. Multiply line 1 by line 2. Enter the result or $979, whichever is less . . . . . 3_____

Credit for Child Adoption Costs — Code 197

For the year in which an order of adoption is entered, you may claim a credit for 50% of the cost of adopting a child who is a citizen or legal resident of the United States and who was in the custody of a California public agency or a California political subdivision. You may include the following costs if directly related to the adoption process:

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

Note: Any deduction for the expenses used to claim this credit must be reduced by the amount of the child adoption costs credit claimed.

Use the worksheet below to figure this credit. 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 2002. You may carry over the excess credit to future years until the credit is used.

Line 31 – Nonrefundable renter's credit

Go to the instructions for "Step 6" on page 58.

Line 34 – Subtract the amount on line 33 from the amount on line 25. Enter the result on line 34. If the amount on line 33 is more than the amount on line 25, 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 34. 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 34.

Step 7 — Other Taxes

Attach the specific form or statement required for each entry in this step.

Line 35 – 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: $65,114 if married filing jointly or qualifying widow(er); $48,836 if single or head of household; or $32,556 if married filing separately.

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

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

Get Schedule P (540) for more information. See "Order Forms and Publications" on page 68.

Line 36 – Other Taxes and Credit Recapture

If you used form(s) FTB 3501, Employer Child Care Program/Contribution Credit; FTB 3535, Manufacturers' Investment Credit; FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts; FTB 3805Z, Enterprise Zone Deduction and Credit Summary; FTB 3806, Los Angeles Revitalization Zone (LARZ) Deduction and Credit Summary; FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary; FTB 3808, Manufacturing Enhancement Area Credit Summary; or FTB 3809, Targeted Tax Area Deduction and Credit Summary; include the additional tax, if any, on line 36. Write the form number on the dotted line to the left of the amount on line 36.

Step 8 — Payments

Make sure you have your Form(s) W-2, W-2G, 1099-MISC, and 1099-R, and any other Form(s) 1099 showing California income tax withheld.

Line 38 – California Income Tax Withheld

Enter the total California income tax withheld from your:

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

Note: The Franchise Tax Board (FTB) verifies all withholding claimed from a Form W-2, W-2G, 1099-MISC or 1099-R with the Employment Development Department.

Caution: Do not include city or county tax withheld or tax withheld by other states.

If you also received Form(s) 1099 showing California income tax withheld ("backup withholding") on dividends and interest income, real estate sales, and partnership distributions, include the amount(s) withheld in the total on line 38 and attach a copy of Form(s) 1099 to your return.

Line 39 – 2002 CA Estimated Tax

Enter the total of any:

- California estimated tax payments you made using 2002 Form 540-ES;
- Overpayment from your 2001 California income tax return that you applied to your 2002 estimated tax;
- Payment you sent with form FTB 3519, Payment Voucher for Automatic Extension for Individuals; and
- California estimated tax payments made on your behalf by an estate, trust, or S Corporation on Schedule K-1 (541), Schedule K-1 (100S), or attach a copy of form FTB 3833 (Application for Transfer of S Corporation Overpayments to Shareholders.)

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you may claim all of the amount paid or you may each claim a part of it. Attach a statement, signed by you and your spouse, explaining how you want your payments divided. Show both social security numbers on your separate returns. If you or your spouse made separate estimated tax payments, but are now filing a joint income tax return, add the amounts you each paid. Attach a statement to the front of Form 540 explaining that payments were made under both social security numbers.

Line 41 – Excess California SDI (or VPDI) Withheld

If California State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) was withheld from your wages by a single employer, at more than 0.9% of your gross wages, you may not claim excess SDI (or VPDI) on your Form 540. Contact the employer for a refund.

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

- You had **two or more** employers during 2002;
- You received more than $46,327 in wages; and
- The amounts of SDI (or VPDI) withheld appear on your Forms W-2. Be sure to attach your Forms W-2 to your Form 540.

Follow the instructions below to figure the amount to enter on line 41.

Excess SDI (or VPDI) Worksheet

Follow the instructions below to figure the amount of income tax to enter on Form 540, line 41. If you are married and file a joint return, you must figure the amount of excess SDI (or VPDI) separately for each spouse.

		You	Your Spouse
1. Add amounts of SDI (or VPDI) withheld shown on your Forms W-2. Enter the total here	1		
2. 2002 SDI (or VPDI) limit	2	$416.94	$416.94
3. Excess SDI (or VPDI) withheld. Subtract line 2 from line 1. Enter the result here and enter on Form 540, line 41	3		

Note: If zero or less, enter -0- on line 41.

Line 42 through line 45 – Child and Dependent Care Expenses Credit

You may be able to 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 if physically or mentally incapable of caring for him or herself. To claim this credit, your adjusted gross income must be less than or equal to $100,000 and you must complete and attach form FTB 3506, Child and Dependent Care Expenses Credit, included in this booklet. Refer to Pub. 1025.

Line 42 and Line 43

Enter the qualifying person's social security number. Do not enter more than one qualifying person's social security number on line 42 or line 43 from form FTB 3506, Part III, line 2. If you have more than two qualifying persons, see the instructions for form FTB 3506, Part III, line 2.

Line 44

Enter the credit allowed from form FTB 3506, Part III, line 8 (do not round this amount).

Line 45

Enter the credit allowed from form FTB 3506, Part III, line 12 (do not round this amount).

Note: If you received a refund for 2001, 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 withholdings or estimated tax payments.

Step 9 — Overpaid Tax or Tax Due

To avoid a delay in the processing of your return, be sure you enter the correct amounts on line 47 through line 50.

Line 47 – Overpaid Tax

If the amount on line 46 is more than the amount on line 37, your payments and credits are more than your tax. Subtract the amount on line 37 from the amount on line 46. Enter the result on line 47.

Line 48 – Amount You Want Applied to Your 2003 Estimated Tax

You may apply all or part of the amount on line 47 to your estimated tax for 2003. Enter on line 48 the amount of line 47 that you want applied to 2003.

Line 49 – Overpaid Tax Available This Year

If you entered an amount on line 48, subtract it from the amount on line 47. Enter the result on line 49. You may choose to have this entire amount refunded to you or you may make contributions to the California Seniors Special Fund or make other voluntary contributions from this amount. If you make a contribution, skip line 50 and go to Step 10.

Line 50 – Tax Due

If the amount on line 46 is less than the amount on line 37, subtract the amount on line 46 from the amount on line 37. Enter the result on line 50. 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 50 is $200 or more ($100 or more if married filing separately); and
- The amount of state income tax withheld on line 38 is less than 90% of the amount of your total tax on line 37.

If you owe a penalty, the Franchise Tax Board will figure the penalty and send you a bill.

Step 10 — Contributions

You may make contributions to the funds listed on Form 540, Side 2, Step 10. See page 23 for a description of the funds.

Step 11 — Refund or Amount You Owe

Be sure to add or subtract correctly to figure the amount of your refund or the amount you owe.

Line 65 – Refund or No Amount Due

If you did not enter an amount on line 64, enter the amount from line 49 on line 65. This is the amount that will be refunded to you. If it is less than $1, you must attach a written statement to your Form 540 requesting the refund.

If you entered an amount on line 64, subtract the amount on line 64 from the amount on line 49. If the result is zero or more, enter it on line 65.

To have your refund directly deposited into your bank account, fill in the account information on the tax return. See the illustration on page 14 for the correct numbers to transfer to your return.

If the result is less than zero, your contributions are more than your overpaid tax available on line 49. In this case, do not enter an amount on line 65. Instead, subtract the amount on line 49 from the amount on line 64. Enter the result on line 66 and see the instructions for line 66.

Want a fast refund? Get your refund in 10 days or less when you e-file your return. Visit our Website at **www.ftb.ca.gov** for more information.

Line 66 – Amount You Owe

If you did not enter an amount on line 64, enter the amount from line 50 on line 66. This is the amount you owe with your Form 540, before interest and penalties.

If you entered an amount on line 64, add that amount to the amount on line 50. Enter the result on line 66. This is the amount you owe with your Form 540, before interest and penalties.

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

Do not combine your 2002 tax payment and any 2003 estimated tax payment in the same check. Prepare two separate checks and mail each in a separate envelope.

Paying by Check or Money Order – See page 8, Helpful Hints, "Attachments to your return."

Other Payment Options

- **Electronic Funds Withdrawal** – Instead of paying by check you can use this convenient option if you e-file. Simply provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.
- **Credit Card** – You many use your Discover/NOVUS, Mastercard, Visa, or American Express card to pay your tax. If you pay by credit card, do not mail form FTB 3519 to us. Call (800) 272-9829 or visit our Website at **www.officialpayments.com**, and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.

Paying by 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 (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 = $753.56 Convenience Fee = $18.84

When will my payments be effective?
Your payment is effective on the date you charge it.

What if I change my mind?
If you pay your tax liability by credit card and later reverse the credit card transaction, you may be subject to penalties, interest, and other fees imposed by the Franchise Tax Board for nonpayment or late payment of your tax liability.

How do I use my credit card to pay my income tax bill?
Once you have determined the type of payment and how much you owe, you should have the following information ready:

- Your Discover/Novus, Mastercard, Visa, or American Express card
- Credit card number
- Expiration date
- Amount you are paying
- Your and your spouses' SSN
- First 4 letters of your and your spouses' last name
- Tax 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 (**www.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. will tell you the convenience fee before you complete your transaction. You can decide whether to complete the transaction at that time.

Payment Date : _____

Confirmation Number: _____

If you cannot pay the full amount shown on line 69 with your return, you may request approval to make monthly payments.

Step 12 — Interest and Penalties

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

Note: Do not reduce the amount on line 47 or increase the amount on line 50 by any penalty or interest amounts. Enter on line 67 the amount of interest and penalties.

Line 67 – 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.

Late Filing of Return. The maximum total penalty is 25% of the tax not paid if the return is filed after October 15, 2003. The minimum penalty for filing a return more than 60 days late is $100 or 100% of the balance due, whichever is less.

Late Payment of Tax. 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. There are also other penalties that can be imposed for a check returned for insufficient funds, negligence, substantial understatement of tax and fraud.

Line 68 – Underpayment of Estimated Tax

If line 50 is $200 ($100 if married filing separately) or more **and** more than 20% of the tax shown on line 34 (excluding the tax on lump-sum distributions on line 23), **or** you underpaid your 2002 estimated tax liability for any payment period, you may owe a penalty. The Franchise Tax Board can figure the penalty for you when you file your return and send you a bill. Or to see if you owe a penalty and to figure the amount of the penalty, get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries (or form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen). If you complete one of these forms, be sure to attach it to the front of your Form 540 on top of any check, money order, Form(s) W-2, Form(s) 1099, or special documentation. Enter the amount of the penalty on line 68 and fill in the correct circle on line 68. You must complete and attach the form if you claim a waiver, use the annualized income installment method, or pay tax according to the schedule for farmers and fishermen, even if you do not owe a penalty.

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

See the instructions for line 69 for information about figuring your payment, if any.

Line 69 – Total Amount Due

Is there an amount on line 66?

Yes Add line 66, line 67, and line 68. Enter the result and make your check or money order for this amount.

No Go to the next question.

Is there an amount on line 65?

Yes Add line 67 and line 68. If the result is:

- Less than line 65, your refund will be reduced by this amount when your return is processed. Do not enter an amount on line 69.
- More than line 65, subtract line 65 from the sum of line 67 and line 68 and enter the result. Make your check or money order for this amount.

No Add line 67 and line 68 and enter the result.

Line 70 – 2003 Tax Forms

If your Form 540 is prepared by someone else, or if you do not need forms mailed to you next year, fill in the circle on line 70.

Step 13 — Direct Deposit (Refund Only)

It's fast, safe, and convenient to have your refund directly deposited into your bank account. For further information, see page 13, Step 8.

Direct Deposit of Refund

Direct deposit is fast, safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Form 540, Side 2, Step 13. Please be sure to fill all three boxes. **Do not** attach a voided check or deposit slip. See the illustration on page 14.

The illustration on page 14 shows which bank numbers to transfer to the preprinted boxes on Form 540, Side 2, Step 13.

Do not use a deposit slip to find the bank numbers. Contact your financial institution for assistance in getting the correct routing number.

The Franchise Tax Board is not responsible when a financial institution rejects a direct deposit. If the bank or financial institution rejects the direct deposit due to an error in the routing number, the Franchise Tax Board will issue a paper check.

Sign Your Return

You must sign your return in the space provided on Side 2. If you file a joint return, your spouse must sign it also. See page 8 "Helpful Hints," for more information on verifying and checking information on your return, attachments to your return, and assembling and mailing your return.

Joint Return. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. See "Innocent Spouse Relief," on page 60.

For information about Power of Attorney, visit our Website at: **www.ftb.ca.gov**

CREDIT CHART

Credit Name	Code	Description
Child Adoption – Worksheet on page 18	197	50% of qualified costs in the year an adoption is ordered
Child and Dependent Care Expenses – FTB 3506 See the instructions on page 55	None	Similiar to the federal credit except that the California credit amount is based on a specified percentage of the federal credit and is refundable
Community Development Financial Institution Deposits – Certification Required	209	20% of each qualified deposit made to a community development financial institution Obtain certification from: California Organized Investment Network (COIN), Department of Insurance, 300 Capitol Mall, Suite 1460, Sacramento CA 95814
Dependent Parent – Worksheet on page 18	173	Must use married filing separately filing status and have a dependent parent
Disabled Access for Eligible Small Businesses – FTB 3548	205	Similar to the federal credit but limited to $125 based on 50% of qualified expenditures that do not exceed $250
Donated Agricultural Products Transportation – FTB 3547	204	50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations
Employer Child Care Contribution – FTB 3501	190	Employer: 30% of contributions to a qualified plan
Employer Child Care Program – FTB 3501	189	Employer: Cost of establishing a child care program or constructing a child care facility
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California
Enterprise Zone Employee – FTB 3553	169	5% of wages from work in an enterprise zone
Enterprise Zone Hiring & Sales or Use Tax – FTB 3805Z	176	Business incentives for enterprise zone businesses
Farmworker Housing – Certification required	207	50% of new construction or rehabilitation costs for farmworker housing Obtain certification from: Farmworker Housing Assistance Program, California Tax Credit Allocation Committee, 915 Capitol Mall, Room 485, Sacramento CA 95814
Joint Custody Head of Household – Worksheet on page 18	170	30% of tax up to $320 for single or married filing separate taxpayers who have a child and meet support test
Joint Strike Fighter Wages – FTB 3534	215	50% of qualified wages paid or incurred in taxable years beginning in 2001, not to exceed $10,000 for each qualified employee, or a proportional amount for an employee who is employed by the taxpayer for only part of the taxable year
Joint Strike Fighter Property Costs – FTB 3534	216	10% of the cost of property placed in service in California for ultimate use in a joint strike fighter
Local Agency Military Base Recovery Area (LAMBRA) Hiring & Sales or Use Tax – FTB 3807	198	Business incentives for LAMBRAs
Long-Term Care – FTB 3504	214	$500 multiplied by the number of qualifying individuals
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Manufacturers' Investment – FTB 3535	199	6% of the cost of qualified property
Manufacturing Enhancement Area (MEA) Hiring – FTB 3808	211	Percentage of qualified wages paid to qualified disadvantaged individuals
Natural Heritage Preservation – FTB 3503	213	55% of the fair market value of any qualified contribution. This credit is suspended for fiscal year 7/1/02 through 6/30/03.
Nonrefundable Renter's — See page 58	None	For California residents who paid rent for their principal residence for at least 6 months in 2002 and whose AGI does not exceed a certain limit
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California
Prior Year Alternative Minimum Tax – FTB 3510	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 2002
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Rice Straw – Certification required	206	$15 per ton of purchased rice straw grown in California Obtain certification from: Rice Straw Tax Credit Program, Department of Food and Agriculture, 1220 N Street, Room 409, Sacramento, CA 95814
Senior Head of Household – Worksheet on page 18	163	2% of taxable income up to $979 for seniors who qualified for head of household in 2000 or 2001 and whose qualifying individual died during 2000 or 2001
Solar Energy System Credit – FTB 3508	217	The lesser of 15% of the cost paid or incurred for the purchase and installation of a Solar Energy System or the dollar amount per rated watt of the solar Energy System
Targeted Tax Area (TTA) Hiring & Sales or Use Tax – FTB 3809	210	Business incentives for TTA businesses
Teacher Retention Credit – FTB 3505	212	This credit is suspended for 2002.

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

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

Voluntary Contribution Fund Descriptions

You may make contributions to the California Seniors Special Fund or make other voluntary contributions of $1 or more in whole dollar amounts. The amount you contribute either reduces your overpaid tax or increases your tax due. You may contribute only to the funds listed and cannot change the amount you contributed after you file your return.

If you are using:

- Form 540A, enter the amounts you want to contribute on the line for the fund on Side 2, Step 7. Enter the total contributions on line 37.
- Form 540, enter the amounts you want to contribute on the line for the fund on Side 2, Step 10. Enter the total contributions on line 64.

Code	Fund Name and Description
◀ 51 ▶	**California Seniors Special Fund.** If you and/or your spouse 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 $160 or $80 per spouse. Contributions entered to this fund will be distributed to the Area Agency of Aging Councils (TACC) to provide advice on and sponsorship of Senior Citizens issues. Any excess contributions not required by TACC will be distributed to senior citizen service organizations throughout California for meals, adult day care, and transportation. *If your 65th birthday is on January 1, 2003, you are considered to be age 65 on December 31, 2002.
◀ 52 ▶	**Alzheimer's Disease/Related Disorders Fund.** Contributions will be used to conduct a program for researching the cause and cure of Alzheimer's disease and related disorders and research into the care and treatment of persons suffering from dementing illnesses.
◀ 53 ▶	**California Fund for Senior Citizens.** Contributions will provide support for the California Senior Legislature (CSL). The CSL are volunteers who prioritize statewide senior related legislative proposals in areas of health, housing, transportation, and community services. Any excess contributions not required by the CSL will be distributed to senior citizen service organizations throughout California.
◀ 54 ▶	**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 the enjoyment and benefit of you and future generations of Californians.
◀ 55 ▶	**State Children's Trust Fund for the Prevention of Child Abuse.** Contributions will be used to fund programs for the prevention, intervention, and treatment of child abuse and neglect.
◀ 56 ▶	**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 doctors up-to-date on research progress. For more about the research your contributions support, please see our Website: **www.ucop.edu/srphome/bcrp/**. Your contribution can help make breast cancer a disease of the past.
◀ 57 ▶	**California Firefighters' Memorial Fund.** Contributions will be used to construct a memorial on the grounds of the State Capitol honoring hundreds of firefighters who have died protecting our communities, our families and our dreams. When the alarm sounded, these brave men and women answered the call with their lives. Their sacrifices, and the sacrifices of their families, deserve to be remembered.
◀ 58 ▶	**Emergency Food Assistance Program 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.
◀ 59 ▶	**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 Officers' Memorial Foundation, has accepted the privilege and responsibility of maintaining a memorial for fallen officers on the State Capitol grounds. Each May, the Memorial Foundation conducts a dignified ceremony honoring fallen officers and their surviving families by offering moral support, crisis counseling, and financial support that includes academic scholarships for the children of those officers who have made the supreme sacrifice. On behalf of all of us and the law-abiding citizens of California, thank you for your participation.
◀ 60 ▶	**Lupus Foundation of America, California Chapters Fund.** Contributions will provide financial assistance to the California-based operating chapters of the Lupus Foundation of America. Funding will go for public education and research grants to find ways of combating and hopefully finding a cure for Lupus. Lupus itself is a chronic, autoimmune disease that causes the immune system to become hyperactive. The immune system loses its ability to distinguish between foreign substances and its own cells and tissues. The immune system directs antibodies against a lupus sufferer's own body. This causes debilitating pain, organ failure, extreme exhaustion, skin rashes, fevers, hair loss, and even death. Of the approximately 200,000 Californians who suffer from the disease, 90% of them are women.
◀ 61 ▶	**Asthma and Lung Disease Research Fund.** Contributions will support the American Lung Association of California's scientific peer-reviewed research program that provides grants to develop and advance the understanding of the causes of lung disease, the third leading cause of death. Find out more at **www.californialung.org**.

Tax Information for Head of Household Filing Status

Introduction

You may think of yourself as the head of your house, but you may not qualify for the head of household filing status under state and federal tax laws. The legal requirements for the filing status are more complicated than simply being the head of the house.

The head of household filing status provides a lower tax rate and a higher standard deduction than either single or married filing separate statuses. If you are married, the married filing joint status normally provides the lowest tax rate and highest standard deduction. If you use the head of household filing status and are not qualified to do so, you may be subject to additional tax, interest, and any penalties that may apply. By using the appropriate self-test provided in this publication, you will know if you qualify.

To find out if you qualify, read the General Rules in the next column, then read the Self-Test Instructions on this page.

Also, included on the back cover are some questions and answers about whether taxpayers in certain situations can qualify for the head of household filing status.

General Rules

Important: As you read the General Rules and the Self-Test, you will see that we have underlined certain terms. For each underlined term, there is a **definition** in the section following the Self-Test. Even if you know the meaning of a term, you should read the **legal definition** as it applies to the head of household filing status.

You are entitled to the head of household filing status only if **ALL** the following apply:

- You were unmarried or considered unmarried on the last day of the year, and
- You paid more than one-half the costs of keeping up your home for the year, and
- Your home was the main home for you and another person who lived with you for more than half the year, and

  Note: If you, your spouse, or your qualifying person who lived with you was absent from your home during the year, see temporary absence. Also, see Parent (Father or Mother).
- The other person was your qualifying relative, and
- You were not a nonresident alien at any time during the year.

If any of the following applied, please refer to the definitions beginning on page 25.

- Annulment
- Death/birth
- Joint custody
- Multiple support agreement
- Parent (Father or Mother)
- Widow or Widower

Please note that if you use the head of household filing status on your federal tax return, you must also use it on your California tax return. However, if you incorrectly claimed the head of household filing status on your federal tax return, you should amend your federal return to claim your correct filing status. You should then file your California tax return using your correct filing status.

Self-Test Instructions

Complete the self-test to see if you qualify to use the head of household filing status. Although there are three self-tests, only one will apply to you.

- Complete Self-Test 1, below, if you were **single and had never been married** as of the last day of the year.
- Complete Self-Test 2 if you were **married as of the last day of the year**.
- Complete Self-Test 3 if you were **divorced or legally separated as of the last day of the year**.

Terms that are underlined are defined beginning on page 25 of this publication.

Self-Test 1 —

If you were SINGLE and had never been married as of the last day of the year, answer the questions below to see if you qualify.

1. Did your child (other than your foster child), grandchild, or adopted child live with you for more than half the year?
   ☐ Yes. Go to question 8.
   ☐ No. Go to question 2.
2. Did you have a dependent foster child living with you for the entire year?
   ☐ Yes. Go to question 3.
   ☐ No. Go to question 4.
3. Did the child's parent live with you and the child during the year?
   ☐ Yes. Go to question 4.
   ☐ No. Go to question 8.
4. Other than your child, grandchild, or dependent foster child, did you have a qualifying relative who was your dependent?
   ☐ Yes. Go to question 5.
   ☐ No. STOP; you do not qualify.
5. Was this person your parent (father or mother)?
   ☐ Yes. Go to question 6.
   ☐ No. Go to question 7.
6. Was your dependent parent a citizen or national of the U.S. or a resident of the U.S., Canada, or Mexico?
   ☐ Yes. Go to question 8.
   ☐ No. STOP; you do not qualify.
7. Did your qualifying relative live with you for more than half the year?
   ☐ Yes. Go to question 8.
   ☐ No. STOP; you do not qualify.
8. Did you pay more than half the cost of keeping up your home or the home of your dependent parent (father or mother) during the year?
   ☐ Yes. Go to question 9.
   ☐ No. STOP; you do not qualify.
9. Did your qualifying relative file a joint return with his or her spouse? (For an exception to this rule, see the Joint Return Test in the Definitions section under Dependent.)
   ☐ Yes. STOP; you do not qualify.
   ☐ No. You qualify to use the head of household filing status.

Self-Test 2 —

If you were MARRIED as of the last day of the year, answer the questions below to see if you qualify.

1. Are you filing a tax return separate from your spouse?
   ☐ Yes. Go to question 2.
   ☐ No. STOP; you do not qualify.
2. Did you live with your spouse at ANY time during the last six months of the year?
   ☐ Yes. STOP; you do not qualify.
   ☐ No. Go to question 3.
3. Did you pay more than half the cost of keeping up your home during the year?
   ☐ Yes. Go to question 4.
   ☐ No. STOP; you do not qualify.
4. Did you have a dependent foster child living with you all year?
   ☐ Yes. Go to question 6.
   ☐ No. Go to question 5.
5. Did your dependent stepchild, adopted child, or natural child live with you during the year?
   ☐ Yes. Go to question 7.
   ☐ No. STOP; you do not qualify.
6. Did the child's parent live with you and the child during the year?
   ☐ Yes. STOP; you do not qualify.
   ☐ No. You qualify to use the head of household filing status.
7. Did your spouse live with you and your child for any part of the first six months of the year?
   ☐ Yes. Go to question 8.
   ☐ No. Go to question 9.
8. Did your child live with you for more than half the year? You may include half the time that you, your spouse, and your child lived together, and all of the time you and your child lived together without your spouse.
   ☐ Yes. Go to question 10.
   ☐ No. STOP; you do not qualify.
9. Did your child live with you for more than half the year?
   ☐ Yes. Go to question 10.
   ☐ No. STOP; you do not qualify.
10. Did your child file a joint return with his or her spouse? (For an exception to this rule, see the Joint Return Test in the Definitions section under Dependent.)
    ☐ Yes. STOP; you do not qualify.
    ☐ No. You qualify to use thehead of household filing status.

Self-Test 3 -

If you were DIVORCED or LEGALLY SEPARATED by the last day of the year, answer the questions below to see if you qualify.

1. Did your child (other than your foster child), adopted child, stepchild, or grandchild live with you for more than half the year?
   ☐ Yes. Go to question 7.
   ☐ No. Go to question 2.

2. Did you have a dependent foster child living with you for the entire year?
   ☐ Yes. Go to question 3.
   ☐ No. Go to question 4.
3. Did the child's parent live with you and the child during the year?
   ☐ Yes. Go to question 4.
   ☐ No. Go to question 7.
4. Other than your child, adopted child, stepchild, grandchild, or dependent foster child, did you have a qualifying relative who was your dependent?
   ☐ Yes. Go to question 5.
   ☐ No. STOP; you do not qualify.
5. Was this person your parent (father or mother)?
   ☐ Yes. Go to question 6.
   ☐ No. Go to question 7.
6. Was your dependent parent (father or mother) a citizen or national of the U.S. or a resident of the U.S., Canada, or Mexico?
   ☐ Yes. Go to question 10.
   ☐ No. STOP; you do not qualify.
7. Did your spouse (ex-spouse) live with you and the person who may qualify you for the head of household filing status during the year?
   ☐ Yes. Go to question 8.
   ☐ No. Go to question 9.
8. Did the person who may qualify you live with you for more than half the year? You may include one half the time that you, your spouse (ex-spouse), and the qualifying person lived together, and all of the time that you and the qualifying person lived together without your spouse.
   ☐ Yes. Go to question 10.
   ☐ No. STOP; you do not qualify.
9. Did the person who may qualify you live with you for more than half the year?
   ☐ Yes. Go to question 10.
   ☐ No. STOP; you do not qualify.
10. Did you pay more than half the cost of keeping up your home or the home of your dependent parent (father or mother) during the year?
    ☐ Yes. Go to question 11.
    ☐ No. STOP; you do not qualify.
11. Did the person who may qualify you file a joint return with their spouse? (For an exception to this rule, see the Joint Return Test in the Definitions section under Dependent.)
    ☐ Yes. STOP; you do not qualify.
    ☐ No. You qualify to use the head of household filing status.

Definition of Terms

Adopted Child

An adopted child is a child you have legally adopted. After legal adoption, the child is considered your child by blood. Before legal adoption, a child is considered your child for head of household purposes if, during the tax year, he or she was placed with you for adoption by an authorized agency and was a member of your household. If the child was not placed with you by such an authorized agency, the child can be considered your child for head of household purposes if he or she was a member of your household for the entire year.

Annulment

If you were married in the tax year but the marriage was later annulled, you are treated as having been unmarried during the year.

Child

A child qualifying you for the head of household filing status must be your child, grandchild (a grandchild does not qualify you if you are married), stepchild, adopted child, or foster child who is:

- Single as of the last day of the year, and whom you can claim as your dependent. If you are unmarried, you do not have to be able to claim the child as your dependent unless the child was your foster child. If the child is your foster child, you must be able to claim this child as your dependent and the child must have lived with you for the entire year.
- Married as of the last day of the year. You must be able to claim the child as your dependent. However, if your married child's other parent claims the child under rules for noncustodial parent, you do not have to be able to claim the child as your dependent.

Considered Unmarried

If you were married as of the last day of the tax year or if your spouse died during the tax year, you may be considered unmarried for head of household purposes if you meet all of the following requirements:

- You filed a tax return separate from your spouse's tax return.
- You paid more than half the cost of keeping up your home for the year.
- Your spouse did not live in your home at any time during the last six months of the year (see Temporary Absence).
- Your home was the main home of your dependent child, stepchild, or adopted child for more than half the year, or the main home of your dependent foster child for the entire year.

You can still meet this requirement if the only reason you cannot claim your child as your dependent is because:

– You, as the child's custodial parent, stated in writing to the noncustodial parent that the noncustodial parent may claim the dependent exemption credit to which you were entitled, or
– The noncustodial parent provided at least $600 of support for the child and claimed an exemption for the child under a pre-1985 decree of divorce or separation, or a pre-1985 written agreement.

Death or Birth

If the person who you believe qualifies you to file as head of household is born or dies during the year, you may be able to claim the head of household filing status. You must have provided more than half the cost of keeping up a home that was the person's main home for more than half the year. However, the requirement that the home must have been the person's main home for more than half the year does not apply if the person was not alive for more than half the year. In that case, the home must have been the person's main home for the period that the person was alive during the year.

Dependent

For you to claim another person as your dependent, all the following five tests must be met:

- Relationship or Member of Household Test
- Citizenship Test
- Joint Return Test
- Gross Income Test
- Support Test

Relationship or member of household test. To meet this test, the person must be related to you or live with you for the entire year as a member of your household. If at any time during the year the person was your spouse, you can not claim that person as a dependent. Please note: A person is not considered your relative simply because the person is a member of your household. See Qualifying Relative for a list of relatives who can meet this test.

Citizenship test. To meet this test, for some part of the calendar year in which your tax year begins, the person must be a U.S. citizen or national, or a resident of the U.S., Canada, or Mexico.

Joint return test. Even if the other dependency tests are met, you are generally not allowed an exemption for your dependent if he or she files a joint federal tax return. You may take an exemption for a married dependent who files a joint federal tax return if **all** the following apply:

- Neither your dependent nor your dependent's spouse is required to file a federal tax return, and
- Neither your dependent nor your dependent's spouse would have a federal tax liability if they filed separate returns, and
- Your dependent and your dependent's spouse only file a joint federal tax return to get a refund of tax withheld.

Gross income test. Generally, you may not take an exemption for a dependent if that person had gross income equal to or more than the federal allowable dependent exemption amount for that particular year. For the federal allowable amount, see the federal instruction booklet for that particular year. For more information about gross income, see IRS Publication 17, *Your Personal Income Tax.*

This test does not apply if the person is your child and is under 19 years old or a full-time student under 24 years old.

For purposes of the Gross Income Test,

- A child is your son, stepson, daughter, stepdaughter, a legally adopted child, or a child placed with you by an authorized placement agency for your legal adoption. A foster child who was a member of your household for the entire year is also considered your child.
- Your child was a student if, during some part of each of five calendar months during the calendar year (not necessarily consecutive), he or she was:
  – A full-time student at a school that has a regular teaching staff, course of study, and a regularly enrolled student body in attendance, or
  – A student taking a full-time, on-farm training course given by a school described in the preceding paragraph, or by a state, county, or local government.

Support test. You must provide more than half of a person's total support during the calendar year to meet the support test. To figure whether you have provided more than half the support, you must compare the amount you contributed for the person's support to the entire amount of support the person received from all sources. All sources include tax exempt income such as social security benefits and Temporary Assistance for Needy Families (formerly Aid to Families with Dependent

Children), and the person's own funds used for support. Your contribution may not include any part of the person's support that was paid by the person with the person's own wages, even if you paid the wages. The person's own funds are not support unless they are actually spent for support.

Also, see Multiple Support Agreement. For more information regarding the dependent exemption, see IRS Publication 501, *Exemptions, Standard Deduction, and Filing Information.*

Divorced

To be divorced, you must have a final judgment for dissolution of marriage that is effective by the last day of the tax year. Living apart from your spouse or filing a petition for divorce is not the same as having a final decree of divorce.

Foster Child

A foster child is a child who is in the care of a person or persons (other than the parents or adopted parents of the child) who care for the child as their own child. The foster relationship with the individual must have begun while the individual was a minor (i.e., under the age of 18). The circumstances under which the child became a member of the household does not affect his or her status as a foster child. A foster child is considered your child by blood if you are entitled to a dependent exemption for the child, your home was the main home of the child for the entire year, and the child's parent did not live in your home. However, if a government or a tax-exempt child placement agency makes payments to you as a foster parent, the child cannot be claimed as your dependent and you will not qualify for the head of household filing status on the basis of this child unless you provided more than half of the child's total support. (See Keeping Up Your Home and Dependent.)

If a child who was not your own child lived with you, and at the same time the child's parent lived with you, the child cannot be considered your foster child. Such a child cannot qualify you for the head of household filing status, even if the child lived with you during the entire year, you paid all of the household expenses, and you paid all of the child's support.

Joint Custody

If you have joint custody of your child, to qualify for the head of household filing status you must still meet all the requirements for the filing status. (See the General Rules on page 1.) These requirements include the following:

- Your child must have lived with you for more than half the year.
- You must have paid more than half the cost of keeping up your home.

Keeping Up Your Home

You are keeping up your home only if you pay more than half the cost of keeping up the home for the year. Generally, if two or more people keep up the same home, only one of the people could pay more than half the costs and qualify for the head of household filing status. If two or more families occupy the same dwelling but maintain separate finances, and each family does not contribute to the support of the other family, each family may be treated as keeping up a separate home. The taxpayer who provides more than half the cost of maintaining that separate home is treated as keeping up that separate home. To determine whether you paid more than half the cost of keeping up your home, complete the following worksheet.

Do not include costs of clothing, education, medical treatment, vacations, life insurance, transportation, rental value of a home you own, or value of your services or those of the person qualifying you as head of household. Temporary Assistance for Needy Families (formerly Aid to Families with Dependent Children) payments you use to keep up your home **do not** count as amounts you paid.

Cost of Keeping Up Your Home

	Amount You Paid	Total Cost
Rent	$	$
Mortgage Interest	$	$
Property Taxes	$	$
Property Insurance	$	$
Utilities	$	$
Upkeep/Repairs	$	$
Food Consumed on the premises	$	$
Other household expenses	$_____	$_____
Totals	$_____	$_____
Minus total amount you paid		$( )
Amount others paid		$ _____

If the above results show that you paid more than half the total cost, you meet the requirement of keeping up your home.

Legally Separated

To be legally separated, you must be separated from your spouse under a final decree of legal separation that is effective by the last day of the tax year. A final decree of legal separation is not the same as an informal separation agreement, a petition for divorce or separation, or an interlocutory judgment for dissolution of marriage. Simply living apart from a spouse is not the same as being legally separated under a final decree of legal separation.

Main Home

Your home must be your main home and the main home of the person who you believe qualifies you for head of household filing status for more than half the year. Generally, the location of your and the other person's main home is determined by where you and the other person actually live. You and the other person must have lived together in your home for more than half the year, except for temporary absences. (See Parent (Father or Mother) and Temporary Absence.)

Married

If you are not unmarried under the situations shown under Unmarried, you are married.

More Than Half the Year

Just because someone lived with you for six months does not mean that the person lived with you for more than half the year. A year has 365 days, and more than half the year is 183 days. (A leap year has 366 days, and more than half a leap year is 184 days.)

To determine how many days your home was a person's main home, follow these guidelines:

- If you were not married at any time during the year, count all of the days that the person lived with you in your home.
- If you were married at any time during the year and were divorced or legally separated as of the last day of the year, add together
  - Half the number of days that you, your spouse, and the person lived together and
  - All of the days that you and the person lived together in your home without your spouse (ex-spouse).
- If you were married as of the last day of the year, and you did not live with your spouse at any time during the last six months of the year, add together
  - Half the number of days that you, your spouse, and the person lived together and
  - All of the days that you and the person lived together in your home without your spouse.
- If you were married as of the last day of the year, and you lived with your spouse at any time during the last six months of the year, you cannot qualify for the head of household filing status.

Do not include any time the person was in the custody of another person under either a formal or informal custody agreement.

Multiple Support Agreement

Sometimes no one person provides more than half the support for an individual. Instead, two or more persons together provide more than half the individual's support. Each of these persons would be able to take the dependent exemption except for the support test (see Dependent). When this happens, those providing the support can agree that one of them, who individually provides more than 10 percent of the individual's support, can take the exemption for that individual.

If you can take a dependent exemption for an individual only because of a multiple support agreement, that individual cannot qualify you for the head of household filing status.

National

A U.S. national is an individual who, although not a U.S. citizen, owes allegiance to the U.S. This includes American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens. For more information, refer to IRS Publication 519, *U.S. Tax Guide for Aliens*, or contact your local Immigration and Naturalization Service.

Noncustodial Parent

The parent who has custody of a child for the greater part of the year is the child's custodial parent. The custodial parent is generally treated as the parent who provides more than half the child's support.

The noncustodial parent will be treated as providing more than half the child's support if:

1. The custodial parent signs a written declaration (or IRS Form 8332) that he or she will not claim the exemption for the child and the noncustodial parent attaches this written declaration to his or her return; or
2. A decree or agreement went into effect after 1984 and it unconditionally states that the noncustodial parent can claim the child as a dependent; or
3. A decree or agreement executed before 1985 provides that the noncustodial parent is entitled to the exemption, and he or she provides at least $600 for the child's support during the

year, unless the pre-1985 decree or agreement is modified after 1984 to specify that this provision will not apply.

Nonresident Alien

If you were a nonresident alien during any part of the year, you may not qualify for head of household filing status even though you may meet all of the other rules for the filing status.

Nonresident Alien Spouse

You are unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident alien spouse as a resident alien. Under these circumstances your spouse is not your relative and cannot qualify you for the head of household filing status. However, you are married for head of household purposes if you have chosen to treat your spouse as a resident alien. For more information, refer to IRS Publication 519, *U.S. Tax Guide for Aliens*.

Parent (Father or Mother)

If you were unmarried, you may be eligible for the head of household filing status even if your father or mother did not live with you. However, your parent must have been a citizen or national of the United States, or a resident of the United States, Canada, or Mexico. You must be able to claim your parent as a dependent and you must have paid more than half the cost of keeping up a home that was your parent's main home for the entire year. Your parent's main home could have been his or her own home, such as a house or apartment, or could have been any other living accommodation.

Qualifying Person

A qualifying person is a *qualifying relative*, including a foster child, who can qualify you for the head of household filing status. You may not claim yourself, your spouse, or your tax preparer as your qualifying person. (Also see the General Rules on page 24, Qualifying Relative, and Foster Child.)

Qualifying Relative

Whether a relative may be your qualifying relative for the head of household filing status is determined by your marital status on the last day of the year.

If you were married on the last day of the year, only your child, stepchild, adopted child, or foster child for whom you are entitled to a dependent exemption credit may qualify you for the head of household filing status. (Also see Unmarried and Considered Unmarried.)

If you were unmarried on the last day of the year, any person who had the following relationship with you may qualify you for head of household filing status:

1. Your child, grandchild, stepchild, adopted child, or dependent foster child who is:
   a. Single as of the last day of the year, or
   b. Married as of the last day of the year, if you are entitled to a dependent exemption credit for the child. If the only reason you are not entitled to a dependent exemption credit for your married child is because the child's other parent took a dependent exemption credit for the child under the special rules for a noncustodial parent, your married child may still qualify you for head of household filing status.
2. Any relative listed below for whom you may claim a dependent exemption credit.

Parent	Son-in-law
Grandparent	Daughter-in-law
Brother	Brother-in-law
Sister	Sister-in-law
Half Sister	Half Brother
Stepbrother	Stepsister
Stepmother	Stepfather
Mother-in-law	Father-in-law
Uncle*	Nephew+
Aunt*	Niece+

*An uncle or aunt may qualify you only if he or she is the brother or sister of your father or mother.

+ A nephew or niece may qualify you only if he or she is the child of your brother or sister.

Any of the relationships listed under the definition of qualifying relative that were established when the taxpayer married are not ended if the taxpayer divorces or his or her spouse dies.

A person who is not one of the relatives listed above cannot qualify you for the head of household filing status. Cousins are descendants of a brother or sister of your parents and do not qualify under the relationship test as relatives.

Under no circumstances shall the same person be used to qualify more than one taxpayer for the head of household filing status for the same year.

Spouse

A spouse is a married person, one's husband or wife by lawful marriage.

Stepchild

A stepchild is not your natural child but is the natural or adopted child of your spouse. To have a stepchild, you must have at some time been married to the child's parent.

Temporary Absence

Even if you, your spouse, or your qualifying person was temporarily absent from your home, you are considered to have occupied the same household. Temporary absences include those due to illness, education, business, vacations, military service, and, in some cases, incarceration. If you or the qualifying person were absent, it must have been reasonable to assume that you or your qualifying person would return to the household after the temporary absence, and you must have continued to maintain a household in anticipation of the return. Time your qualifying person was in the custody of another person under either a formal or informal custody agreement can not be considered a temporary absence.

Unmarried

You were unmarried if one of the following applied on the last day of the year:

- You had never married, or
- Your marriage was annulled and you did not marry after the annulment, or
- Your spouse died in a prior year and you did not remarry.
- You were legally divorced from your spouse under a final decree of divorce. Neither a petition for divorce nor an interlocutory decree of divorce is the same as a final decree of divorce. Until the final decree of divorce is issued, a married taxpayer remains married.
- You were legally separated from your spouse under a final decree of legal separation. A final decree of legal separation is not the same as an informal separation agreement, a petition for divorce or separation, or an interlocutory judgment for dissolution of marriage. Just living apart from your spouse is not the same as being legally separated under a final decree of legal separation.

You are unmarried for head of household purposes, if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident alien spouse as a resident alien.

Widow or Widower

The date of your spouse's death determines whether you were married or unmarried for tax purposes.

If your spouse died during the year, you are considered as married at the end of the year, unless your spouse was a nonresident alien spouse at some time during the year.

If your spouse died in a prior year and you have not remarried, you were unmarried.

ASSISTANCE

Telephone assistance is available from 7 a.m. until 8 p.m. Monday through Friday and from 8 a.m. until 5 p.m. on Saturdays. We may modify these hours without notice to meet operational needs.

From within the United States,
call . . . . . (800) 852-5711

From outside the United States,
call (not toll-free) . . . . . (916) 845-6500

Website at: **www.ftb.ca.gov**

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call: TTY/TDD (800) 822-6268.

ASISTENCIA EN ESPAÑOL

Nuestro servicio telefónico gratuito está disponible de lunes a viernes de 7 a.m. a 8 p.m. y los sábados de 8 a.m. a 5 p.m. Estas horas pueden ser cambiadas sin previo aviso.

Dentro de los Estados Unidos
llame al . . . . . (800) 852-5711
(número gratuito)

Fuera de los Estados Unidos
llame al . . . . . (916) 845-6500
(este número no es gratuito)

Asistencia para personas discapacitadas: Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos pueden llamar al TTY/TTD (800) 822-6268.

Some Common Questions About Head of Household Status

Here are some questions that taxpayers have asked about whether they can qualify for head of household filing status and the answers to those questions. Remember to read the definitions of all of the underlined terms. The definitions start on page 25.

Question: I was married at the end of the year. Can someone other than my child qualify me for head of household filing status?

Answer: No. Because you were married, you must meet certain requirements to be considered unmarried. One of those requirements is that only your child, stepchild, or adopted child, who lived with you for more than half the year, or your dependent foster child who lived with you for the entire year can qualify you for head of household filing status.

Question: Can I qualify for head of household filing status if the person I think qualifies me did not live with me during the year?

Answer: The general rule is that your home must have been the main home of the person you believe qualifies you for more than half the year. But if you are unmarried and you think your parent (father or mother) is the person who qualifies you, your home did not need to be your parent's main home. Also, if the person you believe qualifies you did not live with you because of a **temporary absence**, you may still qualify for the status.

Question: I was married at the end of the year. Can I qualify for head of household filing status if I lived with my spouse during a part of the last six months of the year?

Answer: No. Because you were married, you must meet certain requirements to be considered unmarried. One of those requirements is that you and your spouse did not live together at any time during the last six months of the year. If you and your spouse lived together during the last six months of the year, you cannot be considered unmarried and cannot qualify for head of household filing status.

Question: Can I qualify for the head of household filing status even though the person I think qualifies me for the status is not my relative?

Answer: No. Only a qualifying relative can qualify you for the head of household filing status. Please note that a foster child, who is not your child by birth, can still qualify you for head of household filing status. A foster child is considered your child by blood if he or she meets the qualifications to be your foster child. To qualify as a foster child, the child must be your dependent, your home must be the main home of the child for the entire year, and the child's biological or adoptive parent must not have lived in the home.

California Resident Income Tax Return 2002

FORM **540A**

Step 1

Place label here or print

Name and Address

Your first name | Initial | Last name

If joint return, spouse's first name | Initial | Last name

Present home address — number and street, PO Box, or rural route | Apt. no. | PMB no.

City, town, or post office | State | ZIP Code

P AC A R RP

Step 1a

SSN

Your social security number

Spouse's social security number

IMPORTANT: Your social security number is required.

Step 2

Filing Status

Fill in only one.

1 ◯ Single

2 ◯ Married filing jointly (even if only one spouse had income)

3 ◯ Married filing separately. Enter spouse's social security number above and full name here _____

4 ◯ Head of household (with qualifying person). STOP. See instructions.

5 ◯ Qualifying widow(er) with dependent child. Enter year spouse died _____ .

Step 3

Exemptions

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

▶ For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.

7 **Personal:** If you filled in 1, 3, or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see page 9 . . . . . 7 ☐ X $80 = $_____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 . . . . . 8 ☐ X $80 = $_____

9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 . . . . . ● 9 ☐ X $80 = $_____

Dependent Exemptions

10 **Dependents:** Enter name and relationship. **Do not include yourself or your spouse.**

_____ _____ _____

_____ _____ Total dependent exemptions . . . . . ● 10 ☐ X $251 = $_____

11 Add line 7 through line 10. This is your total exemption amount . . . . . 11 $_____

Step 4

Taxable Income and California Income Adjustments

Attach check or money order here.

Standard Deduction

Single or Married filing separately, $3,004.

Married filing jointly, Head of household, or Qualifying widow(er), $6,008.

12 a State wages from your Form(s) W-2, box 16 . . . . . ● 12a

12 b Enter federal adjusted gross income from your TeleFile Tax Record, line I; Form 1040EZ, line 4; Form 1040A, line 21; or Form 1040, line 35 . . . . . 12b

13 **California Income Adjustments.** See instructions for line 13a through line 13f.

a State income tax refund 13a

b Unemployment compensation 13b

c U.S. Social security or railroad retirement 13c

d California nontaxable interest or dividend income 13d

e California IRA distributions 13e

f California pensions and annuities 13f

g Total California income adjustments. Add line 13a through line 13f . . . . . ● 13g

14 Subtract line 13g from line 12b. This is your California adjusted gross income. See page 11 . . . . . ● 14

15 Enter the larger of your California **Itemized deductions** or **Standard deduction** (see instructions). If the circle on line 6 is filled in, STOP. See page 11 . . . . . ● 15

16 Subtract line 15 from line 14. This is your taxable income. If less than zero, enter -0- 16

Step 5

Tax and Credits

Attach copy of your Form(s) W-2, and W-2G. Also, attach any Form(s) 1099 showing California tax withheld.

17 Tax. Fill in the circle if from: ◯ Tax Table ◯ Tax Rate Schedule 17

18 Exemption credits. If line 12b is more than $132,793 see instructions. Otherwise, enter the amount from line 11 18

19 Nonrefundable renter's credit. See page 12 . . . . . ● 19

20 Total credits. Add line 18 and line 19 20

23 Subtract line 20 from line 17. This is your total tax. If less than zero, enter -0- . . . . . ● 23

Your name _____ Your SSN: _____

Step 6
Overpaid Tax or Tax Due

24 Enter the amount from Side 1, line 23 24

25 California income tax withheld. See page 12 . . . . . ■ 25

26 2002 California estimated tax and payment with form FTB 3519 and amount applied from 2001 return . ■ 26

27 Excess SDI. See page 12 . . . . . ■ 27

Child and Dependent Care Expenses Credit. See instructions. Attach form FTB 3506.

● 28

● 29

■ 30 ■ 31

32 Total payments and credits. Add line 25, line 26, line 27, and line 31 32

33 Overpaid tax. If line 32 is more than line 24, subtract line 24 from line 32 33

34 Enter the amount of line 33 you want applied to your **2003** estimated tax . . . . . ■ 34

35 Overpaid tax available this year. Subtract line 34 from line 33 . . . . . ■ 35

36 Tax due. If line 32 is less than line 24, subtract line 32 from line 24 36

Step 7
Contributions

CA Seniors Special Fund. See instructions . . . . . ● 51 00

Alzheimer's Disease/Related Disorders Fund . . . . . ● 52 00

CA Fund for Senior Citizens . . . . . ● 53 00

Rare and Endangered Species Preservation Program . . . . . ● 54 00

State Children's Trust Fund for the Prevention of Child Abuse . . . . . ● 55 00

CA Breast Cancer Research Fund . . ● 56 00

CA Firefighters' Memorial Fund . . . ● 57 00

Emergency Food Assistance Program Fund . . . . . ● 58 00

CA Peace Officer Memorial Foundation Fund . . . . . ● 59 00

Lupus Foundation of America, California Chapters Fund . . . . . ● 60 00

Asthma and Lung Disease Research Fund . . . . . ● 61 00

37 Total contributions. Add all contributions shown above, enter the total here . . . . . ● 37

Step 8
Refund or Amount You Owe

38 **REFUND** or **NO AMOUNT DUE.** Subtract line 37 from line 35. Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002** . . . . . ■ 38

39 **AMOUNT YOU OWE.** Add line 36 and line 37. See page 14. Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001** . . . . . ■ 39

40 Underpayment of estimated tax. If form FTB 5805 is attached, fill in this circle . . . . . ○ ■ 40

41 If you **do not** need California income tax forms mailed to you next year, fill in this circle . . ● 41 ○

Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions.
Fill in the boxes to have your refund directly deposited. Routing number . . . . . ●

Account type:
Checking ● ☐ Savings ● ☐

Account number . . . . . ●

Step 9
Sign Here

It is unlawful to forge a spouse's signature.

Joint return? See instructions.

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct, and complete. 3

Your signature X

Spouse's signature (if filing jointly, both must sign) X

Daytime phone number (optional) ( ) +

Date

Paid preparer's signature *(declaration of preparer is based on all information of which preparer has any knowledge)* ●

Paid Preparer's SSN/PTIN

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

Firm's address ●

FEIN

California Resident Income Tax Return 2002

FORM **540A**

Step 1

Place label here or print

Name and Address

Your first name | Initial | Last name

If joint return, spouse's first name | Initial | Last name

Present home address — number and street, PO Box, or rural route | Apt. no. | PMB no.

City, town, or post office | State | ZIP Code

P AC A R RP

Step 1a

SSN

Your social security number

Spouse's social security number

IMPORTANT: Your social security number is required.

Step 2

Filing Status

Fill in only one.

1 ◯ Single

2 ◯ Married filing jointly (even if only one spouse had income)

3 ◯ Married filing separately. Enter spouse's social security number above and full name here _____

4 ◯ Head of household (with qualifying person). STOP. See instructions.

5 ◯ Qualifying widow(er) with dependent child. Enter year spouse died _____ .

Step 3

Exemptions

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

▶ For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.

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9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 . . . . . ● 9 ☐ X $80 = $_____

Dependent Exemptions

10 **Dependents:** Enter name and relationship. **Do not include yourself or your spouse.**

_____ _____ _____

_____ _____ Total dependent exemptions . . . . . ● 10 ☐ X $251 = $_____

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a State income tax refund 13a

b Unemployment compensation 13b

c U.S. Social security or railroad retirement 13c

d California nontaxable interest or dividend income 13d

e California IRA distributions 13e

f California pensions and annuities 13f

g Total California income adjustments. Add line 13a through line 13f . . . . . ● 13g

14 Subtract line 13g from line 12b. This is your California adjusted gross income. See page 11 . . . . . ● 14

15 Enter the larger of your California **Itemized deductions** or **Standard deduction** (see instructions). If the circle on line 6 is filled in, STOP. See page 11 . . . . . ● 15

16 Subtract line 15 from line 14. This is your taxable income. If less than zero, enter -0- 16

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Attach copy of your Form(s) W-2, and W-2G. Also, attach any Form(s) 1099 showing California tax withheld.

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18 Exemption credits. If line 12b is more than $132,793 see instructions. Otherwise, enter the amount from line 11 18

19 Nonrefundable renter's credit. See page 12 . . . . . ● 19

20 Total credits. Add line 18 and line 19 20

23 Subtract line 20 from line 17. This is your total tax. If less than zero, enter -0- . . . . . ● 23

Your name _____ Your SSN: _____

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Overpaid Tax or Tax Due

24 Enter the amount from Side 1, line 23 24

25 California income tax withheld. See page 12 . . . . . ■ 25

26 2002 California estimated tax and payment with form FTB 3519 and amount applied from 2001 return . ■ 26

27 Excess SDI. See page 12 . . . . . ■ 27

Child and Dependent Care Expenses Credit. See instructions. Attach form FTB 3506.

● 28

● 29

■ 30 ■ 31

32 Total payments and credits. Add line 25, line 26, line 27, and line 31 32

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35 Overpaid tax available this year. Subtract line 34 from line 33 . . . . . ■ 35

36 Tax due. If line 32 is less than line 24, subtract line 32 from line 24 36

Step 7
Contributions

CA Seniors Special Fund. See instructions . . . . . ● 51 00

Alzheimer's Disease/Related Disorders Fund . . . . . ● 52 00

CA Fund for Senior Citizens . . . . . ● 53 00

Rare and Endangered Species Preservation Program . . . . . ● 54 00

State Children's Trust Fund for the Prevention of Child Abuse . . . . . ● 55 00

CA Breast Cancer Research Fund . . ● 56 00

CA Firefighters' Memorial Fund . . . ● 57 00

Emergency Food Assistance Program Fund . . . . . ● 58 00

CA Peace Officer Memorial Foundation Fund . . . . . ● 59 00

Lupus Foundation of America, California Chapters Fund . . . . . ● 60 00

Asthma and Lung Disease Research Fund . . . . . ● 61 00

37 Total contributions. Add all contributions shown above, enter the total here . . . . . ● 37

Step 8
Refund or Amount You Owe

38 **REFUND** or **NO AMOUNT DUE.** Subtract line 37 from line 35. Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002** . . . . . ■ 38

39 **AMOUNT YOU OWE.** Add line 36 and line 37. See page 14. Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001** . . . . . ■ 39

40 Underpayment of estimated tax. If form FTB 5805 is attached, fill in this circle . . . . . ○ ■ 40

41 If you **do not** need California income tax forms mailed to you next year, fill in this circle . . ● 41 ○

Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions.
Fill in the boxes to have your refund directly deposited. Routing number . . . . . ●

Account type:
Checking ● ☐ Savings ● ☐

Account number . . . . . ●

Step 9
Sign Here

It is unlawful to forge a spouse's signature.

Joint return? See instructions.

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct, and complete. 3

Your signature X

Spouse's signature (if filing jointly, both must sign) X

Daytime phone number (optional) ( ) +

Date

Paid preparer's signature *(declaration of preparer is based on all information of which preparer has any knowledge)* ●

Paid Preparer's SSN/PTIN

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

Firm's address ●

FEIN

California Resident Income Tax Return 2002

FORM **540**

Fiscal year filers only: Enter month of year end: month_____ year 2003.

Step 1

Place label here or print

Name and Address

Your first name | Initial | Last name | PBA Code

If joint return, spouse's first name | Initial | Last name

Present home address — number and street, PO Box, or rural route | Apt. no. | PMB no.

City, town, or post office | State | ZIP Code

P AC A R RP

Step 1a

SSN

Your social security number ___-__-____ Spouse's social security number ___-__-____

IMPORTANT: Your social security number is required.

Step 2

Filing Status

Fill in only one.

1 ◯ Single
2 ◯ Married filing jointly (even if only one spouse had income)
3 ◯ Married filing separately. Enter spouse's social security number above and full name here _____
4 ◯ Head of household (with qualifying person). STOP. See instructions.
5 ◯ Qualifying widow(er) with dependent child. Enter year spouse died _____ .

Step 3

Exemptions

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

▶ For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.

7 **Personal:** If you filled in 1, 3, or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see page 15 . . . 7 ☐ X $80 = $_____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 . . . 8 ☐ X $80 = $_____

9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 . . . ● 9 ☐ X $80 = $_____

Dependent Exemptions

10 **Dependents:** Enter name and relationship. **Do not include yourself or your spouse.**

_____ _____ _____

_____ _____ Total dependent exemptions . . . ● 10 ☐ X $251 = $_____

11 Add line 7 through line 10. This is your total exemption amount . . . 11 $_____

Step 4

Taxable Income

Attach check or money order here.

12 State wages from your Form(s) W-2, box 16 . . . ● 12 _____

13 Enter federal adjusted gross income from Form 1040, line 35; Form 1040A, line 21; Form 1040EZ, line 4; or TeleFile Tax Record, line I . . . 13 _____

14 California adjustments – subtractions. Enter the amount from Schedule CA (540), line 35, column B . . . ● 14 _____

15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 16 . . . 15 _____

16 California adjustments – additions. Enter the amount from Schedule CA (540), line 35, column C . . . ● 16 _____

17 California adjusted gross income. Combine line 15 and line 16 . . . ● 17 _____

18 Enter the **larger** of:
- Your California **itemized deductions** from Schedule CA (540), line 41; **OR**
- Your California **standard deduction** shown below for your filing status:
  - Single or Married filing separately . . . $3,004
  - Married filing jointly, Head of household, or Qualifying widow(er) . . . $6,008

If the circle on line 6 is filled in, STOP. See page 16 . . . ● 18 _____

19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0- . . . 19 _____

Step 5

Tax

Attach copy of your Form(s) W-2, and W-2G. Also, attach any Form(s) 1099 showing California tax withheld.

20 Tax. Fill in circle if from: ◯ Tax Table ◯ Tax Rate Schedule ◯ FTB 3800 or ◯ FTB 3803 . . . ◉ 20 _____

Caution: If under age 14 and you have more than $1,500 of investment income, read the line 20 instructions to see if you must attach form FTB 3800.

21 Exemption credits. If your federal AGI is more than $132,793, see page 16. Otherwise, enter the amount from line 11 . . . 21 _____

22 Subtract line 21 from line 20. If less than zero, enter -0- . . . 22 _____

23 Tax. Fill in circle if from: ◯ Schedule G-1, Tax on Lump-Sum Distributions ◯ form FTB 5870A, Tax on Accumulation Distribution of Trusts . . . ◉ 23 _____

24 Add line 22 and line 23. Continue to Side 2 . . . 24 _____

Your name _____ Your SSN: _____

Step 6
Special Credits and Nonrefundable Renter's Credit

25 Amount from Side 1, line 24 25
28 Enter credit name_____code no_____and amount . . . . ▶ 28
29 Enter credit name_____code no_____and amount . . . . ▶ 29
30 To claim more than two credits, see page 17 . . . . . ● 30
31 Nonrefundable renter's credit. See page 17 for "Step 6" . . . . . ● 31
33 Add line 28 through line 31. These are your total credits 33
34 Subtract line 33 from line 25. If less than zero, enter -0- 34

Step 7
Other Taxes

35 Alternative minimum tax. Attach Schedule P (540) . . . . . ● 35
36 Other taxes and credit recapture. See page 18 . . . . . ● 36
37 Add line 34 through line 36. This is your total tax . . . . . ● 37

Step 8
Payments

38 California income tax withheld. See page 18 . . . . . ■ 38
39 2002 CA estimated tax and other payments. See page 19 . . . . . ■ 39
41 Excess SDI. See page 21 . . . . . ■ 41
Child and Dependent Care Expenses Credit. See page 19; attach form FTB 3506

● 42 _____ - _____ - _____ ● 43 _____ - _____ - _____
■ 44 _____ ■ 45 _____

46 Add line 38, line 39, line 41, and line 45. These are your total payments 46

Step 9
Overpaid Tax or Tax Due

47 Overpaid tax. If line 46 is more than line 37, subtract line 37 from line 46 47
48 Amount of line 47 you want applied to your **2003** estimated tax . . . . . ■ 48
49 Overpaid tax available this year. Subtract line 48 from line 47 . . . . . ■ 49
50 Tax due. If line 46 is less than line 37, subtract line 46 from line 37 50

Step 10
Contributions

CA Seniors Special Fund. See instructions . . . . . ● 51 _____ 00
Alzheimer's Disease/Related Disorders Fund . . . . . ● 52 _____ 00
CA Fund for Senior Citizens . . . . . ● 53 _____ 00
Rare and Endangered Species Preservation Program . . . . . ● 54 _____ 00
State Children's Trust Fund for the Prevention of Child Abuse . . . . . ● 55 _____ 00
CA Breast Cancer Research Fund . . ● 56 _____ 00
CA Firefighters' Memorial Fund . . . ● 57 _____ 00
Emergency Food Assistance Program Fund . . . . . ● 58 _____ 00
CA Peace Officer Memorial Foundation Fund . . . . . ● 59 _____ 00
Lupus Foundation of America, California Chapters Fund . . . . . ● 60 _____ 00
Asthma and Lung Disease Research Fund . . . . . ● 61 _____ 00

64 Add line 51 through line 61. These are your total contributions . . . . . ● 64

Step 11
Refund or Amount You Owe

65 **REFUND OR NO AMOUNT DUE.** Subtract line 64 from line 49. Mail to:
FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 . . . . ■ 65
66 **AMOUNT YOU OWE.** Add line 50 and line 64. See page 20. Mail to:
FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 . . . . ■ 66

Step 12
Interest and Penalties

67 Interest, late return penalties, and late payment penalties 67
68 Underpayment of estimated tax. Fill in circle: ○ **FTB 5805 attached** ○ **FTB 5805F attached** . . . . . ■ 68
69 Total amount due. See page 20 69
70 If you **do not** need California income tax forms mailed to you next year, fill in the circle . . . . . ● 70 ○

Step 13
Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions
Fill in the boxes to have your refund directly deposited. Routing number . . . . . ●
Account Type:
Checking ● ☐ Savings ● ☐ Account number . . . . . ●

Sign Here

It is unlawful to forge a spouse's signature.

Joint return? See instructions.

IMPORTANT: See Form 540 instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

Your signature X
Daytime phone number (optional) ( ) +
Spouse's signature (if filing jointly, both must sign) X
Date + +
Paid preparer's signature *(declaration of preparer is based on all information of which preparer has any knowledge)* ●
Paid preparer's SSN/PTIN
Firm's name (or yours if self-employed) Firm's address ●
FEIN

California Resident Income Tax Return 2002

FORM **540**

Fiscal year filers only: Enter month of year end: month_____ year 2003.

Step 1

Place label here or print

Name and Address

Your first name | Initial | Last name | PBA Code

If joint return, spouse's first name | Initial | Last name

Present home address — number and street, PO Box, or rural route | Apt. no. | PMB no.

City, town, or post office | State | ZIP Code

P AC A R RP

Step 1a

SSN

Your social security number ___-__-____ Spouse's social security number ___-__-____

IMPORTANT: Your social security number is required.

Step 2

Filing Status

Fill in only one.

1 ◯ Single
2 ◯ Married filing jointly (even if only one spouse had income)
3 ◯ Married filing separately. Enter spouse's social security number above and full name here _____
4 ◯ Head of household (with qualifying person). STOP. See instructions.
5 ◯ Qualifying widow(er) with dependent child. Enter year spouse died _____ .

Step 3

Exemptions

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

▶ For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.

7 **Personal:** If you filled in 1, 3, or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see page 15 . . . 7 ☐ X $80 = $_____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 . . . 8 ☐ X $80 = $_____

9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 . . . ● 9 ☐ X $80 = $_____

Dependent Exemptions

10 **Dependents:** Enter name and relationship. **Do not include yourself or your spouse.**

_____ _____ _____

_____ _____ Total dependent exemptions . . . ● 10 ☐ X $251 = $_____

11 Add line 7 through line 10. This is your total exemption amount . . . 11 $_____

Step 4

Taxable Income

Attach check or money order here.

12 State wages from your Form(s) W-2, box 16 . . . ● 12 _____

13 Enter federal adjusted gross income from Form 1040, line 35; Form 1040A, line 21; Form 1040EZ, line 4; or TeleFile Tax Record, line I . . . 13 _____

14 California adjustments – subtractions. Enter the amount from Schedule CA (540), line 35, column B . . . ● 14 _____

15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 16 . . . 15 _____

16 California adjustments – additions. Enter the amount from Schedule CA (540), line 35, column C . . . ● 16 _____

17 California adjusted gross income. Combine line 15 and line 16 . . . ● 17 _____

18 Enter the **larger** of:
- Your California **itemized deductions** from Schedule CA (540), line 41; **OR**
- Your California **standard deduction** shown below for your filing status:
  - Single or Married filing separately . . . $3,004
  - Married filing jointly, Head of household, or Qualifying widow(er) . . . $6,008

If the circle on line 6 is filled in, STOP. See page 16 . . . ● 18 _____

19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0- . . . 19 _____

Step 5

Tax

Attach copy of your Form(s) W-2, and W-2G. Also, attach any Form(s) 1099 showing California tax withheld.

20 Tax. Fill in circle if from: ◯ Tax Table ◯ Tax Rate Schedule ◯ FTB 3800 or ◯ FTB 3803 . . . ◉ 20 _____

Caution: If under age 14 and you have more than $1,500 of investment income, read the line 20 instructions to see if you must attach form FTB 3800.

21 Exemption credits. If your federal AGI is more than $132,793, see page 16. Otherwise, enter the amount from line 11 . . . 21 _____

22 Subtract line 21 from line 20. If less than zero, enter -0- . . . 22 _____

23 Tax. Fill in circle if from: ◯ Schedule G-1, Tax on Lump-Sum Distributions ◯ form FTB 5870A, Tax on Accumulation Distribution of Trusts . . . ◉ 23 _____

24 Add line 22 and line 23. Continue to Side 2 . . . 24 _____

Your name _____ Your SSN: _____

Step 6
Special Credits and Nonrefundable Renter's Credit

25 Amount from Side 1, line 24 25
28 Enter credit name_____code no_____and amount . . . . ▶ 28
29 Enter credit name_____code no_____and amount . . . . ▶ 29
30 To claim more than two credits, see page 17 . . . . . ● 30
31 Nonrefundable renter's credit. See page 17 for "Step 6" . . . . . ● 31
33 Add line 28 through line 31. These are your total credits 33
34 Subtract line 33 from line 25. If less than zero, enter -0- 34

Step 7
Other Taxes

35 Alternative minimum tax. Attach Schedule P (540) . . . . . ● 35
36 Other taxes and credit recapture. See page 18 . . . . . ● 36
37 Add line 34 through line 36. This is your total tax . . . . . ● 37

Step 8
Payments

38 California income tax withheld. See page 18 . . . . . ■ 38
39 2002 CA estimated tax and other payments. See page 19 . . . . . ■ 39
41 Excess SDI. See page 21 . . . . . ■ 41
Child and Dependent Care Expenses Credit. See page 19; attach form FTB 3506

● 42 _____ - _____ - _____ ● 43 _____ - _____ - _____
■ 44 _____ ■ 45 _____

46 Add line 38, line 39, line 41, and line 45. These are your total payments 46

Step 9
Overpaid Tax or Tax Due

47 Overpaid tax. If line 46 is more than line 37, subtract line 37 from line 46 47
48 Amount of line 47 you want applied to your **2003** estimated tax . . . . . ■ 48
49 Overpaid tax available this year. Subtract line 48 from line 47 . . . . . ■ 49
50 Tax due. If line 46 is less than line 37, subtract line 46 from line 37 50

Step 10
Contributions

CA Seniors Special Fund. See instructions . . . . . ● 51 _____ 00
Alzheimer's Disease/Related Disorders Fund . . . . . ● 52 _____ 00
CA Fund for Senior Citizens . . . . . ● 53 _____ 00
Rare and Endangered Species Preservation Program . . . . . ● 54 _____ 00
State Children's Trust Fund for the Prevention of Child Abuse . . . . . ● 55 _____ 00
CA Breast Cancer Research Fund . . ● 56 _____ 00
CA Firefighters' Memorial Fund . . . ● 57 _____ 00
Emergency Food Assistance Program Fund . . . . . ● 58 _____ 00
CA Peace Officer Memorial Foundation Fund . . . . . ● 59 _____ 00
Lupus Foundation of America, California Chapters Fund . . . . . ● 60 _____ 00
Asthma and Lung Disease Research Fund . . . . . ● 61 _____ 00

64 Add line 51 through line 61. These are your total contributions . . . . . ● 64

Step 11
Refund or Amount You Owe

65 **REFUND OR NO AMOUNT DUE.** Subtract line 64 from line 49. Mail to:
FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 . . . . ■ 65
66 **AMOUNT YOU OWE.** Add line 50 and line 64. See page 20. Mail to:
FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 . . . . ■ 66

Step 12
Interest and Penalties

67 Interest, late return penalties, and late payment penalties 67
68 Underpayment of estimated tax. Fill in circle: ○ **FTB 5805 attached** ○ **FTB 5805F attached** . . . . . ■ 68
69 Total amount due. See page 20 69
70 If you **do not** need California income tax forms mailed to you next year, fill in the circle . . . . . ● 70 ○

Step 13
Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions
Fill in the boxes to have your refund directly deposited. Routing number . . . . . ●
Account Type:
Checking ● ☐ Savings ● ☐ Account number . . . . . ●

Sign Here

It is unlawful to forge a spouse's signature.

Joint return? See instructions.

IMPORTANT: See Form 540 instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

Your signature X
Daytime phone number (optional) ( ) +
Spouse's signature (if filing jointly, both must sign) X
Date + +
Paid preparer's signature *(declaration of preparer is based on all information of which preparer has any knowledge)* ●
Paid preparer's SSN/PTIN
Firm's name (or yours if self-employed) Firm's address ●
FEIN

TAXABLE YEAR

SCHEDULE

2002 California Adjustments — Residents

CA (540)

Important: Attach this schedule directly behind Form 540, Side 2.

Name(s) as shown on return

Social security number

Part I Income Adjustment Schedule

Section A – Income

			A Federal Amounts (taxable amounts from your federal return)	B Subtractions See instructions	C Additions See instructions
7	Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7			
8	Taxable interest income	8			
9	Ordinary dividends	9			
10	Taxable refunds, credits, offsets of state and local income taxes	10			
11	Alimony received	11			
12	Business income or (loss)	12			
13	Capital gain or (loss)	13			
14	Other gains or (losses)	14			
15	Total IRA distributions. See instructions. **(a)** _____	(b)			
16	Total pensions and annuities. See instructions. **(a)** _____	(b)			
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17			
18	Farm income or (loss)	18			
19	Unemployment compensation. Enter the same amount in column A and column B	19			
20	Social security benefits **(a)** _____	(b)			
21	Other income. **a** California lottery winnings; **b** Disaster loss carryover from FTB 3805V; **c** Federal NOL (Form 1040, line 21); **d** NOL carryover from FTB 3805V; **e** NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809; **f** Other (describe) _____	21		a b c d SUSPENDED e SUSPENDED f	a b c d e f
22	**Total.** Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B	22			

Section B – Adjustments to Income

23	Educator expense	23			
24	IRA deduction	24			
25	Student loan interest deduction	25			
26	Tuition and fees deduction	26			
27	Archer MSA deduction	27			
28	Moving expenses.	28			
29	One-half of self-employment tax	29			
30	Self-employed health insurance deduction	30			
31	Self-employed SEP, SIMPLE, and qualified plans	31			
32	Penalty on early withdrawal of savings	32			
33a	Alimony paid. **(b)** Recipient's: SSN ___ ___ ___ – ___ ___ – ___ ___ ___ ___ Last name _____	33a			
34	Add line 23 through line 33 in columns A, B, and C	34			
35	**Total.** Subtract line 34 from line 22 in columns A, B, and C. See instructions	35			

Part II Adjustments to Federal Itemized Deductions

36	Federal itemized deductions. Add the amounts on federal Sch. A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27	36	
37	Enter total of federal Sch. A, line 5 (state and local income tax **and** State Disability Insurance) and line 8 (foreign taxes **only**)	37	
38	Subtract line 37 from line 36	38	
39	Other adjustments including California lottery losses. See instructions. Specify _____	39	
40	Combine line 38 and line 39	40	
41	**Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?** Single or married filing separately – **$132,793** Head of household – **$199,192** Married filing jointly or qualifying widow(er) – **$265,589** **No.** Transfer the amount on line 40 to line 41 **Yes.** Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 41	41	
42	**Enter the larger of the amount on line 41 or your standard deduction listed below** Single or married filing separately – **$3,004** Married filing jointly, head of household, or qualifying widow(er) – **$6,008** **Transfer the amount on line 42 to Form 540, line 18**	42	

TAXABLE YEAR

2002

California Capital Gain or Loss Adjustment

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

SCHEDULE

D (540)

Name(s) as shown on return

Social security number

	(a) Description of property (identify S corporation stock) Example 100 shares of "Z" (S stock)	(b) Sales price	(c) Cost or other basis	(d) Loss. If (c) is more than (b), subtract (b) from (c)	(e) Gain. If (b) is more than (c), subtract (c) from (b)
1a					
1b					

2 Net gain or (loss) shown on California Schedule(s) K-1 (541, 565, 568, and 100S) 2

3 Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2d) 3

4 Total 2002 gains from all sources. Add column (e) amounts of line 1a, line 1b, line 2, and line 3 4

5 2002 loss. Add column (d) amounts of line 1 and line 2. Enter as a negative amount 5

6 California capital loss carryover from 2001, if any. See instructions. Enter as a negative amount . 6

7 Total 2002 loss. Add line 5 and line 6. Enter as a negative amount 7

8 Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10 8

9 If line 8 is a loss, enter the smaller of: (a) the loss on line 8; **or**
(b) $3,000 ($1,500 if married filing a separate return). See instructions . . . 9

10 Enter the amount from federal Form 1040, line 13 10

11 Enter the California gain from line 8 or loss from line 9 11

12 **a** If line 10 is more than line 11, enter the difference here and on Schedule CA (540 or 540NR) line 13, col. B 12a

b If line 10 is less than line 11, enter the difference here and on Schedule CA (540 or 540NR), line 13, col. C 12b

TAXABLE YEAR

2002

Depreciation and Amortization Adjustments

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

CALIFORNIA FORM

3885A

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

Business or activity to which form FTB 3885A relates

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

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

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

Part III Depreciation

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

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

5 California depreciation for assets placed in service prior to 2002 5

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

7 Total federal depreciation from this activity. Enter depreciation from your federal Form 4562, line 22 7

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

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

Part IV Amortization

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

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

11 California amortization of costs that began before 2002 11

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

13 Total federal amortization from this activity. Enter amortization from your federal Form 4562, line 44 13

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

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

For Privacy Act Notice, get form FTB 1131.

D54002103

TAXABLE YEAR

SCHEDULE

2002 California Adjustments — Residents

CA (540)

Important: Attach this schedule directly behind Form 540, Side 2.

Name(s) as shown on return

Social security number

Part I Income Adjustment Schedule

Section A – Income

			A Federal Amounts (taxable amounts from your federal return)	B Subtractions See instructions	C Additions See instructions
7	Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7			
8	Taxable interest income	8			
9	Ordinary dividends	9			
10	Taxable refunds, credits, offsets of state and local income taxes	10			
11	Alimony received	11			
12	Business income or (loss)	12			
13	Capital gain or (loss)	13			
14	Other gains or (losses)	14			
15	Total IRA distributions. See instructions. **(a)** _____	(b)			
16	Total pensions and annuities. See instructions. **(a)** _____	(b)			
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17			
18	Farm income or (loss)	18			
19	Unemployment compensation. Enter the same amount in column A and column B	19			
20	Social security benefits **(a)** _____	(b)			
21	Other income. **a** California lottery winnings; **b** Disaster loss carryover from FTB 3805V; **c** Federal NOL (Form 1040, line 21); **d** NOL carryover from FTB 3805V; **e** NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809; **f** Other (describe) _____	21		a b c d SUSPENDED e SUSPENDED f	a b c d e f
22	**Total.** Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B	22			

Section B – Adjustments to Income

23	Educator expense	23			
24	IRA deduction	24			
25	Student loan interest deduction	25			
26	Tuition and fees deduction	26			
27	Archer MSA deduction	27			
28	Moving expenses.	28			
29	One-half of self-employment tax	29			
30	Self-employed health insurance deduction	30			
31	Self-employed SEP, SIMPLE, and qualified plans	31			
32	Penalty on early withdrawal of savings	32			
33a	Alimony paid. **(b)** Recipient's: SSN ___ ___ ___ – ___ ___ – ___ ___ ___ ___ Last name _____	33a			
34	Add line 23 through line 33 in columns A, B, and C	34			
35	**Total.** Subtract line 34 from line 22 in columns A, B, and C. See instructions	35			

Part II Adjustments to Federal Itemized Deductions

36	Federal itemized deductions. Add the amounts on federal Sch. A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27	36	
37	Enter total of federal Sch. A, line 5 (state and local income tax **and** State Disability Insurance) and line 8 (foreign taxes **only**)	37	
38	Subtract line 37 from line 36	38	
39	Other adjustments including California lottery losses. See instructions. Specify _____	39	
40	Combine line 38 and line 39	40	
41	**Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?** Single or married filing separately – **$132,793** Head of household – **$199,192** Married filing jointly or qualifying widow(er) – **$265,589** **No.** Transfer the amount on line 40 to line 41 **Yes.** Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 41	41	
42	**Enter the larger of the amount on line 41 or your standard deduction listed below** Single or married filing separately – **$3,004** Married filing jointly, head of household, or qualifying widow(er) – **$6,008** **Transfer the amount on line 42 to Form 540, line 18**	42	

TAXABLE YEAR

2002

California Capital Gain or Loss Adjustment

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

SCHEDULE

D (540)

Name(s) as shown on return

Social security number

	(a) Description of property (identify S corporation stock) Example 100 shares of "Z" (S stock)	(b) Sales price	(c) Cost or other basis	(d) Loss. If (c) is more than (b), subtract (b) from (c)	(e) Gain. If (b) is more than (c), subtract (c) from (b)
1a					
1b					

2 Net gain or (loss) shown on California Schedule(s) K-1 (541, 565, 568, and 100S) 2

3 Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2d) 3

4 Total 2002 gains from all sources. Add column (e) amounts of line 1a, line 1b, line 2, and line 3 4

5 2002 loss. Add column (d) amounts of line 1 and line 2. Enter as a negative amount 5

6 California capital loss carryover from 2001, if any. See instructions. Enter as a negative amount . 6

7 Total 2002 loss. Add line 5 and line 6. Enter as a negative amount 7

8 Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10 8

9 If line 8 is a loss, enter the smaller of: (a) the loss on line 8; **or**
(b) $3,000 ($1,500 if married filing a separate return). See instructions . . . 9

10 Enter the amount from federal Form 1040, line 13 10

11 Enter the California gain from line 8 or loss from line 9 11

12 **a** If line 10 is more than line 11, enter the difference here and on Schedule CA (540 or 540NR) line 13, col. B 12a

b If line 10 is less than line 11, enter the difference here and on Schedule CA (540 or 540NR), line 13, col. C 12b

TAXABLE YEAR

2002

Depreciation and Amortization Adjustments

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

CALIFORNIA FORM

3885A

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

Business or activity to which form FTB 3885A relates

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

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

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

Part III Depreciation

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

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

5 California depreciation for assets placed in service prior to 2002 5

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

7 Total federal depreciation from this activity. Enter depreciation from your federal Form 4562, line 22 7

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

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

Part IV Amortization

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

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

11 California amortization of costs that began before 2002 11

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

13 Total federal amortization from this activity. Enter amortization from your federal Form 4562, line 44 13

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

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

For Privacy Act Notice, get form FTB 1131.

D54002103

Instructions for Form FTB 3519

Payment Voucher for Automatic Extension for Individuals

General Information

Use form FTB 3519 **only** if:

- You cannot file your 2002 return* by April 15, 2003; **and**
- You owe tax for 2002.

Use the worksheet below to determine if you owe tax.

- If you **do not** owe tax, there is nothing to file at this time. Do not complete or mail this voucher. But, you must file your return by October 15, 2003.
- If you owe tax, choose one of the following payment options. Be sure to pay by April 15, 2003 to avoid penalties and interest. See Penalties and Interest for more information.

  Check or Money Order: Complete the payment voucher below and mail it with your check or money order to the Franchise Tax Board (FTB).

  Web Payment: Visit FTB's Website at **www.ftb.ca.gov** and request an electronic funds withdrawal from your bank account for the amount you owe. Do not mail the voucher to us.

  Credit Card: Use your Discover/NOVUS, MasterCard, American Express, or Visa card to pay your tax. Call (800) 272-9829 or visit the Website **www.officialpayments.com**, and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service. Do not mail the voucher to us.

  Installment Agreement: If you are not able to fully pay your income tax, visit our Website at **www.ftb.ca.gov** or get FTB 3567 Booklet, Installment Agreement Request Booklet.

*When you do file your 2002 return, you can e-file. Go to our Website at: **www.ftb.ca.gov**. Otherwise, you must use Form 540A, Form 540, or Long Form 540NR. Note: If you use form FTB 3519, you may not file Form 540 2EZ or Short Form 540NR.

Name and Address. Be sure to fill in your complete name(s), address, and social security number(s) on the voucher. If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

Penalties and Interest

If you fail to pay your total tax liability by April 15, 2003, a late-payment penalty plus interest will be added to your tax due. If after April 15, 2003, you find that your estimate of tax due was too low, you should pay the additional tax as soon as possible to avoid further accumulation of penalties and interest. Pay your additional tax with another form FTB 3519 voucher. If you do not file your tax return by October 15, 2003, you will be assessed a late-filing penalty plus interest from the original due date of the return.

Note: For the 2002 taxable year only, no addition to tax will apply with respect to any underpayment of estimated tax to the extent the underpayment of an installment was created or increased by the provisions of law enacted or amended by an act chaptered during the 2002 calendar year. To request a waiver of underpayment of estimated tax penalty, see form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

Taxpayers Residing or Traveling Outside the USA

If you are living or traveling outside the USA on April 15, 2003, the deadline to file your return and pay the tax is June 16, 2003. Interest will accrue from the original due date (April 15, 2003) until the date of payment. If you need additional time to file your tax return, you will be allowed an automatic six-month extension without filing a written request. To qualify for the extension, you must file your tax return by December 15, 2003. To avoid any late-payment penalties, you must pay 100% of your tax liability by June 16, 2003. When filing your tax return, be sure to attach a statement to the front indicating that you were "outside the USA on April 15, 2003."

TAX PAYMENT WORKSHEET FOR YOUR RECORDS

1 Total tax you expect to owe. This is the amount you expect to enter on Form 540A, line 23; Form 540, line 37; or Long Form 540NR, line 46 ..... 1 _____

2 Payments and credits:

a California income tax withheld (including nonresident withholding) ..... 2a _____

b California estimated tax payments and amount applied from your 2001 tax return ..... 2b _____

(**Note:** You can check the estimated tax payments we've received by going to our Website at **www.ftb.ca.gov**)

c Other payments and credits, including any tax payments made with any previous form FTB 3519 voucher ..... 2c _____

3 Total tax payments and credits. Add line 2a, line 2b, and line 2c ..... 3 _____

4 Tax due. Is line 1 more than line 3? ..... 4 _____

- **No. Stop here.** You have no tax due. **DO NOT MAIL THE PAYMENT VOUCHER.** Your return, when filed by October 15, 2003, will verify that you qualified for the extension.
- **Yes.** Subtract line 3 from line 1. This is your tax due. Enter the tax due amount from line 4 as the "Amount of payment" on the form FTB 3519 voucher below. Fill in your name(s), address, and social security number(s), and separate the voucher from this page where it says "DETACH HERE." Make a check or money order payable to "Franchise Tax Board." Also write your social security number and "2002 FTB 3519" on the check or money order. Mail both the check or money order and the voucher to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0051**

✓ Keep this completed worksheet with your tax records.

DETACH HERE — **IF NO PAYMENT IS DUE, DO NOT MAIL** — DETACH HERE

TAXABLE YEAR **2002**

Payment Voucher for Automatic Extension for Individuals

Calendar year – Due April 15, 2003

CALIFORNIA FORM **3519 (PIT)**

Your first name	Initial	Last name	Your social security number
If joint payment, spouse's first name	Initial	Last name	Spouse's social security number

Present home address – number and street, PO Box, or rural route	Apt. no.	PMB no.
City, town, or post office	State	ZIP Code

IF PAYMENT IS DUE, MAIL TO:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0051

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

Amount of payment _____ , _____ , _____ ■ __

For Privacy Act Notice, get form FTB 1131.

351902103

TAXABLE YEAR

CALIFORNIA FORM

2003 Estimated Tax for Individuals

Due April 15, 2003

540-ES

Fiscal year filers, enter year ending month: Year 2004

Your first name	Initial	Last name	Your social security number
If joint payment, spouse's first name	Initial	Last name	Spouse's social security number

Present home address — number and street, PO Box, or rural route	Apt. no.	PMB no.
City, town, or post office	State	ZIP Code

Payment Voucher 1

Do not combine this payment with payment of your tax due for 2002 Make your check or money order payable to **"Franchise Tax Board."** Write your social security number and "Form 540-ES 2003" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

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

Amount of payment

For Privacy Act Notice, get form FTB 1131.

540ES03103

Form 540-ES (REV. 2002)

TAXABLE YEAR

CALIFORNIA FORM

2003 Estimated Tax for Individuals Due June 16, 2003 540-ES

Fiscal year filers, enter year ending month: Year 2004

Your first name | Initial | Last name | Your social security number

If joint payment, spouse's first name | Initial | Last name | Spouse's social security number

Present home address — number and street, PO Box, or rural route | Apt. no. | PMB no.

City, town, or post office | State | ZIP Code

Payment Voucher 2

Do not combine this payment with payment of your tax due for 2002. Make your check or money order payable to **"Franchise Tax Board."** Write your social security number and "Form 540-ES 2003" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

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

Amount of payment

For Privacy Act Notice, get form FTB 1131. 540ES03103 Form 540-ES (REV. 2002)

DETACH HERE — **IF NO PAYMENT IS DUE, DO NOT MAIL** — DETACH HERE

TAXABLE YEAR

CALIFORNIA FORM

2003 Estimated Tax for Individuals Due Sept. 15, 2003 540-ES

Fiscal year filers, enter year ending month: Year 2004

Your first name | Initial | Last name | Your social security number

If joint payment, spouse's first name | Initial | Last name | Spouse's social security number

Present home address — number and street, PO Box, or rural route | Apt. no. | PMB no.

City, town, or post office | State | ZIP Code

Payment Voucher 3

Do not combine this payment with payment of your tax due for 2002. Make your check or money order payable to **"Franchise Tax Board."** Write your social security number and "Form 540-ES 2003" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

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

Amount of payment

For Privacy Act Notice, get form FTB 1131. 540ES03103 Form 540-ES (REV. 2002)

DETACH HERE — **IF NO PAYMENT IS DUE, DO NOT MAIL** — DETACH HERE

TAXABLE YEAR

CALIFORNIA FORM

2003 Estimated Tax for Individuals Due Jan. 15, 2004 540-ES

Fiscal year filers, enter year ending month: Year 2004

Your first name | Initial | Last name | Your social security number

If joint payment, spouse's first name | Initial | Last name | Spouse's social security number

Present home address — number and street, PO Box, or rural route | Apt. no. | PMB no.

City, town, or post office | State | ZIP Code

Payment Voucher 4

Do not combine this payment with payment of your tax due for 2002. Make your check or money order payable to **"Franchise Tax Board."** Write your social security number and "Form 540-ES 2003" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

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

Amount of payment

For Privacy Act Notice, get form FTB 1131. 540ES03103 Form 540-ES (REV. 2002)

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visit our website:

www.ftb.ca.gov

Instructions for Schedule CA (540)

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

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), the Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554), and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147).

New Differences Between California and Federal Law for 2002:

California law does not conform to federal law for:

- Rebates or vouchers received from a local water agency, energy agency, or energy supplier may be excluded. This includes a rebate, voucher or other financial incentive from the California Energy Commission, the Public Utility Commission, or a local publicly owned electric utility company for any expenses paid or incurred by a taxpayer for the purchase or installation of a thermal, solar, wind energy/fuel generating system.
- Interest deduction allowed for interest paid on any loan or indebtedness from a utility company to purchase energy efficient equipment and products for California residents.
- Net Operating Loss - Pierce's Disease.
- The additional 30% first year depreciation allowance for qualified property.
- Educator Expense or the Tuition and Fees deduction.
- The Student loan interest deduction.
- The Clean Air Fuel first year deduction. You will need to report this adjustment on line 34, column B as part of your subtractions.

NOTE: Net Operating Losses have been suspended for 2002 and 2003.

California law is the same as federal law in the following areas:

IRC Section 179 expense deduction. The maximum deduction amount is now $24,000.

Roth IRAs. The contribution rules and distribution rules are the same.

Self-employed health insurance deduction. The percentage for 2002 is 70%.

Holocaust Restitution Payments – An exclusion is provided for holocaust reparations received by eligible individuals, their heirs or estate for holocaust restitution payments, distributions or excludable trust.

Purpose

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

Part I – Specific Line Instructions

Column A — Federal Amounts

Line 7 through Line 21 – Enter on line 7 through line 21 the same amounts you entered on your federal Form 1040, line 7 through line 21; Form 1040A, line 7 through line 14b; or Form 1040EZ line 1, line 2, and line 3). Also enter the following if applicable:

- The total IRA distribution received on line 15(a);
- The total pension or annuity distribution received on line 16(a); and
- The total social security retirement benefit received on line 20(a).

Line 22 – Total
Combine the amounts on line 7 through line 21.

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

Line 33a and Line 33b – Enter on line 33a the same amount you entered on your federal Form 1040, line 33a. Enter on line 33b the social security number and last name of the person to whom you paid alimony.

Line 34 – Add line 23 through line 33a. However, if you made any of the adjustments described in the instructions for federal Form 1040, line 34 or if you claimed the foreign housing deduction from federal Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion, enter the amount from Form 1040, line 34 on this line.

Line 35 – Total
Subtract line 34 from line 22.

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

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

- 1001, Supplemental Guidelines to California Adjustments;
- 1005, Pension and Annuity Guidelines;
- 1031, Guidelines for Determining Resident Status; or
- 1032, Tax Information for Military Personnel.

To order a publication or form visit our Website at: **www.ftb.ca.gov** or see the back cover of your tax booklet.

Line 7 – Wages, Salaries, Tips, etc.
Generally, you will not make any adjustments on this line. If you did not receive any of the following types of income, make no entry on this line in either column B or column C.

Active duty military pay. If a military member is domiciled in a community property state other than California, Arizona, Idaho, Louisiana, Nevada, Texas, New Mexico, Washington, Wisconsin, territories of Puerto Rico, the resident spouse's community half of military pay is not included in total AGI or California AGI. In this case only, enter the resident spouse's community half of military income on line 7, column B. Get FTB Pub. 1032 for more information.

Ride-sharing benefits or sick pay received under the Federal Insurance Contributions Act and Railroad Retirement Act. California excludes these items from income. Enter in column B the amount of these benefits included in the amount in column A.

Ridesharing fringe benefit differences between The Franchise Tax Board and Employment Development Department (EDD)
Under federal law and the provisions administered by the Employment Development Department, qualified transportation benefits are excluded from gross income. Under the Revenue and Taxation Code, there are no monthly limits for the exclusion of these benefits and California's definitions are more expansive. Enter the amount of ridesharing benefits received and included in federal income on line 7, column B.

Income exempted by U.S. tax treaties (unless specifically exempt for state purposes also). If you excluded this income from your federal return, enter the excluded amount in column C. If you claimed foreign earned income or housing cost exclusion under IRC Section 911, see the instructions for line 21. Get FTB Pub. 1001 for more information.

Exclusion for Medical Expenses. California allows an exclusion from gross income for employer-provided accident, health insurance, and medical expense reimbursement if expenses were not previously deducted for domestic partners and that partner's dependents. Self-employed individuals may also claim a deduction for health insurance costs paid for themselves, their spouses, and dependents. In addition, self-employed individuals may also claim this deduction for health insurance costs paid for their domestic partner and the domestic partner's dependents.

Exercising a California Qualified Stock Option (CQSO) does not result in compensation. To qualify: your earned income from the corporation granting the CQSO must be $40,000 or less; the market value of the options granted to you must be $100,000 or less; the total number of shares must be 1,000 or less; and, the corporation issuing the option must designate that the stock qualifies as a California qualified stock option at the time the option is granted. If you included in federal income an amount qualifying for this exclusion, enter that amount in column B.

Line 8 – Taxable Interest Income
If you did not receive any of the kinds of income listed below, do not make an entry on this line in either column B or column C.

Enter in column B the interest you received from:

- U.S. saving bonds (except for interest from series EE U.S. savings bonds issued after 1989 that qualified for the Education Savings Bond Program exclusion);
- U.S. Treasury bills, notes, and bonds; or
- Any other bonds or obligations of the United States and its territories.

Do not make entries in either column B or column C for interest you earned on Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds, and Federal Home Loan Mortgage Corporations (FHLMC) securities.

Enter in column C the interest you identified as tax-exempt interest on your federal Form 1040 (or Form 1040A), line 8b **and** which you received from:
- Non-California state bonds;
- Non-California municipal bonds issued by a county, city, town, or other local government unit;
- Obligations of the District of Columbia issued after December 27, 1973; and
- Non-California bonds if the interest was passed through to you from S corporations, trusts, partnerships, or Limited Liability Company (LLCs).

Get FTB Pub. 1001 if you received interest income from the following sources:
- Loans made in an enterprise zone (EZ); or
- Items listed above passed through to you from S corporations, trusts, partnerships, or Limited Liability Companies (LLCs).

Line 9 – Ordinary dividends
Generally, you will not have a difference between the amount of dividends reported in Column A and the amount reported using California law. However, California taxes dividends that are derived from other states and their municipal obligations. In addition, certain mutual funds pay "exempt-interest dividends". If the mutual fund has at least 50% of its assets invested in tax-exempt U.S. obligations and/or in California or its municipal obligations, that amount of dividend is exempt from California. The proportion of dividends that are tax-exempt will be shown on your annual statement or statement issued with Form 1099.

Add dividends received from the following and enter in column B:
- The portion of exempt interest dividends from mutual funds that meets the 50% rule above.
- Non-cash patronage dividends from farmer's cooperatives or mutual associations

Add dividends received from the following and enter in column C:
- The federally exempt interest dividends from other states, or their municipal obligations and/or from mutual funds that do not meet the 50% rule above.
- Controlled foreign corporation dividends in the year distributed
- Regulated investment company (RIC) capital gains in the year distributed
- Distributions of pre-1987 earnings from an S corporation
- Non-cash patronage dividends from farmer's cooperatives or mutual associations

Get FTB Pub. 1001 if you received dividends from:
- Noncash patronage dividends from farmers' cooperatives or mutual associations;
- A controlled foreign corporation;
- Distributions of pre-1987 earnings from S corporations; or
- Undistributed capital gains for regulated investment company (RIC) shareholders.

Line 10 – Taxable refunds, credits, or offsets of state and local income taxes
California does not tax the state income tax refund you received in 2002. Enter in column B the amount of state tax refund you entered in column A.

Line 11 – Alimony Received
If you are a nonresident alien and received alimony that was not included in your federal income, enter the alimony on this line in column C. Otherwise, make no entry on this line.

Line 12 – Business Income or (Loss)
Adjustments to federal business income or loss you reported in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis you use to figure California depreciation may be different from the amount used for federal purposes, and you may need to make an adjustment to your business income or loss. Adjustments are figured on form FTB 3885A, Depreciation and Amortization Adjustments, and are most commonly necessary because of the following:
- **Before January 1, 1987,** California did not allow depreciation under the federal accelerated cost recovery system. You must continue to figure California depreciation for those assets in the same manner as prior years.
- **On or after January 1, 1987,** California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. Refer to the bulleted list below.

Use form FTB 3801, Passive Activity Loss Limitation, to figure the total adjustment for line 12 if you have:
- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule C.

Use form FTB 3885A to figure the total adjustment for line 12 if you have:
- Only nonpassive activities which produce either gains or losses (or combination of gains and losses); or
- Passive activities that produce gains.

Get FTB Pub. 1001 for more information about:

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

Basis adjustments related to:
- Property acquired prior to becoming a California resident;
- Sales or use tax credit for property used in an EZ, Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or former LARZ;
- Reduced recovery periods for fruit-bearing grapevines replaced in a California vineyard on or after 1/1/92 as a result of phylloxera infestation; or on or after 1/1/97 as a result of Pierce's disease;
- Expenditures for tertiary injectants;
- Property placed in service on an Indian reservation after 1/1/94 and before 12/31/03;
- Amortization of pollution control facilities;
- Discharge of real property business indebtedness;
- Employer-paid child care program;
- Employer-paid child care plan;
- Vehicles used in an employer-sponsored ridesharing program;
- An enhanced oil recovery system;
- Joint Strike Fighter property costs;
- The cost of making a business accessible to disabled individuals;
- Property for which you received an energy conservation subsidy from a public utility on or after 1/1/95 and before 1/1/97; or
- Research and experimental expenditures.

Business expense deductions related to:
- Wages paid in an EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA;
- Certain employer costs for employees who are also enrolled members of Indian tribes;
- Abandonment or tax recoupment fees for open-space easements and timberland preserves;
- Business located in an EZ, LAMBRA, or TTA;
- Research expense;
- Employer wage expense for the Work Opportunity Credit and Welfare-to-Work Credit;
- Pro-rata share of deductions received from a controlled foreign corporation by a U.S. shareholder;
- Interest paid on indebtedness in connection with company-owned life insurance policies; or
- Premiums paid on life insurance policies, annuities, or endowment contracts issued after 6/8/97 where the owner of the business is directly or indirectly a policy beneficiary.

Line 13 – Capital Gain or (Loss)
Generally, you will not make any adjustments on this line if you do not have any of the items listed below. Use Schedule D, California Capital Gain or Loss Adjustment, only if you have differences from:
- Gain on the sale of qualified small business stock which qualifies for the gain exclusion under IRC Section 1202;
- Basis amounts resulting from differences between California and federal law in prior years;
- Gain or loss on stock and bond transactions;
- Installment sale gain reported on form FTB 3805E, Installment Sale Income;
- Gain on the sale of personal residence where depreciation was allowable;
- Flow-through gain or loss from partnerships, fiduciaries, S corporations, or LLCs; or
- Capital loss carryover from your 2001 California Schedule D.

Get FTB Pub. 1001 for more information about:
- Disposition of S corporation stock acquired before 1987;
- Gain on sale or disposition of qualified assisted housing development to low-income residents or to specified entities maintaining housing for low-income residents;
- Undistributed capital gain for RIC shareholders;
- Gain or loss on the sale of property inherited before 1/1/87; or
- Capital loss carrybacks.

Line 14 – Other Gains or (Losses)
Generally, you will not make any adjustments on this line. However, the California basis of your other assets may be different from the federal basis due to

differences between California and federal law. Therefore, you may have to adjust the amount of other gains or losses. Get Schedule D-1, Sales of Business Property.

Line 15 – Total IRA Distributions
Generally, you will not make any adjustments on this line. However, there may be significant differences in the taxable amount of a distribution (including a distribution from conversion of a traditional IRA to a Roth IRA), depending on when you made your contributions to the IRA. Differences may also occur if your California IRA deductions were different from your federal deductions because of differences between California and federal self-employment income.

If the taxable amount using California law is:
- Less than the amount taxable under federal law, enter the difference in column B; or
- More than the amount taxable under federal law, enter the difference in column C.

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

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

Coverdell ESA formerly know as Education (ED) IRA – If column A includes a taxable distribution from an Ed IRA, you may owe additional tax on that amount. Get form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts. Report only the taxable amount of the distribution on line 21f.

Line 16 – Total Pensions and Annuities
Generally, you will not make any adjustments on this line. However, if you received Tier 2 railroad retirement benefits or partially taxable distributions from a pension plan, you may need to make the following adjustments.

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

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

Line 17 – Rental Real Estate, Royalties, Partnerships, S Corporations, and Trusts, etc.
Adjustments to federal income or loss you reported in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis you use to figure California depreciation may be different from the recovery period or amount used for federal purposes, and you may need to make an adjustment to your income or loss. For more information, see the instructions for column B and column C, line 12.

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

Use form FTB 3801, Passive Activity Loss Limitation, to figure the total adjustment for line 17 if you have:
- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule E.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 17 if you have:
- Only nonpassive activities which produce either gains or losses (or combination of gains and losses); or
- Passive activities that produce gains.

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

Line 18 – Farm Income or (Loss)
Adjustments to federal income or loss you report in column A generally are necessary because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis you use to figure California depreciation may be different from the amount used for federal purposes, and you may need to make an adjustment to your farm income or loss.

Use form FTB 3801, Passive Activity Loss Limitation, to figure the total adjustment for line 18 if you have:
- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule F.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 18 if you have:
- Only nonpassive activities which produce either gains or losses (or combination of gains and losses); or
- Passive activities that produce gains.

Line 19 – Unemployment Compensation
California does not tax unemployment compensation. Enter on line 19, column B the amount of unemployment compensation shown in column A. **Note**: Do not include qualified state tuition program earnings.

Line 20 – Social Security Benefits
California does not tax social security benefits or equivalent Tier 1 railroad retirement benefits. Enter in column B the amount of social security benefits or equivalent Tier 1 railroad retirement benefits shown in column A.

Line 21 – Other Income
a. California Lottery Winnings. California does not tax California lottery winnings. Enter in column B the amount of California lottery winnings included in the federal amount on line 21 in column A. **Note:** Do not include lottery winnings from other states. They are taxable by California. California and federal laws allow gambling losses only to the extent you report gambling income. If you reduced your gambling income for California lottery income, you may need to reduce the losses included in the federal itemized deductions on line 36. Enter these losses on line 39 as a negative number.

b. Disaster Loss Carryover from form FTB 3805V, line 6. If you have a California disaster loss carryover from your 2001 form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations, enter that amount as a positive number in column B.

c. Federal NOL deduction from Form 1040, line 21. If the amount on line 21 in column A includes a federal NOL, enter the amount of the federal NOL deduction as a positive number in column C. Get form FTB 3805V to figure the allowable California NOL deduction.

d. NOL Carryover from form FTB 3805V, line 5. This is suspended for 2002 and 2003.

e. NOL deduction from form FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809. This is suspended for 2002 and 2003.

f. Other (describe).

Reward from a crime hotline. Enter in column B the amount of a reward authorized by a government agency, that you received from a crime hotline established by a government agency or nonprofit organization and that is included in the amount on line 21 in column A. **Note:** You may not make this adjustment if you are an employee of the hotline or someone who sponsors rewards for the hotline.

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

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

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

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

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

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

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

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

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

Line 23 through Line 32 – California law is the same as federal law with the exception of the following:
- Line 23 (Educator Expense), enter the amount from column A, line 23, to column B, line 23.
- Line 25 (Student Loan Interest deduction – deductible for student loans for the first 5 years or 60 months), enter on line 25, column B interest paid in excess of 60 months, or 5 years.
- Line 26 (Tuition and Fees deductions), enter amount from column A, line 26, to column B, line 26.
- Clean Air Fuel, first year deduction (this will be included in the total for Column B on line 34)

Line 33a – Alimony Paid
Enter the social security number and last name of the person to whom you paid alimony. **Note:** If you are a nonresident alien and did not deduct alimony on your federal return, enter the amount you paid in column C.

Line 34 – Add line 23 through line 33a in column B and column C. If you claimed the Clean Air Fuel first year deduction, include that amount in the total you enter in column B, line 34. Enter the amount and "Clean Air Fuel" on the dotted line next to line 34. If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 34. Enter the amount and "Form 2555" or "Form 2555-EZ" on the dotted line next to line 34.

Line 35 – Total
Subtract line 34 from line 22 in column B and column C.

Transfer the amount from line 35:
- Column B to Form 540, Side 1, line 14; and
- Column C to Form 540, Side 1, line 16.

If you plan to itemize deductions, go to Part II.

Caution: If Schedule CA (540), line 35:

Column B is a negative number, do not transfer it to Form 540, line 14. Instead, transfer the amount as a positive number to Form 540, line 16; or

Column C is a negative number, do not transfer it to Form 540, line 16. Instead, transfer the amount as a positive number to Form 540, line 14.

Part II – Specific Line Instructions

Line 36 – Federal Itemized Deductions
Enter the total amount of itemized deductions from your federal Schedule A, lines 4, 9, 14, 18, 19, 26, and 27. **Important:** If you did not itemize deductions on your federal tax return but will itemize deductions on your California tax return, first complete federal Schedule A. Then complete Schedule CA (540), Part II, line 36 through line 42.

Line 37 – State, Local, and Foreign Income Taxes
Enter the state and local income tax from federal Schedule A, line 5 and only the portion relating to foreign income taxes from line 8. Include state disability insurance (SDI), limited partnership tax, and income or franchise tax paid by S corporations.

Line 39 – Other Adjustments

Adoption-Related Expenses. If you deducted adoption-related expenses on your federal Schedule A and are claiming the adoption cost credit for the same amounts on your Form 540, enter the amount of the adoption cost credit claimed as a negative number on line 39.

Mortgage Interest Credit. If you reduced your federal mortgage interest deduction by the amount of your mortgage interest credit (from federal Form 8396, Mortgage Interest Credit), increase your California itemized deductions by the same amount. Enter the amount of your federal mortgage interest credit as a positive number on line 39.

Nontaxable Income Expenses. If, on federal Schedule A, you claim expenses related to producing income taxed under federal law but not taxed by California, enter the amount as a negative number on line 39. You may claim expenses related to producing income taxed by California law but not taxed under federal law by entering the amount as a positive number on line 39.

Employee Business Expenses. If you completed federal Form 2106, Employee Business Expense (or Form 2106-EZ), also complete Form 2106 (or Form 2106-EZ, Unreimbursed Employee Business Expenses) using California amounts. Specific differences between California and federal law are shown below.

- **Assets placed in service before 1/1/87:** Figure expenses based on California law.
- **Federal employees on temporary duty status:** California does not conform to the federal provision that expanded temporary duties to include prosecutive duties, in addition to investigative duties. Therefore, travel expenses paid or incurred in connection with temporary duty status (exceeding one year), involving the prosecution (or support of the prosecution) of a federal crime, should not be included when completing Form 2106 (or Form 2106-EZ) using California amounts.

Compare line 10 on both Forms 2106 (or line 6 if using Forms 2106-EZ). If the federal amount is larger, enter the difference as a negative number on line 39. If the California amount is larger, enter the difference as a positive number on line 39.

Investment Interest Expense. Your California deduction for investment interest expense may be different from your federal deduction. You must use form FTB 3526, Investment Interest Expense Deduction, to figure the amount to enter on line 39.

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

Gambling Losses. California Lottery losses are not deductible for California. Enter the amount of California Lottery losses shown on federal Schedule A as a negative number on line 39.

Federal Estate Tax. Federal estate tax paid on income in respect of a decedent is not deductible for California. Enter the amount of federal estate tax shown on federal Schedule A as a negative number on line 39.

Generation Skipping Transfer Tax. Tax paid on generation skipping transfers is not deductible under California law. Enter the amount of expenses shown on federal Schedule A as a negative number on line 39.

State Legislator's Travel Expenses. Under California law, deductible travel expenses for state legislators include only those incurred while away from their place of residence overnight. Figure the difference between the amount allowed using federal law and the amount allowed using California law. Enter the difference as a negative number on line 39.

Charitable Contribution Carryover Deduction. If you are deducting a prior year charitable contribution carryover, and the California carryover is larger than the federal carryover, enter the additional amount as a positive number on line 39.

Line 41 – California Itemized Deductions
Is the amount on Form 540, line 13 more than the amount shown below for your filing status?

Single or married filing separately	$132,793
Married filing jointly or qualifying widow(er)	$265,589
Head of household	$199,192

NO Transfer the amount from line 40 to line 41. Do not complete the worksheet.

YES Complete the Itemized Deductions Worksheet.

Itemized Deductions Worksheet

1. Amount from Schedule CA (540), line 40	1	_____
2. Using California amounts, add the amounts on federal Schedule A, line 4, line 13, and line 19 plus any gambling losses included on line 27	2	_____
3. Subtract line 2 from line 1 **Note:** If -0-, stop. Enter the amount from line 1 on Schedule CA (540), line 41.	3	_____
4. Multiply line 3 by 80% (.80)	4	_____
5. Amount from Form 540, line 13	5	_____
6. Enter the amount shown above for your filing status	6	_____
7. Subtract line 6 from line 5 **Note:** If -0- or less, stop. Enter the amount from line 1 on Schedule CA (540), line 41.	7	_____
8. Multiply line 7 by 6% (.06)	8	_____
9. Compare line 4 and line 8. Enter the smaller amount here	9	_____
10. Total itemized deductions. Subtract line 9 from line 1. Enter here and on Schedule CA (540), line 41	10	_____

Instructions for California Schedule D (540)

California Capital Gain or Loss Adjustment

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), the Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554) and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147). For example, California does not conform to the federal reduced capital gains tax rates. California taxes capital gains at the same tax rate as other types of income.

Note: California law conforms to federal law for the Section 179 expense deduction. For 2002, the maximum amount is $24,000.

Purpose

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

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

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

Exclusion of Gain on Qualified Small Business Stock. California law (R&TC Section 18152.5) provides an exclusion (similar to the federal exclusion under IRC Section 1202) of 50% of the gain on the sale of qualifying small business stock originally issued after 8/10/93 that was held for more than 5 years. However, for California purposes, at least 80% of the issuing corporation's payroll must be attributable to employment located within California, and at least 80% of the value of the corporation's assets must be used by the corporation to actively conduct one or more qualified trades or businesses in California. See the Specific Line Instruction for Line 1b.

Installment Sales. If you sold property at a gain (other than publicly traded stocks or securities) and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to do so. Get form FTB 3805E. Also, use that form if you received a payment in 2002, for an installment sale made in an earlier year. **Note:** You may elect not to use the installment sale method for California by reporting the entire gain on Schedule D (540) (or Schedule D-1 for business assets) in the year of the sale and filing your return on or before the due date.

At-Risk Rules and Passive Activity Limitations. If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, get and complete federal Form 6198, At-Risk Limitations, using California amounts to figure your California deductible loss under the at-risk rules. Once a loss becomes allowable under the at-risk rules, it becomes subject to the passive activity rules. Get form FTB 3801, Passive Activity Loss Limitations.

Specific Line Instructions

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

Line 1a – List each capital asset transaction.

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

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

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

Depreciation Methods and Property Expensing
Before 1987, California law did not allow the use of ACRS and did not allow the use of an asset depreciation range 20% above or below the standard rate. Before 1999, California had different limits on the expensing of property under IRC Section 179. California law permits rapid write-off of certain property such as solar energy systems, pollution control devices, and property used in an Enterprise Zone, LAMBRA, Targeted Tax Area, or LARZ.

Inherited Property – The California basis of property inherited from a decedent is generally fair market value (FMV) at the time of death. If you acquired community property as a surviving spouse, get FTB Pub. 1039, Basis of Property – Decedent/Surviving Spouse, for more information.

S Corporation Stock – Prior to 1987, California law did not recognize S corporations and your California basis in S corporation stock may differ from your federal basis. In general, your California basis will be cost-adjusted for income, loss, and distributions received after 1986, while your stock was California S corporation stock. Your federal basis will be cost-adjusted for income, loss, and distributions received during the time your stock qualified for federal S corporation treatment. Effective for taxable years beginning on or after January 1, 2002, any corporation with a valid federal S corporation election is considered an S corporation for California purposes. Existing law already requires federal C corporations to be treated as C corporations for California purposes.

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

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

Line 1b – Section 18152.5 Exclusion. If the gain qualifying for the IRC Section 1202 exclusion also qualifies for the California exclusion under R&TC Section 18152.5: Enter in column (a) "Section 18152.5 Exclusion." Complete column (b) and column (c) according to the instructions for line 1a. Enter in column (d) the amount of gain that qualifies for the California exclusion. Enter in column (e) the entire gain realized. **If the gain qualifying for the IRC Section 1202 exclusion does not qualify for the California exclusion:** Complete column (a), column (b), and column (c) according to the instructions for line 1a. Enter -0- in column (d) and enter the entire gain realized in column (e).

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

Line 6 – 2001 California Capital Loss Carryover. If you were a resident of California for all prior years, enter your California capital loss carryover from 2001. However, if you were a nonresident of California during any taxable year that generated a portion of your 2001 capital loss carryover, you must recalculate your 2001 capital carryover loss as if you were a resident of California for all prior years. Get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency for more information. Enter your California capital loss carryover amount from 2001 on line 6 as a negative number.

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

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

Use the worksheet on this page to figure your capital loss carryover to 2003.

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

Line 12a – Enter the difference on line 12a and on Schedule CA (540 or 540NR), line 13, column B.

For example:

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

Federal loss on line 10 is	$1,000
California loss on line 11 is	$2,000
Subtract line 10 from line 11	$1,000

Gain on line 10 and loss on line 11.

Federal gain on line 10 is	$3,000
California loss on line 11 is	$3,000
Add line 10 and line 11	$6,000

Line 12b – Enter the difference on line 12b and on Schedule CA (540 or 540NR), line 13, column C.

For example:

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

Federal loss on line 10 is	$2,000
California loss on line 11 is	$1,000
Subtract line 11 from line 10	$1,000

Loss on line 10 and gain on line 11.

Federal loss on line 10 is	$2,000
California gain on line 11 is	$5,000
Add line 10 and line 11	$7,000

California Capital Loss Carryover Worksheet

1.	Loss from Schedule D (540), line 11, stated as a positive number	1 _____
2.	Amount from Form 540 or Long Form 540NR, line 17	2 _____
3.	Amount from Form 540 or Long Form 540NR, line 18	3 _____
4.	Subtract line 3 from line 2. If less than zero, enter as a negative amount	4 _____
5.	Combine line 1 and line 4. If less than zero, enter -0-	5 _____
6.	Loss from Schedule D (540), line 8	6 _____
7.	Enter the smaller of line 1 or line 5	7 _____
8.	Subtract line 7 from line 6. This is your capital loss carryover to 2003	8 _____

Instructions for Form FTB 3885A

Depreciation and Amortization Adjustments

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554), and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147). Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information on differences between California and federal law for the following items:

- **Amortization of certain intangibles (IRC Section 197);**
- **Qualified Indian reservation property; and**
- **Grapevines subject to Phylloxera or Pierce's disease.**

Purpose

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

- **Before 1/1/87.** California did not allow depreciation under the federal accelerated cost recovery system (ACRS), and you must continue to figure California depreciation for those assets in the same manner as in prior years.
- If you claimed the 30% additional depreciation for federal purpose, California has not conformed to the Federal Job Creation and Worker Assistance Act of 2002 which allows taxpayers to take an additional first year depreciation deduction and Alternative Minimum Tax depreciation adjustment for property placed in service after September 10, 2001.
- **On or after 1/1/87.** California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. California did not conform to all changes to federal law enacted in 1993, and this causes the California basis or recovery periods to be different for some assets.

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

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

Do not use form FTB 3885A to report depreciation expense from federal Form 2106, Employee Business Expenses. Instead, see the instructions for Schedule CA (540 or 540NR), line 39.

Specific Line Instructions

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

Part I Identify the Activity as Passive or Nonpassive

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

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

Part II Election To Expense Certain Tangible Property

You may elect to expense part of the cost of depreciable personal property used in your trade or business and certain other property described in federal Pub. 946, How to Depreciate Property. To do so, you must have purchased property, as defined in the IRC Section 179(d)(2), and placed it in service during 2002, or have a carryover of unused cost from 2001. If you elect this deduction, you must reduce your California depreciable basis by the IRC Section 179 expense. The maximum Section 179 expense allowed for 2002 is $24,000.

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

Tangible Property Expense Worksheet

1 Maximum dollar limitation for California	**1**	$ 24,000
2 Total cost of Section 179 property placed in service	**2**	
3 Threshold cost of Section 179 property before reduction in limitation	**3**	$200,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	**4**	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-	**5**	

	(a) Description of property	(b) Cost	(c) Elected cost
6			

7 Listed property (elected Section 179 cost)	**7**	
8 Total elected cost of Section 179 property. Add column (c), line 6 and line 7	**8**	
9 Tentative deduction. Enter the smaller of line 5 or line 8	**9**	
10 Carryover of disallowed deduction from 2001	**10**	
11 Enter the smaller of business income (not less than -0-) or line 5	**11**	
12 Section 179 expense deduction for California. Add line 9 and line 10, but do not enter more than line 11. Also enter the result on FTB 3885A, line 2	**12**	
13 Carryover of disallowed deduction to 2003. Add line 9 and line 10. Subtract line 12 from the result	**13**	

Part III Depreciation

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

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

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

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

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

Part IV Amortization

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

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

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

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

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

2003 Instructions for Form 540-ES

Estimated Tax For Individuals

A Purpose

Use this form to figure and pay your estimated tax. **Estimated tax is the tax you expect to owe for 2003 after subtracting the tax you expect to have withheld and any credits you plan to take.** These estimated tax payments do not apply to your 2002 tax liability. Use these instructions and the 2003 Estimated Tax Worksheet to determine if you owe estimated tax for 2003 and to figure the required amount. If you need to make a payment for your 2002 tax liability, make a separate payment for any balance due shown on your 2002 tax return. Use form FTB 3519, Payment Voucher for Automatic Extension for Individuals, or form FTB 3567, Installment Agreement Request, or call (800) 338-0505.

Generally, the required estimated tax amount is based on the lesser of 90% of the current year's tax or 100% of the prior year's tax. **Note:** Certain taxpayers are limited in their use of the prior year's tax as a basis for figuring their estimated tax. See paragraph C for more information. You can check the estimated payments we've received by going to our Website at **www.ftb.ca.gov** and clicking IQ: My Account Balance.

B Who Must Make Estimated Tax Payments

Generally, you must make 2003 estimated tax payments unless:

- 90% or more of your 2002 tax was paid by withholding; or
- 90% or more of your 2003 tax will be paid by withholding; or
- Your tax for 2002 (after subtracting withholding and credits) was less than $200 ($100 if married filing separately); or
- Your tax for 2003 (after subtracting withholding and credits) will be less than $200 ($100 if married filing separately).

If you and your spouse paid joint estimated tax payments, but are now filing separate returns, either of you may claim all of the amount paid, or you may each claim part of the joint estimated payment(s). If you want the estimated tax payments to be divided, notify the FTB before the end of the tax year in which you wish to file separate returns so that the payments can be applied to the proper account. The FTB will accept in writing, any divorce agreement (or court ordered settlement) or a statement showing the allocation of the payments along with a notarized signature of both taxpayers. The statements should be sent to:

JOINT ESTIMATE CREDIT ALLOCATION M/S F-225
TAXPAYER SERVICES CENTER
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

C Limit on the Use of Prior Year's Tax

Individuals who are required to make estimated payments, and whose 2002 adjusted gross income is more than $150,000 (or $75,000 if married filing separately), must figure estimated tax based on the lesser of 90% of their tax for 2003 or 110% of their tax for 2002. This rule does not apply to farmers or fishermen.

D When To Make Your Estimated Tax Payments

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

For the payment period:	Due date:
January 1 through March 31, 2003	April 15, 2003
April 1 through May 31, 2003	June 16, 2003
June 1 through August 31, 2003	September 15, 2003
Sept. 1 through Dec. 31, 2003	January 15, 2004

Filing An Early Return In Place of the 4th Installment. If you file your 2003 tax return by February 2, 2004, and pay the entire balance due, you do not have to make your last estimated tax payment.

Annualization Option. If you do not receive your taxable income evenly during the year, it may be to your advantage to annualize your income. This method allows you to match your estimated tax payments to the actual period when you earned the income. You may use the annualization schedule included with the 2002 form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

Farmers and Fishermen. You are a farmer or fisherman when at least two-thirds of your 2002 or 2003 gross income is from farming or fishing. If you qualify as a farmer or fisherman, you may:

- Pay all of your estimated tax by January 15, 2004; or
- File your tax return for 2003 on or before March 1, 2004, and pay the total tax due. In this case, you need not make estimated tax payments for 2003. Use form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, to determine if you paid the required estimated tax. If the estimated tax is underpaid, attach the completed form FTB 5805F to the front of your return.

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

E How To Use Form 540-ES Payment Voucher

Use the Estimated Tax Worksheet and your 2002 California income tax return as a guide for figuring your 2003 estimated tax. **Caution:** If you filed Form 540 2EZ for 2002, do not use the Form 540 2EZ instructions for figuring amounts on this worksheet. Instead, get the 2002 California Resident Income Tax Booklet.

Note: This form is not an application for an installment agreement. If you are not able to pay your income tax, get FTB 3567, Installment Agreement Request Booklet.

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

1. Print your name, address, and social security number in the space provided on Form 540-ES.
2. Complete the payment box of the voucher by entering the amount of the payment that you are sending. Your entry must match the amount you are sending. Be sure that the amount shown on line 20 of the Estimated Tax Worksheet has been reduced by any overpaid tax on your 2002 return that you chose to apply toward your 2003 estimated tax payment.
3. Paying your tax:
   Check or money order – make your check or money order payable to **"Franchise Tax Board."** Write your social security number and "Form 540-ES 2003" on it and mail to the address on the voucher.
   Credit card – Call (800) 272-9829 or visit the website: **www.officialpayments.com.** You will be charged a fee for this service. **Do not mail** the voucher if you pay by credit card.
4. Complete the Record of Estimated Tax Payments for your files.
5. **Fiscal year filers:** Enter the month of your fiscal year end (located directly below the forms title).

F Failure To Make Estimated Tax Payments

If you are required to make estimated tax payments and do not, or if you underpay any installment, a penalty may be assessed on the portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of your tax return, whichever is earlier. Refer to the 2002 form FTB 5805 for more information.

2003 Estimated Tax Worksheet Keep this worksheet for your records.

1 **Residents:** Enter your estimated 2003 California AGI. **Nonresidents and part-year residents:** Enter your estimated 2003 total AGI from all sources . . . . . 1 _____

2 a If you plan to itemize deductions, enter the estimated total of your itemized deductions . . . . . 2a _____

b If you do not plan to itemize deductions, enter the standard deduction for your filing status:
$3,004 if you are single or married filing a separate return
$6,008 if you are married filing a joint return, head of household, or a qualifying widow(er) . . . . . 2b _____

c Enter the amount from line 2a or line 2b, whichever applies . . . . . 2c_____

3 Subtract line 2c from line 1 . . . . . 3 _____

4 Tax. Figure your tax on the amount on line 3 using the 2002 tax table or tax rate schedule in the instructions for Form 540, Form 540A, or Long Form 540NR. Also include any tax from form FTB 3800, Tax Computation for Children with Investment Income; or form FTB 3803, Parents' Election to Report Child's Interest and Dividends . . . . . 4 _____

5 **Residents:** Skip to line 6a. **Nonresidents and part-year residents:**

a Enter your estimated California taxable income from Schedule CA (540NR), Part IV, line 4 . . . . . 5a_____

b Compute the CA Tax Rate: $\frac{\text{Tax on total taxable income from line 4}}{\text{Total taxable income from line 3}}$ . . . . . 5b___.___ ___ ___ ___

c Multiply the amount on line 5a by the CA Tax Rate on line 5b . . . . . 5c_____

6 a **Residents:** Enter the exemption credit amount from the 2002 instructions for Form 540 or Form 540A . . . . . 6a_____

b **Nonresidents or part-year residents:** Enter the CA credit proration percentage. Divide line 5a by line 3. If more than 1 enter 1.0000 . . 6b___.___ ___ ___ ___

7 **Nonresidents:** CA prorated Exemption credits. Multiply the total exemption credit amount by line 6b . . . . . 7 _____

8 **Residents:** Subtract line 6a from line 4. Nonresidents or part-year residents subtract line 7 from line 5c . . . . . 8 _____

9 Tax on accumulation distribution of trusts. See instructions for form FTB 5870A . . . . . 9 _____

10 Add line 8 and line 9 . . . . . 10 _____

11 Credits for joint custody head of household, dependent parent, senior head of household, child and dependent care expenses, and long-term care . . . . . 11 _____

Nonresidents and part-year residents: For the child and dependent care expenses credit, use the amount from your 2002 Long Form 540NR, line 54. For the other credits listed on line 11, multiply the total 2002 credit amount by the ratio on line 6b.

12 Subtract line 11 from line 10 . . . . . 12 _____

13 Other credits (such as other state tax credit). See the 2002 instructions for Form 540, Form 540A, or Long Form 540NR . . . . . 13 _____

14 Subtract line 13 from line 12 . . . . . 14 _____

15 Interest on deferred tax from installment obligations under IRC Sections 453 or 453A . . . . . 15 _____

16 2003 Estimated Tax. Add line 14 and line 15. Enter the result, but not less than zero . . . . . 16 _____

17 a Multiply line 16 by 90% (.90). Farmers and fishermen multiply line 16 by 66 2/3% (.6667) . . . . . 17a_____

b Enter 100% of the tax shown on your 2002 Form 540, line 34; Form 540A, line 23; or Long Form 540NR, line 43 . . . . . 17b_____

c Enter the amount from your 2002 Form 540, line 17; Form 540A, line 14; or Long Form 540NR, line 21 . . . . . 17c_____

d Is the amount on line 17c more than $150,000 ($75,000 if married filing a separate return)?
Yes. Go to line 17e. **No**. Enter the lesser of line 17a or line 17b. Skip line 17e and 17f and go to line 18 . . . . . 17d_____

e Multiply 110% (1.10) by the tax shown on your 2002 Form 540, line 34; Form 540A, line 23; or Long Form 540NR, line 43. Go to line 17f . . . . . 17e_____

f Enter the lesser of line 17a or line 17e and go to line 18 . . . . . 17f _____

Caution: Generally, if you do not prepay at least the amount on line 17d (or 17f if no amount on line 17d), you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimated tax on line 16 is as accurate as possible. If you prefer, you may pay 100% of your 2003 estimated tax (line 16).

18 California income tax withheld and estimated to be withheld during 2003 (include withholding on pensions, annuities, etc) . . . . . 18 _____

19 **Balance**. Subtract line 18 from line 17d (or line 17f if no amount on line 17d). If less than $200 (or less than $100, if married filing separately), you do not have to make a payment at this time . . . . . 19 _____

20 **Installment** amount. Divide the amount on line 19 by 4. Enter the result here and on each of your Forms 540-ES. If you will earn your income at an uneven rate during the year, see Annualization Option in the instructions under paragraph D . . . . . 20 _____

Record of Estimated Tax Payments

Payment voucher number	(a) Date	(b) Amount paid	(c) 2001 overpayment applied	(d) Total amount paid and credited add (b) and (c)
1		$	$	$
2				
3				
4				
Total . . . . . ▶		$	$	$

YEAR

CALIFORNIA FORM

2002 Child and Dependent Care Expenses Credit 3506

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

Name(s) as shown on return | Social Security Number

Part I Unearned Income and Other Funds Received in 2002. See instructions

SOURCE OF INCOME/FUNDS	AMOUNT	SOURCE OF INCOME/FUNDS	AMOUNT

Part II Persons or Organizations Who Provided the Care – You **must** complete this part. (If you need more space, attach a schedule.)

1 (a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP Code)	(c) Identifying number (SSN or EIN)	(d) Telephone number	(e) Amount paid (See instructions)
			( )	
			( )	

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

Part III Credit for Child and Dependent Care Expenses

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

(a) Qualifying person's name First	Last	(b) Qualifying person's social security number (see instructions)	(c) Qualifying person's date of birth (DOB) or if disabled	(d) Percentage of time spent in your California home	(e) Qualified expenses you incurred and paid in 2002 for the qualifying person listed in column (a)
			DOB:_____ Disabled ☐ Yes		
			DOB:_____ Disabled ☐ Yes		
			DOB:_____ Disabled ☐ Yes		

3 Add the amounts in column (e) of line 2. **Do not** enter more than $2,400 for one qualifying person or $4,800 for two or more persons. If you completed Part V, enter the amount from line 31	3	
4 Enter YOUR **earned income**.	4	
5 If married filing a joint return, enter YOUR SPOUSE'S earned income (if your spouse was a student or was disabled, see the instructions); **all others**, enter the amount from line 4	5	
6 Enter the **smallest** of line 3, line 4, or line 5	6	
7 Enter the decimal amount shown in the chart on page 57 of the instructions for line 7	7	X.
8 Multiply line 6 by the decimal amount on line 7. This is your allowable federal child and dependent care credit before limitations. Enter the result here and on Form 540A, line 30; Form 540, line 44; or Long Form 540NR, line 53	8	
9 Enter the decimal amount listed on the chart on page 3 of the instructions for line 9	9	X.
10 Multiply the amount on line 8 by the decimal amount on line 9	10	
11 Credit for prior year expenses paid in 2002. See instructions for line 11	11	
12 Add line 10 and line 11. Enter the result here and on Form 540A, line 31 or Form 540, line 45. Long Form 540NR filers enter amount here and continue to Part IV	12	

Part IV Nonresident and Part-Year Residents

13 Did you maintain your primary home in California for yourself and the qualifying person(s) during 2002? (See instructions) If "Yes," continue. If "No," **stop.** You **do not** qualify for the credit	13	☐ Yes ☐ No
14 Enter the amount from Part III, line 12	14	
15 Enter the percentage from Long Form 540NR, line 25a. (If your percentage is more than 1.00, enter 1.0000)	15	X __.__ __ __ __
16 Multiply line 14 by the ratio on line 15. Enter here and on Long Form 540NR, line 54	16	

Part V Dependent Care Benefits

17 Enter the total amount of dependent care benefits you received for 2002. This amount should be shown in box 10 of your Form(s) W-2. **Do not** include amounts that were reported to you as wages in box 1 of Form(s) W-2				17	
18 Enter the amount forfeited, if any. See instructions				18	
19 Subtract line 18 from line 17				19	
20 Enter the total amount of **qualified expenses** incurred in 2002 for the care of the **qualifying person(s)**. See instructions	20				
21 Enter the **smaller** of line 19 or line 20	21				
22 Enter YOUR **earned income**	22				
23 If married filing a joint return, enter YOUR SPOUSE'S earned income (if your spouse was a student or was disabled, see the instructions for line 5); **all others,** enter the amount from line 22	23				
24 Enter the **smallest** of line 21, line 22, or line 23	24				
25 Excluded benefits. Enter here the **smaller** of the following: • The amount from line 24; or • $5,000 ($2,500 if married filing a separate return **and** you were required to enter your spouse's earned income on line 23)				25	
26 Taxable benefits. Subtract line 25 from line 19				26	
27 Enter $2,400 ($4,800 if two or more qualifying persons)				27	
28 Enter the amount from line 25				28	
29 Subtract the amount on line 28 from the amount on line 27. If zero or less, **stop.** You **do not qualify** for the credit. **Exception –** If you paid 2001 expenses in 2002, see instructions for line 11				29	
30 Complete Part III, line 2. **Do not** include in column (e) any benefits shown on line 25 above. Add the amounts in column (e) and enter the total here				30	
31 Enter the **smaller** of line 29 or line 30. Also, enter this amount on Side 1, line 3 on the front of this form and complete line 4 through line 12				31	

Worksheet – Credit for 2001 Expenses Paid in 2002

1) Enter your 2001 qualified expenses paid in 2001. If you did not claim the credit for these expenses on your 2001 return, get and complete a 2001 form FTB 3506 for these expenses. You may need to amend your 2001 return ..... _____
2) Enter your 2001 qualified expenses paid in 2002 ..... _____
3) Add the amounts on line 1 and line 2 ..... _____
4) Enter $2,400 if care was for one qualifying person ($4,800 for two or more) ..... _____
5) Enter any dependent care benefits received for 2001 and excluded from your income (from line 25 of 2001 form FTB 3506) ..... _____
6) Subtract amount on line 5 from amount on line 4 and enter the result ..... _____
7) Compare your earned income for 2001 and your spouse's earned income for 2001 and enter the smaller amount ..... _____
8) Compare the amounts on line 3, line 6, and line 7 and enter the smallest amount ..... _____
9) Enter the amount on your 2001 form FTB 3506, line 6. Important: If you were instructed on line 1 to get and complete a 2001 form FTB 3506, enter the amount from line 6 of that form ..... _____
10) Subtract amount on line 9 from amount on line 8 and enter the result. If zero or less, stop here. You cannot increase your credit by any previous year's expenses ..... _____
11) Enter your 2001 federal adjusted gross income (AGI) (from your 2001 Form 540, line 13; 540A, line 12b; or Long Form 540NR, line 13) ..... _____
12) Find your 2001 federal AGI in the table of percentages (on page 3 of the instructions for line 7) and enter the corresponding decimal here ..... _____ X. _____
13) Multiply line 10 by line 12 ..... _____
14) Enter the percentage from form FTB 3506, line 9 based on your 2001 California AGI ..... _____ X. _____
15) Multiply line 13 by line 14. Enter the result here and on line 11 of your 2002 form FTB 3506 ..... _____

Instructions for Form FTB 3506

Child and Dependent Care Expenses Credit

What's New

Beginning with taxable year 2002, California law treats never married parents who have lived apart at all times during the last six months of the year differently than federal law. Generally, your child must be your dependent for whom you can claim the dependent exemption credit. However, under the new California rules, if you are the custodial parent and do not qualify to claim the dependent exemption credit for your child, you may be eligible to claim this credit (rather than the parent who can claim the dependent exemption credit for the child). See "Never Married to the Child's Other Parent" on this page.

General Information

You must attach the completed form FTB 3506 to your return.

A Purpose

If you paid someone to care for your child or other qualifying person so you (and your spouse if filing a joint return) could work or look for work in 2002, you may be able to take the credit for child and dependent care expenses. However, you must have **earned income** to do so. If you qualify to claim the credit, use form FTB 3506 to figure the amount of your credit.

For additional definitions, requirements, and instructions, get federal Form 2441 or Publication 503, Child and Dependent Care Expenses.

B Qualifications

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

1. Your filing status is single, head of household, or qualifying widow(er) with dependent child, or if married, you must file a joint return. Exception: See "Married Persons Filing Separate Returns" on page 2.
2. Care must be provided for one or more qualifying persons. A qualifying person is:
   - Any child age 12 or under for whom you can claim the **dependent** exemption credit. Children turning 13 during the year qualify for the part of the year they were 12.
   - Your spouse who was physically or mentally incapable of self-care.
   - Your **dependent** who was physically or mentally incapable of self-care. You must be able to claim the dependent exemption credit for this person (or could claim a dependent exemption except the person had gross income of $3,000 or more).

For children of divorced, separated, or never married parents, see "Which Parent Can Claim the Child as the Qualifying Person?" on this page.

See federal Form 2441or Publication 503 for more information.

3. You paid for care so you (and your spouse, if married) could work or look for work. However, if you did not find a job and have no earned income for the year, you do not qualify for the credit. If your spouse was a student or disabled, see the instructions for Part III, line 5.
4. You (and your spouse, if married) paid over half the cost of keeping up your home for the qualifying person(s). The cost includes rent, mortgage interest, real estate taxes, utilities, home repairs, and food eaten at home.
5. You and the qualifying person(s) lived in the same home.
6. Your primary home (where you and your qualifying person(s) lived) must have been in California.
7. The person who provided the care was not your spouse or a person for whom you can claim a dependent exemption. Generally, the person who provided the care cannot be a parent of the individual for whom care was provided. If your child provided the care, he or she must have been age 19 or older by the end of 2002.
8. You report the required information about the care provider on line 1 and the information about the qualifying person(s) on line 2.
9. Your California adjusted gross income is $100,000 or less.

Which Parent Can Claim the Child as the Qualifying Person?

The 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 will **not** qualify for the credit. Use the information in this part to determine if you can claim the child as the qualifying person.

Divorced or Married but Separated from the Child's Other Parent

For purposes of determining whether your child is your qualifying person, you are considered divorced or separated if **either** of the following applies:

- You are divorced or separated under a decree of divorce, decree of separate maintenance, judgment of legal separation, or decree of separation; or
- You lived apart from your spouse at all times during the last six months of 2002. (**Note**: If you did not live apart at all times during the last six months of 2002, you must file a joint return with your spouse to claim this credit.)

If you and the child's other parent were never married, see "Never Married to the Child's Other Parent" on this page.

Custodial Parent – If you are the custodial parent and can claim the dependent exemption credit for your child, the child is your qualifying person. You are the custodial parent if you had physical custody of your child longer than your child's 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 each parent has custody of the child for the same number of days during the year, then neither parent is the custodial parent. Neither parent qualifies for the credit.

If you cannot claim the dependent exemption credit for your child, you can still treat your child as your qualifying person if **all** of the following apply:

1. One or both parents had custody of the child for more than half the year.
2. One or both parents provided more than half the child's support for the year.
3. Either:
   a. You stated in writing that the noncustodial parent may claim the dependent exemption that you were entitled to, or
   b. The noncustodial parent provided at least $600 of support for the child and claimed the dependent exemption credit for the child under a pre-1985 written agreement.

Noncustodial Parent – If you are the noncustodial parent, the child cannot be your qualifying person, even if you are able to claim the dependent exemption credit.

Never Married to the Child's Other Parent

Custodial Parent – You are the custodial parent if you had physical custody of the child longer than your child's other parent. The child is the qualifying person of the custodial parent if all of the following requirements are met.

1. The child received over one-half of his or her support during the calendar year from his or her parents who never married each other;
2. The parents lived apart at all times during the last six months of 2002;

3. The child was in the custody of one or both of his or her parents for more than one-half of the calendar year.

Note: You do not have to be able to claim the dependent exemption credit for your child. If you did not qualify for the federal child and dependent care expense , the amount on line 8 of form FTB 3506 is the amount of the federal child and dependent care expense you would have been allowed if you had qualified.

Person Qualifying to Claim the Dependent Exemption – If the above requirements under "Custodial Parent" are **not** met, then the child is the qualifying person of the individual who qualifies to claim the dependent exemption credit for the child. To qualify to claim the dependent exemption credit, you must provide more than half of the child's total support for the calendar year. To decide if you provided more than half the support, the amount you provided must be compared to the entire amount of support the child received from all sources. All sources include (but are not limited to) the amount provided by others such as the other parent, other members living in the home, the child's own funds, food stamps, and Temporary Assistance for Needy Families provided by the State of California.

Married Persons Filing Separate Returns

Generally, a married person must file a joint return to claim this credit. However, if you meet the requirements below plus items 2 through 9 in Section B on the preceding page, you can claim the credit on your separate return.

- You lived apart from your spouse at all times during the last six months of 2002,
- The qualifying person(s) lived in your home more than half of 2002, and
- You provided over half the cost of keeping up your home.

The 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 will not qualify for the credit. For more information on which parent can claim the child, see "Which parent can claim the child as the qualifying person?" on page 1.

C Specific Line Instructions

Part I

Unearned Income and Other Funds

List the source and amount of **any** money you received in 2002 that is not included in your earned income (line 4 and line 5) but that was used to support your household. Include child support, property settlements, public assistance benefits, court awards, inheritances, insurance proceeds, pensions and annuities, social security payments, workers compensation, unemployment compensation, interest, or dividends.

Part II

Line 1

Complete column (a) through column (e) for each person or organization that provided the care. You can use federal Form W-10, Dependent Care Provider's Identification and Certification, or any other source listed in the instructions for Form W-10 to get the information from your care provider. If your provider does not give you the information, complete as much of the information as possible and explain that your provider did not give you the information you requested.

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

Columns (a) and (b)

Enter your care provider's complete name (or business name) and address. If you were covered by your employer's dependent care plan and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name in column **(a)**. Next, enter "See W-2" in column **(b)**. Enter your employer's telephone number in column **(d)**. Leave column **(c)** and column **(e)** blank. If your employer paid a third party (not hired by your employer) on your behalf to provide the care, you must give information about the third party in column (a) through column (e).

Column (c)

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

Column (d)

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

Column (e)

Enter the total amount you **actually paid** in 2002 to your care provider. Also include amounts your employer paid to a third party on your behalf. It does not matter when the expenses were incurred. Do not reduce this amount by any reimbursement you received.

Part III

Line 2

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

Column (a)

Enter each qualifying person's name.

Column (b)

Enter the first two qualifying persons' social security numbers on Form 540, line 42 and line 43; Form 540A, line 28 and line 29; or Long Form 540NR, line 51 and line 52.

You **must** enter the qualifying person's SSN unless he or she was born and died in 2002. Be sure the name and SSN entered agree with the person's social security card. Otherwise, at the time we process your return, we may reduce or disallow your credit. If the person was born and died in 2002, and did not have an SSN, enter "Died" in column (b) and attach a copy of the person's birth certificate.

Column (c)

Enter the qualifying person's date of birth in the space provided or if the qualifying person is disabled (physically or mentally incapable of self-care), check the box.

Column (d)

If you shared custody of the qualifying person(s), enter the percentage of time you had physical custody.

Column (e)

Enter the qualified expenses you incurred and paid in 2002 for the person(s) listed in line 2, column (a). If the child turned 13 years old during the year, include only the qualified expenses for the part of the year the child was under 13. Do not include in column (e) qualified expenses:

- You incurred in 2002 but did not pay until 2003. You may be able to use these expenses to increase your 2003 credit.
- You incurred in 2001 but did not pay until 2002. Instead, see instructions for line 11.
- You prepaid in 2002 for care to be provided in 2003. These expenses may only be used to figure your 2003 credit.

Line 4

Earned income includes wages, salaries, tips, other employee compensation, and net earnings from self-employment. A net loss from self-employment reduces earned income. Earned income also includes strike benefits and any disability pay you report as wages. Certain nontaxable earned income should be included, such as parsonage allowances, meals and lodging furnished for the convenience of the employer, voluntary salary deferrals, military basic quarters and subsistence allowances and in-kind quarters and subsistence, and military pay earned in a combat zone. **Earned income** does not include pensions and annuities, social security payments, workers' compensation, interest, dividends, public assistance, capital gains, or unemployment compensation.

Line 5

Spouse Who Was a Student or Disabled

Your spouse was a **student** if he or she was enrolled as a full-time student at a school during any 5 months of 2002. A school does not include a night school or correspondence school. Your spouse was **disabled** if he or she was not capable of self-care. Figure your spouse's earned income on a monthly basis.

For each month or part of a month your spouse was a student or was disabled, he or she is considered to have worked and earned income. His or her earned income for each month is considered to be at least $200 ($400 if more than one qualifying person was cared for in 2002). If your spouse also worked during that month, use the higher of $200 (or $400 if more than one qualifying person) or his or her actual earned income for that month. If, in the same month, both you and your spouse were either students or disabled, only one of you can be treated as having earned income in that month. For any month that your spouse was not a student or disabled, use your spouse's actual earned income if he or she worked during the month.

Line 7

Determine your federal adjusted gross income (AGI) from Form 540A, line 12b; Form 540, line 13; or Long Form 540NR, line 13. Then use the chart below to determine the decimal amount to enter on line 7.

If your Federal AGI is: Over	But not over	The decimal amount on Line 7 is:
$0	$10,000	**.30**
10,000	12,000	**.29**
12,000	14,000	**.28**
14,000	16,000	**.27**
16,000	18,000	**.26**
18,000	20,000	**.25**
20,000	22,000	**.24**
22,000	24,000	**.23**
24,000	26,000	**.22**
26,000	28,000	**.21**
28,000	No limit	**.20**

Line 9

Use the chart below to determine the decimal amount to enter on line 9.

If your California AGI from Form 540A, line 14; Form 540, line 17; or Long Form 540NR, line 21 is:	The decimal amount to enter on Line 9 is:
$40,000 or less	**.63**
Over $40,000 but not over $70,000	**.53**
Over $70,000 but not over $100,000	**.42**
Over $100,000	**Stop.** You **do not qualify** for this credit.

Line 11

If you had work-related expenses for care that was provided in 2001, but that you paid for in 2002, you may be able to increase the amount of your Child and Dependent Care Expenses Credit for 2002. Use the worksheet on Side 2 of form FTB 3506 to calculate the amount of additional credit you may be entitled to claim. See federal Publication 503 under "How to Figure the Credit" and "Amount of Credit" for guidance on completing line 1 through line 10 of the worksheet. If you claimed the California Child and Dependent Care Expenses Credit for the year 2001, you will need a copy of your 2001 California income tax return, including your California form FTB 3506, in order to properly complete this worksheet.

Part IV

Line 13 – Line 16

Nonresidents and part-year residents must complete and attach Schedule CA (540NR), California Adjustments - Nonresidents or Part-Year Residents, to their Long Form 540NR tax return. If Part I of Schedule CA (540NR) is not fully completed, your credit may be disallowed.

You must maintain your primary home in California for yourself and your qualifying person(s) during the year or portion of the year to qualify for the credit. Full-year nonresidents of California who retained their main home in another state do not qualify for this credit.

Nonresidents and part-year residents must calculate the percentage of the child and dependent expenses credit that they may be qualified to take. It is based on the percentage from Long Form 540NR, line 25a.

Part V

Line 17

Dependent care benefits include (1) amounts your employer paid directly to you or your care provider for the care of your qualifying person(s) while you worked, and (2) the fair market value of care in a day-care facility provided or sponsored by your employer. Your salary may have been reduced to pay for these benefits. If you received dependent care benefits, they should be shown in box 10 of your 2002 Form(s) W-2.

Line 18

If you had a flexible spending account, any amount included on line 17 that you did not receive because you did not incur the expense is considered forfeited. Do not include amounts you expect to receive at a future date.

Line 20

Enter the total of all qualified expenses incurred in 2002. It does not matter when the expenses were paid.

Example: You received $2,000 cash under your employer's dependent care plan for 2002. The $2,000 is shown in box 10 of your Form W-2. You incurred $900 of qualified expenses in 2002 for the care of your 5-year-old dependent child. You would enter $900 on line 20, but would report the entire $2,000 on line 17.

For all other lines, follow specific line instructions on the form. For additional information, see federal Form 2441 or Publication 503.

Nonrefundable Renter's Credit Qualification Record

✓ Tip **e-file and skip this page!** The software you use to e-file will help you find out if you qualify for this credit and will figure the correct amount of the credit automatically. Go to **www.ftb.ca.gov**

If you were a resident of California and paid rent on property in California which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions below to see if you qualify.

1. Were you a resident[1] of California for the entire year in 2002?

YES. Go to question 2.
NO. Stop. File the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. See "Order Forms and Publications" on page 67.

2. Is your California adjusted gross income the amount on Form 540A, line 14 or Form 540, line 17:

- $28,429 or less if single or married filing separately; or
- $56,858 or less if married filing jointly, head of household, or qualifying widow(er)?

YES. Go to question 3.
NO. Stop here. You do not qualify for this credit.

3. Did you pay rent, for at least half of 2002, on property (including a mobile home that you owned on rented land) in California which was your principal residence?

YES. Go to question 4.
NO. Stop here. You do not qualify for this credit.

4. Can you be claimed as a dependent by a parent, foster parent, legal guardian, or any other person in 2002?

NO. Go to question 6.
YES. Go to question 5.

5. For more than half the year in 2002, did you live in the home of the person who can claim you as a dependent?

NO. Go to question 6.
YES. Stop here. You do not qualify for this credit.

6. Was the property you rented exempt[2] from property tax in 2002?

NO. Go to question 7.
YES. Stop here. You do not qualify for this credit.

7. Did you or your spouse claim the homeowner's property tax exemption[3] anytime during 2002?

NO. Skip question 8 and answer question 9.
YES. Go to question 8.

8. Did you and your spouse maintain separate residences for the entire year in 2002?

YES. The spouse that answered "Yes" to question 7 may not claim this credit. If the other spouse alone could have answered "No" to question 7, that person qualifies for the credit. Enter $60 on line 9 below and on Form 540A, line 19 or on Form 540, line 31.
NO. Stop here. You do not qualify for this credit.

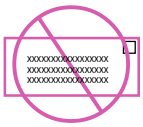
9. If you are:

- Single or married filing separately,[4] enter $60 below.
- Married filing jointly, head of household, or qualifying widow(er), enter $120 below. Enter this figure on Form 540A, line 19 or Form 540, line 31.

$ ___ ___ ___

Fill in the street address(es) and landlord information below for the residence(s) you rented in California during 2002 which qualified you for this credit.

Do Not Mail This Record



Street Address	City, State, and ZIP Code	Dates Rented in 2002(From_____to_____)
a		
b		

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

Name	Street Address	City, State, ZIP Code, and Telephone Number
a		
b		

[1] Military personnel. If you are not a legal resident of California, you do not qualify for this credit. However, your spouse may claim this credit if he or she was a resident, did not live in military housing during 2002, and is otherwise qualified.

[2] Property exempt from property taxes. You do not qualify for this credit if, for more than half of the year, you rented property that was exempt from property taxes. Exempt property includes most government-owned buildings, church-owned parsonages, college dormitories, and military barracks. However, if you or your landlord paid possessory interest taxes for the property you rented, then you may claim this credit.

[3] Homeowner's property tax exemption. You do not qualify for this credit if you or your spouse received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse for the entire year and your spouse received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.

[4] Married filing separate returns. If you and your spouse file separate returns, lived in the same rental property and both qualify for this credit, one spouse may claim the full amount of this credit ($120), or each spouse may claim half of the amount ($60 each).

Frequently Asked Questions

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

1. What if I can't file by April 15, 2003, and I think I owe tax?

You must pay 100% of the amount you owe by April 15, 2003, to avoid interest and penalties. If you cannot file because you have not received all your Form(s) W-2, estimate the amount of tax you owe by completing form FTB 3519, Payment Voucher for Automatic Extension for Individuals on page 41. Mail it to the FTB with your payment by April 15, 2003. Then, when you receive all your Form(s) W-2, complete and mail your return by October 15, 2003 (you must use Form 540A or Form 540).

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

204

If you do not receive all your Forms (W-2) by January 31, 2003, contact your employer. Only your employer can issue or correct a Form W-2. For more information, call (800) 338-0505, select "Personal Income Tax," then "General Tax Information," and enter code 204 when instructed.

3. How can I get help?

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

4. What do I do if I can't pay what I owe with my 2002 return?

207

Pay as much as you can when you file your return. If you cannot pay your tax in full with your return, you can request to make monthly payments. However, you will be charged interest and may be charged an underpayment penalty on the tax not paid by April 15, 2003, even if your request to pay in installments is approved. To make monthly payments, complete form FTB 3567, Installment Agreement Request, and mail it to the address on the form. Do not mail it with your return.

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

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

610

Note: You can also pay by credit card. For more information, go to our Website at **www.ftb.ca.gov**, or call (800) 338-0505, select "Personal Income Tax," then select "General Tax Information," and enter code 610 when instructed.

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

112

If you file electronically, you will get the fastest possible refund. Your refund check will be in the mail within 7 to 10 calendar days (or if you request direct deposit, the refund will post to your bank account within 5 to 7 banking days) from the time the FTB receives your electronic return. For more information about electronic filing, go to our Website at: **www.ftb.ca.gov** or call (800) 338-0505, select personal income tax, then select general tax information, and enter code 112 when instructed.

If you do not electronically file your return, you should receive your refund check, or if you request direct deposit the refund should post to your account, within six to eight weeks after you file your return.

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

You can check on the status of your refund over the Internet. Go to our Website at: **www.ftb.ca.gov**

You can also call our automated phone service. See the back cover for more information.

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

If you discover that you made an error on your California income tax return after you filed it, use Form 540X, Amended Individual Income Tax Return, to correct your return. See "Order Forms and Publications" on page 68.

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

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

ATTN RAR/VOL, AUDIT SECTION
FRANCHISE TAX BOARD
PO BOX 1673
SACRAMENTO CA 95812-1673

Regardless of which method you use to notify the FTB, you must include a copy of the final federal determination along with all data and schedules on which the federal adjustment was based. Get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California, for more information. See "Order Forms and Publications" on page 68.

Note: You **do not** have to file Form 540X if the changes do not affect your California tax liability.

9. How long should I keep my tax information?

We may request information from you regarding your California income tax return within the California statute of limitations period, which is usually the later of four years from the due date of the return or four years from the date the return is filed. (Exception: An extended statute of limitations period may apply for California or federal tax returns that are related to or subject to a federal audit.)

Keep a copy of your return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as they are needed to figure the basis of the property.

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

You can notify the FTB of your new address by using form FTB 3533, Change of Address. This form is available on our Website (**www.ftb.ca.gov**) as a fillable form or you may call (800) 852-5711 and select option 5 to report a change of address.

After filing your return, you should report a change of address to us for up to 4 years, especially if you leave the state and no longer have a requirement to file a California return.

Additional Information

California Sales And Use Tax

In general, the purchase of goods outside California that are brought into the state for storage, use, or other consumption may be subject to use tax. The use tax rate is the same as the sales tax rate in effect where the goods will be stored, used or consumed; usually your residence address. The tax is based on the purchase price of the goods.

- **If you purchased goods from an out-of-state retailer** (such as a mail order firm) and sales tax would have been charged if you purchased the goods in California, you may owe the use tax on your purchase if the out-of-state retailer did not collect the California tax.
- **If you traveled to a foreign country and brought goods home with you,** the use tax will be based on the purchase price of the goods you listed on your U.S. Customs Declaration after deduction of the $400 per individual exemption allowable by law within any 30-day period. This deduction does not apply to goods sent or shipped to California by common carrier.

Your tax liability may be calculated by multiplying the sales tax rate at your residence times the cost of the goods purchased. Send your payment to the **STATE BOARD OF EQUALIZATION, PO BOX 942879, SACRAMENTO CA 94279-0001**, with a brief statement listing your name, address, daytime telephone number, cost and description of the goods purchased. Board of Equalization Pamphlet 79-B contains additional information and a form you may use to report the tax. An electronic version of this pamphlet may be found in the Board of Equalization's internet Website at: **www.boe.ca.gov/pdf/pub79b.pdf**.

If you file a Schedule C (Form 1040), Profit or Loss From Business, with your federal income tax return and are in the business of selling tangible personal property, you may be required to obtain a seller's permit with the State Board of Equalization.

If you have any questions concerning the taxability of a purchase, or want information about obtaining a seller's permit, please contact the State Board of Equalization's toll-free number at (800) 400-7115, to talk to a Customer Service Representative. Representatives are available from 8 a.m. to 5 p.m., Monday - Friday, excluding state holidays.

Collection Fees

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

Deceased Taxpayers

A final return must be filed for a person who died in 2002 if a return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the return. Please print "deceased" and the date of death next to the taxpayer's name at the top of the return.

If you are a surviving spouse and no administrator or executor has been appointed, you may file a joint return if you did not remarry during 2002. Indicate next to your signature that you are the surviving spouse.

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

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

Homeowner and Renter Assistance

Homeowner assistance is a once-a-year payment from the State of California based on part of the property taxes assessed and paid on your home. If eligible, you could receive up to 96% of the property taxes you paid in the prior year. In 2002, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2001: 62 years of age* or older, blind, or disabled; and
- Owned your home and lived in it on December 31, 2001, had total household income of $37,119 or less, and are a U.S. citizen, designated alien, or qualified alien, when you file your claim.

  *If your 62nd birthday is on January 1, 2002, you are considered to be age 62 on December 31, 2001.

Renter assistance is a once-a-year payment from the State of California based on part of the property taxes that you pay indirectly when you pay your rent. In 2002, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2001: 62 years of age* or older, blind, or disabled; and
- Paid $50 or more rent per month in the prior year, had total household income of $37,119 or less, and are a U.S. citizen, designated alien, or qualified alien when you file your claim.

  *If your 62nd birthday is on January 1, 2002, you are considered to be age 62 on December 31, 2001.

The 2003 filing season for these programs begins July 1, 2003. For more information, call (800) 852-5711.

Innocent Spouse Relief

You may qualify for relief from liability for tax on a joint return if (1) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (2) you are divorced, separated, or no longer living with your spouse, **or** (3) given all the facts and circumstances, it would be unfair to hold you liable for the tax. Get FTB Pub. 705, "Innocent Spouse – Are you eligible?" for more information.

Military Personnel

If you are a member of the military and need additional information on how to file your return, get FTB Pub 1032, Tax Information for Military Personnel, and FTB Pub 1021, Tax Information for Military Personnel – Extensions and Income Exclusions. See "Order Forms and Publications" on page 68.

Requesting a Copy of Your Tax Return

The FTB keeps personal income tax returns for three and one-half years from the original due date. If you need to get a copy of a return from those years, you must request it by writing a letter or by completing form FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return. In most cases, there is a $10 fee for each tax year you request. However, there is no charge if: you are requesting a return and any audit reports attached in connection with an audit or collection activity; you were the victim of a designated California or federal disaster; or you request copies from a field office that assisted you in completing your return. See "Order Forms and Publications" on page 68.

Vehicle License Fees for Federal Schedule A

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

Voting Is Everybody's Business

You may register to vote if you meet these requirements:

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

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

It's Your Right . . . Register and Vote

2002 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 or Form 540A, line 16.
- 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 Filing Separately) 2 or 5 (Married 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	72	65	65	12,951	13,050	202	143	143
51	150	1	1	1	6,551	6,650	74	66	66	13,051	13,150	204	145	145
151	250	2	2	2	6,651	6,750	76	67	67	13,151	13,250	206	147	147
251	350	3	3	3	6,751	6,850	78	68	68	13,251	13,350	208	149	149
351	450	4	4	4	6,851	6,950	80	69	69	13,351	13,450	210	151	151
451	550	5	5	5	6,951	7,050	82	70	70	13,451	13,550	212	153	153
551	650	6	6	6	7,051	7,150	84	71	71	13,551	13,650	214	155	155
651	750	7	7	7	7,151	7,250	86	72	72	13,651	13,750	216	157	157
751	850	8	8	8	7,251	7,350	88	73	73	13,751	13,850	218	159	159
851	950	9	9	9	7,351	7,450	90	74	74	13,851	13,950	221	161	161
951	1,050	10	10	10	7,451	7,550	92	75	75	13,951	14,050	225	163	163
1,051	1,150	11	11	11	7,551	7,650	94	76	76	14,051	14,150	229	165	165
1,151	1,250	12	12	12	7,651	7,750	96	77	77	14,151	14,250	233	167	167
1,251	1,350	13	13	13	7,751	7,850	98	78	78	14,251	14,350	237	169	169
1,351	1,450	14	14	14	7,851	7,950	100	79	79	14,351	14,450	241	171	171
1,451	1,550	15	15	15	7,951	8,050	102	80	80	14,451	14,550	245	173	173
1,551	1,650	16	16	16	8,051	8,150	104	81	81	14,551	14,650	249	175	175
1,651	1,750	17	17	17	8,151	8,250	106	82	82	14,651	14,750	253	177	177
1,751	1,850	18	18	18	8,251	8,350	108	83	83	14,751	14,850	257	179	179
1,851	1,950	19	19	19	8,351	8,450	110	84	84	14,851	14,950	261	181	181
1,951	2,050	20	20	20	8,451	8,550	112	85	85	14,951	15,050	265	183	183
2,051	2,150	21	21	21	8,551	8,650	114	86	86	15,051	15,150	269	185	185
2,151	2,250	22	22	22	8,651	8,750	116	87	87	15,151	15,250	273	187	187
2,251	2,350	23	23	23	8,751	8,850	118	88	88	15,251	15,350	277	189	189
2,351	2,450	24	24	24	8,851	8,950	120	89	89	15,351	15,450	281	191	191
2,451	2,550	25	25	25	8,951	9,050	122	90	90	15,451	15,550	285	193	193
2,551	2,650	26	26	26	9,051	9,150	124	91	91	15,551	15,650	289	195	195
2,651	2,750	27	27	27	9,151	9,250	126	92	92	15,651	15,750	293	197	197
2,751	2,850	28	28	28	9,251	9,350	128	93	93	15,751	15,850	297	199	199
2,851	2,950	29	29	29	9,351	9,450	130	94	94	15,851	15,950	301	201	201
2,951	3,050	30	30	30	9,451	9,550	132	95	95	15,951	16,050	305	203	203
3,051	3,150	31	31	31	9,551	9,650	134	96	96	16,051	16,150	309	205	205
3,151	3,250	32	32	32	9,651	9,750	136	97	97	16,151	16,250	313	207	207
3,251	3,350	33	33	33	9,751	9,850	138	98	98	16,251	16,350	317	209	209
3,351	3,450	34	34	34	9,851	9,950	140	99	99	16,351	16,450	321	211	211
3,451	3,550	35	35	35	9,951	10,050	142	100	100	16,451	16,550	325	213	213
3,551	3,650	36	36	36	10,051	10,150	144	101	101	16,551	16,650	329	215	215
3,651	3,750	37	37	37	10,151	10,250	146	102	102	16,651	16,750	333	217	217
3,751	3,850	38	38	38	10,251	10,350	148	103	103	16,751	16,850	337	219	219
3,851	3,950	39	39	39	10,351	10,450	150	104	104	16,851	16,950	341	221	221
3,951	4,050	40	40	40	10,451	10,550	152	105	105	16,951	17,050	345	223	223
4,051	4,150	41	41	41	10,551	10,650	154	106	106	17,051	17,150	349	225	225
4,151	4,250	42	42	42	10,651	10,750	156	107	107	17,151	17,250	353	227	227
4,251	4,350	43	43	43	10,751	10,850	158	108	108	17,251	17,350	357	229	229
4,351	4,450	44	44	44	10,851	10,950	160	109	109	17,351	17,450	361	231	231
4,451	4,550	45	45	45	10,951	11,050	162	110	110	17,451	17,550	365	233	233
4,551	4,650	46	46	46	11,051	11,150	164	111	111	17,551	17,650	369	235	235
4,651	4,750	47	47	47	11,151	11,250	166	112	112	17,651	17,750	373	237	237
4,751	4,850	48	48	48	11,251	11,350	168	113	113	17,751	17,850	377	239	239
4,851	4,950	49	49	49	11,351	11,450	170	114	114	17,851	17,950	381	241	241
4,951	5,050	50	50	50	11,451	11,550	172	115	115	17,951	18,050	385	243	243
5,051	5,150	51	51	51	11,551	11,650	174	116	116	18,051	18,150	389	245	245
5,151	5,250	52	52	52	11,651	11,750	176	117	117	18,151	18,250	393	247	247
5,251	5,350	53	53	53	11,751	11,850	178	119	119	18,251	18,350	397	249	249
5,351	5,450	54	54	54	11,851	11,950	180	121	121	18,351	18,450	401	251	251
5,451	5,550	55	55	55	11,951	12,050	182	123	123	18,451	18,550	405	253	253
5,551	5,650	56	56	56	12,051	12,150	184	125	125	18,551	18,650	409	255	255
5,651	5,750	57	57	57	12,151	12,250	186	127	127	18,651	18,750	413	257	257
5,751	5,850	58	58	58	12,251	12,350	188	129	129	18,751	18,850	417	259	259
5,851	5,950	60	59	59	12,351	12,450	190	131	131	18,851	18,950	421	261	261
5,951	6,050	62	60	60	12,451	12,550	192	133	133	18,951	19,050	425	263	263
6,051	6,150	64	61	61	12,551	12,650	194	135	135	19,051	19,150	429	265	265
6,151	6,250	66	62	62	12,651	12,750	196	137	137	19,151	19,250	433	267	267
6,251	6,350	68	63	63	12,751	12,850	198	139	139	19,251	19,350	437	269	269
6,351	6,450	70	64	64	12,851	12,950	200	141	141	19,351	19,450	441	271	271

Continued on next page.

2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married 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**	445	273	273	**26,451**	**26,550**	819	413	413	**33,451**	**33,550**	1,303	670	670
19,551	**19,650**	449	275	275	**26,551**	**26,650**	825	415	415	**33,551**	**33,650**	1,311	674	674
19,651	**19,750**	453	277	277	**26,651**	**26,750**	831	417	417	**33,651**	**33,750**	1,319	678	678
19,751	**19,850**	457	279	279	**26,751**	**26,850**	837	419	419	**33,751**	**33,850**	1,327	682	682
19,851	**19,950**	461	281	281	**26,851**	**26,950**	843	421	421	**33,851**	**33,950**	1,335	686	686
19,951	**20,050**	465	283	283	**26,951**	**27,050**	849	423	423	**33,951**	**34,050**	1,343	690	690
20,051	**20,150**	469	285	285	**27,051**	**27,150**	855	425	425	**34,051**	**34,150**	1,351	694	694
20,151	**20,250**	473	287	287	**27,151**	**27,250**	861	427	427	**34,151**	**34,250**	1,359	698	698
20,251	**20,350**	477	289	289	**27,251**	**27,350**	867	429	429	**34,251**	**34,350**	1,367	702	702
20,351	**20,450**	481	291	291	**27,351**	**27,450**	873	431	431	**34,351**	**34,450**	1,375	706	706
20,451	**20,550**	485	293	293	**27,451**	**27,550**	879	433	433	**34,451**	**34,550**	1,383	710	710
20,551	**20,650**	489	295	295	**27,551**	**27,650**	885	435	435	**34,551**	**34,650**	1,391	714	714
20,651	**20,750**	493	297	297	**27,651**	**27,750**	891	438	438	**34,651**	**34,750**	1,399	718	718
20,751	**20,850**	497	299	299	**27,751**	**27,850**	897	442	442	**34,751**	**34,850**	1,407	722	722
20,851	**20,950**	501	301	301	**27,851**	**27,950**	903	446	446	**34,851**	**34,950**	1,415	726	726
20,951	**21,050**	505	303	303	**27,951**	**28,050**	909	450	450	**34,951**	**35,050**	1,423	730	730
21,051	**21,150**	509	305	305	**28,051**	**28,150**	915	454	454	**35,051**	**35,150**	1,431	734	734
21,151	**21,250**	513	307	307	**28,151**	**28,250**	921	458	458	**35,151**	**35,250**	1,439	738	738
21,251	**21,350**	517	309	309	**28,251**	**28,350**	927	462	462	**35,251**	**35,350**	1,447	742	742
21,351	**21,450**	521	311	311	**28,351**	**28,450**	933	466	466	**35,351**	**35,450**	1,455	746	746
21,451	**21,550**	525	313	313	**28,451**	**28,550**	939	470	470	**35,451**	**35,550**	1,463	750	750
21,551	**21,650**	529	315	315	**28,551**	**28,650**	945	474	474	**35,551**	**35,650**	1,471	754	754
21,651	**21,750**	533	317	317	**28,651**	**28,750**	951	478	478	**35,651**	**35,750**	1,479	758	759
21,751	**21,850**	537	319	319	**28,751**	**28,850**	957	482	482	**35,751**	**35,850**	1,487	762	765
21,851	**21,950**	543	321	321	**28,851**	**28,950**	963	486	486	**35,851**	**35,950**	1,495	766	771
21,951	**22,050**	549	323	323	**28,951**	**29,050**	969	490	490	**35,951**	**36,050**	1,503	770	777
22,051	**22,150**	555	325	325	**29,051**	**29,150**	975	494	494	**36,051**	**36,150**	1,511	774	783
22,151	**22,250**	561	327	327	**29,151**	**29,250**	981	498	498	**36,151**	**36,250**	1,519	778	789
22,251	**22,350**	567	329	329	**29,251**	**29,350**	987	502	502	**36,251**	**36,350**	1,527	782	795
22,351	**22,450**	573	331	331	**29,351**	**29,450**	993	506	506	**36,351**	**36,450**	1,535	786	801
22,451	**22,550**	579	333	333	**29,451**	**29,550**	999	510	510	**36,451**	**36,550**	1,543	790	807
22,551	**22,650**	585	335	335	**29,551**	**29,650**	1,005	514	514	**36,551**	**36,650**	1,551	794	813
22,651	**22,750**	591	337	337	**29,651**	**29,750**	1,011	518	518	**36,651**	**36,750**	1,559	798	819
22,751	**22,850**	597	339	339	**29,751**	**29,850**	1,017	522	522	**36,751**	**36,850**	1,567	802	825
22,851	**22,950**	603	341	341	**29,851**	**29,950**	1,023	526	526	**36,851**	**36,950**	1,575	806	831
22,951	**23,050**	609	343	343	**29,951**	**30,050**	1,029	530	530	**36,951**	**37,050**	1,583	810	837
23,051	**23,150**	615	345	345	**30,051**	**30,150**	1,035	534	534	**37,051**	**37,150**	1,591	814	843
23,151	**23,250**	621	347	347	**30,151**	**30,250**	1,041	538	538	**37,151**	**37,250**	1,599	818	849
23,251	**23,350**	627	349	349	**30,251**	**30,350**	1,047	542	542	**37,251**	**37,350**	1,607	822	855
23,351	**23,450**	633	351	351	**30,351**	**30,450**	1,055	546	546	**37,351**	**37,450**	1,615	826	861
23,451	**23,550**	639	353	353	**30,451**	**30,550**	1,063	550	550	**37,451**	**37,550**	1,623	830	867
23,551	**23,650**	645	355	355	**30,551**	**30,650**	1,071	554	554	**37,551**	**37,650**	1,631	834	873
23,651	**23,750**	651	357	357	**30,651**	**30,750**	1,079	558	558	**37,651**	**37,750**	1,639	838	879
23,751	**23,850**	657	359	359	**30,751**	**30,850**	1,087	562	562	**37,751**	**37,850**	1,647	842	885
23,851	**23,950**	663	361	361	**30,851**	**30,950**	1,095	566	566	**37,851**	**37,950**	1,655	846	891
23,951	**24,050**	669	363	363	**30,951**	**31,050**	1,103	570	570	**37,951**	**38,050**	1,663	850	897
24,051	**24,150**	675	365	365	**31,051**	**31,150**	1,111	574	574	**38,051**	**38,150**	1,671	854	903
24,151	**24,250**	681	367	367	**31,151**	**31,250**	1,119	578	578	**38,151**	**38,250**	1,679	858	909
24,251	**24,350**	687	369	369	**31,251**	**31,350**	1,127	582	582	**38,251**	**38,350**	1,687	862	915
24,351	**24,450**	693	371	371	**31,351**	**31,450**	1,135	586	586	**38,351**	**38,450**	1,696	866	921
24,451	**24,550**	699	373	373	**31,451**	**31,550**	1,143	590	590	**38,451**	**38,550**	1,705	870	927
24,551	**24,650**	705	375	375	**31,551**	**31,650**	1,151	594	594	**38,551**	**38,650**	1,715	874	933
24,651	**24,750**	711	377	377	**31,651**	**31,750**	1,159	598	598	**38,651**	**38,750**	1,724	878	939
24,751	**24,850**	717	379	379	**31,751**	**31,850**	1,167	602	602	**38,751**	**38,850**	1,733	882	945
24,851	**24,950**	723	381	381	**31,851**	**31,950**	1,175	606	606	**38,851**	**38,950**	1,743	886	951
24,951	**25,050**	729	383	383	**31,951**	**32,050**	1,183	610	610	**38,951**	**39,050**	1,752	890	957
25,051	**25,150**	735	385	385	**32,051**	**32,150**	1,191	614	614	**39,051**	**39,150**	1,761	894	963
25,151	**25,250**	741	387	387	**32,151**	**32,250**	1,199	618	618	**39,151**	**39,250**	1,770	898	969
25,251	**25,350**	747	389	389	**32,251**	**32,350**	1,207	622	622	**39,251**	**39,350**	1,780	902	975
25,351	**25,450**	753	391	391	**32,351**	**32,450**	1,215	626	626	**39,351**	**39,450**	1,789	906	981
25,451	**25,550**	759	393	393	**32,451**	**32,550**	1,223	630	630	**39,451**	**39,550**	1,798	910	987
25,551	**25,650**	765	395	395	**32,551**	**32,650**	1,231	634	634	**39,551**	**39,650**	1,808	914	993
25,651	**25,750**	771	397	397	**32,651**	**32,750**	1,239	638	638	**39,651**	**39,750**	1,817	918	999
25,751	**25,850**	777	399	399	**32,751**	**32,850**	1,247	642	642	**39,751**	**39,850**	1,826	922	1,005
25,851	**25,950**	783	401	401	**32,851**	**32,950**	1,255	646	646	**39,851**	**39,950**	1,836	926	1,011
25,951	**26,050**	789	403	403	**32,951**	**33,050**	1,263	650	650	**39,951**	**40,050**	1,845	930	1,017
26,051	**26,150**	795	405	405	**33,051**	**33,150**	1,271	654	654	**40,051**	**40,150**	1,854	934	1,023
26,151	**26,250**	801	407	407	**33,151**	**33,250**	1,279	658	658	**40,151**	**40,250**	1,863	938	1,029
26,251	**26,350**	807	409	409	**33,251**	**33,350**	1,287	662	662	**40,251**	**40,350**	1,873	942	1,035
26,351	**26,450**	813	411	411	**33,351**	**33,450**	1,295	666	666	**40,351**	**40,450**	1,882	946	1,041

Continued on next page.

2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married 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**	1,891	950	1,047	**47,451**	**47,550**	2,542	1,307	1,535	**54,451**	**54,550**	3,193	1,727	2,125
40,551	**40,650**	1,901	954	1,053	**47,551**	**47,650**	2,552	1,313	1,543	**54,551**	**54,650**	3,203	1,733	2,135
40,651	**40,750**	1,910	958	1,059	**47,651**	**47,750**	2,561	1,319	1,551	**54,651**	**54,750**	3,212	1,739	2,144
40,751	**40,850**	1,919	962	1,065	**47,751**	**47,850**	2,570	1,325	1,559	**54,751**	**54,850**	3,221	1,745	2,153
40,851	**40,950**	1,929	966	1,071	**47,851**	**47,950**	2,580	1,331	1,567	**54,851**	**54,950**	3,231	1,751	2,163
40,951	**41,050**	1,938	970	1,077	**47,951**	**48,050**	2,589	1,337	1,575	**54,951**	**55,050**	3,240	1,757	2,172
41,051	**41,150**	1,947	974	1,083	**48,051**	**48,150**	2,598	1,343	1,583	**55,051**	**55,150**	3,249	1,763	2,181
41,151	**41,250**	1,956	978	1,089	**48,151**	**48,250**	2,607	1,349	1,591	**55,151**	**55,250**	3,258	1,769	2,191
41,251	**41,350**	1,966	982	1,095	**48,251**	**48,350**	2,617	1,355	1,599	**55,251**	**55,350**	3,268	1,775	2,200
41,351	**41,450**	1,975	986	1,101	**48,351**	**48,450**	2,626	1,361	1,607	**55,351**	**55,450**	3,277	1,781	2,209
41,451	**41,550**	1,984	990	1,107	**48,451**	**48,550**	2,635	1,367	1,615	**55,451**	**55,550**	3,286	1,787	2,218
41,551	**41,650**	1,994	994	1,113	**48,551**	**48,650**	2,645	1,373	1,623	**55,551**	**55,650**	3,296	1,793	2,228
41,651	**41,750**	2,003	998	1,119	**48,651**	**48,750**	2,654	1,379	1,631	**55,651**	**55,750**	3,305	1,799	2,237
41,751	**41,850**	2,012	1,002	1,125	**48,751**	**48,850**	2,663	1,385	1,639	**55,751**	**55,850**	3,314	1,805	2,246
41,851	**41,950**	2,022	1,006	1,131	**48,851**	**48,950**	2,673	1,391	1,647	**55,851**	**55,950**	3,324	1,811	2,256
41,951	**42,050**	2,031	1,010	1,137	**48,951**	**49,050**	2,682	1,397	1,655	**55,951**	**56,050**	3,333	1,817	2,265
42,051	**42,150**	2,040	1,014	1,143	**49,051**	**49,150**	2,691	1,403	1,663	**56,051**	**56,150**	3,342	1,823	2,274
42,151	**42,250**	2,049	1,018	1,149	**49,151**	**49,250**	2,700	1,409	1,671	**56,151**	**56,250**	3,351	1,829	2,284
42,251	**42,350**	2,059	1,022	1,155	**49,251**	**49,350**	2,710	1,415	1,679	**56,251**	**56,350**	3,361	1,835	2,293
42,351	**42,450**	2,068	1,026	1,161	**49,351**	**49,450**	2,719	1,421	1,687	**56,351**	**56,450**	3,370	1,841	2,302
42,451	**42,550**	2,077	1,030	1,167	**49,451**	**49,550**	2,728	1,427	1,695	**56,451**	**56,550**	3,379	1,847	2,311
42,551	**42,650**	2,087	1,034	1,173	**49,551**	**49,650**	2,738	1,433	1,703	**56,551**	**56,650**	3,389	1,853	2,321
42,651	**42,750**	2,096	1,038	1,179	**49,651**	**49,750**	2,747	1,439	1,711	**56,651**	**56,750**	3,398	1,859	2,330
42,751	**42,850**	2,105	1,042	1,185	**49,751**	**49,850**	2,756	1,445	1,719	**56,751**	**56,850**	3,407	1,865	2,339
42,851	**42,950**	2,115	1,046	1,191	**49,851**	**49,950**	2,766	1,451	1,727	**56,851**	**56,950**	3,417	1,871	2,349
42,951	**43,050**	2,124	1,050	1,197	**49,951**	**50,050**	2,775	1,457	1,735	**56,951**	**57,050**	3,426	1,877	2,358
43,051	**43,150**	2,133	1,054	1,203	**50,051**	**50,150**	2,784	1,463	1,743	**57,051**	**57,150**	3,435	1,883	2,367
43,151	**43,250**	2,142	1,058	1,209	**50,151**	**50,250**	2,793	1,469	1,751	**57,151**	**57,250**	3,444	1,889	2,377
43,251	**43,350**	2,152	1,062	1,215	**50,251**	**50,350**	2,803	1,475	1,759	**57,251**	**57,350**	3,454	1,895	2,386
43,351	**43,450**	2,161	1,066	1,221	**50,351**	**50,450**	2,812	1,481	1,767	**57,351**	**57,450**	3,463	1,901	2,395
43,451	**43,550**	2,170	1,070	1,227	**50,451**	**50,550**	2,821	1,487	1,775	**57,451**	**57,550**	3,472	1,907	2,404
43,551	**43,650**	2,180	1,074	1,233	**50,551**	**50,650**	2,831	1,493	1,783	**57,551**	**57,650**	3,482	1,913	2,414
43,651	**43,750**	2,189	1,079	1,239	**50,651**	**50,750**	2,840	1,499	1,791	**57,651**	**57,750**	3,491	1,919	2,423
43,751	**43,850**	2,198	1,085	1,245	**50,751**	**50,850**	2,849	1,505	1,799	**57,751**	**57,850**	3,500	1,925	2,432
43,851	**43,950**	2,208	1,091	1,251	**50,851**	**50,950**	2,859	1,511	1,807	**57,851**	**57,950**	3,510	1,931	2,442
43,951	**44,050**	2,217	1,097	1,257	**50,951**	**51,050**	2,868	1,517	1,815	**57,951**	**58,050**	3,519	1,937	2,451
44,051	**44,150**	2,226	1,103	1,263	**51,051**	**51,150**	2,877	1,523	1,823	**58,051**	**58,150**	3,528	1,943	2,460
44,151	**44,250**	2,235	1,109	1,271	**51,151**	**51,250**	2,886	1,529	1,831	**58,151**	**58,250**	3,537	1,949	2,470
44,251	**44,350**	2,245	1,115	1,279	**51,251**	**51,350**	2,896	1,535	1,839	**58,251**	**58,350**	3,547	1,955	2,479
44,351	**44,450**	2,254	1,121	1,287	**51,351**	**51,450**	2,905	1,541	1,847	**58,351**	**58,450**	3,556	1,961	2,488
44,451	**44,550**	2,263	1,127	1,295	**51,451**	**51,550**	2,914	1,547	1,855	**58,451**	**58,550**	3,565	1,967	2,497
44,551	**44,650**	2,273	1,133	1,303	**51,551**	**51,650**	2,924	1,553	1,863	**58,551**	**58,650**	3,575	1,973	2,507
44,651	**44,750**	2,282	1,139	1,311	**51,651**	**51,750**	2,933	1,559	1,871	**58,651**	**58,750**	3,584	1,979	2,516
44,751	**44,850**	2,291	1,145	1,319	**51,751**	**51,850**	2,942	1,565	1,879	**58,751**	**58,850**	3,593	1,985	2,525
44,851	**44,950**	2,301	1,151	1,327	**51,851**	**51,950**	2,952	1,571	1,887	**58,851**	**58,950**	3,603	1,991	2,535
44,951	**45,050**	2,310	1,157	1,335	**51,951**	**52,050**	2,961	1,577	1,895	**58,951**	**59,050**	3,612	1,997	2,544
45,051	**45,150**	2,319	1,163	1,343	**52,051**	**52,150**	2,970	1,583	1,903	**59,051**	**59,150**	3,621	2,003	2,553
45,151	**45,250**	2,328	1,169	1,351	**52,151**	**52,250**	2,979	1,589	1,912	**59,151**	**59,250**	3,630	2,009	2,563
45,251	**45,350**	2,338	1,175	1,359	**52,251**	**52,350**	2,989	1,595	1,921	**59,251**	**59,350**	3,640	2,015	2,572
45,351	**45,450**	2,347	1,181	1,367	**52,351**	**52,450**	2,998	1,601	1,930	**59,351**	**59,450**	3,649	2,021	2,581
45,451	**45,550**	2,356	1,187	1,375	**52,451**	**52,550**	3,007	1,607	1,939	**59,451**	**59,550**	3,658	2,027	2,590
45,551	**45,650**	2,366	1,193	1,383	**52,551**	**52,650**	3,017	1,613	1,949	**59,551**	**59,650**	3,668	2,033	2,600
45,651	**45,750**	2,375	1,199	1,391	**52,651**	**52,750**	3,026	1,619	1,958	**59,651**	**59,750**	3,677	2,039	2,609
45,751	**45,850**	2,384	1,205	1,399	**52,751**	**52,850**	3,035	1,625	1,967	**59,751**	**59,850**	3,686	2,045	2,618
45,851	**45,950**	2,394	1,211	1,407	**52,851**	**52,950**	3,045	1,631	1,977	**59,851**	**59,950**	3,696	2,051	2,628
45,951	**46,050**	2,403	1,217	1,415	**52,951**	**53,050**	3,054	1,637	1,986	**59,951**	**60,050**	3,705	2,057	2,637
46,051	**46,150**	2,412	1,223	1,423	**53,051**	**53,150**	3,063	1,643	1,995	**60,051**	**60,150**	3,714	2,063	2,646
46,151	**46,250**	2,421	1,229	1,431	**53,151**	**53,250**	3,072	1,649	2,005	**60,151**	**60,250**	3,723	2,069	2,656
46,251	**46,350**	2,431	1,235	1,439	**53,251**	**53,350**	3,082	1,655	2,014	**60,251**	**60,350**	3,733	2,075	2,665
46,351	**46,450**	2,440	1,241	1,447	**53,351**	**53,450**	3,091	1,661	2,023	**60,351**	**60,450**	3,742	2,081	2,674
46,451	**46,550**	2,449	1,247	1,455	**53,451**	**53,550**	3,100	1,667	2,032	**60,451**	**60,550**	3,751	2,087	2,683
46,551	**46,650**	2,459	1,253	1,463	**53,551**	**53,650**	3,110	1,673	2,042	**60,551**	**60,650**	3,761	2,093	2,693
46,651	**46,750**	2,468	1,259	1,471	**53,651**	**53,750**	3,119	1,679	2,051	**60,651**	**60,750**	3,770	2,101	2,702
46,751	**46,850**	2,477	1,265	1,479	**53,751**	**53,850**	3,128	1,685	2,060	**60,751**	**60,850**	3,779	2,109	2,711
46,851	**46,950**	2,487	1,271	1,487	**53,851**	**53,950**	3,138	1,691	2,070	**60,851**	**60,950**	3,789	2,117	2,721
46,951	**47,050**	2,496	1,277	1,495	**53,951**	**54,050**	3,147	1,697	2,079	**60,951**	**61,050**	3,798	2,125	2,730
47,051	**47,150**	2,505	1,283	1,503	**54,051**	**54,150**	3,156	1,703	2,088	**61,051**	**61,150**	3,807	2,133	2,739
47,151	**47,250**	2,514	1,289	1,511	**54,151**	**54,250**	3,165	1,709	2,098	**61,151**	**61,250**	3,816	2,141	2,749
47,251	**47,350**	2,524	1,295	1,519	**54,251**	**54,350**	3,175	1,715	2,107	**61,251**	**61,350**	3,826	2,149	2,758
47,351	**47,450**	2,533	1,301	1,527	**54,351**	**54,450**	3,184	1,721	2,116	**61,351**	**61,450**	3,835	2,157	2,767

Continued on next page.

2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married 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**	3,844	2,165	2,776	**68,451**	**68,550**	4,495	2,725	3,427	**75,451**	**75,550**	5,146	3,285	4,078
61,551	**61,650**	3,854	2,173	2,786	**68,551**	**68,650**	4,505	2,733	3,437	**75,551**	**75,650**	5,156	3,293	4,088
61,651	**61,750**	3,863	2,181	2,795	**68,651**	**68,750**	4,514	2,741	3,446	**75,651**	**75,750**	5,165	3,301	4,097
61,751	**61,850**	3,872	2,189	2,804	**68,751**	**68,850**	4,523	2,749	3,455	**75,751**	**75,850**	5,174	3,309	4,106
61,851	**61,950**	3,882	2,197	2,814	**68,851**	**68,950**	4,533	2,757	3,465	**75,851**	**75,950**	5,184	3,317	4,116
61,951	**62,050**	3,891	2,205	2,823	**68,951**	**69,050**	4,542	2,765	3,474	**75,951**	**76,050**	5,193	3,325	4,125
62,051	**62,150**	3,900	2,213	2,832	**69,051**	**69,150**	4,551	2,773	3,483	**76,051**	**76,150**	5,202	3,333	4,134
62,151	**62,250**	3,909	2,221	2,842	**69,151**	**69,250**	4,560	2,781	3,493	**76,151**	**76,250**	5,211	3,341	4,144
62,251	**62,350**	3,919	2,229	2,851	**69,251**	**69,350**	4,570	2,789	3,502	**76,251**	**76,350**	5,221	3,349	4,153
62,351	**62,450**	3,928	2,237	2,860	**69,351**	**69,450**	4,579	2,797	3,511	**76,351**	**76,450**	5,230	3,357	4,162
62,451	**62,550**	3,937	2,245	2,869	**69,451**	**69,550**	4,588	2,805	3,520	**76,451**	**76,550**	5,239	3,365	4,171
62,551	**62,650**	3,947	2,253	2,879	**69,551**	**69,650**	4,598	2,813	3,530	**76,551**	**76,650**	5,249	3,373	4,181
62,651	**62,750**	3,956	2,261	2,888	**69,651**	**69,750**	4,607	2,821	3,539	**76,651**	**76,750**	5,258	3,383	4,190
62,751	**62,850**	3,965	2,269	2,897	**69,751**	**69,850**	4,616	2,829	3,548	**76,751**	**76,850**	5,267	3,392	4,199
62,851	**62,950**	3,975	2,277	2,907	**69,851**	**69,950**	4,626	2,837	3,558	**76,851**	**76,950**	5,277	3,401	4,209
62,951	**63,050**	3,984	2,285	2,916	**69,951**	**70,050**	4,635	2,845	3,567	**76,951**	**77,050**	5,286	3,411	4,218
63,051	**63,150**	3,993	2,293	2,925	**70,051**	**70,150**	4,644	2,853	3,576	**77,051**	**77,150**	5,295	3,420	4,227
63,151	**63,250**	4,002	2,301	2,935	**70,151**	**70,250**	4,653	2,861	3,586	**77,151**	**77,250**	5,304	3,429	4,237
63,251	**63,350**	4,012	2,309	2,944	**70,251**	**70,350**	4,663	2,869	3,595	**77,251**	**77,350**	5,314	3,439	4,246
63,351	**63,450**	4,021	2,317	2,953	**70,351**	**70,450**	4,672	2,877	3,604	**77,351**	**77,450**	5,323	3,448	4,255
63,451	**63,550**	4,030	2,325	2,962	**70,451**	**70,550**	4,681	2,885	3,613	**77,451**	**77,550**	5,332	3,457	4,264
63,551	**63,650**	4,040	2,333	2,972	**70,551**	**70,650**	4,691	2,893	3,623	**77,551**	**77,650**	5,342	3,466	4,274
63,651	**63,750**	4,049	2,341	2,981	**70,651**	**70,750**	4,700	2,901	3,632	**77,651**	**77,750**	5,351	3,476	4,283
63,751	**63,850**	4,058	2,349	2,990	**70,751**	**70,850**	4,709	2,909	3,641	**77,751**	**77,850**	5,360	3,485	4,292
63,851	**63,950**	4,068	2,357	3,000	**70,851**	**70,950**	4,719	2,917	3,651	**77,851**	**77,950**	5,370	3,494	4,302
63,951	**64,050**	4,077	2,365	3,009	**70,951**	**71,050**	4,728	2,925	3,660	**77,951**	**78,050**	5,379	3,504	4,311
64,051	**64,150**	4,086	2,373	3,018	**71,051**	**71,150**	4,737	2,933	3,669	**78,051**	**78,150**	5,388	3,513	4,320
64,151	**64,250**	4,095	2,381	3,028	**71,151**	**71,250**	4,746	2,941	3,679	**78,151**	**78,250**	5,397	3,522	4,330
64,251	**64,350**	4,105	2,389	3,037	**71,251**	**71,350**	4,756	2,949	3,688	**78,251**	**78,350**	5,407	3,532	4,339
64,351	**64,450**	4,114	2,397	3,046	**71,351**	**71,450**	4,765	2,957	3,697	**78,351**	**78,450**	5,416	3,541	4,348
64,451	**64,550**	4,123	2,405	3,055	**71,451**	**71,550**	4,774	2,965	3,706	**78,451**	**78,550**	5,425	3,550	4,357
64,551	**64,650**	4,133	2,413	3,065	**71,551**	**71,650**	4,784	2,973	3,716	**78,551**	**78,650**	5,435	3,559	4,367
64,651	**64,750**	4,142	2,421	3,074	**71,651**	**71,750**	4,793	2,981	3,725	**78,651**	**78,750**	5,444	3,569	4,376
64,751	**64,850**	4,151	2,429	3,083	**71,751**	**71,850**	4,802	2,989	3,734	**78,751**	**78,850**	5,453	3,578	4,385
64,851	**64,950**	4,161	2,437	3,093	**71,851**	**71,950**	4,812	2,997	3,744	**78,851**	**78,950**	5,463	3,587	4,395
64,951	**65,050**	4,170	2,445	3,102	**71,951**	**72,050**	4,821	3,005	3,753	**78,951**	**79,050**	5,472	3,597	4,404
65,051	**65,150**	4,179	2,453	3,111	**72,051**	**72,150**	4,830	3,013	3,762	**79,051**	**79,150**	5,481	3,606	4,413
65,151	**65,250**	4,188	2,461	3,121	**72,151**	**72,250**	4,839	3,021	3,772	**79,151**	**79,250**	5,490	3,615	4,423
65,251	**65,350**	4,198	2,469	3,130	**72,251**	**72,350**	4,849	3,029	3,781	**79,251**	**79,350**	5,500	3,625	4,432
65,351	**65,450**	4,207	2,477	3,139	**72,351**	**72,450**	4,858	3,037	3,790	**79,351**	**79,450**	5,509	3,634	4,441
65,451	**65,550**	4,216	2,485	3,148	**72,451**	**72,550**	4,867	3,045	3,799	**79,451**	**79,550**	5,518	3,643	4,450
65,551	**65,650**	4,226	2,493	3,158	**72,551**	**72,650**	4,877	3,053	3,809	**79,551**	**79,650**	5,528	3,652	4,460
65,651	**65,750**	4,235	2,501	3,167	**72,651**	**72,750**	4,886	3,061	3,818	**79,651**	**79,750**	5,537	3,662	4,469
65,751	**65,850**	4,244	2,509	3,176	**72,751**	**72,850**	4,895	3,069	3,827	**79,751**	**79,850**	5,546	3,671	4,478
65,851	**65,950**	4,254	2,517	3,186	**72,851**	**72,950**	4,905	3,077	3,837	**79,851**	**79,950**	5,556	3,680	4,488
65,951	**66,050**	4,263	2,525	3,195	**72,951**	**73,050**	4,914	3,085	3,846	**79,951**	**80,050**	5,565	3,690	4,497
66,051	**66,150**	4,272	2,533	3,204	**73,051**	**73,150**	4,923	3,093	3,855	**80,051**	**80,150**	5,574	3,699	4,506
66,151	**66,250**	4,281	2,541	3,214	**73,151**	**73,250**	4,932	3,101	3,865	**80,151**	**80,250**	5,583	3,708	4,516
66,251	**66,350**	4,291	2,549	3,223	**73,251**	**73,350**	4,942	3,109	3,874	**80,251**	**80,350**	5,593	3,718	4,525
66,351	**66,450**	4,300	2,557	3,232	**73,351**	**73,450**	4,951	3,117	3,883	**80,351**	**80,450**	5,602	3,727	4,534
66,451	**66,550**	4,309	2,565	3,241	**73,451**	**73,550**	4,960	3,125	3,892	**80,451**	**80,550**	5,611	3,736	4,543
66,551	**66,650**	4,319	2,573	3,251	**73,551**	**73,650**	4,970	3,133	3,902	**80,551**	**80,650**	5,621	3,745	4,553
66,651	**66,750**	4,328	2,581	3,260	**73,651**	**73,750**	4,979	3,141	3,911	**80,651**	**80,750**	5,630	3,755	4,562
66,751	**66,850**	4,337	2,589	3,269	**73,751**	**73,850**	4,988	3,149	3,920	**80,751**	**80,850**	5,639	3,764	4,571
66,851	**66,950**	4,347	2,597	3,279	**73,851**	**73,950**	4,998	3,157	3,930	**80,851**	**80,950**	5,649	3,773	4,581
66,951	**67,050**	4,356	2,605	3,288	**73,951**	**74,050**	5,007	3,165	3,939	**80,951**	**81,050**	5,658	3,783	4,590
67,051	**67,150**	4,365	2,613	3,297	**74,051**	**74,150**	5,016	3,173	3,948	**81,051**	**81,150**	5,667	3,792	4,599
67,151	**67,250**	4,374	2,621	3,307	**74,151**	**74,250**	5,025	3,181	3,958	**81,151**	**81,250**	5,676	3,801	4,609
67,251	**67,350**	4,384	2,629	3,316	**74,251**	**74,350**	5,035	3,189	3,967	**81,251**	**81,350**	5,686	3,811	4,618
67,351	**67,450**	4,393	2,637	3,325	**74,351**	**74,450**	5,044	3,197	3,976	**81,351**	**81,450**	5,695	3,820	4,627
67,451	**67,550**	4,402	2,645	3,334	**74,451**	**74,550**	5,053	3,205	3,985	**81,451**	**81,550**	5,704	3,829	4,636
67,551	**67,650**	4,412	2,653	3,344	**74,551**	**74,650**	5,063	3,213	3,995	**81,551**	**81,650**	5,714	3,838	4,646
67,651	**67,750**	4,421	2,661	3,353	**74,651**	**74,750**	5,072	3,221	4,004	**81,651**	**81,750**	5,723	3,848	4,655
67,751	**67,850**	4,430	2,669	3,362	**74,751**	**74,850**	5,081	3,229	4,013	**81,751**	**81,850**	5,732	3,857	4,664
67,851	**67,950**	4,440	2,677	3,372	**74,851**	**74,950**	5,091	3,237	4,023	**81,851**	**81,950**	5,742	3,866	4,674
67,951	**68,050**	4,449	2,685	3,381	**74,951**	**75,050**	5,100	3,245	4,032	**81,951**	**82,050**	5,751	3,876	4,683
68,051	**68,150**	4,458	2,693	3,390	**75,051**	**75,150**	5,109	3,253	4,041	**82,051**	**82,150**	5,760	3,885	4,692
68,151	**68,250**	4,467	2,701	3,400	**75,151**	**75,250**	5,118	3,261	4,051	**82,151**	**82,250**	5,769	3,894	4,702
68,251	**68,350**	4,477	2,709	3,409	**75,251**	**75,350**	5,128	3,269	4,060	**82,251**	**82,350**	5,779	3,904	4,711
68,351	**68,450**	4,486	2,717	3,418	**75,351**	**75,450**	5,137	3,277	4,069	**82,351**	**82,450**	5,788	3,913	4,720

Continued on next page.

2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married 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**	5,797	3,922	4,729	**88,451**	**88,550**	6,355	4,480	5,287	**94,451**	**94,550**	6,913	5,038	5,845
82,551	**82,650**	5,807	3,931	4,739	**88,551**	**88,650**	6,365	4,489	5,297	**94,551**	**94,650**	6,923	5,047	5,855
82,651	**82,750**	5,816	3,941	4,748	**88,651**	**88,750**	6,374	4,499	5,306	**94,651**	**94,750**	6,932	5,057	5,864
82,751	**82,850**	5,825	3,950	4,757	**88,751**	**88,850**	6,383	4,508	5,315	**94,751**	**94,850**	6,941	5,066	5,873
82,851	**82,950**	5,835	3,959	4,767	**88,851**	**88,950**	6,393	4,517	5,325	**94,851**	**94,950**	6,951	5,075	5,883
82,951	**83,050**	5,844	3,969	4,776	**88,951**	**89,050**	6,402	4,527	5,334	**94,951**	**95,050**	6,960	5,085	5,892
83,051	**83,150**	5,853	3,978	4,785	**89,051**	**89,150**	6,411	4,536	5,343	**95,051**	**95,150**	6,969	5,094	5,901
83,151	**83,250**	5,862	3,987	4,795	**89,151**	**89,250**	6,420	4,545	5,353	**95,151**	**95,250**	6,978	5,103	5,911
83,251	**83,350**	5,872	3,997	4,804	**89,251**	**89,350**	6,430	4,555	5,362	**95,251**	**95,350**	6,988	5,113	5,920
83,351	**83,450**	5,881	4,006	4,813	**89,351**	**89,450**	6,439	4,564	5,371	**95,351**	**95,450**	6,997	5,122	5,929
83,451	**83,550**	5,890	4,015	4,822	**89,451**	**89,550**	6,448	4,573	5,380	**95,451**	**95,550**	7,006	5,131	5,938
83,551	**83,650**	5,900	4,024	4,832	**89,551**	**89,650**	6,458	4,582	5,390	**95,551**	**95,650**	7,016	5,140	5,948
83,651	**83,750**	5,909	4,034	4,841	**89,651**	**89,750**	6,467	4,592	5,399	**95,651**	**95,750**	7,025	5,150	5,957
83,751	**83,850**	5,918	4,043	4,850	**89,751**	**89,850**	6,476	4,601	5,408	**95,751**	**95,850**	7,034	5,159	5,966
83,851	**83,950**	5,928	4,052	4,860	**89,851**	**89,950**	6,486	4,610	5,418	**95,851**	**95,950**	7,044	5,168	5,976
83,951	**84,050**	5,937	4,062	4,869	**89,951**	**90,050**	6,495	4,620	5,427	**95,951**	**96,050**	7,053	5,178	5,985
84,051	**84,150**	5,946	4,071	4,878	**90,051**	**90,150**	6,504	4,629	5,436	**96,051**	**96,150**	7,062	5,187	5,994
84,151	**84,250**	5,955	4,080	4,888	**90,151**	**90,250**	6,513	4,638	5,446	**96,151**	**96,250**	7,071	5,196	6,004
84,251	**84,350**	5,965	4,090	4,897	**90,251**	**90,350**	6,523	4,648	5,455	**96,251**	**96,350**	7,081	5,206	6,013
84,351	**84,450**	5,974	4,099	4,906	**90,351**	**90,450**	6,532	4,657	5,464	**96,351**	**96,450**	7,090	5,215	6,022
84,451	**84,550**	5,983	4,108	4,915	**90,451**	**90,550**	6,541	4,666	5,473	**96,451**	**96,550**	7,099	5,224	6,031
84,551	**84,650**	5,993	4,117	4,925	**90,551**	**90,650**	6,551	4,675	5,483	**96,551**	**96,650**	7,109	5,233	6,041
84,651	**84,750**	6,002	4,127	4,934	**90,651**	**90,750**	6,560	4,685	5,492	**96,651**	**96,750**	7,118	5,243	6,050
84,751	**84,850**	6,011	4,136	4,943	**90,751**	**90,850**	6,569	4,694	5,501	**96,751**	**96,850**	7,127	5,252	6,059
84,851	**84,950**	6,021	4,145	4,953	**90,851**	**90,950**	6,579	4,703	5,511	**96,851**	**96,950**	7,137	5,261	6,069
84,951	**85,050**	6,030	4,155	4,962	**90,951**	**91,050**	6,588	4,713	5,520	**96,951**	**97,050**	7,146	5,271	6,078
85,051	**85,150**	6,039	4,164	4,971	**91,051**	**91,150**	6,597	4,722	5,529	**97,051**	**97,150**	7,155	5,280	6,087
85,151	**85,250**	6,048	4,173	4,981	**91,151**	**91,250**	6,606	4,731	5,539	**97,151**	**97,250**	7,164	5,289	6,097
85,251	**85,350**	6,058	4,183	4,990	**91,251**	**91,350**	6,616	4,741	5,548	**97,251**	**97,350**	7,174	5,299	6,106
85,351	**85,450**	6,067	4,192	4,999	**91,351**	**91,450**	6,625	4,750	5,557	**97,351**	**97,450**	7,183	5,308	6,115
85,451	**85,550**	6,076	4,201	5,008	**91,451**	**91,550**	6,634	4,759	5,566	**97,451**	**97,550**	7,192	5,317	6,124
85,551	**85,650**	6,086	4,210	5,018	**91,551**	**91,650**	6,644	4,768	5,576	**97,551**	**97,650**	7,202	5,326	6,134
85,651	**85,750**	6,095	4,220	5,027	**91,651**	**91,750**	6,653	4,778	5,585	**97,651**	**97,750**	7,211	5,336	6,143
85,751	**85,850**	6,104	4,229	5,036	**91,751**	**91,850**	6,662	4,787	5,594	**97,751**	**97,850**	7,220	5,345	6,152
85,851	**85,950**	6,114	4,238	5,046	**91,851**	**91,950**	6,672	4,796	5,604	**97,851**	**97,950**	7,230	5,354	6,162
85,951	**86,050**	6,123	4,248	5,055	**91,951**	**92,050**	6,681	4,806	5,613	**97,951**	**98,050**	7,239	5,364	6,171
86,051	**86,150**	6,132	4,257	5,064	**92,051**	**92,150**	6,690	4,815	5,622	**98,051**	**98,150**	7,248	5,373	6,180
86,151	**86,250**	6,141	4,266	5,074	**92,151**	**92,250**	6,699	4,824	5,632	**98,151**	**98,250**	7,257	5,382	6,190
86,251	**86,350**	6,151	4,276	5,083	**92,251**	**92,350**	6,709	4,834	5,641	**98,251**	**98,350**	7,267	5,392	6,199
86,351	**86,450**	6,160	4,285	5,092	**92,351**	**92,450**	6,718	4,843	5,650	**98,351**	**98,450**	7,276	5,401	6,208
86,451	**86,550**	6,169	4,294	5,101	**92,451**	**92,550**	6,727	4,852	5,659	**98,451**	**98,550**	7,285	5,410	6,217
86,551	**86,650**	6,179	4,303	5,111	**92,551**	**92,650**	6,737	4,861	5,669	**98,551**	**98,650**	7,295	5,419	6,227
86,651	**86,750**	6,188	4,313	5,120	**92,651**	**92,750**	6,746	4,871	5,678	**98,651**	**98,750**	7,304	5,429	6,236
86,751	**86,850**	6,197	4,322	5,129	**92,751**	**92,850**	6,755	4,880	5,687	**98,751**	**98,850**	7,313	5,438	6,245
86,851	**86,950**	6,207	4,331	5,139	**92,851**	**92,950**	6,765	4,889	5,697	**98,851**	**98,950**	7,323	5,447	6,255
86,951	**87,050**	6,216	4,341	5,148	**92,951**	**93,050**	6,774	4,899	5,706	**98,951**	**99,050**	7,332	5,457	6,264
87,051	**87,150**	6,225	4,350	5,157	**93,051**	**93,150**	6,783	4,908	5,715	**99,051**	**99,150**	7,341	5,466	6,273
87,151	**87,250**	6,234	4,359	5,167	**93,151**	**93,250**	6,792	4,917	5,725	**99,151**	**99,250**	7,350	5,475	6,283
87,251	**87,350**	6,244	4,369	5,176	**93,251**	**93,350**	6,802	4,927	5,734	**99,251**	**99,350**	7,360	5,485	6,292
87,351	**87,450**	6,253	4,378	5,185	**93,351**	**93,450**	6,811	4,936	5,743	**99,351**	**99,450**	7,369	5,494	6,301
87,451	**87,550**	6,262	4,387	5,194	**93,451**	**93,550**	6,820	4,945	5,752	**99,451**	**99,550**	7,378	5,503	6,310
87,551	**87,650**	6,272	4,396	5,204	**93,551**	**93,650**	6,830	4,954	5,762	**99,551**	**99,650**	7,388	5,512	6,320
87,651	**87,750**	6,281	4,406	5,213	**93,651**	**93,750**	6,839	4,964	5,771	**99,651**	**99,750**	7,397	5,522	6,329
87,751	**87,850**	6,290	4,415	5,222	**93,751**	**93,850**	6,848	4,973	5,780	**99,751**	**99,850**	7,406	5,531	6,338
87,851	**87,950**	6,300	4,424	5,232	**93,851**	**93,950**	6,858	4,982	5,790	**99,851**	**99,950**	7,416	5,540	6,348
87,951	**88,050**	6,309	4,434	5,241	**93,951**	**94,050**	6,867	4,992	5,799	**99,951**	**100,000**	7,422	5,547	6,355
88,051	**88,150**	6,318	4,443	5,250	**94,051**	**94,150**	6,876	5,001	5,808					
88,151	**88,250**	6,327	4,452	5,260	**94,151**	**94,250**	6,885	5,010	5,818					
88,251	**88,350**	6,337	4,462	5,269	**94,251**	**94,350**	6,895	5,020	5,827					
88,351	**88,450**	6,346	4,471	5,278	**94,351**	**94,450**	6,904	5,029	5,836					

OVER $100,000 YOU MUST USE THE TAX RATE SCHEDULES on page 66.

2002 California Tax Rate Schedules

Caution: Use only if your taxable income on Form 540, line 19 or Form 540A, line 16 is more than $100,000. If $100,000 or less, use the Tax Table.

Schedule X –
Use if your filing status is
Single or Married Filing Separately

If the amount on Form 540, line 19 or Form 540A, line 16 is: over –	But not over –	Enter on Form 540, line 20 or Form 540A, line 17		of the amount over –
$ 0	$ 5,834	$ 0.00	+ 1.0%	$ 0.00
5,834	13,829	58.34	+ 2.0%	5,834
13,829	21,826	218.24	+ 4.0%	13,829
21,826	30,298	538.12	+ 6.0%	21,826
30,298	38,291	1046.44	+ 8.0%	30,298
38,291	AND OVER	1685.88	+ 9.3%	38,291

Schedule Y –
Use if your filing status is
Married Filing Jointly or Qualifying Widow(er) with Dependent Child

$ 0	$ 11,668	$ 0.00	+ 1.0%	$ 0.00
11,668	27,658	116.68	+ 2.0%	11,668
27,658	43,652	436.48	+ 4.0%	27,658
43,652	60,596	1076.24	+ 6.0%	43,652
60,596	76,582	2092.88	+ 8.0%	60,596
76,582	AND OVER	3371.76	+ 9.3%	76,582

Schedule Z –
Use if your filing status is
Head of Household

$ 0	$ 11,673	$ 0.00	+ 1.0%	$ 0.00
11,673	27,659	116.73	+ 2.0%	11,673
27,659	35,653	436.45	+ 4.0%	27,659
35,653	44,125	756.21	+ 6.0%	35,653
44,125	52,120	1264.53	+ 8.0%	44,125
52,120	AND OVER	1904.13	+ 9.3%	52,120

How to Figure Tax Using the 2002 California Tax Rate Schedules

✓ **Tip** Go to **www.ftb.ca.gov** to e-file and eliminate the math. Or select "Forms and Publications" and use the online tax calculator to figure your tax.

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

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

Schedule Y –
Use if your filing status is
Married Filing Jointly or Qualifying Widow(er) with Dependent Child

If the amount on Form 540, line 19 is: over –	But not over –	Enter on Form 540, line 20		of the amount over –
$ 0	$ 11,668	$ 0.00	+ 1.0%	$ 0.00
11,668	27,658	116.68	+ 2.0%	11,668
27,658	43,652	436.48	+ 4.0%	27,658
43,652	60,596	1076.24	+ 6.0%	43,652
60,596	76,582	2092.88	+ 8.0%	60,596
76,582	AND OVER	3371.76	+ 9.3%	76,582

		Example	Your Income
Step 2:	They subtract the amount at the beginning of their range from their taxable income.	$125,000 - 76,582 $ 48,418	$ - $
Step 3:	They multiply the result from Step 2 by the percentage for their range.	$48,418 x .093 $4,502.87	$ x $
Step 4:	They round the amount from Step 3 to two decimals (if necessary) and add it to the tax amount for their income range. After rounding the result, they will enter $7,875 on Form 540, line 20. For information on rounding, see "Filling in your return" on page 8.	$3,371.76 + 4,502.87 $7,874.63	$ + $

How To Get California Tax Information (Keep This Booklet For Future Use)

Where To Get Income Tax Forms and Publications

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

By phone – To order 2000 – 2002 California tax forms and publications and 2002 federal booklets:

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

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

In person – Many post offices and banks provide free California tax booklets during the filing season. Most libraries and some quick print businesses have forms and schedules for you to photocopy (a nominal fee may apply). **Note:** Employees at libraries, post offices, banks, and quick print businesses cannot provide tax information or assistance.

By mail – Write to: TAX FORMS REQUEST UNIT, FRANCHISE TAX BOARD, PO BOX 307, RANCHO CORDOVA CA 95741-0307.

Letters

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

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

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

General Toll-Free Phone Service

Our general toll-free service is available:

- Monday – Friday, 7 a.m. until 8 p.m.
- Saturdays, 8 a.m. until 5 p.m. (January through June only)

We may modify these hours without notice to meet operational needs.

From within the United States ..... (800) 852-5711
From outside the United States (not toll-free) ..... (916) 845-6500
For federal tax questions, call the IRS at ..... (800) 829-1040

Assistance for persons with disabilities
We comply with the Americans with Disabilities Act. Persons with a hearing or speech impairment please call:

TTY/TDD ..... (800) 822-6268

Large-print forms and instructions – The Resident Booklet is available in large print upon request and is also available on cassette tape. See "Where To Get Income Tax Forms and Publications" on this page.

Asistencia bilingüe en español
Nuestro servicio telefónico gratuito esta disponible de Lunes a Viernes de 7 a.m. a 8 p.m. y los sábados de 8 a.m. a 5 p.m. *de Enero a Junio*. Podemos modificar este horario sin aviso previo de acuerdo a la demanda operativa.

Dentro de los Estados Unidos llame al ..... (800) 852-5711 (libre de cargos)

Fuera de los Estados Unidos llame al ..... (916) 845-6500 (cargos aplican)

Pagina Electrónica:
www.ftb.ca.gov

Asistencia para personas discapacitadas: Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla, pueden llamar al (800) 822-6268 con un aparato de telecomunicación TTY/TTD.

Your Rights As A Taxpayer

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

Privacy Act Notice

The Franchise Tax Board considers the privacy of your tax information to be of the utmost importance.

Your Rights:
You have a right to see our records that contain your personal information, and we must tell you why we ask for your tax information and to whom we may provide that information. You also have the right to question the correctness of the information that is contained within your file.

Your Responsibility:
If you meet certain income requirements, the California Revenue & Taxation Code requires you to file a return on the forms we prescribe (see sections 18501 and 18621). When you file these forms and related documents, you must include your social security number for identification and return processing (section 18624).

Reasons for Information Requests:
We ask for return information so that we can administer the tax law fairly and correctly. We may request additional information to resolve audit or collection issues. It is mandatory that you furnish all requested information.

If you do not file a return, do not provide the information we ask for, or if you provide fraudulent information, you may be charged penalties and interest, and, in certain cases, you may be criminally prosecuted. Additionally, we may disallow your claimed exemptions, exclusions, credits, deductions, or adjustments. This could increase your tax liability, or delay or reduce any refund.

Information Disclosure:
We may give your tax information to the Internal Revenue Service, to income tax officials of other states, to the Multistate Tax Commission, and to certain California government agencies and officials, as provided by law. Also, as provided by law, we may give your tax information to other persons as necessary to determine your tax liability or to collect the amount of tax you owe. If you owe the Franchise Tax Board money, the amount due may be disclosed to employers, financial institutions, county recorders, vacation trust funds, process agents, or others who hold assets belonging to you.

Responsibility for the Records:
The Director of the Enterprise Data Management Bureau is responsible for maintaining the records of the Franchise Tax Board. To obtain information about your records, 1) write to: Disclosure Officer, Franchise Tax Board, PO Box 1468 Mailstop B-1, Sacramento CA 95812-1468, or 2) call: (800) 852-5711 within the United States, or (916) 845-6500 outside of the United States.

☎ Automated Toll-Free Phone Service

(Keep This Booklet For Future Use)

Our automated toll-free phone service is available 24 hours a day, 7 days a week, in English and Spanish to callers with touch-tone telephones. You can:

- Order California and federal tax forms and publications;
- Get current year tax refund information;
- Get balance due and payment information; and
- Hear recorded answers to many of your questions about California taxes.

Have paper and pencil ready to take notes.

Call from within the United States . . . . . (800) 338-0505

Call from outside the United States . . . . . (916) 845-6500 (not toll-free)

Order Forms and Publications

If your current address is on file, you can order California tax forms for the current and previous two years. You can also order current year federal tax booklets. See the following list of forms and follow the instructions for ordering forms on the previous page.

Code California Tax Forms and Publications

900 California Resident Income Tax Booklet: Form 540, Resident Income Tax Return Form 540A, Resident Income Tax Return
965 Form 540 2EZ Tax Booklet
903 Schedule CA (540), California Adjustments: FTB 3885A, Depreciation & Amortization Adjustments Schedule D, California Capital Gain or Loss Adjustment
969 Large Print Resident Booklet
970 Resident Booklet on Cassette
907 540-ES, Estimated Tax for Individuals
908 540X, Amended Individual Income Tax Return
909 Schedule D-1, Sales of Business Property
910 Schedule G-1, Tax on Lump-Sum Distribution
911 Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents
913 Schedule S, Other State Tax Credit
914 California Nonresident Income Tax Booklet: Long and Short Form 540NR, Nonresident or Part-Year Resident Income Tax Return
917 Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents
918 Schedule P (540NR), Alternative Minimum Tax and Credit Limitations – Nonresident or Part-Year Residents
933 FTB 3504, Long-Term Care Credit
932 FTB 3506, Child and Dependent Care Expenses Credit
937 FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return
921 FTB 3519, Payment Voucher for Automatic Extension for Individuals
972 FTB 3520, Power of Attorney Form and FTB Pub. 1144, Power of Attorney Frequently Asked Questions
922 FTB 3525, Substitute for W-2 Wage and Tax Statement
923 FTB 3526, Investment Interest Expense Deduction
931 FTB 3534, Joint Strike Fighter Credits
940 FTB 3540, Credit Carryover Summary
949 FTB 3567, Installment Agreement Request
924 FTB 3800, Tax Computation for Children with Investment Income
929 FTB 3801, Passive Activity Loss Limitations
930 FTB 3803, Parents' Election to Report Child's Interest and Dividends
935 FTB 3805D, Net Operating Loss (NOL) Computation and Limitations – Pierce's disease
925 FTB 3805E, Installment Sale Income
928 FTB 3805P, Additional Taxes from Qualified Retirement Plans
926 FTB 3805V, Net Operating Loss (NOL) — Individuals
901 FTB 3805Z, Enterprise Zone Businesses
927 FTB 5805, Underpayment of Estimated Tax
919 FTB Pub. 1001, Supplemental Guidelines to California Adjustments
920 FTB Pub. 1005, Pension and Annuity Guidelines
945 FTB Pub. 1006, California Tax Forms and Related Federal Forms
946 FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities
943 FTB Pub. 4058, California Taxpayers' Bill of Rights
941 FTB Pub. 1031, Guidelines for Determining Resident Status
942 FTB Pub. 1032, Tax Information for Military Personnel
951 FTB Pub. 1051A, Guidelines for Married Filing Separate Returns
934 FTB Pub. 1540, California Head of Household Filing Status Information

Code Federal Tax Forms

902 1040 Booklet (with Schedules A, B, D, & E; Forms 1040V, EIC, and 2441)
904 1040A Booklet (with Schedule 1; Form EIC)
915 1040EZ Booklet

Current Year Refund Information

If you file by mail, you should wait at least 8 weeks after you file your tax return before you call to find out about your refund. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service.

Balance Due And Payment Information

You should wait at least 45 days from the date you mailed your payment before you call to verify receipt of your payment. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service.

Answers To Tax Questions

Call our automated phone service, select personal income tax information, then general tax information, and enter the 3-digit question code.

Code Filing Assistance:

100 Do I need to file a return?
111 Which form should I use?
112 How do I file electronically and get a fast refund?
113 What is the Teacher Retention Credit?
201 How can I get an extension to file?
203 What is the nonrefundable renter's credit and how do I qualify?
204 I never received a Form W-2. What do I do?
205 I have no withholding taken out. What do I do?
206 Do I have to attach a copy of my federal return?
209 I lived in California for part of the year. Do I have to file a return?
210 I did not live in California. Do I have to file a return?
212 How do I claim my disaster related loss?
215 Who qualifies me to use the head of household filing status?
222 How much can I deduct for vehicle license fees?

Penalties

403 What is the estimate penalty rate?

Notices And Bills

503 How do I file a protest against a Notice of Proposed Assessment?
506 How can I get information about my Form 1099-G?

Tax For Children

601 Can my child take a personal exemption credit when I claim her or him as a dependent on my return?

Miscellaneous

611 What address do I send my payment to?
619 How do I report a change of address?

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