

# Limit on Alternative Minimum Tax for Children Under Age 14

1994

3536

Attach **ONLY** to the child's Form 540 or Form 540NR.

Child's name as shown on the return	Child's social security number 
Parent's name (first, initial, last) <b>Caution:</b> See instructions before completing	Parent's social security number 

**Caution:** Read the General Information before completing.

1 Enter the tentative minimum tax from the <b>child's</b> Schedule P (540), Part III, line 23 or Schedule P (540NR), Part III, line 25 . . . . .	1		
2 Enter the tentative minimum tax from the <b>parent's</b> Schedule P (540), Part III, line 23, or Schedule P (540NR), Part III, line 25 . . . . .	2		
3 Enter the total tentative minimum tax, if any, for <b>all other children</b> (under age 14) of the parent from each other child's Schedule P (540), Part III, line 23, or Schedule P (540NR), Part III, line 25. Do not include the amount from line 1 above. See instructions . . . . .	3		
4 Add line 1 through line 3 . . . . .		4	
5 Enter the regular tax from the <b>child's</b> Schedule P (540), Part III, line 24 or Schedule P (540NR), Part III, line 26 . . . . .	5		
6 Enter the regular tax from the <b>parent's</b> Schedule P (540), Part III, line 24, or Schedule P (540NR) Part III, line 26. If Schedule P (540) or Schedule P (540NR) was not completed for the parents, see instructions . . . . .	6		
7 Enter the total regular tax, if any, for <b>all other children</b> (under age 14) of the parent from each other child's Schedule P (540), Part III, line 24, or Schedule P (540NR), Part III, line 26. Do not include the amount from line 5 above. If Schedule P (540) or Schedule P (540NR) was not completed for all these children, see instructions. . . . .	7		
8 Add lines 5, 6 and 7 . . . . .		8	
9 Subtract line 8 from line 4. If zero or less, enter -0- here and on line 17 . . . . .		9	
10 Enter the AMT from the <b>parent's</b> Schedule P (540), Part III, line 25, or Schedule P (540NR), Part III, line 27 . . . . .		10	
11 Subtract line 10 from line 9. If zero or less, enter -0- here and on line 17 . . . . .		11	
12 Subtract line 5 from line 1 . . . . .		12	
13 Enter the total AMT, if any, for <b>all other children</b> (under age 14) of the parent. See instructions . . . . .		13	
14 Add line 12 and line 13 . . . . .	14		
15 Divide line 12 by line 14 and enter the result as a decimal. If the amounts on line 12 and line 14 are the same, enter 1.00 . . . . .		15	X
16 Multiply line 11 by line 15 . . . . .		16	
17 <b>Child's AMT.</b> Enter the <b>smaller</b> of line 12 or line 16 here and on the <b>child's</b> Schedule P (540), Part III, line 25, or Schedule P (540NR), Part III, line 27. In the space to the left of Schedule P (540), Part III line 25, or Schedule P (540NR), Part III, line 27, write "FTB 3536" . . . . .		17	

## General Information

### Purpose of Form

You may be able to reduce a child's alternative minimum tax (AMT) if the child was under age 14 on January 1, 1995. Use this form to determine if the child's AMT may be reduced and, if so, the amount to enter on the child's Schedule P (540), Part III, line 25, or Schedule P (540NR), Part III, line 27.

### When to File

- Complete this form if the amount on the child's
- Schedule P (540), Part III, line 23 is more than the amount on line 24 of that schedule; or
  - Schedule P (540NR), Part III, line 25 is more than the amount on line 26 of that schedule.

Before you complete this form, you must complete the child's Schedule P (540), through line 24, or the child's Schedule P (540NR), through line 26. If applicable, you must also complete Schedule P (540 or 540NR) for the parent and for each of the parent's other children who were under age 14 on January 1, 1995.

- Do not complete this form if the amount on the child's:
- Schedule P (540), Part III, line 24 is equal to or more than the amount on line 23 of that schedule; or
  - Schedule P (540NR), Part III, line 26 is equal to or more than the amount on line 25 of that schedule.

Also, do not complete this form if neither of the child's parents was alive on December 31, 1994.

**Amended return** – If, after the child's return is filed, the parent or any of the other children of the parent subject

to these special rules have a change in tax liability, you must refigure the child's AMT on form FTB 3536 using the adjusted amounts. If the child's AMT changes as a result of refiguring form FTB 3536, file Form 540X, Amended Individual Income Tax Return, to correct the child's tax.

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## Specific Instructions

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**Parent's name and social security number (SSN).** If the child's parents were married to each other and filed a joint return, enter the name and SSN of the parent who is listed first on the joint return. For example, if the father's name is listed first on the return and his SSN is listed in the block labeled "your social security number" enter his name and SSN on the parent's line.

If the parents were married to each other but filed separate returns, enter the name and SSN of the parent who had the higher taxable income. Follow the rules in federal Pub. 929, Tax Rules for Children and Dependents, to determine the higher taxable income.

If the parents were unmarried, treated as unmarried for federal income tax purposes, or separated either by a divorce or separate maintenance decree, enter the name and SSN of the parent who had custody of the child for most of the year (the custodial parent). **Exception:** If the custodial parent remarried and filed a joint return with his or her new spouse, enter the name and SSN of the person who is listed first on the joint return, even if that person is not the child's parent. If the custodial parent and his or her new spouse filed separate returns, enter the name and SSN of the person with the higher taxable income, even if that person is not the child's parent.

**Line 3** – If Schedule P (540 or 540NR) was completed for any of the parent's other children who were under age 14, add the amounts, if any, from each child's Schedule P (540), Part III, line 23, or Schedule P (540NR), Part III, line 25 and enter the total on line 3.

**Line 6** – If the parent was not required to complete Schedule P (540 or 540NR), use the following instructions to find the amount to enter on this line.

If the parent filed:

**Form 540** – Add the amount from the parent's Form 540, line 20, to any tax from form FTB 5870A entered on the parent's Form 540, line 23. Enter the total on line 6.

**Form 540A** – Enter on line 6 the amount from the parent's Form 540A, line 17.

**Form 540NR** – Multiply the amount from the parent's Form 540NR, line 22 by the percentage on their Form 540NR, line 25a. Add the result to any tax from form FTB 5870A entered on the parent's Form 540NR, line 26. Enter the total on line 6.

**Line 7** – Enter on line 7 the total regular tax of all other children of the parent who were under age 14, by adding the amounts from each of those children's Schedule P (540), Part III, line 24, or Schedule P (540NR), Part III, line 26. If Schedule P (540 or 540NR) was not completed for some of those children, also add the amounts figured as follows.

If the parent's other child filed:

**Form 540** – Add the amount from the child's Form 540, line 20, to any tax from form FTB 5870A entered on Form 540, line 23. Enter the total on line 7.

**Form 540A** – Enter on line 7 the amount from the child's Form 540A, line 17.

**Form 540NR** – Multiply the amount from the child's Form 540NR, line 22 by the percentage on their Form 540NR, line 25a. Add the result to any tax from form FTB 5870A entered on the child's Form 540NR, line 26. Enter the total on line 7.

**Line 13** – Figure the AMT of each of the parent's other children who were under age 14 for whom Schedule P was completed. To do this, subtract the amount shown on each other child's:

- Schedule P (540), Part III, line 24 from the amount on line 23 of that schedule; or
- Schedule P (540NR), Part III, line 26 from the amount on line 25 of that schedule.

If the result is zero or less, that child does not owe AMT.

**Example:** The parent of the child for whom this form is being completed has two other children who are under age 14. The amount on the first child's Schedule P (540), Part III, line 23, is \$10,000 and the amount on line 24 is \$3,000. The first child's AMT is \$7,000 (\$10,000 – \$3,000). The second child has \$2,500 on Schedule P (540), Part III, line 23 and \$3,000 on line 24. The second child's AMT is zero. The amount to enter on form FTB 3536, line 13 is \$7,000 (\$7,000 + 0).