

# 1996 Donated Agricultural Products Transportation Credit

# 3547

Attach to your California tax return.

Name(s) as shown on return	Social security or California corporation number
Business address (number and street)	Federal employer identification number (FEIN)
City or town, state and ZIP code	

1	Eligible transportation costs. See instructions . . . . .	1	_____
2	Current year credit. Multiply line 1 by 50% (.50) . . . . .	2	_____
3	Flow-through donated agricultural products transportation credit(s) from Schedule K-1 (100S, 541, 565 or 568). See instructions . . . . .	3	_____
4	Total available donated agricultural products transportation credit. Add line 2 and line 3. . . . .	4	_____
5	Enter the amount of credit claimed on the current year tax return . . . . .	5	_____
<b>Caution:</b> Your credit may be limited. See the instructions for line 5.			
6	Credit carryover available for future years. Subtract line 5 from line 4 . . . . .	6	_____

References in these instructions are to the California Revenue & Taxation Code (R&TC) and to the Internal Revenue Code (IRC) as of January 1, 1993.

receives the agricultural product must issue a certificate to you that certifies that the agricultural products are donated in accordance with the provision of the California Food and Agricultural Code. This certificate must be available to the Franchise Tax Board (FTB) upon request. (See General Instruction C, Definitions, for further information).

## General Instructions

### A Purpose

Use form FTB 3547 to figure and claim the donated agricultural products transportation credit. The credit is 50% of the eligible transportation costs paid or incurred in connection with the transportation of any donated agricultural product by taxpayers engaged in the business of processing, distributing or selling agricultural products.

Form FTB 3547 is also used to claim pass-through donated agricultural products transportation credits received from S corporations, estates or trusts, partnerships, or limited liability companies taxed as partnerships. S corporations, estates or trusts, partnerships and limited liability companies taxed as partnerships should complete form FTB 3547 to figure the credit to pass through to shareholders, beneficiaries, partners or members and attach it to Form 100S, Form 541, Form 565 or Form 568.

### B Qualifications

To qualify for this credit, you must be engaged in the business of processing, distributing or selling agricultural products. The donated agricultural products transportation credit may be claimed for eligible transportation costs paid or incurred for taxable or income years beginning on or after January 1, 1996, in connection with the donation of any agricultural product to a nonprofit charitable organization.

#### Certification

In order for you, as a taxpayer donor, to claim the credit, the nonprofit charitable organization that

### C Definitions

**Agricultural product** means any fowl, animal, vegetable, or other stuff, product, or article which is customary food, or which is proper food for human beings.

**Nonprofit charitable organization** means a charitable organization that has exempt status under R&TC Section 23701d or IRC Section 501(c)(3).

**Transportation costs** mean reasonable transportation or travel expenses (including meals) incurred in performing services away from home for qualified organizations if no significant element of personal pleasure, recreation or vacation is involved. Parking fees and tolls may be included in the actual transportation costs; however, depreciation and insurance may not be included in actual transportation costs. **Eligible transportation costs may be determined in either of the following ways:**

- \$.12 (twelve cents) per mile; or
- The actual transportation expenses.

### D Limitations

No credit will be allowed unless you have received certification from the nonprofit charitable organization donee authorizing you to take the credit.

Any deduction allowed for the same costs must be reduced by the amount of the allowed credit.

S corporations may claim only 1/3 of the credit against the 1.5% entity level tax. In addition, the

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S corporation may pass-through 100% of the credit to its shareholders.

This credit may not reduce the minimum franchise tax (corporations, limited partnerships, limited liability partnerships, limited liability companies and S corporations), the alternative minimum tax (corporations and individuals), the built-in gains tax (S corporations) or the excess net passive income tax (S corporations). The credit cannot reduce regular tax below the tentative minimum tax (TMT). See Schedule P (100, 540, 540NR or 541) for more information.

## E Carryover

If the available credit exceeds the current year tax liability, the unused credit may be carried over to succeeding years until exhausted.

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## Specific Line Instructions

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### Part I - Credit Computation

**Line 1** – Enter the eligible transportation costs paid or incurred in connection with the donated agricultural products for which you received certification from the nonprofit charitable organization. If you are determining your eligible transportation costs based on mileage, **multiply the total miles connected with transporting the donated agricultural product by twelve cents (\$.12)**; otherwise, enter the **actual transportation costs paid or incurred** in connection with the donated agricultural products.

**Line 3** – If you have flow-through credit(s) received from S corporations, estates or trusts, partnerships or limited liability companies taxed as partnerships, add them and enter the total on line 3. Attach a schedule showing the names and identification numbers of the entities from which the credit(s) were reported to you on Schedule(s) K-1(100S, 541, 565 or 568).

**Line 5** – The amount of this credit you may claim on your tax return may be further limited. Refer to the credit instructions in your tax booklet to see if there are any limitations on the amount of credit you may claim. These instructions also explain how to claim this credit on your tax return. You must use credit code number **204** to claim this credit.