



California

Forms & Instructions

Nonresident or Part-Year Resident

1996

Personal Income Tax Booklet

Members of the Franchise Tax Board
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This booklet contains two copies of:

[Form 540NR](#), California Nonresident or Part-Year Resident Income Tax Return, page 13

[Schedule CA \(540NR\)](#), California Adjustments — Nonresidents or Part-Year Residents, page 17

This booklet contains one copy of:

[FTB 3519](#), Payment Voucher for Automatic Extension, page 27

Do you need help? 1-800-338-0505  **F .A .S .T**

Most of your questions can be answered by reading the instructions in this booklet. But if you find that you need help, use our [F.A.S.T. \(Fast Answers about State Taxes\) toll-free phone service](#) available 24 hours a day. If you cannot get the answer you need, call our [regular toll-free phone service](#) listed on page 31. The best times to call are between 7:00 and 10:00 in the morning and between 6:00 and 8:00 in the evening.



State of California
Franchise Tax Board

How are Nonresidents and Part-Year Residents Taxed?

If you were a nonresident of California and received income in 1996 that had its source in California or if you moved into or out of California in 1996, you must file Form 540NR, Nonresident or Part-Year Resident Income Tax Return. California taxes all income you received while you were a resident of California and the income you received from California sources while a nonresident. Use Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents, column A through column D to compute your total income as if you were a resident of California for the entire year. Then divide your California adjusted gross income (Schedule CA (540NR), column E) by your adjusted gross income from all sources (Schedule CA (540NR), column D) to determine the percentage of tax due from the California tax table or tax rate schedule. You may also qualify for some California tax credits. The credits may reduce California tax you may owe. If you were a resident of California for all of 1996, you should get a California Resident Income Tax Booklet and file Form 540, California Resident Income Tax Return, Form 540A, California Resident Income Tax Return, or Form 540EZ, California Resident Income Tax Return For Single and Joint Filers With No Dependents.

What's New for 1996?

Differences Between California and Federal Law. In general, California did not conform its law to changes made to the Internal Revenue Code (IRC) by the federal Revenue Reconciliation Act of 1993 (Public Law 103-66). California legislation during 1994 and 1996 did adopt a few specific provisions of the 1993 federal changes. All other references in these instructions are to the IRC as it existed on January 1, 1993.

Pension Income of Retirees Who Move to Another State. California incorporated the federal preemption regarding the taxation of nonresident pension income (Public Law 104-95). Payments based on California service and received by nonresidents on or after January 1, 1996, are not taxable to California. If California state income tax was withheld from your payments, file Form 540NR for a refund.

Renter's Credit. Due to a tax law change, renter's credit has been eliminated for 1996. You may not claim the credit on your personal income tax return.

Moving Expense. California law and federal law are the same for moving expenses paid or incurred in 1996. If you incurred moving expenses before 1996, received reimbursement in 1996 and did not deduct those expenses on a prior year's return, see page 24.

New Credits and Expired Credits. See the chart on page 7 for information about new credits (Disabled Access, Donated Agricultural Products Transportation and Enhanced Oil Recovery). Employee Ridesharing, Employer Ridesharing, Low-Emission Vehicles and Recycling Equipment credits expired and have carry-over provisions. The Jobs Credit expired and has no carryover provision.

Alternative Minimum Tax (AMT) Exclusion. As the result of legislation enacted in 1996, AMT income shall 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. See page 8 for more information.

General Information

California Tax Forms on the Internet. Do you need a California income tax form or publication? Do you have Internet access? If so, you may download, view and print 1994, 1995 and 1996 California income tax forms and publications. Our Internet address is:

<http://www.ftb.ca.gov>

Temporary and Transitory Absences from California. If you were domiciled in California and worked outside of California for an uninterrupted period of at least 546 consecutive days under an employment contract, you are considered a nonresident. This also applies to the spouse who accompanies the employed individual during those 546 consecutive days. However, you will not qualify under this provision if you are in California for a total of more than 45 days during any taxable year covered by the contract; or if you have income from stocks, bonds, notes or other intangible property in excess of \$200,000 for any taxable year covered by the contract. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status.

California AMT and Credit Limitations. You may owe AMT or have to limit your credits if your California adjusted gross income plus items such as accelerated depreciation, charitable contributions of appreciated capital gain property and passive activity losses total more than:

- \$40,000 if you are married filing joint or qualifying widow(er); or
- \$30,000 if you are single or head of household; or
- \$20,000 if you are married filing separate.

Get Schedule P (540NR), Alternative Minimum Tax and Credit Limitations — Nonresidents and Part-Year Residents, to see if you owe AMT. See Form 540NR, "Step 5" to see if you need to limit your credits.

Do I Have to File?

Requirements for Most People

- Find your status at the end of 1996 in the first column of the chart below; and
- Read across to find your filing status for 1996.

You must file a return if **either** your gross income or your adjusted gross income was more than the amount shown for your filing status.

On 12/31/96 I was:	Filing status	Gross income ¹	Adjusted gross income ⁴
Single (including divorced and legally separated)	Single Head of household ⁵	\$10,160	\$8,128
Married with a child and living apart from spouse the last 6 months of 1996	Head of household ⁵	\$10,160	\$8,128
Married, living with spouse at end of 1996 (or date in 1996 spouse died) or Married, not living with spouse at end of 1996 (or date in 1996 spouse died)	Married filing joint Married filing separate	\$20,320 ²	\$16,256 ²
Widowed before 1996 and not remarried in 1996	Single Head of household Qualifying widow(er)	\$10,160	\$8,128
Dependent of another person	Any filing status	More than your standard deduction ³	

¹ All income you received in the form of money, goods, property and services that is not exempt from tax.

² Income of both spouses; both spouses must file a return even if only one spouse had income over the amounts listed.

³ Use the worksheet on page 4 to figure your standard deduction.

⁴ Your federal adjusted gross income minus all California income adjustments

⁵ Get FTB Pub. 1540, Tax Information for Head of Household.

Even if you do not have to file a return, you should file for a refund if:

- California state income tax was withheld from your pay; or
- You made estimated tax payments.

Requirements for Children and Other Dependents. For each child under age 14 who was a resident for any part of the year or who had income from California sources and received more than \$1,300 of investment income in 1996, complete Form 540NR for the child and form FTB 3800, Tax Computation for Children with Investment Income or form FTB 3803, Parent's Election to Report Child's Interest and Dividends.

When Should I File My Return?

File your Form 540NR by April 15, 1997. The earlier you file your return, the earlier you will get your refund. But, if you will not be able to file your return by midnight of April 15, 1997, the following information will help you decide what to do next.

These are the return filing rules:

1. There is an automatic six-month extension to **file** until October 15, 1997.
 - To get the extension, you must file by October 15, 1997.
 - You do not need to write to the Franchise Tax Board (FTB) to request the extension to file.
2. There is no extension for the time to **pay** the tax you owe.
 - If you do not pay by April 15, 1997, you may owe late payment penalties and interest.

Here is what to do:

1. Use the worksheet for form FTB 3519, Payment Voucher for Automatic Extension for Individuals, on page 27, to determine as accurately as possible whether you owe any tax based on the information you have.
2. If you do not owe tax, you do not need to send anything to the FTB now. But make sure to file your return by October 15, 1997.
3. If you owe tax, complete form FTB 3519 and make out a check or money order payable to the Franchise Tax Board for the full amount you owe.
4. To avoid late payment penalties and interest, mail your check or money order and form FTB 3519 by April 15, 1997 to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0051

If you are living or traveling outside the United States on April 15, 1997, the deadline for filing your return and paying your tax is June 16, 1997. Interest will accrue from the original due date, April 15th, until the date of payment. See form FTB 3519 for more information.

Instructions for Form 540NR

California Nonresident or Part-Year Resident Income Tax Return

These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 1993**, 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 Form 1040NR) before you begin your Form 540NR. You will use the information you entered on your federal income tax return to complete your Form 540NR. Be sure to complete and mail Form 540NR by April 15, 1997. If you cannot mail your return by the due date, see page 2 for information.

Important: You must attach a copy of your federal income tax return, and all supporting federal forms and schedules to Form 540NR.

Step 1 If there is a label on the front of your booklet:

1. Complete your Form 540NR **before** you remove the label from the front of your booklet.
2. Check your math and the amounts entered to make sure that they are correct.
3. Remove your label from the front of your booklet and attach it on the front of your Form 540NR in the space provided at the top.
4. Make sure the information on the label is correct. If you need to make any changes, draw a line in ink through the incorrect information and clearly print the new information.

If there is no label, print or type your name, social security number and address in the spaces provided at the top of Form 540NR.

If you file a joint return, show social security numbers in the same order that you show both names.

Step 2 **Filing Status** Check only one of the boxes on line 1 through line 5. Be sure to enter the required information if you check a box on line 3, line 4 or line 5.

If you file federal Form 1040EZ, Form 1040A or Form 1040, your filing status for California must be the same as the filing status you used on your federal income tax return.

Exception: Married taxpayers who file a joint federal income tax return may file either a joint return or separate returns if either spouse was:

- An active member of the United States armed forces or any auxiliary military branch during 1996; or
- A nonresident for the entire year and had no income from California sources during 1996.

If you filed federal Form 1040NR, you do not qualify to use head of household or married filing joint filing statuses. Instead, use single, married filing separate or qualifying widow(er), whichever applies to you.

If You Are Married and File a Separate Return If you check the box on line 3, you must enter your spouse's name on line 3 and social security number in the space provided in "Step 1."

Note: Community property rules may apply to the separation of income when you use the married filing separate status. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status.

If You File as Head of Household If you check the box on line 4 and if the qualifying person is a child but not your dependent, enter that child's name on line 4. Do not claim yourself or a nonrelative as the qualifying individual for head of household. Get FTB Pub. 1540, Tax Information for Head of Household, for more information.

Step 3

Exemptions

Line 6 – Dependent Check Box

Check the box on line 6 if your parent (or someone else) can claim you as a dependent on his or her tax return. For example, if your parents (or someone else) could claim you as a dependent on their return but they chose not to claim you, you must check the box on line 6.

Line 7 – Personal Exemptions

Did you check the box on line 6?

No Follow the instructions on Form 540NR, line 7.
Yes Ignore the instruction on Form 540NR, line 7. Instead, enter the amount shown below for your filing status:

- Single or married filing separate, enter -0-;
- Head of household, enter -0-;
- Married filing joint and both you and your spouse can be claimed as dependents, enter -0-; or
- Married filing joint 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 540NR indicating that 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 are 65 years of age or older, 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.

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. **Do not** list the same person you listed on line 4. Count the number of dependents listed and enter the total on line 10.

The persons you list as dependents on your Form 540NR must be the same persons you listed as dependents on your federal income tax return.

Step 4

Taxable Income

Refer to your completed federal income tax return and your Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, to complete "Step 4."

Line 12 – California Wages

Enter the total amount of your California wages from your Form(s) W-2. This amount should be shown in box 17 of Form W-2.

Line 14 – California Adjustments — Subtractions (from Schedule CA (540NR), line 31, column B)

You must complete Schedule CA (540NR) to find the amount to enter on Form 540NR, line 14. Follow the

Instructions: Form 540NR

instructions for Schedule CA (540NR) beginning on page 21. Enter the amount from Schedule CA (540NR), line 31, column B on Form 540NR, line 14.

Line 15 – Subtotal

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

Line 16 – California Adjustments — Additions (from Schedule CA (540NR), line 31, column C)

You must complete Schedule CA (540NR), to find the amount to enter on Form 540NR, line 16. Follow the instructions for Schedule CA (540NR) beginning on page 21. Enter the amount from Schedule CA (540NR), line 31, column C.

Line 17 – Adjusted Gross Income From All Sources

Combine line 15 and line 16. This amount should be the same as the amount on Schedule CA (540NR), line 31, column D.

Line 18 – Standard Deduction OR Itemized Deductions

You must decide whether to take the standard deduction or itemize your charitable contributions, medical expenses, etc. 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, both you and your spouse must either itemize your deductions or take the standard deduction.

Itemized deductions. Figure your California itemized deductions by completing Schedule CA (540NR), Part III, line 33 through line 38. Enter the result on Form 540NR, line 18. **Note:** If you did not itemize deductions on your federal income tax return but will itemize deductions for your California Form 540NR, first complete federal Schedule A, Itemized Deductions. Then complete Schedule CA (540NR), Part III, line 33 through line 38.

Standard deduction. Most people can find their standard deduction by looking at the California Standard Deduction Chart For Most People on this page. But, if you checked the box on Form 540NR, line 6, you must use the Standard Deduction Worksheet for Dependents, on this page.

California Standard Deduction Chart For Most People

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

Your Filing Status	Enter On Line 18
1 – Single	\$2,527
2 – Married filing joint return.	\$5,054
3 – Married filing separate return.	\$2,527
4 – Head of household.	\$5,054
5 – Qualifying widow(er)	\$5,054

Note: The California standard deduction amounts are less than the federal standard deduction amounts.

Standard Deduction Worksheet For Dependents

Use this worksheet only if your parent(s), or someone else, can claim you as a dependent on their tax return.

1. Enter your earned income from line 1 of the federal “Standard Deduction Worksheet for Dependents” found in the instructions for federal Form 1040A or Form 1040, or line A of the worksheet found on the back of federal Form 1040EZ.
2. Minimum standard deduction **\$650.00**
3. Compare the amounts on line 1 and line 2. Enter the **larger** of the two amounts here.
4. Enter the amount shown below for your filing status.
 - Single or married filing separate, enter \$2,527
 - Married filing joint, head of household or qualifying widow(er), enter \$5,054
5. **Standard deduction.** Compare the amounts on line 3 and line 4. Enter the **smaller** of the two amounts here and on Form 540NR, line 18.

Step 5

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

Tax

Line 20 – California Adjusted Gross Income

You must complete Schedule CA (540NR), column E to determine your California adjusted gross income. Follow the instructions for Schedule CA (540NR) beginning on page 21. Enter on Form 540NR, line 20 the amount from Schedule CA (540NR), line 31, column E.

Line 22 – Tax

To figure your tax on the amount on line 19, use one of the following methods and check the corresponding box on line 22:

- **Tax Table.** If your taxable income is \$50,000 or less, you must use the tax table on pages 28 through 30. Be sure you use the correct filing status column.
- **Tax Rate Schedules.** If your taxable income is over \$50,000, you must use the tax rate schedules on page 30.
- **FTB 3800.** Generally, you must use form FTB 3800, Tax Computation for Children With Investment Income, to figure the tax on the separate Form 540NR of your child who was under age 14 on January 1, 1997, and who had more than \$1,300 of investment income. Attach form FTB 3800 to the child’s Form 540NR.
- **FTB 3803.** If, as a parent, you elect to report your child’s interest and dividend income of \$5,000 or less (but not less than \$500) on your return, complete form FTB 3803, Parent’s 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 540NR. Add the amount of tax, if any, from each form FTB 3803, line 8, to the amount of your tax from the tax table or tax rate schedules and enter the result on Form 540NR, line 22. Check the box labeled “FTB 3803.” Attach form(s) FTB 3803 to your return.

Line 23 – Exemption Credits

Exemption credits may reduce your tax, but the amount of the credits may be limited in two ways. It may be limited by federal adjusted gross income (AGI). And it may also be limited by California tentative minimum tax (TMT). To find out if your exemption credits may be affected by one or both of these limitations, use the following flowchart. The flowchart will help you determine if you need to complete a worksheet or complete Schedule P (540NR) to figure the amount of your exemption credits available to reduce tax. If you are instructed to

complete Schedule P (540NR), see page 31 for information about how to get California tax forms.

☎ When you see a phone symbol followed by a three-digit number in the flowchart, you may get more information on the topic in that sentence by calling our toll-free telephone assistance number. Call 1-800-338-0505, select general tax information, follow the recorded instructions and enter the three-digit code when instructed.

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

Single or married filing separate	\$111,695
Married filing joint or qualifying widow(er)	\$223,390
Head of household	\$167,542

Yes Complete Worksheet I.
No Go to box 2 →

2 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; or
- Flow-through AMT adjustment from an estate or trust reported on Schedule K-1 (541).

Yes Get and complete Schedule P (540NR) through Part V, line 5 to figure the amount of your exemption credits.
No Go to box 3 →

3 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;
- Charitable contribution deduction for appreciated property. ☎ 224;
- Income from installment sales of certain property; or
- Net operating loss deduction or disaster loss carryover reported on form(s) FTB 3805V, 3805Z or 3806.

Yes Get and complete Schedule P (540NR) through Part V, line 5 to figure the amount of your exemption credits.
No Go to box 4 →

4 If your filing status is: Is Form 540NR, line 17 more than:

Single or head of household	\$30,000
Married filing joint or qualifying widow(er)	\$40,000
Married filing separate	\$20,000

No Multiply \$67 by the amount on Form 540NR, line 11. Enter the result on Form 540NR, line 23. Check the box labeled "Flowchart."
Yes Go to box 5 →

5 If your filing status is: Is Form 540NR, line 17 more than:

Single or head of household	\$112,500
Married filing joint or qualifying widow(er)	\$150,000
Married filing separate	\$75,000

Yes Get and complete Schedule P (540NR) through Part V, line 5 to figure the amount of your exemption credits
No Go to box 6 →

6 Did you itemize deductions?
Yes Complete Worksheet III.
No Complete Worksheet II.

**WORKSHEET I —
Limiting the exemption credit by federal AGI**

a Multiply the total number of exemptions from Form 540NR, line 11 by \$67 **a** _____

b Enter the amount from Form 540NR, line 13 **b** _____

c Enter the amount for your filing status on line c:
 Single or married filing separate \$111,695
 Married filing joint or qualifying widow(er) \$223,390
 Head of household \$167,542 } **c** _____

d Subtract line c from line b **d** _____
 Is line d more than \$27,500 (more than \$13,750 if married filing separate)?
YES Enter -0- on this line and on Form 540NR line 23. Check the box labeled "Federal AGI limit." Go to Form 540NR, line 24.
NO Go to line e.

e Divide line d by \$2,500 (\$1,250 if married filing separate). **Note:** If the result is not a whole number, round it to the next higher whole number **e** _____

f Multiply line e by \$6 **f** _____

g Multiply line f by the total number of exemptions from Form 540NR, line 11 **g** _____

h Subtract line g from line a **h** _____
 If the result is more than zero, enter the result. Get and complete Schedule P (540NR) through Part V, line 5. If the result is zero or less than zero, enter -0- on line h and on Form 540NR, line 23. Check the box labeled "Federal AGI limit." Go to Form 540NR, line 24.

WORKSHEET II — Exemption credit worksheet for taxpayers claiming the standard deduction

1 Enter the amount from Form 540NR, line 22 **1** _____

2 Enter the amount from Form 540NR, line 17 **2** _____

3 Enter the amount for your filing status on line 3:
 Single or head of household \$30,000
 Married filing joint or qualifying widow(er) \$40,000
 Married filing separate \$20,000 } **3** _____

4 Subtract line 3 from line 2. If zero or less, enter -0- **4** _____

5 Multiply line 4 by .07. **5** _____

6 Subtract line 5 from line 1. If zero or less, enter -0- **6** _____

7 Multiply the amount from Form 540NR, line 11 by \$67 **7** _____

8 Enter the smaller of line 6 or line 7 **8** _____
 This is your allowable exemption credit. Enter this amount on Form 540NR, line 23 and check the box labeled "California TMT limit." Go to Form 540NR, line 24.

WORKSHEET III —Exemption credit worksheet for taxpayers claiming itemized deductions

- A** Enter the amount from Form 540NR, line 22 . . . **A** _____
- B** Enter the smaller of Schedule A, line 4 (medical and dental expense); or 2½% of Form 1040, line 32 (federal AGI) **B** _____
- C** Enter personal property and real property taxes paid and included on Schedule A, line 6, line 7 or line 8 **C** _____
- D** Enter certain interest on a home mortgage **not** used to buy, build or improve your home.  223. **D** _____
- E** Enter miscellaneous itemized deductions from Schedule A, line 26. **E** _____
- F** Add line B through line E **F** _____
- G** Enter the amount from Form 540NR, line 19 (taxable income) **G** _____
- H** Add line F and line G. **H** _____
- I** Enter the amount for your filing status on line I:

Single or head of household.	\$30,000	}	I _____
Married filing joint or qualifying widow(er)	\$40,000		
Married filing separate.	\$20,000		
- J** Subtract line I from line H. If zero or less, enter -0- **J** _____
- K** Multiply line J by .07 **K** _____
- L** Subtract line K from line A. If zero or less, enter -0- **L** _____
- M** Multiply the amount from Form 540NR, line 11 by \$67 **M** _____
- N** Enter the smaller of line L or line M **N** _____
 This is your allowable exemption credit. Also enter this amount on Form 540NR, line 23 and check the box labeled "California TMT limit." Go to Form 540NR, line 24.

Note: If line L is smaller than line M and if you reported the refund of personal property tax or real property tax on federal Form 1040, line 10 (this does not include your state income tax refund), you may benefit from figuring your exemption credit limitation on Schedule P.

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

Check the applicable box(es) 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 Credits

A variety of California tax credits are available to reduce your tax if you qualify.

To figure and claim most credits, you must complete a separate form or schedule and attach it to your Form 540NR. The Credit Chart in the instructions for line 37 describes the credits and provides the name, credit code and number of the required form or schedule. Many credits are limited by a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by TMT.

Are you claiming any credits listed on the Credit Chart?

- NO** Enter the amount from line 28 on line 43 and continue to line 44.
- YES** Figure the amount of your credit using the form, schedule or worksheet identified in the Credit Chart. Then answer the following questions to see if the total amount you may claim for all credits is limited by TMT.

1. Were you instructed in Step 5 to complete Schedule P (540NR)?
No Go to Question 2.
Yes Complete Schedule P (540NR), Part VI.
2. Did you complete Worksheet I in Step 5 **and** enter zero on Worksheet I, line h?
No Go to Question 3.
Yes Get and complete Schedule P (540NR), Parts I, II, III, IV, V and VI.
3. Were your exemption credits limited in Step 5 by Worksheet II or Worksheet III?
Yes. Get and complete Schedule P (540NR), Part VI.
No. Complete the following worksheet:
 - a. Multiply the amount from Worksheet II, line 6, or from Worksheet III, line L by the ratio on Form 540NR, line 25a a _____
 - b. Enter the amount from Form 540NR, line 26 b _____
 - c. Add line a and line b c _____
 - d. Multiply the amount from Form 540NR, line 23 by the ratio on Form 540NR, line 25a d _____
 - e. Subtract line d from line c e _____
 - f. Enter the total of your credits f _____
 - If line e is more than line f, your credits are not limited. Go to line 31.
 - If line e is less than line f, get and complete Schedule P (540NR). See page 31 for information on ordering forms.

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.

If you need to complete Schedule P (540NR) and if you claim any of the credits on line 31 through line 33, do not enter an amount on line 31 through line 33. Instead, enter the total amount of these credits from Schedule P (540NR), Part VI, Section A1, line 9 through line 11, on Form 540NR, line 36. Do not follow the instructions for line 36. Write "Schedule P (540NR)" to the left of the amount entered on line 36.

Line 31 – Credit for Joint Custody Head of Household

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

You may claim a credit if you were unmarried at the end of 1996; (or if married, you lived apart from your spouse for all of 1996; and you used the married filing separate filing status); and if you furnished more than one-half the household expenses for your home that also served as the home of your child, step-child or grandchild for at least 146 days but not more than 219 days of your taxable year. If the child is married, you must be entitled to claim a dependent exemption for the child.

Also, the custody arrangement for the child must be part of a decree of dissolution or 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 on the next page to figure this credit.

1. Enter the amount from Form 540NR, line 24 _____
2. Enter the Schedule G-1 tax, if any, included on Form 540NR, line 26. _____
3. Add line 1 and line 2 _____
4. Credit percentage — 30% x .30
5. Credit amount. Multiply line 3 by line 4. Enter the result or \$269, whichever is less _____

- Did not have adjusted gross income over \$43,687 for 1996.

Note: If you meet all the conditions listed, you do not need to qualify to use the head of household filing status for 1996 in order to claim this credit.

Use the worksheet below to figure this credit.

1. Enter the amount from Form 540NR, line 19 _____
2. Credit percentage — 2% x .02
3. Credit amount. Multiply line 1 by line 2. Enter the result or \$823, whichever is less. _____

Line 32 – Credit for Dependent Parent

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

You may claim this credit only if:

- You were married at the end of 1996 and you used the married filing separate 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 he or she lived in your home.

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

Line 33 – Credit for Senior Head of Household

You may claim this credit if you:

- Were 65 years of age or older on December 31, 1996;
- Qualified as a head of household in 1994 or 1995 by providing a household for a qualifying individual who died during 1994 or 1995; and

Line 36 – Add the amounts on line 31 through line 33. Multiply the total by the ratio on Side 1, line 25a. Enter the result on line 36. If you completed Schedule P (540NR), see the paragraph above line 31.

Line 37 through Line 40 –

Additional Credits

Each credit has a code number. To claim only one, two or three credits, enter the credit name, code number and amount of the credit on line 37, line 38 and line 39. To claim more than three credits, get Schedule P (540NR). List three of the credits on line 37, line 38 and line 39. Enter on line 40 the total of any remaining credits from Schedule P (540NR).

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

CREDIT CHART

Credit Name	Code	Description
Child Adoption – Worksheet follows this chart.	197	50% of qualified costs in the year an adoption is ordered
Dependent Parent – See line 32 instructions.	173	Must use married filing separate filing status and have a dependent parent
Disabled Access – 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	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	Similar to the federal credit but limited to qualified enhanced oil recovery projects located in 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
Joint Custody Head of Household – See line 31 instructions	170	30% of tax up to \$269 for single or married filing separate taxpayers that have a child and meet support test
Local Agency Military Base Recovery Area (LAMBRA) Hiring & Sales or Use Tax – FTB 3807	198	Business incentives for LAMBRA
Los Angeles Revitalization Zone (LARZ) Hiring & Sales or Use Tax – FTB 3806	159	Business incentives for LARZ
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
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 1996
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Program Area Hiring & Sales or Use Tax – FTB 3805Z	177	Business incentives for program areas

(continued on next page)

Instructions: Form 540NR

CREDIT CHART (continued)

Credit Name	Code	Description
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Salmon & Steelhead Trout Habitat Restoration – Obtain certification from: DEPARTMENT OF FISH AND GAME C/O TIMBER TAX CREDITS PROGRAM PO BOX 944209 SACRAMENTO CA 95244-2090	200	10% of qualified costs
Senior Head of Household – See line 33 instructions.	163	2% of taxable income up to \$823 for seniors who qualified for head of household and the qualifying individual died during 1994 or 1995
Agricultural Products	175	The expiration dates for these credits have passed. However, these credits had carryover features. You may claim these credits only if there is a carryover available from prior years. If you are not required to complete Schedule P (540NR), get form FTB 3540, Credit Carryover Summary, to figure your credit carryover to future years.
Commercial Solar Electric System	196	
Commercial Solar Energy	181	
Employee Ridesharing	194	
Employer Ridesharing	191	
	192	
	193	
Energy Conservation	182	
Orphan Drug	185	
Low-Emission Vehicles	160	
Political Contributions	184	
Recycling Equipment	174	
Residential Rental & Farm Sales	186	
Ridesharing	171	
Solar Energy	180	
Solar Pump	179	
Water Conservation	178	
Young Infant	161	

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 . _____
2. Credit percentage — 50% x .50
3. Credit amount. Multiply line 1 by line 2 _____

If line 3 is more than \$2,500, your allowable credit is \$2,500. You may carry over the excess credit to future years until the credit is used.

Line 43 – Subtract the amount on line 42 from the amount on line 28. Enter the result on line 43. If the amount on line 42 is more than the amount on line 28, 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 43. 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 43.

Step 7
Other Taxes
Attach the specific form or statement required for each item in this section.

Line 44 – 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:

- \$40,000 if you are married filing joint or qualifying widow(er); or
- \$30,000 if you are single or head of household; or
- \$20,000 if you are married filing separate.

As the result of legislation enacted in 1996, AMT income shall 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.

A child under age 14 may owe AMT if the sum of the amount on line 19 (taxable income) and any preference items listed on Schedule P (540NR) and included on the return is more than the sum of \$1,000 plus the child's earned income.

Get Schedule P (540NR) and its instructions for more information. See page 31 for information on ordering forms.

Line 45 – Other Taxes and Credit Recapture

If you used form(s) FTB 3501, Employer Child Care Program/Contribution Credit; FTB 3535, Manufacturers' Investment Credits; FTB 3805P, Additional Taxes Attributable to Qualified Retirement Plans (Including IRAs), Annuities and Modified Endowment Contracts; FTB 3805Z, Enterprise Zone/Program Area Deduction and Credit Summary; or FTB 3806, Los Angeles Revitalization Zone (LARZ), Deduction and Credit Summary, include the additional tax, if any, on line 45. Write the form number on the dotted line to the left of the amount on line 45.

Step 8
Payments
Make sure you have your Form(s) W-2, W-2G, 1099-MISC, 1099-R, 592-B, 594 and 597 before you begin this step.
If you received wages and do not have a Form W-2, see the instructions for “Sign Your Return” on page 11.

Line 47 – California Income Tax Withheld

Enter the total California income tax withheld and shown on your:

- Form(s) W-2, box 18;
- Form(s) W-2G, box 14;
- Form(s) 1099-MISC, box 11;
- Form(s) 1099-R, box 10; or
- Form(s) FTB 592-B, 594 or 597.

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

If you 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 47.

Line 48 – 1996 California Estimated Tax Payments and Amount Applied from 1995 Return (and Payment Made with Extension Payment Voucher)

Enter the total of any:

- California estimated tax payments you made (Form 540-ES) for 1996;
- Overpayment from your 1995 California income tax return that you applied to your 1996 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 or trust on Schedule K-1 (541).

Note: If you are including an amount from Schedule K-1 (568), write “LLC” on the dotted line to the left of the amount on line 48.

If you and your spouse paid joint estimated tax but are filing separate 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 the separate returns. If you or your spouse paid separate estimated tax, but are filing a joint income tax return, add the amounts you each paid. Attach a statement to the front of Form 540NR explaining that payments have been made under both social security numbers.

Line 50 – Excess California SDI (or VPDI) Withheld

If more than \$254.14 of California State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) was withheld from your wages by a single employer or if an employer withheld SDI (or VPDI) at a rate of more than .8% of your gross wages, you may **not** claim excess SDI (or VPDI) on your Form 540NR, line 50. Contact the employer for a refund.

You may claim a credit for excess California SDI (or VPDI) only if:

- You had **two or more** employers during 1996;
- You received more than \$31,767 in wages during 1996 from these employers;
- Your employers combined withheld more than \$254.14 of SDI (or VPDI) from your 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 540NR.

Complete the following worksheet to figure the amount to enter on line 50. 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. . . .		
2. 1996 SDI (or VPDI) limit	\$254.14	\$254.14
3. Excess SDI (or VPDI) withheld. Subtract line 2 from line 1. Enter the result here and on Form 540NR, line 50		

Note: If zero or less, enter -0- on line 50.

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 52 through line 55.

Line 52 – Overpaid Tax

If the amount on line 51 is more than the amount on line 46, subtract the amount on line 46 from the amount on line 51. Enter the result on line 52. Your payments and credits are more than your tax.

Line 53 – Amount You Want Applied to Your 1997 Estimated Tax

You may apply all or part of the amount on line 52 to your 1997 estimated tax. Enter on line 53 the amount of line 52 you want applied to 1997.

Line 54 – Amount of Overpaid Tax Available This Year

If you entered an amount on line 53, subtract it from the amount on line 52. Enter the result on line 54. You may have this entire amount refunded to you or you may make contributions to the California Seniors Special Fund or make voluntary contributions from this amount. If you make a contribution, skip line 55 and go to the instructions for “Step 10.”

Line 55 – Tax Due

If the amount on line 51 is less than the amount on line 46, subtract the amount on line 51 from the amount on line 46. Enter the result on line 55. Your tax is more than your payments and credits.

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

- The tax due on line 55 is \$100 or more; and
- The amount of state income tax withheld on line 47 is less than 80% of the amount of your total tax on line 46.

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

You may make contributions to the California Seniors Special Fund or make voluntary contributions by adding them to the tax due. You must pay the full amount of tax due, including contributions, when you file your Form 540NR.

Step 10

Contributions

You may make contributions in whole-dollar amounts only. If you make one or more contributions, you must complete “Step 10.” You may contribute to only the following funds and cannot change the amount you contributed after the return is filed.

If you have overpaid tax available on line 54, the amount you contribute must be subtracted from your overpaid tax available. If you have tax due on line 55, your total contributions must be added to your tax due.

Line 56 – Contribution to California Seniors Special Fund

If you or your spouse claim the senior exemption credit on line 9, you may each make a contribution of up to \$67 to the California Seniors Special Fund. Your contribution will be used to support the work of the area Agency on Aging Council of California in its role as an advocate for California seniors. All contributions over those needed for this work will be used to provide direct services to seniors such as meals, adult day care and transportation. The actual use of the funds will be determined at the local level by the area Agency on Aging, its Advisory Council of Seniors and the senior community.

Use the worksheet below to figure your contribution.

1. If you contribute, enter \$67; if you and your spouse contribute, enter \$134 _____
2. Enter the ratio from Form 540NR, line 25a. _____
3. Contribution amount. Multiply line 1 by line 2. Enter the result (rounded to the nearest whole dollar) here. _____

You may contribute any amount up to the amount on line 3. Enter your contribution on line 56.

Voluntary Contributions

You may make voluntary contributions of \$1 or more in whole dollar amounts.

Line 57 – Alzheimer’s Disease/Related Disorders Fund

Contributions entered on line 57 will be used to conduct a systematic 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.

Line 58 – California Fund for Senior Citizens

Contributions entered on line 58 will be used by the California Fund for Senior Citizens which supports direct services to seniors and the work of the California Senior Legislature. The California Senior Legislature is non-partisan, volunteer, grass roots body of seniors 60 years of age or older, elected by their peers. The California Senior Legislature has been instrumental in creating and steering senior legislation through the regular legislature; legislation, such as: Alzheimer Studies and Research; Adult Day Health Care Centers; nutrition centers; respite care; long term care; the funding and broadening of In Home Support Services; programs to abolish abuse of seniors; skilled nursing facility reforms; and many more. All donations over those needed to carry out the California Senior Legislature’s work, will be distributed for direct services to needy seniors.

Line 59 – Rare and Endangered Species Preservation Program

Contributions entered on line 59 will help to 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.

Line 60 – State Children’s Trust Fund for the Prevention of Child Abuse

Contributions entered on line 60 will be used to fund programs for the prevention, intervention and treatment of child abuse and neglect.

Line 61 – California Breast Cancer Research Fund

Contributions entered on line 61 will be used to conduct research relating to the prevention, screening, cure and treatment of breast cancer.

Line 62 – Veterans Memorial Account

Contributions entered on line 62 will be used to pay for the construction, improvement, maintenance or repair of a veterans memorial and an information program about the memorial.

Line 63 – California Firefighters’ Memorial Fund

Contributions entered on line 63 will be used for the construction of a memorial on the grounds of the State Capitol honoring the hundreds of firefighters who have died protecting our neighborhoods, our homes, our families and our dreams. These brave men and women answered the call when fire alarms sounded or when hazardous, cancer-causing elements needed to be removed, and their sacrifices and the sacrifices of their families deserve to be remembered.

Line 64 – California Public School Library Protection Fund

Contributions entered on line 64 will be expended for the purchase of books and other library resources through grants awarded for implementing a school library improvement plan.

Line 65 – D.A.R.E. California (Drug Abuse Resistance Education) Fund

Contributions entered on line 65 will be used to support local D.A.R.E. programs and provide proven effective, in-classroom anti-drug, anti-gang and anti-violence education for California school children.

Line 66 & Line 67 – California Election Campaign Fund

A contribution of \$1, \$5, \$10 or \$25 may be made to these political parties: American Independent, Democratic, Green, Libertarian, Natural Law, Peace and Freedom, Reform or Republican. If you contribute, enter the party name and contribution amount on line 66.

If your spouse contributes to the California Election Campaign Fund, enter the name of the political party and contribution amount on line 67. You and your spouse may each contribute a maximum of \$25.

Line 68 – Total Contributions

Add line 56 through line 67. Enter the result on line 68. If you show an amount on line 54, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 55, you must add your total contributions to your tax due.

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 69 – Refund or No Amount Due

If you did not enter an amount on line 68, enter the amount from line 54 on line 69. This is the amount that will be refunded to you. If this amount is less than \$1, you must attach a written request to your Form 540NR requesting the refund.

If you entered an amount on line 68, subtract it from the amount on line 54. If the result is zero or more, enter it on line 69. Then skip to the instructions for line 71.

If the result is less than zero, your contributions are more than your overpaid tax available on line 54. In this case, do not enter an amount on line 69. Instead, enter the result on line 70 and see the instructions for line 70.

Line 70 – Amount You Owe

If you did not enter an amount on line 68, enter the amount from line 55 on line 70. This is the amount you owe with your Form 540NR.

If you entered an amount on line 68, add that amount to the amount on line 55. Enter the result on line 70. This is the amount you owe with your Form 540NR.

- Make your check or money order payable to the "Franchise Tax Board" for the full amount you owe. Do not send cash. Be sure to write your social security number and "1996 Form 540NR" on your check or money order.
- Attach the check or money order to the front of your Form 540NR in the area below the words "Step 3, Exemptions."
- Make sure the check or money order is not covered up by your Form(s) W-2 or any other items.

A penalty may be imposed for a check returned by your bank for insufficient funds. To avoid a late filing penalty, file your return by the due date even if you cannot pay the amount you owe.

Do not include any estimated tax payment in your check or money order. Mail any estimated tax payment in a separate envelope from the one you use to pay the amount you owe with Form 540NR.

if you owe any 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, enter the amount of the penalty on line 72 and check the box at line 72. You must complete and attach the form if you claim a waiver or use the annualized income installment method or pay tax according to the schedule for farmers and fishermen.

Line 73 – 1997 Tax Forms

If your Form 540NR is prepared by someone else, or if you do not need forms mailed to you next year, check the box at line 73.

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.

Paid Preparer's Information

If you pay a person to prepare your Form 540NR, that person must sign and complete the area at the bottom of Side 2. A paid preparer must give you two copies of your return: one to file with the Franchise Tax Board, and one to keep for your records.

Attachments.

You must attach Copy 2 of all Form(s) W-2, W2-G, 1099-R, 592-B, 594 and 597 to the front of your Form 540NR. You must also attach a copy of your federal return.



If you do not receive your Form(s) W-2 by January 31, 1997, contact your employer. Only your employer can give you or correct a Form W-2. If you cannot get a copy of your Form(s) 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 page 31 for information on ordering forms.

If you forget to send your Form(s) W-2 with your Form 540NR, do not send it until the Franchise Tax Board requests the Form(s) W-2 from you.

Mailing Addresses

To get a refund, or if you have no amount due, mail your return to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0000

If you owe money, mail your return to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

Keep a Copy of Your California Income Tax Return

The Franchise Tax Board 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 from the date the return is filed. 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 original or replacement property.

**Step 12
Interest & Penalties**

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

Note: Do not reduce the amount on line 52 or increase the amount on line 55 by any penalty or interest amounts.

Line 71 – Interest and Penalties

Enter on line 71 the amount of interest and penalties included in your payment.

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 10 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, 1997. The minimum penalty for filing a return more than 60 days late is \$100 or 100% of the balance of tax due, whichever is less.

Late Payment of Tax

The penalty is 5% of the tax not paid when due plus ½% for each month, or part of a month, the tax remains unpaid.

Other Penalties

Other penalties can be imposed for a check returned for insufficient funds, negligence, substantial understatement of tax and fraud.

Line 72 – Underpayment of Estimated Tax

You may owe a penalty if:

- Line 55 is \$100 (\$50 if married filing separate) or more and more than 20% of the tax shown on line 43 (excluding the tax on lump-sum distributions on line 26), or
- You underpaid your 1996 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, to see

Additional Information

Free Tax Help

At more than 1,500 sites throughout California, trained volunteers provide free help to low-income, senior, disabled and non-English speaking 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. Call the Franchise Tax Board (FTB) at 1-800-852-5711 to find the location nearest you.

Deceased Taxpayers

A final return must be filed for a person who died in 1996 if a return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the return. Please print or type "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 1996. Indicate next to your signature that you are the surviving spouse.

You may also file a joint return with an administrator or executor acting in 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.

Amended Returns

If you discover that you made an error on your California income tax return after it was filed, use Form 540X, Amended Individual Income Tax Return, to correct and make any changes to your return.

Changes to Federal Returns

If your federal income tax return is examined and changed by the Internal Revenue Service (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 make any changes to your California income tax return already filed, or you may send copies of the federal changes to: ATTN RAR/VOL, AUDIT SECTION, FRANCHISE TAX BOARD, PO BOX 1998, RANCHO CORDOVA CA 95741-1998.

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 that the federal adjustment was based on. Get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California, for more information.

Note: You do not have to file Form 540X if the changes do not affect your California tax liability.

Military Personnel

If you are a member of the U.S. armed forces and need additional information on how to file your return, get FTB Pub. 1032, Tax Information for Military Personnel.

Change of Address

If you move during the year, notify the FTB of your new address by calling 1-800-852-5711.

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.

California Sales And Use Tax

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 had purchased the goods in California, you owe use tax on your purchase if the out-of-state retailer did not collect the tax.

Your tax liability may be calculated by multiplying the sales tax rate in your area times the cost of the goods purchased. You may pay your tax liability by sending payment to the STATE BOARD OF EQUALIZATION, PO BOX 942879, SACRAMENTO CA 94279-0001, with a brief letter listing your name, address, a description and cost of the goods purchased, and the name and address of the out-of-state retailer.

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 a question as to which goods are taxable, or want information about obtaining a seller's permit, you should contact the nearest office of the State Board of Equalization. You can find the address and telephone number in the State Government section of your telephone directory.

Rounding to Whole Dollars

Please round cents to the nearest whole dollar on your return and schedules. To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next whole dollar. For example, \$123.49 becomes \$123 and \$725.50 becomes \$726.

If you do round, do so for all amounts. However, if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round the total. Example: You want to add \$5,000.55 and \$18,500.73. On the appropriate line you would enter \$23,501 (\$5,000.55 + \$18,500.73 = \$23,501.28).

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 district office that assisted you in completing your return. See page 31 for information on ordering forms.

Collection Fees

The FTB is required to assess collection and filing enforcement cost recovery fees on delinquent accounts.

Privacy Act Notice

The Information Practices Act of 1977 and the federal Privacy Act require the FTB to tell you why we ask you for information. The Operations and Compliance Branches ask for tax return information to carry out the Personal Income Tax Law of the State of California. We may request additional information if we audit your return or take collection action.

If you meet the income requirements, the Revenue and Taxation Code requires you to file a return on the form we prescribe (Sections 18501 and 18621). When you file this or other documents, you must include your social security number for identification and return processing (Section 18624).

It is mandatory to furnish all information requested when you are required to file any documents prescribed by the FTB. If you do not file a return, or do not provide the information we ask for, or provide fraudulent information, the law states you may be charged penalties and interest and, in certain cases, you may be subject to criminal prosecution. We also may disallow claimed exemptions, exclusions, credits, deductions or adjustments. This could make the tax higher or delay or reduce any refund.

We may give the information you furnish us to the IRS, the proper official of any state imposing an income tax or a tax measured by income, the Multistate Tax Commission and California government agencies and officials, as provided by law. If you owe any monies, we may disclose the amount due to employers, financial institutions, county recorders, vacation trust funds, process agents and other payers.

You have a right to access records containing your personal information maintained by the FTB. The officials responsible for maintaining the information are: 1) Filing of returns—Chief, Filing Division; 2) Auditing of returns—Chief, Audit Division; and 3) Collection of monies—Chief, Collection Division. The address is:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-1040.

Telephone:
Within the United States . . . 1-800-852-5711
Outside the United States . . . 1-916-845-6500

California Nonresident or Part-Year Resident Income Tax Return 1996

FORM

540NR

Step 1 Name and Address

Use the California mailing label. Otherwise, please print or type. Fiscal year beginning _____, 1996, ending _____, 19 _____.

Your first name and initial	Last name	Your social security number	Do Not Write In These Spaces
If joint return, spouse's first name and initial	Last name	Spouse's social security number	P
			AC
Present home address — number and street including PO Box or rural route		Apt. no.	A
City, town or post office, state and ZIP code			R
			RP

Step 2 Filing Status

Check only one.

- 1 Single
- 2 Married filing joint return (even if only one spouse had income)
- 3 Married filing separate return. Enter spouse's social security number above and full name here. _____
- 4 Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
- 5 Qualifying widow(er) with dependent child. Enter year spouse died 19____.

Step 3 Exemptions

Do not enter dollar amounts in the boxes.

Attach check or money order here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their return, check the box here. ● 6
- 7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see page 3. 7
- 8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. ● 8
- 9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. ● 9
- 10 Dependents: Enter name and relationship. Do not include yourself, your spouse or the person you listed on line 4. _____
- 11 Add line 7 through line 10. These are your total exemptions. 10

Step 4 Taxable Income

Attach copy of your Form(s) W-2, W-2G, 1099-R, 592-B, 594 and 597 here.

- 12 Total California wages from all your Form(s) W-2, box 17. ● 12
- 13 Federal adjusted gross income (AGI) from your: Form 1040, line 31; Form 1040A, line 16; Form 1040EZ, line 4; TeleFile Tax Record, line H or Form 1040NR, line 31. 13
- 14 California adjustments – subtractions. Enter the amount from Schedule CA (540NR), line 31, column B. **Caution:** If the amount on Schedule CA (540NR), line 31, column B is a negative number, see page 25. ● 14
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 4. 15
- 16 California adjustments – additions. Enter the amount from Schedule CA (540NR), line 31, column C. **Caution:** If the amount on Schedule CA (540NR), line 31, column C is a negative number, see page 25. ● 16
- 17 Adjusted gross income from all sources. Combine line 15 and line 16. ● 17
- 18 Enter the larger of:
 - Your California **itemized deductions** from Schedule CA (540NR), line 38; **OR**
 - Your California **standard deduction** shown below for your filing status:
 - Married filing joint, Head of household, or Qualifying widow(er) . . . \$5,054
 - Single or Married filing separate \$2,527
 - (Dependent of someone else and checked box on line 6 See page 4) ● 18
- 19 Subtract line 18 from line 17. If less than zero, enter -0-. This is your total taxable income. 19

Step 5 Tax

- 20 California adjusted gross income from Schedule CA (540NR), line 31, column E. ● 20
- 22 Tax on the amount shown on line 19. Check if from:
 - Tax Table Tax Rate Schedules FTB 3800 or FTB 3803. ● 22
 - Caution:** If under age 14 and you have more than \$1,300 of investment income, read the line 22 instructions to see if you must attach form FTB 3800.
- 23 Exemption credits. **Caution:** See the line 23 instructions before making an entry on this line.
 - Check if from: Flowchart Federal AGI limit California TMT limit. ● 23
- 24 Subtract line 23 from line 22. If less than zero, enter -0-. 24
- 25a Ratio. Enter the ratio from Schedule CA (540NR), line 32. 25a
- 25b Multiply line 24 by the ratio on line 25a. 25b
- 26 Tax. Check if from Schedule G-1, Tax on Lump-Sum Distributions and form FTB 5870A, Tax on Accumulation Distribution of Trusts. ● 26
- 27 Add line 25b and line 26. Continue to Side 2. ● 27

Step 6 Credits	28	Amount from Side 1, line 27		28	_____
	31	Credit for joint custody head of household. See page 6.	● 31	_____	_____
	32	Credit for dependent parent. See page 7.	● 32	_____	_____
	33	Credit for senior head of household. See page 7	● 33	_____	_____
	36	Add line 31 through line 33. Multiply the total by the ratio on Side 1, line 25a	● 36	_____	_____
	37	Enter credit name _____ code no. _____ and amount	▶ 37	_____	_____
	38	Enter credit name _____ code no. _____ and amount	▶ 38	_____	_____
	39	Enter credit name _____ code no. _____ and amount	▶ 39	_____	_____
	40	To claim more than three credits, see page 7	● 40	_____	_____
	42	Add line 36 through line 40. These are your total credits	42	_____	_____
43	Subtract line 42 from line 28. If less than zero, enter -0-	43	_____	_____	

Step 7 Other Taxes	44	Alternative minimum tax. Attach Schedule P (540NR)	● 44	_____	_____
	45	Other taxes and credit recapture from forms FTB 3501, FTB 3535, FTB 3805P, FTB 3805Z or FTB 3806. See page 8	● 45	_____	_____
	46	Add line 43 through line 45. This is your total tax	● 46	_____	_____

Step 8 Payments	47	California income tax withheld. Enter the total from your 1996 Form(s) W-2, W-2G, 1099-MISC, 1099-R, 592-B, 594 or 597. Also attach the Form(s) to Side 1. ■ 47	_____	_____
	48	1996 California estimated tax and amount applied from your 1995 return. Include the amount from form FTB 3519 or Schedule(s) K-1 (541) and K-1 (568) ■ 48	_____	_____
	50	Did either you or your spouse receive more than \$31,767 in wages in 1996? <input type="checkbox"/> Yes. See page 9 <input type="checkbox"/> No. Go to line 51 ■ 50	_____	_____
	51	Add line 47 through line 50. These are your total payments	51	_____

Step 9 Overpaid Tax or Tax Due	52	If line 51 is more than line 46, subtract line 46 from line 51. This is your overpaid tax	52	_____
	53	Amount of line 52 you want applied to your 1997 estimated tax	■ 53	_____
	54	Subtract line 53 from line 52. This is the amount of overpaid tax available this year.	■ 54	_____
	55	If line 51 is less than line 46, subtract line 51 from line 46. This is your tax due.	55	_____

Step 10 Contributions	56	Contribution to California Seniors Special Fund. See page 10 ● 56	_____	_____	
	You may make a contribution of \$1 or more to:				
	57	Alzheimer's Disease/Related Disorders Fund ● 57	_____	00	
	58	California Fund for Senior Citizens ● 58	_____	00	
	59	Rare and Endangered Species Preservation Program ● 59	_____	00	
	60	State Children's Trust Fund for the Prevention of Child Abuse ● 60	_____	00	
	61	California Breast Cancer Research Fund ● 61	_____	00	
	62	Veterans Memorial Account. ● 62	_____	00	
	63	California Firefighters' Memorial Fund ● 63	_____	00	
	64	California Public School Library Protection Fund ● 64	_____	00	
65	D.A.R.E. California (Drug Abuse Resistance Education) Fund. ● 65	_____	00		
California Election } 66 Your political party _____ amount (\$25 max) ▶ 66		_____	00		
Campaign Fund } 67 Spouse's political party _____ amount (\$25 max) ▶ 67		_____	00		
68	Add line 56 through line 67. These are your total contributions. ● 68	_____	_____		

Step 11 Refund or Amount You Owe	69	Subtract line 68 from line 54. You have a REFUND or NO AMOUNT DUE . Mail your return to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0000 ■ 69	_____	_____
	70	Add line 55 and line 68. This is the AMOUNT YOU OWE . Make a check or money order payable to "Franchise Tax Board" for the full amount you owe. Write your social security number and "1996 Form 540NR" on it. Attach it to the front of your Form 540NR and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 ■ 70	_____	_____

Step 12 Interest and Penalties	71	Interest, late return penalties and late payment penalties	71	_____
	72	Underpayment of estimated tax. If form FTB 5805 or FTB 5805F is attached, check here. <input type="checkbox"/> ■ 72	_____	_____
	73	If you do not need California income tax forms mailed to you next year, check here ● 73 <input type="checkbox"/>	_____	_____

Important: You must attach a copy of your federal return to this 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. 9

Your signature _____ Spouse's signature (if filing joint, both must sign) _____ Date / / _____
Daytime phone number _____

Sign Here X _____ X _____ (____) _____ - _____
Signature of paid preparer (declaration of preparer is based on all information of which preparer has any knowledge) Preparer's SSN/FEIN _____
Firm's name (or yours if self-employed) Firm's address _____

California Nonresident or Part-Year Resident Income Tax Return 1996

FORM

540NR

Step 1 Name and Address

Use the California mailing label. Otherwise, please print or type. Fiscal year beginning , 1996, ending , 19 .

Your first name and initial	Last name	Your social security number	Do Not Write In These Spaces
If joint return, spouse's first name and initial	Last name	Spouse's social security number	
Present home address — number and street including PO Box or rural route			Apt. no.
City, town or post office, state and ZIP code			

Step 2 Filing Status

Check only one.

- 1 Single
- 2 Married filing joint return (even if only one spouse had income)
- 3 Married filing separate return. Enter spouse's social security number above and full name here. _____
- 4 Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter child's name here. _____
- 5 Qualifying widow(er) with dependent child. Enter year spouse died 19_____.

Step 3 Exemptions

Do not enter dollar amounts in the boxes.

Attach check or money order here.

- 6 If your parent(s), or someone else, can claim you (or your spouse, if married) as a dependent on their return, check the box here. ● 6
 - 7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see page 3. 7
 - 8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2. ● 8
 - 9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. ● 9
 - 10 Dependents: Enter name and relationship. Do not include yourself, your spouse or the person you listed on line 4. _____
- Enter the total number of dependents 10
- 11 Add line 7 through line 10. These are your total exemptions 11

Step 4 Taxable Income

Attach copy of your Form(s) W-2, W-2G, 1099-R, 592-B, 594 and 597 here.

- 12 Total California wages from all your Form(s) W-2, box 17. ● 12
- 13 Federal adjusted gross income (AGI) from your: Form 1040, line 31; Form 1040A, line 16; Form 1040EZ, line 4; TeleFile Tax Record, line H or Form 1040NR, line 31 13
- 14 California adjustments – subtractions. Enter the amount from Schedule CA (540NR), line 31, column B. **Caution:** If the amount on Schedule CA (540NR), line 31, column B is a negative number, see page 25. ● 14
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 4. 15
- 16 California adjustments – additions. Enter the amount from Schedule CA (540NR), line 31, column C. **Caution:** If the amount on Schedule CA (540NR), line 31, column C is a negative number, see page 25. ● 16
- 17 Adjusted gross income from all sources. Combine line 15 and line 16. ● 17
- 18 Enter the larger of:
 - Your California **itemized deductions** from Schedule CA (540NR), line 38; **OR**
 - Your California **standard deduction** shown below for your filing status:
 - Married filing joint, Head of household, or Qualifying widow(er) . . . \$5,054
 - Single or Married filing separate \$2,527
 - (Dependent of someone else and checked box on line 6 See page 4) ● 18
- 19 Subtract line 18 from line 17. If less than zero, enter -0-. This is your total taxable income 19

Step 5 Tax

- 20 California adjusted gross income from Schedule CA (540NR), line 31, column E. ● 20
- 22 Tax on the amount shown on line 19. Check if from:
 - Tax Table Tax Rate Schedules FTB 3800 or FTB 3803. ● 22
 - Caution:** If under age 14 and you have more than \$1,300 of investment income, read the line 22 instructions to see if you must attach form FTB 3800.
- 23 Exemption credits. **Caution:** See the line 23 instructions before making an entry on this line.
 - Check if from: Flowchart Federal AGI limit California TMT limit ● 23
- 24 Subtract line 23 from line 22. If less than zero, enter -0- 24
- 25a Ratio. Enter the ratio from Schedule CA (540NR), line 32 25a
- 25b Multiply line 24 by the ratio on line 25a. 25b
- 26 Tax. Check if from Schedule G-1, Tax on Lump-Sum Distributions and form FTB 5870A, Tax on Accumulation Distribution of Trusts ● 26
- 27 Add line 25b and line 26. Continue to Side 2 ● 27

Step 6 Credits	28	Amount from Side 1, line 27		28	_____
	31	Credit for joint custody head of household. See page 6.	● 31	_____	_____
	32	Credit for dependent parent. See page 7.	● 32	_____	_____
	33	Credit for senior head of household. See page 7	● 33	_____	_____
	36	Add line 31 through line 33. Multiply the total by the ratio on Side 1, line 25a	● 36	_____	_____
	37	Enter credit name _____ code no. _____ and amount	▶ 37	_____	_____
	38	Enter credit name _____ code no. _____ and amount	▶ 38	_____	_____
	39	Enter credit name _____ code no. _____ and amount	▶ 39	_____	_____
	40	To claim more than three credits, see page 7	● 40	_____	_____
	42	Add line 36 through line 40. These are your total credits	42	_____	_____
43	Subtract line 42 from line 28. If less than zero, enter -0-	43	_____	_____	

Step 7 Other Taxes	44	Alternative minimum tax. Attach Schedule P (540NR)	● 44	_____	_____
	45	Other taxes and credit recapture from forms FTB 3501, FTB 3535, FTB 3805P, FTB 3805Z or FTB 3806. See page 8	● 45	_____	_____
	46	Add line 43 through line 45. This is your total tax	● 46	_____	_____

Step 8 Payments	47	California income tax withheld. Enter the total from your 1996 Form(s) W-2, W-2G, 1099-MISC, 1099-R, 592-B, 594 or 597. Also attach the Form(s) to Side 1. ■ 47	_____	_____
	48	1996 California estimated tax and amount applied from your 1995 return. Include the amount from form FTB 3519 or Schedule(s) K-1 (541) and K-1 (568) ■ 48	_____	_____
	50	Did either you or your spouse receive more than \$31,767 in wages in 1996? <input type="checkbox"/> Yes. See page 9 <input type="checkbox"/> No. Go to line 51 ■ 50	_____	_____
	51	Add line 47 through line 50. These are your total payments	51	_____

Step 9 Overpaid Tax or Tax Due	52	If line 51 is more than line 46, subtract line 46 from line 51. This is your overpaid tax	52	_____
	53	Amount of line 52 you want applied to your 1997 estimated tax	■ 53	_____
	54	Subtract line 53 from line 52. This is the amount of overpaid tax available this year.	■ 54	_____
	55	If line 51 is less than line 46, subtract line 51 from line 46. This is your tax due.	55	_____

Step 10 Contributions	56	Contribution to California Seniors Special Fund. See page 10 ● 56	_____	_____	
	You may make a contribution of \$1 or more to:				
	57	Alzheimer's Disease/Related Disorders Fund ● 57	_____	00	
	58	California Fund for Senior Citizens ● 58	_____	00	
	59	Rare and Endangered Species Preservation Program ● 59	_____	00	
	60	State Children's Trust Fund for the Prevention of Child Abuse ● 60	_____	00	
	61	California Breast Cancer Research Fund ● 61	_____	00	
	62	Veterans Memorial Account. ● 62	_____	00	
	63	California Firefighters' Memorial Fund ● 63	_____	00	
	64	California Public School Library Protection Fund ● 64	_____	00	
65	D.A.R.E. California (Drug Abuse Resistance Education) Fund. ● 65	_____	00		
California Election } 66 Your political party _____ amount (\$25 max) ▶ 66		_____	00		
Campaign Fund } 67 Spouse's political party _____ amount (\$25 max) ▶ 67		_____	00		
68	Add line 56 through line 67. These are your total contributions. ● 68	_____	_____		

Step 11 Refund or Amount You Owe	69	Subtract line 68 from line 54. You have a REFUND or NO AMOUNT DUE . Mail your return to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0000 ■ 69	_____	_____
	70	Add line 55 and line 68. This is the AMOUNT YOU OWE . Make a check or money order payable to "Franchise Tax Board" for the full amount you owe. Write your social security number and "1996 Form 540NR" on it. Attach it to the front of your Form 540NR and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 ■ 70	_____	_____

Step 12 Interest and Penalties	71	Interest, late return penalties and late payment penalties	71	_____
	72	Underpayment of estimated tax. If form FTB 5805 or FTB 5805F is attached, check here. <input type="checkbox"/> ■ 72	_____	_____
	73	If you do not need California income tax forms mailed to you next year, check here ● 73 <input type="checkbox"/>	_____	_____

Important: You must attach a copy of your federal return to this 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. 9

Your signature _____ Spouse's signature (if filing joint, both must sign) _____ Date / / _____
Daytime phone number _____

Sign Here X _____ X _____ (____) _____ - _____
Signature of paid preparer (declaration of preparer is based on all information of which preparer has any knowledge) Preparer's SSN/FEIN _____
Firm's name (or yours if self-employed) Firm's address _____

1996

CA (540NR)

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

Name(s) as shown on return Social security number

Part I Residency Information. You must complete all lines that apply to you and your spouse.

During 1996: 1 I was in the military and I was: domiciled in (enter state) ... stationed in (enter state or country) ...
Before 1996: 7 I was a California resident for the period of (enter dates) ... 8 I entered California on (enter date) ... 9 I left California on (enter date) ...

Part II Income Adjustment Schedule

Table with 5 columns: A Federal Amounts, B Subtractions, C Additions, D Total Amounts Using CA Law, E CA Amounts. Rows include 7 Wages, salaries, tips, etc.; 8 Taxable interest income; 9 Dividend income; 10 State tax refund; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss); 14 Other gains or (losses); 15 IRA distribution; 16 Pensions and annuities; 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.; 18 Farm income or (loss); 19 Unemployment compensation; 20 Social security benefits; 21 Other income (a-f); 22a Total.

Income Adjustment Schedule		A	B	C	D	E
Section B — Adjustments to Income		Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions	Additions See instructions	Total Amounts Using CA Law (subtract column B from column A; add column C to the result)	CA Amounts (income earned or received as CA resident and income earned or received from CA sources as a nonresident)
22b	Enter totals from Schedule CA (540NR), Side 1, line 22a, column A through column E	22b				
23a	Your IRA deduction	a				
b	Spouse's IRA deduction	b				
24	Moving expenses	24				
25	One-half of self-employment tax	25				
26	Self-employed health insurance deduction	26				
27	Keogh and self-employed SEP plans	27				
28	Penalty on early withdrawal of savings	28				
29	Alimony paid. Enter recipient's: SSN _____ Last name _____	29				
30	Add line 23a through line 29 in each column, A through E	30				
31	Total. Subtract line 30 from line 22b in each column, A through E	31				

32 Ratio. Divide line 31, column E by line 31, column D.
Carry the decimal to five places. Then round it to four places by dropping amounts 4 and under (.44454 becomes .4445) and rounding up to the next number for amounts 5 and over (.44455 becomes .4446). This number may be greater than 1.0000.
Enter the result here and on Form 540NR, line 25a. Note: If the result is zero or less, enter -0- on Form 540NR, line 25a

Part III Adjustments to Federal Itemized Deductions

33	Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27 (or Schedule A (Form 1040NR), lines 3, 7, 8, 15 and 16)	33	_____
34	Enter total of federal Schedule A, line 5 (state and local income tax and State Disability Insurance) and line 8 (foreign taxes only)	34	_____
35	Subtract line 34 from line 33	35	_____
36	Other adjustments including California lottery losses. See instructions. Specify _____	36	_____

37 Combine line 35 and line 36 37 _____

38 California itemized deductions

<p>Is your federal AGI (Form 540NR, line 13) more than the amount shown below for your filing status?</p> <p>If single or married filing separate \$111,695</p> <p>If head of household \$167,542</p> <p>If married filing joint or qualifying widow(er) \$223,390</p> <p>NO. Transfer the amount on line 37 to line 38.</p> <p>YES. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 38.</p>	<p>Is the amount you entered on line 38 more than your standard deduction below?</p> <p>Single or married filing separate \$2,527</p> <p>Married filing joint, head of household or qualifying widow(er) \$5,054</p> <p>YES. Transfer the amount on line 38 to Form 540NR, line 18</p> <p>NO. Enter your standard deduction on Form 540NR, line 18.</p>	<p>} 38 _____</p>
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1996

CA (540NR)

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

Name(s) as shown on return Social security number

Part I Residency Information. You must complete all lines that apply to you and your spouse.

During 1996:
1 I was in the military and I was: domiciled in (enter state)
stationed in (enter state or country)
2 I became a California resident (enter state of prior residence and date of move)
3 I became a nonresident (enter new state of residence and date of move)
4 I was a nonresident of California the entire year (enter state or country of residence)
5 The number of days I spent in California (for any purpose) is:
6 I owned a home/property in California (enter "yes" or "no")
Before 1996:
7 I was a California resident for the period of (enter dates)
8 I entered California on (enter date)
9 I left California on (enter date)

Part II Income Adjustment Schedule

Table with 5 columns: A Federal Amounts, B Subtractions, C Additions, D Total Amounts Using CA Law, E CA Amounts. Rows include wages, interest, dividends, state tax refund, alimony, business income, capital gain, IRA distribution, pensions, rental real estate, farm income, unemployment compensation, social security benefits, and other income.

Income Adjustment Schedule		A	B	C	D	E
Section B — Adjustments to Income		Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions	Additions See instructions	Total Amounts Using CA Law (subtract column B from column A; add column C to the result)	CA Amounts (income earned or received as CA resident and income earned or received from CA sources as a nonresident)
22b	Enter totals from Schedule CA (540NR), Side 1, line 22a, column A through column E	22b				
23a	Your IRA deduction	a				
b	Spouse's IRA deduction	b				
24	Moving expenses	24				
25	One-half of self-employment tax	25				
26	Self-employed health insurance deduction	26				
27	Keogh and self-employed SEP plans	27				
28	Penalty on early withdrawal of savings	28				
29	Alimony paid. Enter recipient's: SSN _____ Last name _____	29				
30	Add line 23a through line 29 in each column, A through E	30				
31	Total. Subtract line 30 from line 22b in each column, A through E	31				

32 Ratio. Divide line 31, column E by line 31, column D.
Carry the decimal to five places. Then round it to four places by dropping amounts 4 and under (.44454 becomes .4445) and rounding up to the next number for amounts 5 and over (.44455 becomes .4446). This number may be greater than 1.0000.
Enter the result here and on Form 540NR, line 25a. Note: If the result is zero or less, enter -0- on Form 540NR, line 25a

Part III Adjustments to Federal Itemized Deductions

33	Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27 (or Schedule A (Form 1040NR), lines 3, 7, 8, 15 and 16)	33	_____
34	Enter total of federal Schedule A, line 5 (state and local income tax and State Disability Insurance) and line 8 (foreign taxes only)	34	_____
35	Subtract line 34 from line 33	35	_____
36	Other adjustments including California lottery losses. See instructions. Specify _____	36	_____
37	Combine line 35 and line 36	37	_____

38 California itemized deductions

Is your federal AGI (Form 540NR, line 13) more than the amount shown below for your filing status?

If single or married filing separate	\$111,695	
If head of household	\$167,542	
If married filing joint or qualifying widow(er)	\$223,390	

NO. Transfer the amount on line 37 to line 38.
YES. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 38.

Is the amount you entered on line 38 more than your standard deduction below?

Single or married filing separate	\$2,527	} 38 _____
Married filing joint, head of household or qualifying widow(er)	\$5,054	

YES. Transfer the amount on line 38 to Form 540NR, line 18
NO. Enter your standard deduction on Form 540NR, line 18.

Instructions for Schedule CA (540NR)

These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 1993**, and the California Revenue and Taxation Code (R&TC).

General Information

Differences Between California and Federal Law

In general, California did not conform its law to changes made to the Internal Revenue Code (IRC) by the federal Revenue Reconciliation Act of 1993 (Public Law 103-66). California legislation during 1994 and 1996 did adopt a few provisions of the 1993 federal changes. All other references in these instructions are to the IRC as it existed on January 1, 1993.

California Conforms on Moving Expense

California law and federal law are the same for moving expenses paid or incurred in 1996. If you incurred moving expenses before 1996, received reimbursement in 1996 and did not deduct those expenses on a prior year's return, see page 24.

California does not conform to federal law on the following:

IRC Section 179 expense deduction. The California maximum deduction is \$10,000; the federal maximum deduction is \$17,500. In many cases, this difference also affects the California basis and depreciation deduction for qualifying assets. Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the adjustment.

Nonresidential rental property placed in service on or after May 13, 1993 (IRC Section 168). The California recovery period is 31.5 years; the federal recovery period is 39 years. Use form FTB 3885A to figure the adjustment.

IRC Section 197 property. Property qualifying as Section 197 property for federal purposes is also Section 197 property for California purposes. However, for qualifying property acquired before January 1, 1994, the California adjusted basis as of January 1, 1994, must be amortized over the remaining federal amortization period. Use form FTB 3885A to figure the adjustment.

Material participation in rental real estate activities. Beginning with the 1994 tax year, federal law provides that eligible taxpayers who materially participate in rental real estate activities will no longer be subject to the limitations on the deduction of passive activity losses. California does not conform to this provision, and these activities will still be considered passive under California law. See form FTB 3801, Passive Activity Loss Limitations, for more information.

Purpose

Use this schedule to identify income being taxed by California; and to compute the ratio of your **California adjusted gross income (AGI) to total AGI from all sources using California law**; and to adjust your federal itemized deductions using California law. The parts of the ratio are defined as follows:

- **Total AGI from all sources using California law** is all of your income from all sources, including income from inside and outside California. You compute it by adjusting federal AGI for the differences between federal and California law.
- **California AGI** is:
 - All income from all sources (inside and outside California) for any part of the year

during which you were a California resident; and

- All income from California sources while you were a nonresident of California.

Once you compute the ratio, you transfer it to Form 540NR to determine your California nonresident or part-year resident tax liability.

Specific Line Instructions for PART I Residency Information

Answer all the questions in this part for you and your spouse. If a question does not apply, please enter "NA" on the line for the answer. It may be helpful to get FTB Pub. 1031, Guidelines for Determining Resident Status, for more information.

Line 1 – I was in the military

If either spouse was in the military, your state of domicile is generally the state where you were living when you first entered the military.

Line 5 – The number of days I spent in CA

The total number of days in California should include all days in California for any purpose including residency, business and vacation.

Specific Line Instructions for PART II Income Adjustment Schedule

Column A – Federal Amounts

Enter all taxable amounts shown on your federal return on the corresponding lines in column A.

If you are married filing separate under either exception described in the instructions for Form 540NR and are filing a separate California return, enter in column A the amounts you would have reported on a separate federal return. Attach a statement to the return showing how the income and expenses were split between you and your spouse.

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 (or on your Form 1040A, line 7 through line 13b; your Form 1040EZ, line 1, line 2 and line 3; or your Form 1040NR, line 8 through line 21 for the same types of income).

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).

If you used Form 1040A, refer to line 11a and line 13a. If you used Form 1040NR, refer to line 16a and line 17a.

Line 22a – Total

Combine the amounts on line 7 through line 21. Enter the total on line 22a. This number should be the same as the amount on your federal Form 1040, line 22 (or your Form 1040A, line 14; or your Form 1040EZ, line 4; or your Form 1040NR, line 23).

Line 22b – Balance Carried Forward

Enter on line 22b the total from Side 1, line 22a, column A.

Line 23a through Line 29

Enter the same amounts you entered on your federal Form 1040, line 23a through line 29 (or your Form 1040A, line 15a and line 15b; or your Form 1040NR, line 24 through line 29).

Line 30 – Add line 23a through line 29. This amount should be the same as the amount on your federal Form 1040, line 30 (or your Form 1040A, line 15c; or your Form 1040NR, line 30). However, if you made any of the adjustments described in the instructions for federal Form 1040, line 30 or if you claimed the foreign housing deduction from federal Form 2555, enter the amount from Form 1040, line 30 on this line.

Line 31 – Total

Subtract line 30 from line 22b. This amount should be the same as the amount on your federal Form 1040, line 31 (or your Form 1040A, line 16; or your Form 1040EZ, line 4; or your Form 1040NR, line 31).

Column B and Column C – Subtractions and Additions

Use these columns to enter subtractions and additions to federal amounts in column A that are necessary because of the differences between California and federal law. Enter all amounts as positive numbers unless instructed otherwise.

Do not use these columns to make adjustments for income earned outside of California during periods of nonresidency.

Note: If you are a nonresident alien, use column B and column C to include income from all sources, even if you were not required to report it on your federal return. California does not have special rules limiting total AGI from all sources to U.S. source or effectively connected income of nonresident aliens.

You may need one of the following publications to complete column B and column C:

- 1001, Supplemental Guidelines to California Adjustments;
- 1005, Pension and Annuity Guidelines; or
- 1032, Tax Information for Military Personnel.

To order a publication or form, 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 kinds of income listed below, make no entry on this line in either column B or column C.

Active duty military pay — Special rules apply to active duty military taxpayers. Get FTB Pub. 1032 for more information.

Note: In 1996, federal tax rules changed for the military in a combat zone. Legislation made California rules the same as federal.

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.

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.

Line 8 – Taxable Interest Income

If you did not receive any of the kinds of income listed below, make no entry on this line in either column B or column C. Otherwise, follow the instructions below.

Enter in column B, the interest that you received from:

- United States saving bonds;
- United States treasury bills;
- Any other bonds or obligations of the United States and its territories;

Get FTB Pub. 1001 if you received interest income from sources listed below.

- A. Loans made in an enterprise zone, program area or the Los Angeles Revitalization Zone (LARZ);
- B. Merchant marine construction fund deposits by ship contractors;
- C. Original issue discount (OID) for bonds issued by Poland; and
- D. Items listed above passed through to you from S corporations, trusts, partnerships or limited liability companies.

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 1040A), line 8b; or Form 1040NR, line 9b 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 companies.

Line 9 – Dividend Income

Generally, you will not make an adjustment on this line. However, 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 dividend income that is tax-exempt will be shown on your annual statement from the mutual fund.

If the California exempt-interest amount is more than the federal exempt-interest amount, enter the difference in column B.

Get FTB Pub. 1001 if you received dividend income from:

- Noncash patronage dividends from farmers' cooperatives or mutual associations;
- A federal S corporation that is a California C corporation;
- A controlled foreign corporation;
- Distribution of pre-1987 earnings from S corporations;

- Undistributed capital gains for regulated investment company (RIC) shareholders; or
- Distributed capital gain dividends.

Line 10 – State Tax Refund

California does not tax the state income tax refund you received in 1996. 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 adjustment on this line.

Line 12 – Business Income or (Loss)

You may need to adjust federal business income or loss you reported in column A 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 the basis you should use to figure California depreciation may be different from the amount used for federal purposes. Adjustments are figured on form FTB 3885A and are most commonly necessary because:

Before January 1, 1987, California did not allow depreciation under the federal accelerated cost recovery system, and 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. Also, California does not conform to certain federal provisions. See the items listed under "General Information."

Note: If any of your business activities is a passive activity that produces a loss, complete form FTB 3801, Passive Activity Loss Limitations (PALS), to figure the passive activity loss allowable under California law.

If you are engaged in more than one business activity, use a separate form FTB 3885A to report the adjustments for each activity.

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 enterprise zone, program area, LARZ or Local Agency Military Base Recovery Area (LAMBRA);
- Manufacturer's Investment Credit (MIC);
- Reduced recovery periods for fruitbearing grapevines replaced in a California vineyard on or after 1/1/92 as a result of phylloxera infestation;
- Expenditures for tertiary injectants;
- Certain property placed in service on an Indian reservation after 1/1/94 and before 12/31/2003;
- Amortization of pollution control facilities;
- Discharge of real property business indebtedness;

- Employer-paid child care center and services;
- Employer-paid child care plan;
- Vehicles used in an employer-sponsored ridesharing program;
- An enhanced oil recovery system;
- The cost of making a business accessible to disabled individuals; or
- Property for which you received an energy conservation subsidy from a public utility on or after 1/1/95.

Business expense deductions related to:

- Wages paid in an enterprise zone, program area, LARZ or LAMBRA; or
- 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;
- Indirect political contributions;
- Club dues or payments made to a club which restricts membership or the use of its services or facilities on the basis of age, sex, race, religion, color, ancestry or national origin;
- Lobbying expenses denied under IRC Section 162;
- A business located in an enterprise zone, program area, LARZ or LAMBRA;
- Research expense; or
- Employer wage expense for Work Opportunity Credit.

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, if you have differences from:

- Basis differences 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 limited liability companies;
- Gain from involuntary conversion of capital assets not held for business profit; and
- Capital loss carryover from your 1995 California Schedule D.

Get FTB Pub. 1001 for more information about:

- 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 specified entities maintaining housing for low income residents;
- Gain on certain vessels transferred to and exchanged with the Maritime Administration or realized in connection with construction of new vessels;
- Gain on the sale of personal residence where depreciation was allowable;
- Undistributed capital gain for regulated investment company (RIC) shareholders;
- Gain or loss on the sale of property inherited before 1/1/87;
- Capital loss carrybacks; and
- Rollover gain from the sale of publicly traded securities into specialized small business investment companies.

Line 14 – Other Gains or (Losses)

The California basis of your other assets may be different than 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, to figure the adjustment.

Note: California does not conform to federal legislation enacted in 1996 which permits electing not to recognize gain on the involuntary conversion of business property in connection with a disaster declared by the President. Get Pub. 1001 for more information.

Line 15 – IRA Distribution

Generally, you will not make any adjustments on this line. However, there may be significant differences in the taxable amount depending on when you made your contributions to the IRA. Differences may also occur if you changed your residency status after you first began making contributions to your IRA or 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.

Line 16 – Pensions and Annuities

Generally, you will not make any adjustments on this line. However, if you received certain railroad retirement benefits or partially taxable distributions from a pension plan, you may need to make the adjustments described below.

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, Trusts, etc.

You may need to adjust federal income or loss you reported in column A 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 the basis you should use to figure California depreciation may be different from the amount used for federal purposes. For more information about the types of income and adjustments that often require adjustments, see the instructions for Schedule CA (540NR), line 12.

Note: If any of your activities is a passive activity that produces a loss, complete form FTB 3801, Passive Activity Loss Limitations (PALS), to figure the passive activity loss allowable under California law.

Note: Limited liability companies (LLCs) classified as partnerships for California purposes and limited liability partnerships (LLPs) are subject to the same rules as other partnerships. LLCs report distributive items to members on Schedule K-1 (568), Member's Share of Income, Deduc-

tions, Credits, etc. LLPs report to their partners on Schedule K-1 (565), Partners Share of Income, Deductions, Credits, etc.

Get FTB Pub 1001 for more information about:

- Payments to retired or deceased partners; or
- Accumulation distribution 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

You may need to adjust federal income or loss you report in column A 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 the basis you should use to figure California depreciation may be different from the amount used for federal purposes. For more information about the types of income and adjustments that often require adjustments, see the instructions for Schedule CA (540NR), line 12.

Note: If your farm activity is a passive activity which produces a loss, complete form FTB 3801, Passive Activity Loss Limitations (PALS), to figure the passive activity loss allowable under California law.

Line 19 – Unemployment Compensation

Enter on line 19, column B, the amount of unemployment compensation shown on line 19, column A.

Line 20 – Social Security Benefits

Enter in column B the amount of social security benefits or equivalent tier 1 railroad retirement benefits shown on this line in column A.

Line 21 – Other Income

a. 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 to California.

b. Disaster Loss Carryover from FTB 3805V

If you have a California disaster loss carryover from your 1995 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 net operating loss (NOL) deduction, 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 FTB 3805V

The allowable NOL carryover under California law is different from the allowable NOL carryover under federal law. Use form FTB 3805V to figure the allowable California NOL deduction and enter it as a positive number in column B.

Note: If your 1995 form FTB 3805V has both disaster loss carryovers and NOL carryovers, you will need to separately state these two amounts. See line 21b, for disaster loss carryovers.

e. NOL Deduction from FTB 3805Z, FTB 3806 or FTB 3807

If you have an NOL deduction on form:

- FTB 3805Z, Enterprise Zone/Program Area Deduction and Credit Summary, line 8b; or
- FTB 3806, Los Angeles Revitalization Zone Deduction and Credit Summary, line 4b; or
- FTB 3807, Local Agency Military Base Recovery Area (LAMBRA) Deduction and Credit Summary, line 4b.

Enter in column B the total NOL deduction figured on these forms.

f. Other (describe)

Death benefit exclusion. Enter in column B the death benefit amount included in federal income in column A and received by the beneficiary or estate of a deceased employee who died after August 20, 1996. This amount cannot exceed \$5,000.

Reward from a crime hotline. Enter in column B the amount of a reward that was 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.

Payments for alternative transportation.

Enter in column B the amount that you received from your employer, other than salaries or wages, for participating in an alternative transportation method and is included in the amount on line 21 in column A. For more information, refer to R&TC Section 17149.

Federal foreign income or housing exclusion. Enter in column C the amount deducted from federal income on Form 1040, line 21.

Payment from a living benefit contract.

Enter in column B the income from such a contract that you included in the amount on line 21 in column A.

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 from water agencies or suppliers.

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.

Energy conservation subsidies. Enter in column C the amount of any energy conservation subsidy provided, either directly or indi-

rectly, by public utilities for the purchase or installation of an energy conservation measure that was not included in column A.

Line 22a – Total

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

Line 22b – Balance Carried Forward

Enter the totals from Side 1, line 22a, column B and column C.

Line 24 – Moving Expenses

Expenses incurred during 1996: California law and federal law are the same beginning in 1996. Make no entry on this line.

Expenses incurred before 1996: If you incurred moving expenses before 1996, received reimbursement in 1996 and did not deduct those expenses on a prior year's tax return, get 1995 form FTB 3596, California Moving Expenses, to find out if you may deduct those expenses. Then make the adjustment indicated by form FTB 3596 on your 1996 Schedule CA(540NR), line 24. See the back cover of your tax booklet for information on ordering forms.

Line 26 – Self-Employed Health Insurance Deduction

California law allows the deduction for self-employed health insurance. If you qualify for the federal deduction, you also qualify for the California deduction. However, the amount of the deduction will be different for California and you must figure the deduction using the lower California percentage of 25%. Complete the following worksheet to figure your California deduction and to make the necessary adjustment on Schedule CA (540NR):

1. Enter the total amount paid in 1996 for you, your spouse and dependents. Do not include amounts for any month you were eligible to participate in an employer-sponsored plan. 1 _____
2. Multiply line 1 by 25% (.25) 2 _____
3. Enter your net profit and any other earned income from the business under which the insurance plan is established, minus any deductions you claim on Form 1040, line 25 or line 27 3 _____
4. Enter your federal self-employed health insurance deduction from Form 1040, line 26. 4 _____
5. California self-employed health insurance deduction. Enter the smaller of line 2 or line 3 5 _____
6. Subtract line 5 from line 4. Enter the result on line 26 in column B. 6 _____

Line 29 – 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 you did not deduct alimony on your federal return, enter the amount you paid on this line in column C.

Line 30 – Add line 23a through line 29 in column B and column C. Enter the totals on this line in the appropriate columns.

Note: If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 30. Enter the amount and "foreign

housing deduction" on the dotted line next to line 30.

Line 31 – Total

Subtract line 30 from line 22b in column B and column C. Enter the totals on this line in the appropriate column.

Column D – Total Amounts Using California Law

Use this column to show the amount remaining after adjustments (subtractions or additions).

For each line, 7 through 31:

1. Subtract the amounts in column B from the amounts in column A.
2. Add the amounts in column C to the result of the calculation made in 1 above.
3. Enter the total in column D.

Note: In some cases the total on line 31 in column B or column C will be a negative number. Please read the caution note when you get to line 32.

If you made any adjustments on line 21 in column B or column C:

- Step 1 Add the adjustments in column B, lines a, b, d, e and f.
- Step 2 Subtract that total from line 21, column A.
- Step 3 Add the adjustments in column C, lines c and f.
- Step 4 Add that total to the result of Step 2; then continue as instructed above for all other lines.

Column E – California Amounts

In this column, identify the amounts that you earned from all sources while you were a California resident and that you received from sources within California while you were a nonresident.

At the end of this column you will compute the ratio of the California adjusted gross income (line 31, column E) to the adjusted gross income from all sources (line 31, column D). You will use the resulting decimal amount to determine your tax.

Refer to instructions for each line below to be sure you are including the right amounts.

Line 7 – Wages, Salaries, Tips, Etc.

Enter all wages, salaries, tips and other compensation you earned while you were a California resident. And, if you performed work in California while you were a nonresident, include the portion of wages or other compensation earned in California. Include moving expense reimbursement for moves into California.

Line 8 – Taxable Interest Income

Enter the interest that you received while you were a California resident. For more information, refer to the instructions for column B and column C, line 8.

Line 9 – Dividend Income

Enter all dividends you received while you were a California resident. Include dividends you received from federal S corporations that have elected to be treated as C corporations for California tax purposes.

Line 11 – Alimony Received

Enter the alimony that you received while you were a California resident.

Line 12 – Business Income or (Loss)

Enter the total amount of profits or losses (computed using California law) from all businesses

you conducted while you were a California resident and from all businesses you conducted in California while you were a nonresident of California. If you reported PALS activities in column D, and only some of them must be included in column E, complete a second form FTB 3801 to compute the California portion of any PALS.

If, as a nonresident you derived income from a business, trade or profession conducted partly within California and partly outside California, only income from the part conducted within California is considered California source income that you must report on this line in column E. If there is any business relationship between the parts within and outside California (flow of goods, etc.), you must apportion the gross income or loss from the entire business. To determine the portion of income or loss from businesses engaged in multistate activities that you must report in column E, use the apportionment formula described in Schedule R, Apportionment and Allocation of Income.

Line 13 – Capital Gain or (Loss)

Complete Schedule D, California Capital Gain or Loss Adjustment, to report all transactions that occurred while you were a California resident and those transactions that were related to property located in California while you were a nonresident. Complete Schedule D through line 8 only. Enter the gain from line 7 or the loss from line 8, whichever applies, on this line in column E.

Line 15 – IRA Distributions (Taxable Amount)

Enter the taxable portion of IRA distributions you received while you were a California resident. This includes regular distributions, premature distributions and any other money or property you received from your IRA account or annuity. Get FTB Pub. 1005 for more information.

Line 16 – Pensions and Annuities (Taxable Amount)

Enter the portion of your taxable pension and annuity income you received while you were a resident of California.

Line 17 – Rental Real Estate, Royalties, Partnerships, S Corporations, Trusts, Etc.

Enter your 1996 profit or loss from all rents, royalties, partnerships, S corporations, LLCs, estates and trusts that occurred while you were a California resident and profit or loss related to property or business located in California while you were a nonresident of California. If you reported PALS activities in column D and only some of them must be included in column E, complete a second form FTB 3801 to compute the California portion of any PALS.

If you owned an interest in a partnership, an LLC characterized as a partnership or an S corporation and you were a California resident on the last day of the partnership's or LLC's taxable year or S corporation's income year, you must include your entire distributive share of the partnership's or LLC's profit or loss or your entire pro rata share of the S corporation's profit or loss.

If you were a nonresident of California on the last day of the partnership's or LLC's taxable year or S corporation's income year, include the portion of your distributive share of the profit or loss derived from California sources from the partnership or the LLC, or your pro rata share of the profit or loss derived from California sources from the S corporation.

Your Schedule K-1 (100S, 541 or 565) will indicate the amount of partnership, S corporation, estate, LLC or trust profit or loss that you must include on this line in column E.

Line 18 – Farm Income or (Loss)

Enter your profit or loss from all farming activity while you were a California resident **and** for farming activity conducted in California while you were a nonresident of California. If you have PALS activities in column D and only some of them must be included in column E, complete a second form FTB 3801 to figure the California portion of any PALS.

Line 21 – Other Income

Enter the amounts derived from California sources or which you accrued, earned or received while you were a California resident that are not included in line 7 through line 18 of column E.

Line 22a – Total

Add line 7 through line 21 in column E. Enter the result on this line.

Line 22b – Balance Carried Forward

Enter the total from Side 1, line 22a, column E on this line.

Line 24 – Moving Expenses

California law and federal law are the same for moving expenses. If you moved:

- Into California in connection with your new job, enter the amount from column A, line 24 in column E, line 24.
- Out of California in connection with your new job, enter zero on line 24.

Exception: If you moved out of California in connection with your new job and received compensation from that job attributable to a California source, your moving expense adjustment will be limited by the ratio of California source compensation from the new job to total compensation from the new job.

Note: If you incurred moving expenses before 1996, received reimbursement in 1996 and did not deduct those expenses on a prior year's tax return, get 1995 form FTB 3596, California Moving Expenses, to find out if you may deduct those expenses. Then make the adjustment indicated by form FTB 3596 on your 1996 Schedule CA(540NR). See the back cover of your tax booklet for information on ordering forms.

Line 23a, line 23b and line 27 – IRA, Keogh and SEP Deduction

The amount of the California deduction for IRA, Keogh and SEP contributions is the same as the federal deduction. However, the deduction may be limited by your California compensation or by your California self-employment income.

Example: A taxpayer moved into California on December 1. She made contributions to her IRA and claimed a deduction of \$2,000 on her federal return. Her California wages were \$500. Her allowable deduction is the lesser of:

- The federal deduction of \$2,000; or
- The California compensation of \$500.

Therefore, she must enter \$500 on line 23a of column E. She will have made no entry in column B or column C.

Keogh and SEP deductions are limited to a percentage of the federal deduction. That percentage is the ratio of:

Self-employment income reported in column E \div California ratio

Total self-employment income reported in column D

Get FTB Pub. 1005 for further information.

Line 25 – One-half of Self-Employment Income

If you claimed a deduction in column A for self-employment tax paid, your California deduction is limited to a percentage of the federal deduction. That percentage is the ratio of:

Self-employment income reported in column A from all sources while a CA resident	+	Self-employment income reported in column A from CA sources while a nonresident
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Total self-employment income reported in column A

Line 26 – Self-Employed Health Insurance Deduction

If you claimed a deduction in column A for payments you made to a health insurance plan while you were self-employed, your California deduction is limited to a percentage of the federal deduction. That percentage is the ratio of:

Total self-employment income reported in column E \div California ratio

Total self-employment income reported in column D

Line 28 – Penalty on Early Withdrawal of Savings

Enter the interest penalties charged to you while you were a California resident.

Line 29 – Alimony Paid

Enter alimony or separate maintenance payments that you made while you were a California resident.

Line 30 – Add line 23a through line 29 in column E. Enter the result on this line.

Line 31 – Total

Subtract line 30 from line 22b in column E. This is your California adjusted gross income (AGI). Enter the result on this line. Also enter this amount on Form 540NR, Side 1, line 20.

Line 32 – Ratio

Ratio = $\frac{\text{California AGI}}{\text{Total AGI from all sources}}$

Divide the amount on line 31, column E by the amount on line 31, column D. Enter the result on this line and on Form 540NR, Side 1, line 25a.

Also, transfer the amounts from:

- Line 31, column B to Form 540NR, Side 1, line 14;
- Line 31, column C to Form 540NR, Side 1, line 16; and
- Line 31, column E to Form 540NR, Side 1, line 20.

Caution: If the amount on Schedule CA (540NR) line 31:

- **Column B** is a negative number, do not transfer it to Form 540NR, line 14. Instead, transfer the amount as a positive number to Form 540NR, line 16; or

- **Column C** is a negative number, do not transfer it to Form 540NR, line 16. Instead, transfer the amount as a positive number to Form 540NR, line 14.

Specific Line Instructions for PART III Adjustments to Federal Itemized Deductions

Line 33 – Federal Itemized Deductions

Enter the total amount of itemized deductions from your federal Schedule A, line 4, 9, 14, 18, 19, 26 and 27 or Schedule A (Form 1040NR), line 3, 7, 8, 15 and 16.

Important: If you did not itemize deductions on your federal tax return, but will itemize deductions on your California return, first complete federal Schedule A. Then complete Schedule CA (540NR), Part III, line 33 through line 38. Attach a copy of federal Schedule A to your Form 540NR.

Line 34 – State, Local and Foreign Income Taxes

Add the following amounts from federal Schedule A and enter on line 34:

- Line 5, state and local income tax (including limited partnership tax and income or franchise tax paid by corporations) and State Disability Insurance (SDI); and
- Line 8, foreign income taxes.

Line 36 – Other Adjustments

Adoption related expenses

If you deducted adoption related expenses on your federal Schedule A and are claiming the adoption cost credit on your Form 540NR, enter the amount of the adoption cost credit claimed as a negative number on line 36.

Moving Expenses

If you incurred moving expenses before 1996, received reimbursement in 1996 and did not deduct those expenses on a prior year's tax return, get 1995 form FTB 3596, California Moving Expenses, to find out if you may deduct those expenses. Then make the adjustment indicated by form FTB 3596 on your 1996 Schedule CA(540NR), line 36. See the back cover of your tax booklet for information on ordering forms.

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), be sure to increase your California itemized deductions by the same amount. Enter the amount of your federal mortgage interest credit as a positive number on line 36.

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 36.

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 36.

Employee Business Expense

If you had assets placed in service before January 1, 1987, and if you completed federal Form 2106, Employee Business Expenses, also complete Form 2106 using California amounts. Compare line 10 on both Forms 2106. If the federal amount is larger, enter the difference as a

negative number on line 36. If the California amount is larger, enter the difference as a positive number on line 36.

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 36.

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 36.

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 36.

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, line 23, as a negative number on line 36.

Contribution of Appreciated Stock to a Private Foundation

For contributions made after 6/30/96, enter the difference between the fair market value of the stock and the California basis as a negative number on line 36.

State Legislator's Travel Expenses

Under California law, deductible travel expenses for state legislators include only those incurred while away from their places 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 36.

Line 38 – California Itemized Deductions

Is the amount on Form 540NR, line 13 more than the amount shown below for your filing status?

Single or married filing separate	\$111,695
Married filing joint or qualifying widow(er)	\$223,390
Head of household	\$167,542

NO. Transfer the amount from line 37 to line 38. Do not complete the worksheet in the next column.

YES. Complete the Itemized Deductions Worksheet in the next column.

Itemized Deductions Worksheet

1. Enter the amount from Schedule CA (540NR), line 37 1 _____
2. Using California amounts, add the amounts on federal Schedule A (Form 1040), line 4, line 13 and line 19 plus any gambling losses included on line 27 (or on Schedule A (Form 1040NR), line 8 plus any investment interest expense included on line 11 and any gambling losses included on line 16) 2 _____
3. Subtract line 2 from line 1.
Note: If the result is zero or less, **stop.** Enter the amount from line 1 above on Schedule CA (540NR), line 38 3 _____
4. Multiply line 3 by 80% (.80) 4 _____
5. Enter the amount from Form 540NR, line 13 5 _____
6. Enter the amount shown to the left for your filing status 6 _____
7. Subtract line 6 from line 5.
Note: If the result is zero or less, **stop.** Enter the amount from line 1 above on Schedule CA (540NR), line 38 7 _____
8. Multiply line 7 by 6% (.06) 8 _____
9. Compare the amounts on line 4 and line 8. Enter the smaller amounts here 9 _____
10. Total itemized deductions. Subtract line 9 from line 1. Enter the result here and on Schedule CA (540NR), line 38 10 _____

Instructions for Automatic Extension for Individuals

1996

3519

General Information

If you cannot file your California tax return by April 15, 1997, you will be allowed an automatic six month extension without filing a written request. To qualify for the automatic extension, you must file your tax return by October 15, 1997. However, to avoid late payment penalties and interest, you must pay 100 percent of your tax liability by **April 15, 1997**.

Complete the tax payment worksheet below to see if you owe additional tax. If you owe additional tax but cannot file by April 15, 1997, use the payment voucher below to mail in your payment. Your payment must be postmarked by April 15, 1997. **Send in the voucher only if a payment is due.**

Save your completed worksheet along with the copy of your return for your tax records.

If the amount on line 1 is more than the amount on line 3, then your tax is more than your payments and credits. You have tax due. Subtract the amount on line 3 from the amount on line 1. Enter the tax due on line 4 and on the form FTB 3519 voucher below and **mail only the voucher portion** with your payment to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0051

Penalties and Interest

Remember, an extension of time to file your return is not an extension of time to pay your tax. If you fail to pay your total tax liability by April 15, 1997, a late payment penalty plus interest will be added to your tax due. If after April 15, 1997, 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 estimated additional tax with another form FTB 3519 voucher. If you do not file your return by October 15, 1997, you will be assessed a late filing penalty plus interest from the original due date of the return.

How to Complete the Tax Payment Worksheet

- Line 1** – Enter the total tax you expect to owe. This is the amount you expect to enter on Form 540EZ, line 23; Form 540A, line 23; Form 540, line 37; or Form 540NR, line 46.
- Line 2** – Enter your total payments and credits on the following lines:
 - 2a – California income tax withheld
 - 2b – California estimated tax payments and amount applied from your 1995 return
 - 2c – Other payments and credits including any tax payments made with any previous 1996 form FTB 3519 voucher.
- Line 3** – Add line 2a through line 2c. Enter the result on line 3.
- Line 4** – Tax due. If the amount on line 3 is more than the amount on line 1, then your payments and credits are more than your tax. You have no tax due. **DO NOT SEND THE PAYMENT VOUCHER.** Your return, when filed by October 15, 1997, will verify that you qualified for the extension.

Taxpayers Residing or Traveling Abroad

If you are living or traveling outside the United States on April 15, 1997, the deadline to file your return and pay the tax is June 16, 1997. Interest will accrue from the original due date (April 15, 1997) 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, 1997. To avoid any late payment penalties, you must pay 100 percent of your tax liability by June 16, 1997. When filing your return, be sure to attach a statement to the front indicating that you were "abroad on April 15, 1997."

TAX PAYMENT WORKSHEET FOR YOUR RECORDS

1 Total tax you expect to owe.		1	
2 Payments and credits:			
a California income tax withheld.	2a		
b California estimated tax payments and amount applied from your 1995 return.	2b		
c Other payments and credits.	2c		
3 Total tax payments and credits. Add line 2a through line 2c.		3	
4 Tax due. If line 3 is more than line 1, see instructions. If line 1 is more than line 3, subtract line 3 from line 1.		4	
Enter the result here and on the voucher below			

CUT HERE

Payment Voucher for Automatic Extension for Individuals

1996

3519

Your first name and initial	Last name	Your social security number	P I T
If joint return, also give spouse's first name and initial	Last name	Spouse's social security number	
Present home address — number and street including PO Box or rural route		Apt. no.	
City, town or post office, state and ZIP code			

IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM

Amount of payment

MAIL TO: FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0051

(Calendar year — Due April 15, 1997)

\$	00
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Payment Voucher 5

For Privacy Act Notice, see form FTB 1131

1996 California Tax Table

Use the Tax Table below if your taxable income on Form 540NR, line 19 is \$50,000 or less.
 Use the Tax Rate Schedule on page 30 if your taxable income on Form 540NR, line 19 is more than \$50,000.

To Find Your Tax:

- Read down the column labeled "If Your Taxable Income Is . . ." to find the range that includes your taxable income.
- 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 Separate) 2 or 5 (Married filing Joint; 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	81	65	65	12,951	13,050	238	162	162
51	150	1	1	1	6,551	6,650	83	66	66	13,051	13,150	242	164	164
151	250	2	2	2	6,651	6,750	85	67	67	13,151	13,250	246	166	166
251	350	3	3	3	6,751	6,850	87	68	68	13,251	13,350	250	168	168
351	450	4	4	4	6,851	6,950	89	69	69	13,351	13,450	254	170	170
451	550	5	5	5	6,951	7,050	91	70	70	13,451	13,550	258	172	172
551	650	6	6	6	7,051	7,150	93	71	71	13,551	13,650	262	174	174
651	750	7	7	7	7,151	7,250	95	72	72	13,651	13,750	266	176	176
751	850	8	8	8	7,251	7,350	97	73	73	13,751	13,850	270	178	178
851	950	9	9	9	7,351	7,450	99	74	74	13,851	13,950	274	180	180
951	1,050	10	10	10	7,451	7,550	101	75	75	13,951	14,050	278	182	182
1,051	1,150	11	11	11	7,551	7,650	103	76	76	14,051	14,150	282	184	184
1,151	1,250	12	12	12	7,651	7,750	105	77	77	14,151	14,250	286	186	186
1,251	1,350	13	13	13	7,751	7,850	107	78	78	14,251	14,350	290	188	188
1,351	1,450	14	14	14	7,851	7,950	109	79	79	14,351	14,450	294	190	190
1,451	1,550	15	15	15	7,951	8,050	111	80	80	14,451	14,550	298	192	192
1,551	1,650	16	16	16	8,051	8,150	113	81	81	14,551	14,650	302	194	194
1,651	1,750	17	17	17	8,151	8,250	115	82	82	14,651	14,750	306	196	196
1,751	1,850	18	18	18	8,251	8,350	117	83	83	14,751	14,850	310	198	198
1,851	1,950	19	19	19	8,351	8,450	119	84	84	14,851	14,950	314	200	200
1,951	2,050	20	20	20	8,451	8,550	121	85	85	14,951	15,050	318	202	202
2,051	2,150	21	21	21	8,551	8,650	123	86	86	15,051	15,150	322	204	204
2,151	2,250	22	22	22	8,651	8,750	125	87	87	15,151	15,250	326	206	206
2,251	2,350	23	23	23	8,751	8,850	127	88	88	15,251	15,350	330	208	208
2,351	2,450	24	24	24	8,851	8,950	129	89	89	15,351	15,450	334	210	210
2,451	2,550	25	25	25	8,951	9,050	131	90	90	15,451	15,550	338	212	212
2,551	2,650	26	26	26	9,051	9,150	133	91	91	15,551	15,650	342	214	214
2,651	2,750	27	27	27	9,151	9,250	135	92	92	15,651	15,750	346	216	216
2,751	2,850	28	28	28	9,251	9,350	137	93	93	15,751	15,850	350	218	218
2,851	2,950	29	29	29	9,351	9,450	139	94	94	15,851	15,950	354	220	220
2,951	3,050	30	30	30	9,451	9,550	141	95	95	15,951	16,050	358	222	222
3,051	3,150	31	31	31	9,551	9,650	143	96	96	16,051	16,150	362	224	224
3,151	3,250	32	32	32	9,651	9,750	145	97	97	16,151	16,250	366	226	226
3,251	3,350	33	33	33	9,751	9,850	147	98	98	16,251	16,350	370	228	228
3,351	3,450	34	34	34	9,851	9,950	149	100	100	16,351	16,450	374	230	230
3,451	3,550	35	35	35	9,951	10,050	151	102	102	16,451	16,550	378	232	232
3,551	3,650	36	36	36	10,051	10,150	153	104	104	16,551	16,650	382	234	234
3,651	3,750	37	37	37	10,151	10,250	155	106	106	16,651	16,750	386	236	236
3,751	3,850	38	38	38	10,251	10,350	157	108	108	16,751	16,850	390	238	238
3,851	3,950	39	39	39	10,351	10,450	159	110	110	16,851	16,950	394	240	240
3,951	4,050	40	40	40	10,451	10,550	161	112	112	16,951	17,050	398	242	242
4,051	4,150	41	41	41	10,551	10,650	163	114	114	17,051	17,150	402	244	244
4,151	4,250	42	42	42	10,651	10,750	165	116	116	17,151	17,250	406	246	246
4,251	4,350	43	43	43	10,751	10,850	167	118	118	17,251	17,350	410	248	248
4,351	4,450	44	44	44	10,851	10,950	169	120	120	17,351	17,450	414	250	250
4,451	4,550	45	45	45	10,951	11,050	171	122	122	17,451	17,550	418	252	252
4,551	4,650	46	46	46	11,051	11,150	173	124	124	17,551	17,650	422	254	254
4,651	4,750	47	47	47	11,151	11,250	175	126	126	17,651	17,750	426	256	256
4,751	4,850	48	48	48	11,251	11,350	177	128	128	17,751	17,850	430	258	258
4,851	4,950	49	49	49	11,351	11,450	179	130	130	17,851	17,950	434	260	260
4,951	5,050	51	50	50	11,451	11,550	181	132	132	17,951	18,050	438	262	262
5,051	5,150	53	51	51	11,551	11,650	183	134	134	18,051	18,150	442	264	264
5,151	5,250	55	52	52	11,651	11,750	186	136	136	18,151	18,250	446	266	266
5,251	5,350	57	53	53	11,751	11,850	190	138	138	18,251	18,350	450	268	268
5,351	5,450	59	54	54	11,851	11,950	194	140	140	18,351	18,450	455	270	270
5,451	5,550	61	55	55	11,951	12,050	198	142	142	18,451	18,550	461	272	272
5,551	5,650	63	56	56	12,051	12,150	202	144	144	18,551	18,650	467	274	274
5,651	5,750	65	57	57	12,151	12,250	206	146	146	18,651	18,750	473	276	276
5,751	5,850	67	58	58	12,251	12,350	210	148	148	18,751	18,850	479	278	278
5,851	5,950	69	59	59	12,351	12,450	214	150	150	18,851	18,950	485	280	280
5,951	6,050	71	60	60	12,451	12,550	218	152	152	18,951	19,050	491	282	282
6,051	6,150	73	61	61	12,551	12,650	222	154	154	19,051	19,150	497	284	284
6,151	6,250	75	62	62	12,651	12,750	226	156	156	19,151	19,250	503	286	286
6,251	6,350	77	63	63	12,751	12,850	230	158	158	19,251	19,350	509	288	288
6,351	6,450	79	64	64	12,851	12,950	234	160	160	19,351	19,450	515	290	290

Continued on next page.

1996 California Tax Table — Continued

Filing status: 1 or 3 (Single; Married filing Separate) 2 or 5 (Married filing Joint; 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	521	292	292	26,451	26,550	961	497	497	33,451	33,550	1,538	777	847
19,551	19,650	527	294	294	26,551	26,650	969	501	501	33,551	33,650	1,548	781	853
19,651	19,750	533	296	296	26,651	26,750	977	505	505	33,651	33,750	1,557	785	859
19,751	19,850	539	298	298	26,751	26,850	985	509	509	33,751	33,850	1,566	789	865
19,851	19,950	545	300	300	26,851	26,950	993	513	513	33,851	33,950	1,575	793	871
19,951	20,050	551	302	302	26,951	27,050	1,001	517	517	33,951	34,050	1,585	797	877
20,051	20,150	557	304	304	27,051	27,150	1,009	521	521	34,051	34,150	1,594	801	883
20,151	20,250	563	306	306	27,151	27,250	1,017	525	525	34,151	34,250	1,603	805	889
20,251	20,350	569	308	308	27,251	27,350	1,025	529	529	34,251	34,350	1,613	809	895
20,351	20,450	575	310	310	27,351	27,450	1,033	533	533	34,351	34,450	1,622	813	901
20,451	20,550	581	312	312	27,451	27,550	1,041	537	537	34,451	34,550	1,631	817	907
20,551	20,650	587	314	314	27,551	27,650	1,049	541	541	34,551	34,650	1,641	821	913
20,651	20,750	593	316	316	27,651	27,750	1,057	545	545	34,651	34,750	1,650	825	919
20,751	20,850	599	318	318	27,751	27,850	1,065	549	549	34,751	34,850	1,659	829	925
20,851	20,950	605	320	320	27,851	27,950	1,073	553	553	34,851	34,950	1,668	833	931
20,951	21,050	611	322	322	27,951	28,050	1,081	557	557	34,951	35,050	1,678	837	937
21,051	21,150	617	324	324	28,051	28,150	1,089	561	561	35,051	35,150	1,687	841	943
21,151	21,250	623	326	326	28,151	28,250	1,097	565	565	35,151	35,250	1,696	845	949
21,251	21,350	629	328	328	28,251	28,350	1,105	569	569	35,251	35,350	1,706	849	955
21,351	21,450	635	330	330	28,351	28,450	1,113	573	573	35,351	35,450	1,715	853	961
21,451	21,550	641	332	332	28,451	28,550	1,121	577	577	35,451	35,550	1,724	857	967
21,551	21,650	647	334	334	28,551	28,650	1,129	581	581	35,551	35,650	1,734	861	973
21,651	21,750	653	336	336	28,651	28,750	1,137	585	585	35,651	35,750	1,743	865	979
21,751	21,850	659	338	338	28,751	28,850	1,145	589	589	35,751	35,850	1,752	869	985
21,851	21,950	665	340	340	28,851	28,950	1,153	593	593	35,851	35,950	1,761	873	991
21,951	22,050	671	342	342	28,951	29,050	1,161	597	597	35,951	36,050	1,771	877	997
22,051	22,150	677	344	344	29,051	29,150	1,169	601	601	36,051	36,150	1,780	881	1,003
22,151	22,250	683	346	346	29,151	29,250	1,177	605	605	36,151	36,250	1,789	885	1,009
22,251	22,350	689	348	348	29,251	29,350	1,185	609	609	36,251	36,350	1,799	889	1,015
22,351	22,450	695	350	350	29,351	29,450	1,193	613	613	36,351	36,450	1,808	893	1,021
22,451	22,550	701	352	352	29,451	29,550	1,201	617	617	36,451	36,550	1,817	897	1,027
22,551	22,650	707	354	354	29,551	29,650	1,209	621	621	36,551	36,650	1,827	901	1,033
22,651	22,750	713	356	356	29,651	29,750	1,217	625	625	36,651	36,750	1,836	905	1,039
22,751	22,850	719	358	358	29,751	29,850	1,225	629	629	36,751	36,850	1,845	910	1,045
22,851	22,950	725	360	360	29,851	29,950	1,233	633	633	36,851	36,950	1,854	916	1,051
22,951	23,050	731	362	362	29,951	30,050	1,241	637	637	36,951	37,050	1,864	922	1,057
23,051	23,150	737	364	364	30,051	30,150	1,249	641	643	37,051	37,150	1,873	928	1,063
23,151	23,250	743	366	366	30,151	30,250	1,257	645	649	37,151	37,250	1,882	934	1,071
23,251	23,350	749	369	369	30,251	30,350	1,265	649	655	37,251	37,350	1,892	940	1,079
23,351	23,450	755	373	373	30,351	30,450	1,273	653	661	37,351	37,450	1,901	946	1,087
23,451	23,550	761	377	377	30,451	30,550	1,281	657	667	37,451	37,550	1,910	952	1,095
23,551	23,650	767	381	381	30,551	30,650	1,289	661	673	37,551	37,650	1,920	958	1,103
23,651	23,750	773	385	385	30,651	30,750	1,297	665	679	37,651	37,750	1,929	964	1,111
23,751	23,850	779	389	389	30,751	30,850	1,305	669	685	37,751	37,850	1,938	970	1,119
23,851	23,950	785	393	393	30,851	30,950	1,313	673	691	37,851	37,950	1,947	976	1,127
23,951	24,050	791	397	397	30,951	31,050	1,321	677	697	37,951	38,050	1,957	982	1,135
24,051	24,150	797	401	401	31,051	31,150	1,329	681	703	38,051	38,150	1,966	988	1,143
24,151	24,250	803	405	405	31,151	31,250	1,337	685	709	38,151	38,250	1,975	994	1,151
24,251	24,350	809	409	409	31,251	31,350	1,345	689	715	38,251	38,350	1,985	1,000	1,159
24,351	24,450	815	413	413	31,351	31,450	1,353	693	721	38,351	38,450	1,994	1,006	1,167
24,451	24,550	821	417	417	31,451	31,550	1,361	697	727	38,451	38,550	2,003	1,012	1,175
24,551	24,650	827	421	421	31,551	31,650	1,369	701	733	38,551	38,650	2,013	1,018	1,183
24,651	24,750	833	425	425	31,651	31,750	1,377	705	739	38,651	38,750	2,022	1,024	1,191
24,751	24,850	839	429	429	31,751	31,850	1,385	709	745	38,751	38,850	2,031	1,030	1,199
24,851	24,950	845	433	433	31,851	31,950	1,393	713	751	38,851	38,950	2,040	1,036	1,207
24,951	25,050	851	437	437	31,951	32,050	1,401	717	757	38,951	39,050	2,050	1,042	1,215
25,051	25,150	857	441	441	32,051	32,150	1,409	721	763	39,051	39,150	2,059	1,048	1,223
25,151	25,250	863	445	445	32,151	32,250	1,417	725	769	39,151	39,250	2,068	1,054	1,231
25,251	25,350	869	449	449	32,251	32,350	1,427	729	775	39,251	39,350	2,078	1,060	1,239
25,351	25,450	875	453	453	32,351	32,450	1,436	733	781	39,351	39,450	2,087	1,066	1,247
25,451	25,550	881	457	457	32,451	32,550	1,445	737	787	39,451	39,550	2,096	1,072	1,255
25,551	25,650	889	461	461	32,551	32,650	1,455	741	793	39,551	39,650	2,106	1,078	1,263
25,651	25,750	897	465	465	32,651	32,750	1,464	745	799	39,651	39,750	2,115	1,084	1,271
25,751	25,850	905	469	469	32,751	32,850	1,473	749	805	39,751	39,850	2,124	1,090	1,279
25,851	25,950	913	473	473	32,851	32,950	1,482	753	811	39,851	39,950	2,133	1,096	1,287
25,951	26,050	921	477	477	32,951	33,050	1,492	757	817	39,951	40,050	2,143	1,102	1,295
26,051	26,150	929	481	481	33,051	33,150	1,501	761	823	40,051	40,150	2,152	1,108	1,303
26,151	26,250	937	485	485	33,151	33,250	1,510	765	829	40,151	40,250	2,161	1,114	1,311
26,251	26,350	945	489	489	33,251	33,350	1,520	769	835	40,251	40,350	2,171	1,120	1,319
26,351	26,450	953	493	493	33,351	33,450	1,529	773	841	40,351	40,450	2,180	1,126	1,327

Continued on next page.

1996 California Tax Table — Continued

Filing status: 1 or 3 (Single; Married filing Separate) 2 or 5 (Married filing Joint; 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	2,189	1,132	1,335	43,951	44,050	2,515	1,342	1,617	47,451	47,550	2,840	1,552	1,942
40,551	40,650	2,199	1,138	1,343	44,051	44,150	2,524	1,348	1,626	47,551	47,650	2,850	1,558	1,951
40,651	40,750	2,208	1,144	1,351	44,151	44,250	2,533	1,354	1,635	47,651	47,750	2,859	1,564	1,961
40,751	40,850	2,217	1,150	1,359	44,251	44,350	2,543	1,360	1,645	47,751	47,850	2,868	1,570	1,970
40,851	40,950	2,226	1,156	1,367	44,351	44,450	2,552	1,366	1,654	47,851	47,950	2,877	1,576	1,979
40,951	41,050	2,236	1,162	1,375	44,451	44,550	2,561	1,372	1,663	47,951	48,050	2,887	1,582	1,989
41,051	41,150	2,245	1,168	1,383	44,551	44,650	2,571	1,378	1,672	48,051	48,150	2,896	1,588	1,998
41,151	41,250	2,254	1,174	1,391	44,651	44,750	2,580	1,384	1,682	48,151	48,250	2,905	1,594	2,007
41,251	41,350	2,264	1,180	1,399	44,751	44,850	2,589	1,390	1,691	48,251	48,350	2,915	1,600	2,017
41,351	41,450	2,273	1,186	1,407	44,851	44,950	2,598	1,396	1,700	48,351	48,450	2,924	1,606	2,026
41,451	41,550	2,282	1,192	1,415	44,951	45,050	2,608	1,402	1,710	48,451	48,550	2,933	1,612	2,035
41,551	41,650	2,292	1,198	1,423	45,051	45,150	2,617	1,408	1,719	48,551	48,650	2,943	1,618	2,044
41,651	41,750	2,301	1,204	1,431	45,151	45,250	2,626	1,414	1,728	48,651	48,750	2,952	1,624	2,054
41,751	41,850	2,310	1,210	1,439	45,251	45,350	2,636	1,420	1,738	48,751	48,850	2,961	1,630	2,063
41,851	41,950	2,319	1,216	1,447	45,351	45,450	2,645	1,426	1,747	48,851	48,950	2,970	1,636	2,072
41,951	42,050	2,329	1,222	1,455	45,451	45,550	2,654	1,432	1,756	48,951	49,050	2,980	1,642	2,082
42,051	42,150	2,338	1,228	1,463	45,551	45,650	2,664	1,438	1,765	49,051	49,150	2,989	1,648	2,091
42,151	42,250	2,347	1,234	1,471	45,651	45,750	2,673	1,444	1,775	49,151	49,250	2,998	1,654	2,100
42,251	42,350	2,357	1,240	1,479	45,751	45,850	2,682	1,450	1,784	49,251	49,350	3,008	1,660	2,110
42,351	42,450	2,366	1,246	1,487	45,851	45,950	2,691	1,456	1,793	49,351	49,450	3,017	1,666	2,119
42,451	42,550	2,375	1,252	1,495	45,951	46,050	2,701	1,462	1,803	49,451	49,550	3,026	1,672	2,128
42,551	42,650	2,385	1,258	1,503	46,051	46,150	2,710	1,468	1,812	49,551	49,650	3,036	1,678	2,137
42,651	42,750	2,394	1,264	1,511	46,151	46,250	2,719	1,474	1,821	49,651	49,750	3,045	1,684	2,147
42,751	42,850	2,403	1,270	1,519	46,251	46,350	2,729	1,480	1,831	49,751	49,850	3,054	1,690	2,156
42,851	42,950	2,412	1,276	1,527	46,351	46,450	2,738	1,486	1,840	49,851	49,950	3,063	1,696	2,165
42,951	43,050	2,422	1,282	1,535	46,451	46,550	2,747	1,492	1,849	49,951	50,000	3,070	1,701	2,172
43,051	43,150	2,431	1,288	1,543	46,551	46,650	2,757	1,498	1,858	OVER \$50,000 YOU MUST COMPUTE YOUR TAX USING THE TAX RATE SCHEDULES.				
43,151	43,250	2,440	1,294	1,551	46,651	46,750	2,766	1,504	1,868					
43,251	43,350	2,450	1,300	1,559	46,751	46,850	2,775	1,510	1,877					
43,351	43,450	2,459	1,306	1,567	46,851	46,950	2,784	1,516	1,886					
43,451	43,550	2,468	1,312	1,575	46,951	47,050	2,794	1,522	1,896					
43,551	43,650	2,478	1,318	1,583	47,051	47,150	2,803	1,528	1,905					
43,651	43,750	2,487	1,324	1,591	47,151	47,250	2,812	1,534	1,914					
43,751	43,850	2,496	1,330	1,599	47,251	47,350	2,822	1,540	1,924					
43,851	43,950	2,505	1,336	1,607	47,351	47,450	2,831	1,546	1,933					

1996 Tax Rate Schedules

Caution: Use only if your taxable income (Form 540NR, line 19) is more than **\$50,000**. If **\$50,000** or less, use the **Tax Table**.

Schedule X - Use if your filing status is Single or Married Filing Separate	If the amount on Form 540NR, line 19, is:		Enter on Form 540NR, line 22		of the amount over—
	over—	But not over—			
	\$ 0	\$ 4,908	\$ 0.00	+ 1.0%	\$ 0
	4,908	11,632	49.08	+ 2.0%	4,908
	11,632	18,357	183.56	+ 4.0%	11,632
	18,357	25,484	452.56	+ 6.0%	18,357
	25,484	32,207	880.18	+ 8.0%	25,484
	32,207	AND OVER	1,418.02	+ 9.3%	32,207

Schedule Y - Use if your filing status is Married Filing Joint or Qualifying Widow(er) with Dependent Child	If the amount on Form 540NR, line 19, is:		Enter on Form 540NR, line 22		of the amount over—
	over—	But not over—			
	\$ 0	\$ 9,816	\$ 0.00	+ 1.0%	\$ 0
	9,816	23,264	98.16	+ 2.0%	9,816
	23,264	36,714	367.12	+ 4.0%	23,264
	36,714	50,968	905.12	+ 6.0%	36,714
	50,968	64,414	1,760.36	+ 8.0%	50,968
	64,414	AND OVER	2,836.04	+ 9.3%	64,414

Schedule Z - Use if your filing status is Head of Household	If the amount on Form 540NR, line 19, is:		Enter on Form 540NR, line 22		of the amount over—
	over—	But not over—			
	\$ 0	\$ 9,817	\$ 0	+ 1.0%	\$ 0
	9,817	23,264	98.17	+ 2.0%	9,817
	23,264	29,988	367.11	+ 4.0%	23,264
	29,988	37,114	636.07	+ 6.0%	29,988
	37,114	43,839	1,063.63	+ 8.0%	37,114
	43,839	AND OVER	1,601.63	+ 9.3%	43,839

Regular Toll-Free Phone Service Our regular toll-free phone service is available from 7:00 a.m. until 8:00 p.m. Monday through Friday from January 2 through April 15, 1997. The best times to call are between 7:00 and 10:00 in the morning and between 6:00 and 8:00 in the evening. Service is also available on Saturday, April 5 and April 12, from 8:00 a.m. until 5:00 p.m. After April 15, service is available Monday through Friday, between 8:00 a.m. and 5:00 p.m.

From within the United States 1-800-852-5711
 From outside the United States 1-916-845-6500
 (not toll-free)

For hearing impaired with TDD 1-800-822-6268
 For federal tax questions,
 call the IRS at 1-800-829-1040

Bilingual Assistance

Para obtener servicio bilingüe de información sobre impuestos o formularios, llame al número de teléfono (anotado arriba) que le corresponde.

Letters We can serve you quickly if you call us for information to complete your California income tax return or to find out about your tax refund. However, you may want to write to us if you are replying to a notice we sent you, or to get a written reply. If you write to us, be sure to include your social security number, your daytime and evening telephone numbers and a copy of the notice with your letter. Send your letter to:

FRANCHISE TAX BOARD
 PO BOX 942840
 SACRAMENTO CA 94240-0040

We will acknowledge receipt of your letter within six to eight weeks. In some cases, we may need to call you for additional information.

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. You can order FTB Pub. 4058 by calling or writing the FTB using the address above for letters.

Where To Get Income Tax Forms **By Internet** – If you have Internet access, you may download, view and print California income tax forms and publications. Our Internet address is:
<http://www.ftb.ca.gov>

By phone – Use F.A.S.T. to order 1994, 1995 and 1996 California tax forms and 1996 federal forms listed to the right. To order a form on the list:

- Call 1-800-338-0505.
- Select personal income tax form requests.
- Enter the three-digit code shown to the left of the form title when you are instructed to do so.

We will send you two copies of each tax form and one copy of each set of instructions. Please allow two weeks to receive your order.

In person – Most libraries, post offices and banks provide free California tax booklets during the filing season. Many libraries and some quick print businesses have forms and schedules for you to photocopy (you may have to pay a nominal fee). Note that 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.

California Tax Forms and Publications

- 900 California Resident Income Tax Booklet contents: Form 540, Resident Income Tax Return Form 540A, Resident Income Tax Return Form 540EZ, Resident Income Tax Return For Single and Joint Filers With No Dependents
- 903 Schedule CA 540, California Adjustments FTB 3885A, Depreciation & Amortization Adjustments Schedule D, California Capital Gain or Loss Adjustment
- 907 540-ES, Estimated Tax for Individuals
- 908 540X, Amended 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 contents: 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
- 936 Form 565, California Partnership Return of Income Booklet
- 937 FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return
- 921 FTB 3519, Payment Voucher for Automatic Extension for Individuals
- 922 FTB 3525, Substitute W-2 Statement
- 923 FTB 3526, Investment Interest Expense Deduction
- 940 FTB 3540, Credit Carryover Summary
- 938 FTB 3596, California Moving Expenses
- 924 FTB 3800, Tax Computation for Children with Investment Income
- 929 FTB 3801, Passive Activity Loss Limitations
- 930 FTB 3803, Parent's Election to Report Child's Interest and Dividends
- 925 FTB 3805E, Installment Sale Income
- 928 FTB 3805P, Additional Tax from Qualified Retirement Plans
- 926 FTB 3805V, Net Operating Loss
- 901 FTB 3805Z, Enterprise Zone and Program Area Business Booklet
- 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
- 941 FTB Pub. 1031, Guidelines for Determining Resident Status
- 942 FTB Pub. 1032, Tax Information for Military Personnel
- 934 FTB Pub. 1540, Head of Household

1996 Federal Tax Forms

(available January 1 through April 15, 1997 only)

- 902 1040 Booklet (includes Schedule A, B, D & E; Forms 1040V, EIC and 2441)
- 904 1040A Booklet (includes Schedule 1; Form EIC)
- 915 1040EZ Booklet
- 906 Form 1040X, Amended U.S. Individual Income Tax Return
- 931 Form 1040-ES, Estimated Tax for Individuals
- 935 Publication 17, Your Federal Income Tax for Individuals
- 933 Form 2119, Sale or Exchange of Principal Residence
- 912 Form 2106, Employee Business Expenses
- 932 Form 4562, Depreciation and Amortization
- 916 Schedule C, Profit or (Loss) from Business or Profession
- 905 Schedule SE, Social Security Self-Employment Tax



Call **Fast Answers** about **State Taxes**, the F.A.S.T. toll-free phone service you can use to:

- Get recorded answers to many of your questions about California taxes;
- Order California or federal income tax forms; and
- Find out about your tax refund.

F.A.S.T. is available in English and Spanish to callers with touch-tone or rotary dial telephones.

When Is F.A.S.T. Available?

To answer your questions, F.A.S.T. is available 24 hours a day, seven days a week. To order forms or to find out about your tax refund, F.A.S.T. is available from 6:00 a.m. to 10:00 p.m., seven days a week, except state holidays.

How To Use F.A.S.T.

Have paper and pencil handy to take notes.

Call from within the United States 1-800-338-0505

Call from outside the United States (not toll-free) . . . 1-916-845-6600

Follow the recorded instructions and enter the three-digit code when you are instructed to do so.

To Order Forms

Use F.A.S.T. to order 1994, 1995 and 1996 California tax forms and 1996 federal tax forms. See the list of forms and instructions for ordering them on page 31.

To Find Out About Your Tax Refund

You should wait at least eight weeks after you file your tax return before you call to find out about your refund. To use F.A.S.T., you must know the first social security number shown on your tax return and the exact dollar amount of your refund. To find out about your refund, call 1-800-338-0505 between 6:00 a.m. and 10:00 p.m., select refund information and follow the recorded instructions.

To Get Information

If you need an answer to any of the following questions, call 1-800-338-0505, select general tax information, follow the recorded instructions and enter the three-digit code when you are instructed to do so.

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?
- 200 – Where can I pick up a form today?
- 201 – How can I get an extension to file?
- 202 – There is no envelope in the booklet. Where do I send my return?
- 203 – How much do I get for renter's credit? (see page 2 first)
- 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?
- 207 – Should I file my return even though I do not have the money to pay?
- 208 – How do I figure my estimated tax payments?
- 209 – I lived in California for part of the year. Do I have to file a return?
- 210 – I do not live in California. Why do I have to file a return?
- 211 – How do I figure my IRA deduction?
- 212 – How do I claim my disaster related loss?
- 215 – Who qualifies me to use the head of household filing status?
- 216 – I'm due a refund. Do I still need to file a return?

- 217 – I am currently/was in the military. Do I have to file a California return?
- 218 – I'm in the military. Do I have to use the same filing status as federal?
- 219 – I sold my personal residence. How do I report the sale to California?
- 220 – There is no difference in my state and federal depreciation, business income and capital gain income. What do I do?
- 221 – What is community property?
- 222 – How much can I deduct for vehicle license fees?
- 227 – How do I get a refund of excess SDI?
- 239 – Where can I get help with filing my income tax return?
- 240 – Does a tax return have to be filed for a deceased taxpayer?

Refunds:

- 300 – My spouse has passed away. You sent a refund with both our names on it. What do I do?
- 301 – I got a letter saying you sent my refund to another agency. Why?

Penalties:

- 400 – I have an extension of time to file my return. Why did I get a penalty?
- 401 – I filed my return on time. Why did I get a penalty?
- 402 – How can I protest a penalty?
- 403 – What is the estimate penalty rate?

Notices And Bills:

- 500 – I received a bill and I cannot pay it in full. What do I do?
- 501 – Why didn't you give me credit for my withholding?
- 502 – You didn't give me credit for my dependent. What do I do?
- 503 – I don't have a homeowner's exemption. Why did you deny my renter's credit?
- 504 – I'm head of my house. Why was I denied head of household filing status?
- 505 – Why was my IRA deduction denied?
- 506 – How can I get information about my Form 1099-G?
- 507 – Why did I receive a questionnaire?
- 508 – I received a notice that didn't show all payments made. How do I get credit for them?

Tax For Children Under 14:

- 601 – Can my child take a personal exemption credit when I claim her or him as a dependent on my return?
- 602 – Federal law limits the standard deduction. Is the state law the same?

Miscellaneous:

- 610 – Can I pay my taxes with a credit card?
- 611 – What address do I send my payment to?
- 612 – I mailed my return and haven't heard anything. Should I send a copy of my return?
- 613 – I forgot to attach my Form(s) W-2 when I mailed my return. What do I do?
- 614 – I forgot to attach a copy of my federal return. What do I do?
- 615 – How do I get a copy of my state tax return?
- 616 – What should I do if my federal tax return was examined or changed by the IRS?
- 617 – What are the current interest rates?

