

1998 Donated Agricultural Products Transportation Credit

3547

Attach to your California tax return.

Name(s) as shown on return		Social security or California corporation number
Business address (number and street)		FEIN
City or town	State	ZIP Code

1	Eligible transportation costs. See instructions	1	
2	Current year credit. Multiply line 1 by 50% (.50)	2	
3	Pass-through donated agricultural products transportation credit(s) from Schedule(s) K-1 (100S, 541, 565 or 568). See instructions	3	
4	Total current year donated agricultural products transportation credit. Add line 2 and line 3	4	
5	Credit carryover from prior year	5	
6	Total available donated agricultural products transportation credit. Add line 4 and line 5	6	
7	Enter the amount of credit claimed on your current year tax return	7	
Caution: This amount may be less than the amount on line 6 if your credit is limited by tentative minimum tax (TMT) or your tax liability. See the instructions for line 7.			
8	Credit carryover available for future years. Subtract line 7 from line 6	8	

General Information

References in these instructions are to the Internal Revenue Code (IRC) as of January 1, 1998, and to the California Revenue and Taxation Code (R&TC).

A Purpose

Use form FTB 3547 to figure and claim the donated agricultural products transportation credit. Also use this form to claim pass-through donated agricultural products transportation credits received from S corporations, estates or trusts, partnerships or limited liability companies (LLCs) taxed as partnerships.

S corporations, estates or trusts, partnerships and LLCs taxed as partnerships should complete form FTB 3547 to figure the amount of credit to pass through to shareholders, beneficiaries, partners or members. Attach this form to Form 100S, Form 541, Form 565 or Form 568. Show the pass-through credit for each shareholder, beneficiary, partner or member on Schedule K-1 (100S, 541, 565 or 568).

B Description

The amount of the credit allowed is 50% of the eligible transportation costs paid or incurred by the taxpayer in connection with the transportation of any donated agricultural product.

C Qualifications

To qualify for this credit, you must be engaged in the business of processing, distributing or selling agricultural products. You may claim the credit for eligible transportation costs paid or incurred in connection with the donation of any agricultural product to a nonprofit charitable organization.

Certification

You must receive a certificate from the nonprofit charitable organization certifying that your agricultural product donation is in accordance with the provisions of the California Food and Agricultural Code. You should retain this certificate and make it available to the Franchise Tax Board (FTB) upon request.

D Definitions

Agricultural product – Any fowl, animal, vegetable or other stuff, product or article which is customary food, or which is proper food for human beings.

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

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

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

E Limitations

No credit will be allowed unless you have received a certificate from the donee nonprofit charitable organization certifying donation of the agricultural products.

S corporations may claim only 1/3 of the credit against the 1.5% entity-level tax (3.5% for financial S corporations). In addition, S corporations

can pass through 100% of the credit to their shareholders.

If a taxpayer owns an interest in a disregarded business entity, the credit amount received from the disregarded entity that can be utilized is limited to the difference between the taxpayer's regular tax figured with the income of the disregarded entity, and the taxpayer's regular tax figured without the income of the disregarded entity. **Note:** If the disregarded entity reports a loss, the taxpayer may not claim the credit this year but can carry over the credit amount received from the disregarded entity.

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

This credit is taken in lieu of any deduction otherwise allowable for the same eligible transportation costs. Any deduction allowed for these same costs must be reduced by the amount of credit claimed for the current taxable or income year (the amount shown on line 7).

This credit is not refundable.

Corporate Members of a Unitary or Combined Group

This credit cannot be allocated or otherwise transferred to another taxpayer, even if the other taxpayer is a member of a unitary or combined group or otherwise affiliated with the taxpayer that earned the credit.

F Carryover

If the available credit exceeds the current year tax, the unused credit may be carried over to succeeding years until exhausted. Apply the carryover to the earliest taxable or income year(s) possible. In no event can this credit be carried back and applied against a prior year's tax.

Specific Line Instructions

- Line 1** – Enter the eligible transportation costs paid or incurred in connection with the donated agricultural products for which you received certification from the donee nonprofit charitable organization. If you are determining your eligible transportation costs based on mileage, multiply the total miles connected with transporting the donated agricultural product by twelve cents (\$.12). Otherwise, enter the actual transportation costs paid or incurred in connection with the donated agricultural products.
- Line 3** – If you received more than one pass-through credit from S corporations, estates or trusts, partnerships or LLCs taxed as partnerships, add the amounts and enter the total on line 3. Attach a schedule showing the names and identification numbers of the entities from which the credits were passed through to you.
- Line 7** – The amount of this credit you may claim on your tax return may be limited further. Refer to the credit instructions in your tax booklet for more information. These instructions also explain how to claim this credit on your tax return. You must use credit code number **204** when you claim this credit. Also see General Information E, Limitations.