

Forms & Instructions

California 540NR

2004 Nonresident or Part-Year Resident Booklet

**Members of the
Franchise Tax Board**

Steve Westly, Chair
Carole Migden, Member
Tom Campbell, Member

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Internet Assistance

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

- Getting a Customer Service Number.
- Tips for e-filing your tax return.
- Checking your estimated tax payments.
- Checking the status of your refund and making an account balance inquiry.
- Paying online with Web Pay (personal income tax, estimated tax, and bills). You choose the dates to pay.
- Completing and submitting requests to make monthly tax payments.
- Downloading tax forms and publications – sorted by year and by form number.
- Accessing legal notices, rulings, and regulations; also see FTB's analysis of pending legislation and get current law/policy information by reading Tax News online.
- Viewing internal procedure manuals to learn how we administer the law.

Common Errors and How to Prevent Them

Help us process your return quickly and accurately. When we find an error, we must stop to verify the information on the return, which slows processing. The most common errors are claiming the wrong estimated tax payments, claiming the wrong exemption credit, claiming the wrong amount of real estate withholding, and making tax computation errors.

To avoid these errors and to help FTB process your return faster, please use these helpful hints when preparing your return.

When claiming Estimated Payments:

- Verify that the amount of estimated payments claimed on your return matches what you sent to the FTB for that year. Check our Website at www.ftb.ca.gov and access the "Check account balance" feature to view your total estimated payments before you file your return.

- If the amount of estimated payments claimed on your tax return does not match FTB records, you will receive a Return Information Notice to explain the difference.

When totaling your Exemptions:

- Be sure to add the exemption amounts correctly and transfer the total exemption amount to the correct line of the return. (See the individual line instructions for assistance).

When computing your Tax:

- Check our Website at www.ftb.ca.gov and access the automatic tax table to compute your tax, or
- Make sure to locate the correct tax amount from the tax table in this booklet and transfer it to your return correctly.

When claiming Real Estate Withholding:

- Remember to claim the amount withheld for real estate sold in California during 2004. Your escrow company should have provided you with a California Form 593-B, Real Estate Withholding Tax Statement, indicating the amount withheld. For details, see the Long Form 540NR line 48 instructions on page 25.

By using the helpful hints listed above, delays in processing your return and unnecessary account adjustments can be prevented.

\$\$\$ for You

Earned Income Credit (EIC) – If you earned less than \$34,458 (less than \$11,490 if you do not have any qualifying children), you may be eligible to get the EIC to reduce the federal tax you owe, or get a refund if you do not owe any federal tax. Call the IRS at (800) 829-4477 and enter topic **601** when instructed, or see your federal income tax booklet. There is no comparable state credit.

Refund of Excess State Disability Insurance (SDI) – You may be eligible for a refund of excess SDI if you had at least two employers during 2004 who together paid you more than \$68,829 in wages. See the instructions on page 25.

Homeowner and Renter Assistance (HRA) – This California program provides a once-a-year state payment to qualifying homeowners and renters based on the property tax they paid in the prior year. See page 57.

What's New and Other Important Information for 2004

Amnesty – Recent legislation authorizes the Franchise Tax Board and the Board of Equalization to administer a Tax Amnesty Program. Tax amnesty is a limited time chance for individuals and businesses to pay past-due income, franchise, sales, or use taxes and the related interest penalty-free without the fear of criminal prosecution. Amnesty runs from February 1, 2005, through March 31, 2005. Taxpayers eligible to participate in amnesty but choose not to do so will be subject to additional penalties.

Amnesty is open to both individuals and businesses for taxable years 2002 and prior, if they did any of the following:

- Did not file required California tax returns.
- Underreported income on a previously filed tax return.
- Claimed excessive deductions.
- Did not pay income/franchise, sales, or use taxes on time.

The following taxpayers or transactions are not eligible for amnesty:

- Taxpayers currently under criminal investigation or prosecution on tax-related matters.
- Abusive tax shelter transactions that were eligible for relief under California's Voluntary Compliance Initiative or the 2003 IRS Offshore Voluntary Compliance Initiative. These initiatives applied to taxpayers with nonreported or underreported tax liability amounts attributable to an investment in an abusive tax shelter.

Note: These taxpayers are eligible for amnesty for non-abusive tax shelters items.

For more details, visit our Website at www.ftb.ca.gov or call (800) 852-5711.

Tax Shelters – If you were involved in a potentially abusive tax shelter, you may have a disclosure, registration, and list maintenance requirement. The Franchise Tax Board may impose several new and enhanced penalties if you fail to file IRS Forms 8886, 8264, 8271 or any required information. For more information, see Registration and Reporting Requirements under Abusive Tax Shelters on our Website at www.ftb.ca.gov.

Differences between California and Federal Law

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2001. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information regarding California and federal law, please visit our Website at www.ftb.ca.gov and select "Law and Legislation." Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

Note, the instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation

Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

2004 Tax Law Changes

Federal Conformity Items – California has conformed to the Military Family Tax Relief Act (Public Law 108-121) to allow the following:

- A deduction in computing adjusted gross income for certain trade or business expenses of members of the Armed Forces of the U.S.
- An exclusion from gross income for certain death benefits payable by reason of the death of astronauts
- An exclusion for certain military fringe benefits
- A 5-year period of suspension for excluding gain from the sale of a principal residence if the taxpayer's spouse is serving in the uniformed services or the Foreign Service of the U.S.
- An exclusion for certain military death gratuity payments from gross income
- An exclusion for death gratuity income received by living survivors of military personnel who lost their lives on or after September 11, 2001.

Military Personnel – Servicemembers domiciled outside of California, and their spouses, may exclude the member's military compensation from gross income when computing the tax rate on nonmilitary income. Requirements for military servicemembers domiciled in California remain unchanged. Military servicemembers domiciled in California must include their military pay in total income. In addition, they must include their military pay in California source income when stationed in California. However, military pay is not California source income when a servicemember is permanently stationed outside of California. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

Alimony Deduction – If you were a nonresident of California in 2004, you are now entitled to an alimony deduction. The deduction for alimony payments is allowed to a nonresident or part-year resident in the same ratio that "California AGI" for the entire year, computed without regard to the alimony deduction, is to "Total AGI" for the entire year, computed without regard to the alimony deduction.

Changes in the Child and Dependent Care Expenses Credit:

- Earned income must have a source in California
- Dependent Care must be provided in California

Paid Family Leave Benefits – If you received paid family leave benefits in 2004, they are not taxable by California. For additional information, get Schedule CA (540NR) and instructions – California Adjustments, and get FTB Pub. 1001 – Supplemental Guidelines to California Adjustments.

Claim of Right – If you had to repay an amount that you included in income in an earlier year, under a claim of right, you may be able to deduct the amount repaid from your income for the year in which you repaid it. Or, if the amount you repaid is more than \$3,000, you may be able to take a credit against your tax for the year in which you repaid it.

Punitive Damage Awards – For court actions filed after August 16, 2004, and finally adjudicated by June 30, 2006, 75% of punitive damage awards must be paid to the Director of the Department of Finance. You may exclude from income the portion

of a punitive damage award that is paid to the Department of Finance.

Other Important Information

San Joaquin Levee Break – If you were a victim of the San Joaquin levee break, get FTB Pub. 1034, California Disaster Relief Tax Provisions and Pub. 1034A-6, San Joaquin Levee Break, for more information.

Mandatory e-file – California law requires individual income tax returns prepared by certain tax practitioners to be e-filed. This law saves money and resources for the state. If you have a tax practitioner prepare your return, they may be required to e-file it. You have the right to choose not to e-file, however, we encourage you to take advantage of everything e-file has to offer.

Vehicle License Fee (VLF) Refund – If you paid a VLF and deducted the fee as an itemized deduction for 2003, the VLF refund you received in 2004 is treated as a recovery of the amount you claimed as an itemized deduction. For more information, get Schedule CA 540NR and instructions – California Adjustments – Nonresidents or Part-Year Residents, and FTB Pub. 1001, Supplemental Guidelines for California Adjustments.

Teacher Retention Credit – The Teacher Retention Credit is suspended for tax years 2004 and 2005.

Net Operating Loss – For taxable years beginning on or after January 1, 2004, California has reinstated the Net Operating Loss (NOL) carryover deduction. The carryover periods for NOL deductions that were incurred:

- Beginning before January 1, 2002, has been extended for two years.
- Beginning on or after January 1, 2002, and before January 1, 2003, has been extended for one year.

Natural Heritage Preservation Credit – Currently there is no funding to award Natural Heritage Preservation Credits. Therefore, no new credits may be claimed for 2004. However, carryover of previously awarded credits is not affected. Contact the Wildlife Conservation Board (WCB) to determine if funding has been restored, if they are accepting qualified contributions of property, and to see if they are awarding new Natural Heritage Preservation Credits. Complete form FTB 3503 to claim the credit only if the WCB has resumed awarding the credits.

To get updated information regarding current funding, qualified contributions of property, or the awarding of credits, contact the Wildlife Conservation Board at (916) 445-8448. Or go to their Website at www.wcb.ca.gov.

New Voluntary Contribution Funds – You may make voluntary contributions to the California Military Family Relief Fund and/or the California Prostate Cancer Research Fund.

NO MORE TELEFILE!

TeleFile – TeleFile is no longer available to file California tax returns. We discontinued TeleFile due to decreasing usage and to help save California resources. If you qualified for TeleFile, you also qualify to use our free e-file option: CalFile. Like TeleFile, CalFile is fast, direct, and easy to use. Go to www.ftb.ca.gov to use CalFile or other free options available online including California e-file options and the Federal Free File Alliance.

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visit our Website:

www.ftb.ca.gov

✓ Tip Important due dates.

April 15, 2005	Last day to pay the 2004 amount you owe to avoid penalties and interest.* See form FTB 3519 on page 51 for more information. <small>*If you are living or traveling outside the United States on April 15, 2005, the due dates for filing your return and paying your tax are different. See form FTB 3519 on page 51 for more information.</small>
October 17, 2005	Last day to file or e-file your 2004 return to avoid penalties and interest computed from the original due date of April 15, 2005.
April 15, 2005 June 15, 2005 September 15, 2005 January 17, 2006	Due dates for 2005 estimated tax payments. Generally, you do not have to make estimated tax payments if your California withholding in each payment period is at least 1/4 of your required annual payment. Also, you do not have to make estimated tax payments if you will pay enough through withholding to keep the amount you owe with your return under \$200 (\$100 if married filing separately). However, if you do not pay enough tax either through withholding or by making estimated tax payments, you may have an underpayment of estimated tax penalty. For more information call (800) 338-0505, select personal income tax, then select general information, and enter code 208 .

✓ Tip Keep a copy of your return.

The Franchise Tax Board (FTB) may request information from you regarding your California income tax return within the California statute of limitations period, which is usually the later of four years from the due date of the return or four years from the date the return is filed. (**Exception:** An extended statute of limitations period may apply for California or federal tax returns that are related to or subject to a federal audit.)

Keep a copy of your return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as they are needed to figure the basis of the property or records needed to verify carryover losses (e.g. net operating losses, capital losses, passive losses, casualty losses, etc.).

✓ Tip If you file electronically.

If you file your return electronically, make sure all the amounts entered on the paper copy of your California return are correct before you sign form FTB 8453, California Individual Income Tax Declaration for e-file. If you are requesting direct deposit of a refund, make sure that your account and routing information is correct. Your return can be transmitted to FTB by your preparer or electronic filing service only after you sign form FTB 8453. The preparer or electronic filing service must provide you with:

- A copy of form FTB 8453;
- Any original Form(s) W-2, W-2G, 592-B, 593-B, 594, 1099-G, and any other Form(s) 1099 that you provided; and
- A paper copy of your California tax return showing the data transmitted to the FTB.

Note: You cannot retransmit an e-filed tax return once we've accepted the original. You can correct an error only by completing an Amended Individual Income Tax Return (Form 540X) and mailing the paper copy to us. See "Where To Get Income Tax Forms and Publications" on page 58.

✓ Tip Mailing your return.

If you have a **refund** or **no amount due**:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0002

If you **owe**:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

Do I Have to File?

Steps to Determine Filing Requirement

Step 1: Read down the first column to find your filing status at the end of 2004. Read across to find your age at the end of 2004, and number of dependents you are entitled to claim for 2004.

Step 2: Is your gross income (see footnote 1 below) more than the amount shown in the Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, go to Step 3.

Step 3: Is your adjusted gross income (See footnote 2 below) more than the amount shown in the Adjusted Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, you do not have a filing requirement.

Note: Active duty military personnel, get FTB Pub. 1032, Tax Information for Military Personnel.



Even if you do not have a filing requirement based on the chart below, you should file a return in order to get a refund if California state income tax was withheld from your pay, if you made California estimated tax payments, or you have earned income and qualify for the child care credit (get FTB Form 3506). Try e-file! It's fast, easy and convenient and there are several free options. Visit our Website at www.ftb.ca.gov for the details.

On 12/31/04, my filing status was:	and on 12/31/04, my age was ⁶ :	Gross Income ¹			Adjusted Gross Income ²		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of household ³	Under 65	12,729	21,562	28,187	10,183	19,016	25,641
	65 or older	16,979	23,604	28,904	14,433	21,058	26,358
Married filing jointly Married filing separately ⁴	Under 65 (both spouses)	25,457	34,290	40,915	20,365	29,198	35,823
	65 or older (one spouse)	29,707	36,332	41,632	24,615	31,240	36,540
	65 or older (both spouses)	33,957	40,582	45,882	28,865	35,490	40,790
Qualifying widow(er)	Under 65		21,562	28,187		19,016	25,641
	65 or older		23,604	28,904		21,058	26,358
Dependent of another person Any filing status	Any age	More than your standard deduction ⁵					
		More than your standard deduction ⁵					

¹ **Gross income is computed under California law** and consists of all income you received from all sources in the form of money, goods, property, and services, that is not exempt from tax. Gross income computed under California law does not include any adjustments or deductions.

² **Adjusted gross income is computed under California law** and consists of your federal adjusted gross income from all sources, reduced or increased by all California income adjustments.

³ Get FTB Pub. 1540, Tax Information for Head of Household Filing Status. See "Where to Get Income Tax Forms and Publications" on page 58.

⁴ The income of both spouses must be combined; both spouses may be required to file a return even if only one spouse had income over the amounts listed.

⁵ Use the California Standard Deduction Worksheet for Dependents on page 20 to figure your standard deduction.

⁶ If your 65th birthday is on January 1, 2005, you are considered to be age 65 on December 31, 2004.

Requirements for Children With Investment Income

California law is the same as federal law for the income of children under age 14. For each child under age 14 who received more than \$1,600 of investment income in 2004, get and complete Long Form 540NR and form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate return.

Note: If you qualify, you may elect to report your child's income of \$8,000 or less (but not less than \$800) on your return by completing form FTB 3803, Parents' Election to Report Child's Interest and Dividends. To make this election, your child's income must be **only** from interest and/or dividends. See "Where To Get Income Tax Forms and Publications" on page 58 or go to our Website at www.ftb.ca.gov.

Other Situations When You Must File

If you owe any of the following taxes for 2004, you must file a California tax return.

- Tax on a lump-sum distribution;
- Tax on a qualified retirement plan including an Individual Retirement Arrangement (IRA);
- Tax for children under age 14 who have investment income greater than \$1,600 (see paragraph above);
- Alternative minimum tax;
- Recapture taxes;
- Deferred tax on certain installment obligations; or
- Tax on an accumulation distribution from a trust.

Which Form Should I Use?

	Short Form 540NR	Long Form 540NR
Filing Status	Single, married filing jointly, head of household, qualifying widow(er)	Any filing status
Dependents	0-5 allowed	All dependents you are entitled to claim
Amount of Income	Total income of: \$100,000 or less	Any amount of income
Sources of Income	Only income from: <ul style="list-style-type: none"> • Wages, salaries, tips • Taxable interest • Unemployment compensation, Paid Family Leave Note: California does not tax unemployment compensation	All sources of income
California Adjustments to Income	<ul style="list-style-type: none"> • Unemployment compensation • Military pay adjustment (R&TC Section 17140.5) • Paid Family Leave 	All adjustments to income
Standard Deduction	Allowed	Allowed
Itemized Deductions	No itemized deductions	All itemized deductions
Payments	Only withholding on Form(s) W-2, and 1099's showing California tax withheld	<ul style="list-style-type: none"> • Withholding from all sources • Estimated tax payments • Payments made with extension vouchers; • Excess state disability insurance (SDI) or voluntary plan disability insurance (VPDI)
Tax Credits	<ul style="list-style-type: none"> • Personal exemption credits up to 5 dependent exemption credits • Nonrefundable renter's credit 	All tax credits
Other Taxes	Taxes computed using only the tax table	All taxes: <ul style="list-style-type: none"> • Tax computed using the tax table • Alternative minimum tax • Tax on early distributions from IRAs or other qualified retirement plans • Tax on distributions from education IRAs • Tax for children under age 14 who have investment income of more than \$1,600 • Tax on lump-sum distributions • Recapture taxes • Deferred tax on certain installment obligations • Tax on accumulation distributions of trusts

Helpful Hints

(e-file and skip this page! Go to www.ftb.ca.gov)



e-file your return

- e-file for free. Go to www.ftb.ca.gov to review your e-file options.
- Get your refund fast within 5-7 days with e-file and direct deposit.
- No complicated calculations because the math is done for you.



Filling in your return.

- Use only black or blue ballpoint pen on the copy you send us.
- Enter your social security number(s) or Individual Taxpayer Identification Number if applicable, at the top of your Long or Short Form 540NR, Side 1, Step 1a.
- Print all names and words in CAPITAL LETTERS.
- Print numbers inside boxes. Be sure to line up dollar amounts.
- Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.
- If you do not have an entry for a line, leave it blank unless the instructions for a line specifically tell you to enter zero. Do not enter a dash or the word 'NONE.'
- Attach your label. If you don't have a label, fill in your name as in the following example:

Your first name	Initial	Last name
J O H N	A	D O E

Is your name or address too long to fit in the combed lines provided? Do not shorten your name or address. Instead, ignore the boxes and fit the information in the space provided. **Example:** Jonathan A. Ziggzephyrstone would enter his name as follows:

Your first name	Initial	Last name
JONATHAN	A	ZIGGZEPHYRSTONE



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

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

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

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

Step 2: Make sure you meet all the requirements for your filing status. See page 19 for more information. If you need additional information to see if you qualify for the head of household filing status, get FTB Pub. 1540, Tax Information for Head of Household Filing Status. See "Where To Get Income Tax Forms and Publications" on page 58.

Step 3: Take your exemption credits to reduce your tax. See the instructions for Long Form 540NR, line 25b and Short Form 540NR, line 26.



Check other areas.

Federal Adjusted Gross Income: Double-check that you correctly transferred your federal adjusted gross income from your federal TeleFile Tax Record, line I; Form 1040EZ, line 4; Form 1040A, line 21; Form 1040, line 36; Form 1040NR, line 34; or Form 1040NR-EZ, line 10.

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

Itemized Deductions: Be sure you reduced your federal itemized deductions by the amount of state and local income taxes you claimed on your federal Schedule A. Use Schedule CA (540NR), Part III, on page 44.

Double-check your math: Make sure each subtraction, addition, and any other calculation is correct.

Enclose, but do not staple, any payment to your return. A penalty may be imposed if your check is returned by your bank for insufficient funds.



Attachments to your return.

Federal Return. If you file the Long Form 540NR, you must attach a copy of your federal income tax return and all supporting federal forms and schedules.

Other State Return. If you qualify to take the credit for other state taxes paid, you must attach Schedule S, Other State Tax Credit, and the other state tax return. See "Where To Get Income Tax Forms and Publications" on page 58.

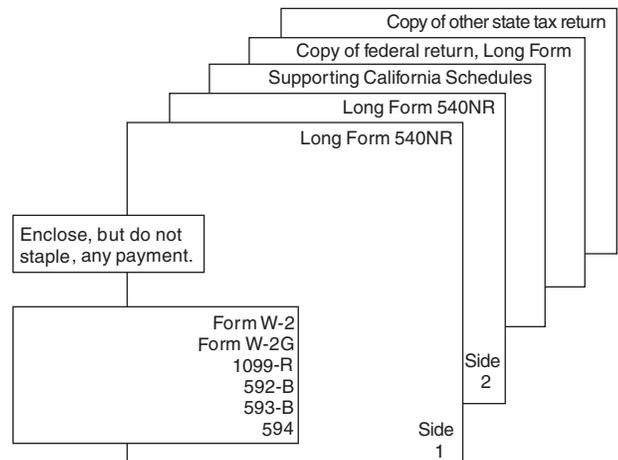
Check or money order: Make your check or money order payable to the Franchise Tax Board. **Do not send cash.** Also, write your social security number and "2004 Long or Short Form 540NR" on the check or money order.

Forms(s) W-2, W-2G, 592-B, 593-B, 594 and 1099: Make sure to staple all the Form(s) W-2, W-2G, 592-B, 593-B, and 594 you received to the front of your return where it says "attach copy of your Form(s) W-2, W-2G, 592-B, 593-B, and 594." Also, attach any Form(s) 1099 showing California income tax withheld.



Assembling your return.

Assemble your return in the order shown below. See Side 2 of your return for the correct mailing address.



Sign and date your return on Side 2.

Frequently Asked Questions

(Go to www.ftb.ca.gov for more frequently asked questions)

1. What if I can't file by April 15, 2005, and I think I owe tax?

You must pay 100% of the amount you owe by April 15, 2005, to avoid interest and penalties. If you cannot file because you have not received all your Form(s) W-2, estimate the amount of tax you owe by completing form FTB 3519, Payment Voucher for Automatic Extension for Individuals on page 51. Mail it to the FTB with your payment by April 15, 2005, or pay online at www.ftb.ca.gov. Then, when you receive all your Form(s) W-2, complete and mail your return by October 17, 2005 (you must use Long Form 540NR).

2. I never received a Form W-2. What should I do?

If you do not receive all your Form(s) W-2 by January 31, 2005, contact your employer. Only your employer can issue or correct a Form W-2. For more information, call (800) 338-0505, select personal income tax, then general information, and enter code **204** when instructed.



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If you cannot get a copy of your Forms W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099, Distributions from Pensions, Annuities, Retirement, or Profit Sharing Plans, IRAs, Insurance Contracts, Etc. See "Where To Get Income Tax Forms and Publications" on page 58.

3. How can I get help?

There are more than 1,500 sites throughout California where trained volunteers provide free help during the tax filing season to persons who need to file simple federal and state income tax returns. Many military bases also provide this service for members of the U.S. Armed Forces. From January 2 through April 15, a list of locations is available on our Website at www.ftb.ca.gov by doing a search for volunteer sites, or you may call the FTB at (800) 852-5711 to find a location near you.

4. What do I do if I can't pay what I owe with my 2004 return?

Pay as much as you can when you file your return. If you cannot pay your tax in full with your return, you can request monthly payments. However, you will be charged interest and may be charged an underpayment penalty on the tax not paid by April 15, 2005, even if your request to pay in installments is approved. To make monthly payments, complete form FTB 3567, Installment Agreement Request, and mail it to the address on the form. **Do not mail it with your return.**



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The Installment Agreement Request might not be processed and approved until after your return is processed, and you may receive a bill before you receive approval of your request.

To order this form by phone, call (800) 338-0505, select "Personal Income Tax," then select "Order Forms and Publications," and enter code **949**. Or, go to our Website at www.ftb.ca.gov.

Note: You can also pay by credit card. See page 59.

5. How long will it take to get my refund?

If you file electronically, you will get the fastest possible refund. Your refund check will be in the mail within 7 to 10 calendar days (or if you request direct deposit, the refund will post to your bank account within 5 to 7 banking days) from the time the FTB receives your electronic return. For more information about electronic filing, go to our Website at www.ftb.ca.gov or call (800) 338-0505, select "Personal Income Tax," then select "General Information," and enter code **112** when instructed.



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If you do not electronically file your return, you should receive your refund check, or if you request direct deposit the refund should post to your account, within 6 to 8 weeks after you file your return.

6. I expected my refund by now. How can I check on the status?

You can check on the status of your refund over the Internet. Visit our Website at www.ftb.ca.gov and search for: Refund.

You can also call our automated phone service. See page 60.

7. I discovered an error on my tax return. What should I do?

If you discover that you made an error on your California income tax return after you filed it, use Form 540X, Amended Individual Income Tax Return, to correct your return. See "Where To Get Income Tax Forms and Publications" on page 58.

8. I found an error after FTB accepted my e-file return. What should I do?

You cannot retransmit an e-filed tax return once we've accepted the original. You can correct an error only by completing an Amended Individual Income Tax Return (Form 540X) and mailing the paper copy to us. Get Form 540X online at www.ftb.ca.gov.

9. The Internal Revenue Service (IRS) made changes to my federal return. What should I do?

If your federal income tax return is examined and changed by the IRS and you owe additional tax, you must report these changes to the FTB within six months of the date of the final federal determination. If the changes made by IRS result in a refund due for California, you must claim a refund within two years of the date of the final federal determination. You may either use Form 540X, Amended Individual Tax Return, to correct the California income tax return you already filed, or you may send a copy of the federal changes to:

**ATTN RAR/VOL, AUDIT SECTION
FRANCHISE TAX BOARD
PO BOX 1998
SACRAMENTO CA 95812-1998**

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 on which the federal adjustment was based. Get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California, for more information. See "Where To Get Income Tax Forms and Publications" on page 58.

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

10. How long should I keep my tax information?

We may request information from you regarding your California income tax return within the California statute of limitations period, which is usually the later of four years from the due date of the return or four years from the date the return is filed. (Exception: An extended statute of limitations period may apply for California or federal tax returns that are related to or subject to a federal audit.)

Keep a copy of your return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as they are needed to figure the basis of the property or records needed to verify carryover losses (e.g. net operating losses, capital losses, passive losses, casualty losses, etc.).

11. I will be moving after I file my return. How do I notify the FTB of my new address?

You can notify the FTB of your new address by using form FTB 3533, Change of Address. This form is available on our Website (www.ftb.ca.gov) as a fillable form or you may call (800) 852-5711 and select option 5 to report a change of address.

After filing your return, you should report a change of address to us for up to 4 years, especially if you leave the state and no longer have a requirement to file a California return.

How Nonresidents and Part-Year Residents Are Taxed

General Information

If you were a nonresident of California and received income in 2004 that had its source in California, or if you moved into or out of California in 2004, you must file either the Long or Short Form 540NR, California 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. See page 8 “Which Form Should I Use?” to determine which form to use (Long or Short Form 540NR).

If you file the Long Form 540NR, use Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, column A through column D to compute your total adjusted gross income as if you were a resident of California for the entire year. Use column E to compute all items of total adjusted gross income you received while a resident of California and those you received from California sources while a nonresident. You determine your California tax by multiplying your California taxable income by an effective tax rate. The effective tax rate is the tax on total taxable income, taken from the tax table, divided by total taxable income. You may also qualify for California tax credits, which may reduce the amount of California tax you owe.

If you were a resident of California for all of 2004, you should get a California Resident Personal Income Tax Booklet and file Form 540, California Resident Income Tax Return, Form 540A, California Resident Income Tax Return; or Form 540 2EZ, California Resident Income Tax Return.

If you file the Short Form 540NR, use line 13, line 14, and line 17 to compute your total adjusted gross income as if you were a resident of California for the entire year. Use line 21 to compute all items of total adjusted gross income you received while a resident of California and those you received from California sources while a nonresident.

For more information on the taxation of nonresidents and part-year residents, get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency. See “Where To Get Income Tax Forms and Publications” on page 58.

Pension Income of Retirees Who Move to Another State

Nonresidents of California Receiving a California Pension

California does not impose tax on retirement income attributable to services performed in California received by a nonresident after 12/31/95.

California Residents Receiving an Out-of State Pension

In general California residents are taxed on all income, including income from sources outside California. Therefore, a pension attributable to services performed outside California but received after you become a California resident is taxable.

For more information about pensions, get FTB Pub. 1005, Pension and Annuity Guidelines. See “Where to Get Income Tax Forms and Publications” on page 58.

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 provision 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 present 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. See “Where To Get Income Tax Forms and Publications” on page 58.

Group Nonresident Return

Nonresident partners, nonresident members, and nonresident shareholders of a partnership, limited liability company (LLC), or S corporation that does business in California or has income from California sources may elect to file a group nonresident return on the Long Form 540NR. For more information get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR. This publication includes form FTB 1067A, Nonresident Group Return Schedule, which must be attached to the front of the group Long Form 540NR. See “Where to Get Income Tax Forms and Publications” on page 58.

Military Servicemembers

Active duty military servicemember refers to FTB Pub. 1032, Tax Information for Military Personnel. See “Where to Get Income Tax Forms and Publications” on page 58.

Nonrefundable Renter's Credit Qualification Record

e-file and skip this page! The software you use to e-file will help you find out if you qualify for this credit and will figure the correct amount of the credit automatically. Visit our Website at www.ftb.ca.gov. If you were a resident of California for at least six months in 2004 and paid rent on property in California which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions below to see if you qualify.

1. Were you a resident¹ of California for at least six full months of the tax year in 2004?

- YES** Go to the next question.
NO Stop here. You do not qualify for this credit.

2. Is your adjusted gross income from all sources on your Long or Short Form 540NR, line 17:

- \$29,955 or less if single or married filing separately; or
- \$59,910 or less if married filing jointly, head of household, or qualifying widow(er)?

- YES** Go to question 3.
NO Stop here. You do not qualify for this credit.

3. Did you pay rent, for at least half of 2004, on property (including a mobile home that you owned on rented land) in California which was your principal residence?

- YES** Go to question 4.
NO Stop here. You do not qualify for this credit.

4. Can you be claimed as a dependent by a parent, foster parent, or legal guardian in 2004?

- NO** Go to question 6.
YES Go to question 5.

5. For more than half the year in 2004, did you live in the home of the person who can claim you as a dependent?

- NO** Go to question 6.
YES Stop here. You do not qualify for this credit.

6. Was the property you rented exempt² from property tax in 2004?

- NO** Go to question 7.
YES Stop here. You do not qualify for this credit.

7. Did you claim the homeowner's property tax exemption³ anytime during 2004?

- NO** Go to question 8.
YES Stop here. You do not qualify for this credit.

8. Were you single in 2004?

- YES.** Go to question 11.
NO. Go to question 9.

9. Did your spouse claim the homeowner's property tax exemption³ anytime during 2004?

- NO.** Go to question 11.
YES. Go to question 10.

10. Did you and your spouse maintain separate residences for the entire year in 2004?

- YES.** Go to question 11.
NO. Stop here. You do not qualify for the credit.

11. Use the following chart to find the amount of your credit based on the number of full months you were a resident of and rented property in California in 2004. Enter the amount on the line below and follow the instructions below the chart.

Note: If you answered "Yes" to question 8, use the amounts for single or married filing separately.

Number of months							
	6	7	8	9	10	11	12
Single or married filing separately ⁴	\$30	\$35	\$40	\$45	\$50	\$55	\$60
Married filing jointly, head of household, or qualifying widow(er)	\$60	\$70	\$80	\$90	\$100	\$110	File Form 540

\$ _____

If this credit is the only special credit you are claiming, enter the amount on your Long or Short Form 540NR, line 40. **If you are a Long Form 540NR filer and are claiming other special credits in addition to this credit,** go to "Step 6" of the instructions on page 21 for Long Form 540NR.

Do Not Mail This Record



Fill in the street address(es) and landlord information below for the residence(s) you rented in California during 2004 which qualified you for this credit.

Street Address	City, State, and ZIP Code	Dates Rented in 2004 (From _____ to _____)
a _____	_____	_____
b _____	_____	_____

Enter the name, address, and telephone number of your landlord(s) or the person(s) to whom you paid rent for the residence(s) listed above.

Name	Street Address	City, State, ZIP Code, and Telephone Number
a _____	_____	_____
b _____	_____	_____

¹ Military personnel. If you are not a legal resident of California, you do not qualify for this credit. Your spouse may claim up to a maximum of \$60 if he or she was a resident, did not live in military housing during 2004, and is otherwise qualified.
² Property exempt from property taxes. You do not qualify for this credit if, for more than half of the year, you rented property that was exempt from property taxes. Exempt property includes most government-owned buildings, church-owned parsonages, college dormitories, and military barracks. However, if you or your landlord paid possessory interest taxes for the property you rented, then you may claim this credit.
³ Homeowner's property tax exemption. You do not qualify for this credit if you or your spouse received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse for the entire year and your spouse received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.
⁴ Married filing separate returns. If you and your spouse file separate returns, lived in the same rental property, and both qualify for this credit, one spouse may claim the full amount of this credit (\$120), or each spouse may claim half of the amount (\$60 each).

Instructions for Short 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, 2001**, and the California Revenue and Taxation Code (R&TC).

Before You Begin

You must complete your federal income tax return (Form 1040, Form 1040A, Form 1040EZ, federal TeleFile Tax Record, Form 1040NR, or Form 1040NR-EZ) before you begin your Short Form 540NR. You will use information from your federal income tax return to complete your Short Form 540NR. Be sure to complete and mail Short Form 540NR by April 15, 2005. If you cannot mail your return by the due date, see page 6 for information.

To get forms and publications referred to in these instructions, go to our Website at www.ftb.ca.gov or see "Where To Get Income Tax Forms and Publications" on page 58.



e-file! No math, fast refund, accurate return, and more! See page 5 for details.

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

Step 1 – Name and Address

If there is a label on the front of your booklet, attach the label to your completed return. Make sure that the information on your label is correct. Cross out any errors, and print the correct information. **If there is no label** on the front of your booklet, print your first name, middle initial, last name, and address in the spaces provided at the top of Short Form 540NR. See page 9, Helpful Hints, "Filing in your return."

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

Foreign Address

Enter the information in the following order: City, Country, Province/Region, and postal code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country name.

Step 1a – Social Security Number (SSN)

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

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

An Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the IRS to foreign nationals and others who have a federal tax filing requirement and do not qualify for a social security number. It is a nine-digit number that always starts with the number 9.

Step 2 – Filing Status

Line 1 through line 5 - Filing Status

See page 19, Step 2, Long Form 540NR instructions for the requirements for each of the filing statuses. Then fill in the circle on the Short Form 540NR that applies to you. **Note: If your filing status is married filing separately, you cannot file this form;** use the Long Form 540NR.

Step 2a – Residency

Please complete the residency portion by filling in all circles that apply to you by providing the applicable information.

Domicile is the place where you voluntarily establish yourself and your family, not merely for a special or limited purpose, but with a present intention of making it your true, fixed, permanent home and principal establishment. It is the place where, whenever you are absent or away, you intend to return. Get FTB Pub. 1031, Guidelines for Determining Resident Status, for more information. See "Where To Get Income Tax Forms and Publications" on page 58.

Step 3 – Exemptions

Caution: If you or your spouse are 65 or older, use the Long Form 540NR.

Line 6 – Can you be claimed as a dependent?

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

Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

No Follow the instructions on Short Form 540NR, line 7.

Yes Ignore the instructions on Short Form 540NR, line 7. Instead, enter the number shown below for your filing status:

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

Line 8 – Blind Exemptions

The first year you claim this exemption credit, you must attach a doctor's statement to the back of Short Form 540NR indicating that you or your spouse is 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 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. The persons you list as dependents must be the same persons you listed as dependents on your federal income tax return. Count the number of dependents listed and enter the total in the box on line 10. Multiply the number you entered by the pre-printed dollar amount and enter the result.

Note: If you are claiming more than five dependents, use Long Form 540NR.

Line 11 – Total Exemptions

Add lines 7-10 and enter the total amount of all exemptions – personal, blind, and dependent.

Step 4 – Taxable Income

Refer to your completed federal income tax return to complete "Step 4." If your total income is more than \$100,000, you cannot file this form, use the Long Form 540NR.

Line 12 – Total California Wages

Enter the total amount of your California wages from your Form(s) W-2. This amount is reported in box 16 of Form W-2.

Line 14 – California Adjustments To Income

California does not tax unemployment compensation or Paid Family Leave benefits. Enter the unemployment compensation or Paid Family Leave Insurance from federal Form(s) 1099-G. This type of income is not taxed by California and should not be included in the total for line 14. Enter the amount of any unemployment compensation or Paid Family Leave benefits shown on your federal TeleFile Tax Record, line D; Form 1040EZ, line 3; Form 1040A, line 13; Form 1040, line 19; or Form 1040NR, line 20.

If you have interest income from U.S. Obligations, U.S. Treasury Bills, Notes, Bonds, or other sources that is taxable for federal purposes and exempt for state purposes, you cannot file this form. File the Long Form 540NR.

Military Pay Adjustment

Compensation for military service of a servicemember domiciled outside of California is exempt from California tax. It is excluded from adjusted gross income from all sources. If you are an active duty military member domiciled outside of California, you may claim an adjustment for your active duty military pay.

To claim your adjustment, write "MPA" on the dotted line to the left of line 14. Add this amount to any unemployment compensation and/or paid Family Leave benefits and enter on line 14. You will also exclude this amount from adjusted gross income on line 21. Please attach a copy of your W-2, reflecting your military compensation to your return.

Line 18 – California Standard Deduction

Find the standard deduction for your filing status in the left margin on Short Form 540NR. Did you fill in the circle on line 6? If yes, use the California Standard Deduction Worksheet for Dependents on page 20. If no, use the standard deduction amount for your filing status in the left margin.

Step 5 – California Taxable Income



e-file and you won't have to do the math. Go to our Website at www.ftb.ca.gov.

Line 20 – Tax on total Taxable Income

Figure the tax on the amount on line 19 (see California tax table that begins on page 53). Be sure to use the correct filing status and taxable income amount.

Note: To automatically figure or to verify your tax, visit our Website at www.ftb.ca.gov.

Please follow instructions on Long Form 540NR line 20, on page 20, to compute your tax if your taxable income is over \$81,750.

Line 21 – California Adjusted Gross Income (If married filing jointly, each spouse reports income based on his or her residency status)

Full-year nonresident – Enter your California wages from Form W-2, box 16.

Part-year resident – Enter your:

- California wages from Form W-2, box 16;
- Non-California wages received while you were a California resident from Form W-2, box 16; and
- Interest income received while you were a California resident

Full-year resident – Enter your:

- California and non-California wages from all your Forms W-2, box 16, and
- All of your interest income.

Line 22a – CA Standard Deduction Percentage

Divide the California Adjusted Gross Income (line 21) by the total Adjusted Gross Income (line 17). **If more than 1, enter 1.0000.**

Line 22b – CA Prorated Standard Deduction

Multiply the standard deduction (line 18) by the CA Standard Deduction Percentage (line 22a).

Line 22c – CA Taxable Income

Subtract CA Prorated Standard Deduction (line 22b) from CA Adjusted Gross Income (line 21).

Line 23 – CA Tax Rate

Divide the tax on total taxable income (line 20) by taxable income (line 19).

Line 24 – CA Tax Before Exemption Credits

Multiply CA Taxable Income (line 22c) by the CA Tax Rate (line 23).

Line 25 – CA Exemption Credit Percentage

Divide the California Taxable Income (line 22c) by Total Taxable Income (line 19). This percentage does not apply to the Nonrefundable Renter's Credit, Other State Tax Credit, or credits that are conditional upon a transaction occurring wholly within California. **If more than 1, enter 1.0000.**

Line 26 – CA Prorated Exemption Credits

Multiply line 11 by line 25.

Line 27 – CA Regular Tax Before Credits

Subtract CA Prorated Exemption Credits (line 26) from CA Tax Before Exemption Credits (line 24).

Step 6 – Credits

Line 40 – Nonrefundable Renter's Credit

If you paid rent on your principal California residence in 2004, you may be eligible for a credit to reduce your tax. See page 12 to find out if you qualify.

You may be eligible for the California refundable child and dependent care expenses credit. If you qualify for the credit, you must file the Long Form 540NR. See page 25, line 51 through line 54 for more information.

Step 8 – Payments

Line 47 – Income Tax Withheld

Enter your total California income tax withheld from your Form(s) W-2, box 17.

Step 9 – Overpaid Tax Or Tax Due

Line 58 – Overpaid Tax

If line 47 is larger than line 46, subtract line 46 from line 47.

Line 59 – Tax Due

If line 47 is less than line 46, subtract line 47 from line 46.

Step 10 – Contributions

You may make contributions to the funds listed on Short Form 540NR, Side 2, Step 10. For a description of the funds, see pages 26 and 27.

Line 73 – Total Contributions

Add line 61 through line 72. Enter the result on line 73. If you did not make any contributions, do not enter an amount on line 73. If you show an amount on line 58, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 59, you must add the amount you contribute to your tax due.

Note: If you have tax due and choose to make a voluntary contribution, it will increase the amount that you owe.

Step 11 – Refund or Amount You Owe

Line 74 – Refund or No Amount Due

If you did not enter an amount on line 73, enter the amount from line 58. If the amount is less than \$1, attach a written request to your Short Form 540NR to receive the refund.

If you entered an amount on line 73, subtract that amount from the amount on line 58. If the result is zero or more, enter the amount on line 74. If the result is less than zero, your contributions are more than your overpaid tax available on line 58. In this case, do not enter an amount on line 74. Enter the result on line 75 and see the instructions for line 75.

Line 75 – Amount You Owe

If you entered an amount on line 73, add line 59 and line 73. Otherwise, enter the amount from line 59. This is the amount you owe with your Short Form 540NR. Make your check or money order for this amount, or see "Paying Your Taxes" on page 59.

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

Step 13 – Direct Deposit (Refund Only)

Direct Deposit of Refund

Direct Deposit is fast, safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Short Form 540NR, Side 2, Step 13. Please be sure to fill in all the appropriate boxes. **Do not** attach a voided check or deposit slip. See the illustration on page 28.

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.

Note: If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. If one spouse does not pay the tax, the other spouse may have to pay. See Innocent Spouse Relief on page 57.

If you pay a person to prepare your return, that person must sign on Side 2 and include his or her social security number, (or PTIN) or FEIN. 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. For information about **Power of Attorney**, visit our Website at www.ftb.ca.gov.

California Nonresident or Part-Year Resident Income Tax Return 2004

Short Form

FORM **540NR** C1 Side 1

Step 1

Place label here or print

Name and Address

Your first name	Initial	Last name	P AC A R RP
If joint return, spouse's first name	Initial	Last name	
Present home address — number and street, PO Box or rural route		Apt. no.	PMB no.
City, town, or post office (If you have a foreign address, see instructions, page 13)		State	ZIP Code

Step 1a

Your SSN or ITIN	Spouse's SSN or ITIN
<input type="text"/>	<input type="text"/>

IMPORTANT:
Your SSN or ITIN is required.

Step 2

Filing Status

Fill in only one.

- 1 Single
- 2 Married filing jointly (even if only one spouse had income)
- 4 Head of household (with qualifying person). STOP. See instructions, page 19.
- 5 Qualifying widow(er) with dependent child. Enter year spouse died _____.

Step 2a

Residency

- State of residence
Yourself _____ Spouse _____
- Dates of California residency
Yourself from _____ to _____
Spouse from _____ to _____
- Active duty military – State of domicile
Yourself _____ Spouse _____

Step 3

Exemptions

Enclose, but do not staple, any payment.

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

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

7 **Personal:** If you filled in 1 or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see instructions, page 13 7 X \$85 = \$ _____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 8 X \$85 = \$ _____

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

Dependent Exemptions

_____ Total dependent exemptions 10 X \$265 = \$ _____

11 **Exemption amount:** Add line 7 through line 10 11 \$ _____

Step 4

Total Taxable Income

Standard Deduction

Single, \$3,165
Married filing jointly, Head of household, or Qualifying widow(er), \$6,330

12 Total California wages from all your Form(s) W-2, box 16 12 _____

13 Enter federal adjusted gross income from Form 1040, line 36; Form 1040A, line 21; Form 1040EZ, line 4; TeleFile Tax Record, line 1; Form 1040NR, line 34; or Form 1040NR-EZ, line 10 13 _____

14 Unemployment compensation and military pay adjustment. See instructions, page 13 14 _____

17 Adjusted gross income from all sources. Subtract line 14 from line 13 17 _____

18 **Standard deduction** for your filing status (see the left margin). If you filled in the circle on line 6, see instructions, page 14 18 _____

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

Step 5

California Taxable Income

Attach a copy of your Form(s) W-2.

Also, attach any Form(s) 1099 showing California tax withheld.

20 Tax on the amount shown on line 19 20 _____

21 CA adjusted gross income. Add wages from line 12 and California taxable interest (Form 1099, box 1). Military servicemembers see line 14 instructions, page 13 21 _____

22a CA Standard Deduction Percentage. Divide line 21 by line 17. If more than 1, enter 1.0000 22a _____

22b CA Prorated Standard Deduction. Multiply line 18 by line 22a 22b _____

22c CA Taxable Income. Subtract line 22b from line 21. If less than zero, enter -0- 22c _____

23 CA Tax Rate. Divide line 20 by line 19 23 _____

24 CA Tax Before Exemption Credits. Multiply line 22c by line 23 24 _____

25 CA Exemption Credit Percentage. Divide line 22c by line 19. If more than 1, enter 1.0000 25 _____

26 CA Prorated Exemption Credits. Multiply line 11 by line 25. If the amount on line 13 is more than \$100,000, stop here and use Long Form 540NR. 26 _____

27 CA Regular Tax Before Credits. Subtract line 26 from line 24. If less than zero, enter -0- 27 _____

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visit our Website:

www.ftb.ca.gov

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visit our Website:

www.ftb.ca.gov

Instructions for Long 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, 2001**, and the California Revenue and Taxation Code (R&TC).

Before You Begin

You must complete your federal income tax return (Form 1040, Form 1040A, Form 1040EZ, federal TeleFile Tax Record, Form 1040NR, or Form 1040NR-EZ) before you begin your Long Form 540NR. You will use information from your federal income tax return to complete your Long Form 540NR. Be sure to complete and mail Long Form 540NR by April 15, 2005. If you cannot mail your return by the due date, see page 51 for information.

To get forms and publications referred to in these instructions go to our Website at www.ftb.ca.gov or see "Where To Get Income Tax Forms and Publications" on page 58.

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

e-file! No math, fast refund, accurate return and more! See page 3 for details.



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

- An active member of the United States Armed Forces or any auxiliary military branch during 2004; or
- A nonresident for the entire year and had no income from California sources during 2004.

If you filed federal Form 1040NR or Form 1040NR-EZ, you do not qualify to use the head of household or married filing jointly filing statuses. Instead, use single, married filing separately, or qualifying widow(er) filing status, whichever applies to you.

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

Note: Community property rules may apply to the division of income if you are married and file a separate return. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, and FTB Pub. 1051A, Guidelines For Married Filing Separate Returns.

If You File as Head of Household, 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 Filing Status, for more information. See "Where To Get Income Tax Forms and Publications" on page 58.

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



Step 1 – Name and Address

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

If there is no label, **print your first name, middle initial and last name, and address in the spaces provided at the top of Long Form 540NR. See Helpful Hints, "Filling in your return" on page 9.**

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

Foreign Address

Enter the information in the following order: City, Province/Region, Country and postal code. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Principal Business Activity Code

For Schedule C business filers, please enter the numeric Principal Business Activity Code from federal Schedule C, line B in the field labeled "PBA Code" in the address area.

Step 1a – Social Security Number (SSN)

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

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

An Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the IRS to foreign nationals and others who have a federal tax filing requirement and do not qualify for a social security number. It is a nine-digit number that always starts with the number 9.

Step 2 – Filing Status

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

Your filing status for California must be the same as the filing status you used on your federal income tax return. If you did not file a federal return because you did not have a federal filing requirement, use the filing status you would have used had you been required to file.



Exception for married taxpayers who file a joint federal income tax return – You may file separate California returns if either spouse was:

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Step 3 – Exemptions

Line 6 – Can be Claimed as a Dependent

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

Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

No Follow the instructions on Long Form 540NR, line 7.

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

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

Line 8 – Blind Exemptions

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

Caution: An individual who is someone else's dependent may not claim this credit.

Line 9 – Senior Exemptions

If you were 65 years of age or older by December 31, 2004*, you should claim an additional exemption credit on line 9. If you are married, each spouse 65 years of age or older should claim an additional credit. You may contribute all or part of this credit to the California Seniors Special Fund. See page 26 for information about this fund.

*If your 65th birthday is on January 1, 2005, you are considered to be age 65 on December 31, 2004.

Caution: An individual who is someone else's dependent may not claim this credit.

Line 10 – Dependent Exemptions

To claim an exemption credit for each of your dependents, write each dependent’s name and relationship to you in the space provided. If you have more than five dependents, attach a schedule. The persons you list as dependents must be the same persons you listed as dependents on your federal income tax return. Count the number of dependents listed and enter the total in the box on line 10. Multiply the number you entered by the pre-printed dollar amount and enter the result.

Line 11 – Total Exemptions

Add lines 7-10 and enter the total amount of all exemptions-personal, blind, and dependent.

Step 4 – Taxable Income

Refer to your completed federal income tax return 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 16 of Form W-2.

Line 14 – California Adjustments — Subtractions
(from Schedule CA (540NR), line 36, column B)

You must complete Schedule CA (540NR) to find the amount to enter on Long Form 540NR, line 14. Follow the instructions for Schedule CA (540NR) beginning on page 33. Enter the amount from Schedule CA (540NR), line 36, column B on Long Form 540NR, line 14.

Caution: If the amount on Schedule CA (540NR) line 36, column B is a negative number, do not transfer it to Long Form 540NR, line 14 as a negative number. Instead, transfer the number as a positive number to Long Form 540NR, line 16.

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 36, column C)

You must complete Schedule CA (540NR), to find the amount to enter on Long Form 540NR, line 16. Follow the instructions for Schedule CA (540NR) beginning on page 33. Enter the amount from Schedule CA (540NR), line 36, column C on Long Form 540NR, line 16.

Caution: If the amount on Schedule CA (540NR) line 36, column C is a negative number, do not transfer it to Long Form 540NR, line 16 as a negative number. Instead, transfer the number as a positive number to Long Form 540NR, line 14.

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 36, column D.

Line 18 – California Itemized Deductions or California Standard Deduction

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

- Itemized deductions (total itemized deductions allowed under California law); or
- Standard deduction.

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

Also, if someone else can claim you as a dependent, you may claim the greater of the standard deduction or your itemized deductions. To figure your standard deduction, see the California Standard Deduction Worksheet for Dependents on this page.

Itemized deductions. Figure your California itemized deductions by completing Schedule CA (540NR), Part III, line 37 through line 43. Enter the result on Long Form 540NR, line 18.

Note: If you did not itemize deductions on your federal income tax return but will itemize deductions for your California Long Form 540NR, first complete federal Schedule A, Itemized Deductions. Then complete Schedule CA (540NR), Part III, line 37 through line 43.

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

California Standard Deduction Chart for Most People	
Do not use this chart if your parent, or someone else, can claim you (or your spouse, if married) as a dependent on his or her tax return.	
Your Filing Status	Enter On Line 18
1 – Single	\$3,165
2 – Married filing jointly	\$6,330
3 – Married filing separately	\$3,165
4 – Head of household	\$6,330
5 – Qualifying widow(er)	\$6,330

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

California Standard Deduction Worksheet for Dependents	
Use this worksheet only if your parent, or someone else, can claim you (or your spouse, if married) as a dependent on his or her tax return.	
1. Enter your earned income from: line 1 of the “Standard Deduction Worksheet for Dependents” in the instructions for federal Form 1040; Form 1040A; or from line A of the worksheet on the back of Form 1040EZ. If you used federal TeleFile, add \$250 to the total of your wages from all Form(s) W-2, box 1 and enter the result here	1 _____
2. Minimum standard deduction	2 \$800.00
3. Enter the larger of line 1 or line 2 here	3 _____
4. Enter the amount shown for your filing status: <ul style="list-style-type: none"> • Single or married filing separately, enter \$3,165 • Married filing jointly, head of household, or qualifying widow(er), enter \$6,330 	4 _____
5. Standard deduction. Enter the smaller of line 3 or line 4 here and on Long Form 540NR, line 18	5 _____

Step 5 – California Taxable Income

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

Line 20 – Tax

 **Tip** e-file and you won’t have to do the math. Go to our Website at www.ftb.ca.gov.

To figure your tax on the amount on line 19, use one of the following methods and fill in the matching circle on line 20:

- **Tax Table.** To prevent possible delays in processing your return or refund, be sure to enter the correct tax amount on this line. To automatically figure your tax or to verify your tax calculation, use our online tax calculator by visiting our Website at www.ftb.ca.gov. To figure your tax yourself, follow these instructions.

If your taxable income is \$81,750 or less, use the tax table beginning on page 53. Be sure you use the correct filing status column.

If your total taxable income on line 19 is **over \$81,750**, figure your 2004 tax using the worksheet on the following page.

1. Enter your taxable income from Long Form 540NR, line 19.	1.	
2.	2.	- 81,750
3. Subtract line 2 from line 1. Enter the result here.	3.	
4.	4.	x .093
5. Multiply line 3 by line 4. Enter the result here. Note: If the result was not a whole number, round it to the nearest dollar. For information on rounding, see "Filing in your return" on page 9	5.	
6. Enter the amount for your filing status: • Single or married filing separately \$5,627 • Married filing jointly or qualifying widow(er) with dependent child \$3,651 • Head of household \$4,502	6.	
7. 2004 Tax. Add line 5 and line 6. Enter the result here and on Long Form 540NR, line 20.	7.	

- **FTB 3800.** Generally, you must use form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate Long Form 540NR for your child who was under age 14 on January 1, 2005, and who had more than \$1,600 of investment income. Attach form FTB 3800 to the child's Long Form 540NR.
- **FTB 3803.** If, as a parent, you elect to report your child's interest and dividend income of \$8,000 or less (but not less than \$800) on your return, complete form FTB 3803, Parents' Election to Report Child's Interest and Dividends. You must file a separate form FTB 3803 for each child whose income you elect to include on your Long Form 540NR. Add the amount of tax, if any, from each form FTB 3803, line 9, to the amount of your tax from the tax table or tax rate schedules and enter the result on Long Form 540NR, line 20. Attach form(s) FTB 3803 to your return.

Line 21 – California Adjusted Gross Income

You must complete Schedule CA (540NR), line 44 to determine your California adjusted gross income. Follow the instructions for Schedule CA (540NR) beginning on page 33. Enter on Long Form 540NR, line 21 the amount from Schedule CA (540NR), line 44.

Line 22 – CA Taxable Income

Enter the amount from Schedule CA 540NR, line 48.

Line 23 – CA Tax Rate

Divide the tax on total taxable income (line 20) by total taxable income (line 19).

Line 24 – CA Tax Before Exemption Credits

Multiply CA Taxable Income (line 22) by the CA Tax Rate (line 23).

Line 25a – CA Exemption Credit Percentage

Divide the California Taxable Income (line 22) by Total Taxable Income (line 19). This percentage does not apply to the Nonrefundable Renter's Credit, Other State Tax Credit, or credits that are conditional upon a transaction occurring wholly within California. **If more than 1, enter 1.0000.**

Line 25b – CA Prorated Exemption Credits

Use your exemption credits to reduce your tax. If your federal adjusted gross income (AGI) on line 13 is more than the amount for your filing status, your credits will be limited.

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

Single or married filing separately	\$139,921
Married filing jointly or qualifying widow(er)	\$279,846
Head of household	\$209,846

Yes Complete the AGI Limitation Worksheet below.

No Multiply line 11 by line 25a.

AGI Limitation Worksheet

a Enter the amount from Long Form 540NR, line 13	a _____
b Enter the amount for your filing status on line b: • Single or married filing separately \$139,921 • Married filing jointly or qualifying widow(er) \$279,846 • Head of household \$209,846	b _____
c Subtract line b from line a	c _____
d Divide line c by \$2,500 (\$1,250 if married filing separately). Note: If the result is not a whole number, round it to the next higher whole number	d _____
e Multiply line d by \$6	e _____
f Add the numbers from the boxes on Long Form 540NR, line 7, line 8, and line 9 (not the dollar amounts)	f _____
g Multiply line e by line f	g _____
h Enter the total dollar amount for line 7, line 8, and line 9	h _____
i Subtract line g from line h. If zero or less enter -0-	i _____
j Enter the number from the box on Long Form 540NR, line 10 (not the dollar amount)	j _____
k Multiply line e by line j	k _____
l Enter the dollar amount (that you filled in) from Long Form 540NR, line 10	l _____
m Subtract line k from line l. If zero or less, enter -0-	m _____
n Add line i and line m. Enter the result here	n _____
o Multiply the amount on line n by the CA Exemption Credit Percentage on Form 540NR, line 25a. Enter the result here and on Form 540NR, line 25b	o _____

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

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

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

Step 6 – Special Credits and Nonrefundable Renter's Credit

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

To figure and claim most credits, you must complete a separate form or schedule and attach it to your Long Form 540NR. The Credit Chart on page 24 describes the credits and provides the name, credit code, and number of the required form or schedule. Many credits are limited to a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by tentative minimum tax (TMT). Answer the following questions before you claim credits on your tax return.

1. Do you qualify to claim the nonrefundable renter's credit? (See page 12.)
Check **Yes** or **No**, then go to Question 2.
2. Are you claiming any other special credit listed in the Credit Chart on page 24?

No If you checked "Yes" for Question 1 and entered an amount on Long Form 540NR, line 40, go to line 42. If you checked "No" for Question 1, skip to the instructions for line 43.

Yes Figure your credit using the form, schedule, worksheet, or certificate identified in the Credit Chart. Then go to Box A, on page 22 to see if the total amount you may claim for all credits is limited by TMT. If you checked "Yes" for Question 1, be sure that you entered your nonrefundable renter's credit on line 40.

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

- Accelerated depreciation in excess of straight-line;
- Intangible drilling costs;
- Depletion;
- Circulation expenditures;
- Research and experimental expenditures;
- Mining exploration/development costs;
- Amortization of pollution control facilities;
- Income/loss from tax shelter farm activities;
- Income/loss from passive activities;
- Income from long-term contracts using the percentage of completion method;
- Pass-through AMT adjustment from an estate or trust reported on Schedule K-1 (541); or
- Excluded gain on the sale of qualified small business stock.

Yes Get and complete Schedule P (540NR).
No Go to Box B.

Box B – Did you claim or receive any of the following:

- Investment interest expense;  **226**
- Income from incentive stock options in excess of the amount reported on your return; or  **225**
- Income from installment sales of certain property.

Yes Get and complete Schedule P (540NR).
No Go to Box C.

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

- Single or head of household \$192,963
- Married filing jointly or qualifying widow(er) \$257,284
- Married filing separately \$128,641

Yes Get and complete Schedule P (540NR).
No Your credits are not limited. Go to the instructions for the Long Form 540NR, line 37, on page 23.

Carryovers: If you claim a credit with carryover provisions and the amount of the credit available this year exceeds your tax, you may carry over any excess credit to future years until the credit is used (unless the carryover period is a fixed number of years). If you claim a credit carryover from an expired credit, use form FTB 3540, Credit Carryover Summary, to figure the amount of the credit.

If you need to complete Schedule P (540NR) and if you claim any of the credits on line 31 through line 34, do not enter an amount on line 31 through line 34. Instead, enter the total amount of these credits from Schedule P (540NR), Part III, Section A1, line 4 and Section B1, line 13 through line 15, on Long 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 — Code 170

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

You may claim a credit if you were unmarried at the end of 2004 (or if married, you lived apart from your spouse for all of 2004 and you used the married filing separately filing status); and if you furnished more than one-half the household expenses for your home that also served as the main home of your child, step-child, or grandchild for at least 146 days but not more than 219 days of 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 below to figure this credit.

1. Subtract line 11 from line 20 on Long form 540NR and enter the result here	1	_____
2. Enter the amount from Long Form 540NR, line 26 ...	2	_____
3. Add line 1 and line 2	3	_____
4. Credit percentage — 30%	4	x <u>.30</u>
5. Credit amount. Multiply line 3 by line 4. Enter on this line the result or \$337, whichever is less. Enter this amount on line 31 of the Long Form 540NR, Side 2	5	_____

NOTE: If your filing status is: _____ Federal AGI is more than: _____
 Single or married filing separately \$139,921

If your AGI is greater than the Federal AGI based on your filing status above, subtract line n from the AGI Limitation Worksheet on page 21 from line 20 of the Long Form 540NR and enter this amount on line 1 of the worksheet above to calculate your credit.

Line 32 – Credit for Dependent Parent — Code 173

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

You may claim this credit only if:

- You were married at the end of 2004 and you used the married filing separately filing status;
- Your spouse was not a member of your household during the last six months of the year; and
- You furnished over one-half the household expenses for your dependent mother or father, whether or not she or he lived in your home.

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

Enter on this line the result or \$337, whichever is less. Enter this amount on line 32 of the Long Form 540NR, Side 2.

Line 33 – Credit for Senior Head of Household — Code 163

You may claim this credit if you:

- Were 65 years of age or older on December 31, 2004*;
- Qualified as a head of household in 2002 or 2003 by providing a household for a qualifying individual who died during 2002 or 2003; and
- Did not have adjusted gross income over \$54,730 for 2004.

*If your 65th birthday is on January 1, 2005, you are considered to be age 65 on December 31, 2004.

Note: If you meet all the conditions listed, you do not need to qualify to use the head of household filing status for 2004 in order to claim this credit.

Use the worksheet below to figure this credit.

1. Enter the amount from Long Form 540NR, line 19 ...	1	_____
2. Credit percentage — 2%	2	x <u>.02</u>
3. Credit amount. Multiply line 1 by line 2. Enter on this line the result or \$1,031, whichever is less. Enter this amount on line 33 of the Long Form 540NR, Side 2	3	_____

Line 34 – Credit for Long-Term Care — Code 214

Enter the amount from form FTB 3504, Part II, line 4.

To get form FTB 3504, Long-Term Care Credit, see "Where To Get Income Tax Forms and Publications" on page 58.

Line 36 – Credit Percentage and Credit Amount

Complete the worksheet below to compute your credit percentage and the allowable prorated credit to enter on line 36. If you completed Schedule P (540NR), see this page for the instructions right above the Line 31 instructions.

Part I – Credit Percentage

1. Divide Long Form 540NR, line 22 by line 19. Enter the result here and on Long Form 540NR, line 36a **1** _____

Part II – Credit Amount

Credit for Joint Custody Head of Household

1. Enter the amount from Long Form 540NR, line 31 **1** _____
2. Credit Percentage from Part I, line 1 **2** x _____
3. Multiply line 1 by line 2 **3** _____
4. **Enter the lesser of the amount from line 3 or \$337** **4** _____

Credit for Dependent Parent

5. Enter the amount from Long Form 540NR, line 32 **5** _____
6. Credit Percentage from Part I, line 1 **6** x _____
7. Multiply line 5 by line 6 **7** _____
8. **Enter the lesser of the amount on line 7 or \$337** **8** _____

Credit for Senior Head of Household

9. Enter the amount from Long Form 540NR, line 33 **9** _____
10. Credit Percentage from Part I, line 1 **10** x _____
11. Multiply line 9 by line 10 **11** _____
12. **Enter the lesser of the amount on line 11 or \$1,031** **12** _____

Credit for Long-Term Care

13. Enter the amount from Long Form 540NR, line 34 **13** _____
14. Credit Percentage from Part I, line 1 **14** x _____
15. Multiply line 13 by line 14 **15** _____
16. **Enter the lesser of line 13 or line 15** **16** _____

Total Prorated Credits

17. Add line 4, line 8, line 12, and line 16. Enter the result here and on Long Form 540NR, line 36 **17** _____

Line 37 through Line 39 – Additional Special Credits

Each credit has a code number. To claim only one or two credits, enter the credit name, code number, and amount of the credit on line 37 and line 38. To claim more than two credits, get Schedule P (540NR). See “Where To Get Income Tax Forms and Publications” on page 58. List two of the credits on line 37 and line 38. Enter on line 39 the total of any remaining credits from Schedule P (540NR).

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

Credit for Child Adoption Costs — Code 197

For the year in which an adoption decree or an order of adoption is entered (e.g. adoption is final), you may claim a credit for 50% of the cost of adopting a child who was both:

- A citizen or legal resident of the United States, and
- In the **custody** of a California public agency or a California political subdivision.

You may treat a prior unsuccessful attempt to adopt a child (even when the costs were incurred in a prior year) and a later successful adoption of a different child as one effort when computing the cost of adopting the child. You may include the following costs if directly related to the adoption process:

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

Note:

- This credit does not apply when a child is adopted from another country or another state, or who was not in the custody of a California public agency or a California political subdivision.
- 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 following worksheet to figure this credit. If more than one adoption qualifies for this credit, complete a separate worksheet for each adoption. The maximum credit is limited to \$2,500 per minor child.

1. Enter qualifying costs for the child **1** _____
2. Credit percentage — 50% **2** x .50
3. Credit amount. Multiply line 1 by line 2.
Do not enter more than \$2,500 **3** _____

Your allowable credit is limited to \$2,500 for 2004. You may carry over the excess credit to future years until the credit is used.

Line 40 – Nonrefundable renter’s credit

Go to the instructions for “Step 6” on page 21.

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 step.

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:

- \$68,610 married filing jointly or qualifying widow(er); or
- \$51,457 single or head of household; or
- \$34,303 married filing separately.

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

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

Get Schedule P (540NR) for more information. See “Where To Get Income Tax Forms and Publications” on page 58.

Line 45 – Other Taxes and Credit Recapture

If you received an early distribution of a qualified retirement plan and were required to report additional tax on your federal return, you may also be required to report additional tax on your California tax return. Get FTB 3805P, Additional taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts. If you are required to report additional tax, report it on line 45 and write form FTB 3805P to the left of the amount.

If you used form(s) FTB 3501, Employer Child Care Program/Contribution Credit; FTB 3508, Solar or Wind Energy System Credit; FTB 3535, Manufacturers’ Investment Credit; FTB 3805Z, Enterprise Zone Deduction and Credit Summary; FTB 3806, Los Angeles Revitalization Zone (LARZ) Deduction and Credit Summary; FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary; FTB 3808, Manufacturing Enhancement Area Credit Summary; or FTB 3809, Targeted Tax Area Deduction and Credit Summary; include the additional tax, if any, on line 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, 593-B, and 594 before you begin this step.

If you received wages and do not have a Form W-2, see page 10, Question 2.

Line 47 – California Income Tax Withheld

Enter the total California income tax withheld from your Form(s):

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

(Continued on page 25)

CREDIT CHART

e-file at www.ftb.ca.gov

Credit Name	Code	Description
Child Adoption – Worksheet on page 23	197	50% of qualified costs in the year an adoption is ordered
Child and Dependent Care Expenses – FTB 3506 See the instructions on page 25	None	Similar to the federal credit except that the California credit amount is based on a specified percentage of the federal credit and is refundable
Community Development Financial Institution Deposits – Certification Required	209	20% of each qualified deposit made to a community development financial institution Obtain certification from: California Organized Investment Network (COIN), Department of Insurance, 300 Capitol Mall, 16th Floor, Sacramento CA 95814 or go to www.insurance.ca.gov/docs/FS-COIN.htm
Dependent Parent – Worksheet on page 22	173	Must use married filing separately status and have a dependent parent
Disabled Access for Eligible Small Businesses – FTB 3548	205	Similar to the federal credit but limited to \$125 based on 50% of qualified expenditures that do not exceed \$250
Donated Agricultural Products Transportation – FTB 3547	204	50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations
Employer Child Care Contribution – FTB 3501	190	Employer: 30% of contributions to a qualified plan
Employer Child Care Program – FTB 3501	189	Employer: 30% of cost for establishing a child care program or constructing a child care facility
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California
Enterprise Zone Employee – FTB 3553	169	5% of wages from work in an enterprise zone
Enterprise Zone Hiring & Sales or Use Tax – FTB 3805Z	176	Business incentives for enterprise zone businesses
Farmworker Housing – Certification required	207	50% of new construction or rehabilitation costs for farmworker housing Obtain certification from: Farmworker Housing Assistance Program, California Tax Credit Allocation Committee, 915 Capitol Mall, Room 485, Sacramento CA 95814
Joint Custody Head of Household – Worksheet on page 22	170	30% of tax up to \$337 for taxpayers who are single or married filing separately, who have a child and meet the support test
Joint Strike Fighter Wages – FTB 3534	215	A percentage of qualified wages paid or incurred in California in connection with the construction of a joint strike fighter.
Joint Strike Fighter Property Costs – FTB 3534	216	10% of the cost of property placed in service in California for ultimate use in a joint strike fighter
Local Agency Military Base Recovery Area (LAMBRA) Hiring & Sales or Use Tax – FTB 3807	198	Business incentives for LAMBRA
Long-Term Care – FTB 3504	214	\$500 multiplied by the number of qualifying individuals
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Manufacturing Enhancement Area (MEA) Hiring – FTB 3808	211	Percentage of qualified wages paid to qualified disadvantaged individuals
Natural Heritage Preservation – FTB 3503	213	55% of the fair market value of any qualified contribution of property donated to the state, any local government, or any nonprofit organization designated by a local government.
Nonrefundable Renter's — See page 21	None	For California residents who paid rent for their principal residence for at least 6 months in 2004 and whose AGI does not exceed a certain limit
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California
Prior Year Alternative Minimum Tax – FTB 3510	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 2004
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Rice Straw – Certification required	206	\$15 per ton of purchased rice straw grown in California Obtain certification from: Rice Straw Tax Credit Program, Department of Food and Agriculture, 1220 N Street, Room A-244, Sacramento, CA 95814 or go to www.cdfa.ca.gov
Senior Head of Household – Worksheet on page 22	163	2% of taxable income up to \$1,031 for seniors who qualified for head of household in 2002 or 2003 and whose qualifying individual died during 2002 or 2003
Solar or Wind Energy System – FTB 3508	217	The lesser of 7.5% of the cost paid or incurred for the purchase and installation of a Solar or Wind Energy System or the dollar amount per rated watt of the Solar or Wind Energy System
Targeted Tax Area (TTA) Hiring & Sales or Use Tax – FTB 3809	210	Business incentives for TTA businesses
Teacher Retention Credit – FTB 3505	212	This credit is suspended for taxable years 2004 and 2005.

Repealed Credits: The expiration dates for these credits have passed. However, these credits had carryover provisions. You may claim these credits only if there is a carryover available from prior years. If you are not required to complete Schedule P (540NR), get form FTB 3540, Credit Carryover Summary, to figure your credit carryover to future years. See "Where To Get Income Tax Forms and Publications" on page 58.

Agricultural Products	175	Energy Conservation	182	Residential Rental & Farm Sales	186
Commercial Solar Electric System	196	Los Angeles Revitalization Zone (LARZ)		Ridesharing	171
Commercial Solar Energy	181	Hiring & Sales or Use Tax	159	Salmon & Steelhead Trout Habitat Restoration	200
Employee Ridesharing	194	Low-Emission Vehicles	160	Solar Energy	180
Employer Ridesharing: Large employer	191	Manufacturers' Investment	199	Solar Pump	179
Small employer	192	Orphan Drug	185	Water Conservation	178
Transit passes	193	Political Contributions	184	Young Infant	161
		Recycling Equipment	174		

Caution: Do not include city or county tax withheld or tax withheld by other states. Do not include nonresident or real estate withholding from Form(s) 592-B, 593-B, or 594 on this line. See line 48. If you had California tax withheld and did not receive a Forms W-2 or 1099, contact the entity that paid the income.

If you received Form(s) 1099-MISC or 1099-R showing California income tax withheld, include the amount(s) withheld in the total on line 47 and attach a copy of the Form(s) 1099 to your return.

The Franchise Tax Board verifies all withholding claimed from Forms W-2, W-2G, 1099-MISC, and 1099R with the Employment Development Department (EDD).

Generally, tax should not be withheld on Form 1099-MISC. If you want to pre-pay tax on income reported on Form 1099-MISC, you may use Form 540-ES, Estimated Tax for Individuals.

Line 48 – Nonresident Withholding

If you were a nonresident who received California source income or sold California real estate, enter the total California tax withheld from your Form(s) 592-B, 593-B, or 594 (Nonresident Withholding Tax Statement, Real Estate Withholding Tax Statement, or Notice to Withhold Tax at Source, respectively). Attach a copy of Form(s) 592-B, 593-B, or 594, to the lower front of Long Form 540NR, Side 1.

Caution: Do not include withholding from other forms on this line. If you had California income tax withheld and did not receive Form 592-B, 593-B, or 594, contact the entity that paid the income.

Line 49 – 2004 CA Estimated Tax

Enter the total of any:

- California estimated tax payments you made (Form 540-ES) for 2004;
- Overpayment from your 2003 California income tax return that you applied to your 2004 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 nonconsenting nonresident (NCNR) tax, write "LLC" on the dotted line to the left of the amount on line 49, and attach Schedule K-1 (568) with the amount of the NCNR tax claimed.

If you and your spouse paid joint estimated taxes but are now filing separate income tax returns, either of you may claim the entire amount paid, or you may each claim part of the joint estimated tax payments. If you want the estimated tax payments to be divided, notify the FTB before you file the tax returns so the payments can be applied to the proper account. The FTB will accept in writing, any divorce agreement (or court ordered settlement) or a statement showing the allocation of the payments along with a notarized signature of both taxpayers. The statements should be sent to:

JOINT ESTIMATED CREDIT ALLOCATION M.S. F-225
 TAXPAYER SERVICES CENTER
 FRANCHISE TAX BOARD
 PO BOX 942840
 SACRAMENTO, CA 94240-0040

Note: To view your payments, go to www.ftb.ca.gov and click on "Check account balance."

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

Line 50 – Excess California SDI (or VPD) Withheld

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

- You had **two or more** California employers during 2004;
- You received more than \$68,829 in wages; and
- The amounts of SDI (or VPD) withheld appear on your Forms W-2. Be sure to attach your Forms W-2 to your Long Form 540NR.

If SDI or VPD was withheld from your wages by a single employer, at a rate of more than 1.18%, you may not claim excess SDI (or VPD) on your Long Form 540NR. Contact the employer for a refund.

To determine the amount to enter on line 50, complete the Excess SDI (or VPD) Worksheet below. If married filing jointly, figure the amount of excess SDI (or VPD) separately for each spouse.

Excess SDI (or VPD) Worksheet		
	You	Your Spouse
1. Add amounts of SDI (or VPD) withheld shown on your Form(s) W-2. Enter the total here 1		
2. 2004 SDI (or VPD) limit 2	\$812.18	\$812.18
3. Excess SDI (or VPD) withheld. Subtract line 2 from line 1. Enter the results here. Combine the amounts on line 3 and enter the total on Long form 540NR, line 50 3		
Note: If zero or less, enter -0- on line 50.		

Line 51 through line 54 – Child and Dependent Care Expenses Credit

You may be able to claim this credit if you paid someone to care for your child under the age of 13, other dependent who is physically or mentally incapable of caring for him or herself, or spouse if physically or mentally incapable of caring for him or herself. Your federal adjusted gross income must be less than \$100,000 or less. You must complete and attach form FTB 3506, Child and Dependent Care Expenses Credit.

The care must have been provided in California. You must have California-sourced income (wages earned working in California or self-employment income from California business activities).

Line 51 and line 52

Enter the qualifying person's social security number. Do not enter more than one qualifying person's social security number on line 51 or line 52 from form FTB 3506, Part III, line 2. If you have more than two qualifying persons, see the instructions for form FTB 3506, Part III, line 2.

Line 53

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

Line 54

Enter the credit allowed from form FTB 3506, Part III, line 12 (do not round this amount). See "Where To Get Income Tax Forms and Publications" on page 58.

Step 9 – Overpaid Tax or Tax Due

Note: If you received a refund for 2003, you may receive a Form 1099-G, Certain Government and Qualified State Tuition Program Payments. The refund amount reported on your Form 1099-G will be different from the amount shown on your tax return if you claimed the Child and Dependent Care Expenses Credit. This is because the credit is not part of the refund from withholdings or estimated tax payments.

To avoid a delay in the processing of your return, be sure you enter the correct amounts on line 56 through line 59.

Line 56 – Overpaid Tax

If the amount on line 55 is more than the amount on line 46, subtract the amount on line 46 from the amount on line 55. Enter the result on line 56. Your payments and credits are more than your tax.

Line 57 – Amount You Want Applied to Your 2005 Estimated Tax

You may apply all or part of the amount on line 56 to your estimated tax for 2005. Enter on line 57 the amount of line 56 you want applied to 2005. An election to apply an overpayment against estimated tax is

binding. Once the election is made, the overpayment cannot be used against a deficiency after the due date of the return.

Line 58 – Overpaid Tax Available This Year

If you entered an amount on line 57, subtract it from the amount on line 56. Enter the result on line 58. You may have this entire amount refunded to you or you may make contributions to the California Seniors Special Fund or make other voluntary contributions from this amount. If you make a contribution, skip line 59 and go to the instructions for “Step 10” below.

Line 59 – Tax Due

If the amount on line 55 is less than the amount on line 46, subtract the amount on line 55 from the amount on line 46. Enter the result on line 59. 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 59 is \$200 or more (\$100 or more if married filing separately); and
- The amount of state income tax withheld on line 47 is less than 90% of the amount of your total tax on line 46.

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

Step 10 – Contributions

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 58, the amount you contribute must be subtracted from your overpaid tax available. If you have tax due on line 59, your total contributions must be added to your tax due.

Line 60 – Contribution to California Seniors Special Fund

If you and/or your spouse are 65 years of age or older and claim the Senior Exemption Credit on line 9, you may make a combined total contribution of up to \$170 or \$85 per spouse. Contributions entered on line 60 will be distributed to the Area Agency of Aging Councils (TACC) to provide advice on and sponsorship of Senior Citizen issues. Any excess contributions not required by TACC will be distributed to senior citizen service organizations throughout California for meals, adult day care, and transportation.

Use the worksheet below to figure your contribution.

1. If you contribute, enter \$85; if you and your spouse contribute, enter \$170 **1** _____
2. Enter the ratio from Long Form 540NR, line 25a **2** _____
3. Contribution amount. Multiply line 1 by line 2. Enter the result (rounded to the nearest whole dollar) here **3** _____

You may contribute any amount up to the amount on line 3. Enter your contribution on line 60.

Voluntary Contributions

You may make voluntary contributions of \$1 or more in whole dollar amounts for line 60 to line 72. The amount you contribute either reduces your overpaid tax or increases your tax due. You may contribute only to the funds listed and cannot change the amount you contributed after you file your return.

Line 61 – Alzheimer’s Disease/Related Disorders Fund

Contributions entered on line 61 will be used to conduct a program for researching the cause and cure of Alzheimer’s disease and related disorders and research into the care and treatment of persons suffering from dementing illnesses.

Line 62 – California Fund for Senior Citizens

Contributions entered on line 62 will provide support for the California Senior Legislature (CSL). The CSL are volunteers who prioritize statewide senior related legislative proposals in areas of health, housing, transportation, and community services. Any excess contributions not required by the CSL will be distributed to senior citizen service organizations throughout California.

Line 63 – Rare and Endangered Species Preservation Program

Contributions entered on line 63 will be used to help protect and conserve California’s many threatened and endangered species and the wild lands that they need to survive, for the enjoyment and benefit of you and future generations of Californians.

Line 64 – State Children’s Trust Fund for the Prevention of Child Abuse

Contributions entered on line 64 will be used to fund programs for the prevention, intervention, and treatment of child abuse and neglect.

Line 65 – California Breast Cancer Research Fund

Contributions entered on line 65 will fund research toward preventing and curing breast cancer. Breast cancer is the most common cancer to strike women in California. It kills 4,000 California women each year. Contributions also fund research on prevention and better treatment, and keep doctors up to date on research progress. For more about the research your contributions support, please see our Website at www.ucop.edu/srphome/bcrpf/. Your contribution can help make breast cancer a disease of the past.

Line 66 – California Firefighters’ Memorial Fund

Contributions will be used for the repair and maintenance of the California Firefighters’ Memorial on the grounds of the State Capitol, ceremonies to honor the memory of fallen firefighters and to assist surviving loved ones, and for an informational guide detailing survivor benefits to assist the spouses and children of fallen firefighters.

Line 67 – Emergency Food Assistance Program Fund

Contributions entered on line 67 will help local food banks feed California’s hungry. Your contribution will fund the purchase of much-needed food for delivery to food banks, pantries, and soup kitchens throughout the state. The state Department of Social Services will monitor its distribution to ensure the food is given to those most in need.

Line 68 – California Peace Officer Memorial Foundation Fund

Contributions entered on line 68 will permit the Foundation to preserve the memory of our fallen comrades by maintaining a Memorial on State Capitol grounds, and updating it annually to memorialize officers killed in the line of duty each year. Beginning with California statehood, peace officers have laid their lives on the line to protect law-abiding citizens. Since then, over 1,300 courageous peace officers have fallen in the line of duty. The California Peace Officer Memorial Foundation is a non-profit charitable organization committed to honoring those heroes by assisting their survivors by offering moral support, counseling, and financial support, including academic scholarships for the children of those officers who have made the supreme sacrifice. On behalf of all of us and the law-abiding citizens of California, we thank you for your participation.

Line 69 – Asthma and Lung Disease Research Fund

Contributions entered on line 69 will support the American Lung Association of California’s scientific peer-reviewed research program that provide grants to develop and advance the understanding and causes of lung disease, the third leading cause of death. Find out more at www.californialung.org.

Line 70 – California Missions Foundation Fund

Contributions will be used to restore and repair the Spanish colonial and mission era missions in this state and to preserve the artworks and artifacts of these missions.

Line 71 – California Military Family Relief Fund

Contributions on line 71 will be used to provide financial aid grants to members of the California National Guard who are California residents, and have been called to active duty.

Line 72 – California Prostate Cancer Research Fund

Contributions on line 72 will be used to further the research of Prostate Cancer.

Line 73 – Total Contributions

Add line 60 through line 72. Enter the result on line 73. If you show an amount on line 58, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 59, 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 74 – Refund or No Amount Due

If you did not enter an amount on line 73, enter the amount from line 58 on line 74. This is the amount that will be refunded to you. If it is less than \$1, you must attach a written statement to your Long Form 540NR requesting the refund. To have your refund directly deposited into your bank account, see Step 13, Direct Deposit (Refund Only) on page 28.

If you entered an amount on line 73, subtract it from the amount on line 58. If the result is zero or more, enter it on line 74. Then skip to the instructions for line 76 on this page.



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If the result is less than zero, your contributions are more than your overpaid tax available on line 58. In this case, do not enter an amount on line 74. Instead, enter the result on line 75 and see the instructions for line 75.

Want a fast refund? Get your refund in 10 days or less when you e-file your return!

Line 75 – Amount You Owe

If you did not enter an amount on line 73, enter the amount from line 59 on line 75. This is the amount you owe with your Long Form 540NR.

If you entered an amount on line 73, add that amount to the amount on line 59. Enter the result on line 75. This is the amount you owe with your Long Form 540NR.

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

Do not combine your 2004 tax payment and any 2005 estimated tax payment in the same check. You must prepare two separate checks and mail each in a separate envelope.

Payment Options

- **Electronic Funds Withdrawal** – Instead of paying by check you can use this convenient option if you e-file. Simply provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.
- **Web Pay** – Enjoy the convenience of online bill payment with Franchise Tax Board's Web Pay. This secure online service lets you pay the current amount you owe, as well as any future payments or bills. Go to www.ftb.ca.gov and follow the Quick Link to "Payment options." Log on using your social security number and your current customer service number.
- **Check or Money Order** – 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 "2004 Long Form 540NR" on your check or money order. **Enclose, but do not staple, any payment to your return.** A penalty may be imposed if your check is returned by your bank for insufficient funds.

Note: If you enter an amount on line 76 or line 77, see the instructions for line 78 for information about how to prepare your check.

- **Credit Card** – Whether you e-file or file by mail, you can use your Discover/Novus, MasterCard, Visa, or American Express card to pay your personal income taxes (tax return balance due, extension payment, estimated tax payment, or tax due with bill notice). If you pay by credit card, do not mail form FTB 3519 to us. Call (800) 272-9829 or visit our Website at www.officialpayments.com, and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.

Convenience Fee

- 2.5% of the tax amount charged (rounded to the nearest cent)
- Minimum fee: \$1

Example: Tax Payment = \$753.56 Convenience Fee = \$18.84

When will my payments be effective?

Your payment is effective on the date you charge it.

What if I change my mind?

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

How do I use my credit card to pay my income tax bill?

Once you have determined the type of payment and how much you owe, you should have the following information ready:

- Your Discover/Novus, MasterCard, Visa, or American Express card
- Credit card number
- Expiration date
- Amount you are paying
- Your and your spouses' SSN (or ITIN)
- First 4 letters of your and your spouse's last name
- Tax year
- Home phone number
- ZIP Code for address where your monthly credit card bill is sent
- FTB Jurisdiction Code: 1555

Go to the Official Payments Corp. Website www.officialpayments.com and select Payment Center, or use the toll-free number at (800) 2PAY-TAX or (800) 272-9829. Follow the recorded instructions. Official Payments Corp. will tell you the convenience fee before you complete your transaction. You can decide whether to complete the transaction at that time.

Payment Date : _____ Confirmation Number: _____

If you cannot pay the full amount shown on line 75 with your return, you may request monthly payments. See page10, Question 4.

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 56 or increase the amount on line 59 by any penalty or interest amounts.

Line 76 – Interest and Penalties

Enter on line 76 the amount of interest and penalties.

Interest. Interest will be charged on any late filing or late payment penalty from the original due date of the return to the date paid. In addition, if other penalties are not paid within 15 days, interest will be charged from the date of the billing notice until the date of payment. Interest compounds daily and the interest rate is adjusted twice a year.

Late Filing of Return. The maximum total penalty is 25% of the tax not paid if the return is filed after October 17, 2005. 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 1/2% 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 77 – Underpayment of Estimated Tax

You may be subject to an estimated tax penalty if any of the following is true:

- Your withholding and credits are less than 90% of your current tax year liability,
- Your withholding and credits are less than 100% of your prior year tax liability (110% if AGI > \$150,000 or \$75,000 MFS),
- You did not pay enough through withholding to keep the amount you owe with your return under \$200.

Is line 59 less than \$200 (\$100 if married filing separately)?

Yes - Stop, you are not subject to an estimated payment penalty.

No - You may be subject to an estimate payment penalty.

Is line 59 less than 10% of the amount on line 43 (excluding the tax on lump-sum distributions on line 26)?

Yes - Stop, you are not subject to an estimate penalty.

No - You may be subject to an estimate payment penalty, see 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 77 and fill in the correct circle on line 77. You must complete and attach the form if you claim a waiver, use the annualized income installment method, or pay tax according to the schedule for farmers and fishermen, even if you do not owe a penalty.

See "Important due dates" on page 6 for more information on how to avoid the penalty.

Note: There will be a waiver of penalties imposed for the underpayment of tax with respect to any law enacted during the 2004 tax year. To request a waiver of underpayment of estimated tax penalty, get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries. See "Where To Get Tax Forms and Publications" on page 58.

Line 78 – Total Amount Due

Is there an amount on line 75?

Yes Add line 75, line 76, and line 77. Enter the result here and make your check or money order for this amount.

No Go to the next question.

Is there an amount on line 74?

Yes Add line 76 and line 77. If the result is:

- Less than line 74, your refund will be reduced by this amount when your return is processed. Do not enter an amount on line 78.
- More than line 74, subtract line 74 from it and enter the result. Make your check or money order for this amount.

No Add line 76 and line 77, enter the result, and make your check or money order for this amount.

Line 79 – 2005 Tax Forms

If your Long Form 540NR is prepared by someone else, or if you do not need forms mailed to you next year, fill in the circle on line 79.

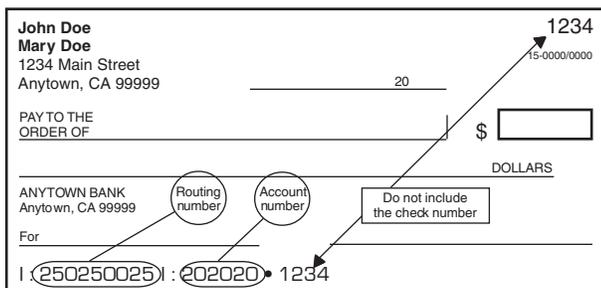
Step 13 — Direct Deposit (Refund Only)

It's fast, safe, and convenient to have your refund directly deposited into your bank account.

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

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

Caution: Do not attach a voided check or deposit slip to your return.



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

Sign Your Return

You must sign your return in the space provided on Side 2. If you file a joint return, your spouse must sign it also.

Joint Return. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other spouse may have to pay the tax due. See Innocent Spouse Relief, on page 57.

Paid Preparer's Information. If you pay a person to prepare your Long Form 540NR, that person must sign and complete the area at the bottom of Side 2 including an identification number (social security number, FEIN, or PTIN). 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.

Power of Attorney. Although another person may have prepared your return, he or she is not automatically granted access to your tax information in future dealings with us. At some point, you may wish to designate someone to act on your behalf in matters related or unrelated to this tax return (e.g., an audit examination). To protect your privacy, you must submit to us a legal document called a "Power of Attorney" authorizing another person to discuss or receive personal information about your income tax records.

For more information, get form FTB 1144 (pamphlet) and FTB 3520 (POA form), available at www.ftb.ca.gov. See "Where To Get Income Tax Forms and Publications" on page 58.

Check Your Social Security Number (or ITIN). Make sure that you have written your social security number(or ITIN) in the spaces provided at the top of Long Form 540NR in "Step 1a." If you file a joint return, make sure they are entered in the same order as both names.

Forms(s) W-2, W-2G, 1099, 592-B, 593-B, and 594 : Make sure to staple all the Form(s) W-2 and W-2G you received to the front of your return where it says "Attach copy of your Form(s) W-2 and W-2G." Also, attach any Form(s) 1099, 592-B, 593-B, and 594 showing California income tax withheld.

If you cannot get a copy of your Form W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. See "Where To Get Income Tax Forms and Publications" on page 58.

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

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

See page 9, Helpful Hints, "Assembling your return" for more information.

Mailing Addresses

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

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0002

If you owe, mail your return to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

California Nonresident or Part-Year Resident Income Tax Return 2004

Long Form

FORM **540NR** C1 Side 1

Fiscal year filers only: Enter month of year end: month _____ year 2005.

Step 1

Place label here or print

Name and Address

Your first name	Initial	Last name	PBA Code
If joint return, spouse's first name	Initial	Last name	
Present home address — number and street, PO Box, or rural route		Apt. no.	PMB no.
City, town, or post office (If you have a foreign address, see instructions, page 19)		State	ZIP Code

Step 1a

SSN or ITIN

Your SSN or ITIN	Spouse's SSN or ITIN
------------------	----------------------

IMPORTANT:
Your SSN or ITIN is required.

Step 2

Filing Status

Fill in only one.

- Single
- Married filing jointly (even if only one spouse had income)
- Married filing separately. Enter spouse's social security number above and full name here _____
- Head of household (with qualifying person). STOP. See instructions, page 19.
- Qualifying widow(er) with dependent child. Enter year spouse died _____.

Step 3

Exemptions

Enclose, but do not staple, any payment.

- If your parent (or someone else) can claim you (or your spouse, if married) as a dependent on his or her tax return, even if he or she chooses not to, fill in this circle **6**
- For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.
- Personal:** If you filled in 1, 3, or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see instructions, page 19 **7** X \$85 = \$ _____
- Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 **8** X \$85 = \$ _____
- Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 **9** X \$85 = \$ _____
- Dependents:** Enter name and relationship. **Do not include yourself or your spouse.** _____ Total dependent exemptions **10** X \$265 = \$ _____
- Exemption amount:** Add line 7 through line 10 **11** \$ _____

Step 4

Total Taxable Income

Standard Deduction

Single or Married filing separately, \$3,165

Married filing jointly, Head of household, or Qualifying widow(er), \$6,330

- Total California wages from all your Form(s) W-2, box 16 **12** _____
- Enter federal adjusted gross income from Form 1040, line 36; Form 1040A, line 21; Form 1040EZ, line 4; TeleFile Tax Record, line I; Form 1040NR, line 34; or Form 1040NR-EZ, line 10 **13** _____
- California adjustments – subtractions. Enter the amount from Schedule CA (540NR), line 36, column B **14** _____
- Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions, page 20 **15** _____
- California adjustments – additions. Enter the amount from Schedule CA (540NR), line 36, column C **16** _____
- Adjusted gross income from all sources. Combine line 15 and line 16 **17** _____
- Enter the **larger of:** Your California **itemized deductions** from Schedule CA (540NR), line 42; **OR** Your California **standard deduction** (see left margin). See instructions, page 20 **18** _____
- Subtract line 18 from line 17. This is your **total taxable income**. If less than zero, enter -0- **19** _____

Step 5

California Taxable Income

Attach copy of your Form(s) W-2, W-2G, 592-B, 593-B, and 594.

Also attach any Form(s) 1099 showing California tax withheld.

- Tax on the amount shown on line 19. Fill in the circle if from: Tax Table FTB 3800 or FTB 3803 **20** _____
- Caution:** If under age 14 and you have more than \$1,600 of investment income. See inst., page 21.
- CA adjusted gross income from Schedule CA (540NR), Part IV, line 44 **21** _____
- CA Taxable Income from Schedule CA (540NR), Part IV, line 48 **22** _____
- CA Tax Rate. Divide line 20 by line 19 **23** _____
- CA Tax Before Exemption Credits. Multiply line 22 by line 23 **24** _____
- CA Exemption Credit Percentage. Divide line 22 by line 19. If more than 1, enter 1.0000 **25a** _____
- CA Prorated Exemption Credits. Multiply line 11 by line 25a. If the amount on line 13 is more than \$139,921, see instructions, page 21. **25b** _____
- CA Regular Tax Before Credits. Subtract line 25b from line 24. If less than zero, enter -0- **25c** _____
- Tax. Fill in circle if from: Schedule G-1, Tax on Lump-Sum Distributions Form FTB 5870A, Tax on Accumulation Distribution of Trusts **26** _____
- Add line 25c and line 26. Continue to Side 2 **27** _____

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Instructions for Schedule CA (540NR)

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

What's New?

The California legislature enacted SB 615 (Stats. 2004.CH.388), which makes California law compatible with the Servicemembers Civil Relief Act (Public Law 108-189). This means that servicemembers domiciled outside of California and their spouses may exclude the member's military compensation from gross income when computing the tax rate on nonmilitary income.

Requirements for military servicemembers domiciled in California remain unchanged. Military servicemembers domiciled in California must include their military pay in total income. In addition, they must include their military pay in California source income when stationed in California. However, military pay is not California source income when a servicemember is permanently stationed outside of California.

Amended Returns – If you are an active duty military member domiciled outside California and you included your military compensation in income from all sources, you may file an amended return for tax years with an open statute of limitations. Get FTB Publication 1032, Tax Information for Military Personnel and Form 540X, Amended Individual Income Tax Return, for additional information.

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2001. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information regarding California and federal law, please visit our Website at www.ftb.ca.gov and select "Law and Legislation." Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

Note, the instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

Differences between California and federal law.

California law does not conform to federal law for:

- Rebates or vouchers received from a local water agency, energy agency, or energy supplier. This includes a rebate, voucher, or other financial incentive from the California Energy Commission, the Public Utility Commission, or a local publicly owned electric utility company for any expenses paid or incurred by a taxpayer for the purchase or installation of a thermal, solar or wind energy fuel generating system.
- Interest deduction allowed for interest paid on any loan or indebtedness from a utility company to purchase energy efficient equipment and products for California residents.
- Net Operating Losses - Pierce's disease.
- The additional 30% or 50% first year depreciation allowance for qualified property.
- Educator Expense or the Tuition and Fees deduction.
- Certain business expenses of performing artists and fee-basis government officials.
- Student loan interest deduction.
- Clean Air Fuel first year use deduction. Report this adjustment on line 35, Column B as part of your total subtractions.
- Health Savings Account.
- The tax incentives for "renewal communities." California law does, however, provide a variety of independent area tax incentives to encourage revitalization of specially designated areas. The Government Code provides for the designation of Enterprise Zones, Local Agency Military Base Recovery Areas (LAMBRAs), a Targeted Tax Area (TTA), and Manufacturing Enhancement Areas (MEAs). California law conforms to the general federal rules for expensing IRC Section 179 property with the exception that California law allows a maximum deduction of \$25,000. In lieu of this deduction, the Personal Income

Tax Law allows a taxpayer with a business in an "Economic Development Area" to elect to expense \$20,000 to \$40,000 (depending on the designation) of certain specified equipment used in the business.

- The increased IRC Section 179 expense. Although federal law increased the IRC Section 179 expense to \$102,000, the maximum deduction amount under California law is \$25,000.
- Exemption of interest on any bond or other obligation issued by the Government of American Samoa.

California law is the same as federal law in the following areas:

Self-employed health insurance deduction. The percentage for 2004 is 100%.

Roth IRAs. The contribution rules and distribution rules are the same.

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

Charitable Contributions for 2004 Tsunami Disaster. Recently enacted federal law allows a 2004 charitable contribution deduction for contributions made through January 31, 2005 Tsunami Disaster. As of March 11, 2005, California law now conforms to federal law with regards to the 2004 Tsunami Disaster contributions. If you filed your California return prior to March 11, 2005 and reported the charitable contribution for the 2004 Tsunami disaster as a negative amount on line 40 on Schedule CA (540NR), use Form 540X, Amended Individual Income Tax Return, and report the negative amount as a positive amount on line 2e, column B.

Purpose

Use this schedule to determine your California taxable income by doing the following:

- Identify the domiciles and also, current and past residency information.
- Enter the amounts of income and deductions reported on your federal income tax return.
- Adjust the income and deductions reported on your federal return for differences in California and federal law.
- Determine the portion of income reported on your federal return that was earned or received while you were a California resident.
- Determine the portion of income reported on your federal return that was earned or received from California sources while you were a nonresident.
- Determine your allowable standard deduction or itemized deductions.

Part-Year Residents – Complete the Part-Year Resident Worksheet on page 8 to determine the amounts to enter on line 7 through line 22a, column E.

Avoid common mistakes on this schedule.

Column A – Copy the amounts from your federal return. Note: Using the (a) amounts on line 9 and the (b) amounts on lines 15,16, and 20, use the line (b) amounts from your federal return. Form 1040, line 36, should equal Long Form 540NR, line 13, federal AGI.

Column B (line 7 - line 21) – Subtract income that is not taxable to a California resident such as California lottery winnings and social security benefits. **Do not use column B to deduct** income that was earned while a nonresident of California or from sources outside of California. There **must** be a difference in tax law. Generally, if a California resident cannot subtract the income in column B, a nonresident or part-year resident may not subtract the income in column B either.

Column C (line 7 - line 21) – Add income that was not taxed on your federal return but is taxable to a California resident such as foreign income or interest/dividends from non-California municipal bonds.

Column D – Combine the columns (column A - column B + column C). Line 36, column D, should equal Long Form 540NR, line 17. The amounts in this column represent income earned from all sources as if you were a California resident, after applying California and federal law differences.

Column E – Enter all income from all sources while you were a resident of California and income from California sources while you were a nonresident. Enter on line 44 the amount from Schedule CA (540NR), line 36.

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, enter “N/A” on the line for the answer. For more information get:

- FTB Pub. 1031, Guidelines for Determining Resident Status; and
- FTB Pub. 1032, Tax Information for Military Personnel

Line 1 – Domicile and military

If you served in the military, your state of domicile is generally the state where you were living when you first entered military service. If you were not in the military, your domicile is the place you consider your permanent home, the place to which you, whenever absent, intend to return.

Line 5 – The number of days I spent in California

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

If you are married filing separately under either exception described in the instructions for Long Form 540NR, 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 federal Form 1040, line 7 through line 21; Form 1040A, line 7 through line 14b; Form 1040EZ, line 1, line 2, and line 3; or Form 1040NR, line 8 through line 21 for the same types of income.

If you used Form 1040A, refer to line 11a, line 12a, and line 14a. 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 federal Form 1040, line 22; Form 1040A, line 15; Form 1040EZ, line 4; or Form 1040NR, line 23.

Line 22b – Balance Carried Forward

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

Line 23 through Line 33

Enter the same amounts you entered on federal Form 1040, line 23 through line 33; Form 1040A, line 16 through line 19; or Form 1040NR, line 24 through line 32.

Line 34a and Line 34b

Enter on line 34a the same amount you entered on federal Form 1040, line 34a. Enter on line 34b the social security number and full name of the person to whom you paid alimony.

Line 35

Add line 23 through line 34a. This amount should be the same as the amount on federal Form 1040, line 35; Form 1040A, line 20; or Form 1040NR, line 33. However, if you made any of the adjustments described in the instructions for federal Form 1040, line 35, or if you claimed the foreign housing deduction from federal Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion, enter the amount from Form 1040, line 35 on this line.

If you used Form 1040NR and reported an amount on Form 1040NR, line 32 for excluded scholarship and fellowship grants, enter the amount from Form 1040NR, line 33 on this line.

Line 36 – Total

Subtract line 35 from line 22b. This amount should be the same as the amount on Long Form 540NR, line 13; federal Form 1040, line 36; Form 1040A, line 21; Form 1040EZ, line 4; or Form 1040NR, line 34.

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 on line 7 through line 35 as positive numbers.

Do not deduct income that was earned while you were a nonresident of California or from sources outside of California. There **must** be a difference in tax law. Generally, if a California resident cannot subtract the income in column B, a nonresident or part-year resident may not subtract income from column B.

Note: If you are a nonresident alien, use column B and column C to adjust federal AGI 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 FTB publications to complete column B and column C:

- 1001, Supplemental Guidelines to California Adjustments;
- 1005, Pension and Annuity Guidelines;
- 1031, Guidelines for Determining Resident Status;
- 1032, Tax Information for Military Personnel; or
- 1100, Taxation of Nonresidents and Individuals Who Change Residency.

Go to our Website at www.ftb.ca.gov to download a publication or form or see the back cover of your tax booklet for a list of the FTB publications.

Line 7 – Wages, Salaries, Tips, etc.

Generally, you will not make any adjustments on this line. If you did not receive any of the following types of income, make no entry on this line in either column B or column C.

Military Pay Adjustment. Compensation for military service of a servicemember domiciled outside of California is exempt from California tax. It is excluded from adjusted gross income from all sources. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

If you are an active duty military member domiciled outside of California, you may claim an adjustment for your active duty military pay.

To claim your adjustment, write “MPA” to the left of column A and enter the amount of your active duty military pay in column B. You will also exclude this amount from column E. Please attach a copy of your W-2, reflecting your military compensation, to your return.

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.

Ride-sharing fringe benefit differences. Under federal law qualified transportation benefits are excluded from gross income. Under the California Revenue and Taxation Code, there are no monthly limits for the exclusion of these benefits and California’s definitions are more expansive. Enter the amount of ridesharing benefits received and included in federal income on line 7, column B.

Foreign Income. If you excluded income exempted by U.S. tax treaties on your federal Form 1040 (unless specifically exempt for state purposes), enter the excluded amount in column C. If you claimed foreign earned income or housing cost exclusion on your federal Form 1040 (under IRC Section 911), see the instructions for line 21.

Exclusion for compensation from exercising a California Qualified Stock Option (CQSO). To claim this exclusion, your earned income from the corporation granting the CQSO must be \$40,000 or less; the market value of the options granted to you must be \$100,000 or less; the total number of shares must be 1,000 or less; and the corporation issuing the stock must designate that the stock issued is a California qualified stock option at the time the option is granted. If you included in federal income an amount qualifying for this exclusion, enter that amount in column B.

Exclusion for Medical Expenses. California allows an exclusion from gross income for employer-provided accident, health insurance, and

medical expense reimbursement for registered domestic partners and that partner's dependents if they were not previously deducted. Self-employed individuals may also claim a deduction for health insurance costs paid for themselves, their spouses, and dependents. In addition, self-employed individuals may also claim this deduction for health insurance costs paid for their registered domestic partner and the domestic partner's dependents. For the deductible health insurance costs that were reported as income on your federal return, enter this amount in column B.

Employer-Provided Adoption Assistance Exclusion – With regard to adoption of children with special needs, California has not conformed to the federal provisions providing for a potential increase in the exclusion for the year in which the adoption becomes final or the limitation based upon the aggregate amount paid in all years. For more information, get form FTB 5123, Employer Provided Adoption Assistance Exclusion, or FTB Pub. 1001, Supplemental Guidelines to California Adjustments (2004).

Line 8 – Taxable Interest Income

If you did not receive any of the kinds of income listed below, do not make an entry on this line in either column B or column C. Otherwise, enter in column B, the interest that you received from:

- U.S. saving bonds (except for interest from series EE U.S. savings bonds issued after 1989 that qualified for the Education Savings Bond Program exclusion);
- U.S. Treasury Bills, notes, and bonds; or
- Any other bonds or obligations of the United States and its territories; and

Enter in column C, the interest you identified as tax-exempt interest on your federal Form 1040 (or Form 1040A), line 8b or Form 1040NR, line 9b; **and** which you received from:

- Non-California state bonds;
- Non-California municipal bonds issued by a county, city, town, or other local government unit;
- Obligations of the District of Columbia issued after December 27, 1973; and
- Non-California bonds if the interest was passed through to you from S corporations, trusts, partnerships, or Limited Liability Companies (LLCs).
- Interest on any bond or other obligation issued by the Government of American Samoa.

Interest or other earnings from a Health Savings Account (HSA) are not treated as tax deferred. Interest or earnings in an HSA are taxable in the year earned.

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, or grants paid to low-income individuals.

Get FTB Pub. 1001 if you received interest income from the following sources:

- Loans made in an enterprise zone (EZ), or the former Los Angeles Revitalization Zone (LARZ); or
- Items listed above passed through to you from S corporations, trusts, partnerships, or LLCs.

Line 9 – Ordinary dividends

Generally, you will not have a difference between the amount of dividends reported in Column A and the amount reported using California law. However, California taxes dividends that are derived from other states and their municipal obligations. In addition, certain mutual funds pay "exempt-interest dividends". If the mutual fund has at least 50% of its assets invested in tax-exempt U.S. obligations and/or in California or its municipal obligations, that amount of dividend is exempt from California tax. The proportion of dividends that are tax-exempt will be shown on your annual statement or statement issued with Form 1099.

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 controlled foreign corporation;

- Distribution of pre-1987 earnings from S corporations; or
- Undistributed capital gains for regulated investment company (RIC) shareholders.

Line 10 – Taxable refunds, credits, or offsets of state and local income taxes

California does not tax the state income tax refund you received in 2004. Enter in column B, the amount of state tax refund you entered in column A.

Line 11 – Alimony Received

If you are a nonresident alien and received alimony that was not included in your federal income, enter the alimony on this line in column C. Otherwise, make no entry on this line.

Line 12 – Business Income or (Loss)

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 basis you use to figure California depreciation may be different from the amount used for federal purposes. Adjustments are figured on form FTB 3885A, Depreciation and Amortization Adjustments, and are most commonly necessary because of the following:

- **Before January 1, 1987**, California did not allow depreciation under the federal accelerated cost recovery system. You must continue to figure California depreciation for those assets in the same manner as prior years.
- **On or after January 1, 1987**, California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. Refer to the bulleted list below.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 12 if you have:

- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule C.

Use form FTB 3885A to figure the total adjustment for line 12 if you have:

- Only nonpassive activities which produce either gains or losses (or a combination of gains and losses); or
- Passive activities that produce gains.

Get FTB Pub. 1001 for more information about:

Income related to:

- Business, trade, or profession carried on within California that is an integral part of a unitary business carried on both within and outside California; or
- Pro-rata share of income received from a controlled foreign corporation by a U.S. shareholder.

Basis adjustments related to:

- Property acquired prior to becoming a California resident;
- Sales or use tax credit for property used in an EZ, Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or former LARZ;
- Reduced recovery periods for fruitbearing grapevines replaced in a California vineyard on or after 1/1/92 as a result of phylloxera infestation or on or after 1/1/97 as a result of Pierce's disease;
- Expenditures for tertiary injectants;
- Property placed in service on an Indian reservation after 1/1/94, and before 12/31/03;
- Amortization of pollution control facilities;
- Discharge of real property business indebtedness;
- Employer-paid child care program;
- Employer-paid child care plan;
- Vehicles used in an employer-sponsored ridesharing program;
- An enhanced oil recovery system;
- Joint Strike Property Costs;
- The cost of making a business accessible to disabled individuals;
- Property for which you received an energy conservation subsidy from a public utility on or after 1/1/95, and before 1/1/97; or
- Research and experimental expenditures.

Business expense deductions related to:

- Wages paid in an EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA;

- Certain employer costs for employees who are also enrolled members of Indian tribes;
- Abandonment or tax recoupment fees for open-space easements and timberland preserves;
- Business located in an EZ, LAMBRA, or TTA;
- Research expense;
- Employer wage expense for the Work Opportunity Credit and Welfare-to-Work Credit;
- Pro-rata share of deductions received from a controlled foreign corporation by a U.S. shareholder;
- Interest paid on indebtedness in connection with company-owned life insurance policies;
- Premiums paid on life insurance policies, annuities or endowment contracts issued after 6/8/97 where the owner of the business is directly or indirectly a policy beneficiary.

Line 13 – Capital Gain or (Loss)

Generally, you will not make an adjustment on this line. However, the California basis of the assets listed below may be different from the federal basis due to differences between California and federal laws. If there are differences, use Schedule D (540NR), California Capital Gain or Loss Adjustment, to calculate the amount to enter on line 13. Such differences will arise from:

- Gain on the sale of qualified small business stock which qualifies for the gain exclusion under IRC Section 1202;
- Basis amounts resulting from differences between California and federal law in prior years;
- Gain or loss on stock and bond transactions;
- Installment sale gain reported on form FTB 3805E, Installment Sale Income;
- Gain on the sale of personal residence where depreciation was allowable;
- Flow-through gain or loss from partnerships, fiduciaries, S corporations, or LLCs;
- Capital loss carryover from your 2003 California Schedule D (540NR); or

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;
- Undistributed capital gain for RIC shareholders;
- Gain or loss on the sale of property inherited before 1/1/87; or
- Capital loss carrybacks.

Line 14 – Other Gains or (Losses)

Generally, you will not make any adjustments on this line. However, the California basis of your other assets may not be the same as the federal basis due to differences between California and federal law. Therefore, you may have to adjust the amount of other gains or losses. Get Schedule D-1, Sales of Business Property.

Line 15 – Total IRA Distributions

Beginning with tax year 2002, calculate your IRA basis as if you were a California resident for all prior years. Generally, you will not make any adjustments on this line. However, there may be significant differences in the taxable amount of a distribution (including a distribution from conversion of a traditional IRA to a Roth IRA) depending on when you made your IRA contributions. California did not conform to the \$2,000 or 100% of compensation annual contribution limit permitted under federal law from 1982 through 1986. During these years, California limited the deduction to the lesser of 15% of compensation or \$1,500 and disallowed a deduction altogether to individuals who were active participants in qualified government plans. Any amount an individual contributed in excess of California deduction limits during these years creates a basis in the IRA.

Get FTB Pub. 1005 for more information and worksheets for figuring the adjustment to enter on this line, if any.

Coverdell ESA formerly known as Education (ED) IRA. If column A includes a taxable distribution from an ED IRA, you may owe additional tax on that amount. Get form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts. Report only the taxable amount of the distribution on line 21f.

Line 16 – Total Pensions and Annuities

Generally, you will not make any adjustments on this line. However, if you received tier 2 railroad retirement benefits or partially taxable distributions from a pension plan, you may need to make the 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.

Caution: You may have to pay an additional tax if you received a taxable distribution from a qualified retirement plan before reaching age 59½ and the distribution was not rolled over into another qualified plan. See Long Form 540NR instructions, line 45; or Form 3805P, Additional Taxes on Qualified Plans (Including IRA's) and Other Tax-Favored Accounts.

Line 17 – Rental Real Estate, Royalties, Partnerships, S corporations, Trusts, etc.

You may need to adjust your federal income or loss that 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 basis you use to figure California depreciation may be different from the recovery period or amount used for federal purposes. For more information, see the instructions for Schedule CA (540NR), line 12.

Note: California law does not conform to federal law for material participation in rental real estate activities. Beginning in 1994, and for federal purposes only, rental real estate activities conducted by persons in real property businesses are not automatically treated as passive activities. Get form FTB 3801, Passive Activity Loss Limitations, for more information.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 17 if you have:

- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule E.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 17 if you have:

- Only nonpassive activities which produce either gains or losses (or a combination of gains and losses); or
- Passive activities that produce gains.

Note: LLCs that are 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, Deductions, Credits, etc. LLPs report to partners on Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc.

Get FTB Pub. 1001 for more information about accumulation distributions to beneficiaries for which the trust was not required to pay California tax because the beneficiary's interest was contingent.

Line 18 – Farm Income (Loss)

You may need to adjust the 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.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 18 if you have:

- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule F.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 18 if you have:

- Only nonpassive activities which produce either gains or losses (or a combination of gains and losses); or
- Passive activities that produce gains.

Line 19 – Unemployment Compensation

California does not tax unemployment compensation. Enter on line 19, column B, the amount of unemployment compensation shown in column A.

Paid Family Leave Insurance (PFL) benefits, also known as, Family Temporary Disability Insurance. If you received payments from the PFL Program in 2004, enter the amount reported on your Form 1099-G in column B, line 19. For additional information, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments.

Line 20 – U.S. Social Security Benefits

California does not tax U.S. social security benefits or equivalent tier 1 railroad retirement benefits. Enter in column B the amount of U.S. social security benefits or equivalent tier 1 railroad retirement benefits shown in column A.

Line 21 – Other Income**a. California Lottery Winnings**

California does not tax California lottery winnings. Enter in column B the amount of California lottery winnings included in the federal amount on line 21 in column A.

Note: Do not make an adjustment for lottery winnings from other states. They are taxable by California.

California and federal laws allow gambling losses only to the extent you report gambling income. If you reduced your gambling income for California lottery income, you may need to reduce the losses included in the federal itemized deductions on line 37. Enter these losses on line 40 as a negative number.

b. Disaster Loss Carryover from form FTB 3805V, line 6

If you have a California disaster loss carryover from your 2003 form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations, enter that amount as a positive number in column B.

c. Federal NOL Deduction from Form 1040, line 21

If the amount on line 21 in column A includes a federal NOL 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 form FTB 3805V, Part II, line 5

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.

e. NOL Deduction from FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809

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

- FTB 3805D, Net Operating Loss (NOL) Computation and Limitation – Pierce's Disease;
- FTB 3805Z, Enterprise Zone Deduction and Credit Summary, line 4b;
- FTB 3806, Los Angeles Revitalization Zone Deduction and Credit Summary, line 2b.
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary, line 4b, or
- FTB 3809, Targeted Tax Area Deduction and Credit Summary, line 3b.

f. Other (describe)

Reward from a crime hotline. Enter in column B the amount of a reward authorized by a government agency that you received from a crime hotline established by a government agency or nonprofit organization and that is included in the amount on line 21 in column A. **Note:** You may not make this adjustment if you are an employee of the hotline or someone who sponsors rewards for the hotline.

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

Beverage container recycling income. Enter in column B the amount of this type of income that you included in the amount on line 21 in column A.

Rebates or vouchers from a local water agency, energy agency, or energy supplier.

California law allows an income exclusion for rebates or vouchers from a local water agency, energy agency, or energy supplier for the purchase and installation of water conservation appliances and devices. Enter in column B the amount of this type of income that you included in the amount on line 21 in column A.

Original issue discount (OID) for debt instruments issued in 1985 and 1986. In the year of sale or other disposition, you must recognize the difference between the amount reported on your federal return and the amount reported for California purposes.

Issuers: Enter the difference between the federal deductible amount and the California deductible amount on line 21f in column B.

Holders: Enter the difference between the amount included in federal gross income and the amount included for California purposes on line 21f in column C.

Foreign income of nonresident aliens. Adjust federal income to reflect worldwide income computed under California law. Enter losses from foreign sources in column B. Enter foreign source income in column C.

Cost-share payments received by forest landowners. Enter in column B the cost-share payments received from the Department of Forestry and Fire Protection under the California Forest Improvement Act of 1978 or from the United States Department of Agriculture, Forest Service, under the Forest Stewardship Program and the Stewardship Incentives Program, pursuant to the Cooperative Forestry Assistance Act.

Compensation for False Imprisonment. California excludes compensation for false imprisonment from income. Enter the amount of compensation on line 21f, column B.

Grants paid to low-income individuals. California excludes grants paid to low-income individuals to construct or retrofit buildings to make them more energy efficient. Federal has no similar exclusion. Enter on line 21f, column B the amount of this type of income.

Vehicle License Fee (VLF) Refund. If you paid a VLF and included the fee in itemized deductions in 2003, the VLF refund received in 2004 is treated as a recovery of the amount you deducted as an itemized deduction. Generally, the amount of the refund is included in income in the year received and taxed the same by the federal and California. If the taxable amount is smaller for California than federal, enter the difference in column B, line 21f. If the taxable amount is larger for California than federal, enter the difference in column C, line 21f. For additional information, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments.

Caution: If you itemized for California in 2003 and used the standard deduction for federal, report the taxable portion of the refund in column C, line 21f. If you itemized for federal and used the standard deduction for California, the refund is not taxable for California. Enter the amount of the refund included in federal income in column B, line 21f.

Health Savings Account (HSA) Distributions for unqualified medical expense. Distributions from an HSA not used for qualified medical expenses and included in federal income, are not taxable for California purposes. Enter the distribution not used for qualified medical expenses on line 21(f), column A and B.

Coverdell (ESA) Distributions. If you received a distribution from a Coverdell ESA, you report only the taxable amount of the distribution on line 21f.

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 23 through Line 33

California law is the same as federal with the exception of the following:

- Line 23 (Educator expense), enter the amount from column A, line 23 in column B, line 23.
- Line 24 (Certain business expenses of reservists, performing artists, and fee-basis government officials), enter the amounts for this deduction in column B.

Note: If you filed a federal Form 2106, Employee Business Expense, or Form 2106-EZ, Unreimbursed Employee Business Expense, you may have an adjustment in column C.

- Line 25 (IRA deduction) – If you are an active duty military domiciled outside of California, you may have an adjustment. See line 35 instructions.
- Line 26 (Student Loan Interest Deduction), California only allows a deduction for interest required to be paid in the first 60 months. California also has a different phase out of the deduction. If you claimed the student loan interest deduction on your federal return, complete the worksheet on this page to compute the amount to enter on line 26, column B.
- Line 27 (Tuition and fees deduction), enter the amount from column A, line 27 in column B, line 27.
- Line 28 (Health Savings Account) – Federal law allows the taxpayer a deduction for contributions to an HSA account. California does not conform to this provision. Transfer the amount from column A, line 28, to column B, line 28.
- Clean Air Fuel, first year deduction (this will be included in the total for Column B on line 35).
- Line 31 (Self-Employed Health Insurance Deduction).

Student Loan Interest Deduction Worksheet		
1	Enter the total amount from Schedule CA (540NR), line 26, column A. Caution: If the amount on line 1 is zero, STOP. Enter zero on Schedule CA (540NR), line 26, column B. You are not allowed a deduction for California	1
2	Enter the total interest you paid in 2004 on qualified student loans. Do not include interest that was required to be paid after the first 60 months or interest for voluntary payments	2
3	Enter the smaller of line 2 or \$2,500	3
4	Enter the amount from 540 NR Long Form, line 13. (Note: Use federal AGI not California AGI). Exception: If you are a nonresident military service member domiciled outside of California, subtract your military compensation from your federal AGI and enter the result here)	4
5	Add line 1 and line 4	5
6	Did you file federal Form 2555, 2555-EZ, or 4563, or are you excluding income from sources within Puerto Rico or American Samoa from your federal income? No. Skip line 6a through 6d. Enter the amount from line 5 on line 7 and go to line 8. Yes. Continue to line 6a.	
a	Enter any foreign earned income exclusion (federal Form 2555, line 40 or Form 2555-EZ, line 18)	6a
b	Enter any housing exclusion and/or deduction (federal Form 2555, line 34 and line 48)	6b
c	Enter the amount of income from Puerto Rico that you are excluding from federal income	6c
d	Enter the amount of income from American Samoa that you are excluding (federal Form 4563, line 15)	6d
7	Add line 5 through line 6d	7
8	Enter the amount shown below for your filing status • Single, head of household, or qualifying widow(er) — \$40,000 • Married filing jointly — \$60,000	8
9	Is the amount from line 7 more than the amount on line 8? <input type="checkbox"/> No. Skip lines 9 and 10, enter -0- on line 11 and go to line 12. <input type="checkbox"/> Yes. Subtract line 8 from line 7	9
10	Divide line 9 by \$15,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than "1.000"	10
11	Multiply line 3 by line 10	11
12	Student loan interest deduction. Subtract line 11 from line 3. Enter the result here and on Schedule CA (540NR), line 26, column D	12
13	Student loan interest adjustment. Subtract line 12 from line 1. Enter the result here and on Schedule CA (540NR), line 26, column B	13

Line 34a – Alimony Paid

Note: Enter the social security number and last name of the person to whom you paid alimony. 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 35

Add line 23 through line 34a in column B and column C. Enter the totals on this line in the appropriate columns.

If you're an active duty military and not domiciled in California and your IRA deduction was limited because of a federal AGI limitation, recalculate your deduction excluding your active duty military pay. If the recalculated amount is larger than the amount on line 25, column A, enter the difference between the two amounts in Column C, line 35. Enter the amount and "MPA Adjustment" on the dotted line next to line 35.

If you claimed the Clean Air Fuel, first year deduction, include that amount in the total you enter in column B, line 35. Enter the amount and "Clean Air Fuel" on the dotted line next to line 35.

If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 35. Enter the amount and "Form 2555" or "Form 2555-EZ" on the dotted line next to line 35.

Line 36 – Total

Subtract line 35 from line 22b in column B and column C. Enter the totals on this line in the appropriate column. These amounts should be the same as Long Form 540NR, line 14 and line 16, respectively.

Note: In some cases the total on line 36 in column B or column C will be a negative number. Please read the caution note when you get to line 36, column E.

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 36:

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.

Line 21 – Other Income

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, 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.

The total on line 36, column D should be the same as the amount on Long Form 540NR, line 17.

Column E — California Amounts

Column E is used to show how much of the amount of income reported on Schedule CA (540NR), column D is taxable by California. The taxable amount depends on your residency status.

- **Full-year nonresident:** A nonresident is only taxed on income derived from California sources. Follow the "California Nonresident Amounts" instructions for each line below.
- **Full-year California resident:** A resident is taxed on all income from all sources, including income from sources outside California. Follow the "California Resident Amounts" instructions for each line below. **(Note:** Full-year residents only use Long Form 540NR if filing jointly with a spouse who is a nonresident or a part-year resident.)
- **Part-year resident:** A part-year resident is taxed on all income from all sources while a resident and only on income derived from California sources while a nonresident. Follow the instructions as stated in the Part-Year Resident Worksheet instructions on page 10.

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

Line 7 – Wages, Salaries, Tips, Etc.

California Resident Amounts – Enter the wages, salaries, tips, or other compensation that you received while you were a California resident. Active duty military personnel, who are domiciled in California and

stationed in California, report their military income here (get FTB Pub. 1032 for additional information).

California Nonresident Amounts – If you worked in California while you were a nonresident, enter the wages, salaries, tips, or other compensation that you received for those California services.

Line 8 – Taxable Interest Income

California Resident Amounts – Enter the interest income that you received while you were a California resident.

California Nonresident Amounts – Enter the interest income you received while you were a nonresident from an account or security that was used in a trade or business or was pledged as security for a loan, the proceeds of which were used in a trade or business located in California.

Line 9 – Ordinary Dividends

California Resident Amounts – Enter the ordinary dividends that you received while you were a California resident.

California Nonresident Amounts – Enter the ordinary dividends that you received while you were a nonresident from an account or security that was used in a trade or business or was pledged as security for a loan, the proceeds of which were used in a trade or business located in California.

Line 11 – Alimony Received

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

California Nonresident Amounts – Alimony received by a nonresident is not taxable.

Line 12 – Business Income or (Loss)

California Resident Amounts – Enter the total profits or losses (including losses allowed from passive activities) from all businesses you conducted while you were a California resident.

California Nonresident Amounts – Enter the total amount of profits or losses (including losses allowed from passive activities) from all businesses you conducted in California while you were a nonresident of California.

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 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, use the apportionment formula described in Schedule R, Apportionment and Allocation of Income.

Line 13 – Capital Gain or (Loss)

California Resident Amounts – Enter your capital gains and losses from all sources while you were a California resident.

California Nonresident Amounts – Enter your capital gains and losses from sources within California while you were a nonresident. Complete the Schedule D (540NR) Worksheet for Nonresidents and Part-Year Residents to compute this amount.

Part-Year Resident Amounts – Complete the Schedule D (540NR) Worksheet for Nonresidents and Part-Year Residents. Enter the amount from line 5, column E of that worksheet on the Part-Year Resident Worksheet, line 13, column C.

Line 14 – Other gains or (losses)

California Resident Amounts – Enter your gains and losses (including losses allowed from passive activities) from all sources while you were a resident.

California Nonresident Amounts – Enter your gains and losses from sources within California while you were a nonresident.

Line 15 – Total IRA Distributions (Taxable Amount)

California Resident Amounts – Enter the taxable portion of the IRA distributions you received while you were a California resident. Include regular distributions, premature distributions, and any other money or property you received from your IRA account or annuity.

For more information on traditional, Coverdell ESA, and Roth IRAs, get FTB Pub. 1005, Pension and Annuity Guidelines.

Note: If this amount is a premature distribution and you owed the early distribution tax on your federal return, you generally owe this tax to California. Get form FTB 3805P, Additional Taxes on Qualified Plans (including IRAs) and other Tax-Favored Accounts, to figure any additional tax due on this amount.

California Nonresident Amounts – IRA distributions received by a nonresident are not taxable.

Line 16 – Total Pensions and Annuities (Taxable Amount)

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

Note: If this amount is a premature distribution and you owed the early distribution tax on your federal return, you generally owe this tax to California. Get form FTB 3805P, Additional Taxes on Qualified Plans (including IRAs) and other Tax Favored Accounts, to figure any additional tax due on this amount.

California Nonresident Amounts – Qualified retirement distributions received by a nonresident are not taxable.

For more information, get FTB Pub. 1005, Pension and Annuity Guidelines.

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

Enter your 2004 profit or loss (including losses allowed from passive activities) from all rents, royalties, partnerships, S corporations, LLCs, estates, and trusts that accrued 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.

Your Schedule K-1 (100S, 541, 565, or 568) will indicate the amount of partnership, S corporation, estate, trust, or LLC profit or loss derived from California sources.

Note: Part-year residents must allocate income between the period of residency and the period of non-residency in a manner that reflects the actual date of realization of partnership, S corporation, and certain trust income. In the absence of information that reflects the actual date of realization, the taxpayer must allocate an annual amount on a proportional basis between the two periods, using a daily pro rata methodology. Get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency.

Line 18 – Farm Income or (Loss)

California Resident Amounts – Enter your profit or loss (including losses allowed from passive activities) from all farming activity while you were a California resident.

California Nonresident Amounts – Enter your profit or loss (including losses allowed from passive activities) for farming activity conducted in California while you were a nonresident of California.

Line 21 – Other Income

Identify the type of income reported in the space provided. If there is more than one item to report on line 21f, attach a statement that lists each item and enter the total of all individual items in 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 25 and Line 32 – IRA, Keogh, SEP, and SIMPLE Deduction

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

Example: Susan 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 25 of column E. She will have made no entry in column B or column C.

Keogh, SEP, and Simple deductions are limited to a percentage of the federal deduction.

Self-employment income reported in column E
Total self-employment income reported in column D
= California ratio

Multiply your federal deduction by the California ratio described above and enter the result on line 32, column E.

Get FTB Pub. 1005 for more information.

Line 29 – 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 29, in column E, line 29.
- Out of California in connection with your new job, enter zero on line 29.

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.

Line 30 – One-half of Self-Employment Tax

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
--	---	---

Total self-employment income reported in column A

Multiply your federal deduction by the California ratio described above and enter the result on line 30, column E.

Line 31 – 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
Total self-employment income reported in column D
= California ratio

Multiply your federal deduction on line 31, by the California ratio described above and enter the result on line 31, column E.

Line 33 – Penalty on Early Withdrawal of Savings

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

Line 34a – Alimony Paid

If you claimed a deduction in column A for alimony payments, you must first compute your California ratio:

California ratio = California AGI (line 36, col. E)
(without the alimony deduction)
Total AGI (line 36, col. D)
(without the alimony deduction)

FULL YEAR NONRESIDENT:

Multiply the federal deduction (line 34a, col. A) by the California ratio (see above) and enter the amount in col. E, line 34a.

PART-YEAR RESIDENT:

Multiply the alimony paid while a nonresident by the California ratio (see above) to determine the nonresident portion. Add this amount to the alimony paid while a resident. Enter the total in col. E, line 34a.

Line 35

Add line 23 through line 34a in column E. Enter the result on this line.

Line 36 – Total

Subtract line 35 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 line 44.

Also, transfer the amount from:

- Line 36, column B to Long Form 540NR, Side 1, line 14.
Caution: If column B is a negative number, transfer the amount as a positive number to line 16.
- Line 36, column C to Long Form 540NR, Side 1, line 16.
Caution: If column C is a negative number, transfer the amount as a positive number to line 14.
- Line 36, column E to Long Form 540NR, Side 1, line 21.

If you plan to itemize deductions, go to Part III.

Specific Line Instructions for PART III Adjustments to Federal Itemized Deductions

Line 37 – Federal Itemized Deductions

Enter the total amount of itemized deductions from your 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.

Note: If you are a nonresident military servicemember domiciled outside of California, your military pay is excluded from your federal AGI when calculating threshold limits for the following federal Schedule A, Itemized Deductions, items: medical and dental expenses, gifts to charity, casualty and theft losses, and job expenses and most other miscellaneous deductions. You will need to recalculate these amounts using the modified federal AGI amount. Subtract your military pay from your federal AGI, and then recalculate your itemized deductions using the new threshold limits. Enter the recalculated Schedule A, total itemized deductions on Schedule, CA (540NR), line 37.

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 37 through line 43. Attach a copy of federal Schedule A to your Long Form 540NR.

Line 38 – State, Local, and Foreign Income Taxes; General Sales Tax

Add the following amounts from federal Schedule A (Form 1040) and enter on line 38:

- 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.

Note: For tax years beginning in 2004 and 2005, the American Jobs Creation Act of 2004 allows taxpayers to elect to take claim and local general sales and use taxes as an itemized deduction, instead of claiming an itemized deduction for state and local income taxes. The Act gives taxpayers a choice of deducting actual taxes or a tabular amount, increased by certain actual taxes. California has not conformed to this Act. If you are deducting general sales taxes on your federal Schedule A, line 5. Enter the amount on line 38.

Line 40 – 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 Long Form 540NR, enter the amount of the adoption cost credit claimed as a negative number on line 40.

Mortgage Interest Credit

If you reduced your federal mortgage interest deduction by the amount of your mortgage interest credit (from federal Form 8396, Mortgage Interest Credit), increase your California itemized deductions by the same amount. Enter the amount of your federal mortgage interest credit as a positive number on line 40.

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 40.

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 40.

Employee Business Expenses

If you completed federal Form 2106, Employee Business Expense, or Form 2106-EZ, Unreimbursed Employee Business Expense, prepare a second set of forms reflecting the employee business expense using California amounts (e.g., following California law).

Compare lines 10 on the federal form and the form completed using California amounts. If the federal amount is larger, enter the difference as a negative number on line 40 (bracket the number). If the California amount is larger, enter the difference as a positive number on line 40.

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 40.

Interest Expense Deduction

Your California interest expense deduction may be different from your federal deduction. A deduction is allowed for interest paid on any loan or financed indebtedness from a utility company to purchase energy efficient equipment and products for California residences. Enter as a positive number on line 40.

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 40.

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 40.

Generation Skipping Transfer Tax

Tax paid on generation skipping transfers is not deductible under California law. Enter the amount of expenses shown on federal Schedule A as a negative number on line 40.

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 40.

Charitable Contribution Carryover Deduction

If you are deducting a prior year charitable contribution carryover, and the California carryover is larger than the federal carryover, enter the additional amount as a positive number on line 40.

Health Savings Account (HSA) Distributions. If you received a tax-free HSA distribution for qualified medical expenses, enter the qualified expenses paid as an adjustment to itemized deductions, on line 40, as a positive amount.

Carryover Deduction Appreciated Stock Contributed to a Private Foundation prior to 1/1/02. If you are deducting a charitable contribution carryover of appreciated stock donated to a private operating foundation made prior to 1/1/02, and the fair market value allowed for federal purposes is larger than the basis allowed for California purposes, enter the differences as a negative number on line 40.

Interest on loans from utility companies

Taxpayers are allowed a tax deduction for interest paid or incurred on a public utility company financed loan that is used to purchase and install energy efficient equipment or products, including zone-heating products for a qualified residence located in California. Federal law has no equivalent deduction. Enter the amount as a positive number on line 40.

Medical benefits paid on behalf of registered domestic partners

Taxpayer benefits are extended to include the taxpayer's registered domestic partner and their dependent(s) for medical expenses and health insurance benefits that occur on or after January 1, 2003. There is no comparable federal provision. Enter the amount as a positive number on line 40.

Claim of Right

If you had to repay an amount that you included in your income in an earlier year, because at the time you thought you had an unrestricted right to it, you may be able to deduct the amount repaid from your income for the year in which you repaid it. Or, if the amount you repaid is more than \$3,000, you may take a credit against your tax for the year in which you repaid it, whichever results in the least tax.

Note: If the amount repaid was not taxed by California, then no deduction or credit is allowed.

If you claimed a credit for the repayment on your federal return and are deducting the repayment for California, enter the allowable deduction as a positive amount on Schedule CA (540NR), line 40. Deductions of \$3,000 or less are subject to the 2% federal AGI limit. If you deducted the repayment on your federal return and are taking a credit for California, enter the amount of the federal deduction as a negative amount on Schedule CA(540NR), line 40. To help you determine whether to take a credit or deduction, see the Repayment section of federal Pub. 525, Taxable and Nontaxable Income. Remember to use the California tax rate in your computations. If you choose to take the credit instead of the deduction for California, add the credit amount on line 55, the total payment line, of the Long Form 540NR. To the left of the total, write IRC 1341 and the amount of the credit.

Line 42 – California Itemized Deductions

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

Single or married filing separately	\$139,921
Married filing jointly or qualifying widow(er)	\$279,846
Head of household	\$209,885

NO. Transfer the amount from line 41 to line 42. Do not complete the worksheet on the following page.

YES. Complete the Itemized Deductions Worksheet on the following page.

Note:

- If you are married and filed a separate return, you and your spouse must either both itemize your deductions or both take the standard deduction.
- Also, if someone else can claim you as a dependent, you may claim the greater of the standard deduction or your itemized deductions. See the "California Standard Deduction Worksheet for Dependents" on page 20 of your 2004 California 540NR Booklet to figure your standard deduction.

Specific Line Instructions for Part IV California Taxable Income

Line 46 – Deduction Percentage

Divide line 36, column E by line 36, column D. Carry the decimal to four places. This number may not be greater than 1.0000. If the result is greater than 1.0000, enter 1.0000.

Line 48 – California Taxable Income

Subtract line 47 from line 44. If less than zero, enter -0-. Enter this amount on Long Form 540NR, line 22.

Itemized Deductions Worksheet

- 1 Enter the amount from Schedule CA (540NR), line 41 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 -0-, **stop.** Enter the amount from line 1 above on Schedule CA (540NR), line 42 3 _____
- 4 Multiply line 3 by 80% (.80) 4 _____
- 5 Enter the amount from Long Form 540NR, line 13 5 _____
- 6 Enter the amount shown above for your filing status 6 _____
- 7 Subtract line 6 from line 5.
Note: If the result is -0- or less **stop.** Enter the amount from line 1 above on Schedule CA (540NR), line 42 7 _____
- 8 Multiply line 7 by 6% (.06) 8 _____
- 9 Compare the amounts on line 4 and line 8. Enter the smaller amount here 9 _____
- 10 Total itemized deductions. Subtract line 9 from line 1. Enter the result here and on Schedule CA (540NR), line 42 10 _____

Part-Year Resident Worksheet

Important: Part-year residents use this worksheet to determine the amounts to enter on Schedule CA (540NR), column E, line 7 through line 22a.

	A	B	C
	California Resident Amounts	California Nonresident Amounts	Total Combine column A and column B
	Amounts reported on Schedule CA (540NR) column D earned or received while you were a CA resident	Amounts reported on Schedule CA (540NR) column D earned or received from CA sources while you were a nonresident	Transfer amounts to Schedule CA (540NR), column E
Income			
7 Wages, salaries, tips, etc. 7			
8 Taxable interest income 8			
9 (a) Ordinary dividends. See instructions 9(a)			
10 Taxable refunds, credits, or offsets of state and local income taxes 10			
11 Alimony received 11			
12 Business income or (loss) 12			
13 (a) Capital gain or (loss). See instructions 13(a)			
14 Other gains or (losses) 14			
15 (b) Total IRA distributions. See instructions 15(b)			
16 (b) Total pensions and annuities. See instructions 16(b)			
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. See instructions 17			
18 Farm income or (loss) 18			
19 Unemployment compensation 19			
20 Social security benefits 20			
21 Other income. Identify 21			
22 a Totals: Combine line 7 through line 21 in column C. Transfer the amounts from column C, line 7 through line 22a, to Schedule CA (540NR), column E, line 7 through line 22a. 22a			

Part-Year Resident Worksheet – Part-Year residents use this worksheet to determine the amounts to enter on Schedule CA (540NR), column E, line 7 through line 22a.

Column A: For the part of the year you were a resident, follow the “California Resident Amounts” instructions. Enter the result in column A of the worksheet.

Column B: For the part of the year you were a nonresident, follow the “California Nonresident Amounts” instructions. Enter the result in column B of the worksheet.

Column C: For each line, combine column A and column B of the worksheet. Transfer the amounts in column C of the worksheet to Schedule CA (540NR), column E, line 7 through line 22a.

Important: If completing line 13 or line 17, see the part-year resident instructions for those lines.

California Adjustments — 2004 Nonresidents or Part-Year Residents

CA (540NR)

Important: Attach this schedule directly behind Long 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 2004:

Yourself

Spouse

- 1 a I was domiciled in (enter state)
- b I was in the military and stationed in (enter state or country)
- 2 I became a California resident (enter the 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 2004:

- 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

Section A — Income

	A	B	C	D	E
	Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions (difference between CA & federal law)	Additions See instructions (difference between CA & federal law)	Total Amounts Using CA Law As If You Were a CA Resident (subtract col. B from col. A; add col. C to the result)	CA Amounts (income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
7 Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7				
8 Taxable interest income	8				
9 (a) Ordinary dividends. See instructions. (b) _____	9(a)				
10 Taxable refunds, credits, or offsets of state and local income taxes. Enter the same amount in column A and column B	10				
11 Alimony received. See instructions	11				
12 Business income or (loss)	12				
13 Capital gain or (loss). See instructions.	13				
14 Other gains or (losses)	14				
15 Total IRA distributions. See instructions. (a) _____	15(b)				
16 Total pensions and annuities. See instructions. (a) _____	16(b)				
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17				
18 Farm income or (loss)	18				
19 Unemployment compensation	19				
20 Social security benefits. (a) _____	20(b)				
21 Other income. a California lottery winnings b Disaster loss carryover from FTB 3805V c Federal NOL (Form 1040, line 21) d NOL carryover from FTB 3805V e NOL from FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809 f Other (describe) _____	21	<div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 5px;">}</div> <div style="margin-right: 5px;">a _____ b _____ c _____ d _____ e _____ f _____</div> </div>	<div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 5px;">a _____ b _____ c _____ d _____ e _____ f _____</div> </div>	21	21
22 a Total: Combine line 7 through line 21 in each column. Continue to Side 2	22a				

Income Adjustment Schedule

	A	B	C	D	E
Section B — Adjustments to Income	Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions (difference between CA & federal law)	Additions See instructions (difference between CA & federal law)	Total Amounts Using CA Law As If You Were a CA Resident (subtract column B from column A; add column C to the result)	CA Amounts (income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
22 b Enter totals from Schedule CA (540NR), Side 1, line 22a, column A through column E . 22b					
23 Educator expense 23					
24 Certain business expenses of reservists, performing artists, and fee-basis government officials 24					
25 IRA deduction 25					
26 Student loan interest deduction 26					
27 Tuition and fees deduction 27					
28 Health savings account deduction 28					
29 Moving expenses 29					
30 One-half of self-employment tax 30					
31 Self-employed health insurance deduction 31					
32 Self-employed SEP, SIMPLE, and qualified plans 32					
33 Penalty on early withdrawal of savings . . 33					
34 a Alimony paid. b Enter recipient's: SSN _____ - _____ Last name _____ 34a					
35 Add line 23 through line 34a in each column, A through E 35					
36 Total. Subtract line 35 from line 22b in each column, A through E. See instructions. 36					

Part III Adjustments to Federal Itemized Deductions

37 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) 37	
38 Enter total of federal Schedule A (Form 1040), line 5 (state and local income tax and State Disability Insurance), or General Sales Tax and line 8 (foreign taxes only). See instructions 38	
39 Subtract line 38 from line 37 39	
40 Other adjustments including California lottery losses. See instructions. Specify _____ 40	
41 Combine line 39 and line 40 41	
42 Is your federal AGI (Long Form 540NR, line 13) more than the amount shown below for your filing status? Single or married filing separately \$139,921 Head of household \$209,885 Married filing jointly or qualifying widow(er) \$279,846 No. Transfer the amount on line 41 to line 42. Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 42 42	
43 Enter the larger of the amount on line 42 or your standard deduction listed below Single or married filing separately \$3,165 Married filing jointly, head of household, or qualifying widow(er) \$6,330 43	

Part IV California Taxable Income

44 California AGI. Enter your California AGI from line 36, column E 44	
45 Enter your deductions from line 43 45	
46 Deduction percentage. Divide line 36, column E by line 36, column D. Carry the decimal to four places. If the result is greater than 1.0000, enter 1.0000. If less than zero, enter -0- 46	
47 California Itemized/Standard Deductions. Multiply line 45 by the percentage on line 46 47	
48 California Taxable Income. Subtract line 47 from line 44. Transfer this amount to Long Form 540NR, line 22. If less than zero, enter -0- 48	

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2004 California Capital Gain or Loss Adjustment

D (540NR)

Name(s) as shown on return

Social security number

Table with 5 columns: (a) Description of property, (b) Sales price, (c) Cost or other basis, (d) Loss, (e) Gain. Includes lines 1a, 1b, 2-12b.

Depreciation and Amortization Adjustments

2004

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

3885A

Part I Identify the activity as passive or nonpassive. (See instructions.) Business or activity to which form FTB 3885A relates.

Part II Election to Expense Certain Tangible Property (IRC Section 179). 2 Enter the amount from line 12 of the Tangible Property Expense Worksheet in the instructions

Part III Depreciation table with columns: (a) Description of property placed in service, (b) Date placed in service, (c) California basis for depreciation, (d) Method, (e) Life or rate, (f) California depreciation deduction.

Lines 4-8b for depreciation calculations: 4 Add the amounts on line 3, column (f); 5 California depreciation for assets placed in service prior to 2004; 6 Total California depreciation from this activity; 7 Total federal depreciation from this activity; 8a/b If line 6 is more/less than line 7, enter the difference here and see instructions.

Part IV Amortization table with columns: (a) Description of cost amortizable, (b) Date placed in service, (c) California basis for amortization, (d) Code section, (e) Period or percentage, (f) California amortization deduction.

Lines 10-14b for amortization calculations: 10 Total California amortization from this activity; 11 California amortization of costs that began before 2004; 12 Total California amortization from this activity; 13 Total federal amortization from this activity; 14a/b If line 12 is more/less than line 13, enter the difference here and see instructions.

Instructions for California Schedule D (540NR)

California Capital Gain or Loss Adjustment

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2001. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information regarding California and federal law, please visit our Website at www.ftb.ca.gov and select "Law and Legislation" or "Forms and Publications." Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

Note, the instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

Caution: Although federal law increased the IRC Section 179 expense to \$102,000, the maximum deduction amount under California law is \$25,000.

Purpose

Full-year nonresidents or part-year residents must report gains and losses as if they were a full-year resident for the entire year using California amounts. Therefore, all gains and losses must be reported. Full-year nonresidents or part-year residents should complete Schedule D (540NR) and the Schedule D (540NR) Worksheet for Nonresident and Part-Year Residents in order to complete column E on Schedule CA (540NR).

For nonresidents the computation of California taxable income, capital loss carryovers and capital loss limitations are determined based upon California source income and loss items only. For purposes of calculating California taxable income, the character of gains and losses on the sale or exchange of property used in the trade or business or certain involuntary conversions (IRC Section 1231) are determined by netting California sourced Section 1231 gains and losses only.

If you moved in or out of California during the year, get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency.

For more information about the following, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments:

- Disposition of property inherited before 1987;
- Disposition of S corporation stock acquired before 1987;
- Gain on the sale or disposition of a qualified assisted housing development to low-income residents or to specific entities maintaining housing for low-income residents; or
- Capital loss carryback.

Exclusion of Gain on Qualified Small Business Stock. California law (R&TC Section 18152.5) provides an exclusion (similar to the federal exclusion under IRC Section 1202) of 50% of the gain on the sale of qualifying small business stock originally issued after August 10, 1993, that was held for more than 5 years. However, for California purposes, at least 80% of the issuing corporation's payroll must be attributable to employment located within California, and at least 80% of the value of the corporation's assets must be used by the corporation to actively conduct one or more qualified trades or businesses in California. **Note:** If you have gain on the sale of qualified small business stock that qualifies for the federal Section 1202 exclusion, go to the instructions for line 1b.

Installment Sales. If you sold property at a gain (other than publicly traded stocks or securities) and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to do so. Get form FTB 3805E, Installment Sale Income. Also, use that form if you received a payment in 2004, for an installment sale made in an earlier year.

Note: You may elect to not use the installment sale method for California by:

- Reporting the entire gain (on Schedule D (540NR) or Schedule D-1) for business assets in the year of the sale, and
- Filing your return on or before the due date.

At-Risk Rules and Passive Activity Limitations. If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, get and complete federal Form 6198, At-Risk Limitations, using California amounts to figure your California deductible loss under the at-risk rules. Once a loss becomes allowable under the at-risk rules, it becomes subject to the passive activity rules. Get form FTB 3801, Passive Activity Loss Limitations.

Specific Line Instructions

Line 1a – List each capital asset transaction.

Column (a) – Description of Property. Describe the asset you sold or exchanged.

Column (b) – Sales Price. Enter in this column either the gross sales price or the net sales price. If you received a Form 1099-B, 1099-S, or similar statement showing the gross sales price, enter that amount in column (b). However, if box 2 of Form 1099-B indicates that gross proceeds less commissions and option premiums were reported to the IRS, enter that net amount in column (b). If you entered the net amount in column (b), do not include the commissions and option premiums in column (c).

Column (c) – Cost or Other Basis. In general, the cost or other basis is the cost of the property plus purchase commissions and improvements minus depreciation, amortization, and depletion. Enter the cost or adjusted basis of the asset for California purposes. Use your records and California tax returns for years before 1987 to determine the California amount to enter in column (c). If you used an amount other than cost as the original basis, your federal basis may be different from your California basis. Other reasons for differences are:

Depreciation Methods and Property Expensing – Before 1987, California law did not allow the use of ACRS (Accelerated Cost Recovery System) and did not allow the use of an asset depreciation range 20% above or below the standard rate. Before 1999, California had different limits on the expensing of property under IRC Section 179. California law permits rapid write-off of certain property such as solar energy systems, pollution control devices, and property used in an Enterprise Zone, LAMBRA, Targeted Tax Area, or LARZ.

Inherited Property – The California basis of property inherited from a decedent is generally fair market value (FMV) at the time of death. If you acquired community property as a surviving spouse, get FTB Pub. 1039, Basis of Property – Decedent/Surviving Spouse, for more information.

S Corporation Stock – Prior to 1987, California law did not recognize S corporations and your California basis in S corporation stock may differ from your federal basis. In general, your California basis will be cost-adjusted for income, loss, and distributions received after 1986, while your stock was California S corporation stock. Your federal basis will be cost-adjusted for income, loss, and distributions received during the time your stock qualified for federal S corporation treatment. Effective for taxable years beginning on or after January 1, 2002, any corporation with a valid federal S corporation election is considered an S corporation for California purposes. Existing law already requires federal C corporations to be treated as C corporations for California purposes.

Special Credits – California law authorizes special tax credits not allowed under federal law or computed differently under federal law. In many instances if you claimed special credits related to capital assets, you must reduce your basis in the assets by the amount of credit.

Other adjustments may apply differently to the federal and California basis of your capital assets. Figure the original basis of your asset using the California law in effect when the asset was acquired, and adjust it according to provisions of California law in effect during the period of your ownership.

Line 1b – R&TC Section 18152.5 Exclusion. If the gain qualifying for the IRC Section 1202 exclusion also qualifies for the California exclusion under R&TC Section 18152.5: Enter in column (a) "Section 18152.5 Exclusion." Complete column (b) and column (c) according to the instructions for line 1a. Enter in column (d) the amount of gain that qualifies for the California exclusion. Enter in column (e) the entire gain realized. **If the gain qualifying for the IRC Section 1202 exclusion does not qualify for the California exclusion:** Complete column (a), column (b), and column (c) according to the instructions for line 1a. Enter -0- in column (d) and enter the entire gain realized in column (e).

Line 3 – Capital Gain Distributions. If you receive federal Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, from a mutual fund, do not include the **undistributed** capital gain dividends on Schedule D (540NR). If you receive federal Form 1099-DIV, Dividends and Distributions, enter the amount of **distributed** capital gain dividends.

Line 6 – 2003 California Capital Loss Carryover. If you had prior year carryover losses, you must recalculate those losses as if you had been a resident for all prior years. Enter this amount on line 6 as a negative amount. Get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency.

Line 8 – Net Gain or Loss. If the amount on line 4 is more than the amount on line 7, subtract line 7 from line 4. Enter the difference as a gain on line 8.

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If the amount on line 7 is more than the amount on line 4, subtract line 4 from line 7 and enter the difference as a negative amount on line 8.

Use the appropriate worksheet to figure your capital loss carryover to 2005.

Line 9 – If line 8 is a net capital loss, enter the smaller of the loss on line 8 or \$3,000 (\$1,500 if you are married filing a separate return).

Line 12a – Compare the amounts entered on line 10 and line 11 to figure the adjustment to enter on Schedule CA (540NR), line 13, column B.

For example:

Loss on line 10 is less than loss on line 11.

Federal loss on line 10 is (\$1,000)
 California loss on line 11 is (\$2,000)
 Difference between line 10 and line 11 \$1,000

Gain on line 10 and loss on line 11.

Federal gain on line 10 is \$3,000
 California loss on line 11 is (\$3,000)
 Difference between line 10 and line 11 \$6,000

Line 12b – Compare the amounts entered on line 10 and line 11 to figure the adjustment to enter on Schedule CA (540NR), line 13, column C.

For example:

Loss on line 10 is more than loss on line 11.

Federal loss on line 10 is (\$2,000)
 California loss on line 11 is (\$1,000)
 Difference between line 11 and line 10 \$1,000

Loss on line 10 and gain on line 11.

Federal loss on line 10 is (\$2,000)
 California gain on line 11 is \$5,000
 Difference between line 10 and line 11 \$7,000

California Capital Loss Carryover Worksheet For Full-Year Residents

1. Loss from Schedule D (540NR), line 11, stated as a positive number	1	_____
2. Amount from Long Form 540NR, line 17	2	_____
3. Amount from Long Form 540NR, line 18	3	_____
4. Subtract line 3 from line 2. If less than zero, enter as a negative amount	4	_____
5. Combine line 1 and line 4. If less than zero, enter -0-	5	_____
6. Enter loss from Schedule D (540NR), line 8 as a positive number	6	_____
7. Enter the smaller of line 1 or line 5	7	_____
8. Subtract line 7 from line 6. This is your capital loss carryover to 2005	8	_____

Schedule D (540NR) Worksheet for Nonresidents and Part-Year Residents

Note: Complete Schedule D (540NR) first.

Full year nonresidents: Complete column A and column B only. Enter the amount shown in column B, line 4 (if there is an overall gain) or line 5 (if there is a loss), on Schedule CA (540NR) line 13, column E.

Part-year Residents:

Enter the number of days during the year you were a CA resident: _____.

Enter the number of days during the year you were a nonresident: _____.

Column A, line 1 through line 5 should be the same as the amounts shown on Schedule D (540NR), lines 4, 5, 6, 8, and 9 respectively.

Columns A and B, line 3, should show a carryover amount that has been computed as if you had been a resident in all prior years for column A and as if you had been a nonresident for all prior years for column B.

Columns C and D should be completed taking into account the dates of the transactions. For Column C, multiply the amount in Column A by the number of days you were a resident divided by 365 days. For Column D, multiply the amount in Column B by the number of days you were a nonresident divided by 365 days.

Line 4 If the amount shown in column E is a gain, enter that amount on Schedule CA (540NR) line 13, column E. If a loss, go to line 5.

Line 5 Enter the amount shown in column E on Schedule CA (540NR) line 13.

	A	B	C	D	E
	Enter total as if you were a CA resident for the entire year.	Enter amounts earned or received from CA sources as if you were a nonresident for the entire year.	Enter amounts earned or received during the portion of the year you were a CA resident.	Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	Total Combine column C and column D.
1	Gains				
2	Losses				
3	Prior year loss carryover.				
4	Combine line 1 through line 3.				
5	Enter the smaller of the loss on line 4 or \$3,000 (\$1,500 if married filing separately).				

Capital Loss Carryover Worksheet

Note: Complete this worksheet only if at the end of the year you were a resident and line 4, of column A above shows a loss or at the end of the year you were a nonresident and line 4, of column B above shows a loss. In completing this worksheet, if you were a resident at the end of the year, use the column A amounts shown above; if you were a nonresident, use the column B amounts.

1	Enter the loss from the Schedule D (540NR) Worksheet, line 5, as a positive number	
2	Amount from Long Form 540NR, line 17	
3	Amount from Long Form 540NR, line 18	
4	Subtract line 3 from line 2. If less than zero, enter as a negative amount	
5	Combine line 1 and line 4. If less than zero, enter -0-	
6	Loss from Schedule D (540NR) Worksheet, line 4, as a positive number	
7	Enter the smaller of line 1 or line 5	
8	Subtract line 7 from line 6. This is your capital loss carryover to 2005	

Instructions for Form FTB 3519

Payment Voucher for Automatic Extension for Individuals

General Information

Use form FTB 3519 **only** if:

- You cannot file your 2004 return* by April 15, 2005; and
- You owe tax for 2004.

Use the worksheet below to determine if you owe tax.

- If you **do not** owe tax, you do not need to file this form. Do not complete or mail this voucher. But, you must file your return by October 17, 2005.
- If you owe tax, choose one of the following payment options. Be sure to pay by April 15, 2005 to avoid penalties and interest. See Penalties and Interest for more information.

Web Payment: Save a stamp. To make a payment online or to schedule a future payment (up to one year in advance), visit our Website at www.ftb.ca.gov and select "Payment Options." **Do not mail** the voucher to us.

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

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

Installment Agreement: Can't pay the full amount you owe? Visit our Website at www.ftb.ca.gov or get FTB 3567, Installment Agreement Request Booklet.

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

Penalties and Interest

If you fail to pay your total tax liability by April 15, 2005, a late-payment penalty plus interest will be added to your tax due. If after April 15, 2005, you find that your estimate of tax due was too low, you should pay the additional tax as soon as possible to avoid further accumulation of penalties and interest. Pay your additional tax with another form FTB 3519 voucher. If you do not file your tax return by October 17, 2005, you will be assessed a late-filing penalty plus interest from the original due date of the return.

Taxpayers Residing or Traveling Outside the USA

If you are living or traveling outside the USA on April 15, 2005, the deadline to file your return and pay the tax is June 15, 2005. Interest will accrue from the original due date (April 15, 2005) 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, 2005. To avoid any late-payment penalties, you must pay 100% of your tax liability by June 15, 2005. When filing your tax return, be sure to attach a statement to the front indicating that you were "outside the USA on April 15, 2005."

* When you do file your 2004 return, you can e-file. Visit our Website at www.ftb.ca.gov. Otherwise, you must use Form 540A, Form 540, or Long Form 540NR. **Note:** If you use form FTB 3519, you may not file Form 540 2EZ or Short Form 540NR.

TAX PAYMENT WORKSHEET FOR YOUR RECORDS

1	Total tax you expect to owe. This is the amount you expect to enter on Form 540A, line 23; Form 540, line 37; or Long Form 540NR, line 46	1	_____
2	Payments and credits:		
a	California income tax withheld (including real estate and nonresident withholding)	2a	_____
b	California estimated tax payments and amount applied from your 2003 tax return (Note: You can check the estimated tax payments we have received by visiting our Website at www.ftb.ca.gov .)	2b	_____
c	Other payments and credits, including any tax payments made with any previous form FTB 3519 voucher	2c	_____
3	Total tax payments and credits. Add line 2a, line 2b, and line 2c	3	_____
4	Tax due. Is line 1 more than line 3? <ul style="list-style-type: none"> No. Stop here. You have no tax due. DO NOT MAIL THE PAYMENT VOUCHER. Your return, when filed by October 17, 2005, will verify that you qualified for the extension. Yes. Subtract line 3 from line 1. This is your tax due. Enter the tax due amount from line 4 as the "Amount of payment" on the form FTB 3519 voucher below. Fill in your name(s), address, and social security number(s), and separate the voucher from this page where it says "DETACH HERE." Make a check or money order payable to "Franchise Tax Board." Also write your social security number and "2004 FTB 3519" on the check or money order. Enclose, but do not staple your payment with the voucher and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0051 	4	_____

✓ Keep this completed worksheet with your tax records.

Save the stamp – pay online or by credit card!

✂ ——— DETACH HERE ——— IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM ——— DETACH HERE ——— ✂

TAXABLE YEAR

2004

Payment Voucher for Automatic Extension for Individuals

Calendar year –
Due April 15, 2005

CALIFORNIA FORM

3519 (PIT)

Your first name	Initial	Last name	Your social security number
If joint payment, spouse's first name	Initial	Last name	Spouse's social security number
Present home address – number and street, PO Box, or rural route			Apt. no.
			PMB no.
City, town, or post office			State
			ZIP Code

IF PAYMENT IS DUE, MAIL TO:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0051

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

Amount of payment

Instructions for Form FTB 3885A

Depreciation and Amortization Adjustments

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2001. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information regarding California and federal law, please visit our Website at www.ftb.ca.gov and select "Law and Legislation" or "Forms and Publications." Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

Note, the instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information on differences between California and federal law for the following items:

- **Amortization of certain intangibles (IRC Section 197);**
- **Qualified Indian reservation property; and**
- **Grapevines subject to Phylloxera or Pierce's disease.**
- **Bonus Depreciation**

Purpose

Use form FTB 3885A **only** if there is a difference between the amount of depreciation and amortization allowed as a deduction using California law and the amount allowed using federal law. California law and federal law have not always allowed the same depreciation methods, special credits, or accelerated write-offs. As a result, the recovery periods or the basis on which the depreciation is figured for California may be different from the amounts used for federal purposes. You will probably have reportable differences if all or part of your assets were placed in service:

- **Before 1/1/87.** California did not allow depreciation under the federal accelerated cost recovery system (ACRS), and you must continue to figure California depreciation for those assets in the same manner as in prior years.
- **On or after 1/1/87.** California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. California did not conform to all changes to federal law enacted in 1993, and this causes the California basis or recovery periods to be different for some assets.
- **On or after 9/11/01.** If you claimed the 30% additional depreciation for federal purposes, California has not conformed to the federal Job Creation and Worker Assistance Act of 2002 which allows taxpayers to take an additional first year depreciation deduction and Alternative Minimum Tax depreciation adjustment for property placed in service after September 10, 2001.

Federal law increased the additional first-year depreciation deduction and Alternative Minimum Tax depreciation adjustment of the adjusted basis of qualified property from 30% to 50%. The deduction is allowable for property acquired after May 5, 2003, and placed in service before January 1, 2005. California has not conformed to the Jobs and Growth Tax Act of 2003 which allows this increase in deduction.

- California generally conforms to the federal 2003 increase (IRC Section 280F) for the limitation on luxury automobile depreciation. However, California does not conform to IRC Section 168(k) provisions (30% and 50% additional first year depreciation). In addition, SUVs and minivans that are built on a truck chassis are now included in the definition of trucks and vans when applying the 6,000 pound gross weight limit.

Differences may also occur for other less common reasons, and the instructions for Schedule CA (540NR) list them on the line for the type of income likely to be affected. You may also get FTB Pub. 1001 for more information about figuring and reporting these adjustments.

If you are reporting differences for assets related to a passive activity, get form FTB 3801, Passive Activity Loss Limitations, for more information about passive activities.

Do not use form FTB 3885A to report depreciation expense from federal Form 2106, Employee Business Expenses. Instead, see the instructions for Schedule CA (540NR), line 40.

Specific Line Instructions

Note: Prepare and file a separate form FTB 3885A for each business or activity on your return that has a difference between California and federal depreciation or amortization. Enter the name of the business or activity in the space provided at the top of the form. If you need more space, attach additional sheets. **Note:** Complete Part II, Election to Expense Certain Tangible Property (IRC Section 179), only once.

Part I Identify the Activity as Passive or Nonpassive

Line 1 – Check the box to identify the activity as passive or nonpassive. A passive activity is any activity involving the conduct of any trade or business in which you did not materially participate. Get form FTB 3801 for more information.

If the activity is passive, use this form as a worksheet to figure the depreciation adjustment to carry to form FTB 3801. **Caution:** Beginning in 1994, and for federal purposes only, rental real estate activities of persons in real property business are not automatically treated as passive activities. California did not conform to this provision.

Part II Election To Expense Certain Tangible Property

You may elect to expense part of the cost of depreciable personal property used in your trade or business and certain other property described in federal Publication 946, How to Depreciate Property. To do so, you must have purchased property, as defined in the IRC Section 179(d)(2), and placed it in service during 2004, or have a carryover of unused cost from 2003. If you elect this deduction, you must reduce your California depreciable basis by the IRC Section 179 expense. The maximum Section 179 expense allowed for 2004 is \$25,000.

Complete the worksheet below to figure IRC Section 179 expense for California. Include all assets qualifying for the deduction because the limit applies to all qualifying assets as a group rather than to each asset individually. **Refer to federal Form 4562 for information.**

Tangible Property Expense Worksheet		
1	Maximum dollar limitation for California	1 \$ 25,000
2	Total cost of Section 179 property placed in service	2 _____
3	Threshold cost of Section 179 property before reduction in limitation	3 \$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4 _____
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-	5 _____
(a)	Description of property	(b) Cost
6		(c) Elected cost
7	Listed property (elected Section 179 cost)	7 _____
8	Total elected cost of Section 179 property. Add column (c), line 6 and line 7	8 _____
9	Tentative deduction. Enter the smaller of line 5 or line 8	9 _____
10	Carryover of disallowed deduction from 2003	10 _____
11	Enter the smaller of business income (not less than -0-) or line 5	11 _____
12	Section 179 expense deduction for California. Add line 9 and line 10, but do not enter more than line 11. Also enter the result on form FTB 3885A, line 2	12 _____
13	Carryover of disallowed deduction to 2005. Add line 9 and line 10. Subtract line 12 from the result	13 _____

Part III Depreciation

Line 3 – Complete column (a) through column (f) for each tangible asset or group of assets placed in service during the tax year. Be sure to use the California basis for assets on which you elected to take the Section 179 deduction. It will be the difference between line 6, column (b) and line 6, column (c) of the Tangible Property Expense Worksheet in Part II.

Line 8a and Line 8b – Are you using this form as a worksheet in connection with form FTB 3801?

Yes Enter the amount from line 8a or line 8b on form FTB 3801, Side 2, California Passive Activity Worksheet, column (e).

No Include the amount from line 8a on Schedule CA (540NR) in column B on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

Include the amount from line 8b on Schedule CA (540NR) in column C on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

Part IV Amortization

Line 9 – Complete column (a) through column (f) for intangible assets placed in service during the tax year. Be sure to use the California basis and the California recovery period.

Line 14a and Line 14b – Are you using this form as a worksheet in connection with form FTB 3801?

Yes Enter the amount from line 14a or line 14b on form FTB 3801, Side 2, California Passive Activity Worksheet, column (e).

No Include the amount from line 14a on Schedule CA (540NR) in column B on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

Include the amount from line 14b on Schedule CA (540NR) in column C on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

2004 California Tax Table

To Find Your Tax:

- Read down the column labeled "If Your Taxable Income Is . . ." to find the range that includes your taxable income from Long Form 540NR, line 20 or Short Form 540NR, line 20.
- Read across the columns labeled "The Tax For Filing Status" until you find the tax that applies for your taxable income and filing status.

Filing status: 1 or 3 (Single; Married Filing Separately)			2 or 5 (Married Filing Jointly; Qualifying Widow(er))			4 (Head of Household)								
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
\$1	\$50	\$0	\$0	\$0	6,451	6,550	69	65	65	12,951	13,050	199	137	137
51	150	1	1	1	6,551	6,650	71	66	66	13,051	13,150	201	139	139
151	250	2	2	2	6,651	6,750	73	67	67	13,151	13,250	203	141	141
251	350	3	3	3	6,751	6,850	75	68	68	13,251	13,350	205	143	143
351	450	4	4	4	6,851	6,950	77	69	69	13,351	13,450	207	145	145
451	550	5	5	5	6,951	7,050	79	70	70	13,451	13,550	209	147	147
551	650	6	6	6	7,051	7,150	81	71	71	13,551	13,650	211	149	149
651	750	7	7	7	7,151	7,250	83	72	72	13,651	13,750	213	151	151
751	850	8	8	8	7,251	7,350	85	73	73	13,751	13,850	215	153	153
851	950	9	9	9	7,351	7,450	87	74	74	13,851	13,950	217	155	155
951	1,050	10	10	10	7,451	7,550	89	75	75	13,951	14,050	219	157	157
1,051	1,150	11	11	11	7,551	7,650	91	76	76	14,051	14,150	221	159	159
1,151	1,250	12	12	12	7,651	7,750	93	77	77	14,151	14,250	223	161	161
1,251	1,350	13	13	13	7,751	7,850	95	78	78	14,251	14,350	225	163	163
1,351	1,450	14	14	14	7,851	7,950	97	79	79	14,351	14,450	227	165	165
1,451	1,550	15	15	15	7,951	8,050	99	80	80	14,451	14,550	229	167	167
1,551	1,650	16	16	16	8,051	8,150	101	81	81	14,551	14,650	231	169	169
1,651	1,750	17	17	17	8,151	8,250	103	82	82	14,651	14,750	235	171	171
1,751	1,850	18	18	18	8,251	8,350	105	83	83	14,751	14,850	239	173	173
1,851	1,950	19	19	19	8,351	8,450	107	84	84	14,851	14,950	243	175	175
1,951	2,050	20	20	20	8,451	8,550	109	85	85	14,951	15,050	247	177	177
2,051	2,150	21	21	21	8,551	8,650	111	86	86	15,051	15,150	251	179	179
2,151	2,250	22	22	22	8,651	8,750	113	87	87	15,151	15,250	255	181	181
2,251	2,350	23	23	23	8,751	8,850	115	88	88	15,251	15,350	259	183	183
2,351	2,450	24	24	24	8,851	8,950	117	89	89	15,351	15,450	263	185	185
2,451	2,550	25	25	25	8,951	9,050	119	90	90	15,451	15,550	267	187	187
2,551	2,650	26	26	26	9,051	9,150	121	91	91	15,551	15,650	271	189	189
2,651	2,750	27	27	27	9,151	9,250	123	92	92	15,651	15,750	275	191	191
2,751	2,850	28	28	28	9,251	9,350	125	93	93	15,751	15,850	279	193	193
2,851	2,950	29	29	29	9,351	9,450	127	94	94	15,851	15,950	283	195	195
2,951	3,050	30	30	30	9,451	9,550	129	95	95	15,951	16,050	287	197	197
3,051	3,150	31	31	31	9,551	9,650	131	96	96	16,051	16,150	291	199	199
3,151	3,250	32	32	32	9,651	9,750	133	97	97	16,151	16,250	295	201	201
3,251	3,350	33	33	33	9,751	9,850	135	98	98	16,251	16,350	299	203	203
3,351	3,450	34	34	34	9,851	9,950	137	99	99	16,351	16,450	303	205	205
3,451	3,550	35	35	35	9,951	10,050	139	100	100	16,451	16,550	307	207	207
3,551	3,650	36	36	36	10,051	10,150	141	101	101	16,551	16,650	311	209	209
3,651	3,750	37	37	37	10,151	10,250	143	102	102	16,651	16,750	315	211	211
3,751	3,850	38	38	38	10,251	10,350	145	103	103	16,751	16,850	319	213	213
3,851	3,950	39	39	39	10,351	10,450	147	104	104	16,851	16,950	323	215	215
3,951	4,050	40	40	40	10,451	10,550	149	105	105	16,951	17,050	327	217	217
4,051	4,150	41	41	41	10,551	10,650	151	106	106	17,051	17,150	331	219	219
4,151	4,250	42	42	42	10,651	10,750	153	107	107	17,151	17,250	335	221	221
4,251	4,350	43	43	43	10,751	10,850	155	108	108	17,251	17,350	339	223	223
4,351	4,450	44	44	44	10,851	10,950	157	109	109	17,351	17,450	343	225	225
4,451	4,550	45	45	45	10,951	11,050	159	110	110	17,451	17,550	347	227	227
4,551	4,650	46	46	46	11,051	11,150	161	111	111	17,551	17,650	351	229	229
4,651	4,750	47	47	47	11,151	11,250	163	112	112	17,651	17,750	355	231	231
4,751	4,850	48	48	48	11,251	11,350	165	113	113	17,751	17,850	359	233	233
4,851	4,950	49	49	49	11,351	11,450	167	114	114	17,851	17,950	363	235	235
4,951	5,050	50	50	50	11,451	11,550	169	115	115	17,951	18,050	367	237	237
5,051	5,150	51	51	51	11,551	11,650	171	116	116	18,051	18,150	371	239	239
5,151	5,250	52	52	52	11,651	11,750	173	117	117	18,151	18,250	375	241	241
5,251	5,350	53	53	53	11,751	11,850	175	118	118	18,251	18,350	379	243	243
5,351	5,450	54	54	54	11,851	11,950	177	119	119	18,351	18,450	383	245	245
5,451	5,550	55	55	55	11,951	12,050	179	120	120	18,451	18,550	387	247	247
5,551	5,650	56	56	56	12,051	12,150	181	121	121	18,551	18,650	391	249	249
5,651	5,750	57	57	57	12,151	12,250	183	122	122	18,651	18,750	395	251	251
5,751	5,850	58	58	58	12,251	12,350	185	123	123	18,751	18,850	399	253	253
5,851	5,950	59	59	59	12,351	12,450	187	125	125	18,851	18,950	403	255	255
5,951	6,050	60	60	60	12,451	12,550	189	127	127	18,951	19,050	407	257	257
6,051	6,150	61	61	61	12,551	12,650	191	129	129	19,051	19,150	411	259	259
6,151	6,250	63	62	62	12,651	12,750	193	131	131	19,151	19,250	415	261	261
6,251	6,350	65	63	63	12,751	12,850	195	133	133	19,251	19,350	419	263	263
6,351	6,450	67	64	64	12,851	12,950	197	135	135	19,351	19,450	423	265	265

Continued on next page.

2004 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately)		2 or 5 (Married Filing Jointly; Qualifying Widow(er))			4 (Head of Household)									
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
19,451	19,550	427	267	267	26,451	26,550	777	407	407	33,451	33,550	1,229	634	634
19,551	19,650	431	269	269	26,551	26,650	783	409	409	33,551	33,650	1,237	638	638
19,651	19,750	435	271	271	26,651	26,750	789	411	411	33,651	33,750	1,245	642	642
19,751	19,850	439	273	273	26,751	26,850	795	413	413	33,751	33,850	1,253	646	646
19,851	19,950	443	275	275	26,851	26,950	801	415	415	33,851	33,950	1,261	650	650
19,951	20,050	447	277	277	26,951	27,050	807	417	417	33,951	34,050	1,269	654	654
20,051	20,150	451	279	279	27,051	27,150	813	419	419	34,051	34,150	1,277	658	658
20,151	20,250	455	281	281	27,151	27,250	819	421	421	34,151	34,250	1,285	662	662
20,251	20,350	459	283	283	27,251	27,350	825	423	423	34,251	34,350	1,293	666	666
20,351	20,450	463	285	285	27,351	27,450	831	425	425	34,351	34,450	1,301	670	670
20,451	20,550	467	287	287	27,451	27,550	837	427	427	34,451	34,550	1,309	674	674
20,551	20,650	471	289	289	27,551	27,650	843	429	429	34,551	34,650	1,317	678	678
20,651	20,750	475	291	291	27,651	27,750	849	431	431	34,651	34,750	1,325	682	682
20,751	20,850	479	293	293	27,751	27,850	855	433	433	34,751	34,850	1,333	686	686
20,851	20,950	483	295	295	27,851	27,950	861	435	435	34,851	34,950	1,341	690	690
20,951	21,050	487	297	297	27,951	28,050	867	437	437	34,951	35,050	1,349	694	694
21,051	21,150	491	299	299	28,051	28,150	873	439	439	35,051	35,150	1,357	698	698
21,151	21,250	495	301	301	28,151	28,250	879	441	441	35,151	35,250	1,365	702	702
21,251	21,350	499	303	303	28,251	28,350	885	443	443	35,251	35,350	1,373	706	706
21,351	21,450	503	305	305	28,351	28,450	891	445	445	35,351	35,450	1,381	710	710
21,451	21,550	507	307	307	28,451	28,550	897	447	447	35,451	35,550	1,389	714	714
21,551	21,650	511	309	309	28,551	28,650	903	449	449	35,551	35,650	1,397	718	718
21,651	21,750	515	311	311	28,651	28,750	909	451	451	35,651	35,750	1,405	722	722
21,751	21,850	519	313	313	28,751	28,850	915	453	453	35,751	35,850	1,413	726	726
21,851	21,950	523	315	315	28,851	28,950	921	455	455	35,851	35,950	1,421	730	730
21,951	22,050	527	317	317	28,951	29,050	927	457	457	35,951	36,050	1,429	734	734
22,051	22,150	531	319	319	29,051	29,150	933	459	459	36,051	36,150	1,437	738	738
22,151	22,250	535	321	321	29,151	29,250	939	462	462	36,151	36,250	1,445	742	742
22,251	22,350	539	323	323	29,251	29,350	945	466	466	36,251	36,350	1,453	746	746
22,351	22,450	543	325	325	29,351	29,450	951	470	470	36,351	36,450	1,461	750	750
22,451	22,550	547	327	327	29,451	29,550	957	474	474	36,451	36,550	1,469	754	754
22,551	22,650	551	329	329	29,551	29,650	963	478	478	36,551	36,650	1,477	758	758
22,651	22,750	555	331	331	29,651	29,750	969	482	482	36,651	36,750	1,485	762	762
22,751	22,850	559	333	333	29,751	29,850	975	486	486	36,751	36,850	1,493	766	766
22,851	22,950	563	335	335	29,851	29,950	981	490	490	36,851	36,950	1,501	770	770
22,951	23,050	567	337	337	29,951	30,050	987	494	494	36,951	37,050	1,509	774	774
23,051	23,150	573	339	339	30,051	30,150	993	498	498	37,051	37,150	1,517	778	778
23,151	23,250	579	341	341	30,151	30,250	999	502	502	37,151	37,250	1,525	782	782
23,251	23,350	585	343	343	30,251	30,350	1,005	506	506	37,251	37,350	1,533	786	786
23,351	23,450	591	345	345	30,351	30,450	1,011	510	510	37,351	37,450	1,541	790	790
23,451	23,550	597	347	347	30,451	30,550	1,017	514	514	37,451	37,550	1,549	794	794
23,551	23,650	603	349	349	30,551	30,650	1,023	518	518	37,551	37,650	1,557	798	798
23,651	23,750	609	351	351	30,651	30,750	1,029	522	522	37,651	37,750	1,565	802	802
23,751	23,850	615	353	353	30,751	30,850	1,035	526	526	37,751	37,850	1,573	806	806
23,851	23,950	621	355	355	30,851	30,950	1,041	530	530	37,851	37,950	1,581	810	810
23,951	24,050	627	357	357	30,951	31,050	1,047	534	534	37,951	38,050	1,589	814	814
24,051	24,150	633	359	359	31,051	31,150	1,053	538	538	38,051	38,150	1,597	818	818
24,151	24,250	639	361	361	31,151	31,250	1,059	542	542	38,151	38,250	1,605	822	822
24,251	24,350	645	363	363	31,251	31,350	1,065	546	546	38,251	38,350	1,613	826	826
24,351	24,450	651	365	365	31,351	31,450	1,071	550	550	38,351	38,450	1,621	830	830
24,451	24,550	657	367	367	31,451	31,550	1,077	554	554	38,451	38,550	1,629	834	834
24,551	24,650	663	369	369	31,551	31,650	1,083	558	558	38,551	38,650	1,637	838	838
24,651	24,750	669	371	371	31,651	31,750	1,089	562	562	38,651	38,750	1,645	842	842
24,751	24,850	675	373	373	31,751	31,850	1,095	566	566	38,751	38,850	1,653	846	846
24,851	24,950	681	375	375	31,851	31,950	1,101	570	570	38,851	38,950	1,661	850	850
24,951	25,050	687	377	377	31,951	32,050	1,109	574	574	38,951	39,050	1,669	854	854
25,051	25,150	693	379	379	32,051	32,150	1,117	578	578	39,051	39,150	1,677	858	858
25,151	25,250	699	381	381	32,151	32,250	1,125	582	582	39,151	39,250	1,685	862	862
25,251	25,350	705	383	383	32,251	32,350	1,133	586	586	39,251	39,350	1,693	866	866
25,351	25,450	711	385	385	32,351	32,450	1,141	590	590	39,351	39,450	1,701	870	870
25,451	25,550	717	387	387	32,451	32,550	1,149	594	594	39,451	39,550	1,709	874	874
25,551	25,650	723	389	389	32,551	32,650	1,157	598	598	39,551	39,650	1,717	878	878
25,651	25,750	729	391	391	32,651	32,750	1,165	602	602	39,651	39,750	1,725	882	882
25,751	25,850	735	393	393	32,751	32,850	1,173	606	606	39,751	39,850	1,733	886	886
25,851	25,950	741	395	395	32,851	32,950	1,181	610	610	39,851	39,950	1,741	890	890
25,951	26,050	747	397	397	32,951	33,050	1,189	614	614	39,951	40,050	1,749	894	894
26,051	26,150	753	399	399	33,051	33,150	1,197	618	618	40,051	40,150	1,757	898	898
26,151	26,250	759	401	401	33,151	33,250	1,205	622	622	40,151	40,250	1,765	902	902
26,251	26,350	765	403	403	33,251	33,350	1,213	626	626	40,251	40,350	1,773	906	906
26,351	26,450	771	405	405	33,351	33,450	1,221	630	630	40,351	40,450	1,781	910	910

Continued on next page.

2004 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married Filing Jointly; Qualifying Widow(er)) 4 (Head of Household)														
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
40,451	40,550	1,791	914	973	47,451	47,550	2,442	1,224	1,413	54,451	54,550	3,093	1,644	1,973
40,551	40,650	1,800	918	979	47,551	47,650	2,451	1,230	1,421	54,551	54,650	3,102	1,650	1,981
40,651	40,750	1,809	922	985	47,651	47,750	2,460	1,236	1,429	54,651	54,750	3,111	1,656	1,989
40,751	40,850	1,819	926	991	47,751	47,850	2,470	1,242	1,437	54,751	54,850	3,121	1,662	1,997
40,851	40,950	1,828	930	997	47,851	47,950	2,479	1,248	1,445	54,851	54,950	3,130	1,668	2,005
40,951	41,050	1,837	934	1,003	47,951	48,050	2,488	1,254	1,453	54,951	55,050	3,139	1,674	2,014
41,051	41,150	1,846	938	1,009	48,051	48,150	2,497	1,260	1,461	55,051	55,150	3,148	1,680	2,023
41,151	41,250	1,856	942	1,015	48,151	48,250	2,507	1,266	1,469	55,151	55,250	3,158	1,686	2,033
41,251	41,350	1,865	946	1,021	48,251	48,350	2,516	1,272	1,477	55,251	55,350	3,167	1,692	2,042
41,351	41,450	1,874	950	1,027	48,351	48,450	2,525	1,278	1,485	55,351	55,450	3,176	1,698	2,051
41,451	41,550	1,884	954	1,033	48,451	48,550	2,535	1,284	1,493	55,451	55,550	3,186	1,704	2,060
41,551	41,650	1,893	958	1,039	48,551	48,650	2,544	1,290	1,501	55,551	55,650	3,195	1,710	2,070
41,651	41,750	1,902	962	1,045	48,651	48,750	2,553	1,296	1,509	55,651	55,750	3,204	1,716	2,079
41,751	41,850	1,912	966	1,051	48,751	48,850	2,563	1,302	1,517	55,751	55,850	3,214	1,722	2,088
41,851	41,950	1,921	970	1,057	48,851	48,950	2,572	1,308	1,525	55,851	55,950	3,223	1,728	2,098
41,951	42,050	1,930	974	1,063	48,951	49,050	2,581	1,314	1,533	55,951	56,050	3,232	1,734	2,107
42,051	42,150	1,939	978	1,069	49,051	49,150	2,590	1,320	1,541	56,051	56,150	3,241	1,740	2,116
42,151	42,250	1,949	982	1,075	49,151	49,250	2,600	1,326	1,549	56,151	56,250	3,251	1,746	2,126
42,251	42,350	1,958	986	1,081	49,251	49,350	2,609	1,332	1,557	56,251	56,350	3,260	1,752	2,135
42,351	42,450	1,967	990	1,087	49,351	49,450	2,618	1,338	1,565	56,351	56,450	3,269	1,758	2,144
42,451	42,550	1,977	994	1,093	49,451	49,550	2,628	1,344	1,573	56,451	56,550	3,279	1,764	2,153
42,551	42,650	1,986	998	1,099	49,551	49,650	2,637	1,350	1,581	56,551	56,650	3,288	1,770	2,163
42,651	42,750	1,995	1,002	1,105	49,651	49,750	2,646	1,356	1,589	56,651	56,750	3,297	1,776	2,172
42,751	42,850	2,005	1,006	1,111	49,751	49,850	2,656	1,362	1,597	56,751	56,850	3,307	1,782	2,181
42,851	42,950	2,014	1,010	1,117	49,851	49,950	2,665	1,368	1,605	56,851	56,950	3,316	1,788	2,191
42,951	43,050	2,023	1,014	1,123	49,951	50,050	2,674	1,374	1,613	56,951	57,050	3,325	1,794	2,200
43,051	43,150	2,032	1,018	1,129	50,051	50,150	2,683	1,380	1,621	57,051	57,150	3,334	1,800	2,209
43,151	43,250	2,042	1,022	1,135	50,151	50,250	2,693	1,386	1,629	57,151	57,250	3,344	1,806	2,219
43,251	43,350	2,051	1,026	1,141	50,251	50,350	2,702	1,392	1,637	57,251	57,350	3,353	1,812	2,228
43,351	43,450	2,060	1,030	1,147	50,351	50,450	2,711	1,398	1,645	57,351	57,450	3,362	1,818	2,237
43,451	43,550	2,070	1,034	1,153	50,451	50,550	2,721	1,404	1,653	57,451	57,550	3,372	1,824	2,246
43,551	43,650	2,079	1,038	1,159	50,551	50,650	2,730	1,410	1,661	57,551	57,650	3,381	1,830	2,256
43,651	43,750	2,088	1,042	1,165	50,651	50,750	2,739	1,416	1,669	57,651	57,750	3,390	1,836	2,265
43,751	43,850	2,098	1,046	1,171	50,751	50,850	2,749	1,422	1,677	57,751	57,850	3,400	1,842	2,274
43,851	43,950	2,107	1,050	1,177	50,851	50,950	2,758	1,428	1,685	57,851	57,950	3,409	1,848	2,284
43,951	44,050	2,116	1,054	1,183	50,951	51,050	2,767	1,434	1,693	57,951	58,050	3,418	1,854	2,293
44,051	44,150	2,125	1,058	1,189	51,051	51,150	2,776	1,440	1,701	58,051	58,150	3,427	1,860	2,302
44,151	44,250	2,135	1,062	1,195	51,151	51,250	2,786	1,446	1,709	58,151	58,250	3,437	1,866	2,312
44,251	44,350	2,144	1,066	1,201	51,251	51,350	2,795	1,452	1,717	58,251	58,350	3,446	1,872	2,321
44,351	44,450	2,153	1,070	1,207	51,351	51,450	2,804	1,458	1,725	58,351	58,450	3,455	1,878	2,330
44,451	44,550	2,163	1,074	1,213	51,451	51,550	2,814	1,464	1,733	58,451	58,550	3,465	1,884	2,339
44,551	44,650	2,172	1,078	1,219	51,551	51,650	2,823	1,470	1,741	58,551	58,650	3,474	1,890	2,349
44,651	44,750	2,181	1,082	1,225	51,651	51,750	2,832	1,476	1,749	58,651	58,750	3,483	1,896	2,358
44,751	44,850	2,191	1,086	1,231	51,751	51,850	2,842	1,482	1,757	58,751	58,850	3,493	1,902	2,367
44,851	44,950	2,200	1,090	1,237	51,851	51,950	2,851	1,488	1,765	58,851	58,950	3,502	1,908	2,377
44,951	45,050	2,209	1,094	1,243	51,951	52,050	2,860	1,494	1,773	58,951	59,050	3,511	1,914	2,386
45,051	45,150	2,218	1,098	1,249	52,051	52,150	2,869	1,500	1,781	59,051	59,150	3,520	1,920	2,395
45,151	45,250	2,228	1,102	1,255	52,151	52,250	2,879	1,506	1,789	59,151	59,250	3,530	1,926	2,405
45,251	45,350	2,237	1,106	1,261	52,251	52,350	2,888	1,512	1,797	59,251	59,350	3,539	1,932	2,414
45,351	45,450	2,246	1,110	1,267	52,351	52,450	2,897	1,518	1,805	59,351	59,450	3,548	1,938	2,423
45,451	45,550	2,256	1,114	1,273	52,451	52,550	2,907	1,524	1,813	59,451	59,550	3,558	1,944	2,432
45,551	45,650	2,265	1,118	1,279	52,551	52,650	2,916	1,530	1,821	59,551	59,650	3,567	1,950	2,442
45,651	45,750	2,274	1,122	1,285	52,651	52,750	2,925	1,536	1,829	59,651	59,750	3,576	1,956	2,451
45,751	45,850	2,284	1,126	1,291	52,751	52,850	2,935	1,542	1,837	59,751	59,850	3,586	1,962	2,460
45,851	45,950	2,293	1,130	1,297	52,851	52,950	2,944	1,548	1,845	59,851	59,950	3,595	1,968	2,470
45,951	46,050	2,302	1,134	1,303	52,951	53,050	2,953	1,554	1,853	59,951	60,050	3,604	1,974	2,479
46,051	46,150	2,311	1,140	1,309	53,051	53,150	2,962	1,560	1,861	60,051	60,150	3,613	1,980	2,488
46,151	46,250	2,321	1,146	1,315	53,151	53,250	2,972	1,566	1,869	60,151	60,250	3,623	1,986	2,498
46,251	46,350	2,330	1,152	1,321	53,251	53,350	2,981	1,572	1,877	60,251	60,350	3,632	1,992	2,507
46,351	46,450	2,339	1,158	1,327	53,351	53,450	2,990	1,578	1,885	60,351	60,450	3,641	1,998	2,516
46,451	46,550	2,349	1,164	1,333	53,451	53,550	3,000	1,584	1,893	60,451	60,550	3,651	2,004	2,525
46,551	46,650	2,358	1,170	1,341	53,551	53,650	3,009	1,590	1,901	60,551	60,650	3,660	2,010	2,535
46,651	46,750	2,367	1,176	1,349	53,651	53,750	3,018	1,596	1,909	60,651	60,750	3,669	2,016	2,544
46,751	46,850	2,377	1,182	1,357	53,751	53,850	3,028	1,602	1,917	60,751	60,850	3,679	2,022	2,553
46,851	46,950	2,386	1,188	1,365	53,851	53,950	3,037	1,608	1,925	60,851	60,950	3,688	2,028	2,563
46,951	47,050	2,395	1,194	1,373	53,951	54,050	3,046	1,614	1,933	60,951	61,050	3,697	2,034	2,572
47,051	47,150	2,404	1,200	1,381	54,051	54,150	3,055	1,620	1,941	61,051	61,150	3,706	2,040	2,581
47,151	47,250	2,414	1,206	1,389	54,151	54,250	3,065	1,626	1,949	61,151	61,250	3,716	2,046	2,591
47,251	47,350	2,423	1,212	1,397	54,251	54,350	3,074	1,632	1,957	61,251	61,350	3,725	2,052	2,600
47,351	47,450	2,432	1,218	1,405	54,351	54,450	3,083	1,638	1,965	61,351	61,450	3,734	2,058	2,609

Continued on next page.

2004 California Tax Table

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married Filing Jointly; Qualifying Widow(er)) 4 (Head of Household)															
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	
61,451	61,550	3,744	2,064	2,618	68,451	68,550	4,395	2,577	3,269	75,451	75,550	5,046	3,137	3,920	
61,551	61,650	3,753	2,070	2,628	68,551	68,650	4,404	2,585	3,279	75,551	75,650	5,055	3,145	3,930	
61,651	61,750	3,762	2,076	2,637	68,651	68,750	4,413	2,593	3,288	75,651	75,750	5,064	3,153	3,939	
61,751	61,850	3,772	2,082	2,646	68,751	68,850	4,423	2,601	3,297	75,751	75,850	5,074	3,161	3,948	
61,851	61,950	3,781	2,088	2,656	68,851	68,950	4,432	2,609	3,307	75,851	75,950	5,083	3,169	3,958	
61,951	62,050	3,790	2,094	2,665	68,951	69,050	4,441	2,617	3,316	75,951	76,050	5,092	3,177	3,967	
62,051	62,150	3,799	2,100	2,674	69,051	69,150	4,450	2,625	3,325	76,051	76,150	5,101	3,185	3,976	
62,151	62,250	3,809	2,106	2,684	69,151	69,250	4,460	2,633	3,335	76,151	76,250	5,111	3,193	3,986	
62,251	62,350	3,818	2,112	2,693	69,251	69,350	4,469	2,641	3,344	76,251	76,350	5,120	3,201	3,995	
62,351	62,450	3,827	2,118	2,702	69,351	69,450	4,478	2,649	3,353	76,351	76,450	5,129	3,209	4,004	
62,451	62,550	3,837	2,124	2,711	69,451	69,550	4,488	2,657	3,362	76,451	76,550	5,139	3,217	4,013	
62,551	62,650	3,846	2,130	2,721	69,551	69,650	4,497	2,665	3,372	76,551	76,650	5,148	3,225	4,023	
62,651	62,750	3,855	2,136	2,730	69,651	69,750	4,506	2,673	3,381	76,651	76,750	5,157	3,233	4,032	
62,751	62,850	3,865	2,142	2,739	69,751	69,850	4,516	2,681	3,390	76,751	76,850	5,167	3,241	4,041	
62,851	62,950	3,874	2,148	2,749	69,851	69,950	4,525	2,689	3,400	76,851	76,950	5,176	3,249	4,051	
62,951	63,050	3,883	2,154	2,758	69,951	70,050	4,534	2,697	3,409	76,951	77,050	5,185	3,257	4,060	
63,051	63,150	3,892	2,160	2,767	70,051	70,150	4,543	2,705	3,418	77,051	77,150	5,194	3,265	4,069	
63,151	63,250	3,902	2,166	2,777	70,151	70,250	4,553	2,713	3,428	77,151	77,250	5,204	3,273	4,079	
63,251	63,350	3,911	2,172	2,786	70,251	70,350	4,562	2,721	3,437	77,251	77,350	5,213	3,281	4,088	
63,351	63,450	3,920	2,178	2,795	70,351	70,450	4,571	2,729	3,446	77,351	77,450	5,222	3,289	4,097	
63,451	63,550	3,930	2,184	2,804	70,451	70,550	4,581	2,737	3,455	77,451	77,550	5,232	3,297	4,106	
63,551	63,650	3,939	2,190	2,814	70,551	70,650	4,590	2,745	3,465	77,551	77,650	5,241	3,305	4,116	
63,651	63,750	3,948	2,196	2,823	70,651	70,750	4,599	2,753	3,474	77,651	77,750	5,250	3,313	4,125	
63,751	63,850	3,958	2,202	2,832	70,751	70,850	4,609	2,761	3,483	77,751	77,850	5,260	3,321	4,134	
63,851	63,950	3,967	2,209	2,842	70,851	70,950	4,618	2,769	3,493	77,851	77,950	5,269	3,329	4,144	
63,951	64,050	3,976	2,217	2,851	70,951	71,050	4,627	2,777	3,502	77,951	78,050	5,278	3,337	4,153	
64,051	64,150	3,985	2,225	2,860	71,051	71,150	4,636	2,785	3,511	78,051	78,150	5,287	3,345	4,162	
64,151	64,250	3,995	2,233	2,870	71,151	71,250	4,646	2,793	3,521	78,151	78,250	5,297	3,353	4,172	
64,251	64,350	4,004	2,241	2,879	71,251	71,350	4,655	2,801	3,530	78,251	78,350	5,306	3,361	4,181	
64,351	64,450	4,013	2,249	2,888	71,351	71,450	4,664	2,809	3,539	78,351	78,450	5,315	3,369	4,190	
64,451	64,550	4,023	2,257	2,897	71,451	71,550	4,674	2,817	3,548	78,451	78,550	5,325	3,377	4,199	
64,551	64,650	4,032	2,265	2,907	71,551	71,650	4,683	2,825	3,558	78,551	78,650	5,334	3,385	4,209	
64,651	64,750	4,041	2,273	2,916	71,651	71,750	4,692	2,833	3,567	78,651	78,750	5,343	3,393	4,218	
64,751	64,850	4,051	2,281	2,925	71,751	71,850	4,702	2,841	3,576	78,751	78,850	5,353	3,401	4,227	
64,851	64,950	4,060	2,289	2,935	71,851	71,950	4,711	2,849	3,586	78,851	78,950	5,362	3,409	4,237	
64,951	65,050	4,069	2,297	2,944	71,951	72,050	4,720	2,857	3,595	78,951	79,050	5,371	3,417	4,246	
65,051	65,150	4,078	2,305	2,953	72,051	72,150	4,729	2,865	3,604	79,051	79,150	5,380	3,425	4,255	
65,151	65,250	4,088	2,313	2,963	72,151	72,250	4,739	2,873	3,614	79,151	79,250	5,390	3,433	4,265	
65,251	65,350	4,097	2,321	2,972	72,251	72,350	4,748	2,881	3,623	79,251	79,350	5,399	3,441	4,274	
65,351	65,450	4,106	2,329	2,981	72,351	72,450	4,757	2,889	3,632	79,351	79,450	5,408	3,449	4,283	
65,451	65,550	4,116	2,337	2,990	72,451	72,550	4,767	2,897	3,641	79,451	79,550	5,418	3,457	4,292	
65,551	65,650	4,125	2,345	3,000	72,551	72,650	4,776	2,905	3,651	79,551	79,650	5,427	3,465	4,302	
65,651	65,750	4,134	2,353	3,009	72,651	72,750	4,785	2,913	3,660	79,651	79,750	5,436	3,473	4,311	
65,751	65,850	4,144	2,361	3,018	72,751	72,850	4,795	2,921	3,669	79,751	79,850	5,446	3,481	4,320	
65,851	65,950	4,153	2,369	3,028	72,851	72,950	4,804	2,929	3,679	79,851	79,950	5,455	3,489	4,330	
65,951	66,050	4,162	2,377	3,037	72,951	73,050	4,813	2,937	3,688	79,951	80,050	5,464	3,497	4,339	
66,051	66,150	4,171	2,385	3,046	73,051	73,150	4,822	2,945	3,697	80,051	80,150	5,473	3,505	4,348	
66,151	66,250	4,181	2,393	3,056	73,151	73,250	4,832	2,953	3,707	80,151	80,250	5,483	3,513	4,358	
66,251	66,350	4,190	2,401	3,065	73,251	73,350	4,841	2,961	3,716	80,251	80,350	5,492	3,521	4,367	
66,351	66,450	4,199	2,409	3,074	73,351	73,450	4,850	2,969	3,725	80,351	80,450	5,501	3,529	4,376	
66,451	66,550	4,209	2,417	3,083	73,451	73,550	4,860	2,977	3,734	80,451	80,550	5,511	3,537	4,385	
66,551	66,650	4,218	2,425	3,093	73,551	73,650	4,869	2,985	3,744	80,551	80,650	5,520	3,545	4,395	
66,651	66,750	4,227	2,433	3,102	73,651	73,750	4,878	2,993	3,753	80,651	80,750	5,529	3,553	4,404	
66,751	66,850	4,237	2,441	3,111	73,751	73,850	4,888	3,001	3,762	80,751	80,850	5,539	3,563	4,413	
66,851	66,950	4,246	2,449	3,121	73,851	73,950	4,897	3,009	3,772	80,851	80,950	5,548	3,572	4,423	
66,951	67,050	4,255	2,457	3,130	73,951	74,050	4,906	3,017	3,781	80,951	81,050	5,557	3,581	4,432	
67,051	67,150	4,264	2,465	3,139	74,051	74,150	4,915	3,025	3,790	81,051	81,150	5,566	3,591	4,441	
67,151	67,250	4,274	2,473	3,149	74,151	74,250	4,925	3,033	3,800	81,151	81,250	5,576	3,600	4,451	
67,251	67,350	4,283	2,481	3,158	74,251	74,350	4,934	3,041	3,809	81,251	81,350	5,585	3,609	4,460	
67,351	67,450	4,292	2,489	3,167	74,351	74,450	4,943	3,049	3,818	81,351	81,450	5,594	3,619	4,469	
67,451	67,550	4,302	2,497	3,176	74,451	74,550	4,953	3,057	3,827	81,451	81,550	5,604	3,628	4,478	
67,551	67,650	4,311	2,505	3,186	74,551	74,650	4,962	3,065	3,837	81,551	81,650	5,613	3,637	4,488	
67,651	67,750	4,320	2,513	3,195	74,651	74,750	4,971	3,073	3,846	81,651	81,750	5,622	3,646	4,497	
67,751	67,850	4,330	2,521	3,204	74,751	74,850	4,981	3,081	3,855	Over \$81,750				See the instructions for Long Form 540NR, line 20. Or, go to www.ftb.ca.gov and use the online tax calculator, or call (800) 852-5711.	
67,851	67,950	4,339	2,529	3,214	74,851	74,950	4,990	3,089	3,865						
67,951	68,050	4,348	2,537	3,223	74,951	75,050	4,999	3,097	3,874						
68,051	68,150	4,357	2,545	3,232	75,051	75,150	5,008	3,105	3,883						
68,151	68,250	4,367	2,553	3,242	75,151	75,250	5,018	3,113	3,893						
68,251	68,350	4,376	2,561	3,251	75,251	75,350	5,027	3,121	3,902						
68,351	68,450	4,385	2,569	3,260	75,351	75,450	5,036	3,129	3,911						

Additional Information

California Sales And Use Tax

In general, the purchase of goods outside California that are brought into the state for storage, use, or other consumption may be subject to use tax. The use tax rate is the same as the sales tax rate in effect where the goods will be stored, used or consumed; usually your residence address. The tax is based on the purchase price of the goods.

- If you purchased goods from an out-of-state retailer (such as a mail order firm) and sales tax would have been charged if you purchased the goods in California, you may owe the use tax on your purchase if the out-of-state retailer did not collect the California tax.
- If you traveled to a foreign country and brought goods home with you, the use tax will be based on the purchase price of the goods you listed on your U.S. Customs Declaration after deduction of the \$400 per individual exemption allowable by law within any 30-day period. This deduction does not apply to goods sent or shipped to California by common carrier.

Your tax liability may be calculated by multiplying the sales tax rate at your residence by the cost of the goods purchased. Send your payment to the **STATE BOARD OF EQUALIZATION, PO BOX 942879, SACRAMENTO CA 94279-0001**, with a brief statement listing your name, address, daytime telephone number, cost and description of the goods purchased. Board of Equalization Pamphlet 79-B contains additional information and a form you may use to report the tax. An electronic version of this pamphlet may be found in the Board of Equalization's Website at www.boe.ca.gov/pdf/pub79b.pdf.

If you file a Schedule C (Form 1040), Profit or Loss From Business, with your federal income tax return and are in the business of selling tangible personal property, you may be required to obtain a seller's permit with the State Board of Equalization.

If you have any questions concerning the taxability of a purchase, or want information about obtaining a seller's permit, please contact the State Board of Equalization's toll-free number at (800) 400-7115, to talk to a Customer Service Representative. Representatives are available from 8 a.m. to 5 p.m., Monday - Friday, excluding state holidays.

Collection Fees

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

Deceased Taxpayers

A final return must be filed for a person who died in 2004 if a return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the return. Please print "deceased" and the date of death next to the taxpayer's name at the top of the return.

If you are a surviving spouse and no administrator or executor has been appointed, you may file a joint return if you did not remarry during 2004. Indicate next to your signature that you are the surviving spouse.

You may also file a joint return with an administrator or executor acting on behalf of the deceased taxpayer.

If you file a return and claim a refund due to a deceased taxpayer, you are certifying under penalty of perjury either that you are the legal representative of the deceased taxpayer's estate (in this case, you must attach certified copies of the letters of administration or letters testamentary) or that you are entitled to the refund as the deceased's surviving relative or sole beneficiary under the provisions of the California Probate Code. You must also attach a copy of federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or a copy of the death certificate when you file a return and claim a refund due.

Innocent Spouse Relief

You may qualify for relief from liability for tax on a joint return if (1) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (2) you are divorced, legally separated, or no longer living with your spouse, and (3) given all the facts and circumstances, it would be unfair to hold you liable for the tax. Get FTB Pub. 705, "Innocent Spouse - Are You Eligible?" for more information. See "Where To Get Income Tax Forms and Publications" on page 58.

Homeowner and Renter Assistance

Homeowner assistance is a once-a-year payment from the State of California as a reimbursement for part of the property taxes you paid on your home. If eligible, you could receive up to 96% of the property taxes you paid in the prior year. In 2004, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2003: 62 years of age or older, blind, or disabled; and
- Owned your home and lived in it on December 31, 2003, had total household income of \$38,505 or less, and are a U.S. citizen, designated alien, or qualified alien when you file your claim.

Renter assistance is a once-a-year payment from the State of California as a reimbursement for part of the property taxes that you pay indirectly when you pay your rent. In 2004, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2003: 62 years of age or older, blind, or disabled; and
- Paid \$50 or more rent per month in the prior year, had total household income of \$38,505 or less, and are a U.S. citizen, designated alien, or qualified alien when you file your claim.

The 2004 filing season ends June 30, 2005.

The 2005 filing season for these programs begins July 1, 2005. For more information, call (800) 868-4171 or visit us at our Website at www.ftb.ca.gov.

Military Personnel

If you are a member of the military and need additional information on how to file your return, get FTB Pub. 1032, California Tax Information for Military Personnel. See "Where To Get Income Tax Forms and Publications" on page 58.

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 for 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 \$20 fee for each tax year you request. However, there is no charge if you were the victim of a designated California or federal disaster. See "Where To Get Income Tax Forms and Publications" on page 58.

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. For more information on the VLF refund, see Schedule CA (540NR) instructions, page 37, line 21f.

Voting Is Everybody's Business

You may register to vote if you meet these requirements:

- You are a United States citizen;
- You are a resident of California;
- You will be 18 years old by the date of the next election; and
- You are not in prison or on parole for the conviction of a felony.

You need to re-register every time you move, change your name, or wish to change political parties. In order to vote in an election, you must be registered to vote at least 15 days before that election. To obtain a Voter Registration Card, call the California Secretary of State's office toll-free voter hotline at (800) 345-VOTE or visit the Website at www.ss.ca.gov.

It's Your Right . . . Register and Vote

Where To Get Income Tax Forms and Publications

By Internet – You can download, view, and print California income tax forms and publications from our Website at www.ftb.ca.gov or you may have these forms and publications mailed to you. Many of our most frequently used forms may be filed electronically, printed out for submission, and saved for record keeping.

By phone – To order 2002-2004 California tax forms and publications:

- Refer to the list on the back cover and find the code number for the form you want to order.
- Call (800) 338-0505.
- Select “Personal Income Tax.”
- Select “To Order Forms and Publications.”
- Enter the three-digit form code when you are instructed.

Please allow two weeks to receive your order. If you live outside California, please allow three weeks to receive your order.

In person – Many post offices and libraries provide free California tax booklets during the filing season. Most libraries and some quick print businesses have forms and schedules for you to photocopy (a nominal fee may apply). **Note:** Employees at libraries, post offices, and quick print businesses cannot provide tax information or assistance.

By mail – Write to: TAX FORMS REQUEST UNIT, FRANCHISE TAX BOARD, PO BOX 307, RANCHO CORDOVA CA 95741-0307.

Letters

If you write to us, be sure your letter includes your social security number, and your daytime and evening telephone numbers. Send your letter to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

We will respond to your letter within ten weeks. In some cases, we may call you to respond to your inquiry, or ask you for additional information. Do not attach correspondence to your tax return unless the correspondence relates to an item on the return.

General Toll-Free Phone Service

Telephone assistance is available year-round from 7 a.m. until 7 p.m. Monday through Friday, except state holidays. We may modify these hours without notice to meet operational needs.

From within the United States (800) 852-5711
From outside the United States (not toll-free) (916) 845-6500
For federal tax questions, call the IRS at (800) 829-1040

Assistance for persons with disabilities

We comply with the Americans with Disabilities Act. Persons with a hearing or speech impairment please call:

TTY/TDD (800) 822-6268

Large-print forms and instructions – The Resident Booklet is available in large print upon request and is also available on cassette tape. See “Where To Get Income Tax Forms and Publications” on this page.

Asistencia bilingüe en español

Asistencia telefónica esta disponible todo el año durante las 7 a.m. y las 7 p.m. lunes a viernes, excepto días festivos estatales. Sin embargo, podríamos modificar este horario sin aviso previo para cumplir necesidades de operación.

Dentro de los Estados Unidos, llame al (800) 852-5711
Fuera de los Estados Unidos,
llame al (cargos aplican) (916) 845-6500
Para preguntas sobre impuestos federales,
llame el IRS al (800) 829-1040

Página Electrónica: www.ftb.ca.gov

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

Your Rights As A Taxpayer

Our goal at the FTB is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB Pub. 4058, California Taxpayers’ Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers’ Rights Advocate Program, and how you can request written advice from the FTB on whether a particular transaction is taxable. See “Where To Get Income Tax Forms and Publications,” on this page.

Privacy Act Notice

The Franchise Tax Board considers the privacy of your tax information to be of the utmost importance.

Your Rights:

You have a right to see our records that contain your personal information, and we must tell you why we ask for your tax information and to whom we may provide that information. You also have the right to question the correctness of the information that is contained within your file.

Your Responsibility:

If you meet certain income thresholds, the California Revenue & Taxation Code requires you to file a return on the forms we prescribe (see Sections 18501 and 18621). When you file these forms and related documents, you must include your social security number or individual taxpayer identification number for identification and return processing (Section 18624).

Reasons for Information Requests:

We ask for return information so that we can administer the tax law fairly and correctly. We may request additional information to resolve audit or collection issues. It is mandatory that you furnish all requested information.

If you do not file a return, do not provide the information we ask for, or if you provide fraudulent information, you may be charged penalties and interest, and, in certain cases, you may be criminally prosecuted. Additionally, we may disallow your claimed exemptions, exclusions, credits, deductions, or adjustments. This could increase your tax liability, or delay or reduce any refund.

Information Disclosure:

We may give your tax information to the Internal Revenue Service, to income tax officials of other states, to the Multistate Tax Commission, and to certain California government agencies and officials, as provided by law. Also, as provided by law, we may give your tax information to other persons as necessary to determine your tax liability or to collect the amount of tax you owe. If you owe the Franchise Tax Board money, the amount due may be disclosed to employers, financial institutions, county recorders, vacation trust funds, process agents, or others who hold assets belonging to you.

Responsibility for the Records:

To obtain information about your records,

- 1) write to: Disclosure Officer Mailstop B-1
Franchise Tax Board
PO Box 1468
Sacramento CA 95812-1468, or
- 2) call: (800) 852-5711 (toll-free) from within the United States, or
(916) 845-6500 from outside of the United States.

Our automated toll-free phone service is available 24 hours a day, 7 days a week, in English and Spanish to callers with touch-tone telephones. You can:

- Order California and federal tax forms and publications;
- Get current year tax refund information;
- Get balance due and payment information; and
- Hear recorded answers to many of your questions about California taxes.

Have paper and pencil ready to take notes.

Call from within the

United States (800) 338-0505

Call from outside the

United States (916) 845-6500
(not toll-free)

Order Forms and Publications

If your current address is on file, you can order California tax forms for the current and previous two years. See the following list of forms and follow the instructions for ordering forms on page 58.

Code California Tax Forms and Publications

- 900 California Resident Income Tax Booklet: Form 540, Resident Income Tax Return Form 540A, Resident Income Tax Return
- 965 Form 540 2EZ Tax Booklet
- 903 Schedule CA (540), California Adjustments: FTB 3885A, Depreciation & Amortization Adjustments Schedule D, California Capital Gain or Loss Adjustment
- 969 Large Print Resident Booklet
- 970 Resident Booklet on Cassette
- 907 540-ES, Estimated Tax for Individuals
- 908 540X, Amended Individual Income Tax Return
- 909 Schedule D-1, Sales of Business Property
- 910 Schedule G-1, Tax on Lump-Sum Distributions
- 911 Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents
- 913 Schedule S, Other State Tax Credit
- 914 California Nonresident Income Tax Booklet: Long and Short Form 540NR, Nonresident or Part-Year Resident Income Tax Return
- 917 Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents
- 918 Schedule P (540NR), Alternative Minimum Tax and Credit Limitations – Nonresidents or Part-Year Residents
- 933 FTB 3504, Long-Term Care Credit
- 932 FTB 3506, Child and Dependent Care Expenses Credit
- 937 FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return

- 921 FTB 3519, Payment Voucher for Automatic Extension for Individuals
- 972 FTB 3520, Power of Attorney form and FTB Pub. 1144, Power of Attorney Frequently Asked Questions
- 922 FTB 3525, Substitute for W-2 Wage and Tax Statement
- 923 FTB 3526, Investment Interest Expense Deduction
- 931 FTB 3534, Joint Strike Fighter Credits
- 940 FTB 3540, Credit Carryover Summary
- 949 FTB 3567, Installment Agreement Request
- 924 FTB 3800, Tax Computation for Children with Investment Income
- 929 FTB 3801, Passive Activity Loss Limitations
- 930 FTB 3803, Parents' Election to Report Child's Interest and Dividends
- 935 FTB 3805D, Net Operating Loss (NOL) Computation and Limitations – Pierce's Disease
- 925 FTB 3805E, Installment Sale Income
- 928 FTB 3805P, Additional Taxes from Qualified Retirement Plans
- 926 FTB 3805V, Net Operating Loss (NOL) — Individuals
- 901 FTB 3805Z, Enterprise Zone Businesses
- 927 FTB 5805, Underpayment of Estimated Tax — Individuals and Fiduciaries
- 919 FTB Pub. 1001, Supplemental Guidelines to California Adjustments
- 920 FTB Pub. 1005, Pension and Annuity Guidelines
- 945 FTB Pub. 1006, California Tax Forms and Related Federal Forms
- 946 FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities
- 943 FTB Pub. 4058, California Taxpayers' Bill of Rights
- 941 FTB Pub. 1031, Guidelines for Determining Resident Status
- 942 FTB Pub. 1032, Tax Information for Military Personnel
- 951 FTB Pub. 1051A, Guidelines for Married Filing Separate Returns
- 934 FTB Pub. 1540, California Head of Household Filing Status Information

Current Year Refund Information

If you file by mail, you should wait at least 8 weeks after you file your tax return before you call to find out about your refund. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service.

Balance Due And Payment Information

You should wait at least 45 days from the date you mailed your payment before you call to verify receipt of your payment. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service.

Answers To Tax Questions

Call our automated phone service, select "Personal Income Tax Information," then "General Tax Information," and enter the 3-digit question code.

Code Filing Assistance:

- 100 Do I need to file a return?
- 111 Which form should I use?
- 112 How do I file electronically and get a fast refund?
- 201 How can I get an extension to file?
- 203 What is the nonrefundable renter's credit and how do I qualify?
- 204 I never received a Form W-2. What do I do?
- 205 I have no withholding taken out. What do I do?
- 206 Do I have to attach a copy of my federal return?
- 209 I lived in California for part of the year. Do I have to file a return?
- 210 I did not live in California. Do I have to file a return?
- 215 Who qualifies me to use the head of household filing status?
- 222 How much can I deduct for vehicle license fees?

Penalties

- 403 What is the estimate penalty rate?

Notices And Bills

- 503 How do I file a protest against a Notice of Proposed Assessment?
- 506 How can I get information about my Form 1099-G?

Tax For Children

- 601 Can my child take a personal exemption credit when I claim her or him as a dependent on my return?

Miscellaneous

- 611 What address do I send my payment to?
- 619 How do I report a change of address?

