

Forms & Instructions

California 540NR

2005 Nonresident or Part-Year Resident Booklet

**Members of the
Franchise Tax Board**

Steve Westly, Chair
John Chiang, Member
Tom Campbell, Member

F
R
A
N
C
H
I
S
E

T
A
X

B
O
A
R
D

COVER GRAPHICS OMITTED FOR DOWNLOADING SPEED

Table of Contents

What's New and Other Important Information for 2005	3
Common Errors and How to Prevent Them	4
File Online	5
Tax Time Tips	6
Do I Have to File?	7
Which Form Should I Use?	8
Helpful Hints	9
Attachments to Your Return	9
Frequently Asked Questions	10
How Nonresidents and Part-Year Residents are Taxed	11
Nonrefundable Renter's Credit Qualification Record	12
Instructions for Short Form 540NR	13
Short Form 540NR , California Nonresident or Part-Year Resident Income Tax Return	15
Instructions for Long Form 540NR	19
Where to Mail Your Return (Mailing Addresses)	28
Long Form 540NR , California Nonresident or Part-Year Resident Income Tax Return	29
CA Schedule W-2 , Wage and Withholding Summary	33
Credit Chart	34
Instructions for Schedule CA (540NR)	36
Schedule CA (540NR) , California Adjustments - Nonresidents or Part-Year Residents	47
Schedule D (540NR) , California Capital Gain or Loss Adjustment	51
FTB 3885A , Depreciation and Amortization Adjustments	51
Instructions for California Schedule D (540NR)	55
Instructions for form FTB 3885A	56
FTB 3519 , Automatic Extension for Individuals	57
2005 California Tax Table	59
Additional Information	64
How To Get California Tax Information	65
Privacy Act Notice	65
Paying Your Taxes	66
2005 California Tax Rate Schedules	67
Automated Toll-Free Phone Service	68



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 a Customer Service Number.
- e-file your tax return.
- Check your estimated tax payments.
- Check the status of your refund and make an account balance inquiry.
- Pay online (personal income tax, estimated tax, and bills). You choose the dates to pay.
- Complete and submit requests to make monthly tax payments.
- Download tax forms and publications – sorted by year and by form number.
- Access legal notices, rulings, and regulations; also see FTB's analysis of pending legislation and get current law/policy information by reading **Tax News** online.
- View internal procedure manuals to learn how we administer the law.

\$\$\$ for You

Earned Income Credit (EIC) – If you earned less than \$37,263 (less than \$11,750 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 2005 who together paid you more than \$79,418 in wages. See the instructions on page 24.

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 64.

What's New and Other Important Information for 2005

Differences between California and Federal Law

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2005. 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 search for **conformity**. 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.

2005 Tax Law Changes

Recently enacted legislation changes California's specified date of conformity to federal income tax laws from January 1, 2001 to January 1, 2005. This date change, in general, conforms to numerous changes made in the federal income tax law during that four-year period. For the most current information regarding specific provisions of conformity and non-conformity as it relates to this date change, please visit our Website at www.ftb.ca.gov and search for **conformity**.

California conforms to federal law for the following:

- For purposes of the Child and Dependent Care Expenses Credit, compensation received by a member of the armed forces for active service shall be considered earned income, whether or not the member is domiciled in this state.
- An exclusion for qualified foster care payments.
- The uniform definition of a child.
- Qualifying expenses associated with the adoption of children with special needs.

Head of Household Filing Status

Beginning in 2005, for a child to qualify as your foster child for head of household purposes, the child must either be placed with you by an authorized placement agency or by order of a court.

If you are unmarried, your unmarried child no longer qualifies you for head of household filing status if he or she is 19 years of age or older, is not a student, and has gross income equal to or greater than the federal exemption amount (\$3,200 in 2005). In addition, if you are unmarried, your unmarried child also no longer qualifies you for the status if he or she is under 19 years of age or a student under 24 and pays more than half of his or her own support.

California does not conform to federal law for the following:

- Exclusion from gross income of certain federal subsidies for prescription drug plans.
- Exclusion of survivor benefits attributable to service by a public safety officer who is killed in the line of duty before January 1, 1997.
- Recovery period for depreciation of certain leasehold improvements and restaurant property.

Other Federal Conformity Items

California conforms to federal law to allow the following:

- California conforms to the Federal statutes that limit or preempt California's ability to tax the California source income of certain nonresidents employed in interstate commerce, and members of the armed forces.

Federal Non-conformity Items

- California does not conform to Federal law with regard to income attributable to domestic production activities.
- The exclusion of settlement payments including related interest received by an eligible individual defined as a person persecuted on the basis of race or religion by the regime that was in control of the Ottoman Turkish Empire from 1915-1923.

Mental Health Services Tax

Proposition 63, approved by voters on November 2, 2004, enacted the Mental Health Services Act, which imposes an additional 1% tax on taxable income over \$1,000,000. Please refer to the worksheet on page 23 to compute the additional tax to be reported on your Long Form 540NR.

Underpayment of Estimated Tax Penalty

For taxable years beginning on or after January 1, 2005, the underpayment of estimated tax penalty shall not apply to the extent the underpayment of an installment was created or increased by any provision of law that is chaptered during and operative for the taxable year of the underpayment. To request a waiver of the underpayment of estimated tax penalty, get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries or form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen.

Shasta County Wildfires/Southern California Flooding

If you were a victim of the Shasta County Wildfires, Southern California Flooding, Debris Flows or Mudslides, get FTB Pub. 1034, *How to Claim a State Tax Deduction for your Disaster Loss*, for more information.

Amnesty

Recently enacted law provides clarification and relief for taxpayers who participated in the 2005 California state Amnesty program. For more information visit our Website at www.ftb.ca.gov and search for the **Amnesty** link.

Tax Shelter

If you were involved in a potentially abusive tax shelter, then you may have a disclosure, registration, and/or a list maintenance requirement. Attach the IRS Form 8886 to the back of your California return along with your other supporting schedules. If this is the first time the reportable transaction is disclosed on the return, then send a duplicate copy of the Form 8886 to the

address below. The Franchise Tax Board may impose several new penalties if you fail to file IRS Forms 8886, 8264, or any other required information.

Tax Shelter Filing
Franchise Tax Board
PO Box 1673
Sacramento CA 95812-1673

For more information, see Registration and Reporting Requirements under Abusive Tax Shelters on our Website at www.ftb.ca.gov.

Other Important Information

New California Form CA Sch W-2

For taxable years beginning on or after January 1, 2005, you can use the CA Sch W-2 to report certain W-2 information. You should attach this schedule to side 2 of your income tax return. You can keep your W-2's for your records. This is an optional form, as you can still attach your W-2's to the front of your return if you choose not to complete the CA Sch W-2.

Prior Name Line

There is a new line on the Long and Short Form 540NR for taxpayers who may have filed their 2004 income tax returns under a different last name. If you had a different last name, please write the last name **only** from your 2004 tax return on this new line.

New Voluntary Contribution Funds

You may make voluntary contributions to the following funds:

- Veterans' Quality of Life Fund
- California Sexual Violence Victim Services Fund
- California Colorectal Cancer Prevention Fund

Environmental Tax Credit – For taxable years beginning on or after July 1, 2005, California allows an environmental tax credit in an amount equal to five cents (\$.05) for each gallon of ultra low sulfur diesel fuel produced during the taxable year by a small refiner at any facility located in California. The aggregate credit cannot exceed 25 percent of the qualified capital costs incurred by the small refiner with respect to that facility, reduced by the aggregate credits determined for all prior taxable years with respect to that facility. See form FTB 3511, Environmental Tax Credit, for more information.

Charitable Contribution for the 2004 Tsunami Disaster – If you reported a charitable contribution deduction for the relief of victims in the Tsunami Disaster in 2004, you are not allowed a deduction for the same charitable contribution in 2005. However, if you made additional charitable contributions that were not claimed as a deduction in 2004, these additional contributions may be reported as a deduction in 2005.

Katrina Tax Relief Act – As of the date of publishing, California has not conformed to any of the federal law changes made under the Katrina Emergency Tax Relief Act of 2005. However, California will follow federal policy by allowing special tax relief for California taxpayers affected by Hurricane Katrina in the federally declared disaster areas for the items listed below:

- Extended due dates for filing tax returns and paying taxes;
- Donations of approved employee leave time program;

- Qualified distributions from qualified pension plans.

For more information related to Hurricane Katrina, visit our Website at www.ftb.ca.gov and see Disaster loss under the Filing tab.

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 – The funding for the Natural Heritage Preservation Credit is available beginning January 1, 2005.

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 select Check your account 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 2005. 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 24.

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

THIS PAGE INTENTIONALLY LEFT BLANK

visit our Website:

www.ftb.ca.gov

✓ Tip Important due dates

April 17, 2006	Last day to pay the 2005 amount you owe to avoid penalties and interest.* See form FTB 3519 on page 57 for more information. <small>*If you are living or traveling outside the United States on April 17, 2006, the due dates for filing your return and paying your tax are different. See form FTB 3519 on page 57 for more information.</small>
October 16, 2006	Last day to file or e-file your 2005 return to avoid penalties and interest computed from the original due date of April 17, 2006.
April 17, 2006 June 15, 2006 September 15, 2006 January 16, 2007	Due dates for 2006 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 frequently asked questions, 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 65.

✓ 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 (If you are a nonresident or part-year resident of California and received California-sourced income in 2005, follow the instructions below. For more details see page 11 in the 540NR Non-Resident Booklet.)

Step 1: Read down the first column to find your filing status at the end of 2005. Read across to find your age at the end of 2005, and number of dependents you are entitled to claim for 2005.

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 details.

On 12/31/05, my filing status was:	and on 12/31/05, 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	13,085	22,152	28,952	10,468	19,535	26,335
	65 or older	17,435	24,235	29,675	14,818	21,618	27,058
Married filing jointly Married filing separately ⁴	Under 65 (both spouses)	26,170	35,237	42,037	20,935	30,002	36,802
	65 or older (one spouse)	30,520	37,320	42,760	25,285	32,085	37,525
	65 or older (both spouses)	34,870	41,670	47,110	29,635	36,435	41,875
Qualifying widow(er)	Under 65		22,152	28,952		19,535	26,335
	65 or older		24,235	29,675		21,618	27,058
Dependent of another person Any filing status	Any age	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 65.

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, 2006, you are considered to be age 65 on December 31, 2005.

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 2005, 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 65 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 2005, 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 or CA Sch 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 • Mental Health Services Tax

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.
- 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 lines 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 the following information.

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.

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).

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 65.

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 Form 1040EZ, line 4; Form 1040A, line 21; Form 1040, line 37; Form 1040NR, line 35; 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 or general sales tax you claimed on your federal Schedule A. Use Schedule CA (540NR), Part III, on page 48.

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



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 65.

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 "2005 Long or Short Form 540NR" on the check or money order. **Note:** All checks must be payable in U.S. dollars and drawn against a U.S. financial institution.

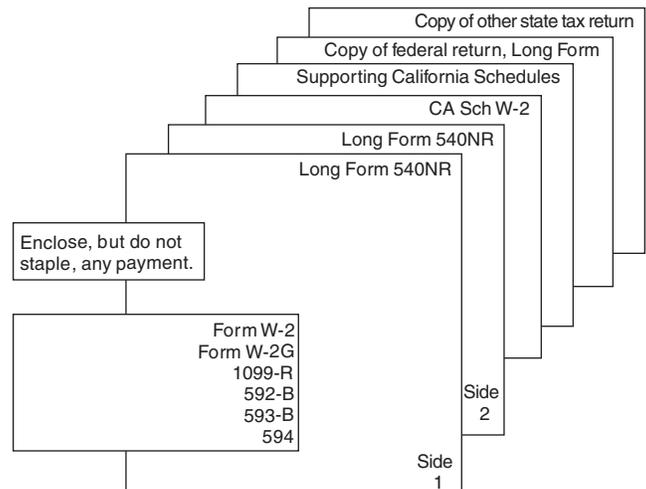
Form(s) W-2, W-2G, 592-B, 593-B, 594, and 1099: Make sure to staple all the Form(s) W-2, W-2G, 592-B, 593-B, and 594 you received to the front of your return where it says "Attach copy of your Form(s) W-2, W-2G, 592-B, 593-B, and 594." Also, attach any Form(s) 1099 showing California income tax withheld.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



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 17, 2006, and I think I owe tax?

You must pay 100% of the amount you owe by April 17, 2006, 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, Automatic Extension for Individuals, on page 57. Mail it to the FTB with your payment by April 17, 2006, 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 16, 2006 (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, 2006, contact your employer. Only your employer can issue or correct a Form W-2. For more information, call (800) 338-0505, select **204** "Personal Income Tax," then "Frequently Asked Questions," and enter code **204** when instructed.

If you cannot get a copy of your Form(s) W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099, Distributions from Pensions, Annuities, Retirement, or Profit Sharing Plans, IRAs, Insurance Contracts, etc. See "Where To Get Income Tax Forms and Publications" on page 65.

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 17, get a list of locations 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 2005 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 17, 2006, 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.**



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 66.

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 "Frequently Asked Questions" and enter code **112** when instructed.



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 68.

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 65.

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 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 Income 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 65.

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 at 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 four 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 2005 that had its source in California, or if you moved into or out of California in 2005, 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 2005, 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 65.

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 December 31, 1995.

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 65.

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 65.

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 65.

Military Servicemembers

Active duty military servicemembers refer to FTB Pub. 1032, *Tax Information for Military Personnel*. See “Where to Get Income Tax Forms and Publications” on page 65.

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
- Exclusion for certain military fringe benefits
- A 10-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

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.

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 2005 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 2005?

- 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:

- \$30,794 or less if single or married filing separately; or
- \$61,588 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 2005, 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 2005?

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

5. For more than half the year in 2005, 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 2005?

- 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 2005?

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

8. Were you single in 2005?

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

9. Did your spouse claim the homeowner's property tax exemption³ anytime during 2005?

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

10. Did you and your spouse maintain separate residences for the entire year in 2005?

- 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 2005. 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 additional special credits in addition to this credit, go to the instructions on page 23 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 2005 which qualified you for this credit.

Street Address	City, State, and ZIP Code	Dates Rented in 2005 (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 2005, 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, 2005**, 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, 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 17, 2006. 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 65.



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.

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.

Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)

Enter your 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 ITIN, enter the ITIN in the space provided for the SSN.

An 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.

Prior Name

If you filed your 2004 tax return under a different name, write the last name **only** from the 2004 return.

Filing Status

Line 1 through line 5 – Filing Status

See page 19, 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.

Nonresident Alien

A joint return may be filed if, in the case of a nonresident alien married to a United States citizen or resident, both spouses elect to treat the nonresident alien spouse as a resident.

Residency

Please complete the residency portion by filling in all circles that apply to you and provide 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 65.

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 claim you as a dependent.

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 amount 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.

Taxable Income

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

Line 12 – Total California Wages

Enter the total amount of your California wages from your Form(s) W-2 or CA Sch W-2. This amount is reported in box 16 of Form W-2 or CA Sch 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 benefits 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 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. If you are an active duty military member domiciled outside of California, you and your spouse 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 Form(s) W-2 or CA Sch 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 of the Long Form 540NR instructions. If no, use the standard deduction amount for your filing status in the left margin.

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 59). 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.

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(s) W-2, box 16 or CA Sch W-2, line C.

Part-year resident – Enter your:

- California wages from Form(s) W-2, box 16 or CA Sch W-2, line C;
- Non-California wages received while you were a California resident from Form(s) W-2, box 16 or CA Sch W-2, line C; and
- Interest income received while you were a California resident.

Full-year resident – Enter your:

- California and non-California wages from all your Form(s) W-2, box 16 or CA Sch W-2, line C; 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).

Credits**Line 40 – Nonrefundable Renter's Credit**

If you paid rent on your principal California residence in 2005, 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 24, line 51 through line 54 for more information.

Payments**Line 47 – Income Tax Withheld**

Enter your total California income tax withheld from your Form(s) W-2, box 17 or CA Sch W-2, line C.

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.

Contributions

You may make contributions to the funds listed on Short Form 540NR, Side 2. For a description of the funds, see page 25.

Line 76 – Total Contributions

Add line 61 through line 75. Enter the result on line 76. If you did not make any contributions, do not enter an amount on line 76. 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.

Refund or Amount You Owe**Line 77 – Refund or No Amount Due**

If you did not enter an amount on line 76, 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 76, subtract that amount from the amount on line 58. If the result is zero or more, enter the amount on line 77. 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 77. Enter the result on line 78 and see the instructions for line 78.

Line 78 – Amount You Owe

If you entered an amount on line 76, add line 59 and line 76. 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 66.

To avoid a late filing penalty, file your Short Form 540NR by the due date even if you cannot pay the amount you owe. **Note:** All checks must be payable in U.S. dollars and drawn against a U.S. financial institution.

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. Please be sure to fill in all the appropriate boxes. **Do not** attach a voided check or deposit slip. See the illustration on page 27.

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 64.

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 2005

Short Form

FORM **540NR** C1 Side 1

Place label here or print	Your first name	Initial	Last name	P AC A R RP
	If joint return, spouse's first name	Initial	Last name	
Name and Address	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
SSN or ITIN	Your SSN or ITIN	Spouse's SSN or ITIN		IMPORTANT: Your SSN or ITIN is required.
	<input type="text"/>	<input type="text"/>		

Prior Name If you filed your 2004 tax return under a different last name, write the last name only from the 2004 return.
 Taxpayer _____ Spouse _____

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 _____.

Residency

State of residence: Yourself _____ Spouse _____
 Dates of California residency: Yourself from _____ to _____ Spouse from _____ to _____
 State or country of domicile: Yourself _____ Spouse _____

Exemptions 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 X \$87 = \$ _____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 X \$87 = \$ _____

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

Dependent Exemptions

_____ Total dependent exemptions X \$272 = \$ _____

11 **Exemption amount:** Add line 7 through line 10 X \$272 = \$ _____

Total Taxable Income

12 Total California wages from all your Form(s) W-2, box 16 or CA Sch W-2, line C ... ● 12 _____

13 Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4; Form 1040NR, line 35; or Form 1040NR-EZ, line 10 13 _____

If the amount on line 13 is more than \$100,000, stop here and use Long Form 540NR.

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 _____

Standard Deduction

Single, \$3,254

Married filing jointly, Head of household, or Qualifying widow(er), \$6,508

California Taxable Income

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 26 _____

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

Attach a copy of your Form(s) W-2 here. If you completed CA Sch W-2, attach it to the back of your return.

Attach any Form(s) 1099 showing California tax withheld.

Your name: _____ Your SSN or ITIN: _____

28 Amount from Side 1, line 27 28 _____

Nonrefundable Renter's Credit/ Total Tax
40 Nonrefundable renter's credit. See instructions, page 14 ● 40 _____
46 Total tax. Subtract line 40 from line 28 ● 46 _____

Payments
47 California income tax withheld (Form(s) W-2, box 17 or CA Sch W-2, box 17) ■ 47 _____

Overpaid Tax or Tax Due
58 Overpaid tax. If line 47 is larger than line 46, subtract line 46 from line 47 ■ 58 _____
59 Tax due. If line 47 is less than line 46, subtract line 47 from line 46 59 _____

Contributions

Alzheimer's Disease/Related Disorders Fund ● 61 _____ 00	Emergency Food Assistance Program Fund ● 67 _____ 00
CA Fund for Senior Citizens ● 62 _____ 00	CA Peace Officer Memorial Foundation Fund ● 68 _____ 00
Rare and Endangered Species Preservation Program ● 63 _____ 00	CA Military Family Relief Fund ● 71 _____ 00
State Children's Trust Fund for the Prevention of Child Abuse ● 64 _____ 00	CA Prostate Cancer Research Fund ● 72 _____ 00
CA Breast Cancer Research Fund ● 65 _____ 00	Veterans' Quality of Life Fund ● 73 _____ 00
CA Firefighters' Memorial Fund ● 66 _____ 00	CA Sexual Violence Victim Services Fund ● 74 _____ 00
	CA Colorectal Cancer Prevention Fund ● 75 _____ 00

76 Add line 61 through line 75. These are your total contributions ● 76 _____

Refund or Amount You Owe
77 **REFUND OR NO AMOUNT DUE.** Subtract line 76 from line 58. Mail to:
FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 ■ 77

Routing number grid for line 77

78 **AMOUNT YOU OWE.** Add line 59 and line 76. See instructions, page 14. Mail to:
FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 ■ 78
Pay Online – Go to our Website at www.ftb.ca.gov

Routing number grid for line 78

82 If you **do not** need California income tax forms mailed to you next year, fill in the circle ● 82 ○

Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions, page 27.
Fill in the boxes to have your refund directly deposited. Routing number ● _____
Account Type: Checking ● Savings ● Account number ● _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

Sign Here

Your signature _____ Spouse's signature (if filing jointly, both must sign) _____ Daytime phone number (optional) (_____) _____

X _____ X _____ Date _____
Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Paid Preparer's SSN/PTIN _____

Firm's name (or yours if self-employed) _____ Firm's address _____ FEIN _____

Joint return? See instructions, page 28.

California Nonresident or Part-Year Resident Income Tax Return 2005

Short Form

FORM **540NR** C1 Side 1

Place label here or print	Your first name	Initial	Last name	P AC A R RP
	If joint return, spouse's first name	Initial	Last name	
Name and Address	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
SSN or ITIN	Your SSN or ITIN	Spouse's SSN or ITIN		IMPORTANT: Your SSN or ITIN is required.
	<input type="text"/>	<input type="text"/>		

Prior Name If you filed your 2004 tax return under a different last name, write the last name only from the 2004 return.
 Taxpayer _____ Spouse _____

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 _____.

Residency

State of residence: Yourself _____ Spouse _____
 Dates of California residency: Yourself from _____ to _____ Spouse from _____ to _____
 State or country of domicile: Yourself _____ Spouse _____

Exemptions 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

Enclose, but do not staple, any payment.

► 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 X \$87 = \$ _____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 X \$87 = \$ _____

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

Dependent Exemptions

_____ Total dependent exemptions X \$272 = \$ _____

11 **Exemption amount:** Add line 7 through line 10 X \$272 = \$ _____

Total Taxable Income

12 Total California wages from all your Form(s) W-2, box 16 or CA Sch W-2, line C ... ● 12 _____

13 Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4; Form 1040NR, line 35; or Form 1040NR-EZ, line 10 13 _____

If the amount on line 13 is more than \$100,000, stop here and use Long Form 540NR.

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 _____

Standard Deduction

Single, \$3,254

Married filing jointly, Head of household, or Qualifying widow(er), \$6,508

California Taxable Income

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 26 _____

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

Attach a copy of your Form(s) W-2 here. If you completed CA Sch W-2, attach it to the back of your return.

Attach any Form(s) 1099 showing California tax withheld.

Your name: _____ Your SSN or ITIN: _____

28 Amount from Side 1, line 27 28 _____

Nonrefundable Renter's Credit/ Total Tax
40 Nonrefundable renter's credit. See instructions, page 14 ● 40 _____
46 Total tax. Subtract line 40 from line 28 ● 46 _____

Payments
47 California income tax withheld (Form(s) W-2, box 17 or CA Sch W-2, box 17) ■ 47 _____

Overpaid Tax or Tax Due
58 Overpaid tax. If line 47 is larger than line 46, subtract line 46 from line 47 ■ 58 _____
59 Tax due. If line 47 is less than line 46, subtract line 47 from line 46 59 _____

Contributions

Alzheimer's Disease/Related Disorders Fund ● 61 _____ 00	Emergency Food Assistance Program Fund ● 67 _____ 00
CA Fund for Senior Citizens ● 62 _____ 00	CA Peace Officer Memorial Foundation Fund ● 68 _____ 00
Rare and Endangered Species Preservation Program ● 63 _____ 00	CA Military Family Relief Fund ● 71 _____ 00
State Children's Trust Fund for the Prevention of Child Abuse ● 64 _____ 00	CA Prostate Cancer Research Fund ● 72 _____ 00
CA Breast Cancer Research Fund ● 65 _____ 00	Veterans' Quality of Life Fund ● 73 _____ 00
CA Firefighters' Memorial Fund ● 66 _____ 00	CA Sexual Violence Victim Services Fund ● 74 _____ 00
	CA Colorectal Cancer Prevention Fund ● 75 _____ 00

76 Add line 61 through line 75. These are your total contributions ● 76 _____

Refund or Amount You Owe
77 REFUND OR NO AMOUNT DUE. Subtract line 76 from line 58. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 ■ 77

Routing number grid for line 77

78 AMOUNT YOU OWE. Add line 59 and line 76. See instructions, page 14. Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 ■ 78
Pay Online – Go to our Website at www.ftb.ca.gov

Routing number grid for line 78

82 If you do not need California income tax forms mailed to you next year, fill in the circle ● 82 ○

Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions, page 27. Fill in the boxes to have your refund directly deposited. Routing number ● _____
Account Type: Checking ● Savings ● Account number ● _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3
Your signature _____ Spouse's signature (if filing jointly, both must sign) _____ Daytime phone number (optional) _____

Sign Here

It is unlawful to forge a spouse's signature. Joint return? See instructions, page 28.
X _____ X _____ Date _____
Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Paid Preparer's SSN/PTIN _____
Firm's name (or yours if self-employed) _____ Firm's address _____ FEIN _____

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, 2005**, 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, 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 17, 2006. 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 65.

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 5 for details.



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

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, last name, and address in the spaces provided at the top of Long Form 540NR. See Helpful Hints, "Filing 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, Country, Province/Region, and Postal Code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country name.

Principal Business Activity (PBA) 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.

Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)

Enter your 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 SSN because you are a nonresident or a resident alien for federal tax purposes, and the IRS issued you an ITIN, enter the ITIN in the space provided for the SSN.

An 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 SSN. It is a nine-digit number that always starts with the number 9.

Prior Name

If you filed your 2004 tax return under a different last name, write the last name **only** from the 2004 return.

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.

NonResident Alien – A joint return may be filed if, in the case of a nonresident alien married to a United States citizen or resident, both spouses elect to treat the nonresident alien spouse as a resident.

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



- An active member of the United States Armed Forces or any auxiliary military branch during 2005; or
- A nonresident for the entire year and had no income from California sources during 2005.

Caution – Community Property: If either spouse earned California source income while domiciled in a community property state, the community income will be split equally between the spouses. Both spouses will have California source income and they will **not** qualify for the nonresident spouse exception. For more information, get FTB Pub. 1031, *Guidelines for Determining Resident Status*, and FTB Pub. 1051A, *Guidelines For Married Filing Separate Returns*.

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.

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 65.



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 provide a questionnaire, FTB 4803e, which will help verify your eligibility to the FTB. Go to our Website at www.ftb.ca.gov.

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, 2005*, 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 25 for information about this fund.

*If your 65th birthday is on January 1, 2006, you are considered to be age 65 on December 31, 2005.

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.

Total Taxable Income

Refer to your completed federal income tax return to complete this section.

Line 12 – California Wages

Enter the total amount of your California wages from your Form(s) W-2 or CA Sch W-2. This amount should be shown in box 16 of Form W-2 or line C of CA Sch W-2.

**Line 14 – California Adjustments — Subtractions
(from Schedule CA (540NR), line 37, 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 37. Enter the amount from Schedule CA (540NR), line 37, column B on Long Form 540NR, line 14.

Caution: If the amount on Schedule CA (540NR) line 37, 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 37, 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 37. Enter the amount from Schedule CA (540NR), line 37, column C on Long Form 540NR, line 16.

Caution: If the amount on Schedule CA (540NR) line 37, 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 37, 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 38 through line 44. 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 a sample federal Schedule A, Itemized Deductions. Then complete Schedule CA (540NR), Part III, line 38 through line 44.

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	\$3,254
2 – Married filing jointly	\$6,508
3 – Married filing separately	\$3,254
4 – Head of household	\$6,508
5 – Qualifying widow(er)	\$6,508
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	1 _____
2. Minimum standard deduction	2 <u> \$800.00 </u>
3. Enter the larger of line 1 or line 2 here	3 _____
4. Enter the amount shown for your filing status:	4 _____
• Single or married filing separately, enter \$3,254	}
• Married filing jointly, head of household, or qualifying widow(er), enter \$6,508	
5. Standard deduction. Enter the smaller of line 3 or line 4 here and on the Short or Long Form 540NR, line 18	5 _____

Line 19 – Taxable Income

Capital Construction Fund (CCF). If you claim a deduction on your federal Form 1040, line 43 for a contribution made to a capital construction fund set up under the Merchant Marine Act of 1936, reduce the amount you contributed on Taxable Income Line 19 by the amount of the deduction. Next to the appropriate line, enter "CCF" and the amount of the deduction. For details, see federal Publication 595, Capital Construction Fund for Commercial Fisherman.

California Taxable Income

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

Line 20 – Tax

 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 \$100,000 or less, you must use the tax table beginning on page 59. Be sure you use the correct filing status column.
- Tax Rate Schedules.** If your taxable income is over \$100,000, you must use the tax rates schedules on page 67.
- 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, 2006, 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 45 to determine your California adjusted gross income. Follow the instructions for Schedule CA (540NR) beginning on page 36. Enter on Long Form 540NR, line 21 the amount from Schedule CA (540NR), line 45.

Line 22 – CA Taxable Income

Enter the amount from Schedule CA 540NR, line 49.

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	\$143,839
Married filing jointly or qualifying widow(er)	\$287,682
Head of household	\$215,762

Yes Complete the AGI Limitation Worksheet on this page.

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 \$143,839	
• Married filing jointly or	
qualifying widow(er) \$287,682	b _____
• Head of household \$215,762	
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.

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 34 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 34?

No If you checked "Yes" for Question 1 and entered an amount on Long Form 540NR, line 40, go to line 41. If you checked "No" for Question 1, skip to the instructions for line 42.

Yes Figure your credit using the form, schedule, worksheet, or certificate identified in the Credit Chart. Then go to Box A, below 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 \$198,366
- Married filing jointly or qualifying widow(er) \$264,448
- Married filing separately \$132,243

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 33, do not enter an amount on line 31 through line 33. Instead, enter the total amount of these credits from

Schedule P (540NR), Part III, Section B1, line 12 through line 14, 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.

If you qualify for both the Credit for Joint Custody Head of Household and the Credit for Dependent Parent, you are only allowed to claim one or the other, not both. You may claim a credit if you were unmarried at the end of 2005 (or if married, you lived apart from your spouse for all of 2005 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 grand-child 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.

If your Federal AGI is more than \$143,839, 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 below to calculate your credit.

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** \times .30
5. Credit amount. Multiply line 3 by line 4. Enter on this line the result or \$346, whichever is less. Enter this amount on line 31 of the Long Form 540NR, Side 2 **5** _____

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.

If you qualify for both the Credit for Joint Custody Head of Household and the Credit for Dependent Parent, you are only allowed to claim one or the other, not both.

You may claim this credit only if:

- You were married at the end of 2005 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 \$346, 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, 2005*;
- Qualified as a head of household in 2003 or 2004 by providing a household for a qualifying individual who died during 2003 or 2004; and
- Did not have adjusted gross income over \$56,262 for 2005.

*If your 65th birthday is on January 1, 2006, you are considered to be age 65 on December 31, 2005.

Note: If you meet all the conditions listed, you do not need to qualify to use the head of household filing status for 2005 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 .02
3. Credit amount. Multiply line 1 by line 2. Enter on this line the result or \$1,060, whichever is less. Enter this amount on line 33 of the Long Form 540NR, Side 2 ... 3

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 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 \$346 ... 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 \$346 ... 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 \$1,060 ... 12

Total Prorated Credits

- 13. Add line 4, line 8, and line 12. Enter the result here and on Long Form 540NR, line 36 ... 13

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) complete Part III to list the additional credits. See "Where To Get Income Tax Forms and Publications" on page 65. 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 2005. 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 on page 12.

Line 42

Subtract the amount on line 41 from the amount on line 28. Enter the result on line 42. If the amount on line 41 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 42. 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 42.

Other Taxes

Attach the specific form or statement required for each item below.

Line 43 – 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:

- \$70,531 married filing jointly or qualifying widow(er); or
• \$52,898 single or head of household; or
• \$35,263 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 65.

Line 44 – Mental Health Services Tax

If your taxable income or nonresident CA source taxable income is more than \$1,000,000, compute the Mental Health Services tax below:

- A. Taxable income from Long Form 540NR, line 22 ...
B. Less: ... \$(1,000,000)
C. Subtotal ...
D. Multiply line C by 1% ... x .01
E. Mental Health Services Tax - Enter this amount on Long Form 540NR, line 44 ...

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 3805Z, Enterprise Zone Deduction and Credit Summary; FTB 3806,

Los Angeles Revitalization Zone 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.

Payments

Make sure you have your Form(s) W-2 (or CA Sch W-2), W-2G, 1099-MISC, 1099-R, 592-B, 593-B, and 594 before you begin this section.

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 (or CA Sch W-2);
- W-2G, box 14;
- 1099-MISC, box 16; or
- 1099-R, box 10.

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 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(s) W-2 or 1099, contact the entity that paid the income.

Line 49 – 2005 CA Estimated Tax

Enter the total of any:

- California estimated tax payments you made (Form 540-ES) for 2005;
- Overpayment from your 2004 California income tax return that you applied to your 2005 estimated tax;
- Payment you sent with form FTB 3519, 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 (NCR) 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 NCR 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 MS F-210
 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 select Check your account.

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 2005;
- You received more than \$79,418 in wages; and
- The amounts of SDI (or VPD) withheld appear on your Forms W-2. Be sure to attach your Forms W-2 (or CA Sch 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 1.08%, 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		
Follow the instructions below to figure the amount to enter on Long Form 540NR, line 50. If you are married and file a joint return, you must figure the amount of excess SDI (or VPD) separately for each spouse.		
	You	Your Spouse
1. Add amounts of SDI (or VPD) withheld shown on your Forms W-2. Enter the total here 1		
2. 2005 SDI (or VPD) limit 2	\$857.71	\$857.71
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 \$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).

A servicemember's active duty military pay is considered earned income, regardless of whether the servicemember is domiciled in California. Get Pub. 1032, *Tax Information for Military Personnel*, for more information.

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 65.

Overpaid Tax or Tax Due

Note: If you received a refund for 2004, 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 2006 Estimated Tax

You may apply all or part of the amount on line 56 to your estimated tax for 2006. Enter on line 57 the amount of line 56 you want applied to 2006. 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 contributions.

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.

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 \$174 or \$87 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 \$87; if you and your spouse contribute, enter \$174 **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 75. 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 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 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 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 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 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/bcrp/. 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 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 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 71 – California Military Family Relief Fund

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

Line 73 – Veterans' Quality of Life Fund

Contributions will be allocated to the Morale, Welfare, and Recreation Fund to provide additional funding for each of the veterans' homes.

Line 74 – California Sexual Violence Victim Services Fund

Contributions will be allocated to the State Department of Health Services for allocation to the California Coalition Against Sexual Assault (CALCASA) for the award of grants to support CALCASA rape crisis center programs for victims of rape and sexual assault.

Line 75 – California Colorectal Cancer Prevention Fund

Contributions will be allocated to the State Department of Health Services for making grants to foundations that qualify as exempt organizations and whose mission is the prevention and early detection of colorectal cancer. The grants shall contribute toward the expansion of community-based colorectal cancer education and culturally sensitive and appropriate prevention activities targeted toward communities that are disproportionately at risk or afflicted by colorectal cancer.

Line 76 – Total Contributions

Add line 60 through line 75. Enter the result on line 76. 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.

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 77 – Refund or No Amount Due

If you did not enter an amount on line 76, enter the amount from line 59 on line 77. 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 Direct Deposit (Refund Only) on page 27.

If you entered an amount on line 76, subtract it from the amount on line 58. If the result is zero or more, enter it on line 77. Then skip to the instructions for line 79 on page 27.



112



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 77. Instead, enter the result on line 78 and see the instructions for line 78.

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

Line 78 – Amount You Owe

If you did not enter an amount on line 76, enter the amount from line 59 on line 78. This is the amount you owe with your Long Form 540NR.

If you entered an amount on line 76, add that amount to the amount on line 59. Enter the result on line 78. 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 2005 tax payment and any 2006 estimated tax payment in the same check or money order. You must prepare two separate checks or money orders 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. Visit our Website at www.ftb.ca.gov for more information. 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 "2005 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. All checks must be payable in U.S. dollars and drawn against a U.S. financial institution.

Note: If you enter an amount on line 79 or line 80, see the instructions for line 81 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 the 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 spouse's 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 78 with your return, you may request monthly payments. See page 10, Question 4.

Interest and 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 79 – Interest and Penalties

Enter on line 79 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 16, 2006. 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 80 – 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 if married filing separately),
- 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 42 (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 80 and fill in the correct circle on line 80. 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 2005 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 65.

Line 81 – Total Amount Due

Is there an amount on line 78?

Yes Add line 78, line 79, and line 80. 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 77?

Yes Add line 79 and line 80. If the result is:

- Less than line 77, your refund will be reduced by this amount when your return is processed. Do not enter an amount on line 81.
- More than line 77, subtract line 77 from it and enter the result. Make your check or money order for this amount.

No Add line 79 and line 80, enter the result, and make your check or money order for this amount.

Line 82 – 2006 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 82.

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.

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.

The illustration shows a check from John Doe and Mary Doe, 1234 Main Street, Anytown, CA 99999. The check is payable to the order of a blank box. The amount is \$1234.00. The bank is ANYTOWN BANK, Anytown, CA 99999. The routing number is 250250025 and the account number is 202020. The check number is 1234. Annotations include: '20' above the routing number, '15-0000/0000' above the account number, 'Do not include the check number' in a box pointing to the check number, and '1234' above the amount box.

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 64.

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 65.

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. If you file a joint return, make sure they are entered in the same order as both names.

Form(s) W-2, W-2G, 1099, 592-B, 593-B, and 594. Attach 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 here. Also, attach any Form(s) 1099, 592-B, 593-B, and 594 showing California income tax withheld. If you completed CA Sch W-2 attach it to the back of your return.

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 65.

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 2005

Long Form

FORM **540NR** C1 Side 1

Fiscal year filers only: Enter month of year end: month _____ year 2006.

Place label here or print Name and Address	Your first name	Initial	Last name	PBA Code	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 19)			State	ZIP Code	

SSN or ITIN	Your SSN or ITIN	Spouse's SSN or ITIN	IMPORTANT: Your SSN or ITIN is required.

Prior Name If you filed your 2004 tax return under a different last name, write the last name only from the 2004 return.
 Taxpayer _____ Spouse _____

Filing Status Fill in only one.

1 Single

2 Married filing jointly (even if only one spouse had income)

3 Married filing separately. Enter spouse's social security number above and full name here _____

4 Head of household (with qualifying person). STOP. See instructions, page 19.

5 Qualifying widow(er) with dependent child. Enter year spouse died _____.

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, line 9, 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, 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 \$87 = \$ _____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 8 X \$87 = \$ _____

9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 9 X \$87 = \$ _____

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

 _____ Total dependent exemptions 10 X \$272 = \$ _____

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

Total Taxable Income

12 Total California wages from all your Form(s) W-2, box 16 or CA Sch W-2, line C ... 12 _____

13 Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4; Form 1040NR, line 35; or Form 1040NR-EZ, line 10 13 _____

14 California adjustments – subtractions. Enter the amount from Schedule CA (540NR), line 37, column B ... 14 _____

15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions, page 20 ... 15 _____

16 California adjustments – additions. Enter the amount from Schedule CA (540NR), line 37, column C 16 _____

17 Adjusted gross income from all sources. Combine line 15 and line 16 17 _____

18 Enter the **larger of:** Your California **itemized deductions** from Schedule CA (540NR), line 43; **OR** Your California **standard deduction** (see left margin). See instructions, page 20 18 _____

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

California Taxable Income

20 Tax on the amount shown on line 19. Fill in the circle if from:
 Tax Table Tax Rate Schedule 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.

21 CA adjusted gross income from Schedule CA (540NR), Part IV, line 45 21 _____

22 CA Taxable Income from Schedule CA (540NR), Part IV, line 49 22 _____

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

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

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

25b CA Prorated Exemption Credits. Multiply line 11 by line 25a. If the amount on line 13 is more than \$143,839, see instructions, page 21. 25b _____

25c CA Regular Tax Before Credits. Subtract line 25b from line 24. If less than zero, enter -0- 25c _____

26 Tax. Fill in circle if from: Schedule G-1, Tax on Lump-Sum Distributions Form FTB 5870A, Tax on Accumulation Distribution of Trusts 26 _____

27 Add line 25c and line 26. Continue to Side 2 27 _____

Standard Deduction

Single or Married filing separately, \$3,254

Married filing jointly, Head of household, or Qualifying widow(er), \$6,508

Attach copy of your Form(s) W-2, W-2G, 592-B, 593-B, and 594 here. If you completed CA Sch W-2, attach it to the back of your return.

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

Your name: _____ Your SSN or ITIN: _____

Special Credits and Nonrefundable Renter's Credit

28 Amount from Side 1, line 27 28
31 Credit for joint custody head of household. See instructions, page 22 31
32 Credit for dependent parent. See instructions, page 22 32
33 Credit for senior head of household. See instructions, page 22 33
36 Credit percentage and credit amount. See instructions. Credit percentage 36a 36
37 Enter credit name _____ code no _____ and amount 37
38 Enter credit name _____ code no _____ and amount 38
39 To claim more than two credits, see instructions, page 23 39
40 Nonrefundable renter's credit. See instructions, page 12 40
41 Add line 36 through line 40. These are your total credits 41
42 Subtract line 41 from line 28. If less than zero, enter -0- 42

Other Taxes

43 Alternative minimum tax. Attach Schedule P (540NR) 43
44 Mental Health Services Tax. See instructions, page 23 44
45 Other taxes and credit recapture. See instructions, page 23 45
46 Add line 42 through line 45. This is your total tax 46

Payments

To view your estimated payments, go to www.ftb.ca.gov.

47 California income tax withheld. See instructions, page 24 47
48 Nonresident withholding (Form(s) 592-B, 593-B, or 594). See inst. page 24 48
49 2005 CA estimated tax and other payments. See instructions, page 24 49
50 Excess SDI. To see if you qualify, see instructions, page 24 50

Child and Dependent Care Expenses Credit. See instructions, page 24; attach form FTB 3506.

51 52
53 54
55 Add line 47, line 48, line 49, line 50, and line 54. These are your total payments 55

Overpaid Tax or Tax Due

56 Overpaid tax. If line 55 is more than line 46, subtract line 46 from line 55 56
57 Amount of line 56 you want applied to your 2006 estimated tax 57
58 Overpaid tax available this year. Subtract line 57 from line 56 58
59 Tax due. If line 55 is less than line 46, subtract line 55 from line 46 59

Contributions

CA Seniors Special Fund. See instructions 60 00
Alzheimer's Disease/Related Disorders Fund 61 00
CA Fund for Senior Citizens 62 00
Rare and Endangered Species Preservation Program 63 00
State Children's Trust Fund for the Prevention of Child Abuse 64 00
CA Breast Cancer Research Fund 65 00
CA Firefighters' Memorial Fund 66 00
Emergency Food Assistance Program Fund 67 00
CA Peace Officer Memorial Foundation Fund 68 00
CA Military Family Relief Fund 71 00
CA Prostate Cancer Research Fund 72 00
Veterans' Quality of Life Fund 73 00
CA Sexual Violence Victim Services Fund 74 00
CA Colorectal Cancer Prevention Fund 75 00

76 Add line 60 through line 75. These are your total contributions 76

Refund or Amount You Owe

77 REFUND OR NO AMOUNT DUE. Subtract line 76 from line 58. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 77
78 AMOUNT YOU OWE. Add line 59 and line 76. See instructions, page 26. Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 78

Interest and Penalties

79 Interest, late return penalties, and late payment penalties 79
80 Underpayment of estimated tax. Fill in circle: O FTB 5805 attached O FTB 5805F attached ... 80
81 Total amount due. Enclose, but do not staple, any payment 81
82 If you do not need California income tax forms mailed to you next year, fill in the circle 82 O

Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions, page 27. Fill in the boxes to have your refund directly deposited. Routing number
Account Type:
Checking O Savings O Account number

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

Sign Here

It is unlawful to forge a spouse's signature.

Joint return? See instructions, page 28.

Your signature _____ Spouse's signature (if filing jointly, both must sign) _____ Daytime phone number (optional) ()
X _____ X _____ Date _____
Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Paid Preparer's SSN/PTIN
Firm's name (or yours if self-employed) _____ Firm's address _____ FEIN _____

California Nonresident or Part-Year Resident Income Tax Return 2005

Long Form

FORM **540NR** C1 Side 1

Fiscal year filers only: Enter month of year end: month _____ year 2006.

Place label here or print Name and Address	Your first name	Initial	Last name	PBA Code	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 19)			State	ZIP Code	

SSN or ITIN	Your SSN or ITIN	Spouse's SSN or ITIN	IMPORTANT: Your SSN or ITIN is required.

Prior Name If you filed your 2004 tax return under a different last name, write the last name only from the 2004 return.
 Taxpayer _____ Spouse _____

Filing Status Fill in only one.

1 Single

2 Married filing jointly (even if only one spouse had income)

3 Married filing separately. Enter spouse's social security number above and full name here _____

4 Head of household (with qualifying person). STOP. See instructions, page 19.

5 Qualifying widow(er) with dependent child. Enter year spouse died _____.

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, line 9, 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, 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 \$87 = \$ _____

8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 8 X \$87 = \$ _____

9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 9 X \$87 = \$ _____

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

 _____ Total dependent exemptions 10 X \$272 = \$ _____

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

Total Taxable Income

12 Total California wages from all your Form(s) W-2, box 16 or CA Sch W-2, line C 12 _____

13 Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4; Form 1040NR, line 35; or Form 1040NR-EZ, line 10 13 _____

14 California adjustments – subtractions. Enter the amount from Schedule CA (540NR), line 37, column B 14 _____

15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions, page 20 15 _____

16 California adjustments – additions. Enter the amount from Schedule CA (540NR), line 37, column C 16 _____

17 Adjusted gross income from all sources. Combine line 15 and line 16 17 _____

18 Enter the **larger of:** Your California **itemized deductions** from Schedule CA (540NR), line 43; **OR** Your California **standard deduction** (see left margin). See instructions, page 20 18 _____

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

California Taxable Income

20 Tax on the amount shown on line 19. Fill in the circle if from:
 Tax Table Tax Rate Schedule 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.

21 CA adjusted gross income from Schedule CA (540NR), Part IV, line 45 21 _____

22 CA Taxable Income from Schedule CA (540NR), Part IV, line 49 22 _____

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

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

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

25b CA Prorated Exemption Credits. Multiply line 11 by line 25a. If the amount on line 13 is more than \$143,839, see instructions, page 21. 25b _____

25c CA Regular Tax Before Credits. Subtract line 25b from line 24. If less than zero, enter -0- 25c _____

26 Tax. Fill in circle if from: Schedule G-1, Tax on Lump-Sum Distributions 26 _____
 Form FTB 5870A, Tax on Accumulation Distribution of Trusts 26 _____

27 Add line 25c and line 26. Continue to Side 2 27 _____

Standard Deduction

Single or Married filing separately, \$3,254

Married filing jointly, Head of household, or Qualifying widow(er), \$6,508

Attach copy of your Form(s) W-2, W-2G, 592-B, 593-B, and 594 here. If you completed CA Sch W-2, attach it to the back of your return.

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

Your name: _____ Your SSN or ITIN: _____

Special Credits and Nonrefundable Renter's Credit

28 Amount from Side 1, line 27 28
31 Credit for joint custody head of household. See instructions, page 22 31
32 Credit for dependent parent. See instructions, page 22 32
33 Credit for senior head of household. See instructions, page 22 33
36 Credit percentage and credit amount. See instructions. Credit percentage 36a 36
37 Enter credit name _____ code no _____ and amount 37
38 Enter credit name _____ code no _____ and amount 38
39 To claim more than two credits, see instructions, page 23 39
40 Nonrefundable renter's credit. See instructions, page 12 40
41 Add line 36 through line 40. These are your total credits 41
42 Subtract line 41 from line 28. If less than zero, enter -0- 42

Other Taxes

43 Alternative minimum tax. Attach Schedule P (540NR) 43
44 Mental Health Services Tax. See instructions, page 23 44
45 Other taxes and credit recapture. See instructions, page 23 45
46 Add line 42 through line 45. This is your total tax 46

Payments

To view your estimated payments, go to www.ftb.ca.gov.

47 California income tax withheld. See instructions, page 24 47
48 Nonresident withholding (Form(s) 592-B, 593-B, or 594). See inst. page 24 48
49 2005 CA estimated tax and other payments. See instructions, page 24 49
50 Excess SDI. To see if you qualify, see instructions, page 24 50

Child and Dependent Care Expenses Credit. See instructions, page 24; attach form FTB 3506.

51 52
53 54
55 Add line 47, line 48, line 49, line 50, and line 54. These are your total payments 55

Overpaid Tax or Tax Due

56 Overpaid tax. If line 55 is more than line 46, subtract line 46 from line 55 56
57 Amount of line 56 you want applied to your 2006 estimated tax 57
58 Overpaid tax available this year. Subtract line 57 from line 56 58
59 Tax due. If line 55 is less than line 46, subtract line 55 from line 46 59

Contributions

CA Seniors Special Fund. See instructions 60 00
Alzheimer's Disease/Related Disorders Fund 61 00
CA Fund for Senior Citizens 62 00
Rare and Endangered Species Preservation Program 63 00
State Children's Trust Fund for the Prevention of Child Abuse 64 00
CA Breast Cancer Research Fund 65 00
CA Firefighters' Memorial Fund 66 00
Emergency Food Assistance Program Fund 67 00
CA Peace Officer Memorial Foundation Fund 68 00
CA Military Family Relief Fund 71 00
CA Prostate Cancer Research Fund 72 00
Veterans' Quality of Life Fund 73 00
CA Sexual Violence Victim Services Fund 74 00
CA Colorectal Cancer Prevention Fund 75 00

76 Add line 60 through line 75. These are your total contributions 76

Refund or Amount You Owe

77 REFUND OR NO AMOUNT DUE. Subtract line 76 from line 58. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002 77
78 AMOUNT YOU OWE. Add line 59 and line 76. See instructions, page 26. Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 78

Interest and Penalties

79 Interest, late return penalties, and late payment penalties 79
80 Underpayment of estimated tax. Fill in circle: O FTB 5805 attached O FTB 5805F attached ... 80
81 Total amount due. Enclose, but do not staple, any payment 81
82 If you do not need California income tax forms mailed to you next year, fill in the circle 82 O

Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions, page 27. Fill in the boxes to have your refund directly deposited. Routing number
Account Type:
Checking O Savings O Account number

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

Sign Here

It is unlawful to forge a spouse's signature.

Joint return? See instructions, page 28.

Your signature _____ Spouse's signature (if filing jointly, both must sign) _____ Daytime phone number (optional) ()
X _____ X _____ Date _____
Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) _____ Paid Preparer's SSN/PTIN
Firm's name (or yours if self-employed) _____ Firm's address _____ FEIN

2005

Wage and Withholding Summary

W-2

Important: Attach this schedule directly behind Side 2 of your return.

Name(s) as shown on return

SSN or ITIN

Attach your Form(s) W-2 to the front of your income tax return, or complete CA Sch W-2. Use this schedule to transfer information from your Form(s) W-2. If you need more space, complete a separate CA Sch W-2. If you complete a CA Sch W-2, do not submit your Form(s) W-2. Keep them for your records. The amounts from your Form(s) W-2 should be transferred to the appropriate boxes on this schedule. If Form(s) W-2 contain data from multiple states, you cannot use this form. The shaded areas need to be completed to ensure excess SDI claims.

Taxpayer W-2 information. (Transfer amounts from your Form(s) W-2 to the appropriate boxes below.) Complete a box for each Form W-2 you receive.

1st W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

2nd W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

3rd W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

4th W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

Spouse W-2 information. (Transfer amounts from your Form(s) W-2 to the appropriate boxes below.) Complete a box for each Form W-2 you receive.

1st W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

2nd W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

3rd W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

4th W-2 table with 8 rows: Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), SDI (Local Income Tax) (box 14 or 19)

- A. Total state wages from your Form(s) W-2 for taxpayer (Add box 16 from all Form(s) W-2 for taxpayer) \$
For nonresidents or part-year residents, enter your total California wages from all your Form(s) W-2 for taxpayer (Add box 16 from all Form(s) W-2 for taxpayer).
B. Total state wages from your Form(s) W-2 for spouse (Add box 16 from all Form(s) W-2 for spouse) \$
For nonresidents or part-year residents, enter your total California wages from all your Form(s) W-2 for spouse (Add box 16 from all Form(s) W-2 for spouse).
C. Total California Wages from all Form(s) W-2 (Add line A and line B, and enter on line C.) \$
D. Transfer the amount on line C to Form 540 2EZ, line 9; Form 540A, line 12a; Form 540, Form 540NR (Short or Long), line 12; or Form 540X, line 1a, Column B.

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 24	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
Environmental Tax – FTB 3511	218	Five cents (\$.05) for each gallon of ultra low sulfur diesel fuel produced during the taxable year by a small refiner at any facility located in this state
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 \$346 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's
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 12	None	For California residents who paid rent for their principal residence for at least 6 months in 2005 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 2005
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 \$1,060 for seniors who qualified for head of household in 2003 or 2004 and whose qualifying individual died during 2003 or 2004
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 65

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

2005

Wage and Withholding Summary

W-2

Important: Attach this schedule directly behind Side 2 of your return.

Name(s) as shown on return

SSN or ITIN

Attach your Form(s) W-2 to the front of your income tax return, or complete CA Sch W-2. Use this schedule to transfer information from your Form(s) W-2. If you need more space, complete a separate CA Sch W-2. If you complete a CA Sch W-2, do not submit your Form(s) W-2. Keep them for your records. The amounts from your Form(s) W-2 should be transferred to the appropriate boxes on this schedule. If Form(s) W-2 contain data from multiple states, you cannot use this form. The shaded areas need to be completed to ensure excess SDI claims.

Taxpayer W-2 information. (Transfer amounts from your Form(s) W-2 to the appropriate boxes below.) Complete a box for each Form W-2 you receive.

Table with 2 columns and 8 rows for 1st W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

Table with 2 columns and 8 rows for 2nd W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

Table with 2 columns and 8 rows for 3rd W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

Table with 2 columns and 8 rows for 4th W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

Spouse W-2 information. (Transfer amounts from your Form(s) W-2 to the appropriate boxes below.) Complete a box for each Form W-2 you receive.

Table with 2 columns and 8 rows for 1st W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

Table with 2 columns and 8 rows for 2nd W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

Table with 2 columns and 8 rows for 3rd W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

Table with 2 columns and 8 rows for 4th W-2. Rows include Social Security Number (box d), Employer ID Number (EIN) (box b), State & Employer's State ID Number (box 15), Employer Name (box c), State Wages, Tips, etc. (box 16), CA State Income Tax (box 17), Social Security Wages (box 3), and SDI (Local Income Tax) (box 14 or 19).

- A. Total state wages from your Form(s) W-2 for taxpayer (Add box 16 from all Form(s) W-2 for taxpayer) \$
For nonresidents or part-year residents, enter your total California wages from all your Form(s) W-2 for taxpayer (Add box 16 from all Form(s) W-2 for taxpayer).
B. Total state wages from your Form(s) W-2 for spouse (Add box 16 from all Form(s) W-2 for spouse) \$
For nonresidents or part-year residents, enter your total California wages from all your Form(s) W-2 for spouse (Add box 16 from all Form(s) W-2 for spouse).
C. Total California Wages from all Form(s) W-2 (Add line A and line B, and enter on line C.) \$
D. Transfer the amount on line C to Form 540 2EZ, line 9; Form 540A, line 12a; Form 540, Form 540NR (Short or Long), line 12; or Form 540X, line 1a, Column B.

Instructions for Schedule CA (540NR)

These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 2005**, and the California Revenue and Taxation Code (R&TC).

What's New?

California National Guard Surviving Spouse & Children Relief Act of 2004. Death benefits up to \$10,000 received from the State of California by a surviving spouse or member-designated beneficiary of CA National Guard, State Military Reserve, or Naval Militia personnel who dies or is killed after March 1, 2003 in the performance of duty is not included in gross income.

Ottoman Turkish Empire. If you received settlement payments as a person persecuted by the regime that was in control of the Ottoman Turkish Empire from 1915 until 1923 your gross income does not include those excludable settlement payments, or interest, received by you, your heirs, or your estate for payments received on or after January 1, 2005.

Gross income of nonresident or part-year resident. In conformity with federal law California does not include in the gross income of a nonresident taxpayer compensation for the performance of duties of certain merchant seamen, rail carriers, motor carriers, aircraft carriers, and military servicemembers.

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2005. 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 search for **conformity**.

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.

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.

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 California Public Utilities 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.
- Exclusion from gross income of certain federal subsidies for prescription drug plans
- Exclusion of survivor benefits attributable to service by a public safety officer who is killed in the line of duty before 1/1/97.
- Recovery period for depreciation of certain leasehold improvements and restaurant property.
- The additional 30% or 50% first year depreciation allowance for qualified property.
- Educator Expense or the Tuition and Fees deduction.
- Student loan interest deduction.
- Certain business expenses of performing artists and fee-basis government officials.
- 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 \$105,000, 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.
- Domestic production activities deduction.

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

Self-employed health insurance deduction. The percentage for 2005 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. Federal law allows a 2004 charitable contribution deduction for contributions made through January 31, 2005 for the 2004 Tsunami Disaster. As of March 1, 2005, California law 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 the Schedule CA NR, use Form 540X, Amended Individual Income Tax Return, and report the negative amount as a positive amount on line 2e, column B.

If you reported a charitable contribution deduction for the relief of victims in the Tsunami Disaster in 2004, you cannot take the same deduction in 2005. However, if you did not report these contributions on your 2004 return you can report them on your 2005 return.

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; and
- Determine your allowable standard deduction or itemized deductions.

Part-Year Residents – Complete the Part-Year Resident Worksheet on page 46 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 37, 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 37, 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 45 the amount from Schedule CA (540NR), line 37.

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 35

Enter the same amounts you entered on federal Form 1040, line 23 through line 35; Form 1040A, line 16 through line 19; or Form 1040NR, line 24 through line 33.

Note: Line 31a and Line 31b

Enter on line 31a the same amount you entered on federal Form 1040, line 31a. Enter on line 31b the social security number and full name of the person to whom you paid alimony.

Line 36

Add line 23 through line 35. This amount should be the same as the amount on federal Form 1040, line 36; Form 1040A, line 20; or Form 1040NR, line 34. However, if you made any of the adjustments described in the instructions for federal Form 1040, line 36, 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 36 on this line.

If you used Form 1040NR and reported an amount on Form 1040NR, line 30 for excluded scholarship and fellowship grants, enter the amount from Form 1040NR, line 34 on this line.

Line 37 – Total

Subtract line 36 from line 22b. This amount should be the same as the amount on Long Form 540NR, line 13; federal Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4; or Form 1040NR, line 35.

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 36 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.

Compensation of merchant seamen, military servicemembers, rail, motor, and aircraft carriers. Compensation for the performance of duties of certain merchant seamen, rail carriers, motor carriers, aircraft carriers, and military servicemembers are not included in gross income.

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
- Interest from Ottoman Turkish Empire settlement payments.

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); and
- 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, *Supplemental Guidelines to California Adjustments*, 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-DIV.

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

Get FTB Pub. 1001, *Supplemental Guidelines to California Adjustments*, 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 2005. 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, *Supplemental Guidelines to California Adjustments*, 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 Fighter 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. California taxes long and short term capital gains as regular income. There is no special rate for long term capital gains. 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; or
- Capital loss carryover from your 2004 California Schedule D (540NR).

Get FTB Pub. 1001, *Supplemental Guidelines to California Adjustments*, 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, for more information.

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, *Pension and Annuity Guidelines*, for more information and worksheets for figuring the adjustment to enter on this line, if any.

Coverdell ESA. If column A includes a taxable distribution from an ESA 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, *Supplemental Guidelines to California Adjustments*, 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 2005, 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, Part III, line 6

If you have a California disaster loss carryover from your 2004 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 III, 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 5b;
- FTB 3806, Los Angeles Revitalization Zone Deduction and Credit Summary, line 3b;
- FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary, line 5b, 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.

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 21f, column A and column 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.

California National Guard Surviving Spouse & Children Relief Act of 2004. Death benefits up to \$10,000 received from the State of California by a surviving spouse or member-designated beneficiary of certain military personnel killed in the performance of duty is not included in gross income.

Ottoman Turkish Empire. If you received settlement payments as a person persecuted by the regime that was in control of the Ottoman Turkish Empire from 1915 until 1923 your gross income does not include those excludable settlement payments, or interest, received by you, your heirs, or your estate for payments received on or after January 1, 2005.

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 35

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.
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 24 (Certain business expenses of reservists, performing artists, and fee-basis government officials); if you are claiming a depreciation deduction as an unreimbursed employee business expenses on Form 2106, you may have an adjustment in column B or column C.
- Line 25 (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 25, to column B, line 25.
- Line 29 (Self-Employed Health Insurance Deduction).
- Line 31a (Alimony Paid), 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 32 (IRA deduction), If you are an active duty military domiciled outside of California, you may have an adjustment. See line 36 instructions.
- Line 33 (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 33, column B.
- Line 34 (Tuition and fees deduction), enter the amount from column A, line 34 in column B, line 34.
- Line 35. California does not conform to the federal law regarding the Domestic production activities deduction. If you made an adjustment on your federal return for Domestic production activities, enter that amount in column B.

Student Loan Interest Deduction Worksheet

1	Enter the total amount from Schedule CA (540NR), line 33, column A. Caution: If the amount on line 1 is zero, STOP. Enter zero on Schedule CA (540NR), line 33, column B. You are not allowed a deduction for California	1
2	Enter the total interest you paid in 2005 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 Long Form 540NR, line 13. (Note: Use federal AGI not California AGI). Exception: If you are a nonresident military servicemember 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? No. Skip lines 9 and 10, enter -0- on line 11 and go to line 12. 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 33, column D	12
13	Student loan interest adjustment. Subtract line 12 from line 1. Enter the result here and on Schedule CA (540NR), line 33, column B	13

Line 36

Add line 23 through line 35 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 32, column A, enter the difference between the two amounts in Column C, line 36. Enter the amount and "MPA Adjustment" on the dotted line next to line 36.

If you claimed the Clean Air Fuel, first year deduction, include that amount in the total you enter in column B, line 36. Enter the amount and "Clean Air Fuel" on the dotted line next to line 36.

If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 36. Enter the amount and "Form 2555" or "Form 2555-EZ" on the dotted line next to line 36.

Line 37 – Total

Subtract line 36 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 37 in column B or column C will be a negative number. Please read the caution note when you get to line 37, 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 37:

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

The total on line 37, 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 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.)
- **Full-year nonresident:** A nonresident is only taxed on income derived from California sources. Follow the "California Nonresident Amounts" instructions for each line below.
- **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 46.

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, *Tax Information for Military Personnel*, 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 on page 52 to compute this amount.

Part-Year Resident Amounts — Complete the Schedule D (540NR) Worksheet for Nonresidents and Part-Year Residents on page 52. 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 2005 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 28 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.

$$\frac{\text{Self-employment income reported in column E}}{\text{Total self-employment income reported in column D}} = \text{California ratio}$$

Multiply your federal deduction by the California ratio described above and enter the result on line 28, column E.

Get FTB Pub. 1005 for more information.

Line 26 – 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 26, in column E, line 26.
- Out of California in connection with your new job, enter zero on line 26.

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 27 – 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:

$$\frac{\text{Self-employment income reported in column A from all sources while a CA resident}}{\text{Self-employment income reported in column A from CA sources while a nonresident} + \text{Self-employment income reported in column A from all sources while a CA resident}} = \text{California ratio}$$

Total self-employment income reported in column A

Multiply your federal deduction by the California ratio described above and enter the result on line 27, column E.

Line 29 – 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:

$$\frac{\text{Total self-employment income reported in column E}}{\text{Total self-employment income reported in column D}} = \text{California ratio}$$

Multiply your federal deduction on line 29, by the California ratio described above and enter the result on line 29, column E.

Line 30 – Penalty on Early Withdrawal of Savings

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

Line 31a – Alimony Paid

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

$$\frac{\text{California AGI (line 37, col. E) (without the alimony deduction)}}{\text{Total AGI (line 37, col. D) (without the alimony deduction)}} = \text{California ratio}$$

FULL-YEAR NONRESIDENT:

Multiply the federal deduction (line 31a, col. A) by the California ratio (see above) and enter the amount in col. E, line 31a.

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 31a.

Line 36

Add line 23 through line 35 in column E. Enter the result on this line.

Line 37 – Total

Subtract line 36 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 45.

Also, transfer the amount from:

- Line 37, 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 37, 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 37, 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 38 – 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 38.

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 38 through line 44. Attach a copy of federal Schedule A to your Long Form 540NR.

Line 39 – State, Local, and Foreign Income Taxes; General Sales Tax

Add the following amounts from federal Schedule A (Form 1040) and enter on line 39:

- 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 claim either local general sales and use taxes or state and local income taxes as an itemized deduction. If you are deducting either of these on line 5 of federal schedule A, enter the amount on line 39.

Line 41 – 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 41.

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 41.

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 41.

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 41.

Employee Business Expenses – Generally, California law conforms with federal law and no adjustment is needed. However, differences occur when:

- Assets (requiring depreciation) were placed in service before 1/1/87. Figure the depreciation based on California law.
- Federal employees were on temporary duty status. California does not conform to the federal provision that expanded temporary duties to include prosecutive duties, in addition to investigative duties. Therefore, travel expenses paid or incurred in connection with temporary duty status (exceeding one year), involving the prosecution (or support of the prosecution) of a federal crime, should not be included in the California amount.

If you meet one of the exceptions above, complete two federal Forms 2106, Employee Business Expense, or forms 2106-EZ, Unreimbursed Employee Business Expense. The first one is computed for and filed with your federal return. The second one is computed and filed with your California return.

Compare lines 10 on both 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 41 (bracket the number). If the California amount is larger, enter the difference as a positive number on line 41.

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 41.

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 41.

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 41.

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 41.

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 41.

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 41.

Charitable Qualified Contributions – Your California deduction may be different from your federal deduction. California limits the amount of your deduction to 50% of your adjusted gross income. If you reported a deduction on federal Schedule A, line 15b (Form 1040), enter the amount over your 50% threshold as a negative number on line 41.

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 41.

Health Savings Account (HSA) Distributions – If you received a tax-free HSA distribution for qualified medical expenses, enter the qualified expenses paid that exceed 7.5% of federal AGI as an adjustment to itemized deductions. To determine the amount of the itemized deduction adjustment:

- Calculate the medical expense deduction for California.
- Calculate the medical expense deduction for federal.
- Subtract the federal amount from the California amount. Enter the amount on line 41, 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 41.

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 41.

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, 2002. There is no comparable federal provision. Enter the amount as a positive number on line 41.

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 41. 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 41. To help you determine whether to take a credit or deduction, see the Repayment section of federal Publication 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 43 – 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	\$143,839
Married filing jointly or qualifying widow(er)	\$287,682
Head of household	\$215,762

NO Transfer the amount from line 42 to line 43. 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 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. See the “California Standard Deduction Worksheet for Dependents” on page 20 of your 2005 California 540NR Booklet to figure your standard deduction.
- Military pay of a servicemember domiciled outside of California cannot be used to reduce the amount of this deduction. You must modify your federal adjusted gross income used to compute this limitation by subtracting your military pay from federal adjusted gross income.

Specific Line Instructions for Part IV California Taxable Income

Line 47 – Deduction Percentage

Divide line 37, column E by line 37, 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 49 – California Taxable Income

Subtract line 48 from line 45. 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 42 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 43 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 43 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 43 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 — 2005 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 2005:

Yourself

Spouse

- 1 a I was domiciled in (enter state or country)
- 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 2005:

- 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			21	21
22 a Total: Combine line 7 through line 21 in each column. Continue to Side 2	22a				

Income Adjustment Schedule

Section B — Adjustments to 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 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 expenses 23					
24 Certain business expenses of reservists, performing artists, and fee-basis government officials 24					
25 Health savings account deduction 25					
26 Moving expenses 26					
27 One-half of self-employment tax 27					
28 Self-employed SEP, SIMPLE, and qualified plans 28					
29 Self-employed health insurance deduction 29					
30 Penalty on early withdrawal of savings . . 30					
31 a Alimony paid. b Enter recipient's: SSN _____ - _____ - _____ Last name _____ . 31a					
32 IRA deduction 32					
33 Student loan interest deduction 33					
34 Tuition and fees deduction 34					
35 Domestic production activities deduction 35					
36 Add line 23 through line 35 in each column, A through E 36					
37 Total. Subtract line 36 from line 22b in each column, A through E. See instructions. 37					

Part III Adjustments to Federal Itemized Deductions

38 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) 38	
39 Enter total of federal Schedule A (Form 1040), line 5 State Disability Insurance and (state and local income tax or general sales tax) and line 8 (foreign taxes only). See instructions 39	
40 Subtract line 39 from line 38 40	
41 Other adjustments including California lottery losses. See instructions. Specify _____ 41	
42 Combine line 40 and line 41 42	
43 Is your federal AGI (Long Form 540NR, line 13) more than the amount shown below for your filing status? Single or married filing separately \$143,839 Head of household \$215,762 Married filing jointly or qualifying widow(er) \$287,682 No. Transfer the amount on line 42 to line 43. Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 43 43	
44 Enter the larger of the amount on line 43 or your standard deduction listed below Single or married filing separately \$3,254 Married filing jointly, head of household, or qualifying widow(er) \$6,508 44	

Part IV California Taxable Income

45 California AGI. Enter your California AGI from line 37, column E 45	
46 Enter your deductions from line 44 46	
47 Deduction percentage. Divide line 37, column E by line 37, 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- 47	
48 California Itemized/Standard Deductions. Multiply line 46 by the percentage on line 47 48	
49 California Taxable Income. Subtract line 48 from line 45. Transfer this amount to Long Form 540NR, line 22. If less than zero, enter -0- 49	

California Adjustments —
2005 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 2005:

Yourself

Spouse

- 1 a I was domiciled in (enter state or country)
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 2005:

- 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

Table with 5 columns: A Federal Amounts, B Subtractions, C Additions, D Total Amounts Using CA Law, E CA Amounts. Rows include wages, interest, dividends, refunds, alimony, business income, capital gain, IRA distributions, pensions, rental, farm, unemployment, social security, and other income.

Income Adjustment Schedule

Section B — Adjustments to 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 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 expenses 23					
24 Certain business expenses of reservists, performing artists, and fee-basis government officials 24					
25 Health savings account deduction 25					
26 Moving expenses 26					
27 One-half of self-employment tax 27					
28 Self-employed SEP, SIMPLE, and qualified plans 28					
29 Self-employed health insurance deduction 29					
30 Penalty on early withdrawal of savings . . 30					
31 a Alimony paid. b Enter recipient's: SSN _____ - _____ - _____ Last name _____ . 31a					
32 IRA deduction 32					
33 Student loan interest deduction 33					
34 Tuition and fees deduction 34					
35 Domestic production activities deduction 35					
36 Add line 23 through line 35 in each column, A through E 36					
37 Total. Subtract line 36 from line 22b in each column, A through E. See instructions. 37					

Part III Adjustments to Federal Itemized Deductions

38 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) 38	
39 Enter total of federal Schedule A (Form 1040), line 5 State Disability Insurance and (state and local income tax or general sales tax) and line 8 (foreign taxes only). See instructions 39	
40 Subtract line 39 from line 38 40	
41 Other adjustments including California lottery losses. See instructions. Specify _____ 41	
42 Combine line 40 and line 41 42	
43 Is your federal AGI (Long Form 540NR, line 13) more than the amount shown below for your filing status? Single or married filing separately \$143,839 Head of household \$215,762 Married filing jointly or qualifying widow(er) \$287,682 No. Transfer the amount on line 42 to line 43. Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 43 43	
44 Enter the larger of the amount on line 43 or your standard deduction listed below Single or married filing separately \$3,254 Married filing jointly, head of household, or qualifying widow(er) \$6,508 44	

Part IV California Taxable Income

45 California AGI. Enter your California AGI from line 37, column E 45	
46 Enter your deductions from line 44 46	
47 Deduction percentage. Divide line 37, column E by line 37, 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- 47	
48 California Itemized/Standard Deductions. Multiply line 46 by the percentage on line 47 48	
49 California Taxable Income. Subtract line 48 from line 45. Transfer this amount to Long Form 540NR, line 22. If less than zero, enter -0- 49	

2005 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

2005

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.

Business or activity to which form FTB 3885A relates

- 1 [] This form is being completed for a passive activity.
[] This form is being completed for a nonpassive activity.

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 2

Part III Depreciation

Table with 6 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.

- 4 Add the amounts on line 3, column (f) 4
5 California depreciation for assets placed in service prior to 2005 5
6 Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5 6
7 Total federal depreciation from this activity. Enter depreciation from your federal Form 4562, line 22 7
8 a If line 6 is more than line 7, enter the difference here and see instructions 8a
b If line 6 is less than line 7, enter the difference here and see instructions 8b

Part IV Amortization

Table with 6 columns: (a) Description of costs, (b) Date placed in service, (c) California basis for amortization, (d) Code section, (e) Period or percentage, (f) California amortization deduction.

- 10 Total California amortization from this activity. Add the amounts on line 9, column (f) 10
11 California amortization of costs that began before 2005 11
12 Total California amortization from this activity. Add the amounts on line 10 and line 11 12
13 Total federal amortization from this activity. Enter amortization from your federal Form 4562, line 44 13
14 a If line 12 is more than line 13, enter the difference here and see instructions 14a
b If line 12 is less than line 13, enter the difference here and see instructions 14b

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 2006.

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 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 2006	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, column A above shows a loss or at the end of the year you were a nonresident and line 4, 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 total 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	Enter the total 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 2006	

2005 California Capital Gain or Loss Adjustment

D (540NR)

Name(s) as shown on return

Social security number

(a) Description of property (Identify S corporation stock) Example 100 shares of "Z" (S stock)	(b) Sales price	(c) Cost or other basis	(d) Loss. If (c) is more than (b), subtract (b) from (c)	(e) Gain. If (b) is more than (c), subtract (c) from (b)
1a				
1b				
2 Net gain or (loss) shown on California Schedule(s) K-1 (541, 565, 568, and 100S)			2	
3 Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2c)				3
4 Total gain from all sources. Add column (e) amounts of line 1a, line 1b, line 2, and line 3				4
5 2005 loss. Add column (d) amounts of line 1a, line 1b, and line 2. Enter as a negative amount			5	
6 California capital loss carryover from 2004, if any. See instructions. Enter as a negative amount			6	
7 Total loss. Add line 5 and line 6. Enter as a negative amount			7	
8 Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10				8
9 If line 8 is a loss, enter the smaller of: (a) the loss on line 8; or (b) \$3,000 (\$1,500 if married filing a separate return). See instructions				9 ()
10 Enter the gain or (loss) from federal Form 1040, line 13				10
11 Enter the California gain from line 8 or (loss) from line 9				11
12 a If line 10 is more than line 11, enter the difference here and on Schedule CA (540NR) line 13, column B				12a
b If line 10 is less than line 11, enter the difference here and on Schedule CA (540NR), line 13, column C				12b

Depreciation and Amortization Adjustments

2005

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

1 This form is being completed for a passive activity.
 This form is being completed for a nonpassive activity.

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 **2**

Part III Depreciation

(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
3					

4 Add the amounts on line 3, column (f) **4**

5 California depreciation for assets placed in service prior to 2005 **5**

6 Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5 **6**

7 Total federal depreciation from this activity. Enter depreciation from your federal Form 4562, line 22 **7**

8 a If line 6 is more than line 7, enter the difference here and see instructions **8a**

b If line 6 is less than line 7, enter the difference here and see instructions **8b**

Part IV Amortization

(a) Description of costs	(b) Date placed in service	(c) California basis for amortization	(d) Code section	(e) Period or percentage	(f) California amortization deduction
9					

10 Total California amortization from this activity. Add the amounts on line 9, column (f) **10**

11 California amortization of costs that began before 2005 **11**

12 Total California amortization from this activity. Add the amounts on line 10 and line 11 **12**

13 Total federal amortization from this activity. Enter amortization from your federal Form 4562, line 44 **13**

14 a If line 12 is more than line 13, enter the difference here and see instructions **14a**

b If line 12 is less than line 13, enter the difference here and see instructions **14b**

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 2006.

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 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 2006	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, column A above shows a loss or at the end of the year you were a nonresident and line 4, 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 total 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	Enter the total 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 2006	

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 2005. 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 search for **conformity**. 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 \$105,000, 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 2005, 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 – 2004 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.

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 2005. 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 search for **conformity**. 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, 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.**

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 on or after September 11, 2001.
- 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.

However, 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 2005, or have a carryover of unused cost from 2004. 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 2005 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
(c)	Elected cost
6	
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 2004 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 2006. 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.

Instructions for Form FTB 3519

Automatic Extension for Individuals

General Information

Use form FTB 3519 **only** if:

- You cannot file your 2005 return* by April 17, 2006; and
- You owe tax for 2005.

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 16, 2006.
- If you owe tax, choose one of the following payment options. Be sure to pay by April 17, 2006, to avoid penalties and interest. See Penalties and Interest for more information.

Web Pay: 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. **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).

Note: All checks or money orders must be payable in US dollars and drawn against a US financial institution.

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 17, 2006, a late-payment penalty plus interest will be added to your tax due. If, after April 17, 2006, 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 16, 2006, 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 17, 2006, the deadline to file your return and pay the tax is June 15, 2006. Interest will accrue from the original due date (April 17, 2006) 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, 2006. To avoid any late-payment penalties, you must pay 100% of your tax liability by June 15, 2006. When filing your tax return, be sure to attach a statement to the front indicating that you were "outside the USA on April 17, 2006."

* When you do file your 2005 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 2004 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?	4	_____

- No. Stop here.** You have no tax due. **DO NOT MAIL THE PAYMENT VOUCHER.** Your return, when filed by October 16, 2006, 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 "2005 FTB 3519" on the check or money order. Enclose, but do not staple your check or money order with the voucher and mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0051**

✓ 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 ✂

Calendar year – Due April 17, 2006

TAXABLE YEAR

CALIFORNIA FORM

2005 Automatic Extension for Individuals

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.
_____			_____
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

_____,_____,_____

THIS PAGE INTENTIONALLY LEFT BLANK

visit our Website:

www.ftb.ca.gov

2005 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 or Short Form 540NR, line 19.
- 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	67	65	65	12,951	13,050	197	134	134
51	150	1	1	1	6,551	6,650	69	66	66	13,051	13,150	199	136	136
151	250	2	2	2	6,651	6,750	71	67	67	13,151	13,250	201	138	138
251	350	3	3	3	6,751	6,850	73	68	68	13,251	13,350	203	140	140
351	450	4	4	4	6,851	6,950	75	69	69	13,351	13,450	205	142	142
451	550	5	5	5	6,951	7,050	77	70	70	13,451	13,550	207	144	144
551	650	6	6	6	7,051	7,150	79	71	71	13,551	13,650	209	146	146
651	750	7	7	7	7,151	7,250	81	72	72	13,651	13,750	211	148	148
751	850	8	8	8	7,251	7,350	83	73	73	13,751	13,850	213	150	150
851	950	9	9	9	7,351	7,450	85	74	74	13,851	13,950	215	152	152
951	1,050	10	10	10	7,451	7,550	87	75	75	13,951	14,050	217	154	154
1,051	1,150	11	11	11	7,551	7,650	89	76	76	14,051	14,150	219	156	156
1,151	1,250	12	12	12	7,651	7,750	91	77	77	14,151	14,250	221	158	158
1,251	1,350	13	13	13	7,751	7,850	93	78	78	14,251	14,350	223	160	160
1,351	1,450	14	14	14	7,851	7,950	95	79	79	14,351	14,450	225	162	162
1,451	1,550	15	15	15	7,951	8,050	97	80	80	14,451	14,550	227	164	164
1,551	1,650	16	16	16	8,051	8,150	99	81	81	14,551	14,650	229	166	166
1,651	1,750	17	17	17	8,151	8,250	101	82	82	14,651	14,750	231	168	168
1,751	1,850	18	18	18	8,251	8,350	103	83	83	14,751	14,850	233	170	170
1,851	1,950	19	19	19	8,351	8,450	105	84	84	14,851	14,950	235	172	172
1,951	2,050	20	20	20	8,451	8,550	107	85	85	14,951	15,050	237	174	174
2,051	2,150	21	21	21	8,551	8,650	109	86	86	15,051	15,150	241	176	176
2,151	2,250	22	22	22	8,651	8,750	111	87	87	15,151	15,250	245	178	178
2,251	2,350	23	23	23	8,751	8,850	113	88	88	15,251	15,350	249	180	180
2,351	2,450	24	24	24	8,851	8,950	115	89	89	15,351	15,450	253	182	182
2,451	2,550	25	25	25	8,951	9,050	117	90	90	15,451	15,550	257	184	184
2,551	2,650	26	26	26	9,051	9,150	119	91	91	15,551	15,650	261	186	186
2,651	2,750	27	27	27	9,151	9,250	121	92	92	15,651	15,750	265	188	188
2,751	2,850	28	28	28	9,251	9,350	123	93	93	15,751	15,850	269	190	190
2,851	2,950	29	29	29	9,351	9,450	125	94	94	15,851	15,950	273	192	192
2,951	3,050	30	30	30	9,451	9,550	127	95	95	15,951	16,050	277	194	194
3,051	3,150	31	31	31	9,551	9,650	129	96	96	16,051	16,150	281	196	196
3,151	3,250	32	32	32	9,651	9,750	131	97	97	16,151	16,250	285	198	198
3,251	3,350	33	33	33	9,751	9,850	133	98	98	16,251	16,350	289	200	200
3,351	3,450	34	34	34	9,851	9,950	135	99	99	16,351	16,450	293	202	202
3,451	3,550	35	35	35	9,951	10,050	137	100	100	16,451	16,550	297	204	204
3,551	3,650	36	36	36	10,051	10,150	139	101	101	16,551	16,650	301	206	206
3,651	3,750	37	37	37	10,151	10,250	141	102	102	16,651	16,750	305	208	208
3,751	3,850	38	38	38	10,251	10,350	143	103	103	16,751	16,850	309	210	210
3,851	3,950	39	39	39	10,351	10,450	145	104	104	16,851	16,950	313	212	212
3,951	4,050	40	40	40	10,451	10,550	147	105	105	16,951	17,050	317	214	214
4,051	4,150	41	41	41	10,551	10,650	149	106	106	17,051	17,150	321	216	216
4,151	4,250	42	42	42	10,651	10,750	151	107	107	17,151	17,250	325	218	218
4,251	4,350	43	43	43	10,751	10,850	153	108	108	17,251	17,350	329	220	220
4,351	4,450	44	44	44	10,851	10,950	155	109	109	17,351	17,450	333	222	222
4,451	4,550	45	45	45	10,951	11,050	157	110	110	17,451	17,550	337	224	224
4,551	4,650	46	46	46	11,051	11,150	159	111	111	17,551	17,650	341	226	226
4,651	4,750	47	47	47	11,151	11,250	161	112	112	17,651	17,750	345	228	228
4,751	4,850	48	48	48	11,251	11,350	163	113	113	17,751	17,850	349	230	230
4,851	4,950	49	49	49	11,351	11,450	165	114	114	17,851	17,950	353	232	232
4,951	5,050	50	50	50	11,451	11,550	167	115	115	17,951	18,050	357	234	234
5,051	5,150	51	51	51	11,551	11,650	169	116	116	18,051	18,150	361	236	236
5,151	5,250	52	52	52	11,651	11,750	171	117	117	18,151	18,250	365	238	238
5,251	5,350	53	53	53	11,751	11,850	173	118	118	18,251	18,350	369	240	240
5,351	5,450	54	54	54	11,851	11,950	175	119	119	18,351	18,450	373	242	242
5,451	5,550	55	55	55	11,951	12,050	177	120	120	18,451	18,550	377	244	244
5,551	5,650	56	56	56	12,051	12,150	179	121	121	18,551	18,650	381	246	246
5,651	5,750	57	57	57	12,151	12,250	181	122	122	18,651	18,750	385	248	248
5,751	5,850	58	58	58	12,251	12,350	183	123	123	18,751	18,850	389	250	250
5,851	5,950	59	59	59	12,351	12,450	185	124	124	18,851	18,950	393	252	252
5,951	6,050	60	60	60	12,451	12,550	187	125	125	18,951	19,050	397	254	254
6,051	6,150	61	61	61	12,551	12,650	189	126	126	19,051	19,150	401	256	256
6,151	6,250	62	62	62	12,651	12,750	191	128	128	19,151	19,250	405	258	258
6,251	6,350	63	63	63	12,751	12,850	193	130	130	19,251	19,350	409	260	260
6,351	6,450	65	64	64	12,851	12,950	195	132	132	19,351	19,450	413	262	262

Continued on next page.

2005 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	417	264	264	26,451	26,550	754	404	404	33,451	33,550	1,188	614	614
19,551	19,650	421	266	266	26,551	26,650	760	406	406	33,551	33,650	1,196	618	618
19,651	19,750	425	268	268	26,651	26,750	766	408	408	33,651	33,750	1,204	622	622
19,751	19,850	429	270	270	26,751	26,850	772	410	410	33,751	33,850	1,212	626	626
19,851	19,950	433	272	272	26,851	26,950	778	412	412	33,851	33,950	1,220	630	630
19,951	20,050	437	274	274	26,951	27,050	784	414	414	33,951	34,050	1,228	634	634
20,051	20,150	441	276	276	27,051	27,150	790	416	416	34,051	34,150	1,236	638	638
20,151	20,250	445	278	278	27,151	27,250	796	418	418	34,151	34,250	1,244	642	642
20,251	20,350	449	280	280	27,251	27,350	802	420	420	34,251	34,350	1,252	646	646
20,351	20,450	453	282	282	27,351	27,450	808	422	422	34,351	34,450	1,260	650	650
20,451	20,550	457	284	284	27,451	27,550	814	424	424	34,451	34,550	1,268	654	654
20,551	20,650	461	286	286	27,551	27,650	820	426	426	34,551	34,650	1,276	658	658
20,651	20,750	465	288	288	27,651	27,750	826	428	428	34,651	34,750	1,284	662	662
20,751	20,850	469	290	290	27,751	27,850	832	430	430	34,751	34,850	1,292	666	666
20,851	20,950	473	292	292	27,851	27,950	838	432	432	34,851	34,950	1,300	670	670
20,951	21,050	477	294	294	27,951	28,050	844	434	434	34,951	35,050	1,308	674	674
21,051	21,150	481	296	296	28,051	28,150	850	436	436	35,051	35,150	1,316	678	678
21,151	21,250	485	298	298	28,151	28,250	856	438	438	35,151	35,250	1,324	682	682
21,251	21,350	489	300	300	28,251	28,350	862	440	440	35,251	35,350	1,332	686	686
21,351	21,450	493	302	302	28,351	28,450	868	442	442	35,351	35,450	1,340	690	690
21,451	21,550	497	304	304	28,451	28,550	874	444	444	35,451	35,550	1,348	694	694
21,551	21,650	501	306	306	28,551	28,650	880	446	446	35,551	35,650	1,356	698	698
21,651	21,750	505	308	308	28,651	28,750	886	448	448	35,651	35,750	1,364	702	702
21,751	21,850	509	310	310	28,751	28,850	892	450	450	35,751	35,850	1,372	706	706
21,851	21,950	513	312	312	28,851	28,950	898	452	452	35,851	35,950	1,380	710	710
21,951	22,050	517	314	314	28,951	29,050	904	454	454	35,951	36,050	1,388	714	714
22,051	22,150	521	316	316	29,051	29,150	910	456	456	36,051	36,150	1,396	718	718
22,151	22,250	525	318	318	29,151	29,250	916	458	458	36,151	36,250	1,404	722	722
22,251	22,350	529	320	320	29,251	29,350	922	460	460	36,251	36,350	1,412	726	726
22,351	22,450	533	322	322	29,351	29,450	928	462	462	36,351	36,450	1,420	730	730
22,451	22,550	537	324	324	29,451	29,550	934	464	464	36,451	36,550	1,428	734	734
22,551	22,650	541	326	326	29,551	29,650	940	466	466	36,551	36,650	1,436	738	738
22,651	22,750	545	328	328	29,651	29,750	946	468	468	36,651	36,750	1,444	742	742
22,751	22,850	549	330	330	29,751	29,850	952	470	470	36,751	36,850	1,452	746	746
22,851	22,950	553	332	332	29,851	29,950	958	472	472	36,851	36,950	1,460	750	750
22,951	23,050	557	334	334	29,951	30,050	964	474	474	36,951	37,050	1,468	754	754
23,051	23,150	561	336	336	30,051	30,150	970	478	478	37,051	37,150	1,476	758	758
23,151	23,250	565	338	338	30,151	30,250	976	482	482	37,151	37,250	1,484	762	762
23,251	23,350	569	340	340	30,251	30,350	982	486	486	37,251	37,350	1,492	766	766
23,351	23,450	573	342	342	30,351	30,450	988	490	490	37,351	37,450	1,500	770	770
23,451	23,550	577	344	344	30,451	30,550	994	494	494	37,451	37,550	1,508	774	774
23,551	23,650	581	346	346	30,551	30,650	1,000	498	498	37,551	37,650	1,516	778	778
23,651	23,750	586	348	348	30,651	30,750	1,006	502	502	37,651	37,750	1,524	782	782
23,751	23,850	592	350	350	30,751	30,850	1,012	506	506	37,751	37,850	1,532	786	786
23,851	23,950	598	352	352	30,851	30,950	1,018	510	510	37,851	37,950	1,540	790	790
23,951	24,050	604	354	354	30,951	31,050	1,024	514	514	37,951	38,050	1,548	794	794
24,051	24,150	610	356	356	31,051	31,150	1,030	518	518	38,051	38,150	1,556	798	798
24,151	24,250	616	358	358	31,151	31,250	1,036	522	522	38,151	38,250	1,564	802	802
24,251	24,350	622	360	360	31,251	31,350	1,042	526	526	38,251	38,350	1,572	806	806
24,351	24,450	628	362	362	31,351	31,450	1,048	530	530	38,351	38,450	1,580	810	810
24,451	24,550	634	364	364	31,451	31,550	1,054	534	534	38,451	38,550	1,588	814	814
24,551	24,650	640	366	366	31,551	31,650	1,060	538	538	38,551	38,650	1,596	818	818
24,651	24,750	646	368	368	31,651	31,750	1,066	542	542	38,651	38,750	1,604	822	824
24,751	24,850	652	370	370	31,751	31,850	1,072	546	546	38,751	38,850	1,612	826	830
24,851	24,950	658	372	372	31,851	31,950	1,078	550	550	38,851	38,950	1,620	830	836
24,951	25,050	664	374	374	31,951	32,050	1,084	554	554	38,951	39,050	1,628	834	842
25,051	25,150	670	376	376	32,051	32,150	1,090	558	558	39,051	39,150	1,636	838	848
25,151	25,250	676	378	378	32,151	32,250	1,096	562	562	39,151	39,250	1,644	842	854
25,251	25,350	682	380	380	32,251	32,350	1,102	566	566	39,251	39,350	1,652	846	860
25,351	25,450	688	382	382	32,351	32,450	1,108	570	570	39,351	39,450	1,660	850	866
25,451	25,550	694	384	384	32,451	32,550	1,114	574	574	39,451	39,550	1,668	854	872
25,551	25,650	700	386	386	32,551	32,650	1,120	578	578	39,551	39,650	1,676	858	878
25,651	25,750	706	388	388	32,651	32,750	1,126	582	582	39,651	39,750	1,684	862	884
25,751	25,850	712	390	390	32,751	32,850	1,132	586	586	39,751	39,850	1,692	866	890
25,851	25,950	718	392	392	32,851	32,950	1,140	590	590	39,851	39,950	1,700	870	896
25,951	26,050	724	394	394	32,951	33,050	1,148	594	594	39,951	40,050	1,708	874	902
26,051	26,150	730	396	396	33,051	33,150	1,156	598	598	40,051	40,150	1,716	878	908
26,151	26,250	736	398	398	33,151	33,250	1,164	602	602	40,151	40,250	1,724	882	914
26,251	26,350	742	400	400	33,251	33,350	1,172	606	606	40,251	40,350	1,732	886	920
26,351	26,450	748	402	402	33,351	33,450	1,180	610	610	40,351	40,450	1,740	890	926

Continued on next page.

2005 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	1,748	894	932	47,451	47,550	2,386	1,179	1,352	54,451	54,550	3,037	1,599	1,906
40,551	40,650	1,756	898	938	47,551	47,650	2,396	1,185	1,358	54,551	54,650	3,047	1,605	1,914
40,651	40,750	1,764	902	944	47,651	47,750	2,405	1,191	1,364	54,651	54,750	3,056	1,611	1,922
40,751	40,850	1,772	906	950	47,751	47,850	2,414	1,197	1,370	54,751	54,850	3,065	1,617	1,930
40,851	40,950	1,780	910	956	47,851	47,950	2,424	1,203	1,378	54,851	54,950	3,075	1,623	1,938
40,951	41,050	1,788	914	962	47,951	48,050	2,433	1,209	1,386	54,951	55,050	3,084	1,629	1,946
41,051	41,150	1,796	918	968	48,051	48,150	2,442	1,215	1,394	55,051	55,150	3,093	1,635	1,954
41,151	41,250	1,804	922	974	48,151	48,250	2,451	1,221	1,402	55,151	55,250	3,102	1,641	1,962
41,251	41,350	1,812	926	980	48,251	48,350	2,461	1,227	1,410	55,251	55,350	3,112	1,647	1,970
41,351	41,450	1,820	930	986	48,351	48,450	2,470	1,233	1,418	55,351	55,450	3,121	1,653	1,978
41,451	41,550	1,828	934	992	48,451	48,550	2,479	1,239	1,426	55,451	55,550	3,130	1,659	1,986
41,551	41,650	1,838	938	998	48,551	48,650	2,489	1,245	1,434	55,551	55,650	3,140	1,665	1,994
41,651	41,750	1,847	942	1,004	48,651	48,750	2,498	1,251	1,442	55,651	55,750	3,149	1,671	2,002
41,751	41,850	1,856	946	1,010	48,751	48,850	2,507	1,257	1,450	55,751	55,850	3,158	1,677	2,010
41,851	41,950	1,866	950	1,016	48,851	48,950	2,517	1,263	1,458	55,851	55,950	3,168	1,683	2,018
41,951	42,050	1,875	954	1,022	48,951	49,050	2,526	1,269	1,466	55,951	56,050	3,177	1,689	2,026
42,051	42,150	1,884	958	1,028	49,051	49,150	2,535	1,275	1,474	56,051	56,150	3,186	1,695	2,034
42,151	42,250	1,893	962	1,034	49,151	49,250	2,544	1,281	1,482	56,151	56,250	3,195	1,701	2,042
42,251	42,350	1,903	966	1,040	49,251	49,350	2,554	1,287	1,490	56,251	56,350	3,205	1,707	2,050
42,351	42,450	1,912	970	1,046	49,351	49,450	2,563	1,293	1,498	56,351	56,450	3,214	1,713	2,058
42,451	42,550	1,921	974	1,052	49,451	49,550	2,572	1,299	1,506	56,451	56,550	3,223	1,719	2,067
42,551	42,650	1,931	978	1,058	49,551	49,650	2,582	1,305	1,514	56,551	56,650	3,233	1,725	2,076
42,651	42,750	1,940	982	1,064	49,651	49,750	2,591	1,311	1,522	56,651	56,750	3,242	1,731	2,085
42,751	42,850	1,949	986	1,070	49,751	49,850	2,600	1,317	1,530	56,751	56,850	3,251	1,737	2,095
42,851	42,950	1,959	990	1,076	49,851	49,950	2,610	1,323	1,538	56,851	56,950	3,261	1,743	2,104
42,951	43,050	1,968	994	1,082	49,951	50,050	2,619	1,329	1,546	56,951	57,050	3,270	1,749	2,113
43,051	43,150	1,977	998	1,088	50,051	50,150	2,628	1,335	1,554	57,051	57,150	3,279	1,755	2,122
43,151	43,250	1,986	1,002	1,094	50,151	50,250	2,637	1,341	1,562	57,151	57,250	3,288	1,761	2,132
43,251	43,350	1,996	1,006	1,100	50,251	50,350	2,647	1,347	1,570	57,251	57,350	3,298	1,767	2,141
43,351	43,450	2,005	1,010	1,106	50,351	50,450	2,656	1,353	1,578	57,351	57,450	3,307	1,773	2,150
43,451	43,550	2,014	1,014	1,112	50,451	50,550	2,665	1,359	1,586	57,451	57,550	3,316	1,779	2,160
43,551	43,650	2,024	1,018	1,118	50,551	50,650	2,675	1,365	1,594	57,551	57,650	3,326	1,785	2,169
43,651	43,750	2,033	1,022	1,124	50,651	50,750	2,684	1,371	1,602	57,651	57,750	3,335	1,791	2,178
43,751	43,850	2,042	1,026	1,130	50,751	50,850	2,693	1,377	1,610	57,751	57,850	3,344	1,797	2,188
43,851	43,950	2,052	1,030	1,136	50,851	50,950	2,703	1,383	1,618	57,851	57,950	3,354	1,803	2,197
43,951	44,050	2,061	1,034	1,142	50,951	51,050	2,712	1,389	1,626	57,951	58,050	3,363	1,809	2,206
44,051	44,150	2,070	1,038	1,148	51,051	51,150	2,721	1,395	1,634	58,051	58,150	3,372	1,815	2,215
44,151	44,250	2,079	1,042	1,154	51,151	51,250	2,730	1,401	1,642	58,151	58,250	3,381	1,821	2,225
44,251	44,350	2,089	1,046	1,160	51,251	51,350	2,740	1,407	1,650	58,251	58,350	3,391	1,827	2,234
44,351	44,450	2,098	1,050	1,166	51,351	51,450	2,749	1,413	1,658	58,351	58,450	3,400	1,833	2,243
44,451	44,550	2,107	1,054	1,172	51,451	51,550	2,758	1,419	1,666	58,451	58,550	3,409	1,839	2,253
44,551	44,650	2,117	1,058	1,178	51,551	51,650	2,768	1,425	1,674	58,551	58,650	3,419	1,845	2,262
44,651	44,750	2,126	1,062	1,184	51,651	51,750	2,777	1,431	1,682	58,651	58,750	3,428	1,851	2,271
44,751	44,850	2,135	1,066	1,190	51,751	51,850	2,786	1,437	1,690	58,751	58,850	3,437	1,857	2,281
44,851	44,950	2,145	1,070	1,196	51,851	51,950	2,796	1,443	1,698	58,851	58,950	3,447	1,863	2,290
44,951	45,050	2,154	1,074	1,202	51,951	52,050	2,805	1,449	1,706	58,951	59,050	3,456	1,869	2,299
45,051	45,150	2,163	1,078	1,208	52,051	52,150	2,814	1,455	1,714	59,051	59,150	3,465	1,875	2,308
45,151	45,250	2,172	1,082	1,214	52,151	52,250	2,823	1,461	1,722	59,151	59,250	3,474	1,881	2,318
45,251	45,350	2,182	1,086	1,220	52,251	52,350	2,833	1,467	1,730	59,251	59,350	3,484	1,887	2,327
45,351	45,450	2,191	1,090	1,226	52,351	52,450	2,842	1,473	1,738	59,351	59,450	3,493	1,893	2,336
45,451	45,550	2,200	1,094	1,232	52,451	52,550	2,851	1,479	1,746	59,451	59,550	3,502	1,899	2,346
45,551	45,650	2,210	1,098	1,238	52,551	52,650	2,861	1,485	1,754	59,551	59,650	3,512	1,905	2,355
45,651	45,750	2,219	1,102	1,244	52,651	52,750	2,870	1,491	1,762	59,651	59,750	3,521	1,911	2,364
45,751	45,850	2,228	1,106	1,250	52,751	52,850	2,879	1,497	1,770	59,751	59,850	3,530	1,917	2,374
45,851	45,950	2,238	1,110	1,256	52,851	52,950	2,889	1,503	1,778	59,851	59,950	3,540	1,923	2,383
45,951	46,050	2,247	1,114	1,262	52,951	53,050	2,898	1,509	1,786	59,951	60,050	3,549	1,929	2,392
46,051	46,150	2,256	1,118	1,268	53,051	53,150	2,907	1,515	1,794	60,051	60,150	3,558	1,935	2,401
46,151	46,250	2,265	1,122	1,274	53,151	53,250	2,916	1,521	1,802	60,151	60,250	3,567	1,941	2,411
46,251	46,350	2,275	1,126	1,280	53,251	53,350	2,926	1,527	1,810	60,251	60,350	3,577	1,947	2,420
46,351	46,450	2,284	1,130	1,286	53,351	53,450	2,935	1,533	1,818	60,351	60,450	3,586	1,953	2,429
46,451	46,550	2,293	1,134	1,292	53,451	53,550	2,944	1,539	1,826	60,451	60,550	3,595	1,959	2,439
46,551	46,650	2,303	1,138	1,298	53,551	53,650	2,954	1,545	1,834	60,551	60,650	3,605	1,965	2,448
46,651	46,750	2,312	1,142	1,304	53,651	53,750	2,963	1,551	1,842	60,651	60,750	3,614	1,971	2,457
46,751	46,850	2,321	1,146	1,310	53,751	53,850	2,972	1,557	1,850	60,751	60,850	3,623	1,977	2,467
46,851	46,950	2,331	1,150	1,316	53,851	53,950	2,982	1,563	1,858	60,851	60,950	3,633	1,983	2,476
46,951	47,050	2,340	1,154	1,322	53,951	54,050	2,991	1,569	1,866	60,951	61,050	3,642	1,989	2,485
47,051	47,150	2,349	1,158	1,328	54,051	54,150	3,000	1,575	1,874	61,051	61,150	3,651	1,995	2,494
47,151	47,250	2,358	1,162	1,334	54,151	54,250	3,009	1,581	1,882	61,151	61,250	3,660	2,001	2,504
47,251	47,350	2,368	1,167	1,340	54,251	54,350	3,019	1,587	1,890	61,251	61,350	3,670	2,007	2,513
47,351	47,450	2,377	1,173	1,346	54,351	54,450	3,028	1,593	1,898	61,351	61,450	3,679	2,013	2,522

Continued on next page.

2005 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
61,451	61,550	3,688	2,019	2,532	68,451	68,550	4,339	2,496	3,183	75,451	75,550	4,990	3,056	3,834
61,551	61,650	3,698	2,025	2,541	68,551	68,650	4,349	2,504	3,192	75,551	75,650	5,000	3,064	3,843
61,651	61,750	3,707	2,031	2,550	68,651	68,750	4,358	2,512	3,201	75,651	75,750	5,009	3,072	3,852
61,751	61,850	3,716	2,037	2,560	68,751	68,850	4,367	2,520	3,211	75,751	75,850	5,018	3,080	3,862
61,851	61,950	3,726	2,043	2,569	68,851	68,950	4,377	2,528	3,220	75,851	75,950	5,028	3,088	3,871
61,951	62,050	3,735	2,049	2,578	68,951	69,050	4,386	2,536	3,229	75,951	76,050	5,037	3,096	3,880
62,051	62,150	3,744	2,055	2,587	69,051	69,150	4,395	2,544	3,238	76,051	76,150	5,046	3,104	3,889
62,151	62,250	3,753	2,061	2,597	69,151	69,250	4,404	2,552	3,248	76,151	76,250	5,055	3,112	3,899
62,251	62,350	3,763	2,067	2,606	69,251	69,350	4,414	2,560	3,257	76,251	76,350	5,065	3,120	3,908
62,351	62,450	3,772	2,073	2,615	69,351	69,450	4,423	2,568	3,266	76,351	76,450	5,074	3,128	3,917
62,451	62,550	3,781	2,079	2,625	69,451	69,550	4,432	2,576	3,276	76,451	76,550	5,083	3,136	3,927
62,551	62,650	3,791	2,085	2,634	69,551	69,650	4,442	2,584	3,285	76,551	76,650	5,093	3,144	3,936
62,651	62,750	3,800	2,091	2,643	69,651	69,750	4,451	2,592	3,294	76,651	76,750	5,102	3,152	3,945
62,751	62,850	3,809	2,097	2,653	69,751	69,850	4,460	2,600	3,304	76,751	76,850	5,111	3,160	3,955
62,851	62,950	3,819	2,103	2,662	69,851	69,950	4,470	2,608	3,313	76,851	76,950	5,121	3,168	3,964
62,951	63,050	3,828	2,109	2,671	69,951	70,050	4,479	2,616	3,322	76,951	77,050	5,130	3,176	3,973
63,051	63,150	3,837	2,115	2,680	70,051	70,150	4,488	2,624	3,331	77,051	77,150	5,139	3,184	3,982
63,151	63,250	3,846	2,121	2,690	70,151	70,250	4,497	2,632	3,341	77,151	77,250	5,148	3,192	3,992
63,251	63,350	3,856	2,127	2,699	70,251	70,350	4,507	2,640	3,350	77,251	77,350	5,158	3,200	4,001
63,351	63,450	3,865	2,133	2,708	70,351	70,450	4,516	2,648	3,359	77,351	77,450	5,167	3,208	4,010
63,451	63,550	3,874	2,139	2,718	70,451	70,550	4,525	2,656	3,369	77,451	77,550	5,176	3,216	4,020
63,551	63,650	3,884	2,145	2,727	70,551	70,650	4,535	2,664	3,378	77,551	77,650	5,186	3,224	4,029
63,651	63,750	3,893	2,151	2,736	70,651	70,750	4,544	2,672	3,387	77,651	77,750	5,195	3,232	4,038
63,751	63,850	3,902	2,157	2,746	70,751	70,850	4,553	2,680	3,397	77,751	77,850	5,204	3,240	4,048
63,851	63,950	3,912	2,163	2,755	70,851	70,950	4,563	2,688	3,406	77,851	77,950	5,214	3,248	4,057
63,951	64,050	3,921	2,169	2,764	70,951	71,050	4,572	2,696	3,415	77,951	78,050	5,223	3,256	4,066
64,051	64,150	3,930	2,175	2,773	71,051	71,150	4,581	2,704	3,424	78,051	78,150	5,232	3,264	4,075
64,151	64,250	3,939	2,181	2,783	71,151	71,250	4,590	2,712	3,434	78,151	78,250	5,241	3,272	4,085
64,251	64,350	3,949	2,187	2,792	71,251	71,350	4,600	2,720	3,443	78,251	78,350	5,251	3,280	4,094
64,351	64,450	3,958	2,193	2,801	71,351	71,450	4,609	2,728	3,452	78,351	78,450	5,260	3,288	4,103
64,451	64,550	3,967	2,199	2,811	71,451	71,550	4,618	2,736	3,462	78,451	78,550	5,269	3,296	4,113
64,551	64,650	3,977	2,205	2,820	71,551	71,650	4,628	2,744	3,471	78,551	78,650	5,279	3,304	4,122
64,651	64,750	3,986	2,211	2,829	71,651	71,750	4,637	2,752	3,480	78,651	78,750	5,288	3,312	4,131
64,751	64,850	3,995	2,217	2,839	71,751	71,850	4,646	2,760	3,490	78,751	78,850	5,297	3,320	4,141
64,851	64,950	4,005	2,223	2,848	71,851	71,950	4,656	2,768	3,499	78,851	78,950	5,307	3,328	4,150
64,951	65,050	4,014	2,229	2,857	71,951	72,050	4,665	2,776	3,508	78,951	79,050	5,316	3,336	4,159
65,051	65,150	4,023	2,235	2,866	72,051	72,150	4,674	2,784	3,517	79,051	79,150	5,325	3,344	4,168
65,151	65,250	4,032	2,241	2,876	72,151	72,250	4,683	2,792	3,527	79,151	79,250	5,334	3,352	4,178
65,251	65,350	4,042	2,247	2,885	72,251	72,350	4,693	2,800	3,536	79,251	79,350	5,344	3,360	4,187
65,351	65,450	4,051	2,253	2,894	72,351	72,450	4,702	2,808	3,545	79,351	79,450	5,353	3,368	4,196
65,451	65,550	4,060	2,259	2,904	72,451	72,550	4,711	2,816	3,555	79,451	79,550	5,362	3,376	4,206
65,551	65,650	4,070	2,265	2,913	72,551	72,650	4,721	2,824	3,564	79,551	79,650	5,372	3,384	4,215
65,651	65,750	4,079	2,272	2,922	72,651	72,750	4,730	2,832	3,573	79,651	79,750	5,381	3,392	4,224
65,751	65,850	4,088	2,280	2,932	72,751	72,850	4,739	2,840	3,583	79,751	79,850	5,390	3,400	4,234
65,851	65,950	4,098	2,288	2,941	72,851	72,950	4,749	2,848	3,592	79,851	79,950	5,400	3,408	4,243
65,951	66,050	4,107	2,296	2,950	72,951	73,050	4,758	2,856	3,601	79,951	80,050	5,409	3,416	4,252
66,051	66,150	4,116	2,304	2,959	73,051	73,150	4,767	2,864	3,610	80,051	80,150	5,418	3,424	4,261
66,151	66,250	4,125	2,312	2,969	73,151	73,250	4,776	2,872	3,620	80,151	80,250	5,427	3,432	4,271
66,251	66,350	4,135	2,320	2,978	73,251	73,350	4,786	2,880	3,629	80,251	80,350	5,437	3,440	4,280
66,351	66,450	4,144	2,328	2,987	73,351	73,450	4,795	2,888	3,638	80,351	80,450	5,446	3,448	4,289
66,451	66,550	4,153	2,336	2,997	73,451	73,550	4,804	2,896	3,648	80,451	80,550	5,455	3,456	4,299
66,551	66,650	4,163	2,344	3,006	73,551	73,650	4,814	2,904	3,657	80,551	80,650	5,465	3,464	4,308
66,651	66,750	4,172	2,352	3,015	73,651	73,750	4,823	2,912	3,666	80,651	80,750	5,474	3,472	4,317
66,751	66,850	4,181	2,360	3,025	73,751	73,850	4,832	2,920	3,676	80,751	80,850	5,483	3,480	4,327
66,851	66,950	4,191	2,368	3,034	73,851	73,950	4,842	2,928	3,685	80,851	80,950	5,493	3,488	4,336
66,951	67,050	4,200	2,376	3,043	73,951	74,050	4,851	2,936	3,694	80,951	81,050	5,502	3,496	4,345
67,051	67,150	4,209	2,384	3,052	74,051	74,150	4,860	2,944	3,703	81,051	81,150	5,511	3,504	4,354
67,151	67,250	4,218	2,392	3,062	74,151	74,250	4,869	2,952	3,713	81,151	81,250	5,520	3,512	4,364
67,251	67,350	4,228	2,400	3,071	74,251	74,350	4,879	2,960	3,722	81,251	81,350	5,530	3,520	4,373
67,351	67,450	4,237	2,408	3,080	74,351	74,450	4,888	2,968	3,731	81,351	81,450	5,539	3,528	4,382
67,451	67,550	4,246	2,416	3,090	74,451	74,550	4,897	2,976	3,741	81,451	81,550	5,548	3,536	4,392
67,551	67,650	4,256	2,424	3,099	74,551	74,650	4,907	2,984	3,750	81,551	81,650	5,558	3,544	4,401
67,651	67,750	4,265	2,432	3,108	74,651	74,750	4,916	2,992	3,759	81,651	81,750	5,567	3,552	4,410
67,751	67,850	4,274	2,440	3,118	74,751	74,850	4,925	3,000	3,769	81,751	81,850	5,576	3,560	4,420
67,851	67,950	4,284	2,448	3,127	74,851	74,950	4,935	3,008	3,778	81,851	81,950	5,586	3,568	4,429
67,951	68,050	4,293	2,456	3,136	74,951	75,050	4,944	3,016	3,787	81,951	82,050	5,595	3,576	4,438
68,051	68,150	4,302	2,464	3,145	75,051	75,150	4,953	3,024	3,796	82,051	82,150	5,604	3,584	4,447
68,151	68,250	4,311	2,472	3,155	75,151	75,250	4,962	3,032	3,806	82,151	82,250	5,613	3,592	4,457
68,251	68,350	4,321	2,480	3,164	75,251	75,350	4,972	3,040	3,815	82,251	82,350	5,623	3,600	4,466
68,351	68,450	4,330	2,488	3,173	75,351	75,450	4,981	3,048	3,824	82,351	82,450	5,632	3,608	4,475

Continued on next page.

2005 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
82,451	82,550	5,641	3,616	4,485	88,951	89,050	6,246	4,215	5,089	95,451	95,550	6,850	4,819	5,694
82,551	82,650	5,651	3,624	4,494	89,051	89,150	6,255	4,224	5,098	95,551	95,650	6,860	4,828	5,703
82,651	82,750	5,660	3,632	4,503	89,151	89,250	6,264	4,233	5,108	95,651	95,750	6,869	4,838	5,712
82,751	82,850	5,669	3,640	4,513	89,251	89,350	6,274	4,243	5,117	95,751	95,850	6,878	4,847	5,722
82,851	82,950	5,679	3,648	4,522	89,351	89,450	6,283	4,252	5,126	95,851	95,950	6,888	4,856	5,731
82,951	83,050	5,688	3,657	4,531	89,451	89,550	6,292	4,261	5,136	95,951	96,050	6,897	4,866	5,740
83,051	83,150	5,697	3,666	4,540	89,551	89,650	6,302	4,270	5,145	96,051	96,150	6,906	4,875	5,749
83,151	83,250	5,706	3,675	4,550	89,651	89,750	6,311	4,280	5,154	96,151	96,250	6,915	4,884	5,759
83,251	83,350	5,716	3,685	4,559	89,751	89,850	6,320	4,289	5,164	96,251	96,350	6,925	4,894	5,768
83,351	83,450	5,725	3,694	4,568	89,851	89,950	6,330	4,298	5,173	96,351	96,450	6,934	4,903	5,777
83,451	83,550	5,734	3,703	4,578	89,951	90,050	6,339	4,308	5,182	96,451	96,550	6,943	4,912	5,787
83,551	83,650	5,744	3,712	4,587	90,051	90,150	6,348	4,317	5,191	96,551	96,650	6,953	4,921	5,796
83,651	83,750	5,753	3,722	4,596	90,151	90,250	6,357	4,326	5,201	96,651	96,750	6,962	4,931	5,805
83,751	83,850	5,762	3,731	4,606	90,251	90,350	6,367	4,336	5,210	96,751	96,850	6,971	4,940	5,815
83,851	83,950	5,772	3,740	4,615	90,351	90,450	6,376	4,345	5,219	96,851	96,950	6,981	4,949	5,824
83,951	84,050	5,781	3,750	4,624	90,451	90,550	6,385	4,354	5,229	96,951	97,050	6,990	4,959	5,833
84,051	84,150	5,790	3,759	4,633	90,551	90,650	6,395	4,363	5,238	97,051	97,150	6,999	4,968	5,842
84,151	84,250	5,799	3,768	4,643	90,651	90,750	6,404	4,373	5,247	97,151	97,250	7,008	4,977	5,852
84,251	84,350	5,809	3,778	4,652	90,751	90,850	6,413	4,382	5,257	97,251	97,350	7,018	4,987	5,861
84,351	84,450	5,818	3,787	4,661	90,851	90,950	6,423	4,391	5,266	97,351	97,450	7,027	4,996	5,870
84,451	84,550	5,827	3,796	4,671	90,951	91,050	6,432	4,401	5,275	97,451	97,550	7,036	5,005	5,880
84,551	84,650	5,837	3,805	4,680	91,051	91,150	6,441	4,410	5,284	97,551	97,650	7,046	5,014	5,889
84,651	84,750	5,846	3,815	4,689	91,151	91,250	6,450	4,419	5,294	97,651	97,750	7,055	5,024	5,898
84,751	84,850	5,855	3,824	4,699	91,251	91,350	6,460	4,429	5,303	97,751	97,850	7,064	5,033	5,908
84,851	84,950	5,865	3,833	4,708	91,351	91,450	6,469	4,438	5,312	97,851	97,950	7,074	5,042	5,917
84,951	85,050	5,874	3,843	4,717	91,451	91,550	6,478	4,447	5,322	97,951	98,050	7,083	5,052	5,926
85,051	85,150	5,883	3,852	4,726	91,551	91,650	6,488	4,456	5,331	98,051	98,150	7,092	5,061	5,935
85,151	85,250	5,892	3,861	4,736	91,651	91,750	6,497	4,466	5,340	98,151	98,250	7,101	5,070	5,945
85,251	85,350	5,902	3,871	4,745	91,751	91,850	6,506	4,475	5,350	98,251	98,350	7,111	5,080	5,954
85,351	85,450	5,911	3,880	4,754	91,851	91,950	6,516	4,484	5,359	98,351	98,450	7,120	5,089	5,963
85,451	85,550	5,920	3,889	4,764	91,951	92,050	6,525	4,494	5,368	98,451	98,550	7,129	5,098	5,973
85,551	85,650	5,930	3,898	4,773	92,051	92,150	6,534	4,503	5,377	98,551	98,650	7,139	5,107	5,982
85,651	85,750	5,939	3,908	4,782	92,151	92,250	6,543	4,512	5,387	98,651	98,750	7,148	5,117	5,991
85,751	85,850	5,948	3,917	4,792	92,251	92,350	6,553	4,522	5,396	98,751	98,850	7,157	5,126	6,001
85,851	85,950	5,958	3,926	4,801	92,351	92,450	6,562	4,531	5,405	98,851	98,950	7,167	5,135	6,010
85,951	86,050	5,967	3,936	4,810	92,451	92,550	6,571	4,540	5,415	98,951	99,050	7,176	5,145	6,019
86,051	86,150	5,976	3,945	4,819	92,551	92,650	6,581	4,549	5,424	99,051	99,150	7,185	5,154	6,028
86,151	86,250	5,985	3,954	4,829	92,651	92,750	6,590	4,559	5,433	99,151	99,250	7,194	5,163	6,038
86,251	86,350	5,995	3,964	4,838	92,751	92,850	6,599	4,568	5,443	99,251	99,350	7,204	5,173	6,047
86,351	86,450	6,004	3,973	4,847	92,851	92,950	6,609	4,577	5,452	99,351	99,450	7,213	5,182	6,056
86,451	86,550	6,013	3,982	4,857	92,951	93,050	6,618	4,587	5,461	99,451	99,550	7,222	5,191	6,066
86,551	86,650	6,023	3,991	4,866	93,051	93,150	6,627	4,596	5,470	99,551	99,650	7,232	5,200	6,075
86,651	86,750	6,032	4,001	4,875	93,151	93,250	6,636	4,605	5,480	99,651	99,750	7,241	5,210	6,084
86,751	86,850	6,041	4,010	4,885	93,251	93,350	6,646	4,615	5,489	99,751	99,850	7,250	5,219	6,094
86,851	86,950	6,051	4,019	4,894	93,351	93,450	6,655	4,624	5,498	99,851	99,950	7,260	5,228	6,103
86,951	87,050	6,060	4,029	4,903	93,451	93,550	6,664	4,633	5,508	99,951	100,000	7,267	5,235	6,110
87,051	87,150	6,069	4,038	4,912	93,551	93,650	6,674	4,642	5,517	OVER \$100,000 YOU MUST USE THE TAX RATE SCHEDULES on page 67				
87,151	87,250	6,078	4,047	4,922	93,651	93,750	6,683	4,652	5,526					
87,251	87,350	6,088	4,057	4,931	93,751	93,850	6,692	4,661	5,536					
87,351	87,450	6,097	4,066	4,940	93,851	93,950	6,702	4,670	5,545					
87,451	87,550	6,106	4,075	4,950	93,951	94,050	6,711	4,680	5,554					
87,551	87,650	6,116	4,084	4,959	94,051	94,150	6,720	4,689	5,563					
87,651	87,750	6,125	4,094	4,968	94,151	94,250	6,729	4,698	5,573					
87,751	87,850	6,134	4,103	4,978	94,251	94,350	6,739	4,708	5,582					
87,851	87,950	6,144	4,112	4,987	94,351	94,450	6,748	4,717	5,591					
87,951	88,050	6,153	4,122	4,996	94,451	94,550	6,757	4,726	5,601					
88,051	88,150	6,162	4,131	5,005	94,551	94,650	6,767	4,735	5,610					
88,151	88,250	6,171	4,140	5,015	94,651	94,750	6,776	4,745	5,619					
88,251	88,350	6,181	4,150	5,024	94,751	94,850	6,785	4,754	5,629					
88,351	88,450	6,190	4,159	5,033	94,851	94,950	6,795	4,763	5,638					
88,451	88,550	6,199	4,168	5,043	94,951	95,050	6,804	4,773	5,647					
88,551	88,650	6,209	4,177	5,052	95,051	95,150	6,813	4,782	5,656					
88,651	88,750	6,218	4,187	5,061	95,151	95,250	6,822	4,791	5,666					
88,751	88,850	6,227	4,196	5,071	95,251	95,350	6,832	4,801	5,675					
88,851	88,950	6,237	4,205	5,080	95,351	95,450	6,841	4,810	5,684					

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. The 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 2005 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 2005. 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 65.

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 2005, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2004: 62 years of age or older, blind, or disabled; and
- Owned your home and lived in it on December 31, 2004, had total household income of \$39,699 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 2005, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2004: 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 \$39,699 or less, and are a U.S. citizen, designated alien, or qualified alien when you file your claim.

The 2005 filing season ends June 30, 2006.

The 2006 filing season for these programs begins July 1, 2006. For more information, call (800) 868-4171 or visit us at our Website at www.ftb.ca.gov.

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 65.

Mello-Roos

You cannot deduct Mello-Roos taxes if they are assessed to fund local benefits and improvements that tend to increase the value of your property. Mello-Roos taxes may appear on your annual county property tax bill with other deductible property taxes. That does not mean you can deduct the Mello-Roos taxes. You may only be able to deduct a portion of the total property tax shown on your bill.

For more information, get Publication 17, Your Federal Income Taxes-Individuals, see Chapter 24.

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.

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 their 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 2003-2005 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 have forms and schedules for you to photocopy (a nominal fee may apply).

Note: Employees at libraries and post offices 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 holidays.

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.

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 Section
Franchise Tax Board MS A-181
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.

Paying Your Taxes

General Information

You must pay 100% of the amount you owe by April 17, 2006, to avoid interest and penalties. There are several ways to pay your tax:

- Electronic funds withdrawal
- Pre-approved monthly installments
- Check or money order (**Note:** All checks must be payable in U.S. dollars and drawn against a U.S. financial institution.)
- Credit card
- Web Pay

Electronic Funds Withdrawal

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

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.

Credit Card



Use your Discover/NOVUS, MasterCard, Visa, or American Express card to pay your personal income taxes (balance due, extension payment, estimated taxes, or amounts owed for prior years). There is a convenience fee for this service. This fee is paid directly to Official Payments Corp. based on the amount of your tax payment.

Fee: 2.5% of tax amount charged (*round to nearest cent*)
Minimum fee: \$1

Example: Tax Payment = \$753.56
2.5% Fee = \$18.84

When will my payment 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 how much you owe:

- Have your Discover/NOVUS, MasterCard, Visa, or American Express card ready.
- Complete the worksheet below.

Go to the Official Payments Corp. Website or use the toll-free number:

- www.officialpayments.com Select Payment Center.
- (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.

Assistance for persons with disabilities. If you have a hearing or speech impairment, call TTY/TDD at (800) 735-2929 (California Relay Service). For all other special assistance, call (800) 487-4567 and select "0," for customer assistance, Monday through Friday, 9 a.m. to 5 p.m.

1. Jurisdiction Code: <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/>	2. Amount you are paying: \$ _____
3. Your SSN or ITIN: <input type="text"/>	Spouse's SSN or ITIN: <input type="text"/>
First 4 letters of your last name: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	First 4 letters of spouse's last name: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
4. Tax year: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	5. Home phone: (<input type="text"/> <input type="text"/> <input type="text"/>) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
6. Credit card no.: _____	7. Expiration date: <input type="text" value="M"/> <input type="text" value="M"/> <input type="text" value="Y"/> <input type="text" value="Y"/> <input type="text" value="Y"/> <input type="text" value="Y"/>
8. ZIP Code for address where your monthly credit card bill is sent: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

At the end of your call, you will be given a payment confirmation number. You may make multiple credit card payments throughout the year. Record the payment confirmation number below and save this page for your records.

Date: _____ Confirmation No.: _____

2005 California Tax Rate Schedules



Go to www.ftb.ca.gov to e-file and eliminate the math. Or search our Website for "tax calculator" to use the online tax calculator to figure your tax.

Caution: Use only if your taxable income on Long Form 540NR, line 19 is more than \$100,000. If \$100,000 or less, use the Tax Table.

If the amount on Long Form 540NR, line 19 is		Enter on Long Form 540NR, line 20		of the
over –	But not over –			amount over –
\$ 0	\$ 6,319	\$ 0.00	+ 1.0%	\$ 0.00
6,319	14,979	63.19	+ 2.0%	6,319
14,979	23,641	236.39	+ 4.0%	14,979
23,641	32,819	582.87	+ 6.0%	23,641
32,819	41,476	1,133.55	+ 8.0%	32,819
41,476	AND OVER	1,826.11	+ 9.3%	41,476

Schedule X –
Use if your filing status is
Single or Married Filing Separately

Schedule Y –
Use if your filing status is
**Married Filing Jointly or Qualifying
Widow(er) with Dependent Child**

Schedule Z –
Use if your filing status is
Head of Household

How to Figure Tax Using the 2005 California Tax Rate Schedules

Example: John and Jackie Anderson are filing a joint return using Long Form 540NR. Their taxable income on Long Form 540NR, line 19 is \$125,000.

Step 1: Using Schedule Y, they find the taxable income range that includes their taxable income of \$125,000. See the boxed range in the sample below.

If the amount on Long Form 540NR, line 19 is:		Enter on Long Form 540NR, line 20		of the
over –	But not over –			amount over –
\$ 0	\$ 12,638	\$ 0.00	+ 1.0%	\$ 0.00
12,638	29,958	126.38	+ 2.0%	12,638
29,958	47,282	472.78	+ 4.0%	29,958
47,282	65,638	1,165.74	+ 6.0%	47,282
65,638	82,952	2,267.10	+ 8.0%	65,638
82,952	AND OVER	3,652.22	+ 9.3%	82,952

Schedule Y –
Use if your filing status is
**Married Filing Jointly or Qualifying
Widow(er) with Dependent Child**

	Example	Your Income
Step 2: They subtract the amount at the beginning of their range from their taxable income.	\$125,000 - 82,952 \$ 42,048	\$ - \$
Step 3: They multiply the result from Step 2 by the percentage for their range.	\$42,048 x .093 \$3,910.46	\$ x \$
Step 4: They round the amount from Step 3 to two decimals (if necessary) and add it to the tax amount for their income range. After rounding the result, they will enter \$7,563 on Long Form 540NR, line 20. For information on rounding, see "Filing in your return" on page 9.	\$3,652.22 + 3,910.46 \$7,562.68	\$ + \$

Use our automated toll-free phone service to get recorded answers to many of your questions about California taxes and to order current year California business entity tax forms and publications. This service is available in English and Spanish to callers with touch-tone telephones. Have paper and pencil ready to take notes.

- Get current year tax refund information;
- Get balance due and payment information; and

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 65.

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 – Residents, FTB 3885A, Depreciation & Amortization Adjustments, Schedule D California Capital Gain or Loss Adjustment
- 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

- 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, 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
- 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
- 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?