

## Things you need to know before you complete Form 540 2EZ

Determine if you qualify to use Form 540 2EZ. See the table on page 4.

### Specific Line Instructions

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

**Entity Section – Use the label** on the cover of this booklet to speed processing and prevent common errors that can delay refunds. Make corrections to the label by crossing out any errors and printing the correct or missing information in black or blue ink.

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

Enter your SSN or ITIN in the spaces provided. If you file a joint return, enter the SSN or ITIN in the same order as the names.

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.

### Line 1 through Line 5 – Filing Status

Fill in the circle on Form 540 2EZ for the filing status that applies to you.

#### Filing Status Checklist

Choose only one filing status. Your filing status for California must be the same as the filing status you used on your federal income tax return.

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

- An active member of the U.S. 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.
- **Cautions – Community Property States:** If the spouse earning the California source income is domiciled in a community property state, 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.

#### You cannot use Form 540 2EZ if:

- You file a joint return and either spouse was a nonresident in 2005. You should e-file or use Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.
- You are married and file a separate return. You should CalFile, e-file, or use Form 540A or Form 540.
- You have income from a source outside of California. See back cover for downloading or ordering tax forms.

#### Single

You are single if any of the following was true on December 31, 2005:

- You were never married; or
- You were either divorced under a final decree of divorce or legally separated under a final decree of legal separation or a final decree of separate maintenance; or
- You were widowed before January 1, 2005, and did not remarry in 2005 (see Qualifying Widow[er] below).

#### Married Filing Jointly

You may file married filing jointly if any of the following is true:

- You were married as of December 31, 2005, even if you did not live with your spouse at the end of 2005; or
- Your spouse died in 2005 and you did not remarry in 2005; or
- Your spouse died in 2006 before the 2005 return was filed.

A husband and wife may file a joint return even if only one had income or if they did not live together all year. However, both must sign the return.

#### Head of Household

This filing status is for unmarried individuals and certain married individuals living apart (considered unmarried) who provide a home for certain other persons. You may be entitled to use the head of household filing status only if ALL the following apply:

- You were unmarried or considered unmarried on December 31, 2005,
- You paid more than one-half the costs of keeping up a home for the year 2005,
- For more than half the year, your home was the main home for you and another person who lived with you,
- The other person was your qualifying relative,
- You were not a nonresident alien at any time during the year.

For more information get FTB Pub. 1540, *California Head of Household Filing Status Information*. See back cover, code 934, or visit our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and take the self-test.

#### Qualifying Widow(er)

You are a qualifying widow(er) if ALL of the following apply:

- Your spouse died in 2003 or 2004, and you did not remarry in 2005,
- You have a birth child, adopted child, stepchild, or eligible foster child for whom you can claim a dependent exemption credit,
- This child lived in your home for all of 2005. Temporary absences, such as for school, vacation, or medical care, count as time lived in the home,
- You paid over half the cost of keeping up your home for this child,
- You could have filed a joint return with your spouse the year he or she died, even if you actually did not do so.

Enter the year of your spouse’s death on your return.

### Line 6 – Can you be claimed as a dependent?

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, then answer the following questions:

1. Are your total wages, interest, dividend, and pension income less than or equal to:

Single	\$10,804
Married filing jointly or Qualifying widow(er)	\$21,558
Head of Household	\$15,258

2. Do you have a dependent?

If the answer to question 1 or question 2 is **Yes, Stop here**. You cannot use Form 540 2EZ. CalFile, e-file, or get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov).

If the answer to question 1 and question 2 is **No**, fill in the circle on line 6.

### Line 7 – Seniors

If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 on line 7.

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

### Line 8 – Dependents

Enter the names of the dependents you are allowed to claim. If you claim more than 3 dependents, you must CalFile, e-file, or get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov) or see back cover.



#### Do you have Child and Dependent Care Expenses?

The easiest way to claim the credit is to CalFile or e-file. **This credit may not be claimed on Form 540 2EZ.**

## Line 9 – Wages

Enter the amount from federal Form W-2, box 16 or CA Sch W-2, box 16. If you have more than one W-2, add all amounts shown in box 16.

Generally, federal Form W-2 box 1 and box 16 should contain the same amounts. If they are different because you had income from a source outside California, you cannot file Form 540 2EZ. CalFile, e-file, or get Form 540A, Form 540, or Long or Short Form 540NR, at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov).

**Exception:** You may use Form 540 2EZ, if your federal Form W-2, box 1 and box 16 are different because you received ride-sharing benefits or sick pay under the Federal Insurance Contributions Act and Railroad Retirement Act.

If this exception applies to you, enter the amount from federal Form W-2, box 16.

## Line 10 – Total Interest Income

Enter interest income shown on Form 1099-INT, box 1.



Do not include amounts shown on Form 1099-INT, box 3, Interest on U.S. Savings Bonds and Treasury Obligations. This interest is not taxed by California.

## Line 11 – Total Dividend Income

Generally, the amount of dividend income taxable by California is the same as the amount taxable under federal law. However, there may be federal/state differences in the taxable amount of dividend income, if you received it from any of the following sources:

- Exempt interest dividends from mutual funds.
- Non-cash patronage dividends from farmers' cooperatives or mutual associations.
- Federal exempt interest dividends from other states or their municipal obligations and/or from mutual funds.
- Controlled foreign corporation dividends in the year distributed.
- Regulated investment company (RIC) capital gains in the year distributed.
- Distributions of pre-1987 earnings from an S corporation.

**If you have a federal/state difference in the taxable amount of dividend income, you cannot file a Form 540 2EZ. You must CalFile, e-file, or get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov) or see back cover.**

## Line 12 – Total Pensions

Generally, the amount of pension income taxable by California is the same as the amount taxable under federal law. However, there may be federal/state differences in the taxable amount of pension income, if you received it from any of the following sources:

- Tier 2 railroad retirement benefits.
- Partially taxable distributions from a pension plan.
- Retirement annuity between July 1, 1986 - January 1, 1987, and elected to use the three-year rule for California purposes and annuity rules for federal purposes.

**If you have a federal/state difference in the taxable amount of pension income, you cannot file a Form 540 2EZ. You must CalFile, e-file, or get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov) or see back cover.**

## Line 13 – Unemployment Compensation

Enter unemployment compensation and/or Paid Family Leave Insurance benefits reported on federal Form(s) 1099-G. These types of income are not taxed by California and should not be included in the total on line 15.

## Line 14 – U.S. Social Security or Railroad Retirement Benefits

Enter U.S. social security or Tier 1 and Tier 2 railroad retirement benefits. This type of income is not taxed by California and should not be included in the total on line 15.

## Line 16 – Tax



The standard deduction and personal exemption credit are built into the 2EZ tables and not reported on the tax return.

### Did you fill in the circle for line 6?

**Yes** Complete the Dependent Tax Worksheet below.

**No** Follow the instructions below.

Use the California 2EZ table for your filing status to complete line 16. The 2EZ tables in this booklet give you credit for the standard deduction for your filing status, your personal exemption credit, and dependent exemption credits. There are three different tables. Make sure you use the right one. If your filing status is:

Single	Go to page 15
Married filing jointly or Qualifying widow(er)	Go to page 21
Head of Household	Go to page 42

### Dependent Tax Worksheet

1. Is the amount on line 15 less than or equal to:
  - \$10,804 if single
  - \$21,558 if married filing jointly or qualifying widow(er)
  - \$15,258 if head of household, or

2. Do you have a dependent?

If the answer to question 1 or question 2 is:

**Yes Stop here.** You cannot use Form 540 2EZ because you will not be able to figure the correct amount of tax using the California 2EZ Tables. CalFile, e-file, or get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov) or see back cover.

**No** If you can be claimed as a dependent by another taxpayer, your personal exemption credit amount is zero. You will need to adjust the tax from the 2EZ Table for this amount as follows:

1. Using the amount from Form 540 2EZ, line 15, and your filing status, look up the tax in the 2EZ Table.

If your filing status is:

- Single, go to page 15.
- Married filing jointly or qualifying widow(er), go to page 21.
- Head of household, go to page 42.

2. If single or head of household, enter \$87

- If married and both spouses can be claimed as a dependent by another taxpayer, enter \$174
- If married and only one spouse can be claimed, enter \$87
- If qualifying widow(er), enter \$174

3. Add line 1 and line 2. Enter here and on Form 540 2EZ, line 16

## Line 17 – Senior Exemption

If you entered 1 in the box on line 7, enter \$87. If you entered 2 in the box on line 7, enter \$174.

**Caution:** You cannot claim this exemption credit if someone else can claim you as a dependent on their return.

## Line 18 – Nonrefundable Renter's Credit

If you were a resident of California 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. Check the box which answers the questions below to see if you qualify.



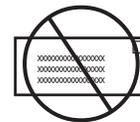
**Tip** If you CalFile or e-file, the software will ask you the questions needed to determine if you qualify for this credit.

1. Were you a resident<sup>1</sup> of California for the entire year in 2005?
  - YES. Go to the next question.
  - NO. Stop. File the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, e-file, or see back cover for downloading or ordering forms.
2. Is the amount on Form 540 2EZ, line 15:
  - \$30,794 or less if single; or
  - \$61,588 or less if married filing jointly, head of household, or qualifying widow(er)?
  - YES. Go to the next question.
  - 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 the next question.
  - NO. Stop here. You do not qualify for this credit.
4. Can you be claimed as a dependent by a parent, foster parent, legal guardian, or any other person in 2005?
  - NO. Go to question 6.
  - YES. Go to question 5.
5. For more than half the year, did you live in the home of the person who could claim you as a dependent in 2005?
  - NO. Go to question 6.
  - YES. Stop here. You do not qualify for this credit.
6. Was the property you rented exempt<sup>2</sup> from property tax in 2005?
  - NO. Go to the next question.
  - YES. Stop here. You do not qualify for this credit.
7. Did you claim the homeowner's property tax exemption<sup>3</sup> 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 exemption 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. If you are:
  - Single, enter \$60 below.
  - Married filing jointly, head of household, or qualifying widow(er), enter \$120 below.  
\$ \_\_\_\_\_

Enter this amount on Form 540 2EZ, line 18.

12. 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.

**Do Not Mail This Record.**  
Keep with your tax records.



13. Street Address, City, State, and ZIP Code
  - a) \_\_\_\_\_  
\_\_\_\_\_
  - Dates Rented in 2005 (from \_\_\_\_\_ to \_\_\_\_\_)
  - b) \_\_\_\_\_  
\_\_\_\_\_
  - Dates Rented in 2005 (from \_\_\_\_\_ to \_\_\_\_\_)
14. Landlord. Enter name, address and telephone number
  - a) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - b) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<sup>1</sup> Military personnel. If you are not a legal resident of California, you do not qualify for this credit. However, your spouse may claim this credit if he or she was a resident, did not live in military housing during 2005, and is otherwise qualified.

<sup>2</sup> 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 if you are otherwise qualified.

<sup>3</sup> 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. You can find the homeowner's property tax exemption information on your property tax bill from your County Assessor's office.

## Line 21 – Tax Withheld

Enter the amount from federal Form(s) W-2, box 17, CA Sch W-2, box 17, or 1099-R, box 10. If you have more than one Form W-2, add all amounts shown in box 17. If you have multiple entries on CA Sch W-2, add all amounts shown in box 17. If you have more than one 1099-R, add all amounts shown in box 10. The Franchise Tax Board verifies all withholding claimed from federal Forms W-2, CA Sch W-2, or 1099-R with the Employment Development Department.

## Line 23 – Tax Due

If the amount on line 21 is less than the amount on line 20, subtract the amount on line 21 from the amount on line 20. Enter the result on line 23. Your tax is more than your credits.

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete Employment Development Department (EDD) Form DE 4, Employee's Withholding Allowance Certificate, and give it to your employer's appropriate payroll staff. You can obtain this form from your employer or by calling EDD at (888) 745-3886. You can download the DE 4 at [www.edd.ca.gov](http://www.edd.ca.gov) or use the online calculator by going to [www.ftb.ca.gov](http://www.ftb.ca.gov) and search for DE 4.

## Line 24 – Use Tax

As explained on page 13, you may owe California use tax on your purchases from out-of-state sellers (for example, purchases made by telephone, over the Internet, by mail, or in person). If you have questions on whether a purchase is taxable, visit the State Board of Equalization's Website at [www.boe.ca.gov](http://www.boe.ca.gov), or call their Information Center at (800) 400-7115 or TTY/TDD (800) 735-2929.

You may report use tax on your income tax return instead of filing a use tax return with the California State Board of Equalization. To report use tax on your income tax return, complete the Use Tax Worksheet below.

If you owe use tax but choose not to report it on your income tax return, you must report and pay the tax to the State Board of Equalization. To do so, download a copy of Publication 79-B, California Use Tax, from [www.boe.ca.gov](http://www.boe.ca.gov). You can also request a copy by calling their Information Center.

To avoid late payment penalties for use tax, you must report and pay the use tax with a timely filed income tax return.

**Note:** Businesses that have a California seller's permit must continue to report business purchases subject to use tax on their sales and use tax returns.

Use Tax Worksheet	
Round all amounts to the nearest whole dollar.	
1. Enter purchases from out-of-state or Internet sellers made without payment of California sales/use tax. See worksheet instructions below . . .	\$ _____ .00
2. Enter the decimal equivalent of the applicable sales and use tax rate. See worksheet instructions below. . . . .	_____
3. Multiply line 1 by the tax rate on line 2. Enter result here. . . . .	\$ _____ .00
4. Enter any sales or use tax paid to another state for purchases included on line 1. See worksheet instructions below. . . . .	\$ _____ .00
5. Total Use Tax Due. Subtract line 4 from line 3. Enter the amount here and on line 24. If the amount is less than zero, enter -0-. . . . .	\$ _____ .00

### Worksheet, Line 1, Purchases Subject to Use Tax

- Report items that would have been taxable in a California store. For example, you would include purchases of clothing, but not purchases of prescription medicine.
- Include handling charges.
- Do not include any other state's sales or use tax paid on the purchases.
- Enter only purchases made during the year that corresponds with the tax return you are filing.
- If you traveled to a foreign country and brought items back to California, generally the use tax is due on the purchase price of the goods you listed on your U.S. Customs Declaration less the \$400 per-person exemption. This \$400 exemption does not apply to goods sent or shipped to California by mail or other common carrier.
- If your filing status is "married filing separately," you may elect to report one-half of the use tax due or the entire amount on your income tax return. If you elect to report one-half, your spouse must report the remaining half on his or her income tax return or on the individual use tax return available from the State Board of Equalization.

**Note:** Do not report the following on your income tax return:

- Vehicles, vessels, and trailers that must be registered with the California Department of Motor Vehicles.
- Mobile homes or commercial coaches that must be registered annually as required by the Health and Safety Code.
- Vessels documented with the U.S. Coast Guard.
- Aircraft.

- Leases of machinery, equipment, vehicles, and other tangible personal property.

### Worksheet, Line 2, Sales and Use Tax Rate

- Enter the decimal equivalent of the sales and use tax rate applicable to the place in California where the property is used, stored, or otherwise consumed. For example, the decimal equivalent of 7.25% is 0.0725, and the decimal equivalent of 7.375% is 0.07375.
- If you do not know the applicable rate, see the table below and on page 10, "Sales and Use Tax Rates by County." If you have questions regarding the use tax rate in effect in your area, please visit the State Board of Equalization's Website at [www.boe.ca.gov](http://www.boe.ca.gov) or call their Information Center at (800) 400-7115 or TTY/TDD (800) 735-2929.

### Worksheet, Line 4, Credit for Tax Paid to Another State

- This is a credit for tax paid to other states. You cannot claim a credit greater than the amount of tax that would have been due if the purchase had been made in California. For example, if you paid \$8.00 sales tax to another state for a purchase, and would have paid \$6.00 in California, you can claim a credit of only \$6.00 for that purchase.

Sales and Use Tax Rates by County			
(includes state, local, and district taxes) As of December 31, 2005			
County	Rate	County	Rate
Alameda	8.75%	Orange	7.75%
Alpine	7.25%	Placer	7.25%
Amador	7.25%	Plumas	7.25%
Butte	7.25%	Riverside	7.75%
Calaveras	7.25%	Sacramento	7.75%
Colusa	7.25%	San Benito <sup>6</sup>	7.25%
Contra Costa <sup>6</sup>	8.25%	San Bernardino <sup>6</sup>	7.75%
Del Norte	7.25%	San Diego <sup>6</sup>	7.75%
El Dorado <sup>6</sup>	7.25%	San Francisco	8.50%
Fresno <sup>1,6</sup>	7.975%	San Joaquin <sup>6</sup>	7.75%
Glenn	7.25%	San Luis Obispo	7.25%
Humboldt <sup>6</sup>	7.25%	San Mateo	8.25%
Imperial <sup>6</sup>	7.75%	Santa Barbara	7.75%
Inyo	7.75%	Santa Clara	8.25%
Kern	7.25%	Santa Cruz <sup>6</sup>	8.00%
Kings	7.25%	Shasta	7.25%
Lake <sup>6</sup>	7.25%	Sierra	7.25%
Lassen	7.25%	Siskiyou	7.25%
Los Angeles <sup>6</sup>	8.25%	Solano	7.375%
Madera <sup>2</sup>	7.25%	Sonoma <sup>5,6</sup>	7.75%
Marin <sup>3</sup>	7.75%	Stanislaus	7.375%
Mariposa <sup>4</sup>	7.75%	Sutter	7.25%
Mendocino <sup>6</sup>	7.25%	Tehama	7.25%
Merced <sup>6</sup>	7.25%	Trinity	7.25%
Modoc	7.25%	Tulare <sup>6</sup>	7.25%
Mono	7.25%	Tuolumne <sup>6</sup>	7.25%
Monterey <sup>6</sup>	7.25%	Ventura	7.25%
Napa	7.75%	Yolo <sup>6</sup>	7.25%
Nevada <sup>6</sup>	7.375%	Yuba	7.25%

1. The tax rate in the county of Fresno prior to April 1, 2005, was 7.875%.
2. The tax rate in the county of Madera prior to October 1, 2005, was 7.75%.
3. The tax rate in the county of Marin prior to April 1, 2005, was 7.25%.
4. The tax rate in the county of Mariposa prior to April 1, 2005, was 7.25%.
5. The tax rate in the county of Sonoma prior to April 1, 2005, was 7.50%.
6. Many cities in California impose a district tax, which results in a higher sales and use tax rate than in other parts of the county. If you are reporting an item that was purchased for use in any of the following cities, please use the appropriate tax rates for those areas. The following tax rates apply within the city limits of the listed community.

(continued on the next page)

County	City	Citywide Rate
Contra Costa	Richmond	8.75%
	(effective 4/1/2005) <sup>a</sup>	
El Dorado	Placerville	7.50%
El Dorado	South Lake Tahoe	7.75%
	(effective 4/1/2005) <sup>b</sup>	
Fresno	Clovis (effective 4/1/2005) <sup>c</sup>	8.275%
Humboldt	Trinidad	8.25%
Imperial	Calexico	8.25%
Lake	Clearlake	7.75%
Lake	Lakeport	7.75%
	(effective 4/1/2005) <sup>d</sup>	
Los Angeles	Avalon	8.75%
Mendocino	Fort Bragg	7.75%
Mendocino	Point Arena	7.75%
Mendocino	Ukiah (effective 10/1/2005) <sup>e</sup>	7.75%
Mendocino	Willits	7.75%
Merced	Los Banos	7.75%
	(effective 4/1/2005) <sup>f</sup>	
Monterey	Sand City	7.75%
	(effective 4/1/2005) <sup>g</sup>	
Nevada	Town of Truckee	7.875%
San Benito	San Juan Bautista	8.00%
	(effective 4/1/2005) <sup>h</sup>	
San Bernardino	Montclair	8.00%
	(effective 4/1/2005) <sup>i</sup>	
San Diego	El Cajon	8.25%
	(effective 4/1/2005) <sup>j</sup>	
San Joaquin	Stockton	8.00%
	(effective 4/1/2005) <sup>k</sup>	
Santa Cruz	Capitola	8.25%
	(effective 4/1/2005) <sup>l</sup>	
Santa Cruz	Santa Cruz	8.25%
Sonoma	Sebastopol	8.00%
	(effective 4/1/2005) <sup>m</sup>	
Sonoma	Santa Rosa	8.00%
	(effective 4/1/2005) <sup>n</sup>	
Tulare	Farmersville	7.75%
	(effective 4/1/2005) <sup>o</sup>	
Tulare	Visalia	7.50%
Tuolumne	Sonora	7.75%
Yolo	Davis	7.75%
Yolo	West Sacramento	7.75%
Yolo	Woodland	7.75%

- a) The tax rate in Richmond prior to April 1, 2005, was 8.25%.
- b) The tax rate in South Lake Tahoe prior to April 1, 2005, was 7.25%.
- c) The tax rate in Clovis prior to April 1, 2005, was 8.175%.
- d) The tax rate in Lakeport prior to April 1, 2005, was 7.25%.
- e) The tax rate in Ukiah prior to October 1, 2005, was 7.25%.
- f) The tax rate in Los Banos prior to April 1, 2005, was 7.25%.
- g) The tax rate in Sand City prior to April 1, 2005, was 7.25%.
- h) The tax rate in San Juan Bautista prior to April 1, 2005, was 7.25%.
- i) The tax rate in Montclair prior to April 1, 2005, was 7.75%.
- j) The tax rate in El Cajon prior to April 1, 2005, was 7.75%.
- k) The tax rate in Stockton prior to April 1, 2005, was 7.75%.
- l) The tax rate in Capitola prior to April 1, 2005, was 8.00%.
- m) The tax rate in Sebastopol prior to April 1, 2005, was 7.625%.
- n) The tax rate in Santa Rosa prior to April 1, 2005, was 7.50%.
- o) The tax rate in Farmersville prior to April 1, 2005, was 7.25%.

## Line 25 – Voluntary Contributions

You may contribute part or all of your refund to the funds listed on Form 540 2EZ, Side 2. See below for descriptions of the funds.

### Code Fund Name and Description

- ◀ 52 ▶ **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 17, you may make a combined total contribution of up to \$174 or \$87 per spouse. Contributions entered to this fund will be distributed to the Area Agency on Aging Advisory Council of California (TACC) to provide advice on and sponsorship of Senior Citizens 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.  
\*If your 65th birthday is on January 1, 2006, you are considered to be age 65 on December 31, 2005.
- ◀ 53 ▶ **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.
- ◀ 54 ▶ **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.
- ◀ 55 ▶ **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.
- ◀ 56 ▶ **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.
- ◀ 57 ▶ **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, go to Website [www.cb.crp.org/](http://www.cb.crp.org/). Your contribution can help make breast cancer a disease of the past.
- ◀ 58 ▶ **California Firefighters’ Memorial Fund.** Contributions will be used to construct a memorial on the grounds of the State Capitol honoring hundreds of firefighters who have died protecting our communities, our families, and our dreams. When the alarm sounded, these brave men and women answered the call with their lives. Their sacrifices, and the sacrifices of their families, deserve to be honored.

(continued on the following page)

**Code Fund Name and Description**

- ◀ 59 ▶ **Emergency Food Assistance Program Fund.**  
Contributions will be used to 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.
- ◀ 60 ▶ **California Peace Officer Memorial Foundation Fund.**  
Contributions will be used to preserve the memory of California's fallen peace officers and assist the families they left behind. Since statehood, over 1,300 courageous California peace officers have made the ultimate sacrifice while protecting law-abiding citizens. The non-profit charitable organization, California Peace Officers' Memorial Foundation, has accepted the privilege and responsibility of maintaining a memorial for fallen officers on the State Capitol grounds. Each May, the Memorial Foundation conducts a dignified ceremony honoring fallen officers and their surviving families by offering moral support, crisis counseling, and financial support that includes 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, thank you for your participation.
- ◀ 63 ▶ **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.
- ◀ 64 ▶ **California Prostate Cancer Research Fund.** Contributions will be used to further the research of Prostate Cancer.
- ◀ 65 ▶ **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.
- ◀ 66 ▶ **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.
- ◀ 67 ▶ **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 26 – Refund or No Amount Due

Complete the following worksheet:

- A. Amount on line 24 .....
- B. Amount on line 25 .....
- C. Add line A and line B .....
- D. Amount on line 22 .....
- E. Subtract line C from Line D .....

The amount on line E will be refunded to you. Transfer this amount to Form 540 2EZ, line 26. If the refund is less than \$1.00, attach a written request to your Form 540 2EZ to receive the refund.

**Note:** If the amount on line C is greater than the amount on line D, the amount on line E is the amount you owe. Transfer this amount to Form 540 2EZ, line 27.

## Direct Deposit

It's fast, safe, and convenient to have your refund directly deposited into your bank account. The illustration here shows which bank numbers you need to request direct deposit.



Use a check (not a deposit slip) to find the bank numbers you need. Contact your financial institution for assistance in getting the correct routing number.

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 or account number, Franchise Tax Board will issue a paper check.

Assemble your tax return as shown on the next page and mail it to the Franchise Tax Board. Be sure to attach the **green** label to the front of the envelope.

The address is:

**FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0002**



## Line 27 – Amount You Owe

Add line 23, line 24, and line 25 and enter the total on line 27. This is the amount you owe.

Assemble your return as shown on the next page and mail it to the Franchise Tax Board. Be sure to attach the **white** label to the front of the envelope. The address is:

**FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001**

## Paying Your Taxes

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

- Electronic funds withdrawal (e-file only)
- Pay online
- Check or money order
- Credit card
- Monthly installments

## Electronic Funds Withdrawal

If you CalFile or e-file instead of paying by check, you can use this convenient option. Simply provide your bank information, the amount you want to pay, and the date you want the amount to be withdrawn from your account. Use the illustration above to find your bank information.

Your tax preparation software will offer this option.

# Instructions for Form 540 2EZ CalFile – California's free, fast, easy, and secure e-file option.

## Web Pay

Enjoy the convenience of online bill payment with Franchise Tax Board. This secure service lets you pay the current amount you owe, as well as any future bill payments. Go to our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). Log on using your social security number and your current customer service number (CSN).

## Check or Money Order (no cash please)

Make your check or money order payable to the Franchise Tax Board. Do not send cash. Write your social security number and "2005 Form 540 2EZ" on the check or money order. How you mail your check depends on how you filed your return.

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

**Form 540 2EZ:** Enclose but do **not** staple your check or money order to the front of the return; see the instructions in the next column.

**e-file:** The software will print a payment voucher for you, form FTB 3582. Mail your check or money order and the voucher to the address shown on the voucher. **Note: Do not** mail a copy of your tax return, your federal Form(s) W-2, or CA Sch W-2.

## Credit Card



Use your Discover/NOVUS, MasterCard, American Express, or Visa card to pay your personal income taxes (including tax return balance due, extension payments, estimated tax payments, and prior year balances). The Franchise Tax Board has partnered with Official Payments Corp. to offer you this service. Official Payments Corp. charges a convenience fee based on the amount of your payment.

Go to the Official Payments Corp. online payment center at [www.officialpayments.com](http://www.officialpayments.com) or call the toll-free number (800) 2PAY-TAX or (800) 272-9829 and follow the recorded instructions. Official Payments Corp. provides customer assistance Monday through Friday, 9 a.m. to 5 p.m. PST.

Payment Date : \_\_\_\_\_

Confirmation Number: \_\_\_\_\_

## Request Monthly Installments

Pay as much as you can when you file your return. If you cannot pay your taxes in full, you can request approval to make monthly payments. However, you will be charged interest and penalties. You will need to complete form FTB 3567, Installment Agreement Request.

To submit your request electronically, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to complete and file form FTB 3567. To submit your request by mail, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to download and print the form or call (800) 338-0505 to order the form by phone. Select Personal Income Tax, then select Forms and Publications, and enter code 949 when instructed. Mail the completed form to FTB at the address shown on the form.

## Sign Your Tax Return

You must sign your tax return on Side 2. If you file a joint tax return, your spouse must sign it also.

**Note:** If you file a joint return, both you and your spouse are generally responsible for tax and any interest or penalties due on the return. If one spouse does not pay the tax, the other spouse may have to. See Innocent Spouse Relief on page 13.

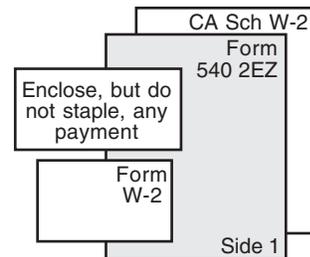
If you pay a person to prepare your tax return, that person must sign on Side 2 and include either their social security number (or PTIN) or FEIN. A paid preparer must give you two copies of your tax return: one to file with the Franchise Tax Board and one to keep for your records.

## Assembling Your Tax Return

To help with our processing costs, please enclose, but do not staple, your payment, federal Form(s) W-2, or CA Sch W-2 to your return.

Do **not** enclose a copy of your federal tax return or any other document with your Form 540 2EZ.

This will help us to reduce government processing and storage costs.



**Tip**

### Questions?

See Frequently Asked Questions on page 5 for information about filing requirements, amending your return, how long to keep your return, etc.