TAXABLE YEAR **2009**

Tax Computation for Children Under Age 14 with Investment Income

CALIFORNIA FORM **3800**

Attach ONLY to the child's Form 540 or Long Form 540NR

Child's name as shown on return	Child's SSN or ITIN
Parent's name (first, initial, and last). (Caution: See instructions before completing.)	Parent's SSN or ITIN

Parent's filing status (check one):

☐ Single ☐ Married/RDP filing jointly ☐ Married/RDP filing separately ☐ Head of household ☐ Qualifying widow(er)

Enter number of exemptions claimed on parent's return. . . . . ☐

Part I Child's net investment income

1 Enter the child's investment income, such as taxable interest, ordinary dividends, and capital gains. See instructions. If this amount is $1,900 or less, stop here; do not file this form . . . . . 1 _____ 00

2 If the child DID NOT itemize deductions on Form 540 or Long Form 540NR, enter $1,900. If the child ITEMIZED deductions, see instructions . . . . . 2 _____ 00

3 Subtract line 2 from line 1. If zero or less, stop here; do not complete the rest of this form but ATTACH it to the child's return . . . . . 3 _____ 00

4 Enter the child's **taxable** income from Form 540, line 19 or **total taxable** income from Long Form 540NR, line 19 . . . . . 4 _____ 00

5 Net investment income. Enter the **smaller** of line 3 or line 4 . . . . . 5 _____ 00

Part II Tentative tax based on the tax rate of the parent listed above

6 Enter the parent's **taxable** income from Forms 540/540A, line 19; or **total taxable** income from Long or Short Form 540NR, line 19. If zero or less, enter -0- . . . . . 6 _____ 00

7 Enter the total net investment income, if any, from form(s) FTB 3800, line 5, of ALL OTHER children of the parent identified above. **Do not** include the amount from line 5 above. . . . . 7 _____ 00

8 Add line 5 through line 7 . . . . . 8 _____ 00

9 Enter the tax on the amount on line 8 based on the **parent's** filing status. Use the tax table or tax rate schedules found in the 2009 instructions for Forms 540/540A. See instructions for Long or Short Form 540NR filers . . . . . 9 _____ 00

10 Enter the parent's tax from Forms 540/540A, line 31. See instructions for Long or Short Form 540NR filers. **Do not** include any tax from FTB 3803. . . . . 10 _____ 00

11 Subtract line 10 from line 9. If you did not enter an amount on line 7, then enter the amount from line 11 on line 13 and skip line 12a and line 12b . . . . . 11 _____ 00

12 **a** Add line 5 and line 7 . . . . . 12a _____ 00

b Divide line 5 by line 12a. Enter the result as a decimal (rounded to four places) . . . . . 12b **X** . ___ ___ ___ ___

13 Multiply line 11 by the decimal amount on line 12b. . . . . 13 _____ 00

Part III Child's tax

If the amounts on line 4 and line 5 above are the same, enter -0- on line 15 and go to line 16.

14 Subtract line 5 from line 4 . . . . . 14 _____ 00

15 Enter the tax on the amount on line 14 based on the **child's** filing status. Use the tax table or tax rate schedules found in the 2009 instructions for Form 540. See instructions for Long Form 540NR filers . . . . . 15 _____ 00

16 Add line 13 and line 15 . . . . . 16 _____ 00

17 Enter the tax on the amount on line 4 based on the **child's** filing status. Use the tax table or tax rate schedules found in the 2009 instructions for Form 540. See instructions for Long Form 540NR filers . . . . . 17 _____ 00

18 Compare the amounts on line 16 and line 17. Enter the **larger** of the two amounts here and on the child's Form 540, line 31. Also fill in the circle labeled "FTB 3800" on the child's tax return. See instructions for Long Form 540NR filers. . . . . 18 _____ 00

Instructions for Form FTB 3800

Tax Computation for Children Under Age 14 with Investment Income

General Information

California does not conform to the provision of the Federal Tax Increase Prevention and Reconciliation Act which increased the age of children from under 14 to under 18 for elections made by parents reporting their child's interest and dividends. It also increased the maximum age for a child required to report investment income on their own return and is subject to the parent's tax rate. If you are age 14 and above and reporting interest or dividend income, you may not use this form.

California does not conform to the provision of the Small Business and Work Opportunity Act of 2007 which increased the age of children to 18 and under or a student under age 24.

Registered Domestic Partners (RDP) – For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California registered domestic partner (RDP), unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic "partner" and a California registered domestic "partnership," as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars – Round cents to the nearest whole dollar. For example, round $50.50 up to $51 or round $25.49 down to $25.

Purpose

For children under age 14, investment income over $1,900 is taxed at the parent's rate if the parent's rate is higher. Use form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the child's tax.

Complete form FTB 3800 if all of the following apply:

- The child is under age 14 at the end of 2009. A child born on January 1, 1996, is considered to be age 14 at the end of 2009.
- The child had investment income taxable by California of more than $1,900.
- At least one of the child's parents was alive at the end of 2009.

If the child uses form FTB 3800, file Form 540, California Resident Income Tax Return, or Long Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.

If the child does not file form FTB 3800, figure the tax in the normal manner on the child's Forms 540/540A, or Long or Short Form 540NR.

Parents of children under age 14 at the end of 2008, may elect to include the child's investment income on the parent's tax return. To make this election, the child must have had income only from interest and dividends. The election is not available if estimated tax payments were made in the child's name. Get form FTB 3803, Parents' Election to Report Child's Interest and Dividends, for more information. If parents make this election, the child will not have to file a California tax return or form FTB 3800.

If you elect to report your child's income on your federal income tax return, but not on your California income tax return, be sure to make an adjustment on your Schedule CA (540 or 540NR), line 21f.

Specific Line Instructions

Parent's Name and Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)

If federal Form 8615, Tax for Certain Children Who Have Investment Income of More Than $1,900, was filed with the child's federal tax return, enter the name and SSN or ITIN of the same parent who was identified at the top of federal Form 8615.

If the child's parents were married to each other or in a RDP and filed a joint 2009 California tax return, enter the name and SSN or ITIN of the parent who is listed first on the joint return.

If the parents were married or in a RDP but filed separate California tax returns, enter the name and SSN or ITIN of the parent with the **higher** taxable income.

If the parents were unmarried, treated as unmarried for tax purposes, or separated either by a divorce or separate maintenance decree, enter the name and SSN or ITIN of the parent who had custody of the child for most of 2009.

Exception. If the custodial parent remarried or entered into a RDP and filed a joint return with the new spouse/RDP, enter the name and SSN or ITIN of the person listed first on the joint return, even if that person is not the child's parent. If the custodial parent and the new spouse/RDP filed separate California tax returns, enter the name and SSN or ITIN of the person with the **higher** taxable income, even if that person is not the child's parent.

If the child's parents were unmarried but lived together during the year with the child, enter the name and SSN or ITIN of the parent who had the **higher** taxable income.

Part I Child's Net Investment Income

Line 1 – Enter the child's investment income. Include income such as taxable interest, dividends, capital gains, rents, annuities, and income received as a beneficiary. In most cases, this will be the same as the amount entered on federal Form 8615, include only income taxable by California. Also, include investment income that was not taxed on the child's federal tax return but is taxable under California law. For more information, get the instructions for Schedule CA (540 or 540NR), line 8 and line 9.

If the child had earned income (defined below), use the following worksheet to figure the amount to enter on form FTB 3800, line 1.

1. Enter the amount of the child's adjusted gross income from Form 540, line 17 or Long Form 540NR, line 17, whichever applies . . . . . 1 _____
2. Enter the child's earned income . . . . . 2 _____ (wages, tips, and other payments received for personal services performed)
3. Subtract line 2 from line 1. Enter the result here and on form FTB 3800, line 1 . . . . . 3 _____

Line 2 – If the child itemized deductions, enter the greater of:

$950 plus the portion of the amount on Form 540, line 18 or Long Form 540NR, line 18, that is directly connected with the production of the investment income shown on form FTB 3800, line 1 or $1,900.

Part II Tentative Tax Based on Parent's Tax Rate

If the parent used Form 540 2EZ, refigure your tax by referring to the tax table for Forms 540/540A in order to complete this part. Using Form 540 2EZ will **not** produce the correct result.

Line 6 – Enter the taxable income from Forms 540/540A, line 19; or total taxable income from Long or Short Form 540NR, line 19 of the parent whose name is shown at the top of form FTB 3800. If the parent's taxable income is less than zero, enter -0- on line 6. If the parent filed a joint California tax return, enter the taxable income shown on that return even if the parent's spouse/RDP is not the child's parent.

Line 7 – If the individual identified as the parent on this form FTB 3800 is also identified as the parent on any other form FTB 3800, add the amounts, if any, from line 5 on **each** of the other forms FTB 3800 and enter the total on line 7.

Line 9 – Use the California tax table or tax rate schedules in the 2009 instructions for Forms 540/540A to find the tax for the amount on line 8, based on the parent's filing status.

Long or Short Form 540NR Filers: To figure a revised California adjusted gross income and a tentative tax based on the parent's tax rate, complete the following worksheet.

A Enter the child's portion of the net investment income that must be included in the child's CA adjusted gross income . . . . . _____

B Enter parent's CA adjusted gross income from Long or Short Form 540NR, Line 32 . . . . . _____

C Add line A and line B . . . . . _____

D Enter the child's investment income (form FTB 3800, line 5) . . . . . _____

E Enter parent's adjusted gross income from all sources from Long or Short Form 540NR, line 17. . . _____

If the parents have other children for whom form FTB 3800 was completed, add the other children's net investment income to the parent's CA adjusted gross income on line B and to the parent's adjusted gross income from all sources on line E.

F Add line D and line E . . . . . _____

G Divide line C by line F (not to exceed 1.0) . . . . . _____

H Enter the parent's total itemized deductions or standard deduction from Long or Short Form 540NR, line 18 . . . . . _____

I Multiply line H by line G. . . . . _____

J Subtract line I from line C . . . . . _____

K Subtract line H from line F. . . . . _____

L Find the tax on the amount on line K for the parent's filing status (Use the tax table or tax rate schedules in the 2009 instructions for Long or Short Form 540NR) . . . . . _____

M Divide line L by line K . . . . . _____

N Multiply line J by line M. Enter the result on form FTB 3800, line 9. . . . . _____

Line 10 – Enter the tax shown on the tax return of the parent identified at the top of form FTB 3800 from Forms 540/540A, line 31.

If the parent filed a joint tax return, enter on line 10 the tax shown on that tax return even if the parent's spouse/RDP is not the child's parent.

Long Form 540NR Filers: If the parent's tax amount on Long Form 540NR, line 37 does not include an amount from form FTB 3803, then enter the parent's tax amount from Long Form 540NR, line 37.

If the parent's tax amount on Long Form 540NR, line 37 includes an amount from form FTB 3803, revise the parent's tax by completing the following worksheet.

A Enter the tax from the parent's Long Form 540NR, line 31. . . . . _____

B Enter the tax from form FTB 3803 . . . . . _____

C Subtract line B from line A. . . . . _____

D Enter the amount from the parent's Long Form 540NR, line 19. . . . . _____

E Divide line C by line D . . . . . _____

F Enter the amount from the parent's Long Form 540NR, line 35. . . . . _____

G Multiply line F by line E. Enter the result on form FTB 3800, line 10 . . . . . _____

Part III Child's Tax

Line 15 – Use the California tax table or tax rate schedules in the 2008 instructions for Form 540 to find the tax for the amount on line 14 based on the child's filing status.

Long Form 540NR Filers: To figure a revised California adjusted gross income for the child and the child's tax, complete the following worksheet.

A Enter the child's CA adjusted gross income from Long Form 540NR, line 32 . . . . . _____

B Enter the portion of the child's net investment income that must be included in the child's CA adjusted gross income . . . . . _____

C Subtract line B from line A. . . . . _____

D Enter the child's adjusted gross income from all sources from Long Form 540NR, line 17 . . . . . _____

E Enter the child's investment income (form FTB 3800, line 5) . . . . . _____

F Subtract line E from line D. . . . . _____

G Divide line C by line F (not to exceed 1.0) . . . . . _____

H Enter the child's total itemized deductions or standard deduction from Long or Short Form 540NR, line 18 . . . . . _____

I Multiply line H by line G. . . . . _____

J Subtract line I from line C . . . . . _____

K Subtract line H from line F. . . . . _____

L Find the tax on the amount on line K for the child's filing status (Use the tax table or tax rate schedules in the 2009 instructions for Long Form 540NR) . . . . . _____

M Divide line L by line K . . . . . _____

N Multiply line J by line M. Enter the result on form FTB 3800, line 15 . . . . . _____

Line 17 – Use the California tax table or tax rate schedules found in the 2009 instructions for Form 540 to find the tax for the amount on line 4, based on the child's filing status.

Long Form 540NR Filers:

A Enter the amount from form FTB 3800, line 4 . . . . . _____

B Find the tax for the amount on line A, by using the tax table or tax rate schedules in the 2009 instructions for Long Form 540NR based on the child's filing status. . . . . _____

C Divide line B by line A . . . . . _____

D Enter the amount from the child's Long Form 540NR, line 35. . . . . _____

E Multiply line D by line C. Enter the result on form FTB 3800, line 17 . . . . . _____

Line 18 – Compare the amounts on line 16 and line 17 and enter the **larger** of the two amounts on line 18. Be sure to fill in the circle labeled "FTB 3800" on Form 540, line 31 of the child's tax return.

Long Form 540NR Filers: Divide the child's Long Form 540NR, line 35 by the child's Long Form 540NR, line 19 to determine the child's percentage. Divide the **larger** of line 16 or line 17, by the percentage. Enter the amount on line 18 and on the child's Long Form 540NR, line 31. Be sure to the fill in the circle labeled "FTB 3800" on the child's Long Form 540NR.

Note: The amount entered on 540NR, line 31 reflects your tax on total taxable income before applying the California tax rate to your California source income. Follow the instructions for Long Form 540NR to determine your final California tax.