TAXABLE YEAR **2012**

California SSMC Adjustments Worksheet — Recalculated Federal Adjusted Gross Income

Name(s) as shown on return | SSN or ITIN

Part I Income Adjustment Worksheet

Section A – Income		**A** Taxpayer One (taxable amounts from your original federal return)	**B** Taxpayer Two (taxable amounts from your original federal return)	**C** Adjustments	**D** Adjusted Federal Amounts (using the same rules applicable to spouses)
7 Wages, salaries, tips, etc	**7**				
8 Taxable interest. **(b)** TP1 _____ **(b)** TP2 _____	**(a)**				
9 Ordinary dividends. **(b)** TP1 _____ **(b)** TP2 _____	**(a)**				
10 Taxable refunds, credits, offsets of state and local income taxes	**10**				
11 Alimony received	**11**				
12 Business income or (loss)	**12**				
13 Capital gain or (loss)	**13**				
14 Other gains or (losses)	**14**				
15 IRA distributions. **(a) TP1** _____ **(a) TP2** _____	**(b)**				
16 Pensions and annuities. **(a) TP1** _____ **(a) TP2** _____	**(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) TP1** _____ **(a) TP2** _____	**(b)**				
21 Other income	**21**				
22 Total. Combine line 7 through line 21 in column D. Go to Section B	**22**				
Section B – Adjustments to Income					
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 Deductible part 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 Alimony paid	**31**				
32 IRA deduction	**32**				
33 Student loan interest deduction	**33**				
34 Tuition and fees	**34**				
35 Domestic production activities deduction	**35**				
36 Add line 23 through line 35 in column D	**36**				
37 Total. Subtract line 36 from line 22 in column D. Enter the amount here and on Form 540, 540A, or 540NR (Long and Short), line 13.	**37**				

Part II Adjustments to Federal Itemized Deductions

38 Federal itemized deductions. Add the amounts on each taxpayer's federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28. **Enter the amount here and on line 38, Schedule CA (540)** . . . . . **38** _____

Note: Apply the 7.5% limitation rule to your federal adjusted gross income to arrive at the amount for line 4. Apply the 2% limitation rule to your adjusted gross income to arrive at the amount for line 27. There are other itemized deductions that are also subject to the 2% limitation rule and some itemized deductions are subject to an overall limitation rule. Get federal Publication 17, Your Federal Income Tax, Part Five, Standard Deduction and Itemized Deductions.