



STATE OF CALIFORNIA  
**Franchise Tax Board**

# FTB Publication 1095D Tax Practitioner Guidelines for Computer- Prepared Returns



## ONLINE SERVICES

Go to **ftb.ca.gov** for:

- **MyFTB Account** – view payments, balance due, and withholding information.
- **Web Pay** to pay income taxes. Choose your payment date up to one year in advance.
- **CalFile** – e-file your personal income tax return.
- **Refund Status** – find out when we authorize your refund.
- **Installment Agreement** – request to make monthly payments.
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- Tax forms and publications.
- FTB legal notices, rulings, and regulations.
- FTB's analysis of pending legislation.
- Internal procedure manuals to learn how we administer law.

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## Introduction

The Franchise Tax Board (FTB) has established these guidelines for tax practitioners who use personal computers to computer-prepare the following income tax returns, schedules, and tax payment vouchers filed on paper:

- Form 100, California Corporation Franchise or Income Tax Return
- Form 100S, California S Corporation Franchise or Income Tax Return
- Form 100W, California Corporation Franchise or Income Tax Return — Water's-Edge Filers
- Form 100X, Amended Corporation Franchise or Income Tax Return
- Form 100-ES, Corporation Estimated Tax
- Form 540, California Resident Income Tax Return
- Form 540-ES, Estimated Tax for Individuals
- Form 540 2EZ, California Resident Income Tax Return
- Form 540NR, California Nonresident or Part-Year Resident Income Tax Return (Long and Short)
- Form 540X, Amended Individual Income Tax Return
- Form 541-ES, Estimated Tax for Fiduciaries
- Form 565, Partnership Return of Income
- Form 568, Limited Liability Company Return of Income
- Form FTB 3519, Payment for Automatic Extension for Individuals
- Form FTB 3522, LLC Tax Voucher
- Form FTB 3536, Estimated Fees for LLCs
- Form FTB 3537, Payment for Automatic Extension for LLCs
- Form FTB 3538, Payment for Automatic Extension for LPs, LLPs, and REMICs
- Form FTB 3539, Payment for Automatic Extension for Corporations and Exempt Organizations
- Form FTB 3563, Payment for Automatic Extension for Fiduciaries
- Form FTB 3582, Payment Voucher for Individual e-filed Returns
- Form FTB 3586, Payment Voucher for Corporations and Exempt Organizations
- Form FTB 3587, Payment Voucher for LP, LLP, and REMIC e-filed Returns
- Form FTB 3588, Payment Voucher for LLC e-filed Returns
- Form FTB 3843, Payment Voucher for Fiduciary e-filed Returns
- Schedule K-1 (100S), Shareholder's Share of Income, Deductions, Credits, etc.
- Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc.
- Schedule K-1 (568), Member's Share of Income, Deductions, Credits, etc.

This publication also provides information on:

- California's e-file Program. See page 10.
- Filing Business Entity returns, including paperless Schedules K-1 (565 or 568). See page 12.

If you prepare your clients' tax returns by hand, you must use the official forms as printed and distributed by the FTB or an FTB-approved substitute version.

By following these guidelines, you help expedite processing and get your clients' refunds to them faster.

As a tax practitioner, you do not need approval from us to computer-prepare your clients' tax returns. However, make sure that the tax software you use produces FTB-approved forms. Ask your software provider for a copy of its FTB-approval letter for the form(s) you want to prepare.

If you use electronic software that allows you the ability to create tax forms that your clients will file with the FTB, they may need our approval first.

To ensure you receive software updates and other information necessary to produce FTB-approved forms, register with your software provider, as necessary, upon receiving the product.

## What's New for 2016

### Legislative Update

For information regarding legislative changes, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **legislation**.

### Voluntary Contributions

Please note the following information regarding the voluntary contributions on Forms 540, 540 2EZ, 540NR Long, 540NR Short, and 541:

#### Repealed Voluntary Contribution Funds

- Code 427 California Senior Legislature Fund
- Code 428 Habitat for Humanity Fund
- Code 429 California Sexual Violence Victim Services Fund

#### New Voluntary Contribution Funds

- Code 432, Revive the Salton Sea Fund
- Code 433, California Domestic Violence Victims Fund
- Code 434, Special Olympics Fund
- Code 435, Type 1 Diabetes Research Fund

### Titles Changed

The following 2016 forms have a name/title change:

- Form FTB 3533, Change of Address for Individuals

### New Forms

- Form FTB 3504, Enrolled Tribal Member Certification
- Form FTB 3533-B, Change of Address for Businesses, Exempt Organizations, Estates and Trusts

### Obsolete Forms

- Form 3589, Nonprofit Organization Report of Funds Received and Used for Campaign Activity

### Support of the Scannable Format in Forms and Payment Forms

FTB supports the use of the following forms and payment forms in a scannable format:

Scannable Form 540	Scannable voucher FTB 3538
Scannable voucher Form 100-ES	Scannable voucher FTB 3539
Scannable voucher Form 540-ES	Scannable voucher FTB 3563
Scannable voucher Form 541-ES	Scannable voucher FTB 3582
Scannable voucher FTB 3519	Scannable voucher FTB 3586
Scannable voucher FTB 3522	Scannable voucher FTB 3587
Scannable voucher FTB 3536	Scannable voucher FTB 3588
Scannable voucher FTB 3537	Scannable voucher FTB 3843

In an effort to expedite processing, reduce costs, and minimize manual intervention, we request that tax preparation software companies no longer produce or support these forms in a format other than scannable. The exception is for Form 540, where tax software preparation companies have the option to develop either the scannable or 2D barcode version.

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## Format Changes

### Form 100

- Side 1, renumbered Question B 1-5 to B 1- 4.
- Side 2, deleted lines 24 and line 25.
- Side 2, lines 26a – 45 renumbered to lines 24 – 44.
- Side 3, added Question CC 1 & 2 with solid circle keying symbols and check boxes.
- Original due date for a C corporation to file its tax return has changed to the 15th day of the 4th month following the close of the taxable year.
- Extension period for filing a C corporation tax return has changed from seven months to six months.

### Form 100S

- Side 2, deleted line 22.
- Side 2, deleted line 23.
- Side 2, line 24a renumbered to line 22.
- Side 2, line 24b renumbered to line 23.
- Side 2, lines 25-44 renumbered to lines 24-43.
- Side 4, Schedule F, modified line 9.
- Side 5, Schedule K, modified line 9 and line 12c1.
- Side 5, Schedule K, deleted line 13e.
- Side 5, Schedule K, extended line 18a and line 18b
- Extension period for filing an S corporation tax return has changed from seven months to six months.

### Form 100W

- Side 2, question B 1-5 renumbered to B 1- 4.
- Side 2, deleted lines 24 and 25.
- Side 2, lines 26a-42 renumbered 24 – 41.
- Side 3, question J, deleted second entry line
- Side 3, added question CC 1 & 2 with solid circle keying symbols and check boxes.
- Original due date for a C corporation to file its tax return has changed to the 15th day of the 4th month following the close of the taxable year.
- Extension period for filing a C corporation tax return has changed from seven months to six months.

### Form 109

- Side 1, deleted lines 11a, line 11b, and line 11d and their keying symbols.
- Side 1, line 11c renumbered to line 11.
- Extension period for filing an exempt organization tax return has changed from seven months to six months.

### Form 199

- Extension period for filing an exempt organization tax return has changed from seven months to six months.

### Form 540

- Side 3, modified line 91.
- Side 5, Signature Section, added P1 keying symbol to Email Address and Phone number
- Side 5, Signature Section, deleted “Optional” from Email Address and “Daytime” from Phone number

### Form 540NR Long

- Side 5, Signature Section, added P1 keying symbol to Email Address and Phone number
- Side 5, Signature Section, deleted “Optional” from Email Address and “Daytime” from Phone number

### Form 540NR Short

- Side 5, Signature Section, added P1 keying symbol to Email Address and Phone number
- Side 5, Signature Section, deleted “Optional” from Email Address and “Daytime” from Phone number

### Form 540 2EZ

- Side 2, modified line 25.
- Side 3, Voluntary Contributions, modified Prevention of Animal Homelessness and Cruelty Fund line.

### Form 541

- Side 2, Voluntary Contributions section moved and rearranged on Side 4.

### Form 565

- Side 2, line 33 added “See instructions”
- Side 3, question EE deleted and subsequent lines FF-HH relettered to EE-GG
- Side 4, deleted Schedule K, line 15g.
- Due date for a partnership to file its tax return has changed to the 15th day of the 3rd month following the close of the taxable year.

### Form 568

- Side 3, question EE deleted and subsequent lines FF-HH relettered to EE-GG
- Side 3, Signature Section, Single Member LLC modified.
- Side 5, deleted Schedule K, line 15g.
- Due date for a limited liability company to file its tax return has changed to the 15th day of the 3rd month following the close of the taxable year.

### FTB 3502

- Added new question 6 and subsequent lines renumbered.

### FTB 3504

- Side 1, Part II, line 3 modified.
- Side 1, Part III, 1st and 3rd bullet modified.
- Side 1, Part III, line 4 modified

### Form 3514

- Side 1, Part I, line 1 was modified.

### Form 3532

- Side 1, Part III, line 3 was modified.

### FTB 3537

- Side 2 deleted.

### Form 3541

- Side 1, Part I, added line 5b, added instructions.
- Side 2, Part V added, added lines 23 and 24, added instructions.

### FTB 3725

- Side 1, Part I, Section A, modified line 1 and line 2
- Side 1, Part II, modified lines 5, 6, and 7.
- Side 2, Part III, modified line 14.

### FTB 3805D

- Part I, Column (e), deleted PDV NOL carryover to 2016.
- Part I, modified line 7.

### FTB 3805P

- Part II, line 5 modified.

### Form 3805z

- Side 1, Part II deleted.
- Side 1, Part III renumbered to II, line 3 renumbered to 2, modified instructions.
- Side 1, Part IV renumbered to III, lines 4a, 4b, and 4c renumbered to 3a, 3b, and 3c, modified instructions.

### Form 3807

- Side 1, Part II deleted.
- Side 1, Part III renumbered to II, line 3 renumbered to 2, modified instructions.
- Side 1, Part IV renumbered to III, lines 4a, 4b, and 4c renumbered to 3a, 3b, and 3c, modified instructions.

### FTB 5806

- Side 1, Part I, Column (a), modified lines 3 and 4
- Side 2, Part IV, Exception A, modified line 24.
- Side 2, Part IV, Exception B, Column (a), modified lines 39 and 40.

### Sch. C (100S)

- Deleted lines 4 and 5, subsequent lines renumbered.
- Line 10, modified instructions.

#### Sch. CA (540NR)

- Side 1, Part 1, lines 3 and 4, two extra hash marks were added to accommodate a 4 digit year.
- Side 1, Part 1, line 8, two extra hash marks were added to accommodate a 4 digit year.

#### Schedule D (100S)

- Line 12, modified line reference to Form 100S.

#### Schedule D (541)

- Column b, deleted and renumbered the existing columns.
- Lines 1-10, added keying symbols and columns.

#### Schedule K-1 (100S)

- Side 1, modified Question A and Question D
- Side 1, modified line 9
- Side 2, modified lines 11 and 12c1
- Side 2, deleted line 13e

#### Schedule K-1 (565)

- Side 3, deleted line 15g.

#### Schedule K-1 (568)

- Side 3, deleted line 15g.

#### Schedule P (100/100W)

- Side 2, Part II, line 3 modified instructions.
- Side 2, Part II, line 17a renumbered to Line 17.
- Side 2, Part II, deleted line 17b and related bulls-eye keying symbols.
- Side 2, Part II, modified line 18 instructions.

#### Schedule R

- Side 6, Schedule R-7, Part I, modified instructions.
- Side 7, Schedule R-7, Part I modified instructions.

## Important Reminders

- Taxpayers may request Direct Deposit of their refund to two separate bank accounts on all Personal Income Tax Returns. If taxpayers have a ScholarShare 529 College Savings Plan account maintained by the ScholarShare Investment Board, they may have their refund directly deposited to their ScholarShare accounts.
- For Personal Income Tax Returns, the ARRP "RP" area is configured by the software you use and, when applicable, will print these codes to designate special processing:
  - 9 = Disaster
  - C = Spouse/RDP deceased
  - D = Taxpayer deceased
  - O = Outside the USA
  - U = Military - Combat Zone/Overseas

See the special instructions for "Disaster, Outside the USA, and Military Designations on Scannable 540 and Substitute Computer-Generated Forms 540, 540 2EZ, Long and Short 540NR, and 540X" on page this page.

- For Business Entity Income Tax Returns, the "RP" area is configured by the software you use and, when applicable, will print these codes to designate special processing:
  - 9 = Disaster
  - F = CFC Motion Picture Credit
  - U = Military - Combat Zone/Overseas

See the special instructions for "Disaster, CFC Motion Picture Credit, and Military Designations on Substitute Computer-Generated Forms 100, 100S, 100W, 100X, 565, and 568" on the next page.

## "Amount of Payment" – Exception for all Estimate Payment Forms

To better meet taxpayers' expectations and enable us to optimize efficient processing of scannable estimate payment forms (Forms 100-ES, 540-ES, and 541-ES), we allow software programs to leave the taxpayer's "Amount of payment" dollar amount blank. This provides a solution for your clients who determine their estimate payment amount at a later date allowing them to enter the payment amount by hand.

To help ensure accurate processing of your clients' payments, use the current year's payment forms when paying current year tax liabilities.

## California Secretary of State (SOS) File No.

- The SOS file no. is **always** numeric and **must** begin with a "19" or "20." (The "19" and "20" represents the first two digits of the year the file number was assigned to the taxpayer by the SOS.) (e.g., "200412345678")
- The SOS file no. should be 12 digits long.
- If the SOS file no. is not available to you, the software you use will zero fill the SOS File No. field. (e.g., 000000000000)

## Use of Hyphens in Street Address Field

Hyphens can only be used in the street address field for all personal income tax forms, business income tax forms, payment forms, and vouchers (scannable and substitute versions).

## Disaster, Outside the USA, and Military Designations on Scannable Form 540 and Substitute Computer-Generated Forms 540, 540 2EZ, Long and Short 540NR, and 540X

We continue to enlist the support from preparers to identify their clients with a disaster, outside the USA, or military special processing requirement. In addition to instructions to "write the disaster, outside the USA, or military special circumstance, in red ink, in the top margin on Side 1," of scannable Form 540, and substitute computer-generated Forms 540, 540 2EZ, Long and Short 540NR, and 540X, the tax software you use will print code "9" (Disaster), code "O" (Outside the USA), and code "U" (Military) in the ARRP area's "RP" box. (Check with your software provider to see if they support this option.)

### Disasters

Taxpayers affected by certain disasters are legislatively granted additional time to file tax returns and make tax payments, including estimated tax payments (Internal Revenue Code Section 7508A/ California Revenue and Taxation Code Section 18572). We **do** abate interest and any late filing or late payment penalties during the extension period.

Please ensure the following information is written in red ink in the top margin of your clients' California tax return:

- Disaster – enter the specific name of the disaster (e.g., "DISASTER – Blue Cut Fire 2016").

Although the disaster code in the ARRP area's "RP" box will tell us the taxpayer was affected by some disaster, we also need the **specific disaster identified in red ink** in the top margin of the return. With this specific information, we can process the return quickly with the correct extension, if an extension was granted, and adjust interest and penalties as needed.

For more details about how to claim a state tax disaster loss deduction for your clients, get FTB Pub. 1034, Disaster Loss How to Claim a State Tax Deduction.



## Outside the USA

For taxpayers residing or traveling outside the USA on April 18, 2017, the deadline to file their tax return and pay the tax is June 15, 2017. Interest will accrue from the original due date until the date of payment. If additional time is needed to file, an automatic six-month extension will be allowed. To qualify for the extension, file the tax return by December 15, 2017.

When filing the tax return, write **“Outside the USA on April 18, 2017”** at the top of the tax return **written in red ink**, or include it according to your software's instructions. To avoid any late-payment penalties, pay the tax liability by June 15, 2017.

## Military – Combat Zone/Overseas

**Combat Zone** – Service members of the Armed Forces (including National Guard and reservists called to active duty) and civilians acting under the direction of the Armed Forces in support of those forces, are allowed an extension of 180 days after leaving a combat zone or qualified hazardous duty area (QHDA) for filing returns and paying taxes without interest or penalties. In addition to the 180 days, they are allowed an additional extension of up to 107 days (the number of days they were in a combat zone or QHDA during the filing season).

We need the following information **written in red ink** in the top margin of the return:

- Combat Zone
- Location or area served: \_\_\_\_\_
- Dates of deployment: From MM/DD/YYYY To MM/DD/YYYY

With this information, we can allow the correct extended due date, adjust interest and penalties as needed, and prevent premature billings from being mailed.

**Military Overseas** – Service members of the Armed Forces (including National Guard and reservists called to active duty) and Merchant Marines working beyond the boundaries of the United States, are allowed an extension of 180 days after returning from overseas for filing returns and paying tax without interest or penalties.

We need the following information **written in red ink** in the top margin of the return:

- Military Overseas
- Dates of deployment: From MM/DD/YYYY To MM/DD/YYYY

With this information, we can allow the correct extended due date, adjust interest and penalties as needed, and prevent premature billings from being mailed.

For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

## Disaster, CFC Motion Picture Credit, and Military Designations on Substitute Computer-Generated Forms 100, 100S, 100W, 100X, 565, and 568

We continue to enlist the support from preparers to identify their clients with a disaster, CFC Motion Picture Credit, or military special processing requirement on business entity tax returns. In addition to instructions to “write the disaster, CFC Motion Picture Credit, or military special circumstance, in red ink, in the top margin on Side 1,” of substitute computer-generated Forms 100, 100S, 100W, 100X, 565, and 568, the tax software you use will print code “9” (Disaster), code “F” (CFC Motion Picture Credit), and code “U” (Military) in the RP area’s “RP” box. (Check with your software provider to see if they support this option.)

## Disasters

Follow the Disaster instructions for Scannable Form 540 on page 4.

## CFC Motion Picture Credit.

Taxpayers **attaching** form FTB 3541, California Motion Picture and Television Production Credit, to the tax return should **write “CFC Credit” in red ink** at the top margin of the tax return.

## Military - Combat Zone/Overseas

Follow the Military instructions for Scannable Form 540 on page this page.

## The FTB Conforms with IRS Notices 2004-54 and 2007-79

We will accept the same alternative forms of signature as described in IRS Notices 2004-54 and 2007-79. Specifically, it permits income tax return preparers to sign original returns, as well as e-file authorizations such as forms FTB 8453, California e-file Return Authorization for Individuals, FTB 8454, e-file Opt-Out Record for Individuals, FTB 8455, California e-file Payment Record for Individuals, FTB 8879, California e-file Signature Authorization for Individuals, by rubber stamp, mechanical device, or computer software program. These alternative methods of signing must include either a facsimile of the individual preparer's signature or the individual preparer's printed name.

Income tax return preparers who use alternative methods of signing must provide all of the other preparer information that is required on returns and extensions, such as the name, address, relevant employer identification number, the preparer's individual identification number (preparer tax identification number), and phone number.

## To Verify Personal Income Tax Estimate Payments

A significant number of personal income tax returns are delayed during processing because taxpayers claim the wrong amount of estimate payment. Confirming personal income tax estimate payments first will resolve many issues where your clients claim amounts or payments that we do not have on record. This could expedite processing and reduce the number of notices your clients receive in connection with claiming the wrong amount of payments.

How can you help? Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **myftb account** to view:

- Estimated tax payments
- Payment history
- Account summary
- FTB-issued 1099G and 1099-INT information
- Wage and withholding information

To complete one of the requests listed above for your client, tax professionals will need to register with a valid email address, your social security number, and one of the following identification numbers:

- Preparer tax identification number (PTIN )
- Electronic filer identification number (EFIN)
- California Tax Education Council (CTEC) number
- California Certified Public Accountant (CPA) number
- Enrolled agents: Use your PTIN or EFIN.

To view a client's account, tax professionals should have their client's permission and must provide the following information from the client's tax return:

- Client's social security number
- Client's last name
- Year of the tax return
- Filing status used on the tax return
- California AGI on the tax return

To ensure the security of taxpayer information, **be sure to use the log off button to exit** the “MyFTB Account.” For information about your client's federal income tax account, please contact the IRS at 800.829.1040.

## Envelope Guidelines

Follow these guidelines if you provide pre-printed envelopes or labels to customers for delivery to the FTB. Doing so will expedite processing and reduce processing problems.

- Use white envelopes only – **no colored envelopes**.
- Use sans serif fonts.
- Ensure envelopes you use contain the correct address and ZIP +4 extension.

Check with your envelope supplier to make sure your supply of envelopes have current year FTB mail addresses in sans serif font, or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **mailing address**.

## What is Needed to Computer-Prepare California Tax Forms

Tax practitioners must produce computer-prepared forms using:

- Software that produces FTB-approved forms
- Personal computer hardware required by the software to produce FTB-approved forms (i.e., printer fonts, etc.)
- Good quality, white, standard, stock machine paper (8 1/2 x 11 at minimum 20 lb. weight)
- Black ink
- Software user manuals that include instructions for correctly producing FTB-approved forms

In addition, reading your software provider's user manual (and ALL "**Read Me's**," etc.) will help ensure you have the necessary hardware and printer fonts to correctly produce FTB-approved forms. **Note:** "**Read Me's**" are a great resource tool to learn about enhancements or revisions made to the software you use.

### All printing must be:

- Laser or ink jet
- Courier 12-point, or standard print font (no bold font)
- Alpha characters must be in upper case
- Original printed output (no corrections or photocopies accepted)
- On one side of the paper (scannable forms only; see list on page 2)

## General Information About Scannable Form 540

(A graphic of this form is shown on page 16.)

We use an automated processing system to capture information from scannable Form 540, rather than having the information entered manually by key data operators.

Scannable Form 540 **must** have a scannable band (scanband) area that contains the taxpayer's tax data. The scanband directly follows the taxpayer's entity area (Name and Address) on Side 1. The two and three-digit field numbers and amounts in the scanband correspond to the line numbers on the tax return. Dependents, direct deposit, and tax preparer information appear in the scanband. Even though the tax data will print in the scanband and the conventional area of the form, we "capture" only the tax data in the scanband. Monetary amounts in the scanband **must** be whole dollars only, without decimal points or other punctuation. The rest of scannable Form 540 is like the official form.

To ensure the integrity of the scanband data, if any corrections are made, you must reprint the entire scannable Form 540 tax return before your client (or you) mail it to the FTB.

We will capture the tax practitioner's identification number, i.e., federal employer identification number (FEIN), and the preparer's tax identification number (PTIN) from all personal and business entity (corporation, partnership, limited liability company) income tax returns.

## Guidelines on How to Enter Taxpayer Entity Information on Computer-Prepared Personal Income Tax Returns (Scannable Form 540 and Substitute Forms 540, 540 2EZ, Long and Short 540NR, and 540X)

Taxpayer entity information is arranged in fixed positions with defined field lengths. Each field is dedicated to hold specific information such as:

- Spouse/RDP name
- Executor/guardian name
- Apartment number and/or letter
- Private mailbox (for the "PMB" to print) and PMB number (or letter)
- Deceased date of taxpayer or taxpayer's spouse/RDP, if any
- Date of Birth for taxpayer and spouse/RDP, if any
- Prior name, if any

It is critical that you enter the taxpayer entity information correctly. This will help us to accurately process your clients' tax returns, and help ensure that your clients' refund checks print with the correct name(s) and address. Your clients' entity information should print like the examples shown under "*Taxpayer Entity Information Examples*" shown on page 7.

### Personal Income Taxpayer Name and Address Entry Instructions

Use these instructions when you enter your client's name and address information. It will help reduce processing time and help ensure that refund checks are mailed to the correct name(s) and address.

- Alpha characters **must** be in upper case, Courier, 12-point font.
- Other than the hyphen (–) and slash (/), use no punctuation or symbols in the Street Address field.

See *Taxpayer Entity Information Examples*: JORDAN A TAXPAYER JR and AUSTIN M TEXAN on page 7.

- **Do not** use commas or periods to separate address information.
- **Do not** space or use punctuation in the Name Control (first four letters of the taxpayer's last name) field.

<b>Example:</b> McPeak	Enter: MCPE
O'Toole	Enter: OTOO
De Martino	Enter: DEMA
Lee	Enter: LEE
Lee-Smith	Enter: LEES

- **Do not** include titles or ranks such as DR, MD, ENSIGN, SGT, etc.
- Use the new Suffix field to enter generational suffixes such as "SR", "JR", "III", "IV". Use Roman numerals (alpha characters) for numeric suffixes.
- **Do not** use a space, punctuation, or symbols in name field(s).

<b>Example:</b> First Name: JoAnne	Enter: JOANNE
Last Name: Von Wodtke	Enter: VONWODTKE
Last Name: Lee-Smith	Enter: LEESMITH

- Enter last name of taxpayer and/or spouse/RDP, if different from the last name used on last year's tax return, in the Prior Name fields. (Example: Marriage or registered domestic partner in the current tax year changes spouse's/RDP's maiden name.)

See *Taxpayer Entity Information Example*: JORDAN A TAXPAYER JR and KAITLYNN G TAXPAYER on page 7.

- The taxpayer and spouse/RDP SSN must be 11 digits (includes "-"). Enter "000-00-0000" in the SSN field if an individual has applied for or does not have an SSN. See next bullet.

- Individual Taxpayer Identification Number (ITIN): If a taxpayer has a "ITIN," it should be entered in the SSN field.

Forms 541-ES, FTB 3563, and FTB 3843: The FEIN must be 10 digits (includes "-"). Enter "00-0000000" if the fiduciary has applied for or does not have a FEIN.

- Enter Principal Business Activity (PBA) code, if applicable, (scannable Form 540 and substitute Long Form 540NR only). Otherwise, leave this field blank.

See *Taxpayer Entity Information Example: SARAH E LEE* on this page.

- Enter deceased date of death for taxpayer or spouse/RDP, if any, in appropriate field. Format is MM-DD-YYYY. No punctuation other than the "-".

See *Taxpayer Entity Information Example: ROBERT J SMITH* on this page.

- Use standard abbreviations for the suffix of the street name. See **"Standard Abbreviations"** on page 14.
- Do not** enter apartment and apartment number/letter in the Street Address field. Enter in the designated "Apartment" and "Apartment Number" fields. These fields are on the same line as the "Street Address" field. **Note:** Use these abbreviations in the "Apartment" field: APT, BLDG, SP, STE, RM, FL, or UN, as applicable.

See *Taxpayer Entity Information Example: MICKEY J BEEHAPPY and LYNN S BEEHAPPY* on this page.

- Additional Information field is a supplemental field used only for: "in care of" name and additional address information. Other than slash(/) use no punctuation or symbols in this field.

See *Taxpayer Entity Information Example: AUSTIN M TEXAN* on this page.

- Military "APO" or "FPO" addresses:
  - Enter "APO" or "FPO" in the first three positions of the City field.
  - Do not** enter the name of the city for "APO" and "FPO" addresses.
  - Enter two-character alpha state code in the State field:

City field	State Code	ZIP Code Range
APO	AA	34000-34099
APO	AE	09000-09999
FPO	AP	96200-96699

See *Taxpayer Entity Information Example: ELIJAH M MISSION* on this page.

- In the State field, use the standard two-digit abbreviation for the state and United States possession. See **"State and U.S. Possessions"** on page 14.
- The ZIP Code can be 10 digits (includes hyphen "-").
- If you have a foreign address enter the city, foreign country name, foreign province/state/county name, and foreign postal code in the appropriate boxes. Use the standard two-digit country abbreviation for the foreign country name. See **"Country Abbreviation List"** on page 15. Follow the country's practice for entering the province/state/county name and foreign postal code.

See *Taxpayer Entity Information Example: CHRIS A JACKSON and PAT G JACKSON* on this page.

- Date of Birth for taxpayer and spouse/RDP, if any. See *Taxpayer Entity Information Example: JORDAN A TAXPAYER JR and KAITLYNN G TAXPAYER* on this page.
- Apply these guidelines, then truncate if the information exceeds the field length.

## Taxpayer Entity Information Examples:

111-11-1111 LEE 16 PBA 123456  
SARAH E LEE

1234 STATE ST

CROWN CA 12345

111-11-1111 TAXP 222-22-2222 16  
JORDAN A TAXPAYER JR  
KAITLYNN G TAXPAYER

12345½ SHORT ST  
ANYPLACE CA 12345

06-13-1948 02-04-1957 SINGLENFREE

111-11-1111 TEXA 16  
AUSTIN M TEXAN

HOMESTYLE NURSING HOME

1234 BEAUTIFUL DR-21

WELCOME CA 54321

111-11-1111 BEEH 222-22-2222 16  
MICKEY J BEEHAPPY  
LYNN S BEEHAPPY

9876 LONGNAME WY STE 141 PMB 263  
WALLACE CA 12345-6789

111-11-1111 SMIT 222-22-2222 16  
ROBERT J SMITH 03-12-2016  
KIMBERLY SMITH

3452 BUSY DR UN 5  
BORDERTOWN CA 12345

111-11-1111 MISS 16

ELIJAH M MISSION

PO BOX 888

APO AE 09876

111-11-1111 JACK 222-22-2222 16  
CHRIS A JACKSON  
PAT G JACKSON

9876 LONG NAME WAY

LONDON

UK NOTTING HILL W11 2BQ

If there is no spouse/RDP name, taxpayer or spouse/RDP prior last name, additional information, etc., the tax software you use will leave these areas blank.

## Miscellaneous Information

### Tax Preparer Identification Number: Paid Preparer Information.

Effective January 1, 2011, the IRS requires a paid tax preparer to get and use a preparer tax identification number (PTIN). If the preparer has a federal employer identification number (FEIN), it should be entered only in the space provided.

### Direct Deposit of Refund (DDR)

DDR is available to your clients who file their personal income tax return Forms 540, 540 2EZ, Long 540NR, and Short 540NR electronically or on paper and to your business entity clients who file Forms 100, 100S, 100W, and 109. When your clients select this option, be sure to complete **ALL DDR fields** in the "Direct Deposit of Refund" area Side 5 on Form 540; Side 4 on Form 540 2EZ; Side 3 on Forms Long 540NR and Short 540NR; Side 2 on Forms 100, 100S and 100W; and Side 2 on Form 109.



**Mandatory Electronic Payments** – Your personal income tax clients are required to remit their payments electronically if they make an estimate or extension payment exceeding \$20,000 or if the total tax liability shown on their original tax return exceeds \$80,000 for any taxable year that begins on or after January 1, 2009. Once your clients meet the threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically. Individuals that do not send the payment electronically will be subject to a 1% noncompliance penalty. Electronic payments can be made using Web Pay on FTB's website, electronic funds withdrawal (EFW) as part of the e-file return, or their credit card. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **mandatory epay**.

### Payment Options

- **Electronic Funds Withdrawal** – Instead of paying by check or money order, 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** – Your clients can enjoy the convenience of online bill payment with Web Pay. This secure service lets them pay the current amount owed and schedule future payments, such as estimated tax, up to one year in advance. They select the amount to pay and when to pay it. We deduct the payment from their bank account on the date selected. Your client's social security number or ITIN, bank account and routing number is needed to use this service. For more information go to [ftb.ca.gov](http://ftb.ca.gov) and search for **web pay**.

Business entity income tax clients can make payments electronically at the FTB website with Web Pay. Your business entity clients can make an immediate payment or schedule payments up to a year in advance. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **web pay**.

- **Credit Card** – Whether your clients e-file or file by mail, they may use their Discover, MasterCard, Visa, or American Express to pay their tax (tax return balance, extension payment, estimated tax payment, or tax due with bill notice). They can make payments online or by phone. For more information about fees, etc., call 800.272.9829, or visit [officialpayments.com](http://officialpayments.com).
- **Check or Money Order** – Using the current year's form to make a current year payment, your clients should:
  1. Make a check or money order payable to the "Franchise Tax Board."
 

Using black or blue ink, make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.
  2. Write their tax ID number (SSN or ITIN, FEIN, CA corp. no., or CA SOS file no.), tax form, and tax year on the check or money order.
  3. Mail the payment to the correct address. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **mailing address**.

### What are Keying Symbols?

Keying symbols are important. Although we process most personal income tax returns through our automated imaging system, there are times when certain returns require manual intervention by us.

Keying symbols are shown on all computer-prepared tax returns, including the conventional areas of scannable Form 540. They will print to the left of specified tax data line numbers. They reduce time and guide key data operators to enter the correct tax return information.

Exact placement, shape, and size of keying symbols that will be present on the 2016 personal and business income tax returns is shown below in the snapshot of a 2016 Form 540.

Before you give your clients their tax returns to file, please verify that these symbols are present. If they are not present, please read your software company's user manual to make sure you have the minimum hardware and printer fonts necessary to print FTB-approved forms. If you cannot determine why the keying symbols do not print correctly, contact your software provider's technical support staff.

● <input type="checkbox"/> FTB 3803 . . . . .	● 31	<input type="text"/>	<input type="text"/>
182,459, see instructions . . . . .	● 32	<input type="text"/>	<input type="text"/>
. . . . .	● 33	<input type="text"/>	<input type="text"/>
. . . . .	● 34	<input type="text"/>	<input type="text"/>
. . . . .	● 35	<input type="text"/>	<input type="text"/>
. . . . .	● 40	<input type="text"/>	<input type="text"/>
and amount. . . . .	● 43	<input type="text"/>	<input type="text"/>
and amount. . . . .	● 44	<input type="text"/>	<input type="text"/>
. . . . .	● 45	<input type="text"/>	<input type="text"/>

### Fiscal Year Filers

If any of your clients file their personal income tax return on a fiscal year basis, the tax software you use must accommodate their needs. Not all tax software products support the filing of fiscal year personal income tax returns. As a result, you may need to complete the tax returns for your fiscal year clients by hand.

Always remember to enter the fiscal year date as the filing date for your fiscal year clients; otherwise, we will process the tax return as a calendar year tax return. When this happens, the tax return most likely will appear to be delinquent in some way. As a result, your fiscal year clients could receive a delinquent or late payment of tax penalty or an underpayment of estimated tax penalty and may be assessed interest.

Contact your software provider and confirm the tax software you use supports fiscal year filing for personal income tax filers.

### Prior Year and Amended Returns

**Do not** use 2016 software to file a prior year tax return. File current year forms for current year tax liabilities. (e.g., Use the 2017 Form 540-ES to make 2017 estimate tax payments.)

Amend personal income tax Forms 540, 540 2EZ, and Long or Short 540NR by completing Form 540X, Amended Individual Income Tax Return. When amending Long or Short Form 540NR, you **must** also attach a revised Long or Short Form 540NR to Form 540X.

Amend corporate income tax Forms 100, 100S, and 100W by completing Form 100X, Amended Corporation Franchise or Income Tax Return.

Amend partnership and limited liability company (LLC) Forms 565 and 568 by completing a new Form 565 or 568. Check the box marked "Amended return" on side 1 of each form. For more information on how to file amended partnership and LLC returns get the Form 565 or Form 568 tax booklet.

### Payment Forms

There are several types of scannable payment forms:

- Form 100-ES, Corporation Estimated Tax, is used by business entities to figure and pay the business entity's estimated tax.
- Form 540-ES, Estimated Tax for Individuals, is used by individual taxpayers to figure and pay their estimated tax.
- Form 541-ES, Estimated Tax for Fiduciaries, is used to figure and pay estimated tax for an estate or trust.
- Form FTB 3519, Payment for Automatic Extension for Individuals, is used **only** if individual taxpayers cannot file their 2016 tax return by April 18, 2017, and tax is due.



- Form FTB 3522, LLC Tax Voucher, is used to pay the annual LLC Tax of \$800 by the 15th day of the 4th month **after the beginning** of the taxable year.
- Form FTB 3536, Estimated Fee for LLCs, is used by limited liability companies (LLCs) to estimate and pay the LLC fee by the 15th day of the 6th month **after the beginning** of the taxable year.
- Form FTB 3537, Payment for Automatic Extension for LLCs, is used **only** if a limited liability company owes tax or fees for 2016 and is unable to file Form 568, Limited Liability Company Return of Income, by the original due date. Also see form FTB 3536 for more information.
- Form FTB 3538, Payment for Automatic Extension for LPs, LLPs, and REMICs, is used **only** if a partnership owes tax for 2016 and is unable to file Form 565, Partnership Return of Income, by the original due date, and tax is due.
- Form FTB 3539, Payment for Automatic Extension for Corps and Exempt Orgs, is used **only** if a corporation or exempt organization owes tax for 2016 and is unable to file its return by the original due date, and tax is due.
- Form FTB 3563, Payment for Automatic Extension for Fiduciaries, is used **only** if an estate or trust cannot file Form 541, California Fiduciary Income Tax Return, by the original due date, and tax is due.
- Form FTB 3582, Payment Voucher for Individual e-filed Returns, is used **only** when a taxpayer electronically files their tax return and there is a balance due.
- Form FTB 3586, Payment Voucher for Corps and Exempt Orgs e-filed Returns, is used **only** when a corporation electronically files its tax return, and there is a balance due.
- Form FTB 3587, Payment Voucher for LP, LLP, and REMIC e-filed Returns, is used **only** when a partnership electronically files its Form 565 tax return and there is a balance due.
- Form FTB 3588, Payment Voucher for LLC e-filed Returns, is used **only** when a limited liability company electronically files its Form 568 tax return and there is a balance due.
- Form FTB 3843, Payment Voucher for Fiduciary e-filed Returns, is used **only** when an estate or trust files its tax return electronically and there is a balance due.

**Do not** use any of the forms shown above to make installment payments for your clients that owe tax. Only we can set up an installment agreement plan for your clients. Get form FTB 3567, Installment Agreement Request, for information on how to request an installment agreement plan for your clients. For more information or to download forms to request an installment agreement, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **installment agreement**.

**Remind your clients NOT to mail any payment form, listed above to the FTB if the "Amount of payment" is zero (0).**

## FTB Taxpayer Signature and Authentication Policy

Our policy is to ensure proper authentication of the information provided to us by taxpayers. The level of authentication needed on specific documents depends on several factors, including how we use the information. To help you determine whether or not we will accept photocopies or facsimiles of a taxpayer's signature, we have categorized the level of signature authentication required into three groups. The category and its number (C1, C2, or C3) will print after the form number on each tax form. The three categories are:

- Category 1 (C1) Original authentication required; facsimiles acceptable only if original is subsequently provided.
- Category 2 (C2) Copy of signature is sufficient proof that original was signed; photocopy or facsimile is acceptable.
- Category 3 (C3) No authentication required.

## Additional Credit Names, Codes, and Acronym Names

The tax software you use should include the credit acronym and code number for each additional credit shown below. See *"Claiming Additional Credits on Personal and Business Entity Tax Returns (Forms 100, 100S, 100W, 540, and Long Form 540NR)"*, on page 10.

\*PIT = Personal Income Tax

\*CT = Corporation Tax

<u>Credit Name</u>	<u>Code</u>	<u>Acronym</u>	<u>PIT*</u>	<u>CT*</u>
California Competes Tax	233	CA COMPETES	X	X
California Motion Picture and Television Production	223	MOVIETVPROD	X	X
Child Adoption	197	CHILD ADOPT	X	
Child and Dependent Care Expenses	232	CHILDDP EXP	X	
College Access Tax	235	COLLEGE FUND	X	X
Community Development Financial Institution Investments	209	CDFI INVEST	X	X
Dependent Parent	173	DEP PARENT	X	
Disabled Access for Eligible Small Businesses	205	DSABL ACCESS	X	X
Donated Agricultural Products				
Transportation	204	DONATE AGTRN	X	X
Donated Fresh Fruits or Vegetables	224	DONATE FRESH	X	X
Earned Income Tax Credit	NONE	EITC	X	
Enhanced Oil Recovery	203	ENHNC OILREC	X	X
Enterprise Zone Hiring	176	E/Z HIRE/USE	X	X
Environmental Tax	218	ENVRNMNTL TAX	X	X
Joint Custody				
Head of Household	170	JT CSTDY HOH	X	
Local Agency Military Base Recovery Area				
Hiring	198	LAMBRA HR/US	X	X
Low-Income Housing	172	LOW-INC HOUS	X	X
Manufacturing Enhancement Area Hiring	211	MEA HIRE	X	X
Natural Heritage Preservation Tax	213	HERITAGE	X	X
New Advanced Strategic Aircraft	236	ADV STR AIR		X
New California Motion Picture and Television Production	237	MOVIETVPROD	X	X
New Employment	234	NEW EMPLMNT	X	X
Nonrefundable Renter's	NONE	NONE	X	
Other State Tax	187	OTHER STATE	X	
Prior Year Alternative Minimum Tax	188	PRIOR YR AMT	X	X
Prison Inmate Labor	162	INMATE LABOR	X	X
Research	183	RESEARCH	X	X
Senior Head of Household	163	SR HOH	X	
Targeted Tax Area Hiring	210	TTA HIRE/USE	X	X

## Repealed Credits with Carryover Provisions

	Code	Acronym	PIT*	CT*
Agricultural Products	175	AGRI PRODUCT	X	X
Commercial Solar Electric System	196	COMSLR EL CO	X	X
Commercial Solar Energy	181	COM SLR NRG	X	X
Contribution of Computer Software	202	CTB COMPSOFT		X
Employee Ridesharing: Employee Vanpool Program	194	R/S EMPL VN	X	
Employer Child Care Contribution	190	CHLDCARE CTR	X	X
Employer Child Care Program	189	CHLDCARE PRG	X	X
Employer Ridesharing: Large Employer	191	R/S LG EMPLR	X	X
Small Employer	192	R/S SM EMPL	X	X
Transit Passes	193	R/S TRANSIT	X	X
Energy Conservation	182	NRG CSRV CO	X	X
Enterprise Zone Sales or Use Tax	176	E/Z HIRE/USE	X	X
Farmworker Housing: New Construction/ Rehabilitation	207	F/W HS CONST		X
Local Agency Military Base Recovery Area Sales or Use Tax	198	LAMBRA HR/US	X	X
Low-Emission Vehicles	160	LOW-EMS VHCL	X	X
New Jobs	220	NEWJOBS	X	X
Orphan Drug	185	ORPHN DRG CO	X	X
Political Contributions	184	POLTCL CTB	X	
Recycling Equipment	174	RCYCL EQUIP	X	X
Residential Rental & Farms Sales	186	RES RNT/FARM	X	
Rice Straw	206	RICE STRAW	X	X
Ridesharing	171	R/S CO	X	X
Salmon & Steelhead Trout Habitat Restoration	200	SALMON/TROUT	X	X
Solar Energy System	180	SLR NRG CO	X	X
Solar Pump	179	SLR PUMP CO	X	X
Targeted Tax Area Sales or Use Tax	210	TTA HIRE/USE	X	X
Technological Property Contribution	201	TECHPROP CTB		X
Water Conservation	178	WATRCRSV CO	X	
Young Infant	161	YNG INFNT CO	X	

## Additional Credits

Field numbers 43 and 44 in the scanband on scannable Form 540 are where your clients' additional credit amounts, if any, print. The appropriate three-digit numeric credit code **must** precede the additional credit amount.

### Additional Credit Example

Dependent Parent Credit (code 173) of \$20 in field number 43. The scanband on Form 540 will look like this:

43                    17320

## Claiming Additional Credits on Personal and Business Entity Tax Returns (Forms 100, 100S, 100W, 540, and Long Form 540NR)

When your clients claim additional credits, the credit acronym, code, and amount should print on the applicable lines of Forms 100, 100S, 100W, 540, and Long Form 540NR. (The credit acronym, code, and amount of credit will print on the applicable line on Side 3 of scannable Form 540.)

When a client claims credits on Schedule P (100, 100W, 540, or 540NR) and the credits are listed in more than one section, the tax software you use should total column (b) of the credits that have the same codes and bring the total forward to the applicable line of the tax return being filed.

If your client has any other credits to claim on Schedule P (100, 100W, 540, or 540NR), the tax software you use should add the amounts from column (b) for those credits and bring the total forward to the applicable line of the tax return being filed.

## California's e-file Program

California R&TC Section 18621.10 requires any business entity that files an original or amended tax return that is prepared using tax preparation software to e-file their tax return with the FTB. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **business efile**.

California R&TC Section 18621.9 requires practitioners who prepare more than 100 individual state income tax returns annually and who prepare one or more current year returns using tax preparation software to e-file. For more information about mandatory e-file, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **mandatory e-file**.

The FTB and the IRS have approved over 200,000 tax practitioners to provide e-filing services to more than 15 million California taxpayers expected to e-file during the current filing season. Participating in the California e-file Program has many benefits for you and your clients. Here are some highlights:

- **Faster refunds** – Refunds can be deposited directly into your client's bank account.
- **Proof of receipt** – We provide acknowledgement that we have accepted the tax return for processing.
- **Opportunity to correct errors** – Our system performs up-front edits on all incoming e-file tax returns. We let you know if we detect any errors, what those errors are, and allow you time to make any corrections. This step reduces subsequent notices to your clients.
- **Accurate tax returns** – Because most errors can be resolved before we accept your tax return for processing, less than one percent of e-file tax returns require special handling.
- **Safe** – We use the latest technologies to ensure the security and privacy of all taxpayer information. Our Secure Web Internet File Transfer System (SWIFT) only allows HTTPS and FTPS protocols plus 128-bit Encryption using digital certificates from VeriSign. We have never experienced a breach of security in our e-file program.

## California e-file Program Enrollment Requirements (Individual and Business e-file)

FTB does not require e-file providers to submit a separate enrollment application for authorization to electronically file individual or business tax returns.

Providers approved to participate in the IRS Electronic Filing (e-file) Program are automatically enrolled in the California e-file Program. In addition, we will automatically receive any updates that you make to your IRS account.

## Requirements for e-file participation:

To be automatically enrolled in our e-file program, you must be an accepted participant in the IRS e-file Program. We receive confirmation from the IRS after they accept you into their program.

Use your IRS-assigned Electronic Filer Identification Number (EFIN) to e-file with the FTB. If you transmit returns, use your IRS-assigned Electronic Transmitter Identification Number (ETIN) with the FTB.

Comply with the guidelines in FTB Pub. 1345, Handbook for Authorized e-file Providers.

Once you receive your IRS EFIN, you can verify your enrollment with California by contacting e-Programs Customer Service at 916.845.0353.

## Guidelines on How to Enter Taxpayer Entity Information on Computer-Prepared Business Entity (BE) Tax Returns (Forms 100, 100S, 100W, 100X, 565, and 568) and Tax Payment Forms

### BE Entity ID Number, Name, and Address Entry Instructions

BE entity information is arranged in fixed positions with defined field lengths. Each field is dedicated to hold specific information. Use these instructions when you enter your client's entity ID number, name, and address information. It will help reduce processing time and help ensure refunds are mailed to the correct name and address.

- All taxpayer data must print in Courier 12-point font, not bold.
- Alpha characters **must** be upper case.
- Entity ID number is a corporation number, federal employer identification number (FEIN), or California Secretary of State (SOS) file number. The number can be up to 12 digits - (the FEIN includes a hyphen.)
  - **Entity ID Number** field must be one of the following:
    - **Forms 100, 100S, 100W, 100X, 100-ES, FTB 3539, and FTB 3586**  
Corporation number – Numeric, 7 digits, no preceding alpha character or dashes, spaces, or punctuation; includes leading zeros (e.g., "1234567" or "0000000")  
CA SOS file number – If an LLC elects to be taxed as a corporation, enter CA SOS file number. Numeric, 12 digits. Number must begin with 19 or 20 (e.g., "200412345678"). If not available, zero fill (e.g., "000000000000").
    - **Forms 565, FTB 3538, and FTB 3587**  
FEIN – Numeric, 10 digits, includes hyphen (–) (e.g., "12-3456789" or "00-0000000")
    - **Forms 568, FTB 3522, FTB 3536, FTB 3537, and FTB 3588**  
CA SOS file number – Numeric, should be 12 digits  
The SOS file number **must** begin with "19" or "20" (e.g., "200412345678"). If not available, zero fill (e.g., "000000000000").
  - When the entity has applied for or does not have an Entity ID Number, enter the appropriate number of zeros in the Entity ID Number field. When entering zeros for the FEIN, include the hyphen (e.g., "00-0000000"). **Do not** enter "Applied For."
- **Entity Name Control** field must contain the first 4 characters of the corporation, exempt organization, partnership, or LLC name **with these exceptions**:
  - Spell out ampersand (&) as "AND" if (&) is contained in the first 4 characters of the Entity's name. (See *Business Entity Information Example 1* on page 12).

- **Do not** space or use symbols or any punctuation, including hyphens (–) and slashes (/). (See *Business Entity Information Example 2* on page 12).
- **Do not** use "The" when it is the first word in the Entity's name. (See *Business Entity Information Example 4* on page 12).
- **Do not** use punctuation, hyphens, or blanks in the name control.

**Examples:**

Entity name: The LTP LLC	Enter: LTPL
Entity name: ABC Incorporated	Enter: ABCI
Entity name: 012-015 Apts	Enter: 0120
Entity name: 9 Twelve	Enter: 9TWE
Entity name: BZX	Enter: BZX
Entity name: 9-12	Enter: 912

- **Enter Form Type Indicator** as:
    - Forms 100, 100S, and 100W = 1
    - Form 109 = 2
    - Form 199 = 3
    - If more than one form, or no form indicated = 0
  - **Enter Taxable Year Beginning (TYB) and Taxable Year Ending (TYE)**
    - TYB = "MM-DD-YYYY" (Enter "00-00-0000" **only** if TYB is unknown.)
    - TYE = "MM-DD-YYYY" (Enter "00-00-0000" **only** if TYE is unknown.)
  - **Enter Business Entity name** – Use business name, as is:
    - The corporation, partnership, or LLC name may contain embedded spaces, hyphens (–), slashes (/), and ampersands (&). (See *Business Entity Information Examples 1, 2, and 3* on page 12).
    - **Do not** use any other symbols or punctuation in the Business Entity Name field.
  - **Street Address Information:**
    - Other than the hyphen (–) and slash (/), use no punctuation or symbols in the Street Address field.
    - **Do not** use commas or periods to separate address information.
    - Use standard abbreviations for the suffix of the street name. See **"Standard Abbreviations"** on page 14.
    - **Do not** enter suite and suite number/letter in the Street Address field. Enter in the designated "Suite" and "Suite Number" fields. These fields are on the same line as the "Street Address" field. Use these abbreviations in the "Suite" field: STE, RM, FL, BLDG, or UN, as applicable.
    - Enter Private Mailbox (PMB) and PMB number/letter in the "PMB" and "PMB number/letter" fields. These fields are on the same line as the "Street Address" field. "PMB" will print with a PMB number/letter. If no "PMB," the software you use will leave both fields blank.
    - Use the Additional Information field for "Owner/ Representative/Attention" name and other supplemental address information **only**. Other than the slash (/), use no punctuation or symbols in this field.
    - Military "APO" or "FPO" addresses:
      - Enter "APO" or "FPO" in the first three positions of the City field.
      - **Do not** enter the name of the city for "APO" and "FPO" addresses. Enter the two-digit state code in the State field:
- | City Field | State Field | ZIP Code Range |
|------------|-------------|----------------|
| APO        | AA          | 34000-34099    |
| APO        | AE          | 09000-09999    |
| FPO        | AP          | 96200-96699    |
- In the State field, use the standard two-character alpha abbreviation for the state or United States possession. See



- “**State and U.S. Possessions**” on page 14.
- The ZIP Code can be 10 digits (includes hyphen “-”).
  - If you have a foreign address enter the city, foreign country name, foreign province/state/county name, and foreign postal code in the appropriate boxes. Use the standard two-digit country abbreviation for the foreign country name. See “**Country Abbreviation List**” on page 15. Follow the country’s practice for entering the province/state/county name and foreign postal code. (See *Business Entity Information Example 5* below.)
  - Apply these guidelines, then truncate if the information exceeds the field length.

## Business Entity Information Examples:

### Example 1 Corporation

0000823 LPAN 44-1234567 200412345678 16 FORM 1  
 TYB 01-01-2016 TYE 12-31-2016  
 LP & T CONSULTING SERVICES INCORPORATED  
 B GANGLER  
 9646 BUTTERFIELD WY  
 RANCHO CORDOVA CA 95670-3720  
 (123) 456-7890

### Example 2 Partnership

99-7654321 LZ 1999712345678 (123)456-7890 16 FORM 0  
 TYB 01-01-2016 TYE 12-31-2016  
 L - Z  
 5800 SANTA ANITA AV STE 2  
 EL MONTE CA 92102-1230

### Example 3 LLC:

200387654321 2016 95-8654321 (123)456-7890 16 FORM 0  
 TYB 00-00-0000 TYE 00-00-0000  
 2011 - 2015 - 2017 - 2019 WHASSUP  
 4900 W CAMBRIDGE  
 ATLANTA GA 30303

### Example 4 Exempt Organization:

7777888 LTPL 99-7777777 200412345678 16 FORM 0  
 TYB 01-01-2016 TYE 12-31-2016  
 THE LTP LLC  
 C VEGA  
 4545 BUTTERFLY LN PMB 15  
 SACRAMENTO CA 95823  
 (123) 456-7890

### Example 5 Foreign Address Corporation:

7779311 ALLE 98-7654321 199912345678 16 FORM 0  
 TYB 01-01-2016 TYE 12-31-2016  
 ALL ENGLAND ENTERTAINMENT  
 1963 ABBEY LANE PMB 15  
 LONDON  
 UK NOTTING HILL W11 2BQ  
 (123) 987-6541

## Filing Business Entity Returns

To ensure accurate and timely processing of your clients’ business entity returns that require Schedules K-1 (100S, 541, 565, or 568), use software that produces FTB-approved schedules. Make sure that the substitute forms you use meet our requirements. Schedules K-1 (565 and 568) filed with incomplete information may cause us to contact the partnership or limited liability company (LLC) for more information or return the Schedules K-1 to the partnership or LLC. Either circumstance

may subject the partnership or LLC to penalties.

### Do not file

- K-1 data on microfiche or diskette
- Federal Schedule K-1 (1065)
- Database printout information
- Abbreviated schedules

### California Encourages Tax Preparers to File Paperless Schedules K-1 (565 or 568)

For the highest rate of accuracy and rapid processing of your clients’ Schedules K-1 (565 or 568), file them on CD or portable USB/flash drive.

If you want to produce Schedules K-1 (565 or 568), use software that produces FTB-approved paperless formatting or contact a professional who can format them for you. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and get FTB Pub. 1062, Guide for Filing Paperless Schedules K-1 (565 or 568).

Mail Forms 565 and 568 to the FTB using the appropriate addresses. **Do not** attach paper Schedules K-1 (565 or 568).

### Compliance with Partnership and LLC Filing Requirements for Paperless Schedules K-1 (565 and 568)

Before you submit your clients’ paperless Schedules K-1 (565 or 568), make sure you complete the procedures shown below. Doing so will further ensure error-free files and timely processing.

- Mail Forms 565 and 568 to the FTB using the appropriate addresses. **Do not** attach paper Schedules K-1 (565 or 568).
- Confirm Schedules K-1 (565 or 568) have been formatted and put on a CD or portable USB/flash drive for **each** person identified on Forms 565, Question K or 568, Question J.
- Confirm all fields on the Schedules K-1 (565 or 568) are formatted and completed as described in FTB Pub. 1062.
- Verify the paperless Schedules K-1 (565 or 568) that you format on a CD or portable USB/flash drive reconcile to Forms 565 or 568, Schedule K-1 (565 or 568), and have been pre-tested with the K-1 (565 or 568) TestWare.
- Provide your clients with the information contained on their paperless Schedules K-1 (565 or 568) before April 15, or the applicable filing date. **Reminder:** The information you provide your clients does not have to print on a Schedule K-1 (565 or 568); it may be in a test format.

You can download and send multiple partnership and LLC Schedules K-1 (565 or 568) to us on the same CD or portable USB/flash drive. It is not necessary to provide a separate CD or portable USB/flash drive for each individual partnership or LLC. Use form FTB 3604, Transmittal of Paperless Schedules K-1 (565 or 568) on CD or Portable USB/Flash Drive, to provide the name, FEIN, and number of Schedules K-1 (565 or 568) that are included for each partnership or LLC on the CD or portable USB/flash drive.

### K-1 (565 or 568) TestWare

We provide K-1 (565 or 568) TestWare as a tool to help you accurately prepare paperless Schedules K-1 (565 or 568). The program validates the K-1 (565 or 568) files and enables you to submit your clients’ Schedules K-1 (565 or 568) error-free via CD or portable USB/flash drive. The TestWare can also expand your files from a delimited format into the format required to process the K-1 information through our system. **Reminder:** You can download a copy of the K-1 (565 or 568) TestWare at [ftb.ca.gov](http://ftb.ca.gov) and search for **k-1 testware** or you can call e-Programs Customer Service at 916.845.0353.

### Substitute Schedules K-1 (565 or 568) Filing Requirements

If you choose to develop your clients’ Schedules K-1 (565 or 568) (paperless or paper format), you must follow the same substitute



forms review and approval requirements used by tax software developers, transfer agents, and others. You must complete and return to the FTB form FTB 1096, Agreement to Comply with FTB Pub. 1098, Annual Requirements and Specifications. FTB Pub. 1098, Annual Requirements and Specifications for the Development and Use of Substitute, Scannable, and Reproduced Tax Forms, includes the information you need to develop FTB-approved forms. To get a copy of form FTB 1096 or FTB Pub. 1098, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **ctp**.

The paper format of Schedules K-1 (565 or 568) may be either a one-sided or two-sided format. The one-sided format includes only those tax data lines applicable to the partner or member. The two-sided format includes all tax data lines. Software companies choose the format to include in their tax products and both formats require approval from the FTB.

## Common Trusts and Investment Clubs

Common trust funds and investment clubs should use Form 565, Partnership Return of Income, to report their filing information. To help ensure accurate processing, common trust funds are required to use the principal business activity (PBA) code 525920. Investment clubs are required to use PBA code 523910. For more information, see the instructions for federal Form 1065, U.S. Partnership Return of Income.

## Power of Attorney (POA)

We have a centralized POA database where we store POA declaration information we receive from your customers and clients. Only authorized FTB employees can view the POA declaration information.

We can mail a copy of most FTB computer-generated notices (some computer-generated notices are not yet available for this service) to the primary representative.

For more information about Power of Attorney, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **poa**.

**PLEASE NOTE:** When filing a Power of Attorney from any other state agency, the form used must clearly state that the taxpayer wishes to be represented for FTB matters by specifying the exact tax year and California form number in question (e.g., 2016 California Form 540).

## Where To Get Income Tax Forms and Publications By Internet

Go to [ftb.ca.gov](http://ftb.ca.gov).

## Tax Professionals Services Available on the FTB Website

Visit the Tax Professionals area at [ftb.ca.gov](http://ftb.ca.gov). You will find helpful information for CPAs, enrolled agents, and attorneys. Topics include:

- e-file for tax professionals – online services and other paperless options
- Compliance initiatives
- Law, legislation, & form updates
- Practitioner services
- Procedures & practices
- Tax agencies and professional organizations
- Subscription services

## FTB's Tax Practitioner Services

The Practitioners' Hotline is dedicated to helping CPAs, enrolled agents, attorneys, and other tax practitioners with questions on tax law, forms, California reporting requirements, and account resolution matters.

We encourage you to provide any of the acceptable Power Of Attorney forms to us. The information you provide on any of these forms allows you to receive confidential or sensitive taxpayer information. We will accept the following Power of Attorney forms:

- For FTB go to [ftb.ca.gov](http://ftb.ca.gov) and search for **poa**
- Board of Equalization (BOE) Form BOE-392, Power of Attorney
- Federal Form 8821, Tax Information Authorization
- Federal Form 2848, Power of Attorney and Declaration of Representative
- Employment Development Department Form DE 48, Power of Attorney (POA) Declaration

The BOE, EDD, and federal forms must clearly state that the taxpayer also wishes to be represented for FTB matters by specifying the exact year and California form number in question (e.g. 2016 California Form 540).

The Tax Practitioners' Hotline telephone number is 916.845.7057. If you call, be ready to provide client information such as social security number (or ITIN, if applicable), latest notice received, or facts relating to the inquiry. Customer Service Representatives can respond to questions on both personal income tax law and corporation tax law.

You can fax correspondence 24 hours a day, seven days a week. The fax number is 916.845.9300. When you fax your correspondence, be sure your cover sheet includes your business letterhead, fax number, and daytime telephone number. In addition, please submit a copy of your Power of Attorney (e.g., form FTB 3520), if you have not already submitted one to us. To help ensure a response by fax, it is recommended that you keep your fax machine turned on at all times.

The Tax Practitioner's Hotline is staffed year round, 8 a.m. to 5 p.m., weekdays, except state holidays.

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**Standard Abbreviations**

AIR FORCE BASE	AFB
APARTMENT	APT
AVENUE	AV
BOULEVARD	BL
BUILDING	BLDG
CAUSEWAY	CSWY
CENTER	CTR
CIRCLE	CIR
COURT	CT
CROSSING	XING
DEPARTMENT	DEPT
DRIVE	DR
EAST*	E
EXPRESSWAY	EXPY
FLOOR	FL
FREEWAY	FWY
HIGHWAY	HWY
LANE	LN
LOOP	LP
NORTH*	N
NORTHEAST*	NE
NORTHWEST*	NW
NUMBER/#	NO (Do not use # sign)
PARKWAY	PKY
PLACE	PL
PLAZA	PLZ
POINT	PT
POST OFFICE BOX	PO BX
ROAD	RD
ROOM	RM
SAN/SANTO	SN
SOUTH*	S
SOUTHEAST*	SE
SOUTHWEST*	SW
SPACE	SP
SQUARE	SQ
STREET	ST
SUITE	STE
TERRACE	TER
TRACK	TRAK
UNIT	UN
WALK	WK
WALKWAY	WKWY
WAY	WY
WEST*	W

\* ABBREVIATE ONLY WHEN USED AS A DIRECTION

**State and U.S. Possessions**

ALABAMA	AL
ALASKA	AK
AMERICAN SAMOA	AS
ARIZONA	AZ
ARKANSAS	AR
CALIFORNIA	CA
COLORADO	CO
CONNECTICUT	CT
DELAWARE	DE
DISTRICT OF COLUMBIA	DC
FEDERATED STATES OF MICRONESIA	FM
FLORIDA	FL
GEORGIA	GA
GUAM	GU
HAWAII	HI
IDAHO	ID
ILLINOIS	IL
INDIANA	IN
IOWA	IA
KANSAS	KS
KENTUCKY	KY
LOUISIANA	LA
MAINE	ME
MARSHALL ISLANDS	MH
MARYLAND	MD
MASSACHUSETTS	MA
MICHIGAN	MI
MINNESOTA	MN
MISSISSIPPI	MS
MISSOURI	MO
MONTANA	MT
NEBRASKA	NE
NEVADA	NV
NEW HAMPSHIRE	NH
NEW JERSEY	NJ
NEW MEXICO	NM
NEW YORK	NY
NORTH CAROLINA	NC
NORTH DAKOTA	ND
NORTHERN MARIANA ISLANDS	MP
OHIO	OH
OKLAHOMA	OK
OREGON	OR
PALAU	PW
PENNSYLVANIA	PA
PUERTO RICO	PR
RHODE ISLAND	RI
SOUTH CAROLINA	SC
SOUTH DAKOTA	SD
TENNESSEE	TN
TEXAS	TX
UTAH	UT
VERMONT	VT
VIRGIN ISLANDS	VI
VIRGINIA	VA
WASHINGTON	WA
WEST VIRGINIA	WV
WISCONSIN	WI
WYOMING	WY

## Country Abbreviation List

Aruba	AA	Ecuador	EC
Antigua and Barbuda	AC	Egypt	EG
United Arab Emirates	AE	Ireland	EI
Afghanistan	AF	Equatorial Guinea	EK
Algeria	AG	Estonia	EN
Azerbaijan	AJ	Eritrea	ER
Albania	AL	El Salvador	ES
Armenia	AM	Ethiopia	ET
Andorra	AN	Czech Republic	EZ
Angola	AO	Finland	FI
American Samoa	AQ	Fiji	FJ
Argentina	AR	Falkland Islands (Islas Malvinas)	FK
Australia	AS	Federated States of Micronesia	FM
Ashmore and Cartier Islands	AT	Faroe Islands	FO
Austria	AU	French Polynesia	FP
Anguilla	AV	Baker Island	FQ
Akrotiri	AX	France	FR
Antarctica	AY	French Southern and Antarctic Lands	FS
Bahrain	BA	The Gambia	GA
Barbados	BB	Gabon	GB
Botswana	BC	Georgia	GG
Bermuda	BD	Ghana	GH
Belgium	BE	Gibraltar	GI
Bahamas	BF	Grenada	GJ
Bangladesh	BG	Guernsey	GK
Belize	BH	Greenland	GL
Bosnia-Herzegovina	BK	Germany	GM
Bolivia	BL	Guam	GQ
Burma	BM	Greece	GR
Benin	BN	Guatemala	GT
Belarus	BO	Guinea	GV
Solomon Islands	BP	Guyana	GY
Navassa Island	BQ	Haiti	HA
Brazil	BR	Hong Kong	HK
Bhutan	BT	Heard Island and McDonald Islands	HM
Bulgaria	BU	Honduras	HO
Bouvet Island	BV	Howland Island	HQ
Brunei	BX	Croatia	HR
Burundi	BY	Hungary	HU
Canada	CA	Iceland	IC
Cambodia	CB	Indonesia	ID
Chad	CD	Man, Isle of	IM
Sri Lanka	CE	India	IN
Congo (Brazzaville)	CF	British Indian Ocean Territory	IO
Congo (Kinshasa)	CG	Clipperton Island	IP
China	CH	Iran	IR
Chile	CI	Israel	IS
Cayman Islands	CJ	Italy	IT
Cocos (Keeling) Islands	CK	Cote D'Ivoire (Ivory Coast)	IV
Cameroon	CM	Iraq	IZ
Comoros	CN	Japan	JA
Colombia	CO	Jersey	JE
Northern Mariana Islands	CQ	Jamaica	JM
Coral Sea Islands	CR	Jan Mayen	JN
Costa Rica	CS	Jordan	JO
Central African Republic	CT	Johnston Atoll	JQ
Cuba	CU	Kenya	KE
Cape Verde	CV	Kyrgyzstan	KG
Cook Islands	CW	Korea, Democratic People's Republic of (North)	KN
Cyprus	CY	Kingman Reef	KQ
Denmark	DA	Kiribati	KR
Djibouti	DJ	Korea, Republic of (South)	KS
Dominica	DO		
Jarvis Island	DQ		
Dominican Republic	DR		
Dhekelia	DX		

Christmas Island	KT	Romania	RO
Kuwait	KU	Philippines	RP
Kosovo	KV	Puerto Rico	RQ
Kazakhstan	KZ	Russia	RS
Laos	LA	Rwanda	RW
Lebanon	LE	Saudi Arabia	SA
Latvia	LG	St. Pierre and Miquelon	SB
Lithuania	LH	St. Kitts and Nevis	SC
Liberia	LI	Seychelles	SE
Slovakia	LO	South Africa	SF
Palmyra Atoll	LQ	Senegal	SG
Liechtenstein	LS	St. Helena	SH
Lesotho	LT	Slovenia	SI
Luxembourg	LU	Sierra Leone	SL
Libya	LY	San Marino	SM
Madagascar	MA	Singapore	SN
Macau	MC	Somalia	SO
Moldova	MD	Spain	SP
Mongolia	MG	St. Lucia Island	ST
Montserrat	MH	Sudan	SU
Malawi	MI	Svalbard	SV
Montenegro	MJ	Sweden	SW
Macedonia	MK	South Georgia and the South Sandwich Islands	SX
Mali	ML	Syria	SY
Monaco	MN	Switzerland	SZ
Morocco	MO	Saint Barthelemy	TB
Mauritius	MP	Trinidad and Tobago	TD
Midway Islands	MQ	Thailand	TH
Mauritania	MR	Tajikistan	TI
Malta	MT	Turks and Caicos Islands	TK
Oman	MU	Tokelau	TL
Maldives	MV	Tonga	TN
Mexico	MX	Togo	TO
Malaysia	MY	Sao Tome and Principe	TP
Mozambique	MZ	Tunisia	TS
New Caledonia	NC	East Timor	TT
Niue	NE	Turkey	TU
Norfolk Island	NF	Tuvalu	TV
Niger	NG	Taiwan	TW
Vanuatu	NH	Turkmenistan	TX
Nigeria	NI	Tanzania	TZ
Netherlands	NL	Curacao	UC
Sint Maarten	NN	Uganda	UG
Norway	NO	United Kingdom (England, Northern Ireland, Scotland, and Wales)	UK
Nepal	NP		
Nauru	NR		
Suriname	NS	Ukraine	UP
Nicaragua	NU	United States	US
New Zealand	NZ	Burkina Faso	UV
Other Country	OC	Uruguay	UY
South Sudan	OD	Uzbekistan	UZ
Paraguay	PA	St. Vincent and the Grenadines	VC
Pitcairn Islands	PC	Venezuela	VE
Peru	PE	British Virgin Islands	VI
Paracel Islands	PF	Vietnam	VM
Spratty Islands	PG	Virgin Islands	VQ
Pakistan	PK	Holy See	VT
Poland	PL	Namibia	WA
Panama	PM	Wallis and Futuna	WF
Portugal	PO	Western Sahara	WI
Papua-New Guinea	PP	Wake Island	WQ
Palau	PS		
Guinea-Bissau	PU	Samoa	WS
Qatar	QA	Swaziland	WZ
Serbia	RI	Yemen (Aden)	YM
Marshall Islands	RM	Zambia	ZA
Saint Martin	RN	Zimbabwe	ZI

# 2016 Scannable Form 540 Assembly Guidelines

**Federal tax return when required.**

**Supporting California forms and schedules**

**California Schedule W-2**

**Form 540, Side 5**

**Form 540, Side 4**

**Form 540, Side 3**

**Form 540, Side 2**

**Form 540, Side 1**

**"SCANBAND" Must contain tax data.**

**Enclose, but do not staple check or money order.**

**Do not attach any withholding forms here. See Schedule W-2, Wage and Tax Statement.**

**TAXABLE YEAR 2016 California Resident Income Tax Return**

**FORM 540**

**ATTACH FEDERAL RETURN**

**APR**

111-11-1111 JOBA 222-22-2222 16 PBA 123456  
 CHRISTOPHER S JOHANNESBURG  
 PATRICIA D SMITHJOHANNESBURG  
 BANK OF ANYTOWN  
 15172 BOARDWALK BLVD APT 23 PMB 6987  
 ANYTOWN CA 94705-1111

02-09-1951 03-17-1952 SMITH

01	2	45	0	405	0	APR	122016
06	0	46	0	406	0		3800
07	2	222	47	0	407	0	3803
08	1	111	48	300	408	0	8CHG1
09	1	111	61	0	410	0	5870A
10	3	1032	62	0	413	0	5805 5805F
11	1476	63	0	418	0		DEBTONE
12	6000	64	300	422	0	TRIDP	87654321
13	34500	71	100	423	0	FN	123456789
14	1950	72	400	424	15	CCF	0
16	925	73	0	425	0		3805P
17	33475	74	0	430	0		NGDC
18	14100	75	0	431	0		3540
19	19375	76	500	432	0		3554
31	228	91	22	433	0		3805Z
32	1476	92	478	434	30		3807
33	0	93	0	435	0		3808
34	300	94	178	110	65		3809
35	300	95	0	111	0		IRC197
40	0	96	178	112	0		IRC1341
43	0	97	0	113	0		
44	0	400	0	115	113		
		401	20	116	100		
		403	0	117	13		

CHRISPATSMITH-JO@INTERWEB.COM (916) 777-9311  
 JAMES JOHANNESBURG  
 333-33-3333 SON DDR1 321010123  
 JANET JOHANNESBURG 01234567890123456  
 444-44-4444 DAUGHTER 1  
 MICHAEL SMITH DDR2 121343565  
 555-55-5555 GRANDCHILD 00000000987654321  
 2

1 ☐ Single 4 ☐ Head of household (with qualifying person). See instructions.  
 2 ☐ Married/RDP filing jointly. See inst. 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse/RDP died  
 3 ☐ Married/RDP filing separately. Enter spouse's SSN or ITIN above and full name here  
 If your California filing status is different from your federal filing status, check the box here ☐  
 6 If someone can claim you (or your spouse/RDP) as a dependent, check the box here. See inst. ☐ 6

613 3101166 Form 540 c1 2016 Side 1



## Tax Practitioner Tips for Computer-Preparing, Assembling, and Mailing Scannable Form 540

Item/Activity	Scannable Form 540
Monetary Amounts (Taxpayer's Tax Data)	Monetary amounts must print in the scanband and must be whole dollars without decimal points or other punctuation. Monetary amounts in the conventional area of the form must include decimal points or a vertical rule (penny line). <b>Note:</b> Most software is programmed to print whole dollars only followed by a decimal point.
Additional Credits Line 43 and Line 44	Credit acronym, code number, and amount will print on the applicable line(s) on Side 3 of the form. See example on page 10.
Direct Deposit of Refund (DDR)	DDR consists of three fields for two separate accounts: 1) DDR routing number (Must be 9 positions. The first two positions must be 01 through 12 or 21 through 32). 2) DDR account number. 3) DDR account type. You must complete <b>all fields</b> for each DDR option you select. <b>Otherwise, leave all fields blank.</b>
Making Corrections*	<b>Do not</b> make hand written corrections on the tax return. <b>Do not</b> modify the name(s), address, or tax data information. If there is an error, print a new tax return.
Submit Original Tax Returns*	<b>Submit original (hardcopy) tax returns.</b> <b>Do not</b> submit a photocopy. Tax returns should be single-sided, not two-sided.
Attaching Wage Statements	<b>Attach California Schedule W-2, Wage and Tax Statement, directly behind Side 5 of scannable Form 540.</b>  <b>California Schedule W-2 – If your software does not populate this form, you must include the “state” copy of federal Form(s) W-2, W-2G, and any Form(s) 592-B, 593, and federal Form(s) 1099 showing California tax withheld to it.</b>
Attaching California Supporting Forms and Federal Forms	Scannable Form 540 may require attachments. Include California supporting forms and schedules behind California Schedule W-2, and follow with federal forms and schedules.
Payment	Enclose check or money order with the tax return. <b>Do not staple check or money order to tax return.</b> Make all payments in U.S. dollars and drawn against a U.S. financial institution. Clients should use black or blue ink to complete their check or money order.
Assembling Tax Return	Assemble tax return according to assembly guidelines on page 16. <b>Do not</b> staple the tax return. Leave loose.
Where to Mail the Tax Return	REFUND OR NO AMOUNT DUE: FRANCHISE TAX BOARD PO BOX 942840 SACRAMENTO CA 94240-0001  AMOUNT YOU OWE: FRANCHISE TAX BOARD PO BOX 942867 SACRAMENTO CA 94267-0001

\* Apply these rules to all scannable payment forms (Forms 100-ES, 540-ES, 541-ES, FTB 3519, 3522, 3536, 3537, 3538, 3539, 3563, 3582, 3586, 3587, 3588, and 3843). Mail to the address shown on each form.

# 2016 Substitute Form 540 with 2D Barcode Assembly Guidelines

**Important:** Tax preparation software that produce 2D barcode tax returns will print a Substitute Form 540 with the barcodes printed on Form 540, Side 3.

**Federal tax return when required.**

**Supporting California forms and schedules**

**California Schedule W-2**

**Form 540, Side 5**

**Form 540, Side 4**

**Form 540, Side 3**  
(Note: 2D barcodes print on the bottom of Form 540, Side 3.)

**Form 540, Side 2**

**Form 540, Side 1**

**2016 California Resident Income Tax Return**

**FORM 540**

**TAXABLE YEAR** 2016

**APR** 11-11-1111 JONA 222-22-2222 16 PBA 123456  
CHRISTOPHER S JOHANNESBURG  
PATRICIA D SMITHJOHANNESBURG  
BANK OF ANYTOWN  
15172 BOARDWALK BLVD APT 23 PMB 6987  
ANYTOWN CA 94705-1111  
02-09-1951 03-17-1952 SMITH

**Filing Status**

1 ☐ Single 4 ☐ Head of household (with qualifying person). See instructions.  
2 ☐ Married/RDP filing jointly. See inst. 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse/RDP died  
3 ☐ Married/RDP filing separately. Enter spouse's SSN or ITIN above and full name here

If your California filing status is different from your federal filing status, check the box here ☐

6 If someone can claim you (or your spouse/RDP) as a dependent, check the box here. See inst. ☐ 6 ☐

7 **Personal:** If you checked box 1, 3, or 4 above, enter 1 in the box. If you checked box 2 or 5, enter 2, in the box. If you checked the box on line 6, see instructions. ☐ 7 X \$111 =  \$

8 **Blind:** If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2 ☐ 8 X \$111 =  \$

9 **Senior:** If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2 ☐ 9 X \$111 =  \$

10 **Dependents:** Do not include yourself or your spouse/RDP.

**Exemptions**

First Name  Last Name  SSN  Relationship to you

Total dependent exemptions ☐ 10 X \$344 =  \$

11 **Exemption amount:** Add line 7 through line 10. Transfer this amount to line 32 ☐ 11 \$

613 3101164 Form 540-c1 2016 Side 1

**Enclose, but do not staple check or money order.**

**Do not attach any withholding forms here. See Schedule W-2, Wage and Tax Statement.**

## Tax Practitioner Tips for Computer-Preparing, Assembling, and Mailing Substitute Form 540 2EZ and Form 540 with 2D Barcodes

Item/Activity	Substitute Form 540 2EZ with 2D Barcodes	Substitute Form 540 with 2D Barcodes
Monetary Amounts (Taxpayer's Tax Data)	Monetary amounts in the conventional area of the form may include decimal points or a vertical rule (penny line).	Same as Form 540 2EZ.
Line 43 and Line 44	Not applicable.	Credit acronym, code, and amount will print on the applicable line(s) on Form 540, Side 2. See example on page 10.
Direct Deposit of Refund (DDR)	DDR consists of three fields for two separate accounts: 1) DDR routing number (Must be 9 positions. The first two positions must be 01 through 12 or 21 through 32). 2) DDR account number. 3) DDR account type. You must complete <b>all fields</b> for each DDR option you select. <b>Otherwise, leave all fields blank.</b>	Same as Form 540 2EZ.
Making Corrections*	<b>Do not</b> make hand written corrections on the tax return. <b>Do not</b> modify the name(s), address, or tax data information. If there is an error, print a new tax return.	Same as Form 540 2EZ.
Submit Original Tax Returns*	<b>Submit original (hardcopy) tax returns. Do not</b> submit a photocopy. Tax returns should be single-sided, not two-sided.	Same as Form 540 2EZ.
2D Barcodes	2D barcodes print on Form 540 2EZ, Side 2.	2D barcodes print on Form 540, Side 3.
Attaching Wage Statements	California Schedule W-2, Wage and Tax Statement – If your software doesn't populate this form, you must attach "state" copy of Form(s) W-2, W-2G, and 1099 showing CA tax withheld to it.  <b>Attach Schedule W-2 directly behind Side 4 of Form 540 2EZ.</b>	Same as Form 540 2EZ with these exceptions: Attach any Form(s) 592-B and 593 showing CA tax withheld to Schedule W-2. Attach Schedule W-2 directly behind Side 5.
Attaching California Supporting Forms and Federal Forms	<b>Never</b> attach the federal tax return.	Form 540 may require attachments. Include California supporting forms and schedules behind California Schedule W-2, and follow with federal forms and schedules.
Payment	Enclose check or money order with the tax return. <b>Do not staple check or money order to tax return.</b> Make all payments in U.S. dollars and drawn against a U.S. financial institution. Clients should use black or blue ink to complete their check or money order.	Same as Form 540 2EZ.
Assembling Tax Return	No assembly.	Assemble tax return according to assembly guidelines on page 18. <b>Do not</b> staple the tax return. Leave loose.
Where to Mail the Tax Return	REFUND OR NO AMOUNT DUE: FRANCHISE TAX BOARD PO BOX 942840 SACRAMENTO CA 94240-0001  AMOUNT YOU OWE: FRANCHISE TAX BOARD PO BOX 942867 SACRAMENTO CA 94267-0001	Same as Form 540 2EZ.

\* Apply these rules to all scannable payment forms (Forms 100-ES, 540-ES, 541-ES, FTB 3519, 3522, 3536, 3537, 3538, 3539, 3563, 3582, 3586, 3587, 3588, and 3843). Mail to the address shown on each form.

## Tax Practitioner Tips for Computer-Preparing, Assembling, and Mailing Form 540 2EZ, Long or Short Form 540NR, and Form 540X

Item/Activity	Form 540 2EZ	Long or Short form 540NR	Form 540X
Monetary Amounts (Taxpayer's Tax Data)	Monetary amounts may include decimal points or a vertical rule (penny line).	Same as Form 540 2EZ.	Same as Form 540 2EZ.
Additional Credits	Your clients may not claim additional credits.	Credit acronym, code, and amount will print on the applicable line(s) of Long Form 540NR only. (Your clients may not claim additional credits on Short Form 540NR.)	Not applicable.
Direct Deposit of Refund (DDR)	DDR consists of three fields: 1) DDR routing number (Must be 9 positions. The first two positions <b>must be</b> 01 through 12 or 21 through 32). 2) DDR account number. 3) DDR account type. You must complete <b>all fields</b> for each DDR option you select. <b>Otherwise, leave all fields blank.</b>	Same as Form 540 2EZ.	Not applicable.
Making Corrections	<b>Do not</b> make handprint corrections on the tax return. <b>Do not</b> modify the name(s), address, or tax data information. If there is an error, print a new tax return.	Same as Form 540 2EZ.	Same as Form 540 2EZ.
Submit Original Tax Returns	Submit the original (hard copy) tax returns. <b>Do not</b> submit a photocopy.	Same as Form 540 2EZ.	Same as Form 540 2EZ.
Attaching Wage Statements	California Schedule W-2, Wage and Tax Statement – If your software doesn't populate this form, you must attach "state" copy of Form(s) W-2, W-2G, and 1099 showing CA tax withheld to it.  <b>Attach Schedule W-2 directly behind Side 4 of Form 540 2EZ.</b>	Short Form 540NR – Same as Form 540 2EZ with this exception: Attached Schedule W-2 directly behind Side 3.  Long Form 540NR – Same as Form 540 2EZ with these exceptions: Attach a copy of any Form(s) 592-B and 593 showing CA tax withheld to Schedule W-2. Attached Schedule W-2 directly behind Side 3.	Same as Form 540 2EZ.
Attaching California Supporting Forms and Federal Forms	<b>Never</b> attach the federal tax return.	Short Form 540NR – <b>Never</b> attach the federal tax return.  Long Form 540NR – Attach any supporting California forms and schedules. <b>Always</b> attach the complete federal tax return with all supporting federal forms and schedules.	Attach all supporting forms and schedules for items changed. Include federal forms and schedules if you made a change to your federal return. Include name and SSN for taxpayer (and taxpayer's spouse/RDP, if any,) (or ITIN, if applicable) on all attachments. Include complete copies of the Federal Audit Report(s) if you are reporting changes made by the IRS.
Payment	Enclose check or money order with the tax return. <b>Do not staple check or money order to tax return.</b>  Make all payments payable in U.S. dollars and drawn against a U.S. financial institution. Clients should use black or blue ink to complete their check or money order.	Same as Form 540 2EZ.	Same as Form 540 2EZ.
Where to Mail the Tax Return	REFUND OR NO AMOUNT DUE: FRANCHISE TAX BOARD PO BOX 942840 SACRAMENTO CA 94240-0001  AMOUNT YOU OWE: FRANCHISE TAX BOARD PO BOX 942867 SACRAMENTO CA 94267-0001	Same as Form 540 2EZ.	Same as Form 540 2EZ.