

California Income Tax Returns

There are four state personal income tax forms for California:

- 540 2EZ – For full year residents
- 540 – For full year residents
- 540NR – *Long Form* for part year residents and nonresidents
- 540NR – *Short Form* for part year residents and nonresidents

This manual covers instructions for:

- Form 540
- Schedule CA (540)
- Form 3506
- Software Tips
- Volunteer Procedures

Filling in Paper Tax Returns

Use a black or blue ballpoint pen to fill in the copy of the tax return for the Franchise Tax Board (FTB). The scanning machine cannot read red, other colored ink, or pencil.

Print all names and words in **CAPITAL LETTERS**.

Enter your client's social security number at the top of the form. Social security numbers are not on mailing labels or letters.

Print numbers inside boxes. Line up dollar amounts. Always round cents to the nearest whole dollar on the tax return and schedules.

If there is no entry for a line, leave it blank. Do not enter a dash. Also, do not enter a zero unless the instructions specifically advise you to enter a zero.

See the example below for filling in the name.

| J | O | H | N | |

If any of your client's names or addresses are too long to fit in the boxes, ignore the boxes and fit the information in the provided space. John SmithBarney enters his last name as follows:

| S | M | I | T | H | B | A | R | N | E | Y |

Important Note: Remember to write the social security number for each client and spouse/RDP, if applicable. Paper filers enter date of birth. If either a taxpayer or spouse/RDP filed a tax return using a different last name in 2015, enter the last name used on that tax return in the space provided.

Which Tax Form to Use – 540 2EZ or 540?

	540 2EZ	540
Filing Status	Single, married/RDP filing jointly, head of household, or qualifying widower	Any filing status
Dependents	0-3 allowed	All dependents the client is entitled to claim
Sources of Income	<ul style="list-style-type: none"> • Wages, salaries, tips • Taxable Scholarship or fellowship grants • Unemployment compensation, paid family leave in lieu of Unemployment • U.S. Social Security • Railroad retirement • Pensions • Dividends • Mutual Funds • Capital gains 	All sources of income
Amount of Income	Taxable income of \$100,000 or less if single or head of household. \$200,000 or less if married/RDP filing jointly or qualifying widow(er). If your client can be claimed as a dependent by another taxpayer, see form instructions.	Any amount of income
Adjustment to Income	None	All adjustments to income