

### Before You Begin

Load the California software onto your computer. Check with your site coordinator regarding site procedures for obtaining software. Once the California software is released by TaxWise, TWO users receive the download automatically. After obtaining the state software, find the CA 540 Page 1 and other CA forms, following the federal forms, located on the “Find a form screen,” or in the list of forms on the left side of your screen, in the “tree view.”

Desktop users: If there are no state forms, use an active EFIN and download the state software from the TaxWise webpage at [taxwise.com](http://taxwise.com). A transmitting computer automatically updates with each transmission when updates become available.

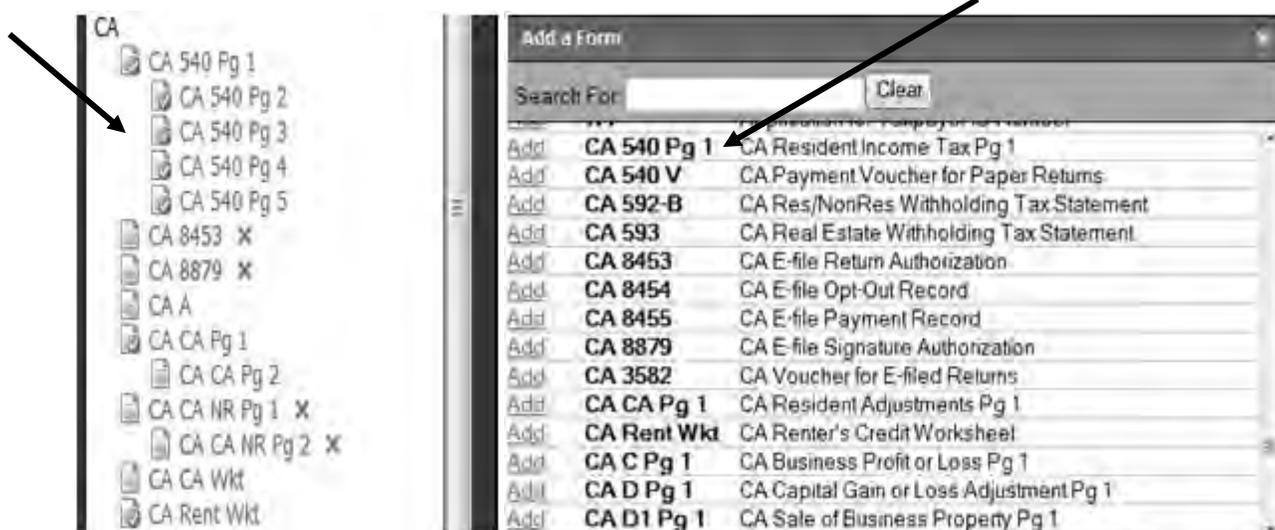
TWO users: If there are no state forms, check to make sure the California software has been released and CA is indicated on the Main Info screen.

### California residency must be indicated on the Main Info screen.

**State Information** If you are not preparing a state return, check here  or fill in state information below  
 Full year resident: CA and     Part-year:     and     Nonresident:                  


---

**Type of Return**  Bank products  E-file ONLY  Paper



### Start the State Tax Return

You must complete your client's federal tax return before you start the California tax return. Use information from W-2s, 1099s, and federal returns to complete the state tax return. Make sure to complete the following forms before beginning the Form 540:

- Main Information Screen.
- Form W2.
- Forms 1099.
- Federal Tax Forms.
- Federal Schedules.
- Any income supporting worksheets and schedules.

California requires that the state ID box on Forms W2, W2-G and 1099R include the employer's state ID number. If any of the forms above have a blank state ID, enter six **0** or six **9** digits in this field. How you complete the income statement determines how TaxWise applies the information based on California tax law.

**TaxWise requires that all Forms W2, W2G, and 1099R are complete prior to beginning the state tax form.**

15 State	State ID number	16 State wages	17 State tax	18 Local wages	19 Local tax	20 Local name
CA	9999999	45000	300	45000	396	SDI
		0	0	0	0	

### State Disability Insurance

State Disability Insurance (SDI) is an itemized deduction on the federal tax return, but you subtract it from the state itemized deduction amount on Schedule CA (540). By following the instructions below, TaxWise reports SDI correctly for both federal and state purposes.

Many employers enter CA SDI in box 14 of the Form W-2. Do not input this information in box 14 of your screen. There are two options for correct SDI input. Enter SDI amounts in the California W2s Only box at the bottom of the W2 **or** enter the SDI amount in box 19 "Local tax" and the letters "SDI" in box 20 "Local name" (see example screen). **Do not enter SDI twice.** For additional information on SDI and to calculate excess SDI, please see the General Information Section.

**Important Note:** Box 14 is an information only box and will not correctly calculate the federal itemized deduction.

15 State	State ID number	16 State wages	17 State tax	18 Local wages	19 Local tax	20 Local name
CA	999999	45000	300	45000	396	SDI
		0	0	0	0	
		0	0	0	0	
		0	0	0	0	

**Important Note:** Double check software for accuracy of SDI deduction on federal Schedule A.

15 State	State ID number	16 State wages	17 State tax	18 Local wages	19 Local tax	20 Local name
CA	999999	45000	300	45000	396	SDI
		0	0	0	0	
		0	0	0	0	
		0	0	0	0	

**Instructions for W2**

**Nontaxable combat pay**  
Amount excluded from income by reason of section 112 0

**Statutory employees**  
 Check if you are going to use Schedules C or CEZ to report this income. This will prevent this W2 from adding in to line 7 of page 1 of any 1040 form. You must go to Schedule C or CEZ and insert the amount.

**State exclusion:** See state instructions, included with each state, before checking these boxes. Instructions vary by state. Example: Some states will only allow an exclusion for military pay if the employee is stationed out of state.  
Check if this W2 is from:  Military  National Guard

**Ministerial income**  
 Check if this W2 is ministerial income and Schedule SE will be used.

**California W2s only**  
See CA instructions. SDI literal:  SDI amount: 0

### W2G/California Lottery and Gambling Losses

To exclude California lottery winnings from the state tax return, "X" the State box on W2G. When completed correctly, TaxWise deducts this income on the CA Schedule CA 540, line 21a.

Payer's Federal ID number _____	<b>1</b> Gross winnings _____0	<b>2</b> Date won _____
Phone _____	<b>3</b> Type of wager _____	<b>4</b> Federal tax withheld _____0
Name code _____	<b>5</b> Transaction _____	<b>6</b> Race _____
Payer's name _____▶	<b>7</b> Identical wagers _____0	<b>8</b> Cashier _____
Payer's address _____ _____	<b>9</b> Winner's ID number 300-01-4863 _____	<b>10</b> Window _____
Payer's Zip code, city, and state _____ _____	<b>11</b> First ID _____	<b>12</b> Second ID _____
	<b>13</b> State and state ID _____	<b>14</b> State winnings _____0
	<b>15</b> State tax withheld _____0	<b>16</b> Local winnings _____0

\* See F-1 Help on the state return for the use of this box  
Instructions vary by state.

Note: CA Schedule CA 540, Line 21a, Columns A (federal amounts) and B (California subtractions). Example of how a correctly completed W2G creates the CA lottery income adjustment on the California return.

<b>18</b> Farm income or loss	0	0	0
<b>19</b> Unemployment compensation	6000	6000	
<b>20</b> Social security benefits	0	0	
<b>21</b> Other income	5000	5000	
<b>a</b> California lottery winnings			
<b>b</b> Disaster loss carryover from FTB 3805V		0	
<b>c</b> Federal NOL from Form 1040, line 21			0
<b>d</b> NOL carryover from FTB 3805V		0	
<b>e</b> NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809		0	0
<b>f</b> Other: _____		0	0

TaxWise automatically subtracts California lottery losses claimed as a gambling loss on federal Schedule A when the State box on the W2G is checked and the losses are entered on form W2G.

**Other Miscellaneous Deductions**

<b>28</b>	Type	GAMBLING LOSSES		
***	Amount	TSJ: <input type="checkbox"/>	<input type="text" value="1500"/>	1500
***	Schedules K-1, Forms 4684, 4797, 2106, 2106EZ, and W2G losses add in here. If you are using a statement, check here <input type="checkbox"/> AND manually enter: <input type="text" value="1500"/>			
	Line 28 amount for state returns		<input type="text" value="1500"/>	

See TaxWise CA Schedule CA 540, Page 2, line 41, and double check this automatic adjustment. Non-California lottery gambling losses are allowed as an itemized deduction up to the amount of gambling winnings.

**Note:** California lottery losses are **not** deductible because California lottery winnings are **not** taxable.

**1099R Pension and Railroad Retirement Income**

Generally, federal and state treat pension income the same. Find additional and more detailed information in the General Information section and FTB 1001, *Supplemental Guidelines to California Adjustments*.

If your client receives a 1099R with tier 1 or tier 2 railroad retirement income, "X" the "Railroad" box on Form 1099R to indicate the taxable income from this 1099R qualifies for subtraction on the CA Schedule CA.

See F1 Help on the state return for use of these boxes. Instructions vary by state. Check if applies. Box 1 <input type="checkbox"/> Box 2 <input type="checkbox"/> Box 3 <input type="checkbox"/> Railroad retirement <input checked="" type="checkbox"/>	<b>12</b> State tax	<b>13</b> State and state ID no.	<b>14</b> State distribution
	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
	<b>15</b> Local tax	<b>16</b> Locality name	<b>17</b> Local distribution
<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>	
<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>	

Checking this box causes TaxWise to deduct the income on the CA Schedule CA 540. Note the placement of the taxable portion of railroad retirement benefits located in Column B of the CA Schedule CA 540, line 16.

### Form 540, Page 1

Once the federal return is complete and correct, double click on CA 540 Page 1. TaxWise automatically enters most line amounts on Page 1 of the 540. Even without a red error, double check all entries on this page.

### Name, SSN, and Address

TaxWise completes this step. Double check the taxpayer’s name and address for state purposes. If TaxWise leaves any field blank, check the federal return and the Main Information Sheet. Use the check box to change the California address and to add an apartment number on the California address line.

**Note:** California addresses with less than 32 characters, including spaces and apartment numbers, do not require the check box described above.

Check here to change the address listed below if you live in an apartment, building, etc. If your address is in a foreign country, the foreign country will be calculated in the country field, enter the foreign city in the city field, and if applicable, the foreign country's postal code in the foreign zip field. Do not use special characters (hyphens, etc) in the Foreign zip field. Use spaces in the place of any special characters. See F1 help for address formatting requirements.

Federal:	1234 PRETTY PICTURE LN	Apartment, building, etc:	_____
California:	1234 PRETTY PICTURE LN	Number:	_____
	SACRAMENTO CA 95814-	PMB no:	_____
Country:	_____	Address is outside U.S.:	<input type="checkbox"/>
Foreign zip:	_____	Use spaces in the place of special characters ("-", etc) for this field.	

### Filing Status

TaxWise completes this step. State filing status must be the same as the filing status on the federal tax return. See the General Information section for exceptions. Call the FTB Volunteer Hotline, **800.522.5665**, for information on Registered Domestic Partners or nonresident spouse.

**Important Note: State filing status and exemption credits must be the same as used on the federal return.**

### Form 540, Page 2

#### Exemptions

TaxWise completes this step. The number of state exemption credits must be the same as the number of exemption credits on the federal return.

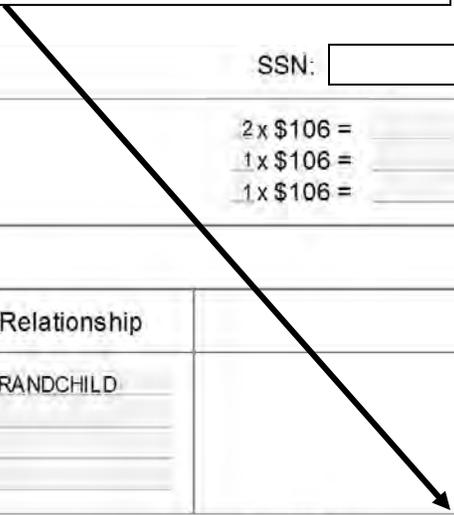
Federal and state treat exemption credits differently. TaxWise automatically calculates exemption credits from information entered on the Interview Worksheet, Main Info screen, and federal Form 1040. State exemption credits decrease actual tax. Federal exemption credits decrease taxable income.

California gives additional credits to individuals over the age of 65 or blind. If both spouses on a tax return are over age 65 or blind they receive two additional exemption credits. When a client claims the blindness exemption for the first time, attach a physician’s statement to the back of the paper tax return and e-file clients keep the physician’s statement with their records. FTB may send a letter requesting the statement. See the General Information section for more detail and the definition of visual impairment.

The definition of a dependent for California purposes is the same as federal.

Example: Two personal exemptions, one senior exemption, one blind exemption, and one dependent exemption, total of five exemptions. Notice that TaxWise carries over all exemption and dependent information, including name, from the Interview Worksheet or Main Information Screen.

Name: RANDALL & ROSE RIVER		SSN: <input style="width: 100px;" type="text"/>												
7	Personal	2 x \$106 = 212												
8	Blind	1 x \$106 = 106												
9	Senior	1 x \$106 = 106												
<hr/>														
10	Dependents													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">First name</th> <th style="width: 25%;">Last Name</th> <th style="width: 25%;">Relationship</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">RITA</td> <td style="text-align: center;">RIVERS</td> <td style="text-align: center;">GRANDCHILD</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	First name	Last Name	Relationship	RITA	RIVERS	GRANDCHILD							
First name	Last Name	Relationship												
RITA	RIVERS	GRANDCHILD												
Total dependent exemptions		1 x \$326 = 326												
11	Exemption amount	750												



## Taxable Income

TaxWise completes most of this step. Notice that most of the line amounts are yellow. This means TaxWise calculates the field. However, it is vitally important that you review each line to make sure the information transfers correctly from the federal tax return.

If the tax return shows a California adjustment for line 14 or line 16, double check CA Schedule CA 540 for accuracy. Press F9 with the cursor on line 14 to link to the CA Schedule CA 540. Do not try to link from the CA Schedule CA 540.

**When you see an amount on line 14 or line 16 of the Form 540, Page 2, always open the CA Schedule CA 540 and double-check the adjustments.**

Taxable Income		
12	State wages from Forms W-2, box 16	45000
13	Federal adjusted gross income	57500
14	California adjustments - subtractions	12500
15	Subtract line 14 from line 13	45000
16	California adjustments - additions	0
17	California adjusted gross income	45000
18	Larger of California standard deduction or California itemized deductions	7812
19	Taxable income. If less than zero, enter zero	37188

## CA Schedule CA 540 Adjustments

California does not tax certain types of income that may be taxable on the federal return. You must complete a CA Schedule CA 540 (See CA CA Page 1 on the forms tree) when there are differences in income taxability between federal and state. Even though TaxWise automatically figures most of these adjustments for you, it is still very important that you check to make sure all adjustments are correct. Find differences between federal and state tax law in the Introduction and General Information section of this manual and in FTB 1001, *Supplemental Guidelines to California Adjustments*.

Form 540, Page 2, line 14 includes all income taxable on the federal return and not taxable by California. Line 14 is always the same as the figure calculated on line 37, column B, on the CA Schedule CA 540. Line 14 decreases taxable income.

California does not tax:

- State income tax refunds from any state
- Unemployment compensation/paid Family Medical Leave
- Social security benefits
- Tier 1 and tier 2 railroad retirement benefits
- California Lottery
- Interest earned from U.S. Savings bonds, U.S. Treasury Bills, or any other bonds of the U.S. and U.S. territories

Line 16 includes all income that is nontaxable on the federal tax return but is taxable by California. The amount on line 16, Form 540, Page 2 is always the same as the amount on CA Schedule CA 540, line 37, column C. Line 16 increases taxable income.

California does tax:

- Foreign earned income or foreign social security
- Interest income from bonds issued by a state other than California
- Interest income from municipal bonds issued by a county, city, town, or other local government unit in a state other than California
- Interest income from obligations of the District of Columbia issued after December 27, 1973

### **Line 7 Wages, Salaries, Tips, Etc.**

Generally, do not make any adjustments on this line. Some exceptions include employer HSA contributions and certain American Indian tribal income. For additional information, see the Form 540 Booklet and FTB 1001, *Supplemental Guidelines to California Adjustments*. Directly enter allowable exceptions on line 7.

### **Line 8 Taxable Interest Income**

The most common type of interest you calculate is simple interest from a taxpayer's checking or savings account. For example, to adjust savings bond interest, TaxWise automatically makes this adjustment when you enter the correct information.

**US Schedule B** **Interest and Ordinary Dividends** **2013**

Name: RANDALL & ROSE RIVERS SSN: \_\_\_\_\_

**Part I: Interest**

**1a Seller-financed mortgages**  
 Interest income from seller-financed mortgages and the buyer used the property as a personal residence. Show the buyer's name, address, and social security number.  
 Name: \_\_\_\_\_ ID number: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_ Amount: \_\_\_\_\_ 0

State Information for seller-financed mortgage interest  
 Joint amount: \_\_\_\_\_ 0 Spouse amount: \_\_\_\_\_ 0

**Other interest**  
 Payer. If the payer is a brokerage firm, list the firm's name as the payer.

	Amount
b	0
c	0
d	0
e	0

Open the federal Schedule B. Highlight the "Amount" column, hit F9, and clicks "Interest Statement" or right clicks and choose "Link," then "Interest Statement."

**US Schedule B** **Interest Received** **2013**

Amounts shown in Box 8 should not be entered in the "Box 1 or 3 amount" column. Instead, enter an "E" in the "NAEOB column" and the amount from Box 8 in the "NAEOB amount" column.

Payer	Box 1 or 3 amount	TSJ	State adjust +/- Amount	NAE OB	NAEOB amount	AMT PAB	Early penalty	Federal withheld
	0		0		0	0	0	0
	0		0		0	0	0	0
	0		0		0	0	0	0
	0		0		0	0	0	0
	0		0		0	0	0	0
	0		0		0	0	0	0
	0		0		0	0	0	0
	0		0		0	0	0	0

Designate interest income entries on federal Schedule B interest statement, State Adjust Amount column, with a "+" for interest that needs to be added to the state and is exempt from tax on the federal tax return. Place a "-" in the column for interest nontaxable to the state but taxable on the federal tax return. TaxWise automatically transfers this addition or subtraction amount to the CA Schedule CA 540, line 8, in the appropriate state adjustment column.

Column B entries identify income nontaxable to California but taxable to federal. Column C entries identify income taxable to California but nontaxable to federal.

### Line 9 Ordinary Dividends

Enter dividend income on the federal Schedule B, Part II – Ordinary Dividends. If your client has California adjustments for dividend income, TaxWise automatically makes this adjustment from information entered on the Dividend Income Worksheet.

Part II: Ordinary Dividends		Amount
<b>5</b> Payer. If the payer is a brokerage firm, list the firm's name as the payer.		
a		0
b		0
c		0
d		0
e		0
f		0
g		0
h		0
* i		0
** j		0

Use the same procedure on the Ordinary Dividends section as you do for the Interest Statement. Link from the amount column and choose Dividend Statement.

US Schedule B	Dividend Income						2013				
Payer	Ordinary dividends	Qualified dividends	TSJ	State adjust +/- Amount	N	Capital gain	1250 gain	28% gain	Fed. with.	Exempt int. div.	AMT PAB
	0	0		0		0	0	0	0	0	0
	0	0		0		0	0	0	0	0	0
	0	0		0		0	0	0	0	0	0
	0	0		0		0	0	0	0	0	0
	0	0		0		0	0	0	0	0	0
	0	0		0		0	0	0	0	0	0
	0	0		0		0	0	0	0	0	0

Highlight Dividend Statement and click "OK." Designate dividend income entries with a "+" for dividend income exempt from federal tax but taxable on the state tax return. Place a "-" in the column for dividend income nontaxable to California but taxable on the federal tax return. TaxWise transfers this addition or subtraction amount on the CA Schedule CA 540, line 9, in the appropriate state adjustment column. Find more information about dividends in the General Information section.

TaxWise correctly calculates the dividend income amount taxable to California when the “Dividend Income Statement” is complete. For exempt interest dividends from mutual funds, please see the General Information section.

**Line 10 State Tax Refund**

TaxWise automatically transfers any state tax refund amount to CA Schedule CA 540, line 10, column B, from information entered on the State Tax Refund Worksheet. You need the amount of the refund, the amount of itemized deductions from the prior year, and the prior year AGI.

Double-check CA Schedule CA 540, line 13, for capital gain and loss accuracy. In some instances, TaxWise requires a CA Schedule D to correctly calculate taxability of dividend income and capital losses found on the federal tax return.

**Line 13 Capital Gain (or Loss)**

If your client reports a Capital Loss Carryover on the federal tax return, TaxWise adds the carryover back on the state tax return as an addition to income.

Addition in Column C is an incorrect entry. To correct, add a California Schedule D, and enter the capital loss carryover on line 6 as a positive number.

Section A: Income		Federal amounts	Subtractions	Additions
7	Wages, salaries, tips, etc.	45000	0	0
8a	Taxable interest income	0	0	0
b	Tax-exempt interest	0		
9a	Ordinary dividends	0	0	0
b	Qualified dividends	0		
10	Taxable refunds, credits, offsets of state and local income taxes	0	0	
11	Alimony received	0		0
12	Business income or loss	0	0	0
13	Capital gain or loss	-3000	0	3000
14	Other gains or losses	0	0	0
15	Total IRA distributions	0	0	0
16	Total pension and annuities	2500	2500	0

**Watch for Capital Loss Carryovers added back into the California return.**



### Line 15 Total IRA Distributions

Enter the amount, if any, of your client’s California Basis. In general, the federal and state tax IRA distributions are the same. Differences occur when contributions were made during 1975, or 1982 through 1986. To calculate the difference in basis between federal and state, your client provides records detailing the contribution amounts made and deductions taken for the years above. You can find an IRA adjustment worksheet in the General Information section of this manual. More information is available in FTB 1005, *Pension and Annuity Guidelines*.

Section A: Income			
	Federal amounts	Subtractions	Additions
7 Wages, salaries, tips, etc	45000	0	0
8a Taxable interest income	0	0	0
b Tax-exempt interest	0		
9a Ordinary dividends	0	0	0
b Qualified dividends	0		
10 Taxable refunds, credits, offsets of state and local income taxes	0	0	
11 Alimony received	0		0
12 Business income or loss	0	0	0
13 Capital gain or loss	-3000	0	0
14 Other gains or losses	0	0	0
15 Total IRA distributions	0	0	0
16 Total pension and annuities	2500	1000	0
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc	0	0	0
18 Farm income or loss	0	0	0
19 Unemployment compensation	6000	6000	
20 Social security benefits	0	0	
21 Other income	5000		
a California lottery winnings		5000	
b Disaster loss carryover from FTB 3805V		0	
c Federal NOL from Form 1040, line 21			0
d NOL carryover from FTB 3805V		0	
e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809		0	
f Other:		0	0
Total other		0	0
22 Total	55500	12000	0

Complete the IRA Adjustment Worksheet, based on the client’s records, and override (F8) the subtraction column, CA Schedule CA 540, to enter the amount of nontaxable IRA California basis. **If the client does not provide records, do not make the adjustment.**

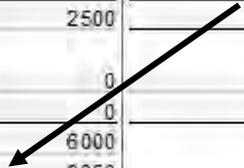
### Line 16 Total Pensions and Annuities

California and federal law generally treat pension and annuity income the same. If your client receives a 1099R with railroad tier 1 or tier 2 income, check the General Information section, FTB 1005, *Pension and Annuity Guidelines*, and the example 1099R in this section for additional information.

California treats railroad retirement, tier 1 and tier 2, income similarly to social security income. Any federally taxable tier 2 income listed on Schedule CA, line 16, column A, also needs to be entered on line 16, column B. Tier 1 railroad retirement income is entered on the TaxWise form 1040 Wkt 1. TaxWise automatically completes CA Schedule CA 540, line 20, columns A and B, correctly.

Section A: Income			
	Federal amounts	Subtractions	Additions
7 Wages, salaries, tips, etc	45000	0	0
8a Taxable interest income	0	0	0
b Tax-exempt interest	0		
9a Ordinary dividends	0	0	0
b Qualified dividends	0		
10 Taxable refunds, credits, offsets of state and local income taxes	0		
11 Alimony received	0		
12 Business income or loss	0		
13 Capital gain or loss	-3000		
14 Other gains or losses	0		
15 Total IRA distributions	0	0	
16 Total pension and annuities	2500	2500	0
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc	0	0	0
18 Farm income or loss	0	0	0
19 Unemployment compensation	6000	6000	
20 Social security benefits	9350	9350	
21 Other income	5000		
a California lottery winnings		5000	
b Disaster loss carryover from FTB 3805V		0	
c Federal NOL from Form 1040, line 21			0
d NOL carryover from FTB 3805V		0	
e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809		0	
f Other:		0	0
Total other		0	0
22 Total	64850	22850	0

Both Social Security and Tier 1 Railroad Retirement Income is reported in columns A and B, line 20.



### Line 20 Social Security Benefits

TaxWise automatically deducts the federally taxable social security income amount listed on Form 1040, line 20(b) in column B, CA Schedule CA 540.

### Line 21 Other Income

#### California Lottery

TaxWise deducts California lottery winnings on the CA Schedule CA 540, column B. Reference the TaxWise example and instructions for W2G provided in this section.

#### Nonqualified HSA Distributions

Distributions from an HSA not used for qualified medical expenses, and included in federal income, are not taxable for California purposes. On CA Schedule CA 540, direct enter on line 21f, a description of the income type (ex: Nonqual HSA) and in column B, the amount of federally taxable distribution.

For additional information on line 21f income, reference the 540 Instruction Booklet, FTB 1001, *Supplemental Guidelines to California Adjustments*, and the 540 section of this manual.

### CA Schedule CA 540 – Part II

California itemized deductions differ from federal itemized deductions. California disallows any deduction of state or foreign taxes, sales tax, or SDI.

Once you complete the CA Schedule CA 540, check the box at the top of the TaxWise form stating that you verify the amounts on the form.

CA Sch CA (540)	Resident Adjustments	2013
Name: RANDALL & ROSE RIVERS		SSN: <input type="text"/>
<b>Part I: Income Adjustment Schedule</b>		
Check here <input checked="" type="checkbox"/> after you have verified the amounts on this form.		

### Form 540 Page 1

#### Tax Section

TaxWise completes this step. TaxWise calculates this figure using information entered on the federal tax return, the Form(s) W2, and 1099, and income worksheets completed by the preparer.

## **Form 540 Page 2**

### **Special Credits and Nonrefundable Renter's Credit**

This step contains several lines that will not carry over from the federal tax return. For more information on California credits reference the General Information and 540 sections in this manual and the 540 Instruction Booklet.

### **Line 43 and Line 44 Credits**

To claim the Joint Custody Head of Household Credit:

1. Highlight line 43 on Form 540.
2. F9 to link.
3. Choose CA Sch P, Page 2. Locate Joint Custody Head of Household credit.
4. Manually enter amount of credit from worksheet in 540 Section of this manual.
5. TaxWise transfers the credit name and amount from CA Sch P to line 43.

To locate credit name abbreviations and credit code numbers, highlight line 43 and F1 to link. Choose CA Codes and then California Credit Names and Codes in the drop down box.

### **Line 46 Nonrefundable Renter's Credit**

The Nonrefundable Renter's Credit is one of the few line items that is not automatic for TaxWise. You must remember to ask your client if they qualify. If the taxpayer meets the requirements, complete the renter's credit worksheet.

To claim the credit:

- Check “Yes” to the question regarding rent on Form 540, Page 1.
- Find the Nonrefundable Renter’s Credit worksheet in the Forms Tree and answer completely. Make sure to complete all fields highlighted red.
- The form asks for landlord’s name, address, and phone number. For e-file tax returns, the taxpayer may provide either name and address or name and telephone number. Advise the taxpayer to have the information available if they receive a letter from FTB.

Check here if 2/3 of your 2012 or 2013 gross income is from farming or fishing	<input type="checkbox"/>
Did you pay rent, for at least half of 2013, on property in California, including a mobile home that you owned on rented land, which was your principal residence?	<input checked="" type="radio"/> Yes <input type="radio"/> No
If you answered yes, complete the CA Rent Wkt.	
Check here if you are filing or paying late due to a qualifying disaster. Write the name of the qualifying disaster in red at the top of the printed form	<input type="checkbox"/>



Checking the “No” box will prevent TaxWise from placing the Nonrefundable Renter’s Credit worksheet in the Forms Tree. Check the box “No” when:

- The California adjusted gross income, Form 540, line 17, exceeds the allowable income limit for the credit.
- Before applying withholding, there is zero tax owed on the California tax return.
- The client does not meet any other credit qualifications.

After completing the worksheet, TaxWise enters the appropriate amount for your client’s filing status. Although you can manually enter the amount of renter’s credit on Form 540, use the worksheet to eliminate the most common qualification errors.

### Renter’s Credit Qualifications

- Income less than \$38,259 if single or married/RDP filing separately.
- Income less than \$76,518 or less if married/filing RDP filing jointly, head of household, or qualifying widow(er).
- Pay rent on a principal residence in California for 6 months or more during 2015.
- The county assesses property tax on the residence.

TaxWise automatically enters the correct amount of credit according to your client’s filing status and tax amount. If you need to make a change to the tax return after calculating the credit, completion of the Renter’s Credit Worksheet allows the software to recalculate the credit based on changes made.

CA 540 (2013)		Page 3
Name:	RANDALL & ROSE RIVERS	SSN: <input type="text"/>
<b>Special Credits</b>		
40	Nonrefundable Child and Dependent Care Expenses Credit - Attach Form 3506	0
41	New jobs credit, amount generated	0
42	New jobs credit, amount claimed	0
43	Credit name <input type="text"/> code no <input type="text"/> 0 amount	0
44	Credit name <input type="text"/> code no <input type="text"/> 0 amount	0
45	Other credits, if more than two claimed	0
46	Nonrefundable renter's credit	79
47	Total credits	79
48	Subtract line 47 from line 35. If less than zero, enter zero	0

If the amount on line 46 is incorrect, double check the information below:

- Mark “Yes” on Form 540, Page 1.
- Clear all red errors on the Nonrefundable Renter’s Credit Worksheet?
- Enter the total number of months rented on the worksheet.
- Double-check your client’s California adjusted gross income.
- Is your client’s tax amount less than the credit amount?

To claim other California credits, follow the instructions for the Joint Custody Head of Household credit, and substitute the credit name, code, and worksheet as appropriate.

**Other Taxes**

TaxWise completes this step based on code information from the 1099R. Line 63, Other Taxes, shows the amount of additional tax California assesses on retirement plan income issued to a client prior to age 59½.

### Payments

TaxWise completes this step. If no withholding is shown on line 71, or you disagree with the amount, the employer makes the correction for Form W2, 1099, and other supporting forms. If the taxpayer made 2015 CA estimated tax payments, complete the TaxWise worksheet F/S Tax Pd.

#### State Estimated Tax Payments

- \*\* The day listed in the date of payment section is the due date for most state estimated tax payments. If your state has different due dates, disregard the date suggested. If payment 1 was paid on or before the date due for payment 1, enter it in payment 1, etc.
- \* Check the \* column, if payment 4 was paid before 01/01/2014.

#### Taxpayer, Joint, or Combined State Return

Enter estimate payments made, as well as payments made on balance due returns in a prior year, on this worksheet. TaxWise calculates tax, and tax deductions, using information you enter here.

State	Credit from last year	04/15/2013 Amount 1	06/15/2013 Amount 2	09/15/2013 Amount 3	01/15/2014 Amount 4	*	Total
CA	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0

CA	state and/or local balance due from previous years' returns paid in 2013. Include amounts paid with a 2012 extension paid in 2013	TSJ:	0
	state and/or local balance due from previous years' returns paid in 2013. Include amounts paid with a 2012 extension paid in 2013	TSJ:	0
CA	last state estimate payment for 2012 paid in 2013 (due January 15, 2013)	TSJ:	0
	last state estimate payment for 2012 paid in 2013 (due January 15, 2013)	TSJ:	0

#### Spouse Filing Married Separate State Tax Return or Second Full Year Resident State

\*\*Date of Payment

State	Credit from last year	04/15/2013 Amount 1	06/15/2013 Amount 2	09/15/2013 Amount 3	01/15/2014 Amount 4	*	Total
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0
	0	0	0	0	0	<input type="checkbox"/>	0

### Form 3506 Child and Dependent Care Expenses Credit

Reference the Introduction section of this manual for new information on this credit. The TaxWise CA 3506 comes pre-filled with information TaxWise transfers from the federal child and dependent care form. California requires completion of Part I. A provider telephone number is mandatory to claim the credit.

<b>CA 3506</b>	<b>Child and Dependent Care Expenses Credit</b>	<b>2013</b>	
Name: SANDRA SHORT		SSN: <input style="width: 100px;" type="text"/>	
<p>Only care provided in California qualifies for the credit. If any part of the care is not provided in California, you must manually remove or alter the care provider information and qualifying person information to reflect only the amounts paid for care in California.</p> <p>Was all care provided in California? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>			
<p>If the Federal adjusted gross income is more than \$100,000, you do not qualify for this credit.</p>			
<b>Part I: Unearned Income and Other Funds Received in 2013</b>			
Source of income / funds	Amount	Source of income / funds	Amount
STOCK SALE	10000		0
	0		0
	0		0
<b>Part II: Persons or Organizations Who Provided the Care in California</b>			
<b>1</b>	Provider 1		
<p><b>a</b> Name Individual Business</p> <p><b>b</b> Address</p> <p><b>c</b> Telephone</p> <p><b>d</b> Person or organization</p> <p><b>e</b> SSN EIN or Tax Exempt</p> <p><b>f</b> Address where care was provided City, state and ZIP code</p> <p><b>g</b> Amount paid</p>	<p>SUSIE SMITH SUSIE SMITH</p> <p>555 SHOO FLY LANE FILLMORE CA 93015- 831-111-1111 <input checked="" type="checkbox"/> Person <input type="checkbox"/> Organization SSN: 123584863 EIN: TE 379 FERNBRIDGE WAY 93015- FILLMORE CA 1800</p>		

Part III: Credit for Child and Dependent Care Expenses							
2 Information about your qualifying persons.							
Qualifying person's name		Social security number	Died this year	Date of birth	Dis-abled	Percent of physical custody	Qualified expenses paid
First name	Last name						
SHELLY	SHORT	123-56-4863	<input type="checkbox"/>	05/12/2007	<input type="checkbox"/>	0.00	1800
			<input type="checkbox"/>		<input type="checkbox"/>	0.00	0
			<input type="checkbox"/>		<input type="checkbox"/>	0.00	0
3 Total qualified expenses but not more than \$3,000 for one qualifying person or \$6,000 for two or more qualifying persons. If you completed Part V, amount from line 34							1800
4 Your earned income							45000
Nonresident and part-year resident earned income - F8 to change   _____ 0							
5 If married or an RDP filing a joint return, your spouse's / RDP's earned income; all others, amount from line 4							45000
Nonresident and part-year resident earned income - F8 to change   _____ 0							
6 Smallest of line 3, line 4, or line 5							1800
7 Decimal amount shown in the chart in the instructions for line 7							0.20
8 Multiply line 6 by the decimal amount on line 7							360
9 Decimal amount listed in the chart in the instructions for line 9							0.43
10 Multiply the amount on line 8 by the decimal on line 9							155
11 Credit for prior year expenses paid in 2013. See the worksheet on page 2							0
12 Add line 10 and line 11							155

California also requires the client to state the address where child care was provided and the client's percentage of physical custody for the child or dependent. Input this information and the provider telephone number in FTB 3506, *Child and Dependent Care Expenses Credit*, Part II. Never submit a volunteer prepared tax return without this important information.

**Overpaid Tax or Tax Due**

TaxWise completes this step.

**Contributions**

Enter the amount of charitable contributions your client wants to deduct from the refund, if any.

**Refund or Amount You Owe**

TaxWise figures the amount of refund or balance due. Line down to check all calculations.

**Interest and Penalties**

TaxWise figures the amounts of interest and penalties. Delete all penalties. Penalties and interest are beyond the scope of the VITA/TCE program. Inform your client's that Franchise Tax Board computes the penalties and sends a bill.

## Do You Want to File This Form Electronically?

You will find this question on all 540 forms, Page 5. Check the “Yes” box if you are going to electronically file for state. If electronically filing, does the taxpayer want to sign their tax return electronically? Check the “Yes” box. These two options should be set as a default by the site coordinator.

---

Do you want to electronically file this return?     Yes     No

---

If electronically filing, does the taxpayer want to sign their return electronically?     Yes     No

---

**Direct Deposit of Refund or Electronic Funds Withdrawal of Balance Due**

---

Check here if you want the state refund deposited to the same bank account as listed for your Federal refund, including Money Clip. This information will not appear below, but will be transmitted to California if e-filing and will appear on the printed 540 and CA 8453. You cannot split the refund between two accounts if you select this option.

Check here if you want the refund deposited into a different account and enter account information. The refund can be separated into two accounts. If only depositing to one account, you can leave the "Amount to direct deposit" field blank. TaxWise will default to the full refund.

Check here to have your state refund check mailed to you.

## Electronic Signature

Electronic filing with TaxWise allows two options for the taxpayer to sign the tax return. Each taxpayer and spouse/RDP (if applicable) signs the tax return electronically, or physically signs the state Form 8453, *California e-file Authorization for Individuals*. Electronic signature, the practitioner PIN method, eliminates the requirement for Form 8453, *California e-file Authorization for Individuals*.

To use the electronic signature option on the state tax return, mark “Yes” on the Form CA 540, Page 3. This triggers the appropriate actions in TaxWise.

When you check the “Yes” box, TaxWise places form CA 8879 in your forms tree. You need to know your client’s 2013 California AGI in order to complete the **self-select** PIN signature method. Practitioner PIN does not require prior year California AGI and is preferred.

If you do not want your client to electronically sign the tax return, mark the “No” box on Form 540, page 3.

## California Signature Documents Form 8453

A California Form 8453, *California e-file Authorization for Individuals*, is an e-file requirement for state forms if your client does not choose to electronically sign the state tax return. Under the correct social security number, choose CA 8453 from the add tax forms screen. Line down to check all calculations. Double-check to make sure all fields are complete and there are no red errors.

Indicate on Form 540, Page 3, how the taxpayer wants their refund (direct deposit, mail a paper check, etc.) or how to pay the balance due (electronically debited or mail in the check). TaxWise prompts you with red highlights.

Original signatures for both taxpayer and spouse/RDP must be on all the state signature documents. Give this form back to the taxpayer and inform them to keep this copy with their tax return.

### **E-file Signature Authorization Form CA 8879**

Complete form CA 8879 when your client electronically signs the state tax return by using the Practitioner PIN method. Generally, this is faster and easier than using the self-select PIN method.

- If you used a PIN for the federal signature, check the box that allows TaxWise to use the same PIN for the state return. This may be set as a default by your site coordinator. Form 8879 is now complete!
- Complete refund or balance due information on Form 540, Page 3.

### **Required Defaults**

Make sure the following fields are set as tax form defaults.

- The “authorize” box on Form 8879 is checked for both taxpayer and spouse/RDP.
- Firm name, EFIN, ERO Pin, and SIDN fields entered on the Main Info Screen and federal Form 8879, and transferred in yellow to Form 540, Page 3, and Form CA 8879.

**Hint:** The client’s ZIP code is an easy PIN to use. The client will not need to remember the PIN. It is most important that the client retain the signed 8879.

### **Head of Household**

Submit a Head of Household Schedule (Form CA 3532) with every return claiming the head of household filing status. Form CA 3532 is available in the CA 540 instruction booklet for taxpayers filing paper tax returns.

**Always help the taxpayer complete the HOH Questionnaire. This is in their best interest.**

TAXABLE YEAR **2015** Head of Household Filing Status Schedule CALIFORNIA FORM **3532**

Attach to your California Form 540, Long or Short Form 540NR, Form 540 2EZ, or Form 540X.

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

**Part I – Marital Status**

1 Check one box below to identify your marital status. See instructions.

- a Not legally married/RDP during 2015  1a
- b Widow/widower (my spouse/RDP died before 01/01/2015)  1b
- c Marriage/RDP was annulled  1c
- d Received final decree of divorce, legal separation, dissolution, or termination of marriage/RDP by 12/31/2015  1d
- e Legally married/RDP and did not live with spouse/RDP during 2015  1e
- f Legally married/RDP and lived with spouse/RDP during 2015. List the beginning and ending dates for each period when you lived together:  1f

From:  To:  From:  To:

**Part II – Qualifying Person**

2 Check one box below to identify the relationship of the person that qualifies you for the head of household filing status. See instructions.

- a Son, daughter, stepson, or stepdaughter  2a
- b Grandchild, brother, sister, half brother, half sister, stepbrother, stepsister, nephew, or niece  2b
- c Eligible foster child  2c
- d Father, mother, stepfather, or stepmother  2d
- e Grandfather, grandmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, uncle, or aunt  2e

**Part III – Qualifying Person Information**

3 Information about your qualifying person(s). See instructions.

First Name

Last Name

SSN

DOB (MM/DD/YYYY)

4 Enter qualifying person's gross income in 2015. See instructions.

5 Number of days your qualifying person lived with you during 2015. See instructions.

When calculating the total number of days your qualifying person lived with you, you may include any days your qualifying person was temporarily absent from your home. For example, illness, education, business, vacation, military service, and, (in some circumstances), incarceration.

Complete all red fields on this form.

1. Check the box that fits your client’s situation. If the taxpayer lived with their spouse some time during the tax year but not all year, add the appropriate dates in the boxes at the bottom of the section.
2. Check the box to show the client’s relationship with the individual that qualifies them for head of household filing status.
3. Provide the name, social security number, date of birth, gross income, and the number of days lived with the individual that qualifies your client for head of household filing status.

### Refund Direct Deposit

Direct deposit refunds, and even split refunds, into two different accounts. Taxpayers pick a date and automatically debit balances due from their bank account. Complete the information at the bottom of Form 540, Page 3. The request includes the same bank information as entered on the federal tax return or information for a different bank for state refund or debit. Any tax return that includes refunds for one entity and debits for another require software manipulation. TaxWise diagnostics tool guides you through the process.

Direct Deposit of Refund or Electronic Funds Withdrawal of Balance Due			
<input checked="" type="checkbox"/> Check here if you want the state refund deposited to the same bank account as listed for your Federal refund, including Money Clip. This information will not appear below, but will be transmitted to California if e-filing and will appear on the printed 540 and CA8453. You cannot split the refund between two accounts if you select this option.			1
<input type="checkbox"/> Check here if you want the refund deposited into a different account and enter account information. The refund can be separated into two accounts. If only depositing to one account, you can leave the "Amount to direct deposit" field blank. TaxWise will default to the full refund.			2
<input type="checkbox"/> Check here to have your state refund check mailed to you.			3
<input type="checkbox"/> <b>Electronic Filing Only</b> - Check here if you want your balance due withdrawn from your bank account and enter your account information and the date of the electronic funds withdrawal. The requested payment date is _____			
Amount to be withdrawn by electronic funds withdrawal _____			0
The date requested must be between today and 10/15/2014. To avoid penalties and interest, you must enter a date on or before 04/15/2014. Today's date is _____			
<input type="checkbox"/> <b>Electronic Filing Only</b> - Check here if you will mail your balance due to California.			
Account 1			
Routing number _____	Account type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Account number _____	Amount to direct deposit: _____		0
Account 2 - for direct deposit only			
Routing number _____	Account type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Account number _____	Amount to direct deposit: _____		0
Will this refund or balance due go to or from a financial institution outside of the territorial jurisdiction of the United States? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

1. Check the first box in this section if your client wants their state tax refund automatically deposited into the same bank account used on the federal tax return. **Do not** enter bank account information in the spaces below the check boxes.
2. Check the second box if there is an amount due for state and a refund for federal, or an amount due for federal and a refund for state. Enter the bank routing and account number information in the spaces below the check boxes, even if the client uses the same bank account for both entities.
3. Check the third box if the client prefers the state refund check mailed to the address on the tax return.

**Important Note:** The banking information may not appear on the printed Form 540 but should appear on the TaxWise version of Form 540 and the printed federal form. The correct information is transmitted through the e-file process.

### Deceased Taxpayers

The California tax return requires several steps when filing for a decedent. Executor, PIN, and 8879 fields need review and revision.

Deceased Taxpayer or Spouse Information	
Taxpayer date of death: _____	Spouse date of death: _____
Executor or guardian name: _____	
Executor or guardian phone: _____	
Decedent Representative: _____	Name: _____
	Spouse / RDP: _____
Representative type: <input type="checkbox"/> Administrator <input type="checkbox"/> Beneficiary	
<input type="checkbox"/> Executor <input type="checkbox"/> Spouse / RDP <input type="checkbox"/> Trustee	

List an executor for all deceased taxpayers on the California tax return, Form 540, Page 1, even if MFJ filing status with surviving spouse/RDP as sole beneficiary. Enter the surviving spouse/RDP name in the executor field and check the box marked Spouse/RDP.

Accurately mark the Representative Type box to declare which type of representative is filing a return for the deceased taxpayer.

The deceased taxpayer field must also list a Practitioner PIN on the California tax return and complete the ERO declaration on the California 8879.

### Estimate Penalty

Always inform the taxpayer that FTB sends a bill for estimate penalties owed. The volunteer program does not calculate penalty amounts.

CA 5805	Underpayment of Estimated Tax	2013
Name: SANDRA SHORT		SSN: <input style="width: 100px;" type="text"/>
<b>Part I: Questions</b>		
1 Are you requesting a waiver of the penalty? If yes, provide an explanation below		<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Did you use the annualized income installment method?		<input type="checkbox"/> Yes <input type="checkbox"/> No
3 Was your California withholding not withheld in equal installments and are you able to show the actual amounts withheld per period and actual dates withheld?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
4/15: <input type="text"/> 6/15: <input type="text"/> 9/15: <input type="text"/> 1/15: <input type="text"/>		
4 For estates and trusts: Was the date of death less than 2 years from the end of the tax year?		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Part II: Required Annual Payment</b>		
1 Current year tax after credits	<input type="text"/>	1
2 Multiply line 1 by 90%	<input type="text"/>	1
3 Withholding taxes. Do not include any estimated tax payments on this line	<input type="text"/>	410
4 Subtract line 3 from line 1. If less than \$500 (\$250 if married / RDP filing separately), stop here. You do not owe the penalty. Do not file form FTB 5805	<input type="text"/>	0
5 Tax shown on your 2012 tax return. If zero, override line 6 to zero. Check here if your 2012 California AGI was over \$150,000 (\$75,000 if you were married filing separate)	<input type="checkbox"/>	0
6 Required annual payment. Enter the earlier of the date any balance due was paid or 04/15/2014	<input type="text"/>	0
<b>Short Method</b> You may use the short method only if you made no estimated tax payments or your only payments were California income tax withheld; or you paid estimated tax in four equal amounts on the due dates. Check here to use the short method <input type="checkbox"/>		
7 Amount, if any, from Part II, line 3 above	<input type="text"/>	0
8 Total amount, if any, of estimated tax payments you made	<input type="text"/>	0
9 Add line 7 and line 8	<input type="text"/>	0
10 Total underpayment for year	<input type="text"/>	0
11 Multiply line 10 by .02121370	<input type="text"/>	0
12 Penalty reduction for early payment	<input type="text"/>	0
13 <b>Penalty.</b> Amount from the CA 5805 worksheet or the short method. Amount you request to be waived	<input type="text"/>	0

Tax owed in excess of \$500 forces the FTB Form 5805. Check No on boxes 1 and 2. Override line 6 to zero. Estimate penalty will calculate to zero. Override line 5 to get the red out. Leave the zero in line 5.



### Calculate State Estimate Payments

Add a form, CA 540ES Wkt. Check filing status box, complete line 1. TaxWise calculates estimated payments owed. To enter a different amount, complete line 21, Estimate Desired. TaxWise recalculates the tax and completes all vouchers.

2014 Estimated Tax Worksheet					
Anticipated filing status for 2014					
<input type="checkbox"/> Single	<input type="checkbox"/> Married /RDP filing separately				
<input type="checkbox"/> Head of household	<input type="checkbox"/> Married /RDP filing joint or qualifying widow(er)				
<b>1</b> Residents: Enter your estimated 2014 California AGI. Nonresidents and part-year residents: Enter your estimated 2014 total AGI from all sources. If you are a military servicemember not domiciled in California, do not include your military pay	0				
<b>2a</b> If you plan to itemize deductions, enter the estimated total of your itemized deductions	0				
<b>b</b> Standard deduction	0				
<b>c</b> Amount from line 2a or line 2b, whichever applies	0				
<b>3</b> Subtract line 2c from line 1	0				
<b>4</b> Tax. Enter amount of tax from Form FTB 3800 or FTB 3803 here	0				
<b>5</b> Residents: Skip to line 6. Nonresidents and part-year residents					
<b>a</b> Estimated California taxable income	0				
<b>b</b> California tax rate	0.0000				
<b>c</b> Multiply the amount on line 5a by the California tax rate on line 5b	0				
<b>6a</b> Enter the exemption credit amount	0				
<b>b</b> Nonresidents and part-year residents - California credit proration percentage	0.0000				
<b>7</b> Nonresidents - California prorated exemption credits	0				
<b>8</b> Residents - subtract line 6 from line 4. Nonresidents or part-year residents, subtract line 7 from line 5c	0				
<b>9</b> Tax on accumulation distribution of trusts	0				
<b>10</b> Add line 8 and line 9	0				
<b>11</b> Credits for joint custody/head of household, dependent parent, senior head of household, and child and dependent care expenses	0				
<b>12</b> Subtract line 11 from line 10	0				
<b>13</b> Other credits (such as other state tax credit)	0				
<b>14</b> Subtract line 13 from line 12	0				
<b>15</b> Interest on deferred tax from certain installment obligations under IRC sections 453 or 453A	0				
<b>16</b> Alternative minimum tax	0				
<b>17</b> Mental Health Services Tax	0				
<b>18</b> 2014 estimated tax	0				
<b>19a</b> Multiply line 18 by 90% <input type="checkbox"/> Check if farmer or fisherman: <input type="checkbox"/>	0				
<b>b</b> 100% of the tax shown on your 2013 return	1				
<b>c</b> Adjusted gross income from your California return	55000				
<b>d</b> If the amount on line 19c is more than \$150,000 (\$75,000 married /RDP filing a separate return), go to line 19e. Otherwise, lesser of line 19a or line 19b	0				
<b>e</b> Multiply 110% by the tax shown on your 2013 return	0				
<b>f</b> Lesser of line 19a or line 19e	0				
<b>20</b> California income tax withheld and estimated to be withheld during 2014	0				
<b>21</b> Estimated tax (Check here <input type="checkbox"/> to use 2013 tax listed on line 19b or 19e) Estimate desired, if different from required	0				
If your estimated tax is less than \$500 (\$250 if married /RDP filing separately), no estimates are due.					
Current year overpayment:	409		Credit:	<input type="checkbox"/> All (Check here <input type="checkbox"/> for equal division) <input type="checkbox"/> 1st installment only	
Amount applied to 2014 tax: 0					
Payment due	04/15/2014	06/17/2014	09/16/2014	01/15/2015	
Amount	0	0	0	0	
Overpayment	0	0	0	0	
Balance	0	0	0	0	

1. Select filing status.
2. Enter estimated California AGI. You also have the option to enter projected itemized deductions. If you do not, the system will automatically pick the standard deduction.
3. Enter the amount of exemption credits.
4. Option to use current year refund as estimate payments for next season. The taxpayer may opt to apply the refund equally to all quarters, or use the entire refund for only the first quarter estimate payment. An option also exists to change the TaxWise calculated estimate payment requirement to an amount of your choosing. Exercise caution changing any calculation.

### **Important Information**

When using the debit option for a balance due, e-filing a tax return, manually enter the banking information twice. The FTB website allows the taxpayer to pay by credit card. There is also an option for the taxpayer to mail the payment and payment voucher (FTB 3582 e-file) directly to the Franchise Tax Board.

You may also request a debit of state estimate payments using TaxWise. Complete the CA 540ES Wkt, TaxWise automatically enters estimated debit amounts on Form 540, page 3, in the Electronic Filing Estimated Tax Payments field. Check the boxes next to the estimate payment dates to designate the direct debit option.

Taxpayers may go to [ftb.ca.gov](http://ftb.ca.gov), search online services, then Web Pay, for options to direct debit tax return balances, estimate payments, or an extension payment. This service requires the taxpayer's social security number, last name on the tax return, and the aforementioned information much match FTB records.

### **Volunteer Procedures**

As a volunteer tax assistant, always provide your clients accurate information, follow the procedures in the Volunteer Reference Manual, and protect confidential taxpayer information.

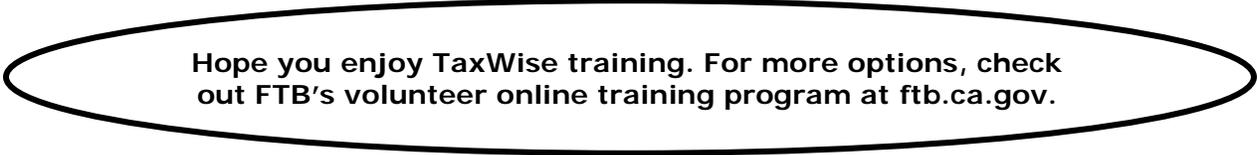
Refer questions regarding state tax law to the Franchise Tax Board Volunteer Hotline, **800.522.5665**. Also, order forms, reference manuals, and posters using this toll-free number, and locate additional VITA/TCE sites statewide. This number is for volunteer use only. **Please do not give this number to the taxpayer.**

If a taxpayer needs to contact the Franchise Tax Board, please ask them to call **800.852.5711** for customer service or **800.338.0505** for automated telephone service.

Call the volunteer hotline or your local volunteer program coordinator to obtain a *Volunteer Reference Manual*.

All tax return information is confidential. Volunteers discuss information about tax returns prepared when seeking tax or procedural help from their local volunteer program coordinator or the volunteer hotlines only. The VITA program destroys all taxpayer information once the e-file process completes. Please delete all records on TaxWise at the end of each volunteer tax program season. Credibility of the VITA/TCE program is lost when unauthorized disclosure of information occurs. Examine your site location for maximum privacy for volunteers and clients.

Under no circumstances accept any form of payment either for your services or on behalf of the Franchise Tax Board. For more information, please see the Volunteer Procedure section in this manual.



**Hope you enjoy TaxWise training. For more options, check out FTB's volunteer online training program at [ftb.ca.gov](http://ftb.ca.gov).**