

# CALIFORNIA 540NR

Forms & Instructions

**2018**

Nonresident or Part-Year Resident Booklet

Members of the Franchise Tax Board

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STATE OF CALIFORNIA  
Franchise Tax Board

# Table of Contents

Important Dates . . . . .	2	<b>Schedule CA (540NR)</b> , California Adjustments – Nonresidents or Part-Year Residents . . . . .	45
Do I Have to File? . . . . .	3	<b>Instructions for Schedule CA (540NR)</b> . . . . .	47
What's New and Other Important Information for 2018 . . . . .	4	<b>Schedule D (540NR)</b> , California Capital Gain or Loss Adjustment . . . . .	57
How Nonresidents and Part-Year Residents are Taxed . . . . .	6	<b>Instructions for Schedule D (540NR)</b> . . . . .	59
Which Form Should I Use? . . . . .	7	<b>FTB 3519</b> , Payment for Automatic Extension for Individuals . . . . .	63
<b>Instructions for Short Form 540NR</b> . . . . .	9	<b>FTB 3885A</b> , Depreciation and Amortization Adjustments . . . . .	65
Nonrefundable Renter's Credit Qualification Record . . . . .	13	<b>FTB 3514</b> , California Earned Income Tax Credit . . . . .	67
Voluntary Contribution Fund Descriptions . . . . .	14	<b>Instructions for Form FTB 3514</b> . . . . .	69
Credit Chart . . . . .	16	<b>FTB 3532</b> , Head of Household Filing Status Schedule . . . . .	79
Frequently Asked Questions . . . . .	17	<b>Instructions for Form FTB 3532</b> . . . . .	81
Additional Information . . . . .	18	2018 California Tax Table . . . . .	83
Instructions for Filing a 2018 Amended Return . . . . .	19	2018 California Tax Rate Schedules . . . . .	88
<b>Short Form 540NR</b> , California Nonresident or Part-Year Resident Income Tax Return . . . . .	23	Paying Your Taxes . . . . .	89
<b>Instructions for Long Form 540NR</b> . . . . .	29	How To Get California Tax Information . . . . .	90
<b>Long Form 540NR</b> , California Nonresident or Part-Year Resident Income Tax Return . . . . .	41	Privacy Notice . . . . .	90
		Automated Phone Service . . . . .	91

## Important Dates

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

April 15, 2019*	Last day to file and pay the 2018 amount you owe to avoid penalties and interest.* See form FTB 3519 for more information. * If you are living or traveling outside the United States on April 15, 2019, the dates for filing your tax return and paying your tax are different. See form FTB 3519 for more information.
October 15, 2019	Last day to file or e-file your 2018 tax return to avoid a late filing penalty and interest computed from the original due date of April 15, 2019.
April 15, 2019 June 17, 2019 September 16, 2019 January 15, 2020	The dates for 2019 estimated tax payments. Generally, you do not have to make estimated tax payments if your California withholding in each payment period totals 90% of your required annual payment. Also, you do not have to make estimated tax payments if you will pay enough through withholding to keep the amount you owe with your tax return under \$500 (\$250 if married/registered domestic partner (RDP) filing separately). However, if you do not pay enough tax either through withholding or by making estimated tax payments, you may have an underpayment of estimated tax penalty. For more information call 800.338.0505, select personal income tax, then select frequently asked questions, and enter code <b>208</b> .

## \$\$\$ for You

### Earned Income Tax Credit

- **Federal Earned Income Tax Credit (EIC)** – EIC reduces your federal tax obligation, or allows a refund if no federal tax is due. You may qualify if you earned less than \$49,194 (\$54,884 if married filing jointly) and have qualifying children or you have no qualifying children and you earned less than \$15,270 (\$20,950 if married filing jointly). Call the Internal Revenue Service (IRS) at 800.829.4477 and when instructed enter topic **601**, see the federal income tax booklet; or go to the IRS website at [irs.gov](http://irs.gov) and search for **eitc assistant**.
- **California Earned Income Tax Credit (EITC)** – EITC reduces your California tax obligation, or allows a refund if no California tax is due. You may qualify if you have wage income earned in California and/or net earnings from self-employment of less than \$24,951. You do not need a child to qualify. For more information go to [ftb.ca.gov](http://ftb.ca.gov) and search for **EITC** or get form FTB 3514, California Earned Income Tax Credit.

**Refund of Excess State Disability Insurance (SDI)** – If you worked for at least two employers during 2018 who together paid you more than \$114,967 in wages, you may qualify for a refund of excess SDI. See the instructions on page 35.

### Common Errors and How to Prevent Them

Help us process your tax return quickly and accurately. When we find an error, it requires us to stop to verify the information on the tax return, which slows processing. The most common errors consist of:

- Claiming the wrong amount of estimated tax payments.
- Claiming the wrong amount of standard deduction or itemized deductions.
- Claiming a dependent already claimed on another return.
- The amount of refund or payments made on an original return does not match our records when amending your tax return.
- Claiming the wrong amount of withholding by incorrectly totaling or transferring the amounts from your W-2.
- Claiming the wrong amount of real estate withholding.

- Claiming the wrong amount of SDI.
- Claiming the wrong amount of exemption credits.

To avoid errors and to help process your tax return faster, use these helpful hints when preparing your tax return.

#### Claiming estimated tax payments:

- Verify the amount of estimated tax payments claimed on your tax return matches what you sent to the Franchise Tax Board (FTB) for that year. Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB to view your total estimated tax payments before you file your tax return.
- Verify the overpayment amount from your 2017 tax return you requested to be applied to your 2018 estimated tax.

#### Claiming state disability insurance:

- Verify the amount of SDI used to figure the amount of excess SDI claimed on Form 540NR, line 84, matches amounts from your W-2's.

#### Claiming standard deduction or itemized deductions:

- See Form 540NR, line 18 instructions and worksheets for the amount of standard deduction or itemized deductions you can claim.

#### Claiming withholding amounts:

- Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB to verify withheld amount or see instructions for line 71 of Form 540 or line 81 of Form 540NR. Confirm only California income tax withheld is claimed.
- Verify real estate or other withholding amount from Form 592-B, Resident and Nonresident Withholding Tax Statement, and Form 593, Real Estate Withholding Tax Statement. See instructions for line 73 of Form 540 or line 83 for Form 540NR.

#### Claiming refund or payments made on an original return when amending your tax return:

- Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB to check tax return records for refund or payments made.
- Verify the amount from your original return line 115 of Form 540 or line 125 of Form 540NR and include any adjustment by FTB.

# Do I Have to File?

## Steps to Determine Filing Requirement

If you are a nonresident of California and received income in 2018 with sources in California, go to Step 1. For more details see page 6.

**Step 1:** Is your gross income (gross income is computed under California law and consists of all income you received from all sources in the form of money, goods, property, and services, that is not exempt from tax) more than the amount shown in the California Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, go to Step 2.

**Step 2:** Is your adjusted gross income (adjusted gross income is computed under California law and consists of your federal adjusted gross income from all sources, reduced or increased by all California income adjustments) more

than the amount shown in the California Adjusted Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, go to Step 3.

**Step 3:** If your income is less than the amounts on the chart you may still have a filing requirement. See "Requirements for Children with Investment Income" and "Other Situations When You Must File." Do those instructions apply to you? If yes, you have a filing requirement. If no, go to step 4.

**Step 4:** Are you married/RDP filing separately with separate property income? If no, you do not have a filing requirement. If yes, prepare a tax return. If you owe tax, you have a filing requirement.

Active duty military personnel, get FTB Pub. 1032, Tax Information for Military Personnel.

On 12/31/18, my filing status was:	and on 12/31/18, my age was: (If your 65th birthday is on January 1, 2019, you are considered to be age 65 on December 31, 2018)	California Gross Income			California Adjusted Gross Income		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of household	Under 65	17,693	29,926	39,101	14,154	26,387	35,562
	65 or older	23,593	32,768	40,108	20,054	29,229	36,569
Married/RDP filing jointly Married/RDP filing separately (The income of both spouses/RDPs must be combined; both spouses/RDPs may be required to file a tax return even if only one spouse/RDP had income over the amounts listed.)	Under 65 (both spouses/RDPs)	35,388	47,621	56,796	28,312	40,545	49,720
	65 or older (one spouse/RDP)	41,288	50,463	57,803	34,212	43,387	50,727
Qualifying widow(er)	Under 65		29,926	39,101		26,387	35,562
	65 or older		32,768	40,108		29,229	36,569
Dependent of another person Any filing status	Any age	More than your standard deduction (Use the California Standard Deduction Worksheet for Dependents on page 31 to figure your standard deduction.)					

## Requirements for Children with Investment Income

California law conforms to federal law which allows parents' election to report a child's interest and dividend income from children under age 19 or a student under age 24 on the parent's tax return. For each child under age 19 and student under age 24 who received more than \$2,100 of investment income in 2018, complete Long Form 540NR and form FTB 3800, Tax Computation for Certain Children with Unearned Income, to figure the tax on a separate Long Form 540NR for your child.

If you qualify, you may elect to report your child's income of \$10,500 or less (but not less than \$1,050) on your return by completing form FTB 3803, Parents' Election to Report Child's Interest and Dividends. To make this election, your child's income must be **only** from interest and/or dividends. See "Order Forms and Publications" or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

## Other Situations When You Must File

If you have a tax liability for 2018 or owe any of the following taxes for 2018, you must file Long Form 540NR.

- Tax on a lump-sum distribution.
- Tax on a qualified retirement plan including an Individual Retirement Arrangement (IRA) or an Archer Medical Savings Account.
- Tax for children under age 19 or a student under age 24 who have investment income greater than \$2,100 (see paragraph above).
- Alternative minimum tax.
- Recapture taxes.
- Deferred tax on certain installment obligations.
- Tax on an accumulation distribution from a trust.

## Filing Status

Use the same filing status for California that you used for your federal income tax return, unless you are an RDP. If you are an RDP and file single for federal, you must file married/RDP filing jointly or married/RDP filing separately for California. If you are an RDP and file head of household for federal, you may file head of household for California only if you meet the requirements to be considered not in a domestic partnership.

**Exception:** If you file a joint tax return for federal, you may file separately for California if either spouse was:

- An active member of the United States armed forces or any auxiliary military branch during 2018.
- A nonresident for the entire year and had no income from California sources during 2018.

**Community Property States:** If the spouse earning the California source income is domiciled in a community property state, community income will be split equally between the spouses. Both spouses will have California source income and they will not qualify for the nonresident spouse exception.

If you had no federal filing requirement, use the same filing status for California you would have used to file a federal income tax return.

### Single

You are single if **any** of the following is true on December 31, 2018:

- You were never married or an RDP.
- You were divorced under a final decree of divorce, legally separated under a final decree of legal separation, or terminated your registered domestic partnership.
- You were widowed before January 1, 2018, and did not remarry or enter into another registered domestic partnership in 2018.

### Married/RDP Filing Jointly

You may file married/RDP filing jointly if **any** of the following is true:

- You were married or an RDP as of December 31, 2018, even if you did not live with your spouse/RDP at the end of 2018.
- Your spouse/RDP died in 2018 and you did not remarry or enter another registered domestic partnership in 2018.
- Your spouse/RDP died in 2019 before you filed a 2018 tax return.

### Married/RDP Filing Separately

Community property rules apply to the division of income if you use the married/RDP filing separately status. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, FTB Pub. 737, Tax Information for Registered Domestic Partners, or FTB Pub. 1032, Tax Information for Military Personnel. See "Order Forms and Publications" or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

- You cannot claim a personal exemption credit for your spouse/RDP even if your spouse/RDP had no income, is not filing a tax return, and is not claimed as a dependent on another person's tax return.
- You may be able to file as head of household if you had a child living with you and you lived apart from your spouse/RDP during the entire last six months of 2018.

### Head of Household

For the specific requirements that must be met to qualify for head of household (HOH) filing status, get FTB Pub. 1540, California Head of Household Filing Status. In general, head of household filing status is for unmarried individuals and certain married individuals or RDPs living apart who provide a home for a specified relative. You may be entitled to use head of household filing status if all of the following apply:

- You were unmarried and not in a registered domestic partnership, or you met the requirements to be considered unmarried or considered not in a registered domestic partnership on December 31, 2018.
- You paid more than one-half the cost of keeping up your home for the year in 2018.
- For more than half the year, your home was the main home for you and one of the specified relatives who by law can qualify you for head of household filing status.
- You were not a nonresident alien at any time during the year.

For a child to qualify as your foster child for head of household purposes, the child must either be placed with you by an authorized placement agency or by order of a court.

California requires taxpayers who use head of household filing status to file form FTB 3532, Head of Household Filing Status Schedule to report how the HOH filing status was determined.

Beginning in tax year 2018, if you do not attach a completed form FTB 3532 to your tax return, we will deny your Head of Household filing status. For more information about the Head of Household filing requirements, go to [ftb.ca.gov/HOH](http://ftb.ca.gov/HOH).

#### Qualifying Widow(er)

Check the box on Long or Short Form 540NR, line 5 and use the joint tax return tax rates for 2018 if **all five** of the following apply:

- Your spouse/RDP died in 2016 or 2017 and you did not remarry or enter into another registered domestic partnership in 2018.

- You have a child, stepchild, or adopted child (not a foster child) whom you can claim as a dependent or could claim as a dependent except that, for 2018:
  - The child had gross income of \$4,150 or more;
  - The child filed a joint return, or
  - You could be claimed as a dependent on someone else's return.If the child isn't claimed as your dependent, enter the child's name in the entry space under the "Qualifying widow(er)" filing status.
- This child lived in your home for all of 2018. Temporary absences, such as for vacation or school, count as time lived in the home.
- You paid over half the cost of keeping up your home for this child.
- You could have filed a joint tax return with your spouse/RDP the year he or she died, even if you actually did not do so.

## What's New and Other Important Information for 2018

### Differences between California and Federal Law

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540NR), and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

### 2018 Tax Law Changes/What's New

**Voluntary Contributions** – You may contribute to the following new funds:

- Organ and Tissue Donor Registry Voluntary Tax Contribution Fund
- National Alliance on Mental Illness California Voluntary Tax Contribution Fund
- Schools Not Prisons Voluntary Tax Contribution Fund

**Federal Tax Reform** - For taxable years beginning on or after January 1, 2018, the Tax Cuts and Jobs Act (TCJA) made changes to the IRC. In general, California R&TC **does not** conform to the changes. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015, with modifications. For specific adjustments due to the TCJA, see the Schedule CA (540NR) instructions. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **2017 Summary of Federal Income Tax Changes**.

**California Earned Income Tax Credit (EITC)** - For taxable years beginning on or after January 1, 2018, the age limit for an eligible individual without a qualifying child is revised to 18 years or older. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **EITC** or get form FTB 3514, California Earned Income Tax Credit.

**New Employment Credit** - The sunset date for the New Employment Credit is extended until taxable years beginning before January 1, 2026. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **nec** or get form FTB 3554, New Employment Credit.

**California Competes Tax Credit** - The sunset date for the California Competes Tax Credit is extended until taxable years beginning before January 1, 2030. For more information, go to the GO-Biz website at [business.ca.gov](http://business.ca.gov) or [ftb.ca.gov](http://ftb.ca.gov) and search for **ca competes** or get form FTB 3531, California Competes Tax Credit.

**Native American Earned Income Exemption** - For taxable years beginning on or after January 1, 2018, federally recognized tribal members living in California Indian country who earn income from any federally recognized California Indian country are exempt from California taxation. This exemption applies only to earned income. Enrolled tribal members who receive per capita income must reside in their affiliated tribe's Indian country to qualify for tax exempt status. Additional information can be found in the instructions for the Schedule CA (540NR) and form FTB 3504, Enrolled Tribal Member Certification.

**Like-Kind Exchanges** – For taxable years beginning on or after January 1, 2018, the TCJA amended IRC Section 1031 limiting its application to real property that is not primarily held for sale. Additionally, under the TCJA, exchanges of personal property and intangible property do not qualify for nonrecognition of gain or loss as like-kind exchanges. California does not conform to the amendments under the TCJA. Get Schedule D-1, Sales of Business Property.

### Other Important Information

**Wrongful Incarceration Exclusion** – California law conforms to federal law excluding from gross income certain amounts received by wrongfully incarcerated individuals for taxable years beginning before, on, or after January 1, 2018. If you included income for wrongful incarceration in a prior taxable year, you can file an amended California personal income tax return for that year. If the normal statute of limitations has expired, you must file a claim by January 1, 2019.

**College Access Tax Credit** – For taxable years beginning on and after January 1, 2017, and before January 1, 2023, the College Access Tax Credit (CATC) is available to entities awarded the credit from the California Educational Facilities Authority (CEFA). The credit is 50% of the amount contributed by the taxpayer for the taxable year to the College Access Tax Credit Fund. The amount of the credit is allocated and certified by the CEFA. For more information go to the CEFA website at [treasurer.ca.gov](http://treasurer.ca.gov) and search for **catc**.

**Schedule X, California Explanation of Amended Return Changes** – For taxable years beginning on or after January 1, 2017, use Schedule X to determine any additional amount you owe or refund due to you, and to provide reason(s) for amending your previously filed income tax return. For additional information, see "Instructions for Filing a 2018 Amended Return" on page 19.

**Improper Withholding on Severance Paid to Veterans** – The Combat-Injured Veterans Tax Fairness Act of 2016 gives veterans who retired from the Armed Forces for medical reasons additional time to claim a refund if they had taxes improperly withheld from their severance pay. If you filed an amended return with the IRS on this issue, you have two years to file your amended California return.

**New Donated Fresh Fruits or Vegetables Credit** – For taxable years beginning on or after January 1, 2017 and before January 1, 2022, qualified taxpayers may claim the New Donated Fresh Fruits or Vegetables Credit. This tax credit is for donations of fresh fruits or vegetables made to California food banks. The amount of the tax credit is 15% of the qualified value of the donated item, based on weighted average wholesale price. The credit may be claimed only on a timely filed original return. However, any credit not used in the taxable year may be carried forward up to seven years. For more information, get form FTB 3814, New Donated Fresh Fruits or Vegetables Credit.

**Low-Income Housing Credit** – Allocations to Partners - For partnerships owning projects that receive a preliminary reservation of the Low-Income Housing Credit (LIHC) before January 1, 2020, the prior law exception that requires a partnership to allocate the credit among partners based upon the partnership agreement is re-enacted.

**Sale of Credit** – For projects that receive a preliminary reservation of the LIHC beginning on or after January 1, 2016, and before January 1, 2020, a taxpayer may make an irrevocable election in its application to the California Tax Credit Allocation Committee to sell all or any portion of the LIHC allowed to one or more unrelated parties for each taxable year in which the credit is allowed. An original purchaser is allowed a one-time resale of that credit to one or more unrelated parties. For more information, get form FTB 3521, Low-Income Housing Credit, or go to the California Tax Credit Allocation Committee website at [treasurer.ca.gov/ctcac](http://treasurer.ca.gov/ctcac).

**California Achieving a Better Life Experience (ABLE) Program** – For taxable years beginning on or after January 1, 2016, the California Qualified ABLE Program was established and California generally conforms to the federal income tax treatment of ABLE accounts. This program was established to help blind or disabled U.S. residents save money in a tax-favored ABLE account to maintain health, independence, and quality of life. Additional information can be found in the instructions of form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.



**New California Motion Picture and Television Production Credit** – For taxable years beginning on or after January 1, 2016, a new California motion picture and television production credit will be allowed to a qualified taxpayer. The credit is allocated and certified by the California Film Commission (CFC). The qualified taxpayer can:

- Offset the credit against income tax liability.
- Sell the credit to an unrelated party (independent films only).
- Assign the credit to an affiliated corporation.
- Apply the credit against qualified sales and use taxes.

For more information, get form FTB 3541, California Motion Picture and Television Production Credit, form FTB 3551, Sale of Credit Attributable to an Independent Film, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **motion picture**, or go to the CFC website at [film.ca.gov](http://film.ca.gov) and search for **incentives**.

**Electronic Funds Withdrawal (EFW)** – Make extension or estimated tax payments using tax preparation software. Check with your software provider to determine if they support EFW for extension or estimated tax payments.

**Payments and Credits Applied to Use Tax** – For taxable years beginning on or after January 1, 2015, if a taxpayer includes use tax on their personal income tax return, payments and credits will be applied to use tax first, then towards income tax, interest, and penalties. Additional information can be found in the instructions for California Form 540.

**Dependent Social Security Number (SSN)** – For taxable years beginning on or after January 1, 2015, taxpayers claiming an exemption credit must write each dependent's SSN in the spaces provided within line 10 for the California Form 540 and California Form 540NR (Long and Short).

**Financial Incentive for Seismic Improvement** – For taxable years beginning on or after January 1, 2015, taxpayers can exclude from gross income any amount received as loan forgiveness, grant, credit, rebate, voucher, or other financial incentive issued by the California Residential Mitigation Program or the California Earthquake Authority to assist a residential property owner or occupant with expenses paid, or obligations incurred, for earthquake loss mitigation. Additional information can be found in the instructions for California Schedule CA (540 and 540NR).

**Natural Heritage Preservation Credit** – For qualified contributions made on or after January 1, 2015, the credit carryover period has been extended to 15 years or until exhausted, whichever occurs first. Any unused credits remaining before January 1, 2015, will remain subject to an eight-year carryover provision. In addition, the period for when a qualified contribution is made, for which a tax credit will be allowed, has been extended to June 30, 2020.

**Disaster Losses** – For taxable years beginning on or after January 1, 2014, and before January 1, 2024, taxpayers may deduct a disaster loss for any loss sustained in any city, county, or city and county in California that is proclaimed by the Governor to be in a state of emergency. For these Governor-only declared disasters, subsequent state legislation is not required to activate the disaster loss provisions. Additional information can be found in the instructions for California form FTB 3805V, Net Operating Loss (NOL) Computation and NOL Disaster Loss Limitations – Individuals, Estates, and Trusts.

**Head of Household** – For taxable years beginning on or after January 1, 2015, California requires taxpayers who use head of household (HOH) filing status to file form FTB 3532, Head of Household Filing Status Schedule, to report how the HOH filing status was determined.

**Financial Incentive for Turf Removal** – For taxable years beginning on or after January 1, 2014, and before January 1, 2019, taxpayers can exclude from gross income any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program. Additional information can be found in the instructions for California Schedule CA (540NR).

**New Employment Credit** – For taxable years beginning on or after January 1, 2014, and before January 1, 2021, the New Employment Credit (NEC) is available to a qualified taxpayer that hires a qualified full-time employee on or after January 1, 2014, and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area, and receives a **tentative credit reservation** for that qualified full-time employee. In addition, an **annual certification of employment** is required with respect to each qualified full-time employee hired in a previous taxable year. In order to be allowed a credit, the qualified taxpayer must have a net increase in the total number of full-time employees in California. Any credits not used in the taxable year may be carried forward up to five years. If a qualified employee is terminated within the first 36 months after beginning employment, the employer may be required to recapture previously taken credits. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **nec** or get form FTB 3554, New Employment Credit.

### **Repeal of Geographically Targeted Economic Development Area Tax Incentives**

The California legislature repealed and made changes to all of the Geographically Targeted Economic Development Area (G-TEDA) Tax Incentives. Enterprise Zones (EZ) and Local Agency Military Base Recovery Areas (LAMBRA) were repealed on January 1, 2014. The Targeted Tax Areas (TTA) and Manufacturing Enhancement Areas (MEA) both expired on December 31, 2012. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **repeal tax incentives**.

**California Competes Tax Credit** – For taxable years beginning on and after January 1, 2014, and before January 1, 2030, the California Competes Tax Credit is available to businesses that want to come to California or stay and grow in California. Tax credit agreements will be negotiated by the Governor's Office of Business and Economic Development (GO-Biz) and approved by the California Competes Tax Credit Committee. The California Competes Tax Credit only applies to state income or franchise tax. Taxpayers who are awarded a contract by the committee will claim the credit on their income or franchise tax returns using credit code 233. The credit can reduce tax below the tentative minimum tax. Any credits not used in the taxable year may be carried forward up to six years. For more information, go to the GO-Biz website at [business.ca.gov](http://business.ca.gov) or [ftb.ca.gov](http://ftb.ca.gov) and search for **ca competes** or get form FTB 3531, California Competes Tax Credit.

**Like-Kind Exchanges** – For taxable years beginning on or after January 1, 2014, California requires taxpayers who exchange property located in California for like-kind property located outside of California under IRC Section 1031, to file an annual information return with the FTB. For more information, get form FTB 3840, California Like-Kind Exchanges, or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **like kind**.

**Cancellation of Debt Income (CODI)** – For taxable years beginning on or after January 1, 2014, and before January 1, 2019, California did not conform to the federal recognition of business debt reacquisition CODI under IRC Section 108(i). If you recognized the CODI for federal tax purposes, then you must deduct the federal CODI amount. See Schedule CA (540), Part I, line 12 or Schedule CA (540NR), Part II, line 12 instructions for more information.

**Net Operating Loss (NOL) Carryback** – NOLs incurred in taxable years beginning on or after January 1, 2013, shall be carried back to each of the preceding two taxable years.

For an NOL incurred in a taxable year beginning on or after January 1, 2015, the carryback amount shall be 100% of the NOL.

To make the election, check the box in Part I under Section C – Election to Waive Carryback, of form FTB 3805V, and attach form FTB 3805V to the tax return. For more information, get form FTB 3805V.

Individuals, Estates, and Trusts compute the NOL carryback in Part IV of form FTB 3805V. For more information, get form FTB 3805V.

**Election to Waive Carryback** – Any taxpayer entitled to a carryback period pursuant to IRC Section 172(b)(3) may elect to relinquish/waive the entire carryback period with respect to an NOL incurred in the 2018 taxable year. By making the election, the taxpayer is electing to carry an NOL forward instead of carrying it back in the previous two years.

To make the election, check the box in Part I under Section C, Election to Waive Carryback, of form FTB 3805V, and attach form FTB 3805V to the tax return. For more information, get form FTB 3805V.

**Mandatory Electronic Payments** – You are required to remit all your payments electronically once you make an estimate or extension payment exceeding \$20,000 or you file an original tax return with a total tax liability over \$80,000. Once you meet this threshold, all subsequent payments regardless of amount, tax type, or taxable year must be remitted electronically. The first payment that would trigger the mandatory e-pay requirement does not have to be made electronically. Individuals who do not send the payment electronically may be subject to a 1% noncompliance penalty.

You can request a waiver from mandatory e-pay if one or more of the following is true:

- You have not made an estimated tax or extension payment in excess of \$20,000 during the current or previous taxable year.
- Your total tax liability reported for the previous taxable year did not exceed \$80,000.
- The amount you paid is not representative of your total tax liability.

For more information or to obtain the waiver form, go to [ftb.ca.gov/e-pay](http://ftb.ca.gov/e-pay). Electronic payments can be made using Web Pay on FTB's website, EFW as part of the e-file tax return, or your credit card.

**Estimated Tax Payments** – Taxpayers are required to pay 30% of the required annual payment for the 1st required installment, 40% of the required annual payment for the 2nd required installment, no installment is due for the 3rd required installment, and 30% of the required annual payment for the 4th required installment.

Taxpayers with a tax liability less than \$500 (\$250 for married/RDP filing separately) do not need to make estimated tax payments.

**Backup Withholding** – With certain limited exceptions, payers that are required to withhold and remit backup withholding to the IRS are also required to withhold and remit to the FTB on income sourced to California. If the payee has backup withholding, the payee must contact the FTB to provide a valid taxpayer identification number, before filing the tax return. Failure to provide a valid taxpayer identification number may result in a denial of the backup withholding credit. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **backup withholding**.

**Registered Domestic Partners (RDP)** – Under California law, RDPs must file their California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status. RDPs have the same legal benefits, protections, and responsibilities as married couples unless otherwise specified.

If you entered into a same sex legal union in another state, other than a marriage, and that union has been determined to be substantially equivalent to a California registered domestic partnership, you are required to file a California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status.

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

**Direct Deposit Refund** – You can request a direct deposit refund on your tax return whether you e-file or file a paper tax return. Please be sure to fill in the routing and account numbers carefully and double-check the numbers for accuracy to avoid it being rejected by your bank.

**Direct Deposit for ScholarShare 529 College Savings Plans** – If you have a ScholarShare 529 College Savings Plan account maintained by the ScholarShare

Investment Board, you may have your refund directly deposited to your ScholarShare account.

**Group Nonresident Returns (also known as Composite Returns)** – For taxable years beginning on or after January 1, 2009:

- Group nonresident returns may include less than two nonresident individuals.
- Nonresident individuals with more than \$1,000,000 of California taxable income are eligible to be included in group nonresident returns. An additional 1% tax will be assessed on their entire California taxable income if they elect to be part of the group return.

See FTB Pub. 1067, Guidelines for Filing a Group Form 540NR, for more information.

**California Disclosure Obligations** – If the individual was involved in a reportable transaction, including a listed transaction, the individual may have a disclosure requirement. Attach federal Form 8886, Reportable Transaction Disclosure Statement, to the back of the California tax return along with any other supporting schedules. If this is the first time the reportable transaction is disclosed on the tax return, send a duplicate copy of the federal Form 8886 to the address below. The FTB may impose penalties if the individual fails to file federal Form 8886 or fails to provide any other required information. A material advisor is required to provide a reportable transaction number to all taxpayers and material advisors for whom the material advisor acts as a material advisor.

TAX SHELTER FILING  
ATSU 398 MS F385  
FRANCHISE TAX BOARD  
PO BOX 1673  
SACRAMENTO CA 95812-9900

For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **tax shelters**.

## How Nonresidents and Part-Year Residents Are Taxed

### General Information

Nonresidents of California who received California sourced income in 2018, or moved into or out of California in 2018, file either the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. California taxes all income received while you resided in California and the income you received from California sources while a nonresident. See “Which Form Should I Use?” to determine which form to use (Long or Short Form 540NR).

If you file the Long Form 540NR, use Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, column A through column D to compute your total adjusted gross income as if you were a resident of California for the entire year. Use column E to compute all items of total adjusted gross income you received while a resident of California and those you received from California sources while a nonresident. You determine your California tax by multiplying your California taxable income by an effective tax rate. The effective tax rate is the tax on total taxable income, taken from the tax table, divided by total taxable income. You may also qualify for California tax credits, which reduces the amount of California tax you owe.

If you file the Short Form 540NR, use line 13, line 14, and line 17 to compute your total adjusted gross income as if you were a resident of California for the entire year. Use line 32 to compute all items of total adjusted gross income you received while a resident of California and those you received from California sources while a nonresident.

If you were a resident of California for all of 2018 get a California Resident Personal Income Tax Booklet and file Form 540, California Resident Income Tax Return; or Form 540 2EZ, California Resident Income Tax Return.

For more information on the taxation of nonresidents and part-year residents, get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency. Go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or see “Where To Get Income Tax Forms and Publications.”

### Pension Income of Retirees Who Move to Another State

#### Nonresidents of California Receiving a California Pension

California does not impose tax on retirement income attributable to services performed in California received by a nonresident after December 31, 1995.

#### California Residents Receiving an Out-of-State Pension

In general California residents are taxed on all income, including income from sources outside California. Therefore, a pension attributable to services performed outside California but received after you become a California resident is taxable.

For more information about pensions, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) and get FTB Pub. 1005, Pension and Annuity Guidelines.

### Temporary and Transitory Absences from California

If you are domiciled in California and you worked outside of California for an uninterrupted period of at least 546 consecutive days under an employment contract, you are considered a nonresident. This provision also applies to the spouse/RDP who accompanies the employed individual during those 546 consecutive days. However, you will not qualify under this provision if you are present in California for a total of more than 45 days during any taxable year covered by the contract, or if you have income from stocks, bonds, notes, or other intangible property in excess of \$200,000 for any taxable year covered by the contract. For more information, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) and get FTB Pub. 1031.

### Group Nonresident Return

Nonresident partners, nonresident members, and nonresident shareholders of a partnership, limited liability company, or S corporation that does business in California or has income from California sources may elect to file a group nonresident return on the Long Form 540NR. For more information, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) and get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR. This publication includes form FTB 1067A, Nonresident Group Return Schedule, which must be attached to the group Long Form 540NR.

### Military Servicemembers

Active duty military servicemembers go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) and FTB Pub. 1032, Tax Information for Military Personnel.

Servicemembers domiciled outside of California, and their spouses/RDPs, exclude the member's military compensation from gross income when computing the tax rate on nonmilitary income. Requirements for military servicemembers domiciled in California remain unchanged. Military servicemembers domiciled in California must include their military pay in total income. In addition, they must include their military pay in California source income when stationed in California. However, military pay is not California source income when a servicemember is permanently stationed outside of California. Beginning 2009, the federal Military Spouses Residency Relief Act may affect the California income tax filing requirements for spouses of military personnel.

# Which Form Should I Use?

**Were you and your spouse/RDP California residents during the entire year 2018?**

**No.** Check the chart below to see which form to use.

**Yes.** Use Forms 540, or 540 2EZ. To download or order the Form 540 Personal Income Tax Booklet or the Form 540 2EZ Personal Income Tax Booklet, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or see, "Where to Get Income Tax Forms and Publications."

	<b>Short Form 540NR</b>	<b>Long Form 540NR</b>
<b>Filing Status</b>	Single, married/RDP filing jointly, head of household, qualifying widow(er)	Any filing status
<b>Dependents</b>	0-5 allowed	All dependents you are entitled to claim
<b>Amount of Income</b>	Total income of \$100,000 or less	Any amount of income
<b>Sources of Income</b>	Only income from: <ul style="list-style-type: none"> <li>• Wages, salaries, tips</li> <li>• Taxable interest</li> <li>• Unemployment compensation</li> <li>• Paid Family Leave Insurance</li> </ul> California <b>does not</b> tax unemployment compensation	All sources of income
<b>California Adjustments to Income</b>	<ul style="list-style-type: none"> <li>• Unemployment compensation</li> <li>• Military pay adjustment (R&amp;TC Section 17140.5)</li> <li>• Paid Family Leave Insurance</li> </ul>	All adjustments to income
<b>Standard Deduction</b>	Allowed	Allowed
<b>Itemized Deductions</b>	No itemized deductions	All itemized deductions
<b>Payments</b>	Only withholding on Form(s) W-2 and 1099's showing California tax withheld	<ul style="list-style-type: none"> <li>• Withholding from all sources</li> <li>• Estimated tax payments</li> <li>• Payments made with extension</li> <li>• Excess state disability insurance (SDI) or voluntary plan disability insurance (VPDI)</li> </ul>
<b>Tax Credits</b>	<ul style="list-style-type: none"> <li>• California earned income tax credit</li> <li>• Personal exemption credits</li> <li>• Blind exemption credit</li> <li>• Up to 5 dependent exemption credits</li> <li>• Nonrefundable renter's credit</li> </ul>	All tax credits
<b>Other Taxes</b>	Taxes computed using only the tax table	All taxes

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as of 11/27/18  
Visit our website:  
[ftb.ca.gov](http://ftb.ca.gov)



# Nonrefundable Renter's Credit Qualification Record



e-file and skip this page! The tax software product you use to e-file will help you find out if you qualify for this credit and will figure the correct amount of the credit automatically. Go to [ftb.ca.gov](http://ftb.ca.gov) to check your e-file options.

If you were a resident of California for at least six months in 2018 and paid rent on property in California, which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions below to see if you qualify. For purposes of California income tax, references to a spouse, husband, or wife also refer to a California registered domestic partner (RDP), unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic "partner" and a California registered domestic "partnership," as applicable. For more information on RDPs, get FTB Pub. 737. **Do not mail this record. Keep with your tax records.**

**1. Were you a resident of California for at least six full months of the tax year in 2018?**  
 Military personnel. If you are not a legal resident of California, you do not qualify for this credit. Your spouse/RDP may claim up to a maximum of \$60 if he or she was a resident during 2018, and is otherwise qualified.  
**YES.** Go to question 2. **NO.** Stop. You do not qualify for this credit.

**2. Is your adjusted gross income from all sources on your Long or Short 540NR, line 17:**  
 • \$41,641 or less if single or married/RDP filing separately  
 • \$83,282 or less if married/RDP filing jointly, head of household, or qualifying widow(er)?  
**YES.** Go to question 3. **NO.** Stop here. You do not qualify for this credit.

**3. Did you pay rent, for at least half of 2018, on property (including a mobile home that you owned on rented land) in California, which was your principal residence?**  
**YES.** Go to question 4. **NO.** Stop here. You do not qualify for this credit.

**4. Can you be claimed as a dependent by a parent, foster parent, legal guardian, or any other person in 2018?**  
**NO.** Go to question 6. **YES.** Go to question 5.

**5. For more than half the year in 2018, did you live in the home of the person who can claim you as a dependent?**  
**NO.** Go to question 6. **YES.** Stop here. You do not qualify for this credit.

**6. Was the property you rented exempt from property tax in 2018?**  
 You do not qualify for this credit if, for more than half of the year, you rented property that was exempt from property taxes. Exempt property includes most government-owned buildings, church-owned parsonages, college dormitories, and military barracks. However, if you or your landlord paid possessory interest taxes for the property you rented, then you may claim this credit.  
**NO.** Go to question 7. **YES.** Stop here. You do not qualify for this credit.

**7. Did you claim the homeowner's property tax exemption anytime during 2018?**  
 You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.  
**NO.** Go to question 8. **YES.** If your filing status is single or married/RDP filing separately, stop here, you do not qualify for this credit. If your filing status is married/RDP filing jointly, go to question 9.

**8. Were you single in 2018?**  
**YES.** Go to question 11. **NO.** Go to question 9.

**9. Did your spouse/RDP claim the homeowner's property tax exemption anytime during 2018?**  
 You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.  
**NO.** Go to question 11. **YES.** If both you and your spouse/RDP claimed the homeowner's property tax exemption, stop here, you do not qualify for this credit. Otherwise, go to question 10.

**10. Did you and your spouse/RDP maintain separate residences for the entire year in 2018?**  
**YES.** Go to question 11. **NO.** Stop here. You do not qualify for this credit.

**11. Use the following chart to find the amount of your credit based on the number of full months you were a resident of and rented property in California in 2018.** Enter the amount on the line below. If married/RDP filing jointly where one spouse/RDP claimed the homeowner's property tax exemption and both spouses/RDPs lived apart for the entire year, enter half of the amount listed on the chart for married/RDP filing jointly on the line below. Follow the instructions next to the chart.

Filing status	Number of months						
	6	7	8	9	10	11	12
Single or married/RDP filing separately	\$30	\$35	\$40	\$45	\$50	\$55	\$60
Married/RDP filing jointly, head of household or qualifying widow(er)	\$60	\$70	\$80	\$90	\$100	\$110	File Form 540

\$ \_\_\_\_\_

**If this credit is the only special credit you are claiming,** enter the amount on your Long or Short Form 540NR, line 61.  
**If you are a Long Form 540NR filer and are claiming additional special credits in addition to this credit,** go to the instructions on page 32 for Long Form 540NR.

**Street Address** \_\_\_\_\_ **City, State, and ZIP Code** \_\_\_\_\_ **Dates Rented in 2018 (From \_\_\_\_\_ to \_\_\_\_\_)**

**a** \_\_\_\_\_  
**b** \_\_\_\_\_

Enter the name, address, and telephone number of your landlord(s) or the person(s) to whom you paid rent for the residence(s) listed above.

**Name** \_\_\_\_\_ **Street Address** \_\_\_\_\_ **City, State, ZIP Code, and Telephone Number** \_\_\_\_\_

**a** \_\_\_\_\_  
**b** \_\_\_\_\_

# Voluntary Contribution Fund Descriptions

Make voluntary contributions of \$1 or more in whole dollar amounts to the funds listed below. To contribute to the California Seniors Special Fund, use the instructions for code 400 below. The amount you contribute either reduces your overpaid tax or increases your tax due. You may contribute only to the funds listed and cannot change the amount you contribute after you file your tax return. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **voluntary contributions**.

**Code 400, California Seniors Special Fund** – If you and/or your spouse/RDP are 65 years of age or older as of January 1, 2019, and claim the Senior Exemption Credit, you may make a combined total contribution of up to \$236 or \$118 per spouse/RDP. Contributions made to this fund will be distributed to the Area Agency on Aging Councils (TACC) to provide advice on and sponsorship of Senior Citizens issues. Any excess contributions not required by TACC will be distributed to senior citizen service organizations throughout California for meals, adult day care, and transportation.

**Code 401, Alzheimer's Disease and Related Dementia Voluntary Tax Contribution Fund** – Contributions will be used to provide grants to California scientists to study Alzheimer's disease and related disorders. This research includes basic science, diagnosis, treatment, prevention, behavioral problems, and caregiving. With almost 600,000 Californians living with the disease and another 2 million providing care to a loved one with Alzheimer's, our state is in the early stages of a major public health crisis. Your contribution will ensure that Alzheimer's disease receives the attention, research, and resources it deserves. For more information go to [cdph.ca.gov](http://cdph.ca.gov) and search for **Alzheimer**.

**Code 403, Rare and Endangered Species Preservation Voluntary Tax Contribution Program** – Contributions will be used to help protect and conserve California's many threatened and endangered species and the wild lands that they need to survive, for the enjoyment and benefit of you and future generations of Californians.

**Code 405, California Breast Cancer Research Voluntary Tax Contribution Fund** – Contributions will fund research toward preventing and curing breast cancer. Breast cancer is the most common cancer to strike women in California. It kills 4,000 California women each year. Contributions also fund research on prevention and better treatment, and keep doctors up-to-date on research progress. For more information about the research your contributions support, go to [cbcrp.org](http://cbcrp.org). Your contribution can help make breast cancer a disease of the past.

**Code 406, California Firefighters' Memorial Fund** – Contributions will be used for the repair and maintenance of the California Firefighters' Memorial on the grounds of the State Capitol, ceremonies to honor the memory of fallen firefighters and to assist surviving loved ones, and for an informational guide detailing survivor benefits to assist the spouses/RDPs and children of fallen firefighters.

**Code 407, Emergency Food for Families Voluntary Tax Contribution Fund** – Contributions will be used to help local food banks feed California's hungry. Your contribution will fund the purchase of much-needed food for delivery to food banks, pantries, and soup kitchens throughout the state. The State Department of Social Services will monitor its distribution to ensure the food is given to those most in need.

**Code 408, California Peace Officer Memorial Foundation Fund** – Contributions will be used to preserve the memory of California's fallen peace officers and assist the families they left behind. Since statehood, over 1,300 courageous California peace officers have made the ultimate sacrifice while protecting law-abiding citizens. The non-profit charitable organization, California Peace Officers' Memorial Foundation, has accepted the privilege and responsibility of maintaining a memorial for fallen officers on the State Capitol grounds. Each May, the Memorial Foundation conducts a dignified ceremony honoring fallen officers and their surviving families by offering moral support, crisis counseling, and financial support that includes academic scholarships for the children of those officers who have made the supreme sacrifice. On behalf of all of us and the law-abiding citizens of California, thank you for your participation.

**Code 410, California Sea Otter Fund** – The California Coastal

Conservancy and the Department of Fish and Wildlife will each be allocated 50% of the contributions. Contributions allocated to the California Coastal Conservancy will be used for research, science, protection, projects, or programs related to the Federal Sea Otter Recovery Plan or improving the nearshore ocean ecosystem, including, program activities to reduce sea otter mortality. Contributions allocated to the Department of Fish and Wildlife will be used to establish a sea otter fund within the department's index coding system for increased investigation, prevention, and enforcement action.

**Code 413, California Cancer Research Voluntary Tax Contribution Fund** – Contributions will be used to conduct research relating to the causes, detection, and prevention of cancer and to expand community-based education on cancer, and to provide prevention and awareness activities for communities that are disproportionately at risk or afflicted by cancer.

**Code 422, School Supplies for Homeless Children Fund** – Contributions will be used to provide school supplies and health-related products to homeless children.

**Code 423, State Parks Protection Fund/Parks Pass Purchase** – Contributions will be used for the protection and preservation of California's state parks and for the cost of a Vehicle Day Use Annual Pass valid at most park units where day use fees are collected. The pass is not valid at off-highway vehicle units, or for camping, oversized vehicle, extra vehicle, per-person, or supplemental fees. If a taxpayer's contribution equals or exceeds \$195 the taxpayer will receive a single Vehicle Day Use Annual Pass. Amounts contributed in excess of the parks pass cost may be deducted as a charitable contribution for the year in which the voluntary contribution is made. Any contribution less than \$195 will be treated as a voluntary contribution and may be deducted as a charitable contribution. For more information go to [parks.ca.gov/annualpass/](http://parks.ca.gov/annualpass/) or email [info@parks.ca.gov](mailto:info@parks.ca.gov).

**Code 424, Protect Our Coast and Oceans Voluntary Tax Contribution Fund** – Contributions will be used to provide grants to community organizations working to protect, restore, and enhance the California coast and ocean. Contributions will support shoreline cleanups, habitat restoration, coastal access improvements, and ocean education programs.

**Code 425, Keep Arts in Schools Voluntary Tax Contribution Fund** – Contributions will be used by the Arts Council for the allocation of grants to individuals or organizations administering arts programs for children in preschool through 12th grade.

**Code 430, State Children's Trust Fund for the Prevention of Child Abuse** – Contributions will be used to support child abuse prevention programs with demonstrated success, public education efforts to change adult behaviors and educate parents, innovative research to identify best practices, and the replication of those practices to prevent child abuse and neglect.

**Code 431, Prevention of Animal Homelessness and Cruelty Fund** – Contributions will be used to provide funding to programs designed to prevent and eliminate animal homelessness and cruelty, research that explores novel approaches to preventing and eliminating pet homelessness and the prevention, investigation, and prosecution of animal cruelty and neglect.

**Code 432, Revive the Salton Sea Fund** – Contributions will be used for the restoration and maintenance of the Salton Sea and to develop a mechanism to provide ongoing public awareness.

**Code 433, California Domestic Violence Victims Fund** – Contributions

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will be used for the distribution of funds to active grant recipients under the Comprehensive Statewide Domestic Violence Program within the Office of Emergency Services.

**Code 434, Special Olympics Fund** – Contributions will be used for disbursement to the Special Olympics Northern California and the Special Olympics Southern California for the purpose of funding activities of the Special Olympics in support of children and adults with intellectual disabilities.

**Code 435, Type 1 Diabetes Research Fund** – Contributions will be used for the University of California for distribution of grants to authorized diabetes research organizations.

**Code 436, California YMCA Youth and Government Voluntary Tax Contribution Fund** – Contributions will be used to support civic education programs operated by the YMCA Youth and Government Program, the African American Leaders for Tomorrow Program, the Asian Pacific Youth Leadership Project, and the Chicano Latino Youth Leadership Project.

**Code 437, Habitat for Humanity Voluntary Tax Contribution Fund** – Contributions will be used for disbursement to the Habitat for Humanity of California, Inc. to build affordable housing in California.

**Code 438, California Senior Citizen Advocacy Voluntary Tax Contribution Fund** – Contributions will be used to conduct the sessions of the California Senior Legislature and to support its ongoing activities on behalf of older persons.

**Code 439, Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund** – Contributions will be used to support the recovery and rehabilitation of injured, sick, or orphaned native wildlife, and conservation education.

**Code 440, Rape Backlog Kit Voluntary Tax Contribution Fund** – Contributions will be used for DNA testing in the processing of rape kits.

**Code 441, Organ and Tissue Donor Registry Voluntary Tax Contribution Fund** – Contributions will be used for the distribution of funds to the Donate Life California Organ and Tissue Registrar, for its ongoing activities to maintain the Donate Life California Organ and Tissue Donor Registry.

**Code 442, National Alliance on Mental Illness California Voluntary Tax Contribution Fund** – Contributions will be used to fund the Crisis Intervention Team Program that trains peace officers to assist, and engage safely with persons living with mental illness.

**Code 443, Schools Not Prisons Voluntary Tax Contribution Fund** – Contributions will be used to fund academic and career readiness programs that seek to break the school-to-prison pipeline.

# CREDIT CHART

Credit Name	Code	Description
California Competes Tax – FTB 3531	233	The credit, which is allocated and certified by the California Competes Tax Credit Committee, is available for businesses that want to come to California or to stay and grow in California. Website: <a href="http://business.ca.gov">business.ca.gov</a>
Child Adoption Costs – Worksheet on page 34	197	50% of qualified costs in the year an adoption is ordered
Child and Dependent Care Expenses – FTB 3506 See the instructions on page 32	232	Similar to the federal credit except that the California credit amount is based on a specified percentage of the federal credit.
College Access Tax – FTB 3592	235	The credit, which is allocated and certified by the California Educational Facilities Authority, is available for taxpayers who contribute to the College Access Tax Credit Fund. Website: <a href="http://treasurer.ca.gov/cefa">treasurer.ca.gov/cefa</a>
Dependent Parent – See page 33	173	Must use married/RDP filing separately status and have a dependent parent
Disabled Access for Eligible Small Business – FTB 3548	205	Similar to the federal credit but limited to \$125 based on 50% of qualified expenditures that do not exceed \$250
Donated Agricultural Products Transportation – FTB 3547	204	50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations
Earned Income Tax – FTB 3514	None	This credit is similar to the federal Earned Income Credit (EIC) but with different income limitations.
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California.
Enterprise Zone Hiring – FTB 3805Z	176	Hiring credit for an enterprise zone
Joint Custody Head of Household – Worksheet on page 33	170	30% of tax up to \$469 for taxpayers who are single or married/RDP filing separately, who have a child and meet the support test
Local Agency Military Base Recovery Area Hiring – FTB 3807	198	Hiring credit for a local agency military base recovery area.
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Natural Heritage Preservation – FTB 3503	213	55% of the fair market value of any qualified contribution of property donated to the state, any local government, or any nonprofit organization designated by a local government
New California Motion Picture and Television Production – FTB 3541	237	For taxable years beginning on or after January 1, 2016, the <b>new</b> credit is allocated and certified by the California Film Commission, and is available for qualified production expenditures attributable to a qualified motion picture, an independent film, or a TV series that relocates to California. Website: <a href="http://film.ca.gov">film.ca.gov</a>
New Donated Fresh Fruits or Vegetables – FTB 3814	238	15% of the qualified value of the donated fresh fruits or vegetables made to California food banks, based on weighted average wholesale price
New Employment – FTB 3554	234	The credit is available for a taxpayer that hires a full-time employee and pays or incurs wages in a designated census tract or economic development area, and receives a <b>tentative credit reservation</b> for that full-time employee.
Nonrefundable Renter's – See page 13	None	For California residents who paid rent for their principal residence for at least 6 months in 2018 and whose AGI does not exceed a certain limit
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California
Prior Year Alternative Minimum Tax – FTB 3510	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 2018
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Senior Head of Household – Worksheet on page 33	163	2% of taxable income up to \$1,434 for seniors who qualified for head of household in 2016 or 2017 and whose qualifying individual died during 2016 or 2017

**Repealed Credits:** The expiration dates for the credits listed below have passed. However, these credits had carryover provisions. You may claim these credits only if you have an unused carryover available from prior years. If you are not required to complete Schedule P (540NR), Alternative Minimum Tax and Credit Limitations – Nonresidents or Part-Year Residents, get form FTB 3540, Credit Carryover and Recapture Summary, to figure your credit carryover to future years. For EZ, LAMBRA, or TTA credit carryovers, get form FTB 3805Z, form FTB 3807 or form FTB 3809. See "Where To Get Income Tax Forms and Publications".

Agricultural Products . . . . .	175	Energy Conservation . . . . .	182	Ridesharing . . . . .	171
California Motion Picture and Television Production . . . . .	223	Enterprise Zone, Sales or Use Tax . . . . .	176	Salmon & Steelhead Trout Habitat Restoration . . . . .	200
Commercial Solar Electric System . . . . .	196	Environmental Tax . . . . .	218	Solar Energy . . . . .	180
Commercial Solar Energy . . . . .	181	Farmworker Housing . . . . .	207	Solar Pump . . . . .	179
Community Development Financial Institutions Investment . . . . .	209	Local Agency Military Base Recovery Area Sales or Use Tax . . . . .	198	Targeted Tax Area Hiring . . . . .	210
Donated Fresh Fruits or Vegetables . . . . .	224	Low-Emission Vehicles . . . . .	160	Targeted Tax Area Sales or Use Tax . . . . .	210
Employer Childcare Contribution . . . . .	190	Manufacturing Enhancement Area Hiring . . . . .	211	Water Conservation . . . . .	178
Employer Childcare Program . . . . .	189	New Jobs . . . . .	220	Young Infant . . . . .	161
Employee Ridesharing . . . . .	194	Orphan Drug . . . . .	185		
Employer Ridesharing: Large employer . . . . .	191	Political Contributions . . . . .	184		
Small employer . . . . .	192	Recycling Equipment . . . . .	174		
Transit passes . . . . .	193	Residential Rental & Farm Sales . . . . .	186		
		Rice Straw . . . . .	206		




# Frequently Asked Questions

(Go to [ftb.ca.gov](http://ftb.ca.gov) for more frequently asked questions.)

## 1. What if I can't file by April 15, 2019, and I think I owe tax?

You must pay 100% of the amount you owe by April 15, 2019, to avoid interest and penalties. If you cannot file because you have not received all your Form(s) W-2, estimate the amount of tax you owe by completing form FTB 3519, Payment for Automatic Extension for Individuals. Mail it to the FTB with your payment by April 15, 2019, or pay online at [ftb.ca.gov/pay](http://ftb.ca.gov/pay). Then, when you receive all your Form(s) W-2, complete and mail your tax return by October 15, 2019, (you must use Long Form 540NR).

## 2. I never received a Form W-2. What should I do?

 If not all your Forms W-2 were received by January 31, 2019, contact your employer. Only an employer issues or corrects a Form W-2. For more information, call 800.338.0505, follow the recorded instructions and enter code **204** when instructed.

If you cannot get a copy of your Form(s) W-2, complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions from Pensions, Annuities, Retirement, or Profit Sharing Plans, IRAs, Insurance Contracts, etc. Go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or see "Where To Get Income Tax Forms and Publications." For online wage and withholding information, go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB.

## 3. How can I get help?


Throughout California more than 1,200 sites provide trained volunteers offering free help during the tax filing season to persons who file simple federal and state income tax returns. Many military bases also provide this service for members of the U.S. Armed Forces. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **vita** to find a list of participating locations or call the FTB at 800.852.5711 to find a location near you.

## 4. What do I do if I can't pay what I owe with my 2018 tax return?

Pay as much as possible when you file your tax return. If unable to pay your tax in full with your tax return, make a request for monthly payments. However, interest accrues and an underpayment penalty may be charged on the tax not paid by April 15, 2019, even if your request for monthly payments is approved. To make monthly payments, complete form FTB 3567, Installment Agreement Request, online or mail it to the address on the form. **Do not mail it with your tax return.**

The Installment Agreement Request might not be processed and approved until after your tax return is processed, and you may receive a bill before you receive approval of your request.

 To order this form, go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or call 800.338.0505, follow the recorded instructions and enter code **949** when instructed.

 For information on how to pay by credit card, go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay), or call 800.338.0505, follow the recorded instructions and enter code **610** when instructed.

## 5. Is direct deposit safe?

Direct deposit is safe and convenient. To have your refund directly deposited into your bank account, fill in the account information on Long Form 540NR, Side 5, line 126 and line 127 or Short Form 540NR, Side 4, line 126 and line 127. Fill in the routing and account numbers and indicate the account type.

## 6. How can I check on the status of my refund?

Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **refund status**. You will need your social security number (SSN) or individual taxpayer identification number (ITIN) and the refund amount from your tax return.

You can also call our automated phone service.

## 7. I discovered an error on my tax return. What should I do?



If you discover an error on your California income tax return, after you filed it (paper or e-file), file an amended Long or Short Form 540NR and attach Schedule X, California Explanation of Amended Return Changes, to correct your previously filed tax return. Get Schedule X at [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or call 800.338.0505, follow the recorded instructions and enter code **908** when instructed.

## 8. The IRS made changes to my federal tax return. What should I do?

If your federal income tax return is examined and changed by the IRS and you owe additional tax, report these changes to the FTB within six months of the date of the final federal determination. If the changes the IRS made result in a refund due for California, claim a refund within two years of the date of the final federal determination. Either file an amended Long or Short Form 540NR to correct your previously filed income tax return, or send a copy of the federal changes to:

ATTN RAR/VOL MS F310  
FRANCHISE TAX BOARD  
PO BOX 1998  
RANCHO CORDOVA CA 95741-1998

or Fax the information to 916.843.2269.

If you have any questions relating to the IRS audit adjustments, call 916.845.4028.

For general tax information or questions, call 800.852.5711.

Regardless of which method you use to notify the FTB, you must include a copy of the final federal determination along with all data and schedules on which the federal adjustment was based. Get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California, for more information. Go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or see "Order Forms and Publications."

File an amended Long or Short Form 540NR and Schedule X only if the change affected your California tax liability.

## 9. How long should I keep my tax information?

Requests for information from you regarding your California income tax return usually occurs within the California statute of limitations period, which is usually the later of four years from the due date of the tax return or four years from the file date of the tax return. (**Exception:** An extended statute of limitations period may apply for California or federal tax returns that are related to or subject to a federal audit.)

Keep a copy of your tax return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as needed to figure the basis of the property or records needed to verify carryover losses (e.g., net operating losses, capital losses, passive losses, casualty losses, etc.).

## 10. I will be moving after I file my tax return. How do I notify the FTB of my new address?

Notify the FTB of your new address. Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB or call 800.852.5711 and follow the recorded instructions to report a change of address. You may also use form FTB 3533, Change of Address for Individuals. If you change your address online or by phone, you do not need to file form FTB 3533.

After filing your tax return, report a change of address to us for up to four years, especially if you leave the state and no longer have a requirement to file a California tax return.

## 11. Are all domestic partners required to file joint or separate tax returns?

No, only domestic partners who are registered with the California Secretary of State are required to file using the married/RDP filing jointly or married/RDP filing separately filing status.

**Owe Money?** Web Pay lets you pay online, so you can schedule it and forget it! Go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay) for more information.

# Additional Information

## California Sales and Use Tax

In general, the purchase of goods outside California that are brought into the state for storage, use, or other consumption may be subject to use tax. The use tax rate is the same as the sales tax rate in effect where the goods will be stored, used, or consumed; usually your residence address. The tax is based on the purchase price of the goods.

- **If you purchased goods from an out-of-state retailer** (such as a mail order firm) and sales tax would have been charged if you purchased the goods in California, you may owe the use tax on your purchase if the out-of-state retailer did not collect the California tax.
- **If you traveled to a foreign country and brought goods home with you, the use tax** will be based on the purchase price of the goods you listed on your U.S. Customs Declaration after deduction of the \$800 per individual exemption allowable by law within any 30-day period. This deduction does not apply to goods sent or shipped to California by common carrier.

You should report and pay your use tax directly to the California Department of Tax and Fee Administration by going to their website at [cdtfa.ca.gov](http://cdtfa.ca.gov), selecting "Register", and choosing the option to "Pay use tax, lumber assessment and/or Prepaid MTS Surcharge on one-time purchase."

If you file a Schedule C (Form 1040), Profit or Loss From Business, with your federal income tax return and are in the business of selling tangible personal property, you may be required to obtain a seller's permit with the California Department of Tax and Fee Administration. If you do not sell tangible personal property, but you have at least \$100,000 in business gross receipts, you may be required to register with the California Department of Tax and Fee Administration to report use tax.

If you have any questions concerning the taxability of a purchase, or want information about obtaining a seller's permit, or registering to report use tax, go to the California Department of Tax and Fee Administration's website at [cdtfa.ca.gov](http://cdtfa.ca.gov) or call their Customer Service Center at 1.800.400.7115 or (TTY) 711 (for hearing and speech disabilities). Income tax information is not available at these numbers.

## Collection Fees

The FTB is required to assess collection and filing enforcement cost recovery fees on delinquent accounts.

## Deceased Taxpayers

A final tax return must be filed for a person who died in 2018 if a tax return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the tax return. Please print "deceased" and the date of death next to the taxpayer's name at the top of the tax return.

If you are a surviving spouse/RDP and no administrator or executor has been appointed, file a joint tax return if you did not remarry or entered into another registered domestic partnership during 2018. Indicate next to your signature that you are the surviving spouse/RDP.

You may also file a joint tax return with an administrator or executor acting on behalf of the deceased taxpayer.

If you file a tax return and claim a refund due to a deceased taxpayer, you are certifying under penalty of perjury either that you are the legal representative of the deceased taxpayer's estate (in this case, attach certified copies of the letters of administration or letters testamentary) or that you are entitled to the refund as the deceased's surviving relative or sole beneficiary under the provisions of the California Probate Code. You must also attach a copy of federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or a copy of the death certificate when you file a tax return and claim a refund due.

## Innocent Joint Filer Relief

If you file a joint tax return, both you and your spouse/RDP are generally responsible for paying the tax and any interest or penalties due on the tax return. However, you may qualify for relief of payment on all or part of the balance as an innocent joint filer. For more information, get FTB Pub. 705, Innocent Joint Filer – Relief From Paying California Income Taxes, at [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or call 916.845.7072, Monday - Friday between 8 a.m. to 5 p.m., except holidays.

## Requesting a Copy of Your Tax Return

The FTB keeps personal income tax returns for three and one-half years from the original due date. To obtain a copy of your tax return, write a letter or complete form FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return. In most cases, a \$20 fee is charged for each taxable year you request. However, no charge applies for victims of a designated California or federal disaster, or you request copies from a field office that assisted you in completing your tax return. See "Order Forms and Publications."

## Local Benefits

You cannot deduct the amounts you pay for local benefits that apply to property in a limited area (construction of streets, sidewalks, or water and sewer systems). You must look at your real estate tax bill to determine if any nondeductible itemized charges are included in your bill. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **real estate tax** or get federal Publication 17, Your Federal Income Taxes-For Individuals, Chapter 22.

## Vehicle License Fees for Federal Schedule A

On your federal Schedule A (Form 1040), you may deduct the California motor vehicle license fee listed on your Vehicle Registration Billing Notice from the Department of Motor Vehicles. The other fees listed on your billing notice such as registration fee, weight fee, and county fees are not deductible.

## Voting Is Everybody's Business

To register to vote in California, you must be:

- A United States citizen and a resident of California,
- 18 years old or older on Election Day,
- Not currently in state or federal prison or on parole for the conviction of a felony, and
- Not currently found mentally incompetent to vote by a court.

Pre-register at 16. Vote at 18. Voter pre-registration is now available for 16 and 17 year olds who otherwise meet the voter registration eligibility requirements. California youth who pre-register to vote will have their registration become active once they turn 18 years old.

If you wish to receive a paper Voter Registration or Pre-Registration Application, call the California Secretary of State's Voter Hotline at **800-345-VOTE** or simply register online at [RegisterToVote.ca.gov](http://RegisterToVote.ca.gov). For more information about how and when to register to vote, visit [sos.ca.gov/elections](http://sos.ca.gov/elections).

**It's Your Right . . . Register and Vote**

## If You File Electronically

If you e-file your tax return, make sure all the amounts entered on the paper copy of your California tax return are correct before you sign form FTB 8453, California e-file Return Authorization for Individuals, or form FTB 8879, California e-file Signature Authorization for Individuals. If you are requesting direct deposit of a refund, make sure that your account and routing information is correct. Your tax return can be transmitted to the FTB by your preparer or e-file service only after you sign forms FTB 8453 or FTB 8879. The preparer or e-file service must provide you with:

- A copy of forms FTB 8453 or FTB 8879.
- Any original Forms W-2, 592-B, 593, 1099-G, and any other Form(s) 1099 that you provided.
- A paper copy of your California tax return showing the data transmitted to the FTB.

You cannot retransmit an e-filed tax return once we've accepted the original. You can correct an error by filing an amended Long or Short Form 540NR to correct your previously filed tax return.

# Instructions for Filing a 2018 Amended Return

## Important Information

**Protective Claim** – If you are filing a claim for refund for a taxable year where litigation is pending or where a final determination by the IRS is pending, check box a for “Protective claim for refund” on Schedule X, Part II, line 1. Specify the pending litigation or reference to the federal determination on Part II, line 2 so we can properly process your claim.

**Military Compensation** – If you are filing an amended return to exclude military compensation as a result of the Servicemembers Civil Relief Act (P.L. 108-189), check box k for “Military HR 100” on Schedule X, Part II, line 1. In addition, attach a copy of your military Form W-2, Wage and Tax Statement, revised Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents, and any other affected forms or schedules to your amended Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. If you are amending a taxable year for which the normal statute of limitations (SOL) has expired, attach a statement explaining why the SOL is still open. If the SOL is open because of military service in a combat zone or outside the United States, attach copies of any documents that show when you served in a combat zone or overseas. Beginning in 2009, the Military Spouses Residency Relief Act may affect the California income tax filing requirements for spouses of military personnel. For additional information, get FTB Pub. 1032, Tax Information for Military Personnel.

**Do not** attach your previously filed return to your amended return.

**Do not** file an amended return to correct your SSN, name, or address, instead, call or write us. See “Contacting the Franchise Tax Board” for more information.

**Use Tax – Do not** amend your return to correct a “use tax” error reported on your original tax return. Enter the amount from your original return. The California Department of Tax and Fee Administration (CDTFA) (formerly known as the Board of Equalization) administers this tax. Refer all questions or requests relating to use tax to the CDTFA at [cdtfa.ca.gov](http://cdtfa.ca.gov) or call **800.400.7115**.

**Amount You Want Applied To Your 2019 Estimated Tax** – Enter zero on Long Form 540NR, line 102 and get the instructions for Schedule X for the actual amount you want applied to your 2019 estimated tax.

**Voluntary Contributions** – You cannot amend voluntary contributions. Enter the amount from your original return.

**Direct Deposit** – You can now use direct deposit on your amended return.

## Purpose

Use Long or Short Form 540NR to amend your original or previously filed California nonresident or part-year resident income tax return. If the FTB adjusted your return, you should use the amounts as adjusted by the FTB. Check the box at the top of Long Form 540NR or Short Form 540NR indicating AMENDED return and follow the instructions. Submit the completed amended Form 540NR and Schedule X along with all required schedules and supporting forms.

## When to File

Generally, if you filed federal Form 1040X, Amended U.S. Individual Income Tax Return, file an amended California tax return within six months unless the changes do not affect your California tax liability. File an amended return only after you have filed your original or previously filed California tax return.

## California Statute of Limitations

**Original tax return was filed on or before April 15th:** If you are making a claim for refund, file an amended tax return within four years from the original due date of the tax return or within one year from the date of overpayment, whichever period expires later.

**Original tax return was filed within the extension period (April 15th – October 15th):** If you are making a claim for refund, file an amended tax return within four years from the date the original tax return was filed or within one year from the date of overpayment, whichever period expires later.

**Original tax return was filed after October 15th:** If you are making a claim for refund, file an amended tax return within four years from the original due date of the tax return (April 15th) or within one year from the date of overpayment, whichever period expires later.

**If you are filing your amended tax return after the normal statute of limitation period** (four years after the due date of the original tax return), attach a statement explaining why the normal statute of limitations does not apply.

**If you are filing your amended return in response to a billing notice you received,** you will continue to receive billing notices until your amended tax return is accepted. You may file an informal claim for refund even though the full amount due including tax, penalty, and interest has not yet been paid. After the full amount due has been paid, you have the right to appeal to the CDTFA or to file suit in court if your claim for refund is disallowed.

To file an informal claim for refund, check box l for “Informal claim” on Schedule X, Part II, line 1 and mail the claim to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

## Financially Disabled Taxpayers

The statute of limitations for filing claims for refunds is suspended during periods when a taxpayer is “financially disabled.” You are considered “financially disabled” when you are unable to manage your financial affairs due to a medically determinable physical or mental impairment that is deemed to be either a terminal impairment or is expected to last for a continuous period of not less than 12 months. You **are not** considered “financially disabled” during any period that your spouse/RDP or any other person is legally authorized to act on your behalf on financial matters. For more information, get form FTB 1564, Financially Disabled – Suspension of the Statute of Limitations.

## Federal Notices

If you were notified of an error on your federal income tax return that changed your AGI, you may need to amend your California income tax return for that year.

If the IRS examines and changes your federal income tax return, and you owe additional tax, report these changes to the FTB within six months. You do not need to inform the FTB if the changes do not increase your California tax liability. If the changes made by the IRS result in a refund due, you must file a claim for refund within two years. Use an amended Long or Short Form 540NR to make any changes to your California income tax returns previously filed.

Include a copy of the final federal determination, along with all underlying data and schedules that explain or support the federal adjustment. Note: Most penalties assessed by the IRS also apply under California law. If you are including penalties in a payment with your amended tax return, see Schedule X, line 8a instructions.

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## Children With Investment Income

If your child was required to file form FTB 3800, Tax Computation for Certain Children with Unearned Income, and your taxable income has changed, review your child's tax return to see if you need to file an amended tax return. Get form FTB 3800 for more information.

## Contacting the Franchise Tax Board

If you have not received a refund within six months of filing your amended return, do not file a duplicate amended return for the same year. For information on the status of your refund, you may write to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

For telephone assistance see General Phone Service on page 91.

## Filing Status

Your filing status for California must be the same as the filing status you used on your federal income tax return, unless you are a same-sex married individual or RDP. If you are a same-sex married individual or an RDP and file single for federal, you must file married/RDP filing jointly or married/RDP filing separately for California. If you entered into a same-sex marriage for taxable year 2013 and going forward, your filing status for California would generally be the same as the filing status that was used for federal. If you are a same-sex married individual or an RDP and file head of household for federal, you may file head of household for California only if you meet the requirements to be considered unmarried or considered not in a registered domestic partnership.

**Exception for Filing a Separate Tax Return** – A married couple who filed a joint federal tax return may file separate state tax returns if either spouse was:

- An active member of the United States armed forces (or any auxiliary military branch) during the year being amended.
- A nonresident for the entire year and had no income from California sources during the year being amended.

**Changing Your Filing Status** – If you changed your filing status on your federal amended tax return, also change your filing status for California unless you meet one of the exceptions listed above.

**Married/RDP Filing Jointly to Married/RDP Filing Separately** – You cannot change from married/RDP filing jointly to married/RDP filing separately after the due date of the tax return.

**Exception:** For taxable years 2000 and after, a married couple who meets the "Exception for filing a separate tax return" shown above may change from joint to separate tax returns after the due date of the tax return.

**Filing Separate Tax Returns to Married/RDP Filing Jointly** – If you or your spouse/RDP (or both of you) filed a separate tax return, you generally can change to a joint tax return any time within four years from the original due date of the separate tax return(s). To change to a joint tax return, you and your spouse/RDP must have been legally married or an RDP on the last day of the taxable year.

To amend from separate tax returns to a joint tax return, follow the Long or Short Form 540NR instructions to complete only one amended tax return. Both you and your spouse/RDP must sign the amended joint tax return.



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

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# 2018 California Tax Rate Schedules



To e-file and eliminate the math, go to [ftb.ca.gov](http://ftb.ca.gov). To figure your tax online, go to [ftb.ca.gov/tax-rates](http://ftb.ca.gov/tax-rates).

Use only if your taxable income on Long Form 540NR, line 19 is more than \$100,000. If \$100,000 or less, use the Tax Table.

If the amount on Form 540NR, line 19 is		Enter on Form 540NR, line 31		of the amount over –
over –	But not over –			
\$ 0	\$ 8,544	\$ 0.00	+ 1.00%	\$ 0
8,544	20,255	85.44	+ 2.00%	8,544
20,255	31,969	319.66	+ 4.00%	20,255
31,969	44,377	788.22	+ 6.00%	31,969
44,377	56,085	1,532.70	+ 8.00%	44,377
56,085	286,492	2,469.34	+ 9.30%	56,085
286,492	343,788	23,897.19	+ 10.30%	286,492
343,788	572,980	29,798.68	+ 11.30%	343,788
572,980	AND OVER	55,697.38	+ 12.30%	572,980

**Schedule X –**  
Use if your filing status is  
**Single or Married/RDP Filing Separately**

**Schedule Y –**  
Use if your filing status is  
**Married/RDP Filing Jointly or Qualifying  
Widow(er) with Dependent Child**

**Schedule Z –**  
Use if your filing status is  
**Head of Household**

If the amount on Form 540NR, line 19 is		Enter on Form 540NR, line 31		of the amount over –
over –	But not over –			
\$ 0	\$ 17,088	\$ 0.00	+ 1.00%	\$ 0
17,088	40,510	170.88	+ 2.00%	17,088
40,510	63,938	639.32	+ 4.00%	40,510
63,938	88,754	1,576.44	+ 6.00%	63,938
88,754	112,170	3,065.40	+ 8.00%	88,754
112,170	572,984	4,938.68	+ 9.30%	112,170
572,984	687,576	47,794.38	+ 10.30%	572,984
687,576	1,145,960	59,597.36	+ 11.30%	687,576
1,145,960	AND OVER	111,394.75	+ 12.30%	1,145,960

If the amount on Form 540NR, line 19 is		Enter on Form 540NR, line 31		of the amount over –
over –	But not over –			
\$ 0	\$ 17,099	\$ 0.00	+ 1.00%	\$ 0
17,099	40,512	170.99	+ 2.00%	17,099
40,512	52,224	639.25	+ 4.00%	40,512
52,224	64,632	1,107.73	+ 6.00%	52,224
64,632	76,343	1,852.21	+ 8.00%	64,632
76,343	389,627	2,789.09	+ 9.30%	76,343
389,627	467,553	31,924.50	+ 10.30%	389,627
467,553	779,253	39,950.88	+ 11.30%	467,553
779,253	AND OVER	75,172.98	+ 12.30%	779,253

## How to Figure Tax Using the 2018 California Tax Rate Schedules

**Example:** Chris and Pat Smith are filing a joint tax return using Long Form 540NR. Their taxable income on Long Form 540NR, line 19 is \$125,000.

**Step 1:** Using Schedule Y, they find the taxable income range that includes their taxable income of \$125,000.

	<b>Example</b>	<b>Your Income</b>
<b>Step 2:</b> They subtract the amount at the beginning of their range from their taxable income.	$\begin{array}{r} \$125,000 \\ - 112,170 \\ \hline \$ 12,830 \end{array}$	$\begin{array}{r} \$ \\ - \\ \hline \$ \end{array}$
<b>Step 3:</b> They multiply the result from Step 2 by the percentage for their range.	$\begin{array}{r} \$ 12,830 \\ \times .0930 \\ \hline \$1,193.19 \end{array}$	$\begin{array}{r} \$ \\ \times \\ \hline \$ \end{array}$
<b>Step 4:</b> They round the amount from Step 3 to two decimals (if necessary) and add it to the tax amount for their income range. After rounding the result, they will enter \$6,132 on Form 540NR, line 31.	$\begin{array}{r} \$4,938.68 \\ + 1,193.19 \\ \hline \$6,131.87 \end{array}$	$\begin{array}{r} \$ \\ + \\ \hline \$ \end{array}$



# Paying Your Taxes

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## General Information

You must file and pay 100% of the amount you owe by April 15, 2019, to avoid interest and penalties. There are several ways to pay your tax:

- Electronic funds withdrawal
  - Web Pay
  - Credit card
  - Check or money order (Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.)
  - Pre-approved monthly payments
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## Electronic Funds Withdrawal

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.

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## Web Pay

Enjoy the convenience of online bill payment with **Web Pay**. Pay the amount you owe using our secure online payment service. Go to [ftb.ca.gov/pay](http://ftb.ca.gov/pay) for more information. With Web Pay, you can schedule it, and forget it!

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## Credit Card

To make a payment using your Discover, MasterCard, Visa, or American Express card go to the Official Payments Corp. website or call:

- [officialpayments.com](http://officialpayments.com) and select Payment Center.
- **800.2PAY.TAX** or **800.272.9829** and follow the recorded instructions.

Official Payments Corp. charges a convenience fee for this service. This fee is based on the amount of your tax payment. Official Payments Corp. will tell you the convenience fee before you complete your transaction. You can decide whether to complete the transaction at that time.

**Fee:** 2.30% of tax amount charged (round to nearest cent)      **Example:** Tax Payment = \$753.56  
Minimum fee: \$1      2.30% Fee = \$17.33

**Assistance for persons with disabilities.** If you have a hearing or speech impairment, call TTY/TDD at 800.735.2929 (California Relay Service). For all other special assistance, call 800.487.4567, Monday through Friday, 5 a.m. to 5 p.m. PST.

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## Frequently Asked Questions

### When will my payment be effective?

- **Web Pay:** Your payment is effective on the payment date you select.
- **Credit Card:** Your payment is effective on the date you charge it.

### What if I change my mind?

- **Web Pay:** Contact our e-Programs Customer Service at 916.845.0353 at least two business days before your scheduled payment date to cancel your payment.
- **Credit Card:** Contact your card issuer for information about canceling or reversing the charge.

If you change your mind and you still owe money, be sure to make your payment another way. We may charge penalties, interest, and other fees for nonpayment or late payment of taxes.

### How do I know if you received my payment?

- Your account statement is your proof of payment.
  - To verify the payment, go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB.
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# How To Get California Tax Information

## Where To Get Income Tax Forms and Publications

**By Internet** – You can download, view, and print California income tax forms and publications at [ftb.ca.gov/forms](http://ftb.ca.gov/forms) or you may have these forms and publications mailed to you. Our most frequently used forms may be filed electronically, printed out for submission, and saved for record keeping.

**By phone** – To order California tax forms and publications:

- Refer to the list on the next page and find the code number for the form you want to order.
- Call 800.338.0505.
- Follow the recorded instructions
- Enter the three-digit form code when you are instructed.

Allow two weeks to receive your order. If you live outside California, allow three weeks to receive your order.

**In person** – Many post offices and libraries provide free California tax booklets during the filing season.

Employees at libraries and post offices cannot provide tax information or assistance.

**By mail** – Write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

## Letters

If you write to us, be sure your letter includes your social security number (SSN), or individual taxpayer identification number (ITIN), and your daytime and evening telephone numbers. Send your letter to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

We will respond to your letter within 10 weeks. In some cases, we may call you to respond to your inquiry, or ask for additional information. Do not attach correspondence to your tax return unless the correspondence relates to an item on the tax return.

## Your Rights As A Taxpayer

The FTB's goals include making certain that your rights are protected so that you have the highest confidence in the integrity, efficiency, and fairness of your state tax system. FTB 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how you request written advice from the FTB on whether a particular transaction is taxable. See "Where To Get Income Tax Forms and Publications."

## Privacy Notice

The Franchise Tax Board considers the privacy of your tax information to be of the utmost importance.

**Reasons for Information Requests** – We ask for return information so that we can administer the tax law fairly and correctly.

**Rights and Responsibility** – You have the right to see our records that contain your personal information. To obtain information about your records, you may write to:

DISCLOSURE OFFICER MS A181  
FRANCHISE TAX BOARD  
PO BOX 1468  
SACRAMENTO, CA 95812-1468

or call: 800.852.5711 within the United States, or 916.845.6500 outside of the United States.

**Your Responsibility** – California Revenue and Taxation Code Sections 18501 and 18621 require you to file a return on the forms we prescribe if you meet certain requirements. It is mandatory that you furnish all requested information. You may be charged penalties and interest, and in certain cases, you may be criminally prosecuted if you do not provide the information we ask for, or you provide fraudulent information.

**Information Disclosures** – As provided by law, we may give your tax information to other tax officials to determine your tax liability or collect tax amounts you owe. If you owe the Franchise Tax Board money we may also give your information to employers, financial institutions, county recorders, or others who hold assets belonging to you.

For full text of Franchise Tax Board's Privacy Notice, get FTB 1131 ENG/SP.

## Need help with your tax return?

We provide free assistance to individuals with limited income and/or over the age of 60 who need help in completing simple federal and state income tax returns. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **vita**.

 MyFTB

The window to your info  
[ftb.ca.gov](http://ftb.ca.gov)

### The window to your information . . . MyFTB

MyFTB Account is a secure online service allowing you to:

- View estimated tax payments, recent payments made, and the total balance due on your account.
- Look up your California wage and withholding and FTB-issued 1099-G and 1099-INT records.
- Update your mailing address and phone number
- Pay online with Web Pay.
- Link to additional services offered by FTB:
  - File your tax return with CalFile
  - Apply for an installment agreement
  - Check your refund status
  - Request a paper copy of your filed tax return
  - Sign-up for estimated tax payment email reminders

Go to [ftb.ca.gov](http://ftb.ca.gov) and login or register for MyFTB.

# Automated Phone Service

(Keep This Booklet For Future Use)

## Automated Phone Service

Use our automated phone service to get recorded answers to many of your questions about California Taxes and to order current year Personal Income Tax Forms and Publications.

You can also:

- Get current year tax refund information.
- Get balance due and payment information.

Have paper and pencil ready to take notes.

Telephone: 800.338.0505 from within the United States

916.845.6500 from outside the United States

## Answers To Tax Questions

Call our automated phone service, follow the recorded instructions and enter the 3-digit code.

### Code Filing Assistance

- 100 Do I need to file a tax return?
- 111 Which form should I use?
- 112 How do I file electronically and get a fast refund?
- 201 How can I get an extension to file?
- 203 What is the nonrefundable renter's credit and how do I qualify?
- 204 I never received a Form W-2. What do I do?
- 205 I have no withholding taken out. What do I do?
- 206 Do I have to attach a copy of my federal tax return?
- 209 I lived in California for part of the year. Do I have to file a tax return?
- 210 I did not live in California. Do I have to file a tax return?
- 215 Who qualifies me to use the head of household filing status?
- 222 How much can I deduct for vehicle license fees?

### Penalties

- 403 What is the estimate penalty rate?

### Notices And Bills

- 503 How do I file a protest against a Notice of Proposed Assessment?
- 506 How can I get information about my Form 1099-G?

### Tax For Children

- 601 Can my child take a personal exemption credit when I claim her or him as a dependent on my tax return?

### Miscellaneous

- 611 What address do I send my payment to?
- 619 How do I report a change of address?

## Order Forms and Publications

If your current address is on file, you can order California tax forms and publications. Call our automated phone service follow the recorded instructions and enter the 3-digit code.

## Code California Tax Forms and Publications

- 900 California Resident Income Tax Booklet: Form 540, Resident Income Tax Return
- 965 Form 540 2EZ Tax Booklet
- 903 Schedule CA (540), California Adjustments – Residents, FTB 3885A, Depreciation & Amortization Adjustments, and Schedule D, California Capital Gain or Loss Adjustment
- 907 Form 540-ES, Estimated Tax for Individuals
- 908 Schedule X, California Explanation of Amended Return Changes
- 909 Schedule D-1, Sales of Business Property
- 910 Schedule G-1, Tax on Lump-Sum Distributions
- 911 Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents
- 913 Schedule S, Other State Tax Credit
- 914 California Nonresident Income Tax Booklet: Long and Short Form 540NR, Nonresident or Part-Year Resident Income Tax Return
- 917 Schedule CA (540NR), California Adjustments – Nonresidents or Part-Year Residents
- 918 Schedule P (540NR), Alternative Minimum Tax and Credit Limitations – Nonresidents or Part-Year Residents
- 932 FTB 3506, Child and Dependent Care Expenses Credit
- 938 FTB 3514, California Earned Income Tax Credit
- 937 FTB 3516, Request for Copy of Personal Income or Fiduciary Tax Return
- 921 FTB 3519, Payment for Automatic Extension for Individuals
- 922 FTB 3525, Substitute Form W-2, Wage and Tax Statement
- 923 FTB 3526, Investment Interest Expense Deduction
- 939 FTB 3532, Head of Household Filing Status Schedule
- 940 FTB 3540, Credit Carryover and Recapture Summary
- 949 FTB 3567, Installment Agreement Request
- 924 FTB 3800, Tax Computation for Certain Children with Unearned Income
- 929 FTB 3801, Passive Activity Loss Limitations
- 925 FTB 3805E, Installment Sale Income
- 928 FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts
- 926 FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Individuals, Estates, and Trusts
- 943 FTB 4058, California Taxpayers' Bill of Rights
- 927 FTB 5805, Underpayment of Estimated Tax – Individuals and Fiduciaries
- 919 FTB Pub. 1001, Supplemental Guidelines to California Adjustments
- 920 FTB Pub. 1005, Pension and Annuity Guidelines

- 945 FTB Pub. 1006, California Tax Forms and Related Federal Forms
- 946 FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California
- 941 FTB Pub. 1031, Guidelines for Determining Resident Status
- 942 FTB Pub. 1032, Tax Information for Military Personnel
- 951 FTB Pub. 1051A, Guidelines for Married/RDP Filing Separate Returns
- 934 FTB Pub. 1540, California Head of Household Filing Status

## Current Year Refund Information

If you file by mail, wait at least 8 weeks after you file your tax return before you call to find out about your refund. You need your social security number, the numbers in your street address, box number, route number, or PMB number, and your ZIP Code to use this service.

## Balance Due And Payment Information

Wait at least 45 days from the date you mailed your payment before you call to verify receipt. You need your social security number, the numbers in your street address, box number, route number or PMB number, and your ZIP Code to use this service.

## General Phone Service

Telephone assistance is available year-round from 7 a.m. until 5 p.m. Monday through Friday, except holidays. Hours are subject to change.

Telephone: 800.852.5711 from within the United States

916.845.6500 from outside the United States

800.829.1040 for federal tax questions, call the IRS

TTY/TDD: 800.822.6268 for persons with hearing or speech disability  
711 or 800.735.2929 California relay Service

## Asistencia en español

Asistencia telefónica está disponible durante todo el año desde las 7 a.m. hasta las 5 p.m. de lunes a viernes, excepto días feriados. Las horas están sujetas a cambios.

Teléfono: 800.852.5711 dentro de los Estados Unidos

916.845.6500 fuera de los Estados Unidos

800.829.1040 para preguntas sobre impuestos federales, llame al IRS

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o del habla  
711 ó 800.735.2929 servicio de relevo de California

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Advanced Draft  
as of 11/27/18  
Visit our website:  
[ftb.ca.gov](http://ftb.ca.gov)