

2021 California Limitation on Business Losses

3461

Attach to your California tax return. See instructions.

Name(s) as shown on tax return

SSN or ITIN

Part I Total Income/Loss Items. See instructions if you are filing a tax return other than Form 540.

- 1 Enter amount from Schedule CA (540), Part I, Section A, line 1, column A minus column B, plus column C. 1
- 2 Enter amount from Schedule CA (540), Part I, Section B, line 3, column A minus column B, plus column C. 2
- 3 Enter amount from Schedule CA (540), Part I, Section A, line 7, column A minus column B, plus column C. 3
- 4 Enter amount from Schedule CA (540), Part I, Section B, line 4, column A minus column B, plus column C. 4
- 5 Enter amount from Schedule CA (540), Part I, Section B, line 5, column A minus column B, plus column C. 5
- 6 Enter amount from Schedule CA (540), Part I, Section B, line 6, column A minus column B, plus column C. 6
- 7 Enter amount from Schedule CA (540), Part I, Section B, line 7, column A minus column B. 7
- 8 Enter other income, gain, or losses from a trade or business not reported on line 1 through line 7. 8
- 9 Combine line 1 through line 8. 9

Part II Adjustment for Amounts Not Attributable to Trade or Business. See instructions if you are filing a tax return other than Form 540.

- 10 Enter any income or gain reported on line 1 through line 8 that is not attributable to a trade or business. 10
- 11 Enter any losses or deductions reported on line 1 through line 8 that are not attributable to a trade or business. See instructions. 11
- 12 Subtract line 11 from line 10. 12

Part III Limitation on Losses.

- 13 If line 12 is a negative number, enter it here as a positive number. If line 12 is a positive number, enter it here as a negative number. 13
- 14 a Add line 9 and line 13. 14a
- b Excess business losses carryover from 2020. See instructions. 14b
- c Total business losses. Add line 14a and line 14b. 14c
- 15 Enter \$259,000 (or \$518,000 if married filing jointly). 15
- 16 Add line 14c and line 15. Enter the amount here. If you do not have an amount on line 14b, line 16 amount is your 2021 excess business loss to be carried forward to 2022. If line 16 is less than zero, enter the amount from line 16 as a positive number on Schedule CA (540), Part I, Section B, line 8f, column C. This is your 2021 excess business loss adjustment amount included as income. See instructions. If zero or greater, do not attach this form to your tax return 16
 If you have an amount on line 14b, do not enter the amount from line 16 (positive number) on Schedule CA (540). Instead go to line 17 and follow the instructions to determine the amount to enter on Schedule CA (540). See instructions if you are filing a tax return other than a Form 540.
- 17 If you have an amount on line 14b, excess business losses carryover from prior years, and if the amount on line 16 (positive number) is more than the excess business loss adjustment amount included as income in prior years, then reduce line 16 amount (positive number) by the excess business loss adjustment amount included as income in prior years. Enter the amount as a negative number here. This is your 2021 excess business loss to be carried forward to 2022. Enter the line 17 amount (positive number) on Schedule CA (540), Part I, Section B, line 8f, column C. This is your 2021 excess business loss adjustment amount included as income. See instructions. 17
 If you have an amount on line 14b, excess business losses carryover from prior years, and if the amount on line 16 (positive number) is less than the excess business loss adjustment amount included as income in prior years, enter the amount from line 16 as a negative number here on line 17, and do not enter the amount on Schedule CA (540). This is your 2021 excess business loss to be carried forward to 2022. See instructions if you are filing a tax return other than a Form 540.