

2021 Installment Sale Income

3805E

Attach to your California tax return. Use a separate form for each sale or other disposition of property on the installment method.

Name(s) as shown on tax return

SSN, ITIN, FEIN, CA SOS file no., or CA corporation no.

- 1 Description of property ▶ _____
- 2 a Date acquired (mm/dd/yyyy) ▶ _____ 2b Date sold (mm/dd/yyyy) ▶ _____
- 3 Was the property sold to a related party after December 31, 1980? If "No," skip line 4. Yes No
- 4 Was the property you sold to a related party a marketable security? Yes No
If you checked "Yes," complete Part III. If you checked "No," complete Part III for the year of sale and for 2 years after the year of sale.

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5 Selling price including mortgages and other debts (do not include stated or unstated interest)	<input checked="" type="radio"/> 5	_____	00
6 Mortgages and other debts the buyer assumed or took the property subject to, but not new mortgages the buyer got from a bank or other source	6	_____	00
7 Subtract line 6 from line 5	7	_____	00
8 Cost or other basis of property sold	8	_____	00
9 Depreciation allowed or allowable. Use California amounts	9	_____	00
10 Adjusted basis. Subtract line 9 from line 8.	<input checked="" type="radio"/> 10	_____	00
11 Commissions and other expenses of sale	11	_____	00
12 Income recapture from Schedule D-1, Part III and Part IV. See instructions	12	_____	00
13 Add line 10, line 11, and line 12.	13	_____	00
14 Subtract line 13 from line 5. If zero or less, stop here. Do not complete the rest of this form	14	_____	00
15 If the above property was your main home, using California amounts, enter your excluded gain. Otherwise, enter -0-	15	_____	00
16 Gross profit. Subtract line 15 from line 14.	<input checked="" type="radio"/> 16	_____	00
17 Subtract line 13 from line 6. If zero or less, enter -0-	17	_____	00
18 Contract price. Add line 7 and line 17	<input checked="" type="radio"/> 18	_____	00

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as payments on installment obligations.

19 Gross profit percentage (expressed as a decimal amount, see instructions). Divide line 16 by line 18. For years after the sale, see instructions	<input checked="" type="radio"/> 19	_____	_____
20 For year of sale only - Enter amount from line 17 above. Otherwise, enter -0-	20	_____	00
21 Payments received during the year (do not include stated or unstated interest)	<input checked="" type="radio"/> 21	_____	00
22 Add line 20 and line 21.	22	_____	00
23 Payments received in prior years (do not include stated or unstated interest)	<input checked="" type="radio"/> 23	_____	00
24 Installment sale income. Multiply line 22 by line 19	<input checked="" type="radio"/> 24	_____	00
25 Enter the part of line 24 that is ordinary income under recapture rules. See instructions	25	_____	00
26 Subtract line 25 from line 24. Enter the result here and on Schedule D (540, 540NR, 541, 565, 568, or 100S) or Schedule D-1	<input checked="" type="radio"/> 26	_____	00

Part III Related Party Installment Sale Income. Do not complete this part if you received the final installment payment this taxable year.

- 27 Name, address, and taxpayer identification number of related party _____
- 28 Did the related party, during this taxable year, resell or dispose of the property ("second disposition")? Yes No
- 29 If you checked "Yes," on line 28, complete lines 30 through 37 below unless one of the following conditions is met. Check only the box that applies.
 - a The second disposition was more than two years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of the disposition (mm/dd/yyyy) ▶ ____ / ____ / ____
 - b The first disposition was a sale or exchange of stock to the issuing corporation.
 - c The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition.
 - d The second disposition occurred after the death of the original seller or buyer.
 - e It can be established to the satisfaction of the Franchise Tax Board that tax avoidance was not a principal purpose for either of the dispositions. If you check this box, attach an explanation.
- 30 Selling price of property sold by related party 30 _____ 00
- 31 Enter contract price from line 18 for year of first sale 31 _____ 00
- 32 Enter the smaller of line 30 or line 31 32 _____ 00
- 33 Total payments received by the end of your 2021 taxable year. Add line 22 and line 23. 33 _____ 00
- 34 Subtract line 33 from line 32. If zero or less, enter -0- 34 _____ 00
- 35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale 35 _____ 00
- 36 Enter the part of line 35 that is ordinary income under recapture rules. See instructions 36 _____ 00
- 37 Subtract line 36 from line 35. Enter the result here and on Schedule D (540, 540NR, 541, 565, 568, or 100S) or Schedule D-1 37 _____ 00