



STATE OF CALIFORNIA
Franchise Tax Board

2017
VITA/TCE
California Volunteer
Reference Manual

California Volunteers Make the Difference

Critical Numbers

Site Identification Number (SIDN)

Site Name

Partner: _____

Phone: _____

State Coordinator: _____

Phone: _____

Franchise Tax Board Field Offices

LOS ANGELES FIELD OFFICE
300 S SPRING STREET SUITE 5704
LOS ANGELES CA 90013-1204

SAN DIEGO FIELD OFFICE
7575 METROPOLITAN DRIVE SUITE 201
SAN DIEGO CA 92108-4402

OAKLAND FIELD OFFICE
1515 CLAY STREET SUITE 306
OAKLAND CA 94612-1432

SAN FRANCISCO FIELD OFFICE
121 SPEAR STREET SUITE 400
SAN FRANCISCO CA 94105-3685

SACRAMENTO FIELD OFFICE
3321 POWER INN ROAD SUITE 250
SACRAMENTO CA 95826-3389

SANTA ANA FIELD OFFICE
600 W. SANTA ANA BLVD SUITE 300
SANTA ANA CA 92701-4532

Volunteer Hotline (For Volunteer Use Only)

800.522.5665

Automated Phone Service

From Within the United States, call

800.338.0505

From Outside the United States, call (not toll-free)

916.845.6600

Public Assistance Numbers

From Within the United States, call

800.852.5711

From Outside the United States, call (not toll-free)

916.845.6500

Website

- Get More Information at <https://www.ftb.ca.gov/individuals/vita/index.shtml>
- How to e-file
- Check the status of a refund
- Options for paying taxes
- Have California forms mailed to you
- Download forms and publications

Table of Contents

INTRODUCTION	5
SCOPE OF VITA/TCE	5
WHAT'S NEW FOR 2017	5
REMINDERS	6
IMPORTANT DUE DATES.....	7
STATE AND FEDERAL DIFFERENCES.....	8
CALIFORNIA TAX CREDITS INCLUDE:.....	9
GENERAL FILING REQUIREMENTS.....	9
DECEASED TAXPAYERS	9
CHILDREN WITH INVESTMENT INCOME MORE THAN \$2,100.....	10
CALIFORNIA TAX FORMS ON THE INTERNET	10
FILING REQUIREMENTS FOR MOST CLIENTS.....	11
SELF-HELP E-SERVICES.....	12
INSTALLMENT AGREEMENT	14
VOLUNTEER PROCEDURES	19
RESPONSIBILITY OF THE VOLUNTEER.....	19
REPLENISHING YOUR SUPPLY OF FORMS	20
CHANGE IN SERVICE HOURS OR LOCATION	20
QUALITY REVIEW CHECKLIST.....	21
PUBLICIZING YOUR PROGRAM.....	22
RETURN PREPARATION SECTION.....	23
STEP BY STEP TAXSLAYER INSTRUCTIONS	25
BASIC INFORMATION.....	27
HEAD OF HOUSEHOLD.....	27
ADDITIONAL PERSONAL INFORMATION.....	28
ALIMONY PAID.....	28
DECEASED TAXPAYERS	29
ADDITIONS TO INCOME OR SUBTRACTIONS FROM INCOME	30
CA ITEMIZED DEDUCTIONS.....	33
CREDITS	34
CHILD CARE CREDIT	35
UNEARNED INCOME AND OTHER FUNDS RECEIVED IN 2017.....	35
OTHER CREDITS	36
RENTER'S CREDIT.....	36
OTHER STATE TAX CREDIT	37
CALIFORNIA EARNED INCOME TAX CREDIT	38
TAX.....	40
VOLUNTARY CONTRIBUTIONS.....	41
PAYMENTS.....	42
STATE WITHHOLDINGS FROM FORM 1099.....	42
FORM 593 WITHHOLDING	43
AMOUNT APPLIED TO YOUR 2018 ESTIMATED TAX	43
EXTENSION PAYMENTS.....	44

MISCELLANEOUS FORMS	44
ESTIMATED PAYMENT VOUCHERS	45
UNDERPAYMENT OF ESTIMATED TAX	45
INSTALLMENT AGREEMENT	46
CAPITAL GAIN OR LOSS ADJUSTMENT.....	47
FORM 3519	47
PAYMENT AND REFUND SETUP	48
REFUNDS	49
STATE AMOUNT DUE	50
STATE REFUND, FEDERAL AMOUNT DUE.....	51
AMOUNTS DUE.....	52
CLOSING OUT THE E-FILE SCREEN.....	53
PRACTICE RETURN SECTION	50
FORM 540 PROBLEM 1 DATA SHEET	57
FORM 540 PROBLEM 2 DATA SHEET	62
FORM 540 PROBLEM 3 DATA SHEET	66
CONTRIBUTION SECTION	71
SOFTWARE TIPS	79
IHSS PAYMENTS AND CA EITC.....	81
State Disability Insurance	82
W2G/CALIFORNIA LOTTERY AND GAMBLING LOSSES.....	83
1099R Pension and Railroad Retirement Income	84
NONQUALIFIED HSA DISTRIBUTIONS.....	85

**2017 California Volunteer
Reference Manual**

**Introduction
Section**

Scope of VITA/TCE

The VITA/TCE program provides assistance to individuals with limited income who need help completing simple federal and state income tax returns. Non-resident and part-year resident tax returns can be complex. This manual excludes instructions for the California long or short Form 540NR. This manual limits instructions to California resident tax returns only. Generally, volunteer sites open as early as January 15 and provide assistance through April 15 each year. In all cases, VITA/TCE sites do not charge for assistance.

What's New for 2017

Schedule X, California Explanation of Amended Return Changes

For tax years beginning on or after January 1, 2017, the Schedule X has replaced the Form 540X, Amended Individual Income Tax Return. The 540X is still used for tax years 2016 and before.

State of California HOT TOPIC

CA EITC

Earned Income Tax Credit (CA EITC) limits have been re-indexed. For 2017, the credit is available to California households with adjusted gross incomes of less than \$15,009 if there are no qualifying children or less than \$22,322 if there is one or more qualifying children, less than \$22,309 for two qualifying children. Maximum refund amount for claiming no qualifying children is \$223, for a single qualifying child, \$1,495, and for two qualifying children, \$2,467. Beginning January 1, 2017 and after, California conforms to federal on self-employment income being considered as earned income for the purpose of calculating the allowable CA EITC.

2017 Indexing Results

Standard Deduction Amounts:

- Single and married filing separately - \$4,236.
- Married filing jointly/RDP, head of household, and qualifying widow(er) - \$8,472.

Exemption Credit Amounts Changed:

- For dependents - \$353
- For personal, senior, and blind - \$114

Reminders

Use Tax Table

For tax 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 before applying the payments and credits towards income tax, interest, and penalties.

Head of Household Filing Status, (HOH)

For tax years beginning on or after January 1, 2015, California requires taxpayers who use HOH filing status to file form FTB 3532, Head of Household Filing Status Schedule, to report how the HOH filing status was determined. The schedule replaced the questionnaire California mailed to taxpayers in the past. Taxpayer's tax liability may be recalculated using Single filing status if the schedule is not submitted with the return.

Computer Based Training

The VITA/TCE computer based training (CBT) quiz and test are offered as a supplement or alternative to classroom training at a basic certification level. Find the CBT online at

https://www.ftb.ca.gov/individuals/vita/Training_Course/mainmenu.aspx or search the volunteer program webpage at

https://www.ftb.ca.gov/individuals/vita/index.shtml?WT.mc_id=Ind_Sidebar_VITA.

Estimated Tax Payments – Quarterly payments due for each tax year shall be 30 percent of taxpayer's tax liability for the first quarter, 40 percent of taxpayer's liability for the second quarter, 0 percent of the taxpayer's liability is due for the third quarter, and 30 percent of taxpayer's liability for the fourth quarter, unless your client uses the annualization method. Estimated tax payments are not required if one of the exceptions below is met.

- Taxpayers with a tax liability less than \$500 (\$250 for married/RDP filing separately) do not need to make estimated tax payments.
- Taxpayer's prior year return was not a full 12 months and they did not have a tax liability.
- The amount of the taxpayer's withholding plus estimated tax payments, if paid timely, is at least 90 percent of current year's tax or 100 percent shown on their last year's return.

Important Due Dates

<p style="text-align: center;">April 17, 2018</p>	<p>Last day for your client to file and pay their 2017 tax liability in order to avoid penalties and interest. See FTB 3519, <i>Payment for Automatic Extension for Individuals</i>, for more information.</p> <p>If a client is living or traveling outside the United States on April 17, 2018, the due dates for filing a return and paying tax are different.</p>
<p style="text-align: center;">October 15, 2018</p>	<p>Last day for your client to file their 2017 tax return to avoid penalties and interest computed from the original due date of April 15, 2018.</p>
<p style="text-align: center;">April 17, 2018 (30%)</p> <p style="text-align: center;">June 15, 2018 (40%)</p> <p style="text-align: center;">September 17, 2018 (0%)</p> <p style="text-align: center;">January 15, 2019 (30%)</p>	<p>Due dates for 2018 estimated tax payments. Generally, your clients do not have to make estimated tax payments if their California withholding in each payment period totals 90 percent of their required annual payment. Also, they will not have to make estimated tax payments if they pay enough through withholding to keep the amount they owe with their tax return under \$500 (\$250 if married/RDP filing separately) after credits. However, if they do not pay enough tax either through withholding or estimated tax payments, they may have an underpayment penalty. See Form 5805 instructions for more information.</p>

State and Federal Differences

California does not tax:

- Interest income from U.S. savings bonds, U.S. Treasury Bills, or any other bonds of the U.S. or U.S. Territories.
- State income tax refunds.
- Unemployment compensation and paid family medical leave in lieu of unemployment.
- Social security benefits.
- Tier 1 and tier 2 railroad retirement benefits.
- California lottery winnings.

California does tax:

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

For additional nonconformity items, go to FTB Publication 1001, Supplemental Guidelines to California Adjustments.

Itemized Deductions

Generally, California conforms to federal law with regards to itemized deductions. However, there are some differences. Go to FTB Publication 1001, *Supplemental Guidelines to California Adjustments*, for more information.

Injured Spouse

Under federal law, a spouse may seek relief in instances where a refund on a joint return is used to pay (offset) a debt of the other spouse. California does not have a similar provision.

Example: In 2017, Sam was a full-time student and Sally was employed. Sam and Sally filed a joint tax return. Sam and Sally's refund was used to offset past-due child support owed by Sam. For federal purposes, Sally is an injured spouse; therefore, Sally may claim her share of the refund on federal Form 8379, *Injured Spouse Allocation*. California does not have a similar provision.

California tax credits include:

- Nonrefundable Renter’s Credit
- Child and Dependent Care Expense
- Joint Custody Head of Household
- Earned Income Tax Credit
- Dependent Parents
- Senior Head of Household
- Child Adoption
- As well as many other special credits. Go to, Form 540 Personal Income Tax Booklet for a complete list of available credits.

Additional Information

General Filing Requirements

If in doubt about if a return needs to be filed or not, file a tax return. By filing a tax return, your client avoids penalties for failure to file.

Remember, even if your client does not have a filing requirement, file a tax return to claim a refund if:

- There is California withholding on Form W-2 or 1099s.
- The client paid estimated tax payments to the State of California.
- The client qualifies for California EITC.

Standard Deduction for Dependents

If a client may be claimed as a dependent on someone else’s tax return, file a tax return if gross income exceeds the standard deduction or to claim a refund of withholdings. Use the “Standard Deduction Worksheet for Dependents” to figure the deductible amount.

TaxSlayer Tips

TaxSlayer will calculate the allowable deduction for dependents. Make sure the, “Can be claimed as a dependent,” box is checked.

Deceased Taxpayers

If a tax return is normally required, file a final tax return for individuals, who died during 2017. If there is no administrator or executor appointed, file a joint tax return with the surviving spouse/RDP as long as the spouse/RDP did not remarry during 2017. Write “surviving spouse/RDP” next to their signature on the tax return.

If your client is not the surviving spouse/RDP, and the decedent is due a refund, complete federal Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, and submit it with the return.

Children with Investment Income More Than \$2,100

For tax years 2013 and after, dependent children are required to pay taxes at their parent's tax rate on investment income that exceeds \$2,100. This is called, Kiddie Tax, and is calculated on FTB 3800, Tax Computation for Certain Children with Unearned Income. The form should be included with their return.

Kiddie tax applies if:

- The child is either:
 - Under age 18 at the end of the year
 - Age 18 at the end of the year and did not have earned income that was more than half of the child's support
 - A full-time student over age 18 and under age 24 at the end of the year, and did not have earned income that was more than half of the child's support
- Either one of the child's parents is living at the end of the year
- The child does not file a joint return for the tax year
- The child's investment income for 2017 is more than threshold amount

However, parents may elect to include their child's investment income on their return if they meet all of the requirements. For the requirement and additional information, go to FTB 3803 instructions.

California Tax Forms on the Internet

Download, view, and print California income tax forms and publications at ftb.ca.gov. Click on the Forms & Instructions link under the File column on the homepage.

Filing Requirements for Most Clients

Generally, California resident taxpayers are required to file returns if they meet the income thresholds in the chart below. Read down the first column to find your client's filing status at the end of 2017. Read across to find the age of your client at the end of 2017 and the number of dependents they claim for 2017. File a tax return if either the California gross income or the California adjusted gross income exceeds the listed amount for their filing status, age, and number of dependents.

On 12/31/2017 my client's filing status was:	And my client's age was:	California Gross Income			California Adjusted Gross Income		
		Number of Dependents			Number of Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of Household	Under 65	17029	28796	37621	13623	25390	34215
	*65 or older	22729	31554	38614	19323	281418	35208
Married Filing Jointly/RDP or Married Filing Separately/RDP (with combined incomes*)	Under 65	34060	45827	54652	27249	39016	47841
	*65 or older (1 spouse or RDP)	39760	48585	55645	32949	41774	48834
	*65 or older (both spouses or RDPs)	45460	54285	61345	38649	47474	54534
Qualifying Widow/Widower	Under 65		28796	37621		25390	34215
	*65 or older		31554	38614		28148	35208
Dependent of another person. (Any filing status, any age)		More than your client's standard deduction. *Married filing separate filing status may be different.					

Other situations when taxpayers must file even if the income thresholds are not met:

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

California Gross Income is world-wide income your client's received in the form of money, goods, property, and services that are not exempt from tax. Gross income does not include any adjustments or deductions.

California Adjusted Gross Income (AGI) is your client's federal adjusted gross income from all sources reduced or increased by allowable adjustments.

Note: If your client's 65th birthday is on January 1, 2018, they are considered to be age 65 on December 31, 2017.

California Income Tax Returns

There are four state personal income tax forms for California:

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

This manual covers instructions for electronically filed California personal income tax returns

- Volunteer Procedures
- Software Instructions

Self-Help E-Services

MyFTB

Provides tax account information and online services to Individuals, Business Representatives and tax Preparers.

As an individual, you can use MyFTB to access:

- Account information:
 - View account balance and tax year details
 - View estimated payments and credits before filing a return
 - View payment history
 - View a list and images of a tax return
 - View a list and images of notices and correspondence
 - View and update contact information
 - View proposed assessments
 - View California wage and withholding information
 - View FTB-issued 1099 information

- View a list of authorized representatives (tax preparer or a tax preparer with a power of attorney) and manage who can access your account
- View a list of activities that occurred on your account, such as the last time you or your authorized representative accessed your account.

- Online Services
 - Calculate a balance due for a date in the future
 - File a Power of Attorney (POA)
 - File a nonresident withholding waiver request
 - Protest a proposed assessment

- Options to communicate with us
 - Chat with an FTB representative about confidential matters
 - Send a secure message with attachments to FTB
 - Choose to receive an email when we send you a notice or correspondence

How to access MyFTB

You will need to complete a one-time registration process to access MyFTB account. Go to

https://www.ftb.ca.gov/online/Access_Your_Account/Check.asp?path=Login

When you register, you must select a user name and password and provide the following information:

- A valid email address
- Your social security number
- Your first and last name from the most recently filed California tax return or the name provided via telephone or [FTB 3533](#), Change of Address.
- Information from a CA tax return filed in the last five years:
 - Year of the tax return
 - Filing status used on the tax return
 - CA adjusted gross income (AGI) on the tax return

If you have not filed a CA tax return in one of the last five years, you cannot register. If you need additional information, please contact us at 800.852.5711 (voice) or 800.822.6268 (TTY/TDD) during business hours.

For clients who owe, there’s an easy way to pay:

With instant access to taxpayer information and services available 24 hours a day, the online payment options at ftb.ca.gov will save your clients time and hassle. Plus, paying online is another way to save natural resources like trees. Encourage your clients to pay their taxes online!

- **Web Pay-** Make your personal income tax payments online. You can pay today or schedule your payment up to one year in advance. If you use Web Pay, do not mail the paper payment voucher. [Web Pay for Individuals | California Franchise Tax Board](#)
- **Credit card-** Pay with your discover/NOVUS, Master card, Visa or American Express. Make your payment online or by phone at [Official Payments - Pay Taxes, Utility Bills, Tuition & More Online](#). Official Payments Corporation charges a convenience fee of 2.5% (minimum \$1) to use this service.
- **Western Union-** Pay online, by phone or in person at one of their worldwide offices. *(Additional fees will apply)*. [Money Transfer | Global Money Transfer | WU United States](#)
- **Check or money order-** Mail your payment or pay in person at a field office.

Installment Agreement

If you cannot pay the full amount you owe and would like to make monthly payments, you must first request an Installment Agreement.

You may qualify for an installment agreement if you:

- Owe a balance of \$25,000 or less
- Agree to pay your balance due in 60 months or less
- Have filed all required personal income tax returns

Approval will be based on ability to pay and compliance history. A lien may be filed and a financial statement requested as a conditional approval.

How to apply

- **Apply online-** You must agree to special requirements and have a bank account

- **By mail-** Complete FTB Form 3567 (Installment Agreement Request) and mail it to the address shown on page 1. Failure to provide complete information will delay the processing of your request. Do not attach this form to your tax return.
- **By phone-** Call us at 800.689.4776, Monday through Friday between 8 a.m. and 5 p.m., except state holidays.

**2017 California Volunteer
Reference Manual**

**Volunteer
Procedures**

Responsibility of the Volunteer

As a volunteer tax assistant, be careful to:

- Use the correct forms
- Provide your clients accurate information
- Follow the procedures and instructions in this manual
- Complete a volunteer information sheet each tax season

Volunteers help their client's complete tax returns. You are not a professional preparer. You do not have any legal responsibility regarding the accuracy of the tax returns you complete. Make sure your clients know that they assume legal responsibility for their tax return.

Confidentiality of Information

All tax return information is **confidential**. As a volunteer, under no circumstances, discuss information about any of the tax returns you prepare. Do not retain tax information from an individual's tax return. Do not jeopardize the credibility of the VITA/TCE program by disclosure of information to unauthorized individuals. To enhance the privacy of clients who come to a site, arrange the assistance area so that others cannot see or overhear information exchanged between the volunteer and the client.

Privacy Act Information

If a person requests information about the Federal Privacy Act or the California Information Practices Act of 1977, refer them to Franchise Tax Board's web site: **ftb.ca.gov** and search for **privacy notice**.

Acceptance of Payment

Under no circumstances, accept any form of payment either for your services or on behalf of Franchise Tax Board.

Questions or Assistance Unrelated to Personal Income Tax Law

VITA/TCE trains volunteers to assist in the preparation of personal income tax returns. If a person requests help on personal income tax laws other than those within the program scope, refer the person to Franchise Tax Board's public assistance number. If a person requests help on matters other than personal income tax, suggest that they seek help elsewhere.

Site Number/SIDN

The IRS assigns every volunteer site a site number (SIDN). This number will be added automatically from the default software setup on all tax returns for identification purposes.

Replenishing Your Supply of Forms

To replenish your supply of state forms and publications, complete Form 2333V-CA and return it to Volunteer Income Tax Assistance Team. You may also call the Volunteer Hotline, **800.522.5665**, to order forms, or email an order to **volunteercoordinator@ftb.ca.gov**.

The volunteer hotline assists with tracking forms order shipments, as well as tax preparation and volunteer program advice and assistance. Reach the Volunteer Hotline program staff, 8 a.m. to 4 p.m., weekdays, except state holidays, at **800.522.5665**. There is a voicemail option after hours.

Change in Service Hours or Location

An effective volunteer program is open and staffed during publicized hours. If you plan to be absent, arrange in advance for another volunteer to provide assistance during your assigned time.

If you change the hours or location of your volunteer site:

1. Call the Volunteer Hotline and inform them of the following:
 - That you volunteer for the VITA/TCE program
 - The present location of your site (including county and ZIP code)
 - The change in hours or location
2. Notify the organizations, media, and other persons whom you previously contacted regarding publicity.
3. Correct or remove the posters distributed throughout the community so the public does not go to the old location or to a closed volunteer site.

Site List

We provide links to volunteer site lists provided by the IRS and AARP. Your timely updates are important. Any change in service hours, location, or contact numbers should be updated with the IRS as soon as possible.

Quality Review Checklist

- Double-check that names and social security numbers are complete and in the correct order.
- Quality Review all returns per IRS and FTB policy.
- Make sure Quality Review Sheet is complete.
- Double-check the amount of California withholding on IRS W-2 and 1099.
- Double-check all Schedule A itemized deductions on Form CA (540).
- Double check each information line on the tax return.
- Make sure the client signs and dates the Form 8879.
- The software will continually run diagnostics on every tax return as it is being completed.

Publicizing Your Program

To a great extent, volunteer program success depends on how many people know about the service you provide. As a member of your local community, you know the activities, organization, and individuals that help get information out to the public. If you take it upon yourself to get the word out about the program, it helps guarantee the success of your individual volunteer site.

One of the most effective ways for you to publicize VITA/TCE is through “word of mouth.” If you tell five people about the program and they each tell five people, you effectively advertise the program. Remember, you provide a valuable service, so talk to as many people as possible.

A close second to “word of mouth” publicity is referral from local leaders and community agency personnel. Talk to your pastor, prominent citizens, local government officials, and representatives of local clubs. Ask them to spread the information about your program and to refer interested people.

If you belong to a club or organization, or plan to attend a luncheon, ask for a few minutes to speak about the program. If you know of a church bulletin, church newsletter, senior citizen paper, or local throwaway (a free paper usually passed out at grocery stores), ask the publishers to print your volunteer site location, dates, and times as a community service. They might even print a small story about the program.

FTB sends volunteer program posters to your sponsor and coordinator. Put the posters where you think they get the best exposure (i.e., a bulletin board, store window, library, church, bank, senior citizen home, etc.).

Remember, anyone visiting your volunteer site is a possible information source. If you provide good service, this person recommends your service to someone else.

**2017 California Volunteer
Reference Manual**

**Return
Preparation
Section**

Step by Step TaxSlayer Instructions

The Return Preparation section covers common rules that apply to preparing a California Form 540 using the software. The tax software completes Form 540 or 540NR (long) for all California filers. The federal information generally will carry over to the California return. For information on preparing the federal return, go to federal Publication 4012.

Note: You can find specific instructions in the appropriate 540 or 540 2EZ booklet to prepare a state return manually.

To start a state return, check the “Add State Return(s)” button on the, “*Your Federal Return is Complete*”, screen.

Your Federal Return is Complete!

Congratulations! You have completed your Federal Return.

We're ready to add your state return. We'll automatically transfer all the necessary information into your state return for you.

Please choose from the following options:

- Add a State Return to your account.
The following states do not have state income tax returns that can be filed through TaxSlayer Pro: **Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming**
- Skip the State Return process and Continue to the Summary.
- Return to the Federal Section to review or make changes to your Federal Return.

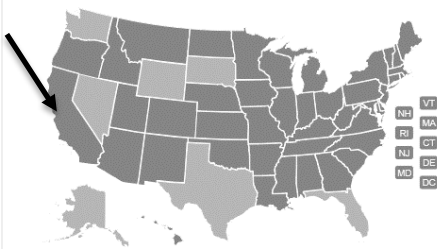
◀ Return to Federal Section Add State Return(s) Continue to Summary

There are two ways to add a state to your federal return. Volunteers can click on the state from the picture or click the down arrow and select a state from the list.

Select your State Return

Please select the state that you would like to complete below.

Only states that accept tax returns for which you have not already created a state tax return are listed here. The following states **do not** have individual income tax returns:
Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming



Choose State
- Please Select -

Cancel Continue

The *California State Return* screen allows you to adjust the federal income, adjustments, and deductions for California law differences.

California State Return

Basic Information	BEGIN
Additions to Income	BEGIN
Subtractions from Income	BEGIN
Itemized Deductions	BEGIN
Credits	BEGIN
Tax	BEGIN
Voluntary Contributions	BEGIN
Payments	BEGIN
Miscellaneous Forms	BEGIN

Basic Information

Complete additional information that relates to your client’s situation. For taxpayers qualified to use Head of Household filing status, California requires Form 3532 to be submitted with their return. Also you would click on Basic Information if your client paid court ordered alimony, was in the military, or taxpayer or spouse passed.

California State Return

Basic Information

Your federal information has been successfully transferred to your State. There are just a few more items required to complete the state return.

Complete California Form 3532 (Head of Household)	<input type="button" value="BEGIN"/>
Additional Personal Information	<input type="button" value="BEGIN"/>
Complete if you were Active Duty Military	<input type="button" value="BEGIN"/>
Complete if the Taxpayer or Spouse listed on the return is deceased	<input type="button" value="BEGIN"/>

Head of Household

California State Return

Complete California Form 3532 (Head of Household)

Qualifying Person's Gross Income for 2016	<div style="border: 1px solid black; padding: 2px; display: inline-block;">1</div> → \$ <input style="width: 150px;" type="text"/>
Number of days your qualifying person lived with your during the tax year	<div style="border: 1px solid black; padding: 2px; display: inline-block;">2</div> → <input style="width: 150px;" type="text"/>

Select below to identify the status of your qualifying child who is age 19 or older in 2016

Full Time Student under age 24	<div style="border: 1px solid black; padding: 2px; display: inline-block;">3</div> → <input style="width: 100px;" type="text" value="-Select-"/>
Permanently and totally disabled	<div style="border: 1px solid black; padding: 2px; display: inline-block;">4</div> → <input style="width: 100px;" type="text" value="-Select-"/>

Complete the required fields for this form.

1. If the person who qualifies the taxpayer for HOH had income in 2017, enter here.
2. Enter the number of days the qualifying person lived with the taxpayer.
3. If the qualifying person is a full time student under the age of 24, answer “yes” from the pull down menu.

- 4. If the qualifying person is permanently and totally disabled, answer “yes” from the pull down menu.

Additional Personal Information

California State Return

Additional Personal Information

Can you be claimed as a dependent on another person's tax return?

Taxpayer

Spouse

Did your Name and Address change from your Prior Year tax return?

If you answered YES above and your last name has changed since you filed your last return ...

Enter the Prior Year Last Name:

Taxpayer

Spouse

If you paid alimony and claimed an adjustment on your Federal Form 1040, Line 31 for alimony paid...

Enter the name of the person you paid alimony to (1):

Enter the name of the person you paid alimony to (2):

Enter the name of the person you paid alimony to (3):

Alimony Paid

If the taxpayer paid court ordered alimony to someone during the tax year, enter the person's name here (up to three entries allowed).

Deceased Taxpayers

Under the Basic Information for the California return, click on the option for deceased taxpayer. Select the type of representative for the deceased and add the Guardian/Executor name. Enter the representative or spouses information to complete the worksheet.

California State Return

Complete if the Taxpayer or Spouse listed on the return is deceased

Select your Representative Type to the Deceased person.

Enter the Guardian\Executor Name

--Select--
 --Select--
 Administrator
 Beneficiary
 Executor
 Spouse
 Trustee

Descendant Representative Information (This may be the same as above.)

Enter the representative name for the deceased person. For example, if the deceased person is listed as a spouse on this return, and the taxpayer is the representative, enter the taxpayer's name in the spouse section below.

Representative First Name

Taxpayer	<input style="width: 95%; height: 20px;" type="text"/>
Spouse	<input style="width: 95%; height: 20px;" type="text"/>

Representative Middle Initial

Taxpayer	<input style="width: 95%; height: 20px;" type="text"/>
Spouse	<input style="width: 95%; height: 20px;" type="text"/>

Representative Last Name

Taxpayer	<input style="width: 95%; height: 20px;" type="text"/>
Spouse	<input style="width: 95%; height: 20px;" type="text"/>

Additions to Income or Subtractions from Income

Complete if there are differences in federal and California law that have not been made when completing the federal return.

California State Return

Basic Information	BEGIN
Additions to Income	BEGIN
Subtractions from Income	BEGIN
Itemized Deductions	BEGIN
Credits	BEGIN
Tax	BEGIN
Voluntary Contributions	BEGIN
Payments	BEGIN
Miscellaneous Forms	BEGIN

California State Return

Additions to Income

All income entered on your Federal return is automatically carried to your state return; however, California taxes certain items of income not taxed by the Federal government. Click [HERE](#) for a list of possible additions to income.

Other Additions	BEGIN
-----------------	-------

To input an addition to California income, click on the “Additions to Income” button. On the next screen click the “Begin” button.

California State Return

Other Additions

Click [HERE](#) for a list of possible additions with their description. Enter the amount and the description below.

Enter "Other Income Addition" amount (Do not enter negative numbers)	<input type="text" value="\$ "/>
Enter the Description of "Other Income Addition"	<input type="text"/>

Enter the amount of the addition and where the amount came from in this screen.

For subtractions to state income, click on the “Begin” button. The next screen will allow you to input any California Lottery winnings the taxpayer can subtract from their state income along with other eligible subtractions.

California State Return

Subtractions from Income

We have automatically carried over subtractions from income to your California return; however, California does not tax certain items of income that are taxed by the Federal Government. Enter the amounts to be subtracted as allowable.

California Lottery Winnings	<input type="button" value="BEGIN"/>
Other Subtractions	<input type="button" value="BEGIN"/>

California State Return

California Lottery Winnings

California excludes California Lottery Winnings from taxable income. Enter only California Lottery Winnings included in your Federal Taxable Income below.

Enter the amount of California Lottery Winnings included on your Federal return.

\$|

California State Return

Other Subtractions

Click [HERE](#) for a list of possible subtractions with their description. Enter the amount and the description below.

Enter the "Other Subtraction from Income" amount (Do not enter negative numbers)

Enter the Description of "Other Subtraction from Income"

For example, federal taxes interest on U.S. Savings Bond but California does not. The adjustment to California is completed on the Interest Income screen for federal. Enter the amount that is reported in Box 3 of the 1099INT in the box for Amount of Interest on US Savings Bonds and Treasury Obligation that you want subtracted from your state return. Select the state from the drop down menu.

Interest Income

Cancel Continue

Type of transaction

Interest Income

Payer's Name *

Taxpayer, Spouse, or Joint?

Interest Income (Box 1)

Early Withdrawal Penalty (Box 2)

Interest on U.S. Savings Bonds and Treasury obligations (Box 3)

(Note: Enter Taxable amount only)

Federal Tax Withheld (Box 4)

Foreign Tax Paid (Box 6)

Amount of Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return

Please select your state *



Also, the software automatically makes an adjustment for taxable state refunds, social security, and unemployment. This income types are taxed by federal but not by California.

For more detailed information on California adjustments, go to FTB Publication 1001, *Supplemental Guidelines to California Adjustments*.

CA Itemized Deductions

If your client claims itemized deductions on their federal tax return, some of those deductions may not be allowed by California. The software will automatically make the adjustment for those items.

If your client or their spouse/RDP claims additional standard deduction amounts on their federal tax return because your client or their spouse/RDP is age 65 or older, then your client may benefit from itemizing on their state tax return even if they took the federal standard deduction.


To make adjustments click on the "Itemize Deductions" button.

California State Return

Itemized Deductions

[learn more](#)

We have automatically carried your itemized deductions from your Federal tax return to your California tax return; however, certain items are not deductible on your California return.

Adjustments to California Itemized Deductions  **BEGIN**

Click [HERE](#) for a list of required adjustments with their description. Enter the amount and the description below.

Click on the "Begin" button.

California State Return

Adjustments to California Itemized Deductions

Enter "Adjustments to California Itemized Deductions"

Enter the Description of "Other Adjustment to California Itemized Deductions"

Enter the amount and description of the adjustment.

Credits

Click on the “Credit” button to see the list of California credits that may require additional information. Most information will already be transferred from the federal return.

California State Return

Credits

Certain credits are automatically calculated and carried from your Federal return to your California return. Below are additional credits that are available through the state of California. Please review each section and complete the necessary information as it is applicable to your tax situation.

Child Care Credit

BEGIN

Other Credits

BEGIN

Renters Credit

BEGIN

Schedule S, Other State Tax Credit

BEGIN

CA Earned Income Credit (Form 3514)

BEGIN

Child Care Credit

California State Return

Child Care Credit

You may qualify to claim the 2016 credit for child and dependent care expenses if you paid someone in California to care for your child or other qualifying person while you worked or looked for work. You must have California earned income to qualify for this credit.

Your California earned income is automatically used to calculate this credit. List the source and amount of any money you received in 2016 that is not included in your earned income but was used to support your household. Enter up to three types and amounts below.

#1 Unearned Income/Other Funds

Enter Description

Enter Amount

#2 Unearned Income/Other Funds

Enter Description

Enter Amount

#3 Unearned Income/Other Funds

Enter Description

Enter Amount

Unearned Income and Other Funds Received in 2017

List the source and amount of any money your client received in 2017, not included in earned income but used to support their household. Include:

- Child support
- Property settlements
- Public assistance benefits
- Court awards
- Inheritances
- Insurance proceeds
- Pensions and annuities
- Social Security payments
- Workers compensation
- Unemployment compensation
- Interest
- Dividends

Other Credits

A variety of additional credits are available to qualified clients to reduce their tax liability. To claim your client’s credits, enter the amount of the credit and choose the credit name from the drop down list.

California State Return

Other Credits

Select the credit from the list provided and enter the corresponding amount. Click [HERE](#) for a description of the available credits. (Credits signified with an () cannot be e-filed and may need an accompanying form.)*

1) Select Credit Type	<input type="text" value="--Select--"/>
1) Enter Credit Amount for Credit Type selected above.	<input type="text" value="\$"/>
2) Select Credit Type	<input type="text" value="--Select--"/>
2) Enter Credit Amount for Credit Type selected above.	<input type="text" value="\$"/>

Renter’s Credit

Taxpayers who rent and meet income thresholds may be eligible for a credit. Income limits are \$40, 078 for single filers and \$80,156 for those filing married filing joint, head of household, qualifying widow(er). The renter’s credit question may have appeared earlier and answered already.

Note: Check the CA return to ensure credit amount is on line 46.

California State Return

Renters Credit

The Renter’s Credit is *automatically calculated* if you answer YES below.

If you are *Military*, please answer the additional question provided.

Do you qualify for the Renter’s Credit?	<input type="text" value="--Select--"/>
Military Personnel - Was the taxpayer or spouse a resident but did not live in military housing during year?	<input type="text" value="--Select--"/>

Other State Tax Credit

If you client has income that is taxed by a state other than California, they may qualify for a credit. Click on the “Other State Tax Credit” button.

California State Return

Schedule S, Other State Tax Credit

If you have income that is taxed in California and in *certain states*, you may qualify for a credit of the tax paid to the other state. We will automatically calculate this credit for your Resident return if you have a NonResident return created on your account.

1) Other State	<input type="button" value="BEGIN"/>
2) Other State	<input type="button" value="BEGIN"/>
3) Other State	<input type="button" value="BEGIN"/>
4) Other State	<input type="button" value="BEGIN"/>

California State Return

1) Other State

Select the other state	--Select-- ▾
Enter the description of income that is taxed in both states	
Enter the portion of income taxable to California	\$
Enter the portion of income taxable by the other state	\$
Enter the other state's Adjusted Gross Income	\$
Enter the tax on the other state (enter the calculated tax prior to the application of any withholdings or other payments)	\$

Select the other state income is being taxed in and enter the rest of the information needed. You may need to complete the other state return to get the additional information needed to complete the credit form.

California Earned Income Tax Credit

Income limits for the credit are \$15,009 if there are no qualifying children and \$22,322 if there are one or more qualifying children. The majority of the information for the CA 3514 is brought over from the federal return. Complete details on this screen if needed.

California State Return

CA Earned Income Credit (Form 3514)

Has IRS previously disallowed your Federal EIC?	--Select-- ▾
Has CA previously disallowed your CA EIC?	--Select-- ▾
Child #1 reported on CA 3514	<input type="button" value="BEGIN"/>
Child #2 reported on CA 3514	<input type="button" value="BEGIN"/>
Child #3 reported on CA 3514	<input type="button" value="BEGIN"/>
Prison Inmate Income	\$ <input style="width: 150px;" type="text"/>
Pension from nonqualified plan	\$ <input style="width: 150px;" type="text"/>
Amount of any Medicaid waiver payments, In Home Supportive Services (IHSS) payments, or IHSS supplementary payments that are nontaxable for federal purposes that are included on the CA return. NOTE: Any amount entered will be subtracted from the CA Wages reported on the CA return.	\$ <input style="width: 150px;" type="text"/>

California State Return

Child #1 reported on CA 3514

If the address for the qualifying child is different than the physical address reported on the tax return, please enter the child's physical address down below.

Child's physical address during 2016	<input style="width: 150px;" type="text"/>
City	<input style="width: 150px;" type="text"/>
State	--Select-- ▾
ZIP code	<input style="width: 150px;" type="text"/>

FTB is working hard to protect all taxpayers and ensure the correct refund gets to the right taxpayers.

As a result, in some cases FTB may need to verify the income and/or losses used to claim CalEITC before FTB can issue any refund.

FTB may reach out to a taxpayer **by letter** requesting additional information. The request will come on the **FTB 4502: Additional Documentation Required — Refund Pending**.

The letter will arrive on FTB letterhead:



It's important to remember that FTB is simply trying to verify that the taxpayer is indeed qualified to receive the credit.

If additional documentation is needed to verify the income, FTB will send a letter to the taxpayer within 30 days of the return being filed. FTB will need this information back before any CalEITC can be issued.

FTB may ask for the following, so taxpayers should retain these documents and be prepared to share them with FTB:

If your earned income includes wages:

- Copies of W-2 statements
- Copies of the last two paycheck stubs

If your earned income includes business income or losses:

- Items from the Federal Return, including Schedules C, C-EZ, F, and/or SE.
- A profit-and-loss accounting statement or schedule used to determine the business income and expenses reported on the tax return, along with:
 - Business bank statements and credit card statements supporting the business income (covering at least 2 months),

- Any certification, license, permit, or registration required for the business (taxicab, cosmetology, food service, contractor, vendor, etc.)
- Any federal Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc.

If the taxpayer has claimed qualifying children, FTB more than likely will ask for documentation regarding these individuals, as well. This way, FTB can validate the entire claim.

Tax

California State Return

Tax

[learn more](#)

If you purchased items to be used or consumed in California but did not pay California sales tax on those items, you must pay Use Tax to California. ([Learn More](#))

Examples of purchases where sales tax may not be collected are those made via the internet, mail order catalog or out-of-state.

Use Tax

CA Form 3800, Tax Computation for Certain Children with Investment Income
(Only complete this information if you filed a Federal Form 8615)

Enter the number of exemptions claimed on parent's California tax return

Enter the parent's taxable income from their California tax return

Enter the parent's tax as calculated on their California tax return

From this screen you may enter a Use Tax amount or complete information for CA Form 3800 if needed. Use Tax applies to purchases from out of state sellers, similar to sales tax paid on purchases made in California.

In general, your client pays California Use Tax on purchases from out of state (i.e., telephone, over the Internet, by mail, or in person) if both apply:

- The seller did not collect California sales or Use Tax.
- Your client used, gave away, stored, or consumed the item in this state.

Voluntary Contributions

Taxpayers may make contributions to any of the listed funds on Side 4 of Form 540. For a list of these funds, and a description of each, see the Contribution section of this manual. The contribution amount reduces your client’s refund or, in the event of tax due, will increase the amount your client owes.

California State Return

Voluntary Contributions

You can make Voluntary Contributions to any of the following Special Funds. This contribution will either increase your balance due or reduce your refund by the amount of your contribution.

California Seniors Special Fund	BEGIN
Alzheimers Disease and Related Disorders Fund	BEGIN
Rare and Endangered Species Preservation Program	BEGIN
State Childrens Trust Fund for the Prevention of Child Abuse	BEGIN
California Breast Cancer Research Fund	BEGIN
California Firefighters Memorial Fund	BEGIN
Emergency Food for Families Fund	BEGIN
California Peace Officer Memorial Foundation Fund	BEGIN
California Sea Otter Fund	BEGIN
Revive the Salton Sea Fund	BEGIN
California Cancer Research Fund	BEGIN
School Supplies for Homeless Children Fund	BEGIN
State Parks Protection and Pass Fund	BEGIN

Click on the “Begin” button of the charity the taxpayer would like to contribute to and enter the amount they want to donate.

Payments

California State Return

Payments

[learn more](#)

Your California withholdings listed on Forms W-2, W-2G and 1099-R are automatically carried to your California return. Below are additional items that affect the amount of total payments applied to your tax return. Select each one for additional information and complete all that apply.

Withholdings from Form 1099	<input type="button" value="BEGIN"/>
CA Real Estate Withholding (from Form 593)	<input type="button" value="BEGIN"/>
CA Resident and Nonresident Withholding (from Form 592-B)	<input type="button" value="BEGIN"/>
Apply your State Refund to your 2017 tax return	<input type="button" value="BEGIN"/>
Payments made with your Extension	<input type="button" value="BEGIN"/>

State Withholdings from Form 1099

California State Return

Withholdings from Form 1099

If you entered California Withholdings from Form 1099 in your Federal return, select the type of form this withholding was made and enter the amount of the withholding below.
DO NOT include California withholdings from Forms W-2, W-2G, or 1099-R.

Select the type of 1099 Form from your Federal return that you reported California withholdings.

Enter the amount of California withholdings included in total withholding from 1099 (ex. Form 1099-MISC, 1099-G, etc.) DO NOT include withholdings from W-2, W-2G, or 1099R

If your taxpayer has a 1099 with state withholding, enter the amount on this screen.

Form 593 Withholding

California State Return

CA Real Estate Withholding (from Form 593)

Complete the information below as it was reported to you on your Form 593

Enter the Withholding Agent Information
BEGIN

Enter the Seller Information
BEGIN

Street Address of Transferred Property

City of Transferred Property

State of Transferred Property

ZIP Code of Transferred Property

Enter the Escrow or Exchange Number (Line 1)

Date of Transfer (Line 2) (Enter as follows: yyyyMMdd)

Select the Type of Transaction Subject to Withholding (Line 3)
BEGIN

Select the Withholding Calculation Method (Line 4)
BEGIN

Enter the Amount withheld from this seller (Line 5)

\$

Enter the Preparer Information
BEGIN

Complete the 593 withholding screen with information from the taxpayer's copy of the form.

Amount applied to Your 2018 Estimated Tax

California State Return

Apply your State Refund to your 2017 tax return

Your state withholdings and payments are automatically pulled from your Federal return. Please be sure that the state sections are completed on forms such as your W-2s and 1099s for accurate calculations. If you would like to apply all or part of your state refund to next year's state tax return, you can come back to this section to enter that amount. The refund generator will display your refund amount once you have completed and SAVED the State return. To come back, from the Nav Bar select "State Return >> Edit >> Enter Myself >> Payments". Please note, if you enter an amount that is greater than your refund or you have a balance due on your state, the amount entered here will not be transferred to your state return.

Amount of state refund that you would like to apply to next year

\$

Taxpayers with refunds sometime like to apply part or all of their refund as an estimate payment to the next year’s taxes. The amount in the box is then subtracted from the total refund and the state will apply the amount to the following year’s taxes as an estimate payment.

Extension Payments

California State Return

Payments made with your Extension

If you applied for an extension for time to file your California return and paid an amount with your extension, enter the amount here to add to your total payments.

Extension Payments \$

If your taxpayer is filing their return on extension, they may have made an extension payment before filing their return. Enter the amount paid on extension so it will be applied to any tax liability on their return.

Miscellaneous Forms

This section has several forms that may not apply to the majority of taxpayers who use VITA.

California State Return

Miscellaneous Forms

Please find the additional forms that are available to add to your state tax return below.

Estimated Payment Vouchers, Form 540ES	BEGIN
Underpayment of Estimated Tax, Form 5805	BEGIN
Installment Agreement, Form 3567	BEGIN
California Schedule D Capital Gain or Loss Adjustment	BEGIN
California Schedule RDP (Registered Domestic Partner)	BEGIN
Form 3519 (Extension)	BEGIN

Estimated Payment Vouchers

California State Return

Estimated Payment Vouchers, Form 540ES

To avoid an Underpayment of Estimated Tax penalty, you may be required to file Estimated Tax Payments.

To create your Estimated Payment Vouchers, select YES and enter the amounts you would like to print on your estimated vouchers below.

--Select-- ▾

Payment Voucher 1, Due April 15, 2017

\$

Payment Voucher 2, Due June 15, 2017

\$

Payment Voucher 3, Due September 15, 2017

\$

Payment Voucher 4, Due January 17, 2018

\$

Quarterly payments due for each tax year shall be 30 percent of taxpayer's tax liability for the first quarter, 40 percent of taxpayer's liability for the second quarter, 0 percent of the taxpayer's liability is due for the third quarter, and 30 percent of taxpayer's liability for the fourth quarter, unless the annualization method is used.

Underpayment of Estimated Tax

California State Return

Underpayment of Estimated Tax, Form 5805

If you owe more than \$500 (\$250 if married/RDF filing a separate return) and you showed a tax liability on your 2015 California tax return, you may owe an underpayment of estimated tax penalty. You can complete this form to add the penalty, if any, to your current tax return or request a waiver of the penalty. In most cases the California Franchise Tax Board (FTB) estimates the penalty for you.

To complete Form 5805, Underpayment of Estimated Tax, select YES and complete the menu below.

--Select-- ▾

Enter your Prior Year Tax Liability shown on 2015, Line 64

\$

Enter the date the underestimated payment penalty was or will be paid if paid before the due date of the tax return (Enter as follows: MMdyyyy)

Information regarding your 2016 withholdings

BEGIN

Request a Waiver of Penalty

BEGIN

It is beyond the scope of the VITA/TCE volunteer program to calculate interest, late filing, late payment, and underpayment of estimated tax penalties. Refer taxpayers with possible penalties to FTB's public assistance

telephone number, **800.852.5711**. Inform the taxpayer Franchise Tax Board computes the penalty and sends a bill.

Installment Agreement

California State Return

Installment Agreement, Form 3567

This form cannot be electronically filed and must be mailed to the franchise tax board.

Do you want to complete form 3567? If answer is "Yes" please complete the following lines.

--Select-- ▾

Total Account Balance

\$

Amount to Pay Each Month

\$

Day of Month for Bank Transfer. (Must be between 1 and 28)

Work Phone Numberwhat's this

Taxpayer

Spouse

Work Phone Extensionwhat's this

Taxpayer

Spouse

Routing Number

Account Number

Account Type

--Select-- ▾

Bank Name

Taxpayers may elect to enter into an installment agreement to pay their tax liability over time. If the taxpayers has all of the above information, complete the form to be sent electronically with their return.

Capital Gain or Loss Adjustment

California State Return

California Schedule D Capital Gain or Loss Adjustment

Net Loss from CA Schedule K-1 (enter as a positive figure)	\$
Net Gain from CA Schedule K-1	\$
CA Capital Loss Carryover	\$

If the taxpayer has state capital gain or loss, enter the information on this screen only if there is a difference between the federal and state amount.

Form 3519

California State Return

Form 3519 (Extension)

If you want to Complete California Extension form 3519 please Select "Yes" and Complete Form Below. --Select-- ▾

Amount of Payment Attached to the Extension \$

This form will not be submitted if you file your state return electronically. You will need to mail this form to the appropriate address listed on the form/instructions

If the taxpayer is not ready to complete or does not have all their information to complete their return by the due date and expects to have a tax liability, they can use Form 3519 to make a payment and file their return on extension.

Payment and Refund Setup

Once you've completed the taxpayer's return, there are a few situations they may have concerning either refunds or payments or maybe both on their federal and state returns. Taxpayers may have refund amount coming back from both federal and state, refund from federal and a state payment, payment to federal and a refund from state, or payments to both federal and state. **Extreme care should be used when entering taxpayer banking information in the software.** Banking information may be entered separately for federal and state refunds in the software depending on the results for each return. **Do not** use a deposit slip to find the bank numbers. Deposit slips sometimes have different numbers. Have your client contact their financial institution for assistance in getting correct routing and account numbers.

John Doe	123	
Mary Doe	15 000000 00	
1234 Main Street		
Anytown, CA 99999		
 PAY TO THE ORDER OF	 \$	
 Anytown Bank		
Anytown, CA 99999		
234873992	234873992	123
↗	↗	↘
Routing Number	Account Number	Check Number

Refunds

E-File ← 1

Return Type
Tax Preparation and E-File Information
State Return(s) ← 2

Choose how you would like to file your state returns:

State	Refund/Due	Return Type
CA	Refund: \$ 2553.00	E-file: Direct Deposit Not Selected Paper Return E-file: Paper Check Paper Return with Direct Deposit E-file: Direct Deposit ← 3

By using a computer system and software to prepare and transmit this return elec... e of all information pertaining to my use of the system and software to

From the E-File screen (1), select the “State Return” section (2). To direct deposit the state refund, select the “E-file Direct Deposit (3).

E-File

Return Type
Tax Preparation and E-File Information
State Return(s)
Taxpayer Bank Account Information ← 1

Note: This bank information MUST be accurate for your return to process correctly.

You may split your refund in up to 3 accounts, paper check and purchase up to 3 savings bonds. The total deposits and savings bond purchases must equal your total refund of \$2,381.00

Bank Accounts
Enter bank account information where you would like your refund deposited.

Account Type	Bank Name	Routing Number	Account Number	Deposit Amount
Checking		121000358 ← 2	01030507 ← 3	\$2381.00
Checking				\$0.00
Checking				\$0.00

Pull Refund

On the “Bank Account Information” screen (1), enter the routing (2) and account (3) numbers where the refund will be deposited. **Note:** California refunds can be split over multiple accounts, but TaxSlayer does not support **state** refund splitting. Whatever account is listed first here will be the deposit account for the state refund.

State Amount Due

If your taxpayer has a federal refund and a state amount due they would like to pay using direct debit, you will see this box at the bottom of the “Bank Account Information” screen.

Direct Debit Information

* **Note:** State Direct Debit Payments will be the full amount due for that state. If you do not wish to pay the full amount via direct debit, please select Electronic Balance Due and mail the payment to the State with a payment voucher.

* Because today is after 4/15/2017 today's date will be used as the payment date.
Note : You may also be subject to late payment and interest penalties.

Debit Phone Number: () -

The first account listed will also be the one debited by the state to cover your entire tax liability. A balance due **cannot** be paid from a savings or money market account.

State Refund, Federal Amount Due

Taxpayer Bank Account Information

Note: This bank information MUST be accurate for your return to process correctly.

Name of Bank

Type of Account
Checking ▾

Routing Transit Number

Confirm Routing Transit Number

Bank Account Number

Confirm Bank Account Number

Direct Debit Information

Amount of Tax Payment (Amount Owed: \$1,129.00)
\$

* Note: Payment only applies to federal tax due. If payment amount is less than the amount due, you will have to mail the rest of the payment to the IRS with a payment voucher.

* Because today is after 4/15/2017 today's date will be used as the payment date.
Note: You may also be subject to late payment and interest penalties.

Debit Phone Number
() -

If the taxpayer has a federal balance due that they would like to pay via direct debit and a state refund, the banking information screen will look like the one above. The debit will come from the single account listed and it also is the account the state refund will be deposited in. If a taxpayer wishes to use different accounts, then they will have to elect the e-file with mailed payment or paper check for their refund.

Amounts Due

Taxpayer Bank Account Information

Note: This bank information MUST be accurate for your return to process correctly.

Name of Bank

Type of Account
Checking ▾

Routing Transit Number

Confirm Routing Transit Number
121000338

Bank Account Number

Confirm Bank Account Number
01020207

Direct Debit Information

Amount of Tax Payment (Amount Owed: \$1,129.00)
\$ 2381.00

* Note: Payment only applies to federal tax due. If payment amount is less than the amount due, you will have to mail the rest of the payment to the IRS with a payment voucher.

* Note: State Direct Debit Payments will be the full amount due for that state. If you do not wish to pay the full amount via direct debit, please select Electronic Balance Due and mail the payment to the State with a payment voucher.

* Because today is after 4/15/2017 today's date will be used as the payment date.
Note: You may also be subject to late payment and interest penalties.

Debit Phone Number
(800) 322 - 3665

If the taxpayer owes on both returns, the bank information screen will have both notes about payments for federal and state. Only the federal amount due is entered. Banking information is entered and confirmed.

Closing Out the E-file Screen

Depending on the setup of your software, there may some questions used for statistics at the end of the e-file screen. Please complete these questions as needed.

The screenshot shows the 'E-File' screen with a list of sections on the left and two input fields at the bottom. The sections are: Return Type, Tax Preparation and E-File Information, State Return(s), Taxpayer Bank Account Information, Third Party Designee Info (with a sub-link 'Third Party Designee Info'), Questions, and Custom Credit(s). The input fields are labeled 'Amount of CalEITC?' and 'Amount deposited into Savings?', both containing the value '0.00'. Arrows point from the labels to the input fields.

Section	Amount of CalEITC?	Amount deposited into Savings?
Return Type	0.00	0.00
Tax Preparation and E-File Information		
State Return(s)		
Taxpayer Bank Account Information		
Third Party Designee Info		
Questions		
Custom Credit(s)		

**2017 California Volunteer
Reference Manual**

**Practice
Return Section**

Form 540 Problem 1 Data Sheet

Form 1040 is included for the following clients. Below is information needed to complete the state tax return.

Client Information

Name:	Christopher Thomas – 000-00-0000
Birth Date:	10/18/1949
	Terrie Thomas – 000-00-0000
	07/04/1954
Address:	1234 Whaler Way Huntington Beach, CA 92647
Phone #:	805.111.1111
Filing Status:	Married Filing Jointly/RDP
Dependents:	None

Additional Information

1. The interest shown on line 8a of Form 1040 (\$200), issued on personal savings accounts, is a joint asset.
2. Christopher and Terrie are full year residents.
3. They itemize their deductions for both federal and state. Their Federal Schedule A is attached.
4. Christopher and Terrie own a home.
5. Christopher carries over a \$2,465 capital loss from stock sold during 2015.
6. Terrie paid \$2,000 in tuition as a continuing education requirement for her teaching credential. (Golden West College ID#33-0073702, 15744 Golden West St, Huntington Beach, CA 92647) She received a 1098T from the school.
7. There is a federal married filing joint tax return to assist you.
8. Christopher and Terrie had health care coverage for the year.
9. Christopher received \$11,500 in Social Security benefits. (1040, line 20a)

Form 540, Problem 1
W-2 Information for Terrie Thomas

Form W-2 Wage and Tax Statement

2016

Department of the Treasury—Internal Revenue Service

		a Employee's social security number		This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.			
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld			
94-5678786		42000		2500			
c Employer's name, address, and ZIP code SCHOOL DISTRICT P O BOX 111 HUNTINGTON BEACH CA 92648		3 Social security wages		4 Social security tax withheld			
		47000		2914			
		5 Medicare wages and tips		6 Medicare tax withheld			
		47000		682			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and initial		Last name		11 Nonqualified plans		12a See instructions for box 12	
TERRIE		THOMAS		Suff.		D 5000	
1234 WHALER WY HUNTINGTON BEACH CA 92647		13 Statutory employee		Retirement plan		12b	
		<input type="checkbox"/>		<input checked="" type="checkbox"/>		Third-party sick pay	
		<input type="checkbox"/>		<input type="checkbox"/>		12c	
f Employee's address and ZIP code		14 Other		12d			
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
CA	999999	42000	250	42000	378	SDI	

2017 CALIFORNIA VOLUNTEER REFERENCE MANUAL – PRACTICE RETURN SECTION

Form 1040 Department of the Treasury—Internal Revenue Service (99) 2016 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.			
For the year Jan. 1–Dec. 31, 2016, or other tax year beginning _____, 2016, ending _____, 20____			
Your first name and initial CHRISTOPHER	Last name THOMAS	See separate instructions. Your social security number 001-00-4863	
If a joint return, spouse's first name and initial TERRIE	Last name THOMAS	Spouse's social security number 002-02-4863	
Home address (number and street). If you have a P.O. box, see instructions. 1234 WHALER WY		Apt. no. ▲ Make sure the SSN(s) above and on line 6c are correct.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). HUNTINGTON BEACH, CA 92647		Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$4 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
Foreign country name	Foreign province/state/county	Foreign postal code	
Filing Status			
1 <input type="checkbox"/> Single			
2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)			
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶			
4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶			
5 <input type="checkbox"/> Qualifying widow(er) with dependent child			
Check only one box.			
Exemptions			
6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a.			
b <input checked="" type="checkbox"/> Spouse			
c Dependents:			
(1) First name	Last name	(2) Dependent's social security number	
		(3) Dependent's relationship to you	
		(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
If more than four dependents, see instructions and check here <input type="checkbox"/>			
Boxes checked on 6a and 6b		2	
No. of children on 6c who:		0	
+ lived with you		0	
+ did not live with you due to divorce or separation (see instructions)		0	
Dependents on 6c not entered above		0	
Add numbers on lines above ▶		2	
Income			
7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	42000
8a	Taxable interest. Attach Schedule B if required	8a	200
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	-2465
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount	15b	
16a	Pensions and annuities	16a	
b	Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	11500
b	Taxable amount	20b	7012
21	Other income. List type and amount	21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	46747
Adjusted Gross Income			
23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid	31a	
b	Recipient's SSN ▶		
32	IRA deduction	32	
33	Student loan interest deduction	33	
34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income ▶	37	46747

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. QNA

Form 1040 (2016)

2017 CALIFORNIA VOLUNTEER REFERENCE MANUAL – PRACTICE RETURN SECTION

THOMAS 001-00-4863

Form 1040 (2016) Page **2**

	38 Amount from line 37 (adjusted gross income)	38	46747	
Tax and Credits	39a Check <input checked="" type="checkbox"/> You were born before January 2, 1952, <input type="checkbox"/> Blind, <input type="checkbox"/> Spouse was born before January 2, 1952, <input type="checkbox"/> Blind. Total boxes checked ▶ 39a 1			
	b If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b <input type="checkbox"/>			
Standard Deduction for – • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,300 Married filing jointly or Qualifying widow(er), \$12,600 Head of household, \$9,300	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	14863	
	41 Subtract line 40 from line 38	41	31884	
	42 Exemptions. If line 38 is \$155,650 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	42	8100	
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	23784	
	44 Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	2639	
	45 Alternative minimum tax (see instructions). Attach Form 6251	45		
	46 Excess advance premium tax credit repayment. Attach Form 8962	46		
	47 Add lines 44, 45, and 46	47	2639	
	48 Foreign tax credit. Attach Form 1116 if required	48		
	49 Credit for child and dependent care expenses. Attach Form 2441	49		
	50 Education credits from Form 8863, line 19	50	400	
	51 Retirement savings contributions credit. Attach Form 8880	51	200	
52 Child tax credit. Attach Schedule 8812, if required	52			
53 Residential energy credits. Attach Form 5695	53			
54 Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54			
55 Add lines 48 through 54. These are your total credits	55	600		
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	2039		
Other Taxes	57 Self-employment tax. Attach Schedule SE	57		
	58 Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58		
	59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59		
	60a Household employment taxes from Schedule H	60a		
	b First-time homebuyer credit repayment. Attach Form 5405 if required	60b		
	61 Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	61		
	62 Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62		
63 Add lines 58 through 62. This is your total tax	63	2039		
Payments	64 Federal income tax withheld from Forms W-2 and 1099	64	2500	
	65 2016 estimated tax payments and amount applied from 2015 return	65		
	66a Earned income credit (EIC)	66a		
	b Nontaxable combat pay election 66b	66b		
	67 Additional child tax credit. Attach Schedule 8812	67		
	68 American opportunity credit from Form 8863, line 8	68		
	69 Net premium tax credit. Attach Form 8962	69		
	70 Amount paid with request for extension to file	70		
	71 Excess social security and tier 1 RRTA tax withheld	71		
	72 Credit for federal tax on fuels. Attach Form 4136	72		
73 Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8865 d <input type="checkbox"/>	73			
74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	2500		
Refund	75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	461	
	76a Amount of line 75 you want refunded to you. If Form 8868 is attached, check here ▶ <input type="checkbox"/>	76a	461	
	b Routing number <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
Direct deposit? See instructions. ▶ d Account number <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>				
77 Amount of line 75 you want applied to your 2017 estimated tax ▶ 77	77			
Amount You Owe	78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions ▶	78		
	79 Estimated tax penalty (see instructions)	79		
Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes, Complete below. <input type="checkbox"/> No			
	Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶	
Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Your occupation	
	11/21/16	11/21/16	RETIRED	
	Daytime phone number	805-111-1111		
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)	
11/21/16	11/21/16	TEACHER		
Paid Preparer Use Only	Print/type preparer's name	Preparer's signature	Date	
	IRS PREPARER		11/21/2016	
	Firm's name ▶ PRACTICE LAB	Firm's EIN ▶ -	Check <input type="checkbox"/> if self-employed S01718014	
	Firm's address ▶ 15 PRACTICE LAB WAY WASHINGTON DC 20005	Phone no. 202-202-2022		

www.irs.gov/form1040 QNA Form **1040** (2016)

SCHEDULE A (Form 1040)		Itemized Deductions		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service (99)		▶ Information about Schedule A and its separate instructions is at www.irs.gov/schedulea .		2016 Attachment Sequence No. 07	
Name(s) shown on Form 1040		▶ Attach to Form 1040.		Your social security number	
CHRISTOPHER & TERRIE THOMAS				001-00-4863	
Medical and Dental Expenses		Caution: Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions)	1			
2	Enter amount from Form 1040, line 38	2			
3	Multiply line 2 by 10% (0.10). But if either you or your spouse was born before January 2, 1952, multiply line 2 by 7.5% (0.075) instead	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			
Taxes You Paid		5 State and local (check only one box):			
a	<input checked="" type="checkbox"/> Income taxes, or	5	628		
b	<input type="checkbox"/> General sales taxes				
6	Real estate taxes (see instructions)	6	1550		
7	Personal property taxes	7	180		
8	Other taxes. List type and amount ▶	8			
9	Add lines 5 through 8	9		2358	
Interest You Paid		10 Home mortgage interest and points reported to you on Form 1098		10 12505	
Note: Your mortgage interest deduction may be limited (see instructions).		11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶		11	
		12 Points not reported to you on Form 1098. See instructions for special rules.		12	
		13 Mortgage insurance premiums (see instructions)		13	
		14 Investment interest. Attach Form 4952 if required. (See instructions.)		14	
		15 Add lines 10 through 14		15 12505	
Gifts to Charity		16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions.		16	
If you made a gift and got a benefit for it, see instructions.		17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500		17	
		18 Carryover from prior year		18	
		19 Add lines 16 through 18		19	
Casualty and Theft Losses		20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)		20	
Job Expenses and Certain Miscellaneous Deductions		21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶		21	
		22 Tax preparation fees		22	
		23 Other expenses—investment, safe deposit box, etc. List type and amount ▶		23	
		24 Add lines 21 through 23		24	
		25 Enter amount from Form 1040, line 38		25	
		26 Multiply line 25 by 2% (0.02)		26	
		27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-		27	
Other Miscellaneous Deductions		28 Other—from list in instructions. List type and amount ▶		28	
Total Itemized Deductions		29 Is Form 1040, line 38, over \$155,650?		29 14863	
		<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.			
		30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

For Paperwork Reduction Act Notice, see Form 1040 instructions. QNA

Schedule A (Form 1040) 2016

Form 540 Problem 2 Data Sheet

Form 1040 is completed for the following client. You must now complete a Form 540. Below is information needed to complete the state tax return.

Client Information

Name:	Sandra Short – 000-00-0000
Birth Date:	09/28/1987
Address:	452 Shoo Fly Lane Fillmore, CA 93015
Phone #:	000.000.0000
Filing Status:	Head of Household
Dependents:	Shelly Short
Birth Date:	05/12/2011

Additional Information

1. Sandra worked part time in 2015. She takes the standard deduction.
2. Shelly is Sandra's daughter and lives with her all year.
3. Sandra's brother, Sam, lives with Sandra all year but she is not sure if she can claim him as a dependent. Sam is 25, attends community college, and does not work. Sam's dad gives him \$100.00 per month to help with expenses until he graduates. Sam's SSN: 000-00-0000. Sam's birth date: 02/15/1990.
4. Sandra pays \$1,800.00 per year childcare for Shelly. Her daycare provider is Susie Smith, 000-00-0000, located at 555 Shoo Fly Lane, Fillmore, CA 93015. All care was provided at 555 Shoo Fly Lane. Her telephone number is 831.000.0000.
5. Sandra thinks she qualifies for the renter's credit. Everyone in the household is all year covered under Sandra's insurance plan through her employer.
6. Sandra has rented the same house for the entire year. The rental property is not exempt from property tax. Sandra pays rent to Firestone Properties, 379 Fernbridge Way Fillmore, CA 93015 831.111.1111.

Form 540, Problem 2 W-2 Information for Sandra Short

Form **W-2** Wage and Tax Statement

2016

Department of the Treasury—Internal Revenue Service

		a Employee's social security number	OMB No. 1545-0008 This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.						
b Employer identification number (EIN) 95-1144332		1 Wages, tips, other compensation 5000		2 Federal income tax withheld					
c Employer's name, address, and ZIP code STACKERS SUPPLY 865 FREEMONT AVE FILLMORE CA 93015		3 Social security wages 5000		4 Social security tax withheld 310					
		5 Medicare wages and tips 5000		6 Medicare tax withheld 73					
		7 Social security tips		8 Allocated tips					
d Control number		9		10 Dependent care benefits					
e Employee's first name and initial SANDRA		Last name SHORT		Suff.		11 Nonqualified plans		12a See instructions for box 12 DD 1856	
						13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
						14 Other		12c	
								12d	
f Employee's address and ZIP code 452 SHOO FLY LN FILLMORE CA 93015									
15 State CA	Employer's state ID number 8405344	16 State wages, tips, etc. 5000	17 State income tax	18 Local wages, tips, etc. 5000	19 Local income tax 250	20 Locality name SDI			

2017 CALIFORNIA VOLUNTEER REFERENCE MANUAL – PRACTICE RETURN SECTION

Form **1040A** Department of the Treasury – Internal Revenue Service **U.S. Individual Income Tax Return (99)** **2016** IRS Use Only – Do not write or staple in this space.

Your first name and initial: **SANDRA** Last name: **SHORT** OMB No. 1545-0074
Your social security number
002-00-4863

If a joint return, spouse's first name and initial: _____ Last name: _____ Spouse's social security number: _____

Home address (number and street). If you have a P.O. box, see instructions. **452 SHOO FLY LN** Apt. no. _____ **▲ Make sure the SSN(s) above and on line 6c are correct.**

City, town or post office, state, and ZIP code. (If you have a foreign address, also complete spaces below (see instructions). **FILMORE CA 93015** **Presidential Election Campaign**
 Check here if you, or your spouse (filing jointly), want \$3 to go to this fund. Checking a box below will not change your tax or refund. You Spouse

Foreign country name: _____ Foreign province/state/county: _____ Foreign postal code: _____

Filing status Check only one box.
 1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above and full name here. ▶
 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
 5 Qualifying widow(er) with dependent child (see instructions)

Exemptions
 6a Yourself. If someone can claim you as a dependent, do not check box 6a. } Boxes checked on 6a and 6b: **1**
 b Spouse }
 c Dependents: } No. of children on 6c who:
 (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) If child under age 17 qualifying for child tax credit (see instructions) }
 • lived with you: **2**
 • did not live with you due to divorce or separation (see instructions): **0**
 Dependents on 6c not entered above: **0**
 Add numbers on lines above ▶ **3**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If child under age 17 qualifying for child tax credit (see instructions)
EMILY	SHORT	002-02-4863	DAUGHTER	<input checked="" type="checkbox"/>
SAM	SHORT	002-03-4863	BROTHER	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

d Total number of exemptions claimed. **3**

Income

7	Wages, salaries, tips, etc. Attach Form(s) W-2.	7	5000
8a	Taxable interest. Attach Schedule B if required.	8a	15
b	Tax-exempt interest. Do not include on line 8a.	8b	
9a	Ordinary dividends. Attach Schedule B if required.	9a	
b	Qualified dividends (see instructions).	9b	
10	Capital gain distributions (see instructions).	10	
11a	IRA distributions.	11a	
11b	Taxable amount (see instructions).	11b	
12a	Pensions and annuities.	12a	
12b	Taxable amount (see instructions).	12b	
13	Unemployment compensation and Alaska Permanent Fund dividends.	13	
14a	Social security benefits.	14a	
14b	Taxable amount (see instructions).	14b	
15	Add lines 7 through 14b (far right column). This is your total income .	15	5015

Adjusted gross income

16	Educator expenses (see instructions).	16	
17	IRA deduction (see instructions).	17	
18	Student loan interest deduction (see instructions).	18	
19	Tuition and fees. Attach Form 8917.	19	
20	Add lines 16 through 19. These are your total adjustments .	20	
21	Subtract line 20 from line 15. This is your adjusted gross income .	21	5015

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040A** (2016)

QNA

Form 540 Problem 3 Data Sheet

Form 1040 is completed for the following client. Complete a Form 540. Below is information needed to complete the state tax return.

Client Information

Name:	Randall Rivers 000-00-0000
Birth Date:	10/31/1961
	Rose Rivers 000-00-0000
	12/25/1965
	Rita Rivers 000-00-0000
	05/11/2010
Address:	1234 Pretty Picture Lane Sacramento, CA 95814
Telephone:	916.000.0000
Filing Status:	Married Filing Joint

Additional Information

1. Randall and Rose would like to file married filing joint.
2. Rose has healthcare coverage through a plan with her employer that covers Randall and Rita all year.
3. During 2017, Randall and Rose rented the same duplex for the entire year. The property is not exempt from property tax. They paid rent to:

Apex Property Management
2000 Service Blvd
Golden, Colorado 80401
Phone: 303 555-8642

4. Randall and Rose do not itemize deductions.
5. Randall received \$8,000.00 unemployment benefits during 2017.

Their daughter and grandson lived with them all year but they cannot claim them as dependents. They have one dependent granddaughter.

Form 540, Problem 3 W-2 Information for Rose Rivers

Form W-2 Wage and Tax Statement

2016

Department of the Treasury—Internal Revenue Service

		a Employee's social security number	<small>This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.</small>			
b Employer identification number (EIN) 95-6790989		1 Wages, tips, other compensation 5000		2 Federal income tax withheld 250		
c Employer's name, address, and ZIP code LUCKY CASINO P O BOX 12 SACRAMENTO CA 95827		3 Social security wages 5000		4 Social security tax withheld 310		
		5 Medicare wages and tips 5000		6 Medicare tax withheld 73		
		7 Social security tips		8 Allocated tips		
d Control number		9		10 Dependent care benefits		
e Employee's first name and initial Last name ROSE RIVERS 1234 PRETTY PICTURE LN SACRAMENTO CA 95814		Suff. 11 Nonqualified plans		12a See instructions for box 12 D 20		
				12b		
				12c		
				12d		
f Employee's address and ZIP code		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		14 Other		
15 State CA	Employer's state ID number 999999	16 State wages, tips, etc. 5000	17 State income tax 25	18 Local wages, tips, etc. 5000	19 Local income tax 4	
				20 Locality name SDI		

Form **1040A** Department of the Treasury – Internal Revenue Service **U.S. Individual Income Tax Return (99)** **2016** IRS Use Only – Do not write or staple in this space.

Your first name and initial: **RANDAL** Last name: **RIVERS** OMB No. 1545-0074
Your social security number
003-00-4863

If a joint return, spouse's first name and initial: **ROSE** Last name: **RIVERS** Spouse's social security number:
003-02-4863

Home address (number and street). If you have a P.O. box, see instructions. **1234 PRETTY PICTURE LN** Apt. no. **▲ Make sure the SSN(s) above and on line 6c are correct.**

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **SACRAMENTO CA 95814**

Foreign country name Foreign province/state/county Foreign postal code

Filing status Check only one box.
1 Single **4** Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. **▶**
2 Married filing jointly (even if only one had income)
3 Married filing separately. Enter spouse's SSN above and full name here. **▶**
5 Qualifying widow(er) with dependent child (see instructions)

Exemptions
6a Yourself. If someone can claim you as a dependent, do not check box 6a. **Boxes checked on 6a and 6b**
b Spouse **No. of children on 6c who:**
c Dependents: (2) Dependent's social security number (3) Dependent's relationship to you (4) if child under age 17 qualifying for child tax credit (see instructions)
 If more than six dependents, see instructions.

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)	
ETA	RIVERS	003-03-4863	GRANDCHILD	<input checked="" type="checkbox"/>	1
				<input type="checkbox"/>	0
				<input type="checkbox"/>	0
				<input type="checkbox"/>	0
				<input type="checkbox"/>	0
				<input type="checkbox"/>	0

Dependents on 6c not entered above
Add numbers on lines above ▶ **3**

d Total number of exemptions claimed.

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2. **7** **5000**
8a Taxable interest. Attach Schedule B if required. **8a**
b Tax-exempt interest. Do not include on line 8a. **8b**
9a Ordinary dividends. Attach Schedule B if required. **9a**
b Qualified dividends (see instructions). **9b**
10 Capital gain distributions (see instructions). **10**
11a IRA distributions. **11a** **11b** Taxable amount (see instructions). **11b**
12a Pensions and annuities. **12a** **12b** Taxable amount (see instructions). **12b**
13 Unemployment compensation and Alaska Permanent Fund dividends. **13** **8000**
14a Social security benefits. **14a** **14b** Taxable amount (see instructions). **14b**
15 Add lines 7 through 14b (far right column). This is your **total income.** **▶** **15** **13000**

Adjusted gross income
16 Educator expenses (see instructions). **16**
17 IRA deduction (see instructions). **17**
18 Student loan interest deduction (see instructions). **18**
19 Tuition and fees. Attach Form 8917. **19**
20 Add lines 16 through 19. These are your **total adjustments.** **20**
21 Subtract line 20 from line 15. This is your **adjusted gross income.** **▶** **21** **13000**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040A** (2016)

QNA

2017 CALIFORNIA VOLUNTEER REFERENCE MANUAL – PRACTICE RETURN SECTION

RIVERS 003-00-4863
Form 1040A (2016) Page 2

Tax, credits, and payments	22	Enter the amount from line 21 (adjusted gross income).	22	13 000
	23a	Check <input type="checkbox"/> You were born before January 2, 1952, <input type="checkbox"/> Blind } Total boxes if: <input type="checkbox"/> Spouse was born before January 2, 1952, <input type="checkbox"/> Blind } checked <input type="checkbox"/> 23a		
	b	If you are married filing separately and your spouse itemizes deductions, check here <input type="checkbox"/> 23b		
	24	Enter your standard deduction .	24	12 600
	25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	4 00
	26	Exemptions. Multiply \$4,050 by the number on line 6d.	26	12 150
	27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income .	27	0
	28	Tax , including any alternative minimum tax (see instructions).	28	
	29	Excess advance premium tax credit repayment. Attach Form 8962.	29	
	30	Add lines 28 and 29.	30	
	31	Credit for child and dependent care expenses. Attach Form 2441.	31	
	32	Credit for the elderly or the disabled. Attach Schedule R.	32	
	33	Education credits from Form 8863, line 19.	33	
	34	Retirement savings contributions credit. Attach Form 8880.	34	
	35	Child tax credit. Attach Schedule 8812, if required.	35	
	36	Add lines 31 through 35. These are your total credits .	36	
	37	Subtract line 36 from line 30. If line 36 is more than line 30, enter -0-.	37	
	38	Health care: individual responsibility (see instructions). Full-year coverage <input checked="" type="checkbox"/>	38	
	39	Add line 37 and line 38. This is your total tax .	39	0
	40	Federal income tax withheld from Forms W-2 and 1099.	40	25 0
	41	2016 estimated tax payments and amount applied from 2016 return.	41	
	42a	Earned income credit (EIC).	42a	17 09
	b	Nontaxable combat pay election. 42b		
	43	Additional child tax credit. Attach Schedule 8812.	43	3 00
	44	American opportunity credit from Form 8863, line 8.	44	
	45	Net premium tax credit. Attach Form 8962.	45	
	46	Add lines 40, 41, 42a, 43, 44, and 45. These are your total payments .	46	22 59
Refund	47	If line 46 is more than line 39, subtract line 39 from line 46. This is the amount you overpaid .	47	22 59
	48a	Amount of line 47 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	48a	22 59
	b	Routing number <input type="text" value="121058782"/> c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d	Account number <input type="text" value="000180155"/>		
	49	Amount of line 47 you want applied to your 2017 estimated tax .	49	
Amount you owe	50	Amount you owe. Subtract line 46 from line 39. For details on how to pay, see instructions.	50	
	51	Estimated tax penalty (see instructions).	51	
Third party designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No			
	Designee's name	Phone no.	Personal identification number (PIN)	
Sign here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.			
	Your signature	Date	Your occupation	Daytime phone number
	<input type="text"/>	11/21/2016		916-845-7052
	Spouse's signature, if a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
	<input type="text"/>	11/21/2016		<input type="text"/>
Paid preparer use only	Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	IRS PREPARER	<input type="text"/>	11/21/2016	<input type="checkbox"/> S01718014
	Firm's name	Firm's EIN		
	PRACTICE LAB			
	Firm's address	Phone no.		
	15 PRACTICE LAB WAY WASHINGTON DC 20005	202-202-2022		

QNA Form 1040A (2016)

**2017 California Volunteer
Reference Manual**

**Contribution
Section**

Code 400

California Seniors Special Fund

If your client and/or their spouse/RDP are 65 years or older and claim the Senior Exemption Credit on line 9, they may make a combined total contribution of up to \$218 or \$109 per spouse/RDP. Contributions entered for 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. If your client's 65th birthday is on January 1, 2017, they are considered age 65 on December 31, 2017.

Code 401

Alzheimer's Disease/Related Disorders Fund

Contributions will provide grants to California scientists who study Alzheimer's disease and related disorders. This research includes basic science, diagnosis, treatment, prevention, behavioral problems, and care giving. With over 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 and search for **Alzheimer**.

Code 403

Rare and Endangered Species Preservation 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 your enjoyment and benefit to you and future generations of Californians.

Code 405

California Breast Cancer Research 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 doctor's up-to-date on research progress. For more about the research your contributions support, go to 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 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 Officer's 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 Game will each be allocated 50 percent 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 near-shore ecosystem, including program activities to reduce sea otter mortality. Contributions allocated to the Department of Fish and Game 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 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 or email info@parks.ca.gov.

Code 424

Protect Our Coast and Oceans Fund

Contributions will be used for 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 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 & Cruelty Fund

Contributions will be used to provide funding to research that explores novel approaches to preventing and eliminating pet homelessness and the prevention, investigations, 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 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.

**2017 California Volunteer
Reference Manual**

Software Tips

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

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

California Information

15 State Name <input type="text" value="California"/>	State EIN <input type="text" value="999999"/>	16 St Wages <input type="text" value="\$5000"/>	17 St Tax Paid <input type="text" value="\$25"/>
	18 Local Wages <input type="text" value="\$5000"/>	19 Local Tax Paid <input type="text" value="\$4"/>	20 Local Name <input type="text" value="SDI"/>

IHSS Payments and CA EITC

If you have a taxpayer who has IHSS payments that are excludable from income tax, place the amount in box in the line 13 area of the W2. If this is the only income source for the taxpayer, the amount in box on the W2 will not flow through to the FTB 3514 and the taxpayer will not qualify for CA EITC.

13

- Statutory Employee
- Retirement Plan
- Third Party Pay

Medicaid Waiver Payment in Box 1

State Disability Insurance

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

Many employers enter CA SDI in box 14 of the Form W-2. You can input this information in box 14 of your screen. Click on the arrow at the right of the code box and select CA SDI (see example screen).

Wages

1 Wages, Tips	\$ 5000	2 Federal Tax Withheld	\$ 250
3 SS Wages	\$ 5000	4 Soc. Sec. Tax Withheld	\$ 310
5 Medicare Wages	\$ 5000	6 Medicare Tax	\$ 73
7 SS Tips	\$	8 Allocated Tips	\$
9	RESERVED	10 Dependent Care	\$
		11 NonQual Plan	\$
Unreported Tips	\$		

12		13		14	
Code	Amount	<input type="checkbox"/> Statutory Employee		Code	Amount
a	DD <input type="button" value="v"/> \$20	<input type="checkbox"/> Retirement Plan		CA SDI - CA <input type="button" value="v"/>	\$4
b	<input type="button" value="v"/> \$	<input type="checkbox"/> Third Party Pay		+ add another row	
+ add another row					

California Information

15 State Name	State EIN	16 St Wages	17 St Tax Paid
California <input type="button" value="v"/>	8405344	\$ 5000	\$ 25
	18 Local Wages	19 Local Tax Paid	20 Local Name
	\$	\$	

Important Note: Make sure the SDI amount is entered in box 14 even if the SDI amount is entered in box 19. Also, double check software for accuracy of SDI deduction on federal Schedule A.

W2G/California Lottery and Gambling Losses

To exclude California lottery winnings from the state tax return, enter winnings in this part of the software. When completed correctly, the software deducts this income on the CA Schedule CA 540, line 21a.

California State Return

California Lottery Winnings

California excludes California Lottery Winnings from taxable income. Enter only California Lottery Winnings included in your Federal Taxable Income below.

Enter the amount of California Lottery Winnings included on your Federal return.

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

<p>21 Other income.</p> <ul style="list-style-type: none"> a California lottery winnings b Disaster loss deduction from FTB 3805V c Federal NOL (Form 1040, line 21) d NOL deduction from FTB 3805V 	<p>e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809</p> <p>f Other (describe):</p> <p style="margin-left: 20px;"><input checked="" type="radio"/> TOTAL PENSION</p>	<table border="0" style="margin: auto;"> <tr> <td style="border-right: 1px solid black; padding: 5px;">21</td> <td style="border-right: 1px solid black; padding: 5px; text-align: right;">2750</td> <td style="padding: 5px;"> <table border="0" style="font-size: 2em; vertical-align: middle;"> <tr><td style="padding-right: 5px;">a</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">b</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">c</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">d</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">e</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">f</td><td><input type="radio"/></td></tr> </table> </td> <td style="padding: 5px;"> <table border="0" style="font-size: 2em; vertical-align: middle;"> <tr><td style="padding-right: 5px;">a</td><td style="text-align: right;">2750</td></tr> <tr><td style="padding-right: 5px;">b</td><td></td></tr> <tr><td style="padding-right: 5px;">c</td><td><input checked="" type="radio"/></td></tr> <tr><td style="padding-right: 5px;">d</td><td></td></tr> <tr><td style="padding-right: 5px;">e</td><td></td></tr> <tr><td style="padding-right: 5px;">f</td><td style="text-align: right;">1000</td></tr> </table> </td> </tr> </table>	21	2750	<table border="0" style="font-size: 2em; vertical-align: middle;"> <tr><td style="padding-right: 5px;">a</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">b</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">c</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">d</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">e</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">f</td><td><input type="radio"/></td></tr> </table>	a	<input type="radio"/>	b	<input type="radio"/>	c	<input type="radio"/>	d	<input type="radio"/>	e	<input type="radio"/>	f	<input type="radio"/>	<table border="0" style="font-size: 2em; vertical-align: middle;"> <tr><td style="padding-right: 5px;">a</td><td style="text-align: right;">2750</td></tr> <tr><td style="padding-right: 5px;">b</td><td></td></tr> <tr><td style="padding-right: 5px;">c</td><td><input checked="" type="radio"/></td></tr> <tr><td style="padding-right: 5px;">d</td><td></td></tr> <tr><td style="padding-right: 5px;">e</td><td></td></tr> <tr><td style="padding-right: 5px;">f</td><td style="text-align: right;">1000</td></tr> </table>	a	2750	b		c	<input checked="" type="radio"/>	d		e		f	1000
21	2750	<table border="0" style="font-size: 2em; vertical-align: middle;"> <tr><td style="padding-right: 5px;">a</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">b</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">c</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">d</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">e</td><td><input type="radio"/></td></tr> <tr><td style="padding-right: 5px;">f</td><td><input type="radio"/></td></tr> </table>	a	<input type="radio"/>	b	<input type="radio"/>	c	<input type="radio"/>	d	<input type="radio"/>	e	<input type="radio"/>	f	<input type="radio"/>	<table border="0" style="font-size: 2em; vertical-align: middle;"> <tr><td style="padding-right: 5px;">a</td><td style="text-align: right;">2750</td></tr> <tr><td style="padding-right: 5px;">b</td><td></td></tr> <tr><td style="padding-right: 5px;">c</td><td><input checked="" type="radio"/></td></tr> <tr><td style="padding-right: 5px;">d</td><td></td></tr> <tr><td style="padding-right: 5px;">e</td><td></td></tr> <tr><td style="padding-right: 5px;">f</td><td style="text-align: right;">1000</td></tr> </table>	a	2750	b		c	<input checked="" type="radio"/>	d		e		f	1000			
a	<input type="radio"/>																													
b	<input type="radio"/>																													
c	<input type="radio"/>																													
d	<input type="radio"/>																													
e	<input type="radio"/>																													
f	<input type="radio"/>																													
a	2750																													
b																														
c	<input checked="" type="radio"/>																													
d																														
e																														
f	1000																													

The software automatically subtracts California lottery losses claimed as a gambling loss on federal Schedule A when the amount of the loss is entered here in federal part of the software.

Schedule A - Miscellaneous Deductions

Amortizable premium on taxable bonds

Federal estate tax on income in respect to a decedent

Gambling losses to the extent of gambling winnings

Other	28	Other—from list in instructions. List type and amount ▶	
Miscellaneous		GAMBLING LOSSES TO AMOUNT WON 2750	
Deductions			28 2750

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


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

1099R Pension and Railroad Retirement Income

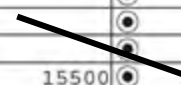
Generally, federal and state treat pension income the same. Find additional and more detailed information in the General Information section and FTB 1001, *Supplemental Guidelines to California Adjustments*.

If your client receives a 1099R with tier 1 or tier 2 railroad retirement income, complete the RRB-1009R. The taxable income from this 1099R qualifies for subtraction on the CA Schedule CA and the software makes the adjustment for you.

IRA/Pension Distributions

Add or Edit a 1099-R	BEGIN
RRB-1099-R	BEGIN 
Social Security Benefits/RRB-1099	BEGIN
Nontaxable Distributions	BEGIN

Note: The placement of the taxable portion of railroad retirement benefits located in Column B of the CA Schedule CA 540, line 16.

TAXABLE YEAR		SCHEDULE		
California Adjustments – Residents		CA (540)		
Important: Attach this schedule behind Form 540, Side 5 as a supporting California schedule.				
Name(s) as shown on tax return		SSN or ITIN		
FTB & IRS TAXPAYER				
Part I Income Adjustment Schedule		A	B	C
Section A – Income		Federal Amounts (taxable amounts from your federal tax return)	Subtractions See instructions	Additions See instructions
7	Wages, salaries, tips, etc. See instructions before making an entry in column B or C 7	97115		
8	Taxable interest (b) 8(a)			
9	Ordinary dividends. See instructions. (b) 9(a)			
10	Taxable refunds, credits, offsets of state and local income taxes 10			
11	Alimony received 11			
12	Business income or (loss) 12			
13	Capital gain or (loss). See instructions 13			
14	Other gains or (losses) 14			
15	IRA distributions. See instructions. (a) 15(b)			
16	Pensions and annuities. See instructions. (a) 15500 16(b)	15500	15500 	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. 17			
18	Farm income or (loss) 18			

Nonqualified HSA Distributions

Distributions from an HSA not used for qualified medical expenses, and included in federal income, are not taxable for California purposes. See the “Additions or Subtractions to Income” in the return preparation section to input this value. “Nonqual HSA” can be used as the description for the adjustment.

For additional information on line 21f income, reference the 540 Booklet for FTB 1001, *Supplemental Guidelines to California Adjustments*.



Hope you enjoy tax software training.

INDEX

1

1099R Pension and Railroad Retirement Income, 84

A

Addition to or Subtractions from Income, 30

C

Capital Gain or Loss Adjustments, 47

Child and Dependent Care Expense Credit, 35

D

Deceased Taxpayers, 29

E

Earned Income Tax Credit, 38

Estimate Payments, 45

F

Filing Requirements for Most Clients, 11

Form 540 Problem 1 Data Sheet, 57

Form 540 Problem 2 Data Sheet, 62

Form 540 Problem 3 Data Sheet, 66

H

Head of Household, 27

I

Important Due Dates, 7

Itemized Deductions, 33

N

Nonqualified HSA Distributions, 85

Q

Quality Review Checklist, 21

INDEX

R

Renter's Credit, 36

Refund Direct Deposit, 49

Responsibility of the Volunteer, 19

S

Scope of VITA/TCE, 5

Site List, 20

State and Federal Differences, 8

W

What's New for 2017, 5



Training Evaluation

Trainer: _____ Class Location: _____

1. This year will be my _____ year as a Volunteer Program assistant.
2. Was the training suited to your level of experience?
 Too Basic Just Right Too Complex
 What information will be most useful? _____
 What information will be least useful? _____
3. Were class objectives stated clearly at the beginning of the class?
 Yes No
 Comments: _____
4. Did the class time allow for adequate coverage of each objective?
 Yes No
 Comments: _____
5. Did the California volunteer manual contain accurate and comprehensive information for the stated objectives?
 Yes No
 Comments: _____
6. Based upon the desired objectives, what is your overall rating of the state training?
 Excellent Good Fair Needs Improvement
 Comments: _____
7. How would you rate the performance of the instructor?
 Excellent Good Fair Needs Improvement
 Comments: _____

Include additional comments about the program presentation and/or the instructor below:

Email or fax your request to: Volunteercoordinator@ftb.ca.gov or 916.845.9004.

California Volunteers Make The Difference

Thank You!

