TAXABLE YEAR

SCHEDULE

2010 California Adjustments — Residents

CA (540)

Important: Attach this schedule behind Form 540, Side 3 as a supporting California schedule.

Name(s) as shown on return: John and Mary Smith

SSN or ITIN: 1 2 3 – 4 5 – 6 7 8 9

Part I Income Adjustment Schedule

Section A – Income

		A Federal Amounts (taxable amounts from your federal return)	B Subtractions See instructions	C Additions See instructions
7	Wages, salaries, tips, etc. See instructions before making an entry in column B or C 7	25,000		
8	Taxable interest **(b)** . . . . 8(a)	2,000	1,000	2,000
9	Ordinary dividends. See instructions. **(b)** . . . . 9(a)			
10	Taxable refunds, credits, offsets of state and local income taxes 10	1,000	1,000	
11	Alimony received 11			
12	Business income or (loss) 12	80,000		40,000
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)** . . . . 16(b)			
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. 17			
18	Farm income or (loss) 18			
19	Unemployment compensation 19	4,400	4,400	
20	Social security benefits **(a)** . . . . 20(b)			
21	Other income. **a** California lottery winnings; **b** Disaster loss carryover from FTB 3805V; **c** Federal NOL (Form 1040, line 21); **d** NOL carryover from FTB 3805V; **e** NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809; **f** Other (describe): 21		a b c d e f	a b c d e f
22	**Total.** Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B. 22	112,400	6,400	42,000

Section B – Adjustments to Income

23	Educator expenses 23			
24	Certain business expenses of reservists, performing artists, and fee-basis government officials 24			
25	Health savings account deduction 25			
26	Moving expenses 26			
27	One-half of self-employment tax. 27	5,500		
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. **(b)** Recipient's: SSN ___ ___ ___ – ___ ___ – ___ ___ ___ ___ Last name _____ 31a			
32	IRA deduction 32			
33	Student loan interest deduction 33			
34	Tuition and fees 34			
35	Domestic production activities deduction 35			
36	Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C. See instructions 36	5,500		
37	**Total.** Subtract line 36 from line 22 in columns A, B, and C. See instructions 37	106,900	6.400	42.000

Part II **Adjustments to Federal Itemized Deductions**

38	Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28	**38**	50,000
39	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax), line 7 (new motor vehicle tax), and line 8 (foreign income taxes **only**). See instructions	**39**	17,000
40	Subtract line 39 from line 38	**40**	33,000
41	Other adjustments including California lottery losses. See instructions. Specify _____	**41**	
42	Combine line 40 and line 41	**42**	33,000
43	**Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?** Single or married/RDP filing separately **$162,186** Head of household **$243,283** Married/RDP filing jointly or qualifying widow(er) **$324,376** **No.** Transfer the amount on line 42 to line 43. **Yes.** Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43	**43**	33,000
44	**Enter the larger of the amount on line 43 or your standard deduction listed below** Single or married/RDP filing separately **$3,670** Married/RDP filing jointly, head of household, or qualifying widow(er) **$7,340** **Transfer the amount on line 44 to Form 540, line 18**	**44**	33,000