

## California Use Tax – Instructions for Tax-Aide Tax Preparers and Quality Reviewers

When a 2017 CA Form 540 is efiled, the Franchise Tax Board requires a dollar amount to have been entered for line 91, Use Tax. If this line is left blank, the CA return *will reject*. TaxSlayer support has said that “Unless you enter a zero line 91, it will be blank when the return is transmitted.”

At the moment, TaxSlayer does not issue a warning if no entry is made for line 91. Tax preparers and quality reviewers **must** ensure that a number is entered. (To do so, go to the CA state main menu, and click “Tax” to go to the entry page; then click “Save”.)

### Tax

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

Tax preparers **must** discuss, with the taxpayer, the use tax amount to be entered in the taxpayer’s return. It is **not acceptable** to automatically enter zero without discussing the amount with the taxpayer. (A one-page explanatory handout for the taxpayer is available.)

Notes:

(1) Entering a zero for the use tax amount does not, at the moment, change how Form 540 looks, in a TaxSlayer PDF. The amount will continue to show as “.00”.

(2) On the 2017 CA Form 540, two boxes appear below the dollar amount on line 91:

Use Tax	<b>91 Use Tax.</b> Do not leave blank. See instructions . . . . . ● <b>91</b> <input style="width: 40px; height: 20px;" type="text"/>
	If line 91 is zero, check if: <input type="checkbox"/> No use tax is owed.
	<input type="checkbox"/> You paid your use tax obligation directly to CDTFA.

TaxSlayer is working to enable tax preparers to check one of these two boxes. But it appears that checking one of these boxes *is not required* for the return to be accepted by the FTB when line 91 is in fact zero.

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