

Head of Household Filing Status. In general, HOH filing status is for unmarried individuals and certain married individuals or RDPs living apart who provide a home for a specified relative. You may be entitled to use HOH filing status if **all** of the following apply:

- You were unmarried and not in a registered domestic partnership, or you met the requirements to be considered unmarried or considered not in a registered domestic partnership on December 31, 2022.
- You paid more than one-half the cost of keeping up your home for the year in 2022.
- For more than half the year, your home was the main home for you and one of the specified relatives who by law can qualify you for HOH filing status.
- You were not a nonresident alien at any time during the year.

For a child to qualify as your foster child for HOH purposes, the child must either be placed with you by an authorized placement agency or by order of a court.

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.

Beginning in tax year 2018, if you do not attach a completed form FTB 3532 to your tax return, we will deny your HOH filing status. For

more information about the HOH filing requirements, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **hoh**. To get form FTB 3532, see “Order Forms and Publications” or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms).

#### Qualifying Surviving Spouse/RDP

Check the box on Form 540, line 5 and use the joint return tax rates for 2022 if **all** five of the following apply:

- Your spouse/RDP died in 2020 or 2021 and you did not remarry or enter into another registered domestic partnership in 2022.
- You have a child, stepchild, or adopted child (not a foster child) whom you can claim as a dependent or could claim as a dependent except that, for 2022:
  - The child had gross income of \$4,400 or more;
  - The child filed a joint return, or
  - You could be claimed as a dependent on someone else’s return.

If the child is not claimed as your dependent, enter the child’s name in the entry space under the “Qualifying surviving spouse/RDP” filing status.

- This child lived in your home for all of 2022. Temporary absences, such as for vacation or school, count as time lived in the home.
- You paid over half the cost of keeping up your home for this child.
- You could have filed a joint tax return with your spouse/RDP the year he or she died, even if you actually did not do so.

## What’s New and Other Important Information for 2022

### Differences between California and Federal Law

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540), California Adjustments – Residents, and the Business Entity tax booklets.

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

**Conformity** – For updates regarding federal acts, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **conformity**.

### 2022 Tax Law Changes/What’s New

#### Filing Status Name Changed to Qualifying Surviving Spouse/RDP –

The filing status qualifying widow(er) is now called qualifying surviving spouse/RDP. The rules for the filing status have not changed.

#### Pass-Through Entity (PTE) Elective Tax and Other State Tax Credit

**Calculation** – For taxable years beginning on or after January 1, 2022, and before January 1, 2026, the calculation of the other state tax credit has changed. California law allows a qualified partner, member, or shareholder to increase the net tax payable by the amount of the allowed PTE tax credit for the taxable year. For more information, get Schedule S, Other State Tax Credit, or see R&TC Section 17052.10.

**College Access Tax Credit** – The sunset date for the College Access Tax Credit is extended until taxable years beginning before January 1, 2028. For more information, get form FTB 3592, College Access Tax Credit.

#### Small Business and Nonprofit COVID-19 Supplemental Paid

**Sick Leave Relief Grant** – For taxable years beginning on or after January 1, 2021, and before January 1, 2030, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program that is established by Section 12100.975 of the Government Code. For more information, see R&TC Section 17158 and Schedule CA (540) instructions.

**Turf Replacement Water Conservation Program** – For taxable years beginning on or after January 1, 2022, and before January 1, 2027, California law allows an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program. For more information, see Schedule CA (540) instructions and R&TC Section 17138.2.

**Fire Victims Trust Exclusion** – For taxable years beginning before January 1, 2028, California law allows a qualified taxpayer an exclusion from gross income for any amount received from the Fire Victims Trust, established pursuant to the order of the United States Bankruptcy Court for the Northern District of California dated June 20, 2020, case number 19-30088, docket number 8053. If a qualified taxpayer included income for an amount received from the Fire Victims Trust in a prior taxable year, the taxpayer can file an amended tax return for that year. If the normal statute of limitations has expired, the taxpayer must file a claim by September 29, 2023. See Schedule CA (540) instructions and R&TC Section 17138.5.

**Thomas and Woolsey Wildfires Exclusion** – For taxable years beginning before January 1, 2027, California law allows a qualified taxpayer an exclusion from gross income for any amount received in a settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire. If a qualified taxpayer included income for an amount received from these settlements in a prior taxable year, the taxpayer can file an amended tax return for that year. If the normal statute of limitations has expired, the taxpayer must file a claim by September 29, 2023. For more information, see Schedule CA (540) instructions and R&TC Section 17138.6.

**Reporting Requirements** – Taxpayers may need to file form FTB 4197, Information on Tax Expenditure Items, with the FTB to report tax expenditure items as part of the FTB’s annual reporting requirements under R&TC Section 41. To determine if you have an R&TC Section 41 reporting requirement, see the R&TC Section 41 Reporting Requirements section or get form FTB 4197.

**High Road Cannabis Tax Credit** – For taxable years beginning on or after January 1, 2023, and before January 1, 2028, a High Road Cannabis Tax Credit (HRCTC) will be available to a qualified taxpayer that is a licensed commercial cannabis business that meets specified criteria. The HRCTC is allowed in an amount equal to 25% of the total amount of the qualified taxpayer’s qualified expenditures in the taxable year not to exceed \$250,000 per taxable year. Any credits not used in the taxable year may be carried forward up to eight years. A qualified taxpayer must request a tentative credit reservation from the FTB during the month of July for each taxable year or within 30 days of the start of their taxable year if the qualified taxpayer’s taxable year begins after July. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **hrctc**.

**Middle Class Tax Refund** – The California Middle Class Tax Refund is a one-time payment issued to provide relief to qualified recipients. California excludes this payment from gross income. For more information, see Schedule CA (540) instructions.

**Timeliness Penalty Abatement** – For taxable years beginning on or after January 1, 2022, an individual taxpayer may elect to request a one-time abatement of a failure-to-file or failure-to-pay timeliness penalty either orally or in writing, if the taxpayer was not previously required to file a California personal income tax return or has not previously been granted abatement under R&TC Section 19132.5, the taxpayer has filed all required returns as of the date of the request for abatement, and the taxpayer has paid, or is in a current arrangement to pay, all tax currently due. For more information, see R&TC Section 19132.5.

**Young Child Tax Credit Expansion** – For taxable years beginning on or after January 1, 2022, California expanded the YCTC eligibility to include an eligible individual with a qualifying child who would otherwise have been allowed the California EITC but that the individual has earned income of zero dollars or less, does not have net losses in excess of \$32,490 in the taxable year, and does not have wages, salaries, tips, and other employee compensation in excess of \$32,490 in the taxable year. For more information, get form FTB 3514, or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **yctc**.

**Foster Youth Tax Credit** – For taxable years beginning on or after January 1, 2022, the refundable FYTC is available to an individual and/or spouse/RDP age 18 to 25, who is allowed the California EITC for the taxable year, was in foster care while 13 years of age or older and placed through the California foster care system. The maximum amount of credit allowable for each eligible taxpayer is \$1,083. The credit amount phases out as earned income exceeds the threshold amount of \$25,000, and completely phases out at \$30,000. For more information, see specific line instructions for Form 540, line 77, and get form FTB 3514, see R&TC Section 17052.2, or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **fytc**.

**Voter Registration Information** – For taxable years beginning on or after January 1, 2022, we added a new Voter Registration Information checkbox on the tax return. For voter registration information, check the box on Form 540, Side 5 and go to [sos.ca.gov/elections](http://sos.ca.gov/elections) for more information. Also, see specific line instructions for Form 540, Voter Information Section and “Voting is Everybody’s Business” under Additional Information section for more information.

**Repeal of Net Operating Loss Suspension** – For the 2022 taxable year, the net operating loss suspension has been repealed. For more information, see R&TC Section 17276.23 and get form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts.

**Repeal of Credit Limitation** – For the 2022 taxable year, the credit limitation has been repealed. For more information, see R&TC Section 17039.3 and get Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents.

**Homeless Hiring Tax Credit** – For taxable years beginning on or after January 1, 2022, and before January 1, 2027, a Homeless Hiring Tax Credit (HHTC) will be available to a qualified taxpayer that hires eligible individuals. The amount of the tax credit will be based on the number of hours the employee works in the taxable year. Employers must obtain a certification of the individual’s homeless status from an organization that works with the homeless and must receive a **tentative credit reservation** for that employee. Any credits not used in the taxable year may be carried forward up to three years. For more information, get form FTB 3831, Homeless Hiring Tax Credit, or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **hhtc**.

**Soundstage Filming Tax Credit** – For taxable years beginning on or after January 1, 2022, California R&TC Section 17053.98(k) allows a fourth film credit, the Soundstage Filming Tax Credit, against tax. The credit is allocated and certified by the California Film Commission (CFC). The qualified taxpayer can:

- Offset the credit against income tax liability.
- Sell the credit to an unrelated party (independent films only).
- Assign the credit to an affiliated corporation.
- Apply the credit against qualified sales and use taxes.

For more information, get form FTB 3541, California Motion Picture and Television Production Credit, form FTB 3551, Sale of Credit Attributable to an Independent Film, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **motion picture**, or go to the CFC website at [film.ca.gov](http://film.ca.gov) and search for **soundstage filming tax credit**.

**State Historic Rehabilitation Tax Credit** – For taxable years beginning on or after January 1, 2021, a State Historic Rehabilitation Tax Credit is available to qualified taxpayers that received a tax credit allocation from the California Tax Credit Allocation Committee (CTCAC). The credit is for the rehabilitation of certified historic structures and for individual taxpayers, a qualified residence. Any credits not used in the taxable year may be carried forward up to eight years. Taxpayers should apply for the tax credit reservation with CTCAC and have received a tax credit allocation confirmation number from CTCAC prior to claiming the State Historic Rehabilitation Tax Credit on form FTB 3835. The credit was not funded, and **cannot** be claimed, for tax year 2021. For more information, get form FTB 3835, State Historic Rehabilitation Tax Credit, or go to the California Office of Historic Preservation website at [ohp.parks.ca.gov](http://ohp.parks.ca.gov) and search for **shrtc**.

**Federal Acts** – In general, R&TC does not conform to the changes under the following federal acts. California taxpayers continue to follow the IRC as of the specified date of January 1, 2015, with modifications. For specific adjustments due to the following acts, see the Schedule CA (540) instructions.

- Inflation Reduction Act of 2022 (enacted on August 16, 2022)
- American Rescue Plan Act (ARPA) of 2021 (enacted on March 11, 2021)
- Consolidated Appropriations Act (CAA), 2021 (enacted on December 27, 2020)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (enacted on March 27, 2020)
- Setting Every Community Up for Retirement Enhancement (SECURE) Act (enacted on December 20, 2019)

## R&TC Section 41 Reporting Requirements

Taxpayers should file form FTB 4197 with the FTB to report tax expenditure items as part of the FTB’s annual reporting requirements under R&TC Section 41. “Tax expenditure” means a credit, deduction, exclusion, exemption, or any other tax benefit provided for by the state. The FTB uses information from form FTB 4197 for reports required by the California Legislature. Taxpayers that have a reporting requirement for any of the following should file form FTB 4197:

- For taxable years beginning before January 1, 2027, qualified taxpayers who benefited from the exclusion from gross income for any amount received in a settlement from Southern California Edison for claims relating to the 2017 Thomas Fire or the 2018 Woolsey Fire.
- For taxable years beginning on January 1, 2022, and before January 1, 2027, taxpayers who benefited from the exclusion of gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program.
- For taxable years beginning on or after January 1, 2021, taxpayers who benefited from the exclusion from gross income for the Paycheck Protection Program (PPP) loans forgiveness, other loan forgiveness, the Economic Injury Disaster Loan (EIDL) advance grant, restaurant revitalization grant, or shuttered venue operator grant, and related eligible expense deductions.
- Beginning in taxable year 2020, a taxpayer operating a commercial cannabis activity that is licensed under California Medicinal and Adult-Use Cannabis Regulation and Safety Act.

For more information, get form FTB 4197.

## Other Important Information

**Expanded Definition of Qualified Higher Education Expenses** – For taxable years beginning on or after January 1, 2021, California law conforms to the expanded definition of qualified higher education expenses associated with participation in a registered apprenticeship program and payment on the principal or interest of a qualified education loan under the federal Further Consolidated Appropriations Act, 2020.

**California Microbusiness COVID-19 Relief Grant** – For taxable years beginning on or after January 1, 2020, and before January 1, 2023, California law allows an exclusion from gross income for grant allocations received by a taxpayer pursuant to the California Microbusiness COVID-19 Relief Program that is administered by the Office of Small Business Advocate (CalOSBA). For more information, see R&TC Section 17158.1 and Schedule CA (540) instructions.