



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

Notice Date:



Review Your State Tax Return - Schedule C (Form 1040) Total Expenses



Account Number:

Taxable Year(s):

Why You Received This Letter

We are contacting you because the Total Expenses amount reported on your Schedule C, line 28, of Form 1040, *Profit or Loss from Business*, on your tax return is significantly higher than what would be expected in your line of business.

California and federal tax laws are generally the same regarding what expenses you are allowed in computing your sole proprietorship net profit or loss. To assist you in understanding what you are allowed to claim on your Schedule C, refer to FTB Publication 984, *Business Expenses*.

What You Need to Do

Review your tax return and the expenses you claimed for your sole proprietorship to ensure that the amounts and expenses are deductible. To correct any errors on your tax return, please file an amended tax return. To find the necessary tax forms and instructions, go to ftb.ca.gov and search for **correct an income tax return**.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/Privacy to learn about our privacy policy statement, or go to ftb.ca.gov/Forms and search for **1131** to locate FTB 1131 EN-SP, *Franchise Tax Board Privacy Notice on Collection*. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

Connect With Us

Web: ftb.ca.gov
Phone: 800.852.5711 from 8:00 a.m. to 5:00 p.m. weekdays, except state holidays
916.845.6500 from outside the United States
California Relay Service: 711 or 800.735.2929 for persons with hearing or speaking limitations