TAXABLE YEAR

CALIFORNIA FORM

2020 Depreciation and Amortization

3885P

Name as shown on return								
California Secretary of State (S						SOS) file nun	nber	
Tangible and intangible assets placed in service during the 2020 taxable year:			Depreciation of assets		n of assets	Amortization of property		
(a) Description of property	(b) Date placed in service (mm/dd/yyyy)	(c) Cost or other basis	(d) Method of figuring depreciation	(e) Life or rate	(f) Depreciation for this year	(g) Code section	(h) Period or percentage	(i) Amortization for this year
1								
1 Enter line 1, column (f) and column (i) totals				1				
Depreciation	ff		-1-41					
Be sure to make adjustments for any basis di				ınar			9	
 California depreciation for assets placed in service beginning before the 2020 taxable year								
Amortization	totalo alla illo i						. •	
Be sure to make adjustments for any basis di	fferences when	calculating amor	tization.					
	California amortization for intangibles placed in service beginning before the 2020 taxable year							
5 Total California amortization. Add line 1(i) totals and line 4								
6 Total depreciation and amortization. Add line 3 and line 5. Enter the total here and on Form 565, Side 1, line 17a,								
if from a trade or business, or on federal Form 8825, line 14, if from rental real estate activities						. 6		
7 IRC Section 179 expense deduction from								
8 Carryover of disallowed deduction to 202	I trom line 13 o	t the worksheet ir	n the instruc	tions	8			

General Information

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** 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 or 540NR), 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.

A Purpose

Use form FTB 3885P, Depreciation and Amortization, to compute depreciation and amortization allowed as a deduction on Form 565, Partnership Return of Income. Attach form FTB 3885P to Form 565

Depreciation is the annual deduction allowed to recover the cost or other basis of business or income producing property with a determinable useful life of more than one year. Land is not depreciable.

Amortization is an amount deducted to recover the cost of certain capital expenses over a fixed period.

Federal/State Calculation Differences

California law has not always conformed to federal law with regard to depreciation methods, special credits, or accelerated write-offs. Consequently, the recovery periods and the basis on which the depreciation is calculated may be different from the amounts used for federal purposes. Reportable differences may occur if all or part of your assets were placed in service:

- Before January 1, 1987: California disallowed depreciation under the federal Accelerated Cost Recovery System (ACRS). Continue to calculate California depreciation in the same manner as in prior years for those
- On or after January 1, 1987: California provides special credits and accelerated write-offs that affect the California basis for qualifying assets. California does not conform to all the changes to federal law enacted in 1993. Therefore, the California basis or recovery periods may be different for some assets.

California law does not conform to the federal law for:

- IRC Section 168(k) relating to the depreciation deduction for certain assets.
- The enhanced IRC Section 179 expensing election.
- The expanded definition of IRC Section 179 property for certain depreciable tangible personal property related to furnishing lodging and for qualified real property for improvements to nonresidential real property.

Additional differences may occur for the following:

 Luxury Automobile Depreciation: Sport utility vehicles and minivans built on a truck chassis are included in the definition of trucks and vans when applying the 6,000 pound gross weight limit. However, California does not conform to the federal modifications to depreciation limitations on luxury automobiles (IRC Section 280F). Depreciation limitations placed in service in the calendar year 2020: For passenger automobiles (that are not trucks or vans)

Tax year	Amount
1st Tax Year	\$3,304
2nd Tax Year	\$5,227
3rd Tax Year	\$3,084
Each Succeeding Year	\$1,856

For trucks and vans

Tax year	Amount
1st Tax Year	\$3,721
2nd Tax Year	\$5,959
3rd Tax Year	\$3,502
Each Succeeding Year	\$2,169

For lease inclusion indexing amounts, go to **ftb.ca.gov/forms/search** and enter **lease inclusion**.

- Amortization of Certain Intangibles (IRC Section 197): Property
 classified as Section 197 property under federal law is also Section 197
 property for California purposes. There is no separate California election
 required or allowed. However, for Section 197 property acquired before
 January 1, 1994, the California adjusted basis as of January 1, 1994,
 must be amortized over the remaining federal amortization period.
- Grapevines Subject to Phylloxera or Pierce's Disease: For California purposes, replacement grapevines may be depreciated using a recovery period of five years instead of ten years.

This list is not intended to be all-inclusive of the federal and state differences. For additional information, refer to California's R&TC.

Specific Line Instructions

Line 1 – California depreciation for assets and amortization for intangibles placed in service during the 2020 taxable year.

Complete column (a) through column (i) for each asset or group of assets or property placed in service during the 2020 taxable year. Enter the column (f) totals on line 1(f). Enter the column (i) totals on line 1(i).

Line 2 – California depreciation for assets placed in service beginning before the 2020 taxable year.

Enter total California depreciation for assets placed in service beginning before the 2020 taxable year, taking into account any differences in asset basis or differences in California and federal tax law.

Line 4 – California amortization for intangibles placed in service beginning before the 2020 taxable year.

Enter total California amortization for intangibles placed in service beginning before the 2020 taxable year, taking into account any differences in asset basis or differences in California and federal tax law.

Assets with a Federal Basis Different from California Basis

Some assets placed in service on or after January 1, 1987, will have a different adjusted basis for California purposes due to the credits claimed or accelerated write-offs of the assets. Review the list of depreciation and amortization items in the instructions for Schedule CA (540), California Adjustments — Residents, and Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents. If the partnership has any other adjustments to make, get FTB Pub. 1001, for more information.

Line 6 - Total Depreciation and Amortization

Add line 3 and line 5. Enter the total on line 6 and on Form 565, Side 1, line 17a.

If depreciation or amortization is from more than one trade or business activity, or from more than one rental real estate activity, the partnership should separately compute depreciation for each activity. Use the depreciation computed on this form to identify the net income for each activity. Report the net income from each activity on an attachment to Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc., for purposes of passive activity reporting requirements. **Use California amounts** to determine the depreciation amount to enter on line 14 of federal Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation.

Line 7

Enter the IRC Section 179 expense deduction amount from line 12 of the following worksheet.

These limitations apply to the partnership and each partner.

Elec	tion to Expense Certain Tangible Property (IRC	Section 179) Worksheet					
Follo	ow the instructions on federal Form 4562, Dep	reciation and Amortization, for listed property.					
1	Maximum dollar limitation	1	\$ 25,000				
2	Total cost of IRC Section 179 property placed	2					
3	Threshold cost of IRC Section 179 property p	3	\$200,000				
4	Reduction in limitation. Subtract line 3 from li	4					
5	Dollar limitation for taxable year. Subtract line	4 from line 1. If zero or less, enter -0	5				
	(a)	(b)	(c)				
	Description of property	Cost	Elected cost				
6							
7		V, line 29. Make adjustments for California law and					
8		v. Add amounts in column (c), line 6 and line 7					
9		5 or line 8					
10	-	. See instructions for line 10 through line 12 on fe					
11		or the aggregate of the partnership's items of inco	•				
	. ,	siness actively conducted by the partnership, other					
	tax-exempt IRC Section 179 expense deduction, and guaranteed payments under IRC Section 707(c)						
12	IRC Section 179 expense deduction. Add line						
	Schedule K (565), line 12 and on form FTB 38						
13	•	dd line 9 and line 10 and subtract line 12. Enter he					
	form FTB 3885P, line 8						