

## Part IV – Individual Shared Responsibility Penalty

### Line 1 – Individual Shared Responsibility Penalty

Enter your Individual Shared Responsibility Penalty amount from step 5 of the Individual Shared Responsibility Penalty Worksheet.

**Use the following steps to determine if you need to pay an Individual Shared Responsibility Penalty, and if so, calculate the amount.**

- Follow Steps 1 through 5 next.
- Complete Worksheet A and Worksheet B if you are directed to them as you complete Steps 1 through 5.
- Complete the Individual Shared Responsibility Penalty Worksheet as directed in Steps 1 through 5 or Worksheets A and B.

### Step 1 All Filers

1. Can someone claim you as a dependent?  Yes  No  
If you answered **YES**, stop here. You do not owe an Individual Shared Responsibility Penalty. Check the "If someone can claim you as a dependent" box on line 6 of Form 540, Form 540NR, or Form 540 2EZ. You do not need to file form FTB 3853.  
If you answered **NO**, continue.
2. Did you, and everyone else in your applicable household (see Applicable household under Definitions on Page 2) have MEC for every month of 2023?  Yes  No  
If you answered **YES**, stop here. You do not owe an Individual Shared Responsibility Penalty. Check the full-year health care coverage box on Side 3 of Form 540 and Form 540NR or Side 3 of Form 540 2EZ. You do not need to file form FTB 3853.  
If you answered **NO**, continue.
3. Did you or anyone else in your applicable household have MEC or qualify for a coverage exemption for any month in 2023?  Yes  No  
If you answered **YES**, stop here. You need to file form FTB 3853 and complete Part I and Part III to claim any qualified coverage or coverage exemptions. Skip question 4; go to Worksheet A.  
If you answered **NO**, continue.
4. Did you, or anyone else in your applicable household turn 18 during 2023?  Yes  No  
If you answered **YES** go to Worksheet A.  
If you answered **NO**, go to Step 2.

### Step 2 Flat Dollar Amount

1. Multiply \$900 by the number of people in your applicable household who were at least 18\* years old. . . . . 1 \_\_\_\_\_
- \*For purpose of calculating the Individual Shared Responsibility Penalty, an individual is considered 18 for an entire month if they turn 18 on the first day of the month.
2. Multiply \$450 by the number of people in your applicable household who were under age 18 . . . . . 2 \_\_\_\_\_
  3. Add lines 1 and 2 . . . . . 3 \_\_\_\_\_
  4. Enter the smaller of line 3 or \$2,700 here and on line 1 of the Individual Shared Responsibility Penalty Worksheet. Go to Step 3. . . . . 4 \_\_\_\_\_

## Step 3 Applicable Household Income

1. Enter the amount from Form 540, line 17; Form 540NR, line 17; or Form 540 2EZ, line 16. . . . . 1 \_\_\_\_\_
2. Did you receive any tax-exempt interest? . . . . . 2 \_\_\_\_\_
  - Yes.** Use the worksheet below to determine the California tax-exempt interest and enter the amount on line 2.
  - No.** Continue to the next question.

California tax-exempt interest	
a. Enter the amount from Schedule CA (540), Part I, or Schedule CA (540NR), Part II, Section A, line 2a . . . . .	a _____
b. Enter the amount from Schedule CA (540), Part I, or Schedule CA (540NR), Part II, Section A, line 2b, column B . . . . .	b _____
c. Add line a and line b. Enter the subtotal here . . . . .	c _____
d. Enter the amount from Schedule CA (540), Part I, or Schedule CA (540NR), Part II, Section A, line 2b, column C . . . . .	d _____
e. Subtract line d from line c. This is your California tax-exempt interest. Enter this amount here and on line 2 . . . . .	e _____

3. Did you claim any dependents?
  - Yes.** If you answered **YES**, continue to Question 4.
  - No.** If you answered **NO**, add line 1 and line 2. **This is your applicable household income.** Enter the result on Step 4, line 1.
4. Were any of the dependents you claimed required to file a tax return? . . . . . 4 \_\_\_\_\_
  - Yes.** Calculate each dependent's income by following Question 1 through Question 2 above. Add all dependent's income together and enter the total on line 4.
  - No.** Add line 1 and line 2. **This is your applicable household income.** Enter the result on Step 4, line 1.
5. Did you attach form FTB 3803?
  - Yes.** Continue to the next question.
  - No.** Add line 1, line 2, and line 4. **This is your applicable household income.** Enter the result on Step 4, line 1.
6. Is form FTB 3803, line 4, more than \$1,250? . . . . . 6 \_\_\_\_\_
  - Yes.** Add the amount from each form FTB 3803, line 1b, and the smaller of form FTB 3803, line 4 or \$2,500. Enter the amount(s) on line 6.
  - No.** Enter -0- on line 6. Continue to the next question.
7. Add line 1, line 2, line 4, and line 6. **This is your applicable household income.** Enter the result on Step 4, line 1.

### Step 4 Percentage Income Amount

1. Enter your applicable household income from Step 3. . . . . 1 \_\_\_\_\_
2. Enter your filing threshold amount. Use your gross income to look up your filing threshold based on your filing status, your age, and the number of dependents you claim. To determine your filing threshold, see the Do I Have to File? chart on page 18. . . . . 2 \_\_\_\_\_
3. Subtract line 2 from line 1. . . . . 3 \_\_\_\_\_
4. Is the amount on line 3 zero or less?  
 **Yes.** You do not owe an Individual Shared Responsibility Penalty. You need to file form FTB 3853 and check the "Applicable household income or gross income is below the filing threshold" box in Part II.  
 **No.** Continue
5. Multiply line 3 by 2.5% (0.025). Round to the nearest dollar. This is your percentage income amount. . . . . 5 \_\_\_\_\_
6. Were you required to complete Worksheet A?  
 **Yes.** Go to Worksheet B. Then continue to Step 5.  
 **No.** Enter the amount from line 5 above on line 2 of the Individual Shared Responsibility Penalty Worksheet and complete line 3 of that worksheet. Then continue to Step 5.

### Step 5 State Average Bronze Plan Premium

1. Were you required to complete Worksheet A?  
 **Yes.** Continue  
 **No.** Skip question 2; Go to question 3.
2. Multiply \$324\* by the number on Worksheet A, line 8. Enter the result here and on line 4 of the Individual Shared Responsibility Penalty Worksheet. Skip question 3 and complete line 5 of the Individual Shared Responsibility Penalty Worksheet. . . . . 2 \_\_\_\_\_  

\* \$324 is the 2023 state average premium for a bronze level health plan available through the Marketplace for one individual for one month.
3. Enter on line 4 of the Individual Shared Responsibility Penalty Worksheet the amount below that corresponds to the total number of people in your applicable household. Then complete line 5 of the Individual Shared Responsibility Penalty Worksheet.
  - 1 person — \$3,888
  - 2 people — \$7,776
  - 3 people — \$11,664
  - 4 people — \$15,552
  - 5 or more people — \$19,440

### Individual Shared Responsibility Penalty Worksheet

Use this worksheet if you are referred here from the Individual Shared Responsibility Penalty flowchart or from Worksheet A or B.

- |                 |   |         |
|-----------------|---|---------|
| Complete Step 1 | Enter the flat dollar amount. (From Step 2, question 4 or Worksheet A, line 7). . . . .   | 1 _____ |
| Complete Step 2 | Enter the percentage income amount. (From Step 4, question 5 or Worksheet B, line 14) . . . . .   | 2 _____ |
| Complete Step 3 | Enter the larger of line 1 or line 2 . . . . .  | 3 _____ |
| Complete Step 4 | Enter the State Average Bronze Plan Premium. (From Step 5, question 2 or 3) . . . . .   | 4 _____ |
| Complete Step 5 | Enter the smaller of line 3 or line 4 here and on Form 540, line 92; Form 540NR, line 91; or Form 540 2EZ, line 27. This is your Individual Shared Responsibility Penalty . . . . . | 5 _____ |