

Year input box

Nonresident Withholding Remittance Statement

592-A

To be filed by the withholding agent.

Form with fields for Withholding agent and Preparer (if other than withholding agent), including SSN/ITIN, FEIN/CA corp. no., Name, Address, City/State/ZIP Code, and Contact person/Daytime telephone number.

Table with 9 rows for withholding amounts: 1 Amount of independent contractor withholding, 2 Amount of rent or royalty withholding, 3 Amount of estate withholding, 4 Amount of trust withholding, 5 Amount of foreign (non-U.S.) partner or member withholding, 6 Amount of domestic (U.S.) nonresident S corporation shareholder, partner, or member withholding, 7 Amount of other withholding, 8 Amount of interest due, 9 Total amount of this payment.

Attach a check or money order for the full amount, payable to "Franchise Tax Board." Write the withholding agent's FEIN, CA corp. no., SSN or ITIN, and "Form 592-A" on the check or money order.

Note: Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

General Information

Purpose

Use Form 592-A, Nonresident Withholding Remittance Statement, to report and remit withholding payments to the Franchise Tax Board (FTB) made during the year.

Who Must File

Any individual or entity making payments of California source income to individuals who are nonresidents of California or to corporations or partnerships that do not have a permanent place of business in California or to non-California estates and trusts, must withhold tax from such payments, file Form 592-A, and remit the amount withheld to the FTB.

Income Subject to Withholding

Types of income subject to withholding include: Compensation for services performed in California by nonresidents who are not employees. Compensation for services includes payments for services rendered in California (including payment of expenses

not separately stated), commissions paid to salespersons or agents for orders received or sales made in California, fees for professional services rendered in California, and payments to entertainers, wrestlers, boxers, etc., for performances in California. When compensation is paid for services performed both within and outside of California, the portion paid for services performed in this state and subject to withholding should be determined by an allocation. The independent contractor should complete Form 587, Nonresident Withholding Allocation Worksheet. For more information, get FTB Pub. 1023, Nonresident Withholding Independent Contractor, Rent & Royalty Guidelines; Payments to nonresidents for rents or royalties on property (real or personal) located in California. For more information, get FTB Pub. 1023; Distributions of current year California source income to nonresident beneficiaries from an estate or trust; Prizes and winnings paid to nonresidents for contests in California; Partnership income or gain allocable under IRC Section 704 to foreign nonresident partners. For more information get FTB Pub. 1017, Nonresident Withholding S Corporation and Partnership Guidelines;

- Distributions of California source income to domestic (U.S.) nonresident S corporation shareholders, partners, or members. For more information get FTB Pub. 1017; and
- Other payments of California source income to nonresidents.

## Withholding Rates

Withholding is required on payments made to nonresidents for income received from California sources (R&TC Section 18662). The withholding rate is seven percent unless the withholding is on foreign partners or a reduced rate is authorized by the FTB. For foreign partners, the withholding rate is the maximum California tax rate applicable to the partner (corporations 8.84%, banks 10.84%, foreign partners 9.3% that are not corporations or banks).

## Exceptions

Withholding is not required when:

- The payment is for goods;
- The payment is being made to a resident of California or to an S corporation, partnership, or a limited liability company (LLC) that has a permanent place of business in California. Form 590, Withholding Exemption Certificate, can be used by vendors/payees to certify that they are residents of California or have a permanent place of business in California. The signed form containing this certification should be retained by the withholding agent and must be provided to the FTB upon request. Withholding agents will be relieved of the withholding requirements if they rely in good faith on a signed Form 590 stating that the vendor/payee is a resident of California or has a permanent place of business in California.

**Note:** If the resident, S corporation, partnership, LLC or that has a permanent place of business in California is acting as an agent for the actual vendor/payee, this exception does not apply;

- The total payments of California source income to the vendor/payee by the withholding agent are \$1,500 or less for the calendar year (for foreign partners, there is no minimum threshold before withholding is required.);
- The payments are for interest or dividends;
- The payments are for services performed outside of California or for rents, royalties, or leases on property located outside of California;
- The vendor/payee is a tax-exempt organization, insurance company, IRA, or qualified pension plan under either California or federal law;
- The payments are wages paid to employees.

**Note:** Wage withholding is administered by the California Employment Development Department (EDD). For more information, contact EDD customer service at (888) 745-3886 or go to their Website at [www.edd.ca.gov](http://www.edd.ca.gov).

- The vendor/payee receives a written authorization from FTB waiving the withholding;
- The domestic nonresident S corporation shareholder or partner provides the S corporation or partnership with a signed Form 590-P, Nonresident Withholding Exemption Certificate for Previously Reported Income; or
- The income of nonresident partners, including a bank or corporation, is derived from qualified investment securities of an investment partnership.

## Waivers

The FTB will generally grant a waiver if:

- The vendor/payee has a history of filing California returns including the return most recently due;
- The vendor/payee is currently making estimated tax payments;
- Distributions are made by publicly traded partnerships; or
- Distributions are made to brokerage firms or tiered partnerships.

The FTB will generally grant a reduced withholding rate when the seven percent withholding rate results in significant over-withholding. Get

Form 588, Nonresident Withholding Waiver Request, to request a waiver or a reduced rate of withholding.

**Note:** There is no provision in the law to allow waivers or reduced withholding to foreign partners.

If the distribution from a partnership is determined to be a return of capital or does not represent taxable income for the current or prior years, no withholding is required. Although a waiver is not required in these situations, the partnership may be subject to the penalty for failing to withhold if, at audit, the FTB determines that the distribution represented taxable income.

## Interest and Penalties

The law provides for interest and penalties on late payments of withholding. Interest is computed from the due date of the withholding to the date paid.

- Failure to timely withhold may result in the withholding agent being personally liable for the amount of tax that should have been withheld and for interest and penalties.
- Failure to timely provide Forms 592-B to the FTB may result in penalties up to \$100 per Form 592-B.
- Failure to provide Forms 592-B to the payees may result in penalties up to \$100 per Form 592-B.

## When and Where to File

File Form 592-A with the payment of withholding by the 20th day of the month following the month that the total amount withheld, but not remitted, from all vendors/payees exceeds \$2,500.

Do not include Form 592-A when the final payment for the year is included with Form 592. For foreign partners, payments are due quarterly to the FTB with Form 592-A on the 15th day of the 4th, 6th, 9th, and 12th months of the partnership's tax year. Send withholding payments and Form 592-A to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

## Specific Line Instructions

### Private Mail Box.

Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number.

Example: 111 Main Street PMB 123.

**Year** – Enter the year withholding is done unless an S corporation's, partnership's, or LLC's current year distribution represents prior year California source income. In that case enter the year the income was earned. For withholding on current year distributions of prior year income, attach a letter explaining that the distribution took place in the current withholding year, but was for a prior year.

**Withholding agent** – Enter the withholding agent's tax ID number, name, address, and contact information.

**Preparer** – If this form is prepared by someone other than the withholding agent, enter the preparer's tax ID (SSN/PTIN), name, address, and contact information.

**Line 1** – Enter the amount of withholding on compensation for services performed in California by nonresident independent contractors (including payment of expenses not separately stated). For more information, get FTB Pub. 1023, Nonresident Withholding Independent Contractor, Rent & Royalty Guidelines, or FTB Pub. 1024, Nonresident Withholding Entertainment Guidelines.

**Line 2** – Enter the amount of withholding on payments to nonresidents for rents or royalties on property (real or personal) located in California. For more information get FTB Pub. 1023.

**Line 3** – Enter the amount of withholding on distributions of current year California source taxable income to nonresident beneficiaries of an estate.

**Line 4** – Enter the amount of withholding on distributions of current year California source taxable income to nonresident beneficiaries of an irrevocable trust.

**Line 5** – Enter the amount of withholding on partnership or LLC income or gain allocable under IRC Section 704 to foreign (non-U.S.) partners or members. (You can use the Installment Payment Worksheet that follows these instructions to figure the required installment payment amounts of withholding for foreign partners.) Also enter the beginning and ending dates of the partnership's or LLC's taxable year. The year entered at the top of the form should be the same as the year of the ending date. For more information about withholding on foreign partners, get FTB Pub. 1017, Nonresident Withholding S Corporation and Partnership Guidelines.

**Line 6** – Enter the amount of withholding on distributions of California source taxable income to domestic (U.S.) S corporation shareholders, partners, or members. For more information, get FTB Pub. 1017.

**Line 7** – Enter the amount and description of withholding on any other type of income not listed above. Examples include: game shows, horse racing, and sports. Any withholding on compensation for services or consulting should be included in line 1.

**Note:** Do not withhold on interest or dividends.

**Line 8** – This line is used by the FTB when interest is due on previous late payments. If this payment is late, do not estimate the interest due. You will be notified by the FTB if interest is due.

**Line 9** – Enter the total amount of this withholding payment.

## Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance Section's automated telephone service at: **(888) 792-4900** (toll-free) or **(916) 845-4900** (not toll-free).

OR Write to:

WITHHOLDING SERVICES AND COMPLIANCE SECTION  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms, call:

From within the United States . . . . . (800) 852-5711

From outside the United States . . . . . (916) 845-6500 (not toll-free)

OR Write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website at **www.ftb.ca.gov**.

### Assistance for Persons with Disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD . . . . . (800) 822-6268

### Asistencia Telefonica y en el Internet

Dentro de los Estados Unidos, llame al . . . . . (800) 852-5711

Fuera de los Estados Unidos,  
llame al . . . . . (916) 845-6500 (cargos aplican)

Sitio en el Internet: **www.ftb.ca.gov**

### Asistencia para personas discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla pueden llamar al TTY/TDD (800) 822-6268.

## Installment Payment Worksheet for Foreign Partner or Member Withholding

**(Keep for your records. Do not send to the Franchise Tax Board.)**

Complete only if the partnership or limited liability company (LLC) has foreign (non-U.S.) partners or members.

**Caution:** Complete column (a) before going to the next column.

	(a) 1st Installment	(b) 2nd Installment	(c) 3rd Installment	(d) 4th Installment
		First 3 months	First 6 months	First 9 months
<b>1</b> Enter the partnership's or LLC's California source taxable income for each period .....	<b>1</b>			
<b>2</b> Annualization amounts .....	<b>2</b>	4	2	1.33333
<b>3</b> Multiply line 1 by line 2 .....	<b>3</b>			
		First 3 months	First 5 months	First 8 months
<b>4</b> Enter the partnership's or LLC's California source taxable income for each period .....	<b>4</b>			
<b>5</b> Annualization amounts .....	<b>5</b>	4	2.4	1.5
<b>6</b> Multiply line 4 by line 5 .....	<b>6</b>			
<b>7</b> Annualized California source taxable income. In column (a), enter the amount from line 6, column (a). In columns (b), (c), and (d) enter the <b>smaller</b> of the amounts from line 3 or line 6 in each column .....	<b>7</b>			
<b>8</b> Foreign partner's or member's share of line 7 (annualized California source taxable income) .....	<b>8</b>			
<b>9</b> Multiply line 8 by maximum tax rate .....	<b>9</b>			
<b>10</b> Applicable percentage .....	<b>10</b>	23.75%	47.5%	71.25%
<b>11</b> Multiply line 9 by the percentage on line 10 .....	<b>11</b>			
<b>12 (a)</b> .....	<b>12(a)</b>	zero		
<b>(b)</b> Enter the amount from line 13, column (a) .....	<b>12(b)</b>			
<b>(c)</b> Enter the sum of line 13, column (a) and line 13, column (b) .....	<b>12(c)</b>			
<b>(d)</b> Enter the sum of line 13, column (a); line 13, column (b); and line 13, column (c) .....	<b>12(d)</b>			
<b>13</b> Installment payments of withholding tax due for foreign partners or members. Subtract line 12 from line 11. If less than zero, enter -0- .....	<b>13</b>			

**Note** – Using this installment payment worksheet and timely paying the calculated amounts protects you from penalties for underpayment. However, you may still need to make a fifth payment with Form 592, Nonresident Withholding Annual Return, after the end of the year. If you know exactly what the foreign partner's or member's share of California source partnership or LLC income is for the quarter, you can calculate the quarterly payment by multi-

plying the partner's or member's share of California source taxable income for the quarter by the maximum tax rate (currently, 8.84% for corporations, 10.84% for banks and financial institutions, and 9.3% for all others) instead of using this worksheet.