

# Resident and Nonresident Withholding Tax Statement

**2016**

**592-B**

Amended

**Part I Withholding Agent**

Name of withholding agent (from Form 592 or 592-F)			SSN or ITIN		
Address (apt./ste., room, PO box, or PMB no.)			<input type="checkbox"/> FEIN	<input type="checkbox"/> CA Corp no.	<input type="checkbox"/> CA SOS file no.
City (If you have a foreign address, see instructions.)	State	ZIP code	Daytime telephone number		

**Part II Payee**

Name of payee			SSN or ITIN		
Address (apt./ste., room, PO box, or PMB no.)			<input type="checkbox"/> FEIN	<input type="checkbox"/> CA Corp no.	<input type="checkbox"/> CA SOS file no.
City (If you have a foreign address, see instructions.)	State	ZIP code			

**Part III Type of Income Subject to Withholding.** Check the applicable box(es).

<input type="checkbox"/> <b>A</b> Payments to Independent Contractors	<input type="checkbox"/> <b>E</b> Estate Distributions	<input type="checkbox"/> <b>H</b> Allocations to Foreign (non-U.S.) Nonresident Partners/Members
<input type="checkbox"/> <b>B</b> Trust Distributions	<input type="checkbox"/> <b>F</b> Elective Withholding	<input type="checkbox"/> <b>I</b> Other _____
<input type="checkbox"/> <b>C</b> Rents or Royalties	<input type="checkbox"/> <b>G</b> Elective Withholding/Indian Tribe	
<input type="checkbox"/> <b>D</b> Distributions to Domestic (U.S.) Nonresident Partners/Members/Beneficiaries/S Corporation Shareholders		

**Part IV Tax Withheld**

1 Total income subject to withholding .....	<b>1</b>		
2 Total California tax withheld (excluding backup withholding) .....	<b>2</b>		
3 Total Backup Withholding .....	<b>3</b>		

## 2016 Instructions for Form 592-B Resident and Nonresident Withholding Tax Statement

References in these instructions are to the Internal Revenue Code (IRC) as of January 1, 2015, and to the California Revenue and Taxation Code (R&TC).

### What's New

**Penalty Increase** – Beginning on or after January 1, 2016, the penalties related to failure to file information returns have increased. See General Information F, Interest and Penalties, or get FTB Pub. 1150, Withhold at Source Penalty Information, for more information.

### General Information

**Do Not Round Cents to Dollars** – On this form, **do not** round cents to the nearest whole dollar. Enter the amounts with dollars and cents as actually withheld.

**Backup Withholding** – With certain limited exceptions, payers that are required to withhold and remit backup withholding to the Internal Revenue Service (IRS) are also required to withhold and remit to the Franchise Tax Board (FTB) on income sourced to California. The California backup withholding rate is 7% of the payment. For California purposes, dividends, interests, and any financial institutions release

of loan funds made in the normal course of business are exempt from backup withholding. For additional information on California backup withholding, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **backup withholding**.

If a payee has backup withholding, the payee must contact the FTB to provide a valid Taxpayer Identification Number (TIN) before filing a tax return. The following are acceptable TINs: social security number (SSN); individual taxpayer identification number (ITIN); federal employer identification number (FEIN); California corporation number (CA Corp no.); or California Secretary of State (CA SOS) file number. Failure to provide a valid TIN will result in the denial of the backup withholding credit.

**Registered Domestic Partners (RDPs)** –

For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP, unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic “partner” and a California registered domestic

“partnership,” as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

### A Purpose

Use Form 592-B, Resident and Nonresident Withholding Tax Statement, to report to the payee the amount of payment or distribution subject to withholding and tax as reported on Form 592, Resident and Nonresident Withholding Statement, or Form 592-F, Foreign Partner or Member Annual Return. Complete a separate Form 592-B for each payee.

Form 592-B is provided to the payee to file with their state tax return. This form can be provided to the payee electronically. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **electronic 592-B requirements**. A broker can provide Form 592-B as a composite statement. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **composite 592-B**.

**Do not** use Form 592-B to allocate or distribute withholding to each payee. Use Form 592 or Form 592-F.

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**visit our website:**

**[ftb.ca.gov](http://ftb.ca.gov)**

Pass-through entities which were withheld upon by another entity should use Form 592 to pass-through the withholding to their domestic nonresident partners in a partnership, limited liability company (LLC) members, estate or trust beneficiaries, and S corporation shareholders, or Form 592-F to pass-through the withholding to their foreign (non U.S.) partners or members.

## B Helpful Hints

- Get taxpayer identification numbers (TINs) from all payees.
- Complete all applicable fields.
- Complete all forms timely to avoid penalties.

## C Who Must Complete

Form 592-B must be completed by any person or entity who:

- Has withheld on payments to residents or nonresidents.
- Has withheld backup withholding on payments to residents or nonresidents.
- Was withheld upon and must pass-through the withholding credit to their pass-through entity owners.

### Record Keeping

The withholding agent retains the proof of withholding for a minimum of four years and must provide it to the FTB upon request.

## D When To Complete

Form 592-B must be provided to each payee by:

- January 31st following the close of the calendar year for residents or nonresidents.
- February 15th following the close of the calendar year for brokers as stated in Internal Revenue Code (IRC) Section 6045.

Form 592-B must be provided to each foreign (non-U.S.) partner or member by:

- The 15th day of the 4th month following the close of the partnership's or LLC's taxable year.
- The 15th day of the 6th month following the close of the partnership's or LLC's taxable year, if all the partners in the partnership or members in the LLC are foreign.

**10-Day Notification** – When making a payment of withholding tax to the IRS under IRC Section 1446, a partnership must notify all foreign partners of their allocable shares of any IRC Section 1446 tax paid to the IRS by the partnership. The partners use this information to adjust the amount of estimated tax that they must otherwise pay to the IRS. The notification to the foreign partners must be provided within 10 days of the installment due date, or, if paid later, the date the installment payment is made. See Treas. Regs. Section 1.1446-3(d)(1)(i) for information that must be included in the notification and for

exceptions to the notification requirement. For California withholding purposes, withholding agents should make a similar notification. No particular form is required for this notification, and it is commonly done on the statement accompanying the distribution or payment. However, the withholding agent may choose to report the tax withheld to the payee on a Form 592-B.

## E Penalties

The withholding agent must furnish complete and correct copies of Form(s) 592-B to the payee by the due date.

If the withholding agent fails to provide complete, correct, and timely Form(s) 592-B to the payee, the penalty per Form 592-B is:

- \$100 for each payee statement not provided by the due date.
- \$250 or 10% of the amount required to be reported (whichever is greater), if the failure is due to intentional disregard of the requirement.

## Specific Instructions

### Instructions for Withholding Agent

**Year** – The year in the upper left corner of Form 592-B should represent the calendar year in which the withholding took place.

For foreign partners in a partnership, or foreign members in an LLC, make sure the year in the upper left corner of Form 592-B is the year that the partnership's or LLC's taxable year ended. For example, if the partnership's or LLC's taxable year ended December 31, 2015, use the 2015 Form 592-B.

**Private Mail Box (PMB)** – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

**Foreign Address** – Follow the country's practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. **Do not** abbreviate the country name.

### Part I – Withholding Agent

Enter the withholding agent's name, identification number, address, and telephone number.

### Part II – Payee

Enter the payee's name, identification number, and address.

If the payee is a **grantor trust**, enter the grantor's individual name and SSN or ITIN. **Do not enter the name of the trust or trustee information.** (For tax purposes, grantor trusts are transparent. The individual grantor must report the income and claim the withholding on the individual's California tax return.)

If the payee is a **non-grantor trust**, enter the name of the trust and the trust's FEIN. **Do not enter trustee information.**

If the trust has applied for a FEIN, but it has not been received, enter "applied for" in the space for the trust's FEIN and attach a copy of the federal application behind Form 592-B. After the FEIN is received, amend Form 592-B to submit the assigned FEIN.

If the payees are married/RDP, enter only the name and SSN or ITIN of the primary spouse/RDP. However, if the payees intend to file separate California tax returns, the withholding agent should split the withholding and complete a separate Form 592-B for each spouse/RDP.

### Part III – Type of Income Subject to Withholding

Check the box(es) for the type of income subject to withholding.

### Part IV – Tax Withheld

#### Line 1

Enter the total income subject to withholding.

#### Line 2

Enter the total California tax withheld (excluding backup withholding). The amount of tax to be withheld is computed by applying a rate of 7% on items of income subject to withholding. For foreign partners, the rate is 8.84% for corporations, 10.84% for banks and financial institutions, and 12.3% for all others.

For pass-through entities, the amount withheld is allocated to partners, members, S corporation shareholders, or beneficiaries, whether they are residents or nonresidents of California, in proportion to their ownership or beneficial interest.

#### Line 3

Enter the total backup withholding.

### Instructions for Payee

This withholding of tax does not relieve you of the requirement to file a California tax return within three months and fifteen days (two months and fifteen days for a corporation) after the close of your taxable year.

You may be assessed a penalty if:

- You do not file a California tax return.
- You file your tax return late.
- The amount of withholding does not satisfy your tax liability.

### How To Correct An Error

If a payee notices an error, the payee should contact the withholding agent. Only withholding agents can complete an amended Form 592-B. Upon completion, the withholding agent should provide a copy of the amended Form 592-B to the payee.

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## How to Claim the Withholding

If you are an individual, you must claim the withholding credit on either Form 540, California Resident Income Tax Return or Long Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.

If you have backup withholding, you must contact the FTB to provide a valid TIN before filing a tax return. The following are acceptable TINs: SSN, ITIN, FEIN, CA Corp no., or CA SOS file number. Failure to provide a valid TIN will result in the denial of the backup withholding credit. Using the information provided on this page, contact us as soon as you receive this form.

Report the income as required and enter the amount from Form 592-B, Part IV, line 2 on your California tax return as withholding from Form(s) 592-B or 593. Attach a copy of Form 592-B to your California tax return. If you received a composite statement from a broker, attach only the Form 592-B information. Make a copy for your records.

If you are an S corporation, partnership, or LLC, you may either pass-through the entire amount to your shareholders, partners, or members or claim the withholding, to the extent of your outstanding tax liability, on your tax return.

If the withholding exceeds the amount of tax you owe on your tax return, you must pass-through the excess to your shareholders, partners, or members.

If you do not have an outstanding balance on your tax return, you must pass-through the entire amount to your shareholders, partners, or members. Use Form 592 to pass the withholding to your domestic shareholders, partners, or members. Use Form 592-F to pass the withholding to your foreign (non U.S.) partners or members.

If you are an estate or trust, you must pass-through the withholding to your beneficiaries if the related income was distributed. Use Form 592 to pass-through the withholding to your beneficiaries. If you did not distribute the income, you must claim the withholding on the fiduciary return, Form 541, California Fiduciary Income Tax Return.

The amount shown as "Total income subject to withholding" may be an estimate or may only reflect how withholding was calculated. Be sure to report your actual taxable California source income. If you are an independent contractor or receive rent, endorsement income, royalties, see your contract and/or federal Form 1099 to determine your California source income. If you are a shareholder of an S-corporation, partner in a partnership, or a member in an LLC, see your California Schedule K-1, Share of Income, Deductions, Credits, etc., issued by that entity to determine your California source income.

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## Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance telephone service at: **888.792.4900** or 916.845.4900.

OR write to:

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

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

OR to get forms by mail, write to:

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

For all other questions unrelated to withholding or to access the TTY/TDD number, see the information below.

### Internet and Telephone Assistance

Website: **ftb.ca.gov**  
Telephone: 800.852.5711 from within the United States  
916.845.6500 from outside the United States  
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

### Asistencia Por Internet y Teléfono

Sitio web: **ftb.ca.gov**  
Teléfono: 800.852.5711 dentro de los Estados Unidos  
916.845.6500 fuera de los Estados Unidos  
TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o del habla