



Withholding on Nonresidents With California Source Income

Who is subject to withholding?

If you are a nonresident of California who receives income from sources in California, the payer who pays you must withhold and send us 7 percent of all payments that exceed \$1,500 in a calendar year. (California R&TC Section 18662)

Types of income subject to withholding

As a nonresident of this state, withholding applies to you if you receive California source income in any of the following circumstances:

- You performed services in California.
- You received other types of nonwage payments.

What the payer must do

The payer who pays you must:

- Withhold 7 percent of the payment at the time of the California source income payment, when applicable.
- Report and send withheld amounts to us. We will credit the withholding to your account.

The payer must also give you a written withholding tax statement, Form 592-B, *Resident and Nonresident Withholding Tax Statement*, indicating the:

- Amount you were paid.
- Amount withheld from payments to you.

The payer must provide you this statement at least once yearly, by January 31 following the end of the calendar year in which you were paid.

What you must do

As a nonresident recipient of California source income, you must file a California tax return to claim your withholding credit at the end of the year. When you file your tax return, attach the withholding tax statement (Form 592-B) the payer gives you as proof of that credit. To get further information about our tax forms and filing requirements, go to ftb.ca.gov.

Reduced or waived withholding

Under certain circumstances, you may be eligible for reduced or waived nonresident withholding. For information on how to request either of these, go to ftb.ca.gov and search for the following California withholding forms:

- Form 589, *Nonresident Reduced Withholding Request*.
- Form 588, *Nonresident Withholding Waiver Request*.

For California withholding forms, publications, and other help

- Go to ftb.ca.gov and search for **withholding**.
- Refer to FTB Publication 1017, *Resident and Nonresident Withholding Guidelines*.
- Call **888.792.4900** from within the United States, or 916.845.4900 from outside the United States.
- Email wscs.gen@ftb.ca.gov. Type **nonresident withholding** in the subject line. This is not a secure email address. Do not send confidential information.