



## Withholding Voluntary Compliance Program Application

Franchise Tax Board (FTB) offers a Withholding Voluntary Compliance Program (WVCP) to withholding agents who are not in compliance with California's nonwage withholding requirements. If we approve the WVCP Application, withholding agents receive the following benefits, and we agree to:

- Waive information return penalties for the required look-back period.
- Eliminate withholding audits prior to the look-back period.
- Limit the unpaid withholding liability to the look-back period, plus interest.

To take advantage of and apply for this program, complete Pages 1 and 2 of FTB 4827, *Withholding Voluntary Compliance Program Application*.

Before you complete the Application, we suggest you review the:

- Instructions on Pages 3, 4, and 5.
- Withholding requirement information in FTB Pub. 1016, *Real Estate Withholding Guidelines*, and FTB Pub. 1017, *Resident and Nonresident Withholding Guidelines*.
- General withholding requirements on our website. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **withholding**.

### Part 1 – Withholding Agent (Applicant) Information

Withholding Agent			<input type="checkbox"/> SSN or ITIN <input type="checkbox"/> FEIN <input type="checkbox"/> CA Corp No. <input type="checkbox"/> CA SOS file No.		
Address (include suite, room, PO Box, or PMB No.)			Telephone No. ( ) -	Fax No. ( ) -	
City	State	ZIP Code	SIC Code (from Tax Return)		

### Part 2 – Representative Information

Representative(s)		Title			
Address (include suite, room, PO Box, or PMB No.)		Telephone No. ( ) -	Fax No. ( ) -		
City	State	ZIP Code			

### Part 3 – Calendar Years Covered by the Application (Look-Back Period)

Year 1	Year 2	Current Year

### Part 4 – Eligibility Questions (Please mark the appropriate boxes below.)

1. Did the withholding agent participate in the 2008 Nonresident Withholding Incentive Program? .....  Yes  No
2. Has the withholding agent ever been audited by FTB for nonwage withholding? .....  Yes  No
3. Has the withholding agent ever been assessed a withholding liability or information return penalty for nonwage withholding? .....  Yes  No

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**Part 5 – Withholding Liability Calculation (not including interest)**

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On a separate sheet, titled **Exhibit A**, provide an estimate of the withholding amount due for each calendar year covered by this Application. Include the following information for **each calendar year**:

- Applicant name
- Calendar year
- Payment period
- Payment dates within each payment period
- Payee(s)
- Income type
- California source income subject to withholding
- Withholding rate
- California withholding liability amount

Refer to the Exhibit A sample on our website. Go to **ftb.ca.gov** and search for **wvcp**.

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**Part 6 – Applicant Signature**

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**I am the Applicant or the person authorized by the Applicant applying for the WVCP. The information provided in this Application, including the attached Exhibit A and any supplemental information, is true, correct, and complete to the best of my knowledge.**

▶ \_\_\_\_\_  
Print Name Corporate Title Date

▶ \_\_\_\_\_  
Authorized Signature PTIN (If applicable. Refer to instructions on Page 4 for explanation.)

**Mail the completed WVCP Application and required documents to:**

WVCP APPLICATION  
**FRANCHISE TAX BOARD**  
PO BOX 942867  
SACRAMENTO CA 94267-8888

**Fax to:** 916.843.6007

For *Franchise Tax Board Privacy Notice*, go to **ftb.ca.gov** and search for **FTB 1131j**.

# Withholding Voluntary Compliance Program

## Application Instructions

### Purpose

Franchise Tax Board (FTB) offers eligible withholding agents an opportunity to voluntarily come into compliance with California's nonwage withholding requirements.

### General Information

We base FTB's withholding requirements on California Revenue and Taxation Code (R&TC) Sections 18662 to 18668. For detailed information on the withholding requirements, refer to FTB Pub. 1016, *Real Estate Withholding Guidelines*, and FTB Pub. 1017, *Resident and Nonresident Withholding Guidelines*, or go to [ftb.ca.gov](http://ftb.ca.gov) and search for **withholding**.

The Withholding Voluntary Compliance Program (WVCP) is a voluntary program for eligible withholding agents to remit past-due, nonwage withholding for the previous two calendar years, plus interest. We cannot waive interest.

### Nonwage Compensation Examples

- Real estate transactions
- Interest and dividends
- Rents and royalties
- Prizes and winnings
- Premiums and annuities
- Compensation for personal services
- Other fixed or determinable annual or periodic gains, profits, and income

### General Terms of Agreement

If we accept the Application, the Applicant enters into an Agreement with us for the requested and approved calendar years. In addition, the Applicant agrees to the following:

1. Pay past-due withholding amounts, including interest.
2. Comply with California's nonwage withholding requirements going forward.
3. Make all books and records available to us, upon reasonable notice, to verify the withholding liability calculation the Applicant includes in the Application.

In exchange for the withholding agent coming forward voluntarily, FTB agrees to:

- Waive information return penalties for the required look-back period.
- Eliminate withholding audits prior to the look-back period.
- Limit the unpaid withholding liability to the look-back period, plus interest.

If the Applicant fails to comply with the terms of the Agreement or if additional information becomes available to indicate the information reported is not complete or accurate, FTB will void the Agreement. The terms of this Application and Agreement only cover withholding compliance audits performed by the Withholding Services and Compliance Section and do not cover tax returns or audits performed by other sections within FTB.

### Eligibility Requirements

All withholding agents are eligible, except if the withholding agent:

- Participated in the 2008 Nonresident Withholding Incentive Program.
- Has been audited by FTB for nonwage withholding.
- Has ever been assessed a withholding liability or information return penalty for nonwage withholding.

### Confidentiality

FTB will keep the Agreement confidential and will not disclose any Agreement terms or conditions to any other state or governmental tax authorities, except as provided under R&TC Section 19551, as required by law.

### Who Must Sign

By signing this Application, you acknowledge the withholding agent is eligible for the WVCP and all information presented is true, correct, and complete to the best of your knowledge. This Application only covers the approved parties and calendar years requested and subsequently listed in the WVCP Agreement.

If you submit the Application on behalf of the withholding agent, you must be authorized by the Applicant to execute the WVCP Application.

If you are a representative, you must have a valid Power of Attorney on file with us or submit one with this Application. If the Applicant directly employs you, provide your corporate title to indicate your authority to sign on behalf of the Applicant.

### Paid Preparer

A paid preparer must sign FTB 4827, *Withholding Voluntary Compliance Program Application*, in Part 6, Applicant Signature, and complete the following instructions:

If...	Then...	And...
Preparer was paid to prepare the Application, but was not an employee of the withholding agent.	<ul style="list-style-type: none"><li>• Complete Part 2, Representative Information. (Page 1).</li><li>• Enter your Preparer Tax Identification Number (PTIN). (Page 2).</li></ul>	<ul style="list-style-type: none"><li>• Sign the paper Application.</li><li>• Give the withholding agent a copy of the Application you mail or fax to us.</li></ul>
Preparer is employed by a tax preparation firm.	<ul style="list-style-type: none"><li>• Enter the firm name, address, and Federal Employer Identification Number (FEIN). (Page 1).</li><li>• Enter your Preparer Tax Identification Number (PTIN) (not your employer's PTIN). (Page 2).</li></ul>	(Pages 1 and 2 are required documents.)

You can apply for a PTIN online or by filing Form W-12, *IRS Paid Preparer Tax Identification Number Application and Renewal*. For more information, go to [irs.gov](http://irs.gov) and search for **form w12**.

## Specific Application Instructions

### Part 1 – Withholding Agent (Applicant) Information

Complete the information requested in Part 1 unless the Applicant wishes to apply anonymously. Anonymous Applicants complete Part 2, Representative Information. For the Application process to continue and for proper verification, the Applicant's representative must ultimately disclose the Applicant's identity to prepare the Agreement.

### Part 2 – Representative Information

Complete the information requested in Part 2. The representative must be authorized by the Applicant with a valid Power of Attorney on file with FTB.

### Part 3 – Calendar Years Covered by the Application

Enter each calendar year to be covered by the Application, which must be the current calendar year and the two preceding calendar years (look-back period).

### Part 4 – Eligibility Questions

Answer each question. If the Applicant answers "No" to all the questions in Part 4, complete the Application entirely. A "Yes" answer to any questions in Part 4 indicates the Applicant does not qualify to participate in the WVCP and no further action is necessary.

### Part 5 – Withholding Liability Calculation

Exhibit A must include all the following data:

1. Applicant name.
2. Calendar year.
3. Payment periods:
  - a. Period 1: 1/1-3/31
  - b. Period 2: 4/1-5/31
  - c. Period 3: 6/1-8/31
  - d. Period 4: 9/1-12/31
4. Payment date(s) within each payment period.
5. Payee(s). If you wish to list the payee(s) anonymously, you may use a code name or number. For example: Payee 1, Payee 2. However, the information may be subject to review to verify the withholding calculations.
6. Income payment type. For example: Real estate transactions, independent contractor, distributions, rents, and royalties.
7. Total California source income subject to withholding. For real estate transactions, provide the total real estate consideration. For property managers, provide gross rents less management fees. For guaranteed payments not subject to payroll taxes, provide the gross payment. For distributions, do not include return of capital.
8. Withholding rate based on the payee type, applicable calendar year, and payment period.
  - a. Real estate transactions. For gross sales price method, use .0333; for the optional gain on sale election, use the seller's timely-executed California Form 593, *Real Estate Withholding Tax Statement*.

- b. For foreign pass-through owners, use the maximum tax rate for the payee.
  - c. For all other nonwage compensation not listed above, use .07.
9. California withholding liability amount. Multiply the California source income (data item 7) by the applicable withholding rate(s) (data item 8).

Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **wvcp** to view or download the Exhibit A sample.

### Part 6 – Applicant Signature

You must sign and date the Application. Print your name and corporate title to indicate your authority to sign on behalf of the Applicant.

### Assembling the Application

To ensure we correctly process your Application, at the top of each attachment, write the Applicant's or representative's name and identification number and attach the documents to the Application in the following order:

1. FTB 4827, *Withholding Voluntary Compliance Program Application*.
2. FTB 3520, *Power of Attorney*, if applicable.
3. Exhibit A.
4. Other attachments.

## When and Where to File

If you meet eligibility requirements, mail or fax FTB 4827, *Withholding Voluntary Compliance Program Application*, and required documents at any time to:

### Mail:

WVCP APPLICATION  
**FRANCHISE TAX BOARD**  
PO BOX 942867  
SACRAMENTO CA 94267-8888

**Fax:** 916.843.6007

## Additional Information

For additional information or to speak to a representative about withholding, call Withholding Services and Compliance at: **888.792.4900** or 916.845.4900.

To get withholding program details, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **wvcp**.

### Internet and Telephone Assistance

Website: [ftb.ca.gov](http://ftb.ca.gov)  
Telephone: 916.845.4171 (7 a.m. to 4:30 p.m. weekdays, except state holidays)  
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

## Forms and Publications

Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **withholding forms and publications** to view, download, and print California tax forms.