

Example #1A: Partner #1
Domestic nonresident partner with a 55 percent interest

Example #1: 592 & 592-Bs with domestic nonresident withholding only
Scenario:
Partnership E made payments to two domestic nonresident partners during the calendar year. Partnership E is now withholding on distributions to both domestic nonresident partners.

Part I Withholding Agent

Name of withholding agent (payer) Partnership E CA corp. no. FEIN 070707070

Address (number and street, PO Box, Rural Route, APT no., Suite, Room, or PMB no.) 90 Yellowbrick Way Withholding agent's SSN or ITIN _____

City Somewhere State PA ZIP 8

Contact person's name and title Penny Partner, General Partner Daytime telephone no. (999) 987-6543

Check the appropriate Type of Income box.

Line 1: Enter the number of Forms 592-B attached.

Part II Tax Withheld

Type of Income: Payment to Independent Contractor Rents or Royalties Estate Distributions Trust Distributions
 Distributions to Domestic Nonresident S Corporation Shareholders/Partners/Members (see Side 2 for foreign partner numbers)
 Other _____

1 Enter number of 592-B for the type(s) of income checked above. 2

2 Total amount of California source income subject to withholding 100,000 00

3 Total withholding due 7,000 00

4 Prior payments for the above calendar year

Date	Amount	Date	Amount
<u>3/16/06</u>	<u>\$3,000</u>		
<u>05/17/06</u>	<u>\$3,000</u>		

Total prior payments 6,000 00

Line 2: Enter the total amount subject to withholding.

Line 3: Enter the sum of the amounts withheld from distributions.

Line 4: Enter the total of all prior payments.

Enter prior dates and amounts of withholding payments.

Attach a check or money order for the full amount payable to "Franchise Tax Board."
Write the payer's FEIN, CA corp no., SSN or ITIN and "Form 592" on the check or money order
Mail Form 592 to the **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651.**

5 1,000 00

Line 5: Subtract Line 4 from Line 3 and enter the difference on Line 5 (Balance Due).

Part III Tax Withheld by Another Entity on this Partnership, Limited Liability Company (LLC), S Corporation, Estate, or Trust

6 Enter number of additional Forms 592-B attached, flowing through the credit. The credit must be allocated to all S corporation shareholders, partners, members, or beneficiaries, whether residents or nonresidents of California, according to their interests in the above S corporation, partnership, LLC, estate, or trust. (Do not include Forms 592-B already included on line 1.) 6

7 Enter amount withheld by another entity and being allocated to the S corporation shareholders, partners, members, or beneficiaries. This credit must be documented by a Form 592-B, 593-B, or 594 from the withholding entity. (Do not include withholding included on line 3 or any credit being used against tax owed on the S corporation, partnership, LLC, estate, or trust California tax return.) 7

Part IV Perjury Statement

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Partnership E, Penny Partner, General Partner
Name and title of withholding agent (type or print) Penny Partner 1/15/07
Signature of withholding agent Date

All Right Accounting
Name of preparer company (type or print) Nancy Numbers 1/15/07
Signature of preparer agent Date

Nancy Numbers-Accountant
Name and title of individual preparer other than withholding agent (type or print) 09-0707070
SSN/FEIN/PTIN of preparer

5678 Tax Road, Somewhere, PA 88888
Address of preparer (999) 219-8765 x 1234
Daytime telephone number of preparer