

Example #3B: Partner #1
 Domestic nonresident partner with a 25 percent interest
Domestic nonresident withholding and flow through withholding

Attach to Form 592 for each recipient. **Copy A** FOR FRANCHISE TAX BOARD

Part I Recipient

Recipient's name: Partner # 1 SSN or ITIN: 078-07-8078

Address (number and street, PO Box, Rural Route, APT no., Suite, Room, or PMB no.): 1313 Mockingbird Way FEIN CA corp. no.

City: Someplace State: OR ZIP Code: 88888 Country:

Part II Withholding agent

Withholding agent's (payer's/S corporation's/partnership's/limited liability company's) name: Partnership C SSN or ITIN

Address (number and street, PO Box, Rural Route, APT no., Suite, Room, or PMB no.): 6 Big Business Drive FEIN CA corp. no. 050505050

City: Anywhere State: NV ZIP Code: 55555 Daytime telephone number: (999) 987-6543x6789

Part III Type of income subject to withholding. Check the applicable box(es).

Payment to Independent Contractor Rents or Royalties Estate Distributions Trust Distributions Allocations to Foreign (non-U.S.) Nonresident Partner/Member Distributions to Domestic (U.S.) Nonresident S corporation Shareholder/Partner/Member Other _____ (describe)

Part IV Tax Withheld

1	Total amount subject to withholding	1	50,000	00
2	Total California tax withheld	2	3,500	00

Line 1: The total amount subject to withholding is the nonresident partner's distribution of California source income **plus** the partner's share of the total amount subject to withholding shown on the Form 592-B given to Partnership C.

Partner's total amount subject to withholding:

26,000.00 (Amount of California source income for this partner that was withheld upon by Partnership C)

+ 24,000.00 (Allocable amount of flow through income subject to withholding for this partner (\$96,000 x .25))

50,000.00 (Total amount subject to withholding for this partner)

FRANCHISE TAX BOARD
 PO BOX 942867
 SACRAMENTO CA 94267-0867

If you are filing Form(s) 592 on magnetic media, see Instructions for Magnetic Media Requirements on mailing the disk or CD-ROM.

Distribute the other copies of Form 592-B as follows:

- Copies B & C to the recipient (vendor/payer)
- Copy A is to be retained by the withholding agent.
- Copy D is to be retained by the withholding agent.

Penalty

The withholding agent is liable for a penalty if the amount withheld is not reported to the Franchise Tax Board by the due date of the return.

Return, to report the total withholding for the year and as a nonresident partner, with the FTB on or before January 31.

Common Errors

- Tax ID numbers missing for payees.
- All fields must be completed.
- File Form(s) 592-B with the return.
- Examples of how to file under various situations are available on the Franchise Tax Board website at www.ftb.ca.gov, "592 Examples" or "592 Examples".

Line 2: Enter the total amount that was withheld from Partner #1's distribution **plus** the amount of flow through credit that was allocated to Partner #1.

Partner's total California tax withheld:

1,820.00 (Amount directly withheld by Partnership C from distributions to this domestic nonresident partner (\$26,000 x .07))

+ 1,680.00 (Allocable amount of flow through withholding for this partner (\$6,720 x .25))

3,500.00 (Total California tax withheld for this partner)