

**Example # 5B: Partner #1**  
Foreign (non-U.S.) partner with a 60 percent interest

YEAR

CALIFORNIA FORM

2006

**Nonresident Withholding Tax Statement**

**592-B**

Attach to Form 592 for each recipient.

**Copy A** FOR FRANCHISE TAX BOARD

**Part I Recipient**

Recipient's name: Partner # 1  SSN or ITIN: 200-42-0040

Address (number and street, PO Box, Rural Route, APT no., Suite, Room, or PMB no.): 9032 Wallaby Way

City: Sydney, NSW 2001 State: ZIP Code: Country: Australia

**Part II Withholding agent**

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

Address (number and street, PO Box, Rural Route, APT no., Suite, Room, or PMB no.): 500 Kangaroo Road

City: Sydney, NSW 2001, Australia State: ZIP Code: 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	72,000	00
2	Total California tax withheld	2	5,040	00

**Line 1:** The total amount subject to withholding is the amount shown on Form 592-B given to Partnership H.

120,000.00 (Amount subject to withholding shown on Form 592-B given to Partnership H)  
 $\times$  .60 (Partner #1's interest in Partnership H)  
**72,000.00 (Amount subject to withholding for this partner)**

Form 592-B to flow the withholding through to their S corporation shareholders, partners, members, or beneficiaries whether they are residents or nonresidents of California.

**Note:** Use Form 592-A, Nonresident Withholding Remittance Statement, to remit withholding payments during the year. Use Form 592, Nonresident Withholding Annual Return, to report the total withholding for the year and as a transmittal form for Form 592-B.

- Common Errors / Helpful Hints**
- Tax ID numbers must be obtained from all payees.
  - All fields must be completed.
  - File Form(s) 592-B timely to avoid penalties.
  - Examples of how to complete Form 592-B under various situations are provided on the Franchise Tax Board Website at [www.ftb.ca.gov](http://www.ftb.ca.gov). Search for "Form 592-B Examples" or "592-B Examples."

**Note:** Withholding agents who withhold based on Form 594, Notice to Withhold Tax at Source, should not include that withholding on Form 592-B.

**When and Where to File**

File Copy A of this Form 592, Nonresident Withholding Annual Return, with the tax return for the year following the close of the partnership's tax year. (If all the partners in this partnership are foreign, Form(s) 592-B and Form 592 must be filed on or before the 15th day of the 6th month after the close of the partnership's tax year.)

Attach Copy A of Form 592-B to the back of Form 592 and mail with payment to:

- **Copies B & C** - Send to the Franchise Tax Board (vendor/payee) by the due date. Copy A is due to the Franchise Tax Board.
- **Copy D** - Retained by the Franchise Tax Board.

**Line 2:** Enter the credit allocated to Partner #1 on line 2.

8,400.00 (Total amount withheld from Partnership H)  
 $\times$  .60 (Partner #1's interest in Partnership H)  
**5,040.00 (Total CA tax withheld for this partner)**

- to the Franchise Tax Board for all nonresident withholding other than foreign partner withholding, the penalty per Form 592-B is:
- \$15 if filed within 30 days after the due date.
  - \$30 if filed after August 1.
  - \$50 if filed after August 1 or a correct form is not filed.