

Example #6A: 592 & 592-Bs with flow through and foreign (non-U.S.) partner withholding on the income not included on the flow through 592-B

Scenario:

Partnership K withheld on Partnership J, a foreign (non-U.S.) partnership. Partnership J is flowing through the withholding to its partners. In addition, Partnership J is withholding on its foreign partner. Partnership J has one foreign partner who is an individual and one resident partner.

CALIFORNIA FORM
592 Side 2

Foreign Partner

If you withheld on payee's behalf
If you withheld on both payee's and your behalf

Taxable year: Beginning

Form 592-B Type: Partnership

Part I Withholding Agent (partnership or limited liability company (LLC))

Name of withholding agent (partnership or LLC)

Partnership J

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

2005 Down Under Way

City

Sydney, NSW 2001, Australia

State

Contact person's name and title (please type)

Line 2: Enter the number of 592-Bs attached for foreign partners.

Indicate whether **all** members of the partnership are foreign. If not, you **may** need to file a separate Form 592, Side 1.

Part II Tax Withheld - Foreign Nonresident Partners or Members

1 Are all partners or members foreign (non-U.S.) nonresidents? 1 Yes No

2 Enter number of Forms 592-B for foreign partners or members 2 1

Allocable to:

3a California source income allocable to members \$ 48,250.00 x 9.3% 3a 4,487 25

3b California source income allocable to nonresident partners or members \$ x 8.84% 3b

3c California source income allocable to resident partners or members \$ x 10.84% 3c

4 Withholding due. Add line 3a through line 3c. 4 4,487 25

5 Total amount of California source income allocable to members' withholding for the taxable year shown on line 2. 5 4,000 00

Enter the amount of California source income allocated to foreign partners and withheld upon directly by Partnership J.

Date	Amount	Date	Amount
4/15/06	\$1,000	9/15/06	\$1,000
6/15/06	\$1,000	12/15/06	\$1,000

Line 3a: Multiply the California source income by the appropriate withholding rate and enter the result.

6 Amount of California source income allocable to members' withholding for the taxable year shown on line 2. 6 4,000 00

7 Total amount of California source income allocable to members' withholding for the taxable year shown on line 2. 7 4,000 00

8 Balance of California source income allocable to members' withholding for the taxable year shown on line 2. 8 487 25

9 Write the partnership's or LLC's FEIN and "Form 592" on the check or money order. 9

10 Mail Form 592 to the FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651. 10

11 Overpayment. If line 7 is more than line 4, subtract line 4 from line 7 and enter the result here. 11

12 Enter the amount of line 9 you want credited to next year's Form 592. 12

13 Refund. Subtract line 10 from line 9 and enter the result here. 13 11,625.00

Part III Tax Withheld by Another Entity on this Partnership or LLC

12 Enter number of additional Forms 592-B attached, flowing through the credit. The credit must be allocated to all partners or members, whether residents or nonresidents of California according to their interests in the above partnership or LLC. (Do not include Forms 592-B already included on line 2.) 12 1

13 Enter amount withheld by another entity and being allocated to the partners or members. This amount must be documented by a Form 592-B, 593-B, or 594 from the withholding entity. (Do not include withholding included on line 4 or any credit being used against tax owed on the partnership's or LLC California tax return.) 13 11,625.00

Part IV Perjury Statement

Line 12: Enter the number of Forms 592-B attached for partners who were not withheld upon directly but are receiving a portion of the amount withheld on Partnership J.

Do not include Forms 592-B for partners who were withheld upon directly (included in line 2).

Line 13: Enter the total amount withheld by another entity you are allocating to your partners.

This amount is supported by Form 592-B, 593-B, or 594 from the flow through entity.