

Example #2: 592 & 592-Bs with flow thru withholding only

Scenario:

Partnership A withheld on Partnership B, and Partnership B is flowing the withholding through to its partners. Partnership B has one resident partner and one domestic nonresident partner.

YEAR
2004

For flow thru withholding, **complete Parts I, III and IV only**. Skip Part II.

CALIFORNIA FORM
592

Nonresident Withholding Annual Return

Nonresident Withholding

Enter the year that is on the withholding document (592-B, 593-B, or 594) you received from the entity that withheld on this partnership.

Check the appropriate box to show how the flow thru Forms 592-B are being submitted.

Form 592-B Type: Form 592-B attached for each recipient. Form 592-B information on magnetic media.

Part I Withholding Agent

Name of withholding agent
Partnership B

Address (number and street)
21 Form Lane

Contact person's name and title

Phylicia Partner, General Partner

Enter the name, address and Tax ID Number of your partnership (the partnership that was withheld upon by another entity and is now flowing the withholding through to its partners).

California corporation no. FEIN

0 3 0 3 0 3 0 3 0

Withholding agent's social security no.

Daytime telephone no.

(999) 123-4567 ext. 6789

Part II Tax Withheld

Type of income:

Partnership

Dividend

Other

Type or legibly print a contact name and daytime telephone number.

Trust Distributions
(partners/members)

- 1 Enter number of Forms 592-B for the type(s) of income checked above **1**
- 2 To
- 3 To
- 4 Pr

Do not complete Part II. Part II is only completed when you withheld on distributions to your partners.

Line 6: Enter the number of Forms 592-B attached for the partners to whom the credit was allocated. Since the credit must be allocated to all of your partners according to their partnership interest, this number should equal the number of partners. **Do not** include the Form 592-B that shows the amount of money withheld from this partnership.

Date	Amount	Date	Amount	Date

5 Balance due. Subtract line 4 from line 3 and enter the balance due. If less than zero, enter Attach a check or money order for the full amount payable to "Franchise Tax Board."

Write the payer's FEIN, California corporation number, or social security number and "Form 592" on the check or money order

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

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 partners, members, S corporation shareholders, or beneficiaries, whether residents or nonresidents of California, according to their interests in the above partnership, LLC, S corporation, estate, or trust. (**Do not** include Forms 592-B already included on line 1.) **6 2**

7 Enter amount withheld by another entity and being allocated to the partners, members, S corporation shareholders 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 partnership, LLC, S corporation, estate, or trust California tax return.) **7 17,920 00**

Complete the withholding agent and preparer information legibly.

I, the undersigned, being a partner or other officer, agent, or employee of the partnership, LLC, S corporation, estate, or trust, declare under penalty of perjury that the information furnished on this return is true, correct, and complete. My declaration is based on all information of which I have any 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.

Phylicia Partner, General Partner- Partnership B
Name and title of withholding agent (type or print)

Phylicia Partner
Signature of withholding agent

1/15/05
Date

Nancy Numbers, Accountant, All Right Accounting
Name and title of preparer other than withholding agent (type or print)

Nancy Numbers
Signature of preparer other than withholding agent

5678 Tax Road, Somewhere, PA 99999
Address of preparer

(999) 123-4567 ext. 1234
Daytime telephone number of preparer

090909090
SSN/FEIN/PTIN of preparer

Line 7: Enter the amount that was withheld by another entity that you are allocating to your partners. This amount needs to be supported by Form 592-B, 593-B or 594 from the entity that withheld on the partnership.

This 592-B shows the amount Partnership A withheld from Partnership B. Partnership A completed this 592-B and gave it to Partnership B.

YEAR

CALIFORNIA FORM

2 0 0 4

Nonresident Withholding Tax Statement

592-B

Copy B FILE WITH THE STATE RETURN

Part I Recipient

Recipient's name Partnership B		<input type="checkbox"/> SSN	
Address (number and street) 21 Form Lane		PMB no.	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no. 0 3 0 3 0 3 0 3 0
City Somewhere	State PA	ZIP Code 88888	Country

Part II Withholding agent

Withholding agent's (payer's/partnership's/limited liability company's) name Partnership A		<input type="checkbox"/> SSN	
Address (number and street) 49 Resident Avenue		PMB no.	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no. 0 4 0 4 0 4 0 4 0
City Anywhere	State CA	ZIP Code 99999	Daytime telephone number (999) 876-5432 ext. 5555

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

<input type="checkbox"/> Payment to Independent Contractor	<input type="checkbox"/> Rents or Royalties	<input type="checkbox"/> Estate Distributions	<input type="checkbox"/> Trust Distributions	<input type="checkbox"/> Allocations to Foreign (non-U.S.) Nonresident Partner/Member	<input checked="" type="checkbox"/> Distributions to Domestic (U.S.) Nonresident Partner/Member	<input type="checkbox"/> Other _____ (describe)
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Part IV Tax Withheld

1 Total amount subject to withholding	1	256,000	00
2 Total California tax withheld	2	17,920	00

Tax Withheld By Another Entity

Write "Tax Withheld By Another Entity" on the withholding document you received from the entity that withheld on you. This allows the Franchise Tax Board to easily distinguish this Form 592-B, which shows the withholding on Partnership B, from the other Forms 592-B that show the allocation of this withholding credit to Partnership B's partners.

Example #2: Partner #1
Resident partner with a 60 percent interest

CALIFORNIA FORM

592-B

YEAR
2 0 0 4

Nonresident Withholding Tax Statement

Copy A FOR FRANCHISE TAX BOARD

Attach to Form 592 for Forms 592 and 592-A.

Enter the same year that is on the Form 592-B that you received from the entity that withheld on Partnership B.

Part I Recipient

Recipient's name Partner #1		<input checked="" type="checkbox"/> SSN 0 5 9 0 5 9 0 5 9
Address (number and street) 58 Return Street		<input type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City Anywhere	State CA	ZIP Code 99999

Enter the partner's information in the Recipient area.

Part II Withholding agent

Withholding agent's (payer's/partnership's) name Partnership B		<input type="checkbox"/> SSN
Address (number and street) 21 Form Lane		<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City Somewhere	State PA	ZIP Code 88888
		Daytime telephone number (999) 123-4567 ext. 6789

Enter Partnership B's information in the Withholding agent area.

Part III Type of income

<input type="checkbox"/> Payment to Independent Contractor	<input type="checkbox"/> Royalty or other income	<input checked="" type="checkbox"/> Distributions to Domestic (U.S.) Partner/Member	<input type="checkbox"/> Other (describe)
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Check the same Type of Income box that was checked on the Form 592-B given to Partnership B.

Part IV Tax Withheld

1 Total amount subject to withholding	1	153,600	00
2 Total California tax withheld	2	10,752	00

Line 1: The total amount subject to withholding should be the total amount subject to withholding shown on the Form 592-B given to Partnership B multiplied by the partner's interest in the partnership.

256,000.00 (Amount subject to withholding on Partnership B's 592-B)
x .60 (Partner #1's interest in Partnership B)
153,600.00 (Amount subject to withholding for this partner)

Line 2: Enter the credit that is allocated to Partner #1.

17,920.00 (Total amount withheld from Partnership B)
x .60 (Partner #1's interest in Partnership B)
10,752.00 (Total CA tax withheld for this partner)

YEAR

Example #2: Partner #2
Domestic nonresident partner with a 40 percent interest

CALIFORNIA FORM

592-B

2 0 0 4

Nonresident Withholding Tax Statement

Copy A FOR FRANCHISE TAX BOARD

Attach to Form 592 for each recipient. See the separate instructions for Forms 592 and 592-A.

Part I Recipient

Recipient's name Partner #2		<input checked="" type="checkbox"/> SSN 0 2 1 0 2 1 0 2 1
Address (number and street) 1234 Franchise Drive	PMB no.	<input type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City Another	State VA	ZIP Code 88888

Part II Withholding agent

Withholding agent's (payer's/partnership's/limited liability company's) name Partnership B		<input type="checkbox"/> SSN
Address (number and street) 21 Form Lane	PMB no.	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City Somewhere	State PA	ZIP Code 88888
		Daytime telephone number (999) 123-4567 ext. 6789

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

<input type="checkbox"/> Payment to Independent Contractor	<input type="checkbox"/> Rents or Royalties	<input type="checkbox"/> Estate Distributions	<input type="checkbox"/> Trust Distributions	<input type="checkbox"/> Allocations to Foreign (non-U.S.) Nonresident Partner/Member	<input checked="" type="checkbox"/> Distributions to Domestic (U.S.) Nonresident Partner/Member	<input type="checkbox"/> Other (describe)
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Part IV Tax Withheld

1 Total amount subject to withholding	1	102,400	00
2 Total California tax withheld	2	7,168	00

Line 1: The total amount subject to withholding should be the total amount subject to withholding shown on the Form 592-B given to Partnership B multiplied by the partner's interest in the partnership.

256,000.00 (Amount subject to withholding on Partnership B's 592-B)
x .40 (Partner #2's interest in Partnership B)
102,400.00 (Amount subject to withholding for this partner)

Line 2: Enter the credit that is allocated to Partner #2.

17,920.00 (Total amount withheld from Partnership B)
x .40 (Partner #2's interest in Partnership B)
7,168.00 (Total CA tax withheld for this partner)