

Example #5: 592 & 592-Bs with flow thru withholding only

Scenario:

Partnership I withheld on Partnership H, a foreign (non-U.S.) partnership, and Partnership H is flowing the withholding through to its partners. Partnership H has 1 foreign partner and 1 resident partner.

Foreign Partner or Member Withholding

If you withheld on behalf of a foreign partner or member, complete this form. If you withheld on behalf of a partnership or limited liability company, complete parts I, III and IV.

Taxable year: Beginning month 01 day 01 year 2004, and ending month 12 day 31 year 2004.

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

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

Name of withholding agent (partnership or LLC) Partnership H Withholding Agent's FEIN 0 1 2 0 1 2 0 1 2

Address (number and street) 500 Kangaroo Road City Sydney, NSW 2001, Australia State _____ Zip Code _____ PMB no. _____

Contact person's name and title (please type or print) Patricia Partner, General Partner Daytime telephone no. (999) 321-0976 ext. 6789

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 _____
- 3 Total California source taxable income allocable to:

a	Non-corporate foreign nonresident partners or members	\$ _____ x	9.3 %	3a
b	Corporate foreign nonresident partners or members	\$ _____ x	8.84 %	3b
c	Foreign bank and financial institution partners or members	\$ _____ x	10.84 %	3c
- 4 Total foreign partners' or members' withholding due. Add line 3a through line 3c 4 _____
- 5 Prior payments of foreign partners' or members' withholding for the taxable year shown above

Date	Amount	Date	Amount	Date	Amount

- Total prior payments 5 _____
- 6 Amount credited from prior year's withholding 6 _____
 - 7 Total payments. Add line 5 and line 6 7 _____
 - 8 **Balance due.** Subtract line 7 from line 4 and enter the result here. If the result is zero, enter -0-. Attach a check or money order for the full amount payable. Write the partnership's or LLC's FEIN and "Form 592" on the check or money order. Mail Form 592 to the **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO, CA 95834-2867**. 8 _____
 - 9 **Overpayment.** If line 7 is more than line 4, subtract line 4 from line 7. 9 _____
 - 10 Enter the amount of line 9 you want credited to next year's Form 592-B 10 _____
 - 11 **Refund.** Subtract line 10 from line 9 and enter the result here 11 _____

Line 12: Enter the number of Forms 592-B attached for the partners who are receiving a portion of the amount withheld on Partnership H. Since the credit must be allocated to all of your partners according to their partnership interest, this number should normally equal the number of partners in the partnership. **Do not** include the Form 592-B that shows the amount of money withheld from this partnership.

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 2

13 Enter amount withheld by another entity and being allocated to the partners or members. 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 4 or any credit being used against tax owed on the partnership or LLC California tax return.) 13 8,400 00

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.

Patricia Partner, General Partner, Partnership H
Name and title of withholding agent (type or print)

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

5678 Tax Road, Sydney, NSW 2001, Australia
Address of preparer (if different from the address shown above)

(999) 321-0976 ext. 1234
Daytime telephone number of preparer

Patricia Partner
Signature of withholding agent

Nancy Numbers
Signature of preparer

090909090
SSN/FEIN/PTIN of preparer

Line 13: 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 I withheld from Partnership H. This 592-B is completed by Partnership I and given to Partnership H.

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 H		<input type="checkbox"/> SSN	
Address (number and street) 500 Kangaroo Road		PMB no.	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no. 0 1 2 0 1 2 0 1 2
City Sydney, NSW 2001	State	ZIP Code	Country Australia

Part II Withholding agent

Withholding agent's (payer's/partnership's/limited liability company's) name Partnership I		<input type="checkbox"/> SSN	
Address (number and street) 3310 Vyne Road		PMB no.	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no. 0 1 3 0 1 3 0 1 3
City Anywhere	State CA	ZIP Code 99999	Daytime telephone number (999) 210-9876 ext. 8888

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 checked="" type="checkbox"/> Allocations to Foreign (non-U.S.) Nonresident Partner/Member	<input 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	120,000	00
2 Total California tax withheld	2	8,400	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 H, from the other Forms 592-B showing the allocation of this withholding credit to your Partnership H's partners.

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

YEAR _____

CALIFORNIA FORM

2 0 0 4

Nonresident Withholding Tax Statement

592-B

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

Copy A FOR FRANCHISE TAX BOARD

Part I Recipient

Recipient's name Partner #1		<input checked="" type="checkbox"/> SSN 2 0 0 4 2 0 0 4 0
Address (number and street) 9032 Wallaby Way	PMB no.	<input type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City Sydney, NSW 2001	State	ZIP Code Country Australia

Part II Withholding agent

Withholding agent's (payer's/partnership's/limited liability company's) name Partnership H		<input type="checkbox"/> SSN
Address (number and street) 500 Kangaroo Road	PMB no.	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City Sydney, NSW 2001, Australia	State ZIP Code	Daytime telephone number (999) 987-6543 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 checked="" type="checkbox"/> Allocations to Foreign (non-U.S.) Nonresident Partner/Member	<input 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	72,000	00
2 Total California tax withheld	2	5,040	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 H multiplied by the partner's interest in Partnership H.

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

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

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

YEAR

Example #5: Partner #2
Resident partner with a 40 percent interest

CALIFORNIA FORM

2 0 0 4

Nonresident withholding tax statement

592-B

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

Copy A FOR FRANCHISE TAX BOARD

Part I Recipient

Recipient's name Partner #2		<input checked="" type="checkbox"/> SSN 0 5 5 0 5 5 0 5 5
Address (number and street) 4002 Holliewould Blvd.		<input type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City Anywhere	State CA	ZIP Code 99999

Part II Withholding agent

Withholding agent's (payer's/partnership's/limited liability company's) name Partnership H		<input type="checkbox"/> SSN
Address (number and street) 500 Kangaroo Road		<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> California corp. no. 0 1 2 0 1 2 0 1 2
City Sydney, NSW 2001, Australia	State	ZIP Code (999) 987-6543 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 checked="" type="checkbox"/> Allocations to Foreign (non-U.S.) Nonresident Partner/Member	<input 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	48,000	00
2 Total California tax withheld	2	3,360	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 H multiplied by the partner's interest in Partnership H.

120,000.00 (Amount Subject to Withholding shown on Form 592-B given to Partnership H)
x .40 (Partner #2's interest in Partnership H)
48,000.00 (Amount subject to withholding for this partner)

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

8,400.00 (Total amount withheld from Partnership H)
x .40 (Partner #2's interest in Partnership H)
3,360.00 (Total CA tax withheld for this partner)