

Example 10 - Withholding on boot out of escrow

YEAR

CALIFORNIA FORM

2007 Real Estate Withholding Tax Statement

593-B

Attach to Form 593, Real Estate Withholding Remittance Statement

Copy A FOR FRANCHISE TAX BOARD

Part I Withholding Agent (Payer/Sender) Check one: [X] Escrow/Title Company [] Accommodator/Intermediary [] Buyer

Name, Mailing Address, (number and street, PO Box, rural route, Apt. no., suite, room, or PMB no.), City, State, and ZIP Code

All Right Escrow
1234 Main Street
Anytown, CA 95000

FEIN [X] CA Corp. No []
99-1100000
SSN or ITIN

Seller or Transferor (Complete one 593-B for each seller, unless husband and wife)

Name, Mailing Address, (number and street, PO Box, rural route, Apt. no., suite, room, or PMB no.), City, State, and ZIP Code

Betty Boot
36 Red Road
Pleasant, CA 91111

SSN or ITIN
600-10-6000
Spouse's SSN or ITIN (if jointly owned)
FEIN [] CA Corp. No []

Enter in Box 2 the boot distribution date.

Leave Box 3 blank.

Escrow or Exchange Information

1 Escrow or Exchange Number PP98760
2 Date of Transfer, Exchange Completion, Exchange Failure, or Installment Payment 07/03/2007
3 Total Sales Price \$
4 Ownership Percentage 100.00%
5 Address (or parcel number and county) of the California real property transferred 44 Shady Street Shadow, CA 90111
6 Withholding Method Selected [X] Total Sales Price (complete box 7a and 7b, skip box 8 and 9) [] Alternative Election (skip box 7a and 7b, complete box 8 and/or 9)
7a Amount Subject to Withholding (Total Sales Price) \$ 25,000.00
Check One: [] Total Sales Price x Ownership % [] Installment Sale Payment [X] Boot [] Failed Exchange (Total Sales Price x Ownership %) [] Failed Exchange (Less Boot at Sale)
7b Amount Withheld From This Seller (Total Sales Price) \$ 832.50
(0.0333 x Amount subject to withholding from box 7a)
8 Amount Withheld From This Seller (Alternative Election) \$
9 Installment Withholding Percent %
(Percents from Box 9 instructions)
Apply this percent to all installment payments.
Preparer: Name and Title (please type or print) Pati Perfect, Escrow Officer
Telephone Number (916) 555-1212

Enter in Box 7a the amount of boot (cash or cash equivalent) distributed to the seller. Check the Boot checkbox.

Part II Election and Certification of Seller or Transferor (Complete and Sign if you elect the Alternative Withholding Amount and you checked "Alternative Election" in box 6 and completed box 8 and/or 9.)

Title and escrow persons and exchange accommodators are not authorized to provide legal or accounting advice for purposes of determining withholding amounts. Transferors are strongly encouraged to consult with a competent tax professional for this purpose.

Under penalties of perjury, I elect the alternative withholding and hereby certify that the information provided above is, to the best of my knowledge, true and correct. I understand that the Franchise Tax Board may review relevant escrow documents to ensure withholding compliance.

Seller's name (type or print)
Seller's signature
Date:
Spouse's name (if jointly owned)
Spouse's signature (if jointly owned)
Date: