

2008 Quarterly Nonresident Withholding Statement

592

Schedule of Payees provided electronically or on magnetic media

FTB Use Only: Total Payment Enclosed: _____ **00**

Payment Due Date: ● April 15, 2008 ● June 15, 2008 ● September 15, 2008 ● January 15, 2008

Part I Withholding Agent

Name of Withholding Agent (Payer)		SSN, ITIN, FEIN, or CA Corp no.	
Address (including suite, room, PO Box, or PMB no.)			
City		State	ZIP Code
Total Number of Payees Included	Total California Source income Subject to Withholding _____ 00		

Part II Tax Withheld

Type of Income: Check one type only.

- 1. Payment to Independent Contractor
- 2. Trust Distributions
- 3. Rents or Royalties
- 4. Distributions to Domestic Nonresident S Corporation Shareholders/Partners/Members/Beneficiaries
- 5. Estate Distributions
- 6. Other _____

Schedule of Payees

ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld
ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld
ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld

- 1** Total of Tax Withheld (side 1) ● **1** _____ **00**
- 2** Total Tax Withheld from additional pages ● **2** _____ **00**
- 3** Add line 1 and line 2. This is the total Tax Withheld ● **3** _____ **00**
- 4** Enter amount previously withheld by another entity and being allocated to the taxpayers listed above ● **4** _____ **00**
- 5** **Total Withhold Amount Due.** Subtract line 4 from line 3 ● **5** _____ **00**

Part III 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 with preparer has any knowledge.

Withholding agent's name _____ Withholding agent's daytime phone number _____

Signature of withholding agent _____

Preparer's name _____ Preparer's signature _____

Preparer's address _____ Preparer's daytime phone number _____

Quarterly Nonresident Withholding Statement

Name of Withholding Agent (Payer)	SSN, TIN, FEIN, or CA Corp no.
-----------------------------------	--------------------------------

Schedule of Payees

ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld
ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld
ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld
ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld
ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld
ID Number	Name	Total Quarterly Income
Address		Amount of Tax Withheld

Total of Tax Withheld this page 00

Instructions for Form 592

What's New

Beginning January 1, 2008, tax withheld on California source payments to domestic nonresidents is remitted to the Franchise Tax Board (FTB) on a quarterly basis (similar to estimated tax payments) using the revised Form 592, Quarterly Nonresident Withholding Statement. Form 592 includes a Schedule of Payees section that requires the withholding agent to identify the payment recipients (vendor/payee) and the income and withholding amounts. This schedule will allow FTB to allocate the withholding payments to the taxpayer (payee) upon receipt of the completed Form 592.

This revised quarterly Form 592 process replaces the prior version of the 592, Nonresident Withholding Annual Return, and the 592-A, Nonresident Withholding Remittance Statement. In addition, when filing the revised Form 592 with FTB, the withholding agent is no longer required to submit a Form 592-B, Nonresident Withholding Tax Statement to FTB, for each payee. However, withholding agents must continue to provide the payees with paper Forms 592-B at the end of the year which show the total amount withheld for that year.

General Information

For California withholding purposes only, a reference in these instructions to:

- "Nonresident" includes individuals who are not residents of California, corporations not qualified through the California Secretary of State (SOS) to do business in California or having no permanent place of business in California, partnerships, or limited liability companies (LLCs) with no permanent place of business in California, any trust without a resident grantor, beneficiary, trustee or fiduciary, or estates where the decedent was not a California resident.
- "Foreign" refers to non-U.S.

Purpose

Important: This form is also used where the payee is a resident to report and remit withholding amounts.

Use Form 592, Quarterly Nonresident Withholding Statement, to report the total withholding for each quarter under California Revenue and Taxation Code R&TC Section 18662. Also, Form 592 is used by pass-through entities to flow through withholding credit to their S corporation shareholders, partners, members, or beneficiaries. **Caution:** Real Estate Withholding should not be reported on this form.

Do not use Form 592 if you are the buyer or escrow person withholding on the sale of real estate. Use Form 593, Real Estate Withholding Tax Statement, to remit and report real estate withholding. Do not use Form 592 to report tax withheld on foreign partners. For more information regarding reporting tax

withheld on foreign partners, see Form 592-A, Foreign Partner Withholding Quarterly Remittance Statement and Form 592-F, Foreign Partner or Member Annual Return.

Common Errors/Helpful Hints

If you are filing Form 592 only to flow withholding credits through to your S corporation shareholders, partners, members, or beneficiaries, enter your information in Part I as the withholding agent. Do not enter the name or ID number of the entity which originally withheld payments to you.

When and Where to File

The tax withheld on payments to independent contractors, recipients of rents and royalties, distributions to domestic nonresident S corporation shareholders, partners, members and beneficiaries of estates and trusts, are remitted quarterly. Each quarter has a specific payment due date. The payment quarters and due dates are:

For the payment quarter:	Due Date:
January 1 through March 31, 2008	April 15, 2008
April 1 through May 31, 2008	June 16, 2008
June 1 through August 31, 2008	September 15, 2008
September 1 through December 31, 2008	January 15, 2009

If the due date falls on a Saturday, Sunday, or legal holiday, use the next business day.

Send any payment due and Form 592 to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Federal law requires that payees be notified within 10 days of the quarterly installment payment date regarding any tax withheld. For California withholding purposes, withholding agents should make similar notification. No particular form is required for this notification, and it is commonly done on the statement accompanying the distribution or payment. However, the withholding agent may choose to report the tax withheld to the payee on a Form 592-B.

Magnetic Media Requirements

Form 592 information must be filed with FTB via magnetic media instead of paper when the number of payees on Form 592 and supplied Forms 592-B is 250 or more. However, withholding agents must continue to provide vendors/payees with paper Forms 592-B. Complete Form 592 (do not complete the Schedule of Payees section) and:

- Send the original Form 592 with any payment.
- Send a separate copy (marked "copy" at the top) with the disk to:

WITHHOLDING SERVICES AND
COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

If you are the preparer for more than one withholding agent, provide a separate Form 592 and disk for each withholding agent. For the required file format and record layout, get FTB Pub. 1023F, Nonresident Withholding Magnetic Media Requirements.

Interest and Penalties

Interest on late payments is computed from the due date of the withholding to the date paid. Failure to withhold may result in the withholding agent being personally liable for the amount of tax that should have been withheld and for interest and penalties. Failure to provide correct Forms 592-B to the payees by the due date may result in penalties up to \$100 per Form 592-B.

Specific Instructions

Year – Make sure the year in the upper left corner of Form 592 represents the calendar year in which the withholding was done. However, if current distribution represents prior tax year California source income, attach a letter explaining that the distribution took place in the current withholding year, but was for a prior tax year.

Magnetic Media – Check the box if providing the schedule of payees to FTB electronically or via magnetic media.

Magnetic media is required if you withheld on 250 or more payees.

Payment Due Date – Check the appropriate box representing the quarterly due date for the tax withheld.

Part I – Enter the withholding agent's name, ID number, and address. If your entity is an S corporation, partnership, LLC, estate, or trust that received payments or distributions that were withheld upon by another entity and you are flowing the withholding credit through to your S corporation shareholders, partners, members, or beneficiaries, enter your entity's name, ID number, and address in the withholding agent area.

Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number. Example: 111 Main Street PMB 123.

Enter the total number of payees listed on the Schedule of Payees.

Enter the total California source income subject to withholding from the attached schedule of payees.

Part II –

Type of Income – Check the box that reflects the type of income withheld upon during this quarter. Only one type of income can be checked. If you withheld tax on more than

one type of income for the quarter, submit a separate Form 592 for each type of income.

Schedule of Payees – Enter all the requested information for each payee you report as having received California source income to guarantee each payee's withholding payment is timely and applied properly. If you withheld tax on multiple payees for the quarter, use additional pages as necessary, starting with Side 2.

ID Number, Name, and Address – Enter the identification number, name, and address for the payee.

Total Quarterly Income – Enter the amount of income withheld upon for the quarter.

Amount of Tax Withheld – Enter the amount withheld for the quarter.

Line 1 – Enter the total tax withheld from the Schedule of Payees on Side 1.

Line 2 – Enter the total tax withheld from any additional pages of the Schedule of Payees.

Line 3 – Add line 1 and line 2. This is the total amount of tax withheld.

Line 4 – Enter the amount withheld by another entity and being allocated to your S corporation shareholders, partners, members, or beneficiaries. If any of the amount withheld by the other entity is to be used against the tax owed by your entity, do not include that amount in line 4. Attach a note to Form 592 explaining how much of the credit will be used to offset your tax due.

Line 5 – Subtract line 4 from line 3 and enter the balance due. If less than zero, enter -0-. Attach a check or money order for the full amount payable to "Franchise Tax Board." Write the withholding agent's ID number and "Form 592" on the check or money order.

Part III – Complete the withholding agent's and preparer's information.

Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance automated telephone service at:
(888) 792-4900 (toll-free) or (916) 845-4900.

OR write to:

WITHHOLDING SERVICES AND
COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms, call:

From within the
United States. (800) 852-5711
From outside the
United States. (916) 845-6500
(not toll-free)

OR to get forms by mail write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website at **www.ftb.ca.gov**.

Assistance for Persons with Disabilities
We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD (800) 822-6268

Asistencia Telefonica y en el Internet

Dentro de los Estados Unidos,

llame al (800) 852-5711

Fuera de los Estados

Unidos, llame al (916) 845-6500
(cargos aplican)

Sitio en el Internet: **www.ftb.ca.gov**

Asistencia para personas discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla pueden llamar al TTY/TDD (800) 822-6268.

YEAR

Foreign Partner or Member Quarterly Withholding Remittance Statement

CALIFORNIA FORM

2008

592-A

To be filed by the withholding agent.

Taxable year: Beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

Installment 1 Due by the 15th day of 4th month of taxable year; for weekend or holiday, see instructions.

Name of Withholding Agent _____ SSN or ITIN FEIN.

Address (including suite, room, PO Box, or PMB no.) _____

City _____ State _____ ZIP Code _____

Contact person _____ Phone (____) _____

Do not combine this payment with payment of your tax due for 2006. Make your check or money order payable to "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "Form 540-ES 2007" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.**

If No Payment is Due, Do Not Mail This Form.

See Section A of the instructions for an alternative to using this form.

Amount of payment

_____ .00

7091083

Form 592-A 2007

✂ DETACH HERE _____ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM _____ DETACH HERE ✂

YEAR

Foreign Partner or Member Quarterly Withholding Remittance Statement

CALIFORNIA FORM

2008

592-A

To be filed by the withholding agent.

Taxable year: Beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

Installment 2 Due by the 15th day of 6th month of taxable year; for weekend or holiday, see instructions.

Name of Withholding Agent _____ SSN or ITIN FEIN.

Address (including suite, room, PO Box, or PMB no.) _____

City _____ State _____ ZIP Code _____

Contact person _____ Phone (____) _____

Do not combine this payment with payment of your tax due for 2006. Make your check or money order payable to "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "Form 540-ES 2007" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.**

If No Payment is Due, Do Not Mail This Form.

See Section A of the instructions for an alternative to using this form.

Amount of payment

_____ .00

7091083

Form 592-A 2007

✂ DETACH HERE _____ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM _____ DETACH HERE ✂

YEAR

Foreign Partner or Member Quarterly Withholding Remittance Statement

CALIFORNIA FORM

2008

592-A

To be filed by the withholding agent.

Taxable year: Beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

Installment 3 Due by the 15th day of 9th month of taxable year; for weekend or holiday, see instructions.

Name of Withholding Agent _____ SSN or ITIN FEIN.

Address (including suite, room, PO Box, or PMB no.) _____

City _____ State _____ ZIP Code _____

Contact person _____ Phone (____) _____

Do not combine this payment with payment of your tax due for 2006. Make your check or money order payable to "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "Form 540-ES 2007" on it. Mail this voucher and your check or money order to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.**

If No Payment is Due, Do Not Mail This Form.

See Section A of the instructions for an alternative to using this form.

Amount of payment

_____ .00

7091083

Form 592-A 2007

Voucher at bottom of page.

DRAFT
of 06/29/2007
DO NOT FILE

✂ DETACH HERE ----- IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM ----- DETACH HERE ✂

YEAR **2008** **Foreign Partner or Member Quarterly Withholding Remittance Statement** CALIFORNIA FORM **592-A**

To be filed by the withholding agent.

Taxable year: Beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

Installment 4 Due by the 15th day of 12th month of taxable year; for weekend or holiday, see instructions.

Name of Withholding Agent _____ SSN or ITIN FEIN.

Address (including suite, room, PO Box, or PMB no.) _____

City _____ State _____ ZIP Code _____

Contact person _____ Phone (____) _____

Do not combine this payment with payment of your tax due for 2006. Make your check or money order payable to "Franchise Tax Board." Write your social security number or individual taxpayer identification number and "Form 540-ES 2007" on it. Mail this voucher and your check or money order to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031.

If No Payment is Due, Do Not Mail This Form. See Section A of the instructions for an alternative to using this form.

Amount of payment _____

Instructions for Form 592-A

Foreign Partner or Member Quarterly Withholding Remittance Statement

What's New

Beginning January 1, 2008, partnership or limited liability company (LLC) withholding on foreign partners or members is remitted to the Franchise Tax Board (FTB) with Form 592-A, Foreign Partner or Member Quarterly Withholding Remittance Statement.

Round cents to dollars – beginning with the 2007 tax forms, round cents to the nearest whole dollars. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

General Information

Any partnership or LLC making income or gain distributions allocable under Internal Revenue Code (IRC) Section 704 to foreign (non-U.S.) partners or members, must withhold tax from such payments, file Form 592-A, remit the amount withheld to the FTB, and provide completed Forms 592-B to the payees..

Purpose

Use Form 592-A, Foreign Partner or Member Quarterly Withholding Remittance Statement, to remit withholding payments to the FTB made during the year on partnership or LLC income or gain allocable under IRC Section 704 to foreign (non-U.S.) partners or members..

Withholding Rates

Withholding is required on payments made to nonresidents for income received from California sources, California Revenue and Tax Code (R&TC) Section 18662. For foreign partners or members, the withholding rate is the maximum California tax rate applicable to the partner (corporations 8.84%, banks 10.84%, foreign partners 9.3% that are not corporations or banks).

Waivers

There is no provision in the law to allow waivers or reduced withholding to foreign partners.

If the distribution from a partnership or LLC is determined to be a return of capital or does not represent taxable income for the current or prior years, no withholding is required. Although a waiver is not required in these situations, the partnership or LLC may be subject to the penalty for failing to withhold if, at audit, the FTB determines that the distribution represented taxable income.

Interest and Penalties

The law provides for interest and penalties on late payments of withholding. Interest is computed from the due date of the withholding to the date paid.

- Failure to timely withhold may result in the withholding agent being personally liable for the amount of tax that should have been withheld and for interest and penalties.
- Failure to provide Forms 592-B to the payees may result in penalties up to \$100 per Form 592-B.

When and Where to File

Payments are due quarterly to the FTB with Form 592-A on the 15th day of the 4th, 6th, 9th, and 12th months of the partnership's or LLC's taxable year. Make your check or money order payable to: "Franchise Tax Board." Write your SSN, FEIN, or CA Corp no. and "Form 592-A" on it. Send withholding payments and Form 592-A to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

How to Complete Form FTB 592-A

Enter all the information requested on the remittance statement.

Enter the beginning and ending dates of the partnership's or LLC's taxable year. The year at the top of the form should be the same as the taxable year ending date.

To ensure timely and proper application of the withholding payment to the withholding agent's account, enter the social security number (SSN), federal employer identification number (FEIN), individual taxpayer identification number (ITIN), or of the partnership or LLC in the spaces provided. Note: Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number. Example 111 Main Street PMB 123.

Enter the payment amount that represents withholding on partnership or LLC income or gain allocable under IRC Section 704 to foreign (non-U.S.) partners or members. If you have withholding for domestic and foreign partners or members, you can use the Installment Payment Worksheet that follows these instructions to figure the required installment payment amounts of withholding for foreign partners. For more information about withholding on foreign partners, get FTB Pub. 1017, Nonresident Withholding S Corporation and Partnership Guidelines.

Do not report tax withheld on domestic nonresident partners on Form 592-A. For more information regarding reporting tax withheld on domestic nonresident partners, see Form 592, Nonresident Withholding Statement.

Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance's automated telephone service at: **(888) 792-4900** (toll-free) or **(916) 845-4900** (not toll-free).

OR write to:

WITHHOLDING SERVICES AND COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms, call:

From within the United States (800) 852-5711
From outside the United States (916) 845-6500 (not toll-free)

OR to get forms by mail write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website at www.ftb.ca.gov.

Assistance for Persons with Disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD (800) 822-6268

Asistencia Telefonica y en el Internet

Dentro de los Estados Unidos, llame al (800) 852-5711

Fuera de los Estados Unidos,
llame al (916) 845-6500 (cargos aplican)

Sitio en el Internet: www.ftb.ca.gov

Asistencia para personas discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla pueden llamar al TTY/TDD (800) 822-6268.

Installment Payment Worksheet for Foreign Partner or Member Withholding

(Keep for your records. Do not send to the Franchise Tax Board.)

Complete only if the partnership or limited liability company (LLC) has foreign (non-U.S.) partners or members.

Complete column (a) before going to the next column.

	(a) 1st Installment	(b) 2nd Installment	(c) 3rd Installment	(d) 4th Installment
		First 3 months	First 6 months	First 9 months
1 Enter the partnership's or LLC's California source taxable income for each period	1			
2 Annualization amounts	2	4	2	1.33333
3 Multiply line 1 by line 2	3			
	First 3 months	First 5 months	First 8 months	First 11 months
4 Enter the partnership's or LLC's California source taxable income for each period	4			
5 Annualization amounts	5	4	2.4	1.5
6 Multiply line 4 by line 5	6			
7 Annualized California source taxable income. In column (a), enter the amount from line 6, column (a). In columns (b), (c), and (d) enter the smaller of the amounts from line 3 or line 6 in each column	7			
8 Foreign partner's or member's share of line 7 (annualized California source taxable income)	8			
9 Multiply line 8 by maximum tax rate	9			
10 Applicable percentage	10	23.75%	47.5%	71.25%
11 Multiply line 9 by the percentage on line 10	11			
12 (a)	12(a)	zero		
(b) Enter the amount from line 13, column (a)	12(b)			
(c) Enter the sum of line 13, column (a) and line 13, column (b)	12(c)			
(d) Enter the sum of line 13, column (a); line 13, column (b); and line 13, column (c)	12(d)			
13 Installment payments of withholding tax due for foreign partners or members. Subtract line 12 from line 11. If less than zero, enter -0-	13			

Using this installment payment worksheet and timely paying the calculated amounts protects you from penalties for underpayment. However, you may still need to make a fifth payment with Form 592-F, Foreign Partner or Member Annual Return, after the end of the year. If you know exactly what the foreign partner's or member's share of California source partnership or LLC income is for the quarter, you can calculate the quarterly payment

by multiplying the partner's or member's share of California source taxable income for the quarter by the maximum tax rate (currently, 8.84% for corporations, 10.84% for banks and financial institutions, and 9.3% for all others) instead of using this worksheet.

2008 Nonresident Withholding Tax Statement

592-B

Copy A FOR WITHHOLDING AGENT'S RECORDS

Part I Recipient

Name of Recipient			<input type="checkbox"/> SSN or ITIN	
Address (including suite, room, PO Box, or PMB no.)			<input type="checkbox"/> FEIN <input type="checkbox"/> CA Corp. no	
City	State	ZIP Code	Country	

Part II Withholding agent

Name of Withholding Agent (Payer/S Corporation/Partnership/LLC)			<input type="checkbox"/> SSN or ITIN	
Address (including suite, room, PO Box, or PMB no.)			<input type="checkbox"/> FEIN <input type="checkbox"/> CA Corp. no	
City	State	ZIP Code	Daytime telephone number ()	

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 type="checkbox"/> Distributions to Domestic (U.S.) Nonresident S corporation Shareholders/Partners/Members/Beneficiaries	<input type="checkbox"/> Other (describe)
--	---	---	--	---	---	---

Part IV Tax Withheld

1 Total income subject to withholding	1	00
2 Total California tax withheld	2	00

Withholding Agent Instructions

What's New

Registered Domestic Partners

For purposes of California income tax, references to a spouse, husband, or a wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners

Round Cents to Dollars

Beginning with the 2007 tax forms, round cents to the nearest whole dollars. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

General Information

Purpose

Use Form 592-B, Nonresident Withholding Tax Statement, to show the amount of income subject to withholding and tax withheld for nonresidents. Complete a separate Form 592-B for each nonresident. Pass-through entities which were withheld upon by another entity should use Form 592 to flow-through the withholding to their S corporation shareholders, partners, members, or beneficiaries whether they are residents or nonresidents of California.

Use Form 592, Quarterly Nonresident Withholding Statement, to remit withholding payments during the year. To remit foreign

partner withholding payments use Form 592-A, Foreign Partner or Member Quarterly Withholding Remittance Statement.

Common Errors / Helpful Hints

- Obtain ID numbers from all payees.
- Complete all fields.
- Complete Form(s) 592-B timely to avoid penalties.
- For examples of how to complete Form 592-B, go to our Website at www.ftb.ca.gov. Search for Form 592-B Examples.

Who Must Complete

Any person who has withheld on payments to nonresidents or is a pass-through entity that was withheld upon, and must flow-through the withholding credit, must complete Form(s) 592-B and give one copy of Form 592-B to the persons or entities withheld upon.

When To Complete

Provide this form to each nonresident that was withheld upon before January 31 following the close of the calendar year unless you are withholding on foreign (non-U.S.) partners. For withholding on foreign partners, provide Form(s) 592-B on or before

the 15th day of the 4th month following the close of the partnership's taxable year. (If all the partners in this partnership are foreign, Form(s) 592-B must be provided on or before the 15th day of the 6th month after the close of the partnership's taxable year.)

Distribute the copies of Form 592-B as follows:

- **Copy A** – Retained by withholding agent.
- **Copy B** – Provide to the recipient to file with the state return.

Penalties

The withholding agent must furnish complete and correct copies of Form(s) 592-B to the recipient (vendor/payee) by the due date.

If the withholding agent fails to provide complete, correct, and timely Form(s) 592-B to the recipient (vendor/payee), the penalty per Form 592-B is:

- \$50 if provided to the recipient late.
- \$100 or 10% of the amount required to be reported (whichever is greater) if the failure is due to intentional disregard of the requirement.

Specific Instructions

Private Mail Box – Include the Private Mail Box (PMB) in the address field. Write the acronym “PMB” first, then the box number. Example: 111 Main Street PMB 123.

Year – Make sure the year in the upper left corner of Form 592B represents the calendar year in which the withholding is for. However, if an S corporation’s, partnership’s, or limited liability company’s current distribution represents prior tax year attach a letter to that Form 592-B explaining that the distribution took place in the current withholding year, but was for a prior year. (Except for foreign partners, withholding of tax by withholding agents must be on a calendar year basis, regardless of the accounting period adopted by the vendor/payee or withholding agent.) For foreign partner withholding, make sure the year in the upper left corner of Form 592B is the year that the partnership’s taxable year ended. For example, if the partnership’s taxable year ended 12/31/07, use the 2007 form.

Part I – Enter the tax identification number, name, and address for the recipient (vendor/payee).

If the recipient is a **grantor trust**, enter the grantor’s individual name and SSN or ITIN. Do not enter the name of the trust or trustee information. (For tax purposes, grantor trusts are transparent. The individual grantor must report the income and claim the withholding on the individual’s California tax return.)

If the recipient is an **irrevocable trust**, enter the name of the trust and the trust’s federal employer identification number (FEIN). **Do not enter trustee information.**

If the trust has applied for the FEIN, but it has not been received, enter “Applied For” in the FEIN field. After the FEIN is received, complete another Form 592-B and write “Amended” in the top margin.

Only withholding agents can complete an amended Form 592-B. Upon completion the withholding agent should provide Copy A to the recipient. If a recipient notices an error; the recipient should contact the withholding agent.

If the recipients are spouse/RDP, enter only the name and SSN or ITIN of the primary spouse/RDP. However, if the recipients intend to file separate California tax returns, you should split the withholding and complete separate Form(s) 592-B for each spouse/RDP.

Part II – Enter the withholding agent’s tax identification number, name, address, and telephone number.

Part III – Check the box(es) for the type of income subject to withholding.

Part IV

Line 1 – Enter the total income subject to withholding.

Line 2 – Enter the total California tax withheld.

2008 Nonresident Withholding Tax Statement

592-B

Copy B FILE WITH THE STATE RETURN

Part I Recipient

Name of Recipient			<input type="checkbox"/> SSN or ITIN
Address (including suite, room, PO Box, or PMB no.)			<input type="checkbox"/> FEIN <input type="checkbox"/> CA Corp. no
City	State	ZIP Code	Country

Part II Withholding agent

Name of Withholding Agent (Payer/S Corporation/Partnership/LLC)			<input type="checkbox"/> SSN or ITIN
Address (including suite, room, PO Box, or PMB no.)			<input type="checkbox"/> FEIN <input type="checkbox"/> CA Corp. no
City	State	ZIP Code	Daytime telephone number ()

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 type="checkbox"/> Distributions to Domestic (U.S.) Nonresident S corporation Shareholders/Partners/Members/Beneficiaries	<input type="checkbox"/> Other (describe)
--	---	---	--	---	---	---

Part IV Tax Withheld

1 Total income subject to withholding	1	00
2 Total California tax withheld	2	00

Attach only the top portion of this form to the front of your California tax return (as you would a Form W-2).

For Privacy Notice, get form FTB 1131.

7101083

Form 592-B 2007

----- DETACH HERE -----

Instructions for Recipient

This withholding of tax does not relieve you of the requirement to file a California tax return within three months and fifteen days (two months and fifteen days for a corporation) after the close of your taxable year.

You may be assessed a penalty if:

- You do not file a California tax return.
- You file your tax return late.
- The amount of withholding does not satisfy your tax liability.

How to Claim the Withholding

Report the income as required and enter the amount from Line 2 above on your California tax return as real estate and other withholding or nonresident withholding. Attach the top portion of Form 592-B, Copy B to the lower front of your California tax return. Make a copy for your records.

If you are a partnership or LLC, you may either flow-through the entire amount to your partners or members or claim the withholding, to the extent of your outstanding tax liability, on your tax return. If the withholding exceeds the amount of tax you still owe on your tax return, you must flow-through the excess to your partners or members. If you do not have an outstanding balance on your tax return, you must flow-through the entire amount to your partners or members. Use Forms 592 and 592-B to flow the withholding to your partners or members.

If you are an estate or trust, you must flow-through the withholding to your beneficiaries if the related income was distributed. Use Forms 592 and 592-B to flow-through the withholding to your beneficiaries. If you did not distribute the income,

you must claim the withholding on the fiduciary return, Form 541, California Fiduciary Income Tax Return.

If you are an S corporation, you can flow-through all of the withholding to your shareholders, claim a portion on your corporation return (Form 100S) and flow-through the rest to your shareholders, or claim all of the withholding on the S corporation return. Use Forms 592 and 592-B to flow-through the withholding to your shareholders.

The amount shown as "Total income subject to withholding" may be an estimate or may only reflect how withholding was calculated. Be sure to report your actual taxable California source income. If you are an independent contractor or receive rents or royalties, see your contract and/or Form 1099 to determine your California source income. If you are an S corporation shareholder, partner, member, or beneficiary of an S corporation, partnership, LLC, estate, or trust, see your California Schedule K-1 (100S, 565, 568, 541) issued by that entity to determine your California source income.

Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance's automated telephone service at: (888) 792-4900 (toll-free) or (916) 845-4900.

OR write to:

WITHHOLDING SERVICES AND COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms, call:

From within the United States (800) 852-5711
From outside the United States (916) 845-6500 (not toll-free)

OR write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website at www.ftb.ca.gov.

Assistance for Persons with Disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD (800) 822-6268

Asistencia Telefonica y en el Internet

Sitio en el Internet: www.ftb.ca.gov

Dentro de los Estados Unido
llame al (800) 852-5711
Fuera de los Estados Unidos,
llame al (916) 845-6500 (cargos aplican)

Asistencia para Personas Discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos pueden llamar al TTY/TDD (800) 822-6268.

2008 Foreign Partner or Member Annual Return

592-F

Schedule of Payees provided electronically or on magnetic media

FTB Use Only: Total Payment Enclosed: _____ .00

Taxable year: Beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.

Part I Withholding Agent

Name of Withholding Agent (Payer)		SSN, ITIN, FEIN, or CA Corp no.	
Address (including suite, room, PO Box, or PMB no.)			
City		State	ZIP Code
Total Number of Foreign Partners or Members Included	Total California Source income Subject to Withholding _____ .00		

Part II Tax Withheld

CA Source Taxable Income Allocable To:

1 a Non-Corporate foreign nonresident partners or members	\$ _____	x 9.3%	●	1a	_____	.00
b Corporate foreign nonresident partners or members	\$ _____	x 8.84%	●	1b	_____	.00
c Foreign bank and financial institution partners or members	\$ _____	x 10.84%	●	1c	_____	.00
2 Total. Add lines 1a, 1b, and 1c			●	2	_____	.00
3 Tax withheld from Side 2, Schedule of Payees. This is the total tax withheld and should equal line 2			●	3	_____	.00
4 Amount withheld by another entity and being allocated			●	4	_____	.00
5 Prior payments of foreign partners' or members' withholding for taxable year shown above			●	5	_____	.00
6 Amount credited from prior year's withholding			●	6	_____	.00
7 Total Payments. Add lines 4-6			●	7	_____	.00
8 Balance Due. If line 3 is more than line 7, subtract line 7 from line 3. Attach a check or money order for the full amount payable to "Franchise Tax Board." Write the partnership's or LLC's FEIN and "Form 592-F" on the check or money order. Mail Form 592-F to the FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651.			●	8	_____	.00
9 Overpayment. If line 7 is greater than line 3, subtract line 3 from line 7 (complete lines 10-11).			●	9	_____	.00
10 Credit to next year. Enter the amount from line 9 that you want credited to next year's Form 592-F			●	10	_____	.00
11 Refund. Subtract line 10 from line 9			●	11	_____	.00

Part III 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.

Withholding Agent's name _____ Withholding Agent's daytime phone number _____

Withholding Agent's signature _____

Preparer's name _____ Preparer's signature _____

Preparer's address _____ Preparer's daytime phone number _____

Foreign Partner or Member Annual Return

Name of Withholding Agent (Payee)	SSN, ITIN, FEIN, or CA Corp. no.
-----------------------------------	----------------------------------

Schedule of Payees

ID Number	Name	Income Amount
Address		Amount of Tax Withheld
ID Number	Name	Income Amount
Address		Amount of Tax Withheld
ID Number	Name	Income Amount
Address		Amount of Tax Withheld
ID Number	Name	Income Amount
Address		Amount of Tax Withheld
ID Number	Name	Income Amount
Address		Amount of Tax Withheld
ID Number	Name	Income Amount
Address		Amount of Tax Withheld
ID Number	Name	Income Amount
Address		Amount of Tax Withheld

Total tax withheld from Schedule of Payees 00

Instructions for Form 592-F

What's New

Beginning January 1, 2008, partnership or limited liability company (LLC) withholding on foreign partners or members is remitted to the Franchise Tax Board (FTB) with Form 592-A Foreign Partner Quarterly Withholding Remittance Statement. At the close of the taxable year, the partnership or LLC will complete Form 592-F to report the total withholding for the year and allocate the income or gain and related withholding to the foreign partners or members. When filing Form 592-F with the FTB the withholding agent is no longer required to submit to the FTB a Form 592-B, Nonresident Withholding Tax Statement, for each partner or member. However, withholding agents must continue to provide the partners or members with paper Forms 592-B.

A partnership or LLC reporting a distribution and withholding for domestic (U.S.) nonresident partners or members must remit that withholding payment with Form 592, Quarterly Nonresident Withholding Statement.

Round cents to dollars

Beginning with the 2007 tax forms, round cents to the nearest whole dollars. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25

General Information

For California withholding purposes only, a reference in these instructions to:

- "Nonresident" includes individuals who are not residents of California, corporations not qualified through the California Secretary of State to do business in California or having no permanent place of business in California, partnerships, or limited liability companies (LLCs) with no permanent place of business in California, any trust without a resident grantor, beneficiary, trustee or fiduciary, or estates where the decedent was not a California resident.
- "Foreign" refers to non-U.S.

For information on the withholding requirements or to send withholding payments during the year, get Form 592-A, Foreign Partner Quarterly Withholding Remittance Statement.

Electronic Funds Transfer (EFT)

Corporations that meet certain requirements must remit all of their payments through EFT rather than by paper checks to avoid the EFT penalty. Corporations that remit an estimated tax payment or extension payment in excess of \$20,000 or that have a total tax liability in excess of \$80,000 must remit all of their payments through EFT. FTB will notify corporations that are subject to this requirement. Those that do not meet these requirements and wish to participate on a voluntary basis may do so. If paying by EFT, DO NOT send the payment voucher. For more

information, go to our Website at www.ftb.ca.gov and search for EFT, call (916) 845-4025, or get FTB Pub. 3817, Electronic Funds Transfer Program Information Guide.

Purpose

Use this form to report the total withholding for the year on foreign partners or members under California Revenue and Taxation Code (R&TC) Section 18666. Form 592-F is used by pass-through entities to flow through withholding credit to their foreign partners or members. **Caution:** Real Estate Withholding should not be reported on this form.

Do not use Form 592-F if:

- You are reporting withholding on domestic nonresident partners or members. Use Form 592 Quarterly Nonresident Withholding Statement.
- You are the buyer or escrow person withholding on the sale of real estate. Use Form 593, Real Estate Withholding Tax Statement, to remit and report real estate withholding.

Common Errors/Helpful Hints

If you are filing Form 592 only to flow withholding credits through to your S corporation shareholders, partners, members, or beneficiaries, enter your information in Part I as the withholding agent. Do not enter the name or ID number of the entity which originally withheld payments to you.

When and Where to File

For withholding on foreign partners, file Form 592-F, on or before the 15th day of the 4th month following the close of the partnership's taxable year. If all the partners are foreign, Form 592-F must be filed on or before the 15th day of the 6th month after the close of the partnership's taxable year.

Send any payment due, Form 592-F to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Federal law requires that payees be notified within 10 days of the quarterly installment payment date regarding any tax withheld. For California withholding purposes, withholding agents should make similar notification. No particular form is required for this notification, and it is commonly done on the statement accompanying the distribution or payment. However, the withholding agent may choose to report the tax withheld to the payee on a Form 592-B.

Magnetic Media Requirements

Form 592-F information must be filed with the FTB via magnetic media instead of paper when the number of partners or members being reported on Form 592-F and supplied with Forms 592-B is 250 or more. However, withholding agents must continue to provide

vendors/payees with paper Forms 592-B. Complete Side 1 of Form 592-F (do not complete the Schedule of Payees on Side 2) and:

- Send the original with any payment
- Send a separate copy (marked "copy" at the top) with the disk containing the Schedule of Payees to:

WITHHOLDING SERVICES AND
COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

If you are the preparer for more than one withholding agent, provide a separate Form 592-F and disk for each withholding agent. For the required file format and record layout, get FTB Pub. 1023F, Nonresident Withholding Magnetic Media Requirements.

Interest and Penalties

Interest on late payments is computed from the due date of the withholding to the date paid. Failure to withhold may result in the withholding agent being personally liable for the amount of tax that should have been withheld and for interest and penalties.

Failure to provide correct Forms 592-B to the payees by the due date may result in penalties up to \$100 per Form 592-B.

Specific Instructions

Year – Make sure the year in the upper left corner of the form matches the ending date of the taxable year.

Magnetic Media – Check the box to show if you are providing the Schedule of Payees to FTB electronically or via magnetic media.

Magnetic media is required if you withheld on 250 or more payees.

Taxable Year – Enter the beginning and ending dates for the partnership's LLC's taxable year.

Part I – Enter the withholding agent's name, ID number, and address. If your entity is a partnership, LLC, estate, or trust that was withheld upon by another entity because you are a foreign (non-U.S.) partner or member of that entity and you are flowing the withholding credit through to your partners, members, or beneficiaries, enter your entity's name, tax ID number, and address in the withholding agent area. Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number. Example: 111 Main Street PMB 123.

Enter the total number of partners or members included on Side 2, Schedule of Payees.

Enter the total California source income subject to withholding from Side 2, Total tax withheld from Schedule of Payees.

Part II – Line 1a, Enter the total California source taxable income allocable to non-corporate foreign partners or members,

multiply it by 9.3% (the maximum non-corporate tax rate).

Line 1b – Enter the total California source taxable income allocable to corporate foreign nonresident partners or members, multiply it by 8.84% (the maximum corporate tax rate).

Line 1c – Enter the total California source taxable income allocable to foreign bank and financial institution partners or members, multiply it by 10.84% (the maximum bank and financial institution tax rate).

Line 2 – Add the amounts on line 1a, line 1b, and line 1c and enter the total on line 2.

Line 3 – Enter the total tax withheld from the Schedule of Payees listed on Side 2 (see instructions below). This is the total amount of tax withheld and should equal the amount on line 2.

Line 4 – Enter the amount withheld by another entity and being allocated to your partners or members. If any of the amount withheld by the other entity is to be used against the tax owed by your entity, do not include that amount in line 4. Attach a note to Form 592-F explaining how much of the credit will be used to offset your tax due.

Line 5 – Enter prior payments for the taxable year shown above from Forms 592-A, Foreign Member Quarterly Remittance Statement.

Line 6 – Enter the amount of foreign partner or member credit carried over from the prior withholding year.

Line 7 – Add the amounts on line 4, line 5, and line 6 and enter the total on line 7.

Line 8 – If line 3 is more than line 7, subtract line 7 from line 3. If the result is less than zero, enter -0-. Attach a check or money order for the full amount payable to "Franchise Tax Board." Write the partnership's or LLC's FEIN and "Form 592-F" on the check or money order.

Line 9 – If line 7 is more than line 3, subtract line 3 from line 7. This is your overpayment (complete lines 10-11).

Line 10 – Enter the amount of your overpayment on line 9 that you want credited to next year's Form 592-F instead of refunded.

Line 11 – Subtract line 10 from line 9.

Part III – Complete the withholding agent's and preparer's information.

Schedule of Payees Instructions

Enter all the requested information for each payee you report as having received California source income to

guarantee each payee's withholding payment is timely and applied properly. If you withheld tax on multiple payees for the quarter, use additional pages as necessary, starting with Side 2.

ID Number, Name, and Address – Enter the identification number, name and address for the partner or member.

Income Amount – Enter the amount of income withheld upon.

Amount of Tax Withheld – Enter the amount withheld.

Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance Section's automated telephone service at: **(888) 792-4900** (toll-free) or **(916) 845-4900**.

OR write to:

WITHHOLDING SERVICES AND
COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms, call:

From within the
United States (800) 852-5711
From outside the
United States (916) 845-6500
(not toll-free)

OR write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website at **www.ftb.ca.gov**.

Assistance for Persons with Disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD (800) 822-6268

Asistencia Telefonica y en el Internet

Dentro de los Estados Unidos,
llame al (800) 852-5711
Fuera de los Estados
Unidos, llame al (916) 845-6500
(cargos aplican)

Sitio en el Internet: **www.ftb.ca.gov**

Asistencia para personas discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla pueden llamar al TTY/TDD (800) 822-6268.

2008 Real Estate Withholding Tax Statement

593

AMENDED: <input type="checkbox"/>	Copy A FOR FRANCHISE TAX BOARD
-----------------------------------	---------------------------------------

Part I Withholding Agent		FTB Use Only: Total Payment Enclosed: \$ _____	
Name		SSN or ITIN.	
Business Name		FEIN or CA Corp. no.	
Address (including suite, room, PO Box, or PMB no.)			
City		State	ZIP Code

Seller or Transferor		SSN or ITIN	
Name		Spouse's/RDP's SSN or ITIN	
Spouse/RDP Name or Business Name		FEIN or CA Corp. no.	
Address (including suite, room, PO Box, or PMB no.)		State	
City		ZIP Code	
Address (or parcel number and county) of the CA real property transferred.			

Part II Escrow or Exchange Information

1. Escrow or Exchange Number ● 1 _____

2. Date of Transfer Exchange, Completion, Exchange Failure or Installment Payment ● 2 _____ MM / DD / YYYY

3. Type of Transaction (Check One Only):

● A. Conventional Sale or Transfer

● B. Installment Sale Payment ● C. Boot ● D. Failed Exchange

4. Withholding Calculation (Check One Only):

Total Sales Price Method

● A. 3 1/3 % (.0333) x Total Sales Price (Skip Part III)

Optional Gain on Sale Election (Signature required below)

● B. Individual 9.3% x Gain on Sale

● C. Corporation 8.84% x Gain on Sale

● D. Bank and Financial Corp. 10.84% x Gain on Sale

● E. S-Corporation 1.5% x Gain on Sale

● F. Financial S-Corporation 3.5% x Gain on Sale

5. Amount Withheld from this Seller ● 5 _____ .00

Mail completed form and payment to:
 FRANCHISE TAX BOARD
 PO BOX 942867
 SACRAMENTO CA 94267-0651

Part III Perjury Statement - Signature is required if Optional Gain on Sale is elected above.

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 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. I understand that if this form is not signed, the amount of withholding will be 3 1/3% of the total sales price.

Seller's Signature: _____ Date: _____

Spouse's/RDP's Signature: _____ Date: _____

Preparer: Name and Title (please print or type) _____ Telephone Number: _____
 ()

2008 Real Estate Withholding Tax Statement

593

This is important tax information and is being furnished to the Franchise Tax Board. File this form with your California tax return.

Copy B FOR SELLER OR TRANSFEROR

Part I Withholding Agent		FTB Use Only: Total Payment Enclosed: \$ _____	
Name		SSN or ITIN.	
Business Name		FEIN or CA Corp. no.	
Address (including suite, room, PO Box, or PMB no.)			
City		State	ZIP Code

Seller or Transferor		SSN or ITIN	
Name		Spouse's/RDP's SSN or ITIN	
Spouse/RDP Name or Business Name		FEIN or CA Corp. no.	
Address (including suite, room, PO Box, or PMB no.)		City	
City		State	ZIP Code
Address (or parcel number and county) of the CA real property transferred.			

Part II Escrow or Exchange Information

1. Escrow or Exchange Number ● 1 _____

2. Date of Transfer Exchange, Completion, Exchange Failure or Installment Payment ● 2 _____ MM / DD / YYYY

3. Type of Transaction (Check One Only):

● A. Conventional Sale or Transfer

● B. Installment Sale Payment ● C. Boot ● D. Failed Exchange

4. Withholding Calculation (Check One Only):

Total Sales Price Method

● A. 3 1/3 % (.0333) x Total Sales Price (Skip Part III)

Optional Gain on Sale Election (Signature required below)

● B. Individual 9.3% x Gain on Sale

● C. Corporation 8.84% x Gain on Sale

● D. Bank and Financial Corp. 10.84% x Gain on Sale

● E. S-Corporation 1.5% x Gain on Sale

● F. Financial S-Corporation 3.5% x Gain on Sale

5. Amount Withheld from this Seller ● 5 _____ .00

Mail completed form and payment to:
 FRANCHISE TAX BOARD
 PO BOX 942867
 SACRAMENTO CA 94267-0651

Part III Perjury Statement - Signature is required if Optional Gain on Sale is elected above.

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 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. I understand that if this form is not signed, the amount of withholding will be 3 1/3% of the total sales price.

Seller's Signature: _____ Date: _____

Spouse's/RDP's Signature: _____ Date: _____

Preparer: Name and Title (please print or type) _____ Telephone Number: _____
 ()

2008 Real Estate Withholding Tax Statement

593

Copy C FOR WITHHOLDING AGENT'S RECORDS

Part I Withholding Agent		FTB Use Only: Total Payment Enclosed: \$ _____	
Name		SSN or ITIN.	
Business Name		FEIN or CA Corp. no.	
Address (including suite, room, PO Box, or PMB no.)			
City		State	ZIP Code

Seller or Transferor		SSN or ITIN	
Name		Spouse's/RDP's SSN or ITIN	
Spouse/RDP Name or Business Name		FEIN or CA Corp. no.	
Address (including suite, room, PO Box, or PMB no.)		City	
City		State	ZIP Code
Address (or parcel number and county) of the CA real property transferred.			

Part II Escrow or Exchange Information

1. Escrow or Exchange Number ● 1 _____

2. Date of Transfer Exchange, Completion, Exchange Failure or Installment Payment ● 2 _____ MM / DD / YYYY

3. Type of Transaction (Check One Only):

● A. Conventional Sale or Transfer

● B. Installment Sale Payment ● C. Boot ● D. Failed Exchange

4. Withholding Calculation (Check One Only):

Total Sales Price Method

● A. 3 1/3 % (.0333) x Total Sales Price (Skip Part III)

Optional Gain on Sale Election (Signature required below)

● B. Individual 9.3% x Gain on Sale

● C. Corporation 8.84% x Gain on Sale

● D. Bank and Financial Corp. 10.84% x Gain on Sale

● E. S-Corporation 1.5% x Gain on Sale

● F. Financial S-Corporation 3.5% x Gain on Sale

5. Amount Withheld from this Seller ● 5 _____ .00

Mail completed form and payment to:
 FRANCHISE TAX BOARD
 PO BOX 942867
 SACRAMENTO CA 94267-0651

Part III Perjury Statement - Signature is required if Optional Gain on Sale is elected above.

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 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. I understand that if this form is not signed, the amount of withholding will be 3 1/3% of the total sales price.

Seller's Signature: _____ Date: _____

Spouse's/RDP's Signature: _____ Date: _____

Preparer: Name and Title (please print or type) _____ Telephone Number: _____
 ()

Instructions for 593

Real Estate Withholding Tax Statement

What's New

Form 593 has been revised for 2008. It combines Form 593-B and 593 into one form.

Registered Domestic Partners

For purposes of California income tax, references to a spouse, husband, or a wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDP's, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars

Beginning with the 2007 tax forms, round cents to the nearest whole dollars. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25

General Information

Electronic Funds Transfer (EFT)

Corporations that meet certain requirements must remit all of their payments through EFT rather than by paper checks to avoid the EFT penalty. Corporations that remit an estimated tax payment or extension payment in excess of \$20,000 or that have a total tax liability in excess of \$80,000 must remit all of their payments through EFT. FTB will notify corporations that are subject to this requirement. Those that do not meet these requirements and wish to participate on a voluntary basis may do so. If paying by EFT, DO NOT send the payment voucher. For more information, go to our Website at www.ftb.ca.gov and search for EFT, call (916) 845-4025, or get FTB Pub. 3817, Electronic Funds Transfer Program Information Guide.

When remitting payments by EFT, please mail Copy A of Form 593 and payment to this specific address:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-XXXX

Purpose

Use this form to report real estate withholding on sales closing in 2008, on installment payments made in 2008, or on exchanges that were completed or failed in 2008.

Use a separate Form 593 to report the amount withheld from each seller. If the sellers are married or registered domestic partners (RDPs) and they plan to file a joint return, include both spouses/RDPs on the same Form 593.

Common Errors

Year of Form – The year (at the top) of Form 593 must be the same as the year on line 2. See instructions for line 2. If you do not have Form 593 with the correct year, go to our Website at www.ftb.ca.gov to get the correct form.

Identification Numbers – Check to see that the withholding agent's and seller's tax identification numbers are correct and listed

in the same order as the names. If both a husband and wife/RDP are listed, make sure both social security numbers (SSN) or individual taxpayer identification numbers (ITIN) are listed in the same order as their names.

Trusts and Trustees – It is important to report the correct name and tax identification number when title is held in the name of a trust. If the seller is a trust, see the instructions under **Seller or Transferor**.

Examples – For examples on completing Form 593 in various situations, go to our Website at www.ftb.ca.gov and search for **593 Examples**.

Who Must File

Any person who withheld on the sale or transfer of California real property during the calendar month must file Form 593 to report and remit the amount withheld. Normally, this will be the title company, escrow company, intermediary, or accommodator. Generally, the buyer will only complete these forms when reporting the withholding on installment payments.

When and Where to File

File **Copy A** of Form 593 and pay the amount of tax withheld within 20 days following the end of the month in which the transaction occurred.

Mail **Copy A** of Form 593 and payment to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Distribute the other copies of Form 593 as follows:

- **Copy B** – Send to sellers within 20 days following the end of the month in which the transaction occurred.
- **Copy C** – Retained by withholding agent.

Penalties

If the withholding agent does not furnish complete and correct copies of Form 593 to the **FTB** by the due date, within 20 days following the end of the month in which the transaction occurred, but does file them within 30 days of the due date, the penalty is \$15 per Form 593. If Form 593 is filed more than 30 days after the due date, the penalty is \$50 per Form 593. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or 10% of the required withholding.

If the withholding agent does not furnish complete and correct copies of Form 593 to the **seller** by the due date, within 20 days following the end of the month in which the transaction occurred, the penalty is \$50 per Form 593. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or 10% of the required withholding.

Amending Form 593

Do not file an amended Form 593 to cancel the withholding amount for a Form 593-C filed after the close of escrow.

To amend Form 593:

- Complete a new Form 593 with the correct information.
- Check the "Amended" box at the top of the revised form.
- Include a letter explaining what changes were made and why.
- Fax the amended form and letter to our general fax number, (916) 845-9512, unless the amended form was requested by the FTB and a different fax number was provided.
- Whenever an amended Form 593 is provided to the FTB, Copies B & C should also be provided to each affected seller.

Amended forms can only be filed by the withholding agent. If a seller notices an error, the seller should contact the withholding agent.

Instructions for Seller

This withholding of tax does not relieve you from the requirement to file a California income tax return and report the sale within three months and fifteen days (two months and fifteen days for a corporation) after the close of your taxable year.

You may be assessed penalties if:

- You do not file a tax return.
- You file your tax return late.
- The amount of withholding does not satisfy your tax liability.

How to Claim the Withholding

To claim the withholding credit, report the sale or transfer as required and enter the amount from line 5 on the line for real estate or nonresident withholding on your tax return. Attach the Form 593, Copy B, to the lower front of your California tax return. Make a copy for your records.

If withholding was done for a failed exchange or on boot in the year following the year the property was sold, the withholding is shown as a credit for the tax year the withholding occurred since you qualify for installment sale reporting. If you elect to report the gain in the year the property was sold, instead of in the year you received the payment, contact the Franchise Tax Board at (888) 792-4900 prior to filing your California tax return for instructions to have the credit transferred to the prior year.

Specific Instructions

Withholding Agent

Enter the name, mailing address, and tax identification number of the withholding agent (payer/sender). Enter the SSN or ITIN only when the buyer, who is an individual, is sending the withholding payment.

Seller or Transferor

Enter the name, mailing address, and tax identification number of the seller or transferor. If the seller has applied for a tax identification number, but it has not been received, enter, "Applied For" in the space for the seller's ID and attach a copy of the federal application behind Form 593.

If the seller is an **individual**, enter the SSN or ITIN. If the sellers are husband and wife/RDP and plan to file a joint return, enter the name and SSN or ITIN for each spouse/RDP. Otherwise, do not enter information for more than one seller. Instead, complete a separate Form 593 for each seller.

If the seller is a **grantor trust**, enter the grantor's individual name and SSN or ITIN. Do not enter the name of the trust. (For tax purposes, the grantor trust is disregarded for tax purposes and the individual seller must report the sale and claim the withholding on the individual's tax return.) If the trust was a grantor trust that became irrevocable upon the grantor's death, enter the name of the trust and the trust's federal employer identification number (FEIN). If the trust has not applied for a FEIN, leave the tax identification number blank. **Do not enter the decedent's social security number or individual taxpayer identification number or trustee information.**

If the seller is a **non-grantor trust**, enter the name of the trust and the trust's federal employer identification number (FEIN). If the trust has not applied for a FEIN, leave the tax identification number blank. **Do not enter the trustee information.**

If the seller is a **single member disregarded LLC**, enter the name and tax identification number of the single member.

For all other **non-individual** sellers, enter the FEIN or California corporation number.

Enter the address (or parcel number and county) of the CA real property transferred

Conventional Sale or Transfer and Installment Sales: Enter the address (parcel number and county) of the transferred property.

Exchanges: Enter the address of the relinquished property.

Escrow or Exchange Information

Caution – Installment Sales

Follow the Installment Sales instructions only if the buyer **agrees** either to withhold 3 $\frac{1}{3}$ % on the principal portion of each installment payment or the installment withholding percentage calculated by the seller in these instructions and specified on Form 593-I. The buyer must have completed and signed Form 593-I, Real Estate Withholding Installment Sale Agreement, to defer any withholding. Attach Form 593-I behind the Form 593 with the withholding amount calculated as part of the first installment payment paid in escrow, or with the principal portion of the

first installment payment, if there was no first installment payment paid in escrow. You need not obtain seller's signature on each new and completed Form 593. If the buyer **did not agree** either to withhold 3 $\frac{1}{3}$ % or the installment withholding percentage on the principal portion of each installment payment, or did not complete Form 593-I, then follow the instructions for **Conventional Sale or Transfer**.

Line 1 – Escrow or Exchange Number

Enter the escrow or exchange number for the property transferred.

Line 2 – Date of Transfer, etc.

Conventional Sale or Transfer: Enter the date escrow closed.

Installment Sales: For withholding on first installment payment, enter the date escrow closed. For withholding on subsequent installment payments, enter the date of the installment payment.

Exchanges: For completed exchanges, enter the date that the boot (cash or cash equivalent) was distributed to the exchanger. For failed exchanges, enter the date when it was determined that the exchange would not meet the deferred exchange requirements and any cash was distributed to the seller.

When withholding on boot or a failed exchange, be sure to use the forms for the year that you entered on line 2 (rather than the year of the sale), since the seller will be able to use installment sale reporting for the gain.

Line 3 – Type of Transaction

Check one box that represents the type of real estate transaction for which the withholding is being calculated.

Conventional Sale or Transfer: For most real estate transactions, this represents the close of escrow for the real estate transaction. This sale or transfer does not contain any conditions such as an installment sale, boot, or failed exchange.

Installment Sale Payment: Check this box if you are withholding on either the first installment payment during escrow or a subsequent installment payment

Boot: If the seller intends to complete a deferred exchange, but receives boot (cash or cash equivalent) out of escrow, check this box.

Failed Exchange: Check this box for any failed exchange, including if a failed deferred exchange had boot withheld upon in the original relinquished property.

Line 4 – Withholding Calculation

Check one box that represents the method to be used to calculate the withholding amount on line 5. Either the Total Sales Price Method (3 $\frac{1}{3}$ % of the sale price) or the Optional Gain on Sale Election based on the applicable tax rate as applied to the gain on sale. Check only one box, A-F.

Line 5 – Amount Withheld

Enter the amount withheld from this transaction or installment payment based upon the appropriate calculation for either the Total Sales Price Method or the Optional Gain on Sale Election Method, below.

Total Sales Price Method

Conventional Sale or Transfer:

- Total Sales Price \$ _____
- Enter the seller's ownership percentage \$ _____
- Amount Subject to Withholding. Multiply line a by line b and enter the result \$ _____
- Withholding Amount. Multiply line c by 3 $\frac{1}{3}$ % (.0333) and enter the result here and on Form 593, line 5 \$ _____

Installment Sales:

- Amount Subject to Withholding. If you are withholding on the first installment payment in escrow, enter the amount of the first installment payment. If you are withholding on subsequent installment payments, enter the principal portion of the payment \$ _____
- Withholding Amount. Multiply line a by 3 $\frac{1}{3}$ % (.0333) and enter the result here and on Form 593, line 5 \$ _____

Exchanges:

- Amount Subject to Withholding. For completed deferred exchanges, enter the amount of boot (cash or cash equivalent) received by the seller \$ _____
- Withholding Amount. Multiply line a by 3 $\frac{1}{3}$ % (.0333) and enter the result here and on Form 593, line 5 \$ _____

Failed Exchanges:

- Total Sales Price. If a deferred exchange is not completed or does not meet the deferred requirements, enter the total sales price \$ _____
- Ownership Percentage. If multiple transferors attempted to exchange this property, enter this seller's ownership percentage. Otherwise, enter 100.00% _____
- Amount Subject to Withholding. Multiply line a by line b. \$ _____
- Withholding Amount. Multiply line c by 3 $\frac{1}{3}$ % (.0333) and enter the result here and on Form 593, line 5 \$ _____

Optional Gain on Sale Election Method

Conventional Sale or Transfer: Enter the amount from Form 593-E, line 17 on Form 593, line 5.

Installment Sales: The Installment Withholding Percent is applied to the principal portion of all installment payments, including the first installment payment received during escrow to determine the gain on sale. The gain on sale is then multiplied by the seller's applicable tax rate to determine the withholding amount.

You must complete the calculation under Installment Withholding Percent, below, to determine the withholding percentage needed to complete the withholding amount in item c.

- a. Installment Payment. \$ _____
- b. Gain on Sale, multiply line a by the Installment Withholding Percent (calculated below) . . \$ _____
- c. Withholding Amount. Multiply line b by the applicable tax rate and the result here and on line 5 \$ _____

- Individual 9.3%
- Corporation 8.84%
- Bank and Financial Corporation 10.84%
- S Corporation 1.5%
- Financial S Corporation 3.5%

Installment Withholding Percent

Complete this calculation for the Installment Withholding Percent that will be applied to all installment payments, including the first installment payment received during escrow. If withholding on an installment payment, the seller must provide the buyer with the Installment Withholding Percent to be included on Form 593-I. If withholding on the first installment payment is received during escrow, then compute the percent as follows:

- a. Gain on Sale from Form 593-E, line 16 \$ _____
- b. Sale Price from Form 593-E, line 1 \$ _____
- c. Installment Withholding Percent, divide line a by line b % _____

Take the result of line c, above, and transfer the Installment Withholding Percent to the appropriate box in the Seller's information on Form 593-I.

Exchanges:

- a. Boot Amount. Not to exceed recognized gain \$ _____
- b. Withholding Amount. Multiply line a by the applicable tax rate and enter the result here and on line 5 \$ _____

Failed Exchanges:

- a. Gain on Sale from Form 593-E, line 16 \$ _____
- b. Ownership Percentage. If multiple transferors attempted to exchange this property, enter this seller's ownership percentage. Otherwise, enter 100.00% \$ _____
- c. Amount Subject to Withholding. Multiply line a by line b. \$ _____
- d. Withholding Amount. Multiply line c by the applicable tax rate and enter the result here and on line 5 \$ _____

- Individual 9.3%
- Corporation 8.84%
- Bank and Financial Corporation 10.84%
- S Corporation 1.5%
- Financial S Corporation 3.5%

If a failed deferred exchange had boot withheld upon in the original relinquished property, reduce the Withholding Amount by the amount previously remitted to FTB.

Additional Information

For more information on real estate withholding, get FTB Pub. 1016, Real Estate Withholding Guidelines. To get a withholding form or publication, or to speak to a representative, contact our Withholding Services and Compliance's automated telephone service at:

(888) 792-4900 (toll-free), or
(916) 845-4900
 FAX **(916) 845-9512**

WITHHOLDING SERVICES AND COMPLIANCE
FRANCHISE TAX BOARD
 PO BOX 942867
 SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms call:

- From within the United States. (800) 852-5711
- From outside the United States. (916) 845-6500 (not toll-free)

OR to get forms by mail write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
 PO BOX 307
 RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website at www.ftb.ca.gov.

Assistance for Persons with Disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD (800) 822-6268

Asistencia Telefonica y en el Internet

- Dentro de los Estados Unidos, llame al (800) 852-5711
- Fuera de los Estados Unidos, llame al (916) 845-6500 (cargos aplican)

Sitio en el Internet www.ftb.ca.gov

Asistencia para Personas Discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos pueden llamar al TTY/TDD (800) 822-6268.