

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
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Interested Parties Meeting Withholding Regulations

To attend this meeting, please RSVP by October 5, 2015, by contacting Mariselda Anderson at (916) 845-7366 or Email: mariselda.anderson@ftb.ca.gov.

To participate in this meeting by telephone, please dial: (877) 923-3149. Enter the participant pass code 2233420, followed by the # sign.

When

Monday, October 12, 2015
10:00am

Where

Franchise Tax Board
Golden State Rooms A & B, North Lobby
9646 Butterfield Way
Sacramento, CA 95827

Topics:

1. Discuss possible amendments to California Code of Regulations (CCR), title 18, sections 18662-0 through 18662-6, and section 18662-8 (Withholding Regulations), to make various technical changes to the Withholding Regulations, including changes to terminology in the current regulatory language and line items on the withholding forms. Specifically, possible amendments include, but are not limited to:

- Changing the term "buyer" to "buyer/transferee";
 - Changing the term "seller" to "seller/transferor";
 - Changing the term "SSN" to "SSN or ITIN";
 - Changing the term "California" to "resident and/or nonresident";
 - Clarifying what can or cannot be filed electronically;
 - Clarifying the process by which a waiver is requested under FTB Form 588, Nonresident Withholding Waiver Request;
 - Adding property address information for property management reduced withholding requests;
 - Adding total sales price and ownership percentage fields to make audit process more accurate;
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- Determining whether the terms of the installment agreement and the buyer/transferee information currently reported on FTB Form 593-I, Real Estate Withholding Installment Sale Acknowledgement, should instead be reported on FTB Form 593, Real Estate Withholding Statement, with FTB Form 593-I being discontinued;
- Clarifying the threshold requirements (Part IV, Withholding Computation) for FTB Form 589, Nonresident Reduced Withholding Request;
- Adding a new term, "Remitter," to the definition section, and revising the definition of "Withholding Agent" and other terms as necessary; and,
- Other technical changes as necessary.

2. Discuss possible amendments to the Withholding Regulations related to domestic pass-through entity (PTE) withholding filing requirements. Discussion will include:

- For PTEs only, possible change to the current quarterly Form 592 allocation of withholding scheme to an annual filing and allocation of withholding scheme. Quarterly withholding and remittances by PTEs would not be changed.
- Inclusion of a mandatory notification provision by the PTE to payees within 10 days of each quarterly withholding payment remitted by the PTE, similar to what is required under current Treasury Regulation section 1.1446-3(d)(1)(ii).
- Whether the current requirement to attach a copy of the Form 592-B to the partner's income tax return to claim withholding credit should be retained.
- Impact of *de minimis* withholding threshold amount on the PTE withholding scheme.

Purpose:

To elicit public input regarding possible amendments to the Withholding Regulations, and to discuss modifying the filing requirements for domestic PTE withholding.

Contact: David Muradyan

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[Visitors Parking Map](#)

* This facility is architecturally accessible to persons with physical disabilities.
