

2011 Resident and Nonresident Withholding Statement

592

Amended Prior Year Distribution

Payment Due Date: April 15, 2011 June 15, 2011 September 15, 2011 January 17, 2012

Part I Withholding Agent

| | | | |
|---|---------|---|----------|
| Business name | | <input type="checkbox"/> SSN or ITIN <input type="checkbox"/> FEIN <input type="checkbox"/> CA Corp no. <input type="checkbox"/> SOS file no. | |
| First name | Initial | Last name | |
| Address (suite, room, PO Box, or PMB no.) | | | |
| City | | State | ZIP Code |

Total Number of Payees Included

Part II Type of Income

Check all that apply. ●

- A** Payment to Independent Contractor
- B** Trust Distributions
- C** Rents or Royalties
- D** Distributions to Domestic Nonresident Partners/Members/Beneficiaries/S Corporation Shareholders
- E** Estate Distributions
- F** Elective Withholding
- G** Elective Withholding/Indian Tribe
- H** Other _____

| | | |
|---|-----|-----|
| 1 Total Withholding, excluding Backup Withholding (Side 2 and any additional pages) | ● 1 | .00 |
| 2 Total Backup Withholding (Side 2 and any additional pages) | ● 2 | .00 |
| 3 Add line 1 and line 2. | ● 3 | .00 |
| 4 Enter amounts of prior payments not previously distributed. | ● 4 | .00 |
| 5 Enter amount withheld by another entity and being distributed. | ● 5 | .00 |
| 6 Add line 4 and line 5 | ● 6 | .00 |
| 7 Total Withholding Amount Due. Subtract line 6 from line 3. Remit the withholding payment with Form 592-V, Payment Voucher for Resident and Nonresident Withholding, along with Form 592. | ● 7 | .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 _____ Date _____

Preparer's name _____

Preparer's signature _____ Date _____

Preparer's address _____

Preparer's PTIN/SSN _____ Preparer's daytime phone number (_____) _____

when the number of payees on Form 592 is 250 or more. However, withholding agents must continue to provide payees with Forms 592-B.

For electronic filing, submit your file using the SWIFT process as outlined in FTB Pub. 923, Secure Web Internet File Transfer (SWIFT) Guide for Resident, Nonresident, and Real Estate Withholding.

For the required file format and record layout for electronic filing, get FTB Pub. 1023S, Resident and Nonresident Withholding Electronic Submission Requirements.

If you are the preparer for more than one withholding agent, provide a separate electronic file for each withholding agent.

For electronic filing, submit your payment using Electronic Funds Transfer (EFT) or Form 592-V, Payment Voucher for Resident and Nonresident Withholding.

F 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. A penalty is assessed for failure to file complete, correct, and timely information returns (Form 592 schedule of payees) to the FTB. The penalty is calculated per payee:

- \$15 if filed 1 to 30 days after the due date.
- \$30 if filed 31 days to 6 months after the due date.
- \$50 if filed more than 6 months after the due date.

Specific Instructions

If completing Form 592 by hand, enter all the information requested using black or blue ink.

Taxable Year – Make sure the year in the upper left corner of Form 592 represents the calendar year in which the withholding took place.

Prior Year Distribution – If current distribution represents prior taxable year California source income, check the “prior year distribution” box at the top of Side 1 on Form 592. The taxable year on Form 592 should match the income year. Attach a letter explaining that the distribution took place in the current withholding year, but was for a prior taxable year.

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

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

Foreign Address – Enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country’s practice for entering the postal code. **Do not** abbreviate the country’s name.

Part I – Withholding Agent

Enter the business or individual withholding agent’s name, doing business as (DBA) (if applicable), 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 through the withholding credit to your S corporation shareholders, partners, members, or beneficiaries, enter your entity’s name in the business name field, and the ID number, and address in the designated areas.

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

Part II – Type of Income

Check the box(es) that reflect the type of income withheld upon for the period.

Line 1 – Enter the total withholding, excluding backup withholding, from the Schedule of Payees on Side 2 and from any additional pages of Schedule of Payees.

Line 2 – Enter the total backup withholding from the Schedule of Payees on Side 2 and 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 of prior payments made to the FTB and not previously distributed to payees on a prior Form 592. These payments may include amounts from an amended Form 592.

Line 5 – Enter the amount withheld by another entity that’s 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 5. Attach a note to Form 592 explaining how much of the credit will be used to offset your tax due.

Line 7 – Subtract line 6 from line 3 and enter the balance due. If less than zero, enter -0-.

Important: Include, but **do not** attach a check or money order to Form 592-V for the full amount payable to the “Franchise Tax Board.” Write the withholding agent’s ID number and “2011 Form 592” on the check or money order.

Part III – Perjury Statement

Complete the withholding agent’s and preparer’s information.

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.

You must use the Schedule of Payees on Side 2 of Form 592 to report all payees.

Do not use your own version of the Schedule of Payees to report additional payees. We can only accept and process additional payees reported on the Schedule of Payees from Side 2 of Form 592.

If you withheld tax on multiple payees for the period, complete and include additional copies of the Schedule of Payees from Side 2 of Form 592, as necessary. Include the withholding agent’s name and ID number at the top of each additional page.

Business or Individual Payee Name, ID Number, DBA (if applicable), and Address –

Enter the business or individual payee name, DBA (if applicable), ID number, and address for the payee. For foreign addresses, see Specific Instructions, on this page.

Total Income for the Withholding Period –

Enter the amount of income/distributions withheld upon. **Do not** include return of capital.

Amount of Tax Withheld – Enter the total amount withheld for the period.

Total Income and Withholding For This Page Only –

Separately add the amounts for total income, total California tax withheld excluding backup withholding, and total backup withholding. If you have multiple Schedules of Payees, enter the amounts from each page on the appropriate lines at the bottom of each schedule. If you checked the backup withholding check box, then enter the total amount withheld on the Total Backup Withholding line.

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** or **916.845.4900**.

OR write to:

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

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

OR to get forms by mail write to:

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

For all other questions unrelated to withholding or to access the TTY/TDD number, see the information below.

Internet and Telephone Assistance

Website: ftb.ca.gov
Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

Asistencia Por Internet y Teléfono

Sitio web: ftb.ca.gov
Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos

TTY/TDD: 800.822.6268 personas con discapacidades auditivas y del habla

Resident and Nonresident Withholding Tax Statement

2011

592-B

Part I Withholding Agent

| | | | | | |
|---|-------|----------|--------------------------------------|--------------------------------------|---------------------------------------|
| Name of withholding agent (Payer/S Corporation/Partnership/LLC/Trust) | | | <input type="checkbox"/> SSN or ITIN | | |
| Address (suite, room, PO Box, or PMB no.) | | | <input type="checkbox"/> FEIN | <input type="checkbox"/> CA Corp no. | <input type="checkbox"/> SOS file no. |
| City | State | ZIP Code | Daytime telephone number () - - | | |

Part II Recipient

| | | | | | |
|---|-------|----------|--------------------------------------|--------------------------------------|---------------------------------------|
| Name of recipient | | | <input type="checkbox"/> SSN or ITIN | | |
| DBA (if applicable) | | | | | |
| Address (suite, room, PO Box, or PMB no.) | | | <input type="checkbox"/> FEIN | <input type="checkbox"/> CA Corp no. | <input type="checkbox"/> SOS file no. |
| City | State | ZIP Code | | | |

Part III Type of Income Subject to Withholding. Check the applicable box(es).

| | | |
|---|--|--|
| <input type="checkbox"/> A Payments to Independent Contractors | <input type="checkbox"/> D Estate Distributions | <input type="checkbox"/> G Distributions to Domestic (U.S.) Nonresident S Corporation Shareholders/Partners/Members/Beneficiaries |
| <input type="checkbox"/> B Payments to Independent Contractor Entertainers/Athletes/Speakers | <input type="checkbox"/> E Trust Distributions | <input type="checkbox"/> H Other _____ (describe) |
| <input type="checkbox"/> C Rents or Royalties | <input type="checkbox"/> F Allocations to Foreign (non-U.S.) Nonresident Partners/Members | |

Part IV Tax Withheld

| | | |
|--|----------|----|
| 1 Total income subject to withholding | 1 | 00 |
| 2 Total California tax withheld (excluding backup withholding) | 2 | 00 |
| 3 Total Backup Withholding | 3 | 00 |

Withholding Agent Instructions

What's New

For taxable years beginning on or after January 1, 2011, the maximum personal income tax rate is 9.3%. In addition, non-California partnerships are subject to withholding requirements on a sale of California real property at a rate of 3 1/3% (.0333) of sales price or 9.3% of gain. The alternative withholding rate for the gain on sale of California real property by S corporations is 10.8% and 12.8% for financial S corporations.

General Information

Format Change – Copy B of Form 592-B, Resident and Nonresident Withholding Tax Statement, was eliminated in 2009. Form 592-B is now a single page form. For more information on completing Form 592-B, see General Information C, Who Must Complete.

Title Change – For taxable years beginning on January 1, 2010, the title for Form 592 changed from Quarterly Resident and Nonresident Withholding Statement, to Resident and Nonresident Withholding

Statement. In addition, the title for Form 592-A changed from Foreign Partner or Member Quarterly Withholding Remittance Statement, to Payment Voucher for Foreign Partner or Member Withholding.

Backup Withholding – Beginning on or after January 1, 2010, with certain limited exceptions, payers that are required to withhold and remit backup withholding to the Internal Revenue Service (IRS) are also required to withhold and remit to the Franchise Tax Board (FTB). The California backup withholding rate is 7% of the payment. For California purposes, dividends, interests, and any financial institutions release of loan funds made in the normal course of business are exempt from backup withholding. For additional information on California backup withholding, go to ftb.ca.gov and search for **backup withholding**.

Registered Domestic Partners (RDPs) – Under California law, RDPs must file their California income tax returns using either the married/RDP filing jointly or married/RDP filing separately filing status. RDPs have the same legal benefits, protections, and responsibilities as married couples unless otherwise specified.

If you entered into a same-sex legal union in another state, other than a marriage, and that union has been determined to be substantially equivalent to a California registered domestic partnership, you are required to file a California income tax return using either the married/RDP filing jointly or married/RDP filing separately filing status.

For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP, unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic “partner” and a California registered domestic “partnership,” as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

Round Cents to Dollars – Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

A Purpose

For purposes of Form 592-B, the term “nonresident” refers to both domestic and foreign recipients. A domestic nonresident is

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visit our website:

ftb.ca.gov

a person living outside of California, but living in the United States. If you are a resident living outside of the United States, you are a foreign nonresident.

Use Form 592-B to report to the recipient the amount of payment or distribution subject to withholding and tax. Complete a separate Form 592-B for each resident or 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-V, Payment Voucher for Resident and Nonresident Withholding, to remit withholding payments during the year. To remit foreign partner withholding payments use Form 592-A.

B Common Errors/Helpful Hints

- Get taxpayer identification numbers (TINs) from all payees.
- Complete all fields.
- Complete Form(s) 592-B timely to avoid penalties.

C Who Must Complete

Form 592-B must be completed by any person who:

- Has withheld on payments to residents or nonresidents.
- Has withheld backup withholding on payments to residents or nonresidents.
- Is a pass-through entity that was withheld upon and must flow-through the withholding credit.

Record Keeping

The withholding agent retains the original copy of this form for a minimum of four years and must provide it to the FTB upon request. A copy of Form 592-B is provided to the recipient to file with their state tax return. This form can be provided to the payee electronically. For more information go to ftb.ca.gov and search for **electronic form 592-B requirements**.

D When To Complete

Form 592-B must be provided to:

- Each resident or nonresident before January 31 following the close of the calendar year.
- Foreign partners in a partnership or members in a limited liability company (LLC) on or before the 15th day of the 4th month following the close of the taxable year.

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

When making a payment of withholding tax to the IRS under Internal Revenue Code (IRC) Section 1446, a partnership must notify all foreign partners of their allocable shares of any IRC Section 1446 tax paid to the IRS

by the partnership. The partners use this information to adjust the amount of estimated tax that they must otherwise pay to the IRS. The notification to the foreign partners must be provided within 10 days of the installment due date, or, if paid later, the date the installment payment is made. See Treas. Regs. Section 1.1446-3(d)(1)(i) for information that must be included in the notification and for exceptions to the notification requirement. For California withholding purposes, withholding agents should make a 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.

E Penalties

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

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

- \$50 for each payee statement not provided by the due date.
- \$100 or 10 percent of the amount required to be reported (whichever is greater), if the failure is due to intentional disregard of the requirement.

Specific Instructions

Year – Make sure the year in the upper left corner of Form 592-B represents the calendar year in which the withholding took place. If an S corporation's, partnership's, LLC's, or trust's current distribution represents a prior taxable year of California source income, the taxable year on Form 592-B must represent the year the income was earned. (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 payee or withholding agent.)

For foreign partners in a partnership, or foreign members in an LLC, make sure the year in the upper left corner of Form 592-B is the year that the partnership's or LLC's taxable year ended. For example, if the partnership's or LLC's taxable year ended 12/31/09, use the 2009 Form 592-B.

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

Foreign Address – Enter the information in the following order: City, Country, Province/Region, and Postal Code. Follow the country's practice for entering the postal code. **Do not** abbreviate the country's name.

Part I – Withholding Agent

Enter the withholding agent's name, tax identification number, address, and telephone number.

Part II – Recipient

Enter the name of recipient, DBA (if applicable), tax identification number, and address for the recipient (payee).

If the recipient is a **grantor trust**, enter the grantor's individual name and social security number (SSN) or individual taxpayer identification number (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 a **non-grantor 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 a FEIN, but it has not been received, zero fill the space for the trust's FEIN and attach a copy of the federal application behind Form 592-B. After the FEIN is received, amend Form 592-B to submit the assigned FEIN.

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

If the recipients are married/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, the withholding agent should split the withholding and complete a separate Form 592-B for each spouse/RDP.

Part III – Type of Income Subject to Withholding

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

Part IV – Tax Withheld

Line 1

Enter the total income subject to withholding.

Line 2

Enter the total California tax withheld (excluding backup withholding). The amount of tax to be withheld is computed by applying a rate of 7% on items of income subject to withholding, i.e. interest, dividends, rents and royalties, prizes and winnings, premiums, annuities, emoluments, compensation for personal services, and other fixed or determinable annual or periodical gains, profits and income. For foreign partners, the rate is 8.84% for corporations, 10.84% for banks and financial institutions, and 9.3% for all others. For pass through entities, the amount

withheld is allocated to partners, members, S corporation shareholders, or beneficiaries, whether they are residents or nonresidents of California, in proportion to their ownership or beneficial interest.

Line 3

Enter the total backup withholding. Compute backup withholding by applying a 7% rate to all reportable payments subject to IRS backup withholding with a few exceptions. For California purposes dividends, interests, and any financial institutions release of loan funds made in the normal course of business are exempt from backup withholding.

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 Form 592-B, Part IV, line 2 on your California tax return as real estate and other withholding from Form(s) 592-B or 593. Attach a copy of Form 592-B to your California tax return. Make a copy for your records.

If you have an amount in line 3, backup withholding, you must provide us with your TIN before filing your tax return. Using the information provided on this page, contact us as soon as you receive this form. Failure to provide your TIN will result in a denial of your backup withholding credit.

If you are an S corporation, partnership, or LLC, you may either flow-through the entire amount to your shareholders, 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 shareholders, partners, or members. If you do not have an outstanding balance on your tax return, you must flow-through the entire amount to your shareholders, partners, or members. Use Form 592 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 Form 592 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.

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), Share of Income, Deductions, Credits, etc., issued by that entity to determine your California source income.

Additional Information

For more information or to speak to a representative regarding this form, call the Withholding Services and Compliance's automated telephone service at: **888.792.4900** or 916.845.4900.

OR write to:

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

For all other questions unrelated to withholding or to access the TTY/TDD number, see the information below.

Internet and Telephone Assistance

Website: **ftb.ca.gov**
Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

OR to get forms by mail, write to:

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

Asistencia Por Internet y Teléfono

Sitio web: **ftb.ca.gov**
Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos
TTY/TDD: 800.822.6268 personas con discapacidades auditivas y del habla