

2012 Foreign Partner or Member Annual Return

592-F

Amended Federal Extension

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

Part I Withholding Agent

Form with fields for Business name, SSN or ITIN, FEIN, CA Corp no, SOS file no, First name, Initial, Last name, Address, City, State, ZIP Code, Total Number of Foreign Partners or Members Included.

Part II Tax Withheld

- 1 Total tax withheld from Schedule of Payees, excluding backup withholding
2 Total backup withholding
3 Add line 1 and line 2. This is the total amount of tax withheld.
4 Amount withheld by another entity and being allocated to partners or members
5 Prior payments of foreign partners' or members' withholding for taxable year shown above
6 Amount credited from prior year's withholding
7 Total payments. Add line 4, line 5, and line 6.
8 Balance due. If line 3 is more than line 7, subtract line 7 from line 3.

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

- 9 Overpayment. If line 7 is greater than line 3, subtract line 3 from line 7 (complete lines 10 and 11).
10 Credit to next year. Enter the amount from line 9 that you want applied to the 2013 Form 592-F
11 Refund. Subtract line 10 from line 9

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

Withholding Agent's (Payer's) Name: \_\_\_\_\_ Withholding Agent's (Payer's) ID No.: \_\_\_\_\_

**Schedule of Payees**

**PRINT CLEARLY**

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		<input type="checkbox"/> If backup withholding, check the box (see instructions)	
Address (suite, room, PO Box, or PMB no.)					
City (if you have a foreign address, see instructions)				State	ZIP Code
Total income			Amount of tax withheld		
_____ .00			_____ .00		

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		<input type="checkbox"/> If backup withholding, check the box (see instructions)	
Address (suite, room, PO Box, or PMB no.)					
City (if you have a foreign address, see instructions)				State	ZIP Code
Total income			Amount of tax withheld		
_____ .00			_____ .00		

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		<input type="checkbox"/> If backup withholding, check the box (see instructions)	
Address (suite, room, PO Box, or PMB no.)					
City (if you have a foreign address, see instructions)				State	ZIP Code
Total income			Amount of tax withheld		
_____ .00			_____ .00		

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		<input type="checkbox"/> If backup withholding, check the box (see instructions)	
Address (suite, room, PO Box, or PMB no.)					
City (if you have a foreign address, see instructions)				State	ZIP Code
Total income			Amount of tax withheld		
_____ .00			_____ .00		

**Total Income and Withholding for This Page Only**

**Notice:** We require the total amounts below to be calculated and submitted separately for each page.

<b>Total Income</b>	<b>Total California Tax Withheld Excluding Backup Withholding</b>	<b>Total Backup Withholding</b>
_____ .00	_____ .00	_____ .00

# Instructions for Form 592-F

## Foreign Partner or Member Annual Return

### What's New

**Increase in Rates** – For taxable years beginning on or after January 1, 2012, the maximum personal income tax rate increased to 12.3%. 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 12.3% of gain. The alternative withholding rate for the gain on sale of California real property by S corporations increased to 13.8% and 15.8% for financial S corporations.

Beginning January 1, 2011, we began applying Federal Treasury Regulation 1.1446-6 procedures to reduce or eliminate withholding of California tax on effectively connected taxable income (ECTI) from California sources allocable to a foreign partner. The foreign partner must first sign and send IRS Form 8804-C to the partnership. The foreign partner must sign and send Form 589, Nonresident Reduced Withholding Request to the Franchise Tax Board (FTB) along with a signed copy of IRS Form 8804-C. The FTB will review the request within 21 business days. If the request is approved, the partnership should remit the reduced withholding amount to the FTB along with Form 592-A, Payment Voucher for Foreign Partner or Member Withholding.

### General Information

At the end of the taxable year, partnerships and limited liability companies (LLCs) complete Form 592-F, Foreign Partner or Member Annual Return, to report the total withholding for the year and to allocate the income and related withholding to the foreign partners or members. When filing Form 592-F with the Franchise Tax Board (FTB), the withholding agent is no longer required to submit to the FTB Form 592-B, Resident and Nonresident Withholding Tax Statement, for each partner or member. However, withholding agents must continue to provide the partners or members with copies of Form 592-B.

- For California withholding purposes, nonresident includes all of the following:
  - 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 LLCs with no permanent place of business in California.
  - Any trust without a resident grantor, beneficiary, or trustee, or estates where the decedent was not a California resident.
- Foreign refers to non-U.S.

Withholding on foreign partners or members is remitted to the FTB using Form 592-A, Payment Voucher for Foreign Partner or Member Withholding. For more information

on the withholding requirements or to send withholding payments during the year, get Form 592-A.

**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 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 more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for **backup withholding**.

**Submitting Payments** – Use the Supplemental Payment Voucher from Form 592-A if you have a final withholding payment to remit with Form 592-F.

### A Purpose

Use Form 592-F 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, Resident and 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 report real estate withholding.

### B When and Where to File

For withholding on foreign partners or members, file Form 592-F, on or before the 15th day of the 4th month following the close of the partnership's or LLC's taxable year. If all the partners or members 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 or LLC's taxable year. The withholding agent retains this form for a minimum of four years and must provide it to the FTB upon request.

Mail Form 592-F, the Supplemental Payment Voucher from Form 592-A, and payment to:

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

**10-Day Notification** – California follows federal law, which requires that withholding agents notify foreign payees within 10 days of any tax withheld. For California withholding

purposes, withholding agents should make a similar notification to nonresident payees. 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.

### C Amending Form 592-F

Amended forms can only be filed by the withholding agent. To amend Form 592-F:

- Complete a new Form 592-F 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.
- Send the amended Form 592-F and letter to the address on the form.

### D Federal Extension

Check the "Federal Extension" box at the top of the form if you filed for an extension to file federal Form 8804, Annual Return for Partnership Withholding Tax.

**Caution:** An extension to file is **not an extension to pay**. The final withholding payment is due on or before the original due date for Form 592-F regardless of an extension to file.

### E Electronic Filing Requirements

Form 592-F information must be filed with the FTB electronically, using FTB's Secure Web Internet File Transfer (SWIFT), instead of paper when the number of payees on Form 592-F is 250 or more. However, withholding agents must continue to provide payees with paper copies of Form 592-B. To submit your Form 592-F for electronic filing, use the SWIFT process as outlined in FTB Pub. 923, 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 EFT or Form 592-A.

### 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 will be assessed for failure to file complete, correct, and timely information returns (Form 592-F 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-F by hand, enter all information requested using black or blue ink.

### Taxable Year

- Enter the beginning and ending dates for the partnership's or LLC's taxable year.
- Make sure the year in the upper left corner of the form matches the ending date of the taxable year.

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

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

## Part I Withholding Agent

Enter the business or individual 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 through the withholding credit to your partners, members, or beneficiaries, enter your entity's name, ID number, and address in the business name area.

If you are filing Form 592-F only to flow-through withholding credits to your partners, members, or beneficiaries, enter your information in Part I.

**Do not** enter the name or ID number of the entity which originally withheld payments from you.

Enter the total number of foreign partners or members included on all Schedule of Payees from Side 2 (including all additional Schedule of Payees you attached).

## Part II Tax Withheld

**Line 1** – Enter the total withholding, excluding backup withholding, from the Schedule of Payees listed on Side 2 (including any additional Schedule of Payees you attached).

**Line 2** – Enter the total backup withholding from the Schedule of Payees listed on Side 2 (including any additional Schedule of Payees you attached).

**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 foreign 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.

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

**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-. Remit the withholding payment using Electronic Funds Transfer (EFT), or the Supplemental Payment Voucher from Form 592-A, along with Form 592-F.

**Important:** Include (but **do not** attach) a check or money order to the Supplemental Payment Voucher from Form 592-A for the full amount payable to the "Franchise Tax Board." Using black or blue ink, write the tax ID number and "2012 Form 592-A" on the check or money order.

**Line 9** – If line 7 is greater than line 3, subtract line 3 from line 7 (complete lines 10 and 11).

**Line 10** – Enter the amount of your overpayment on line 9 that you want to credit to the 2013 Form 592-F.

## Part III Perjury Statement

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 ensure each payee's withholding payment is applied timely and properly.

**You must use the Schedule of Payees on Side 2 of Form 592-F to report additional payees** – If you withheld tax on multiple payees for the period, use and attach additional Schedule of Payees from Side 2 of Form 592-F, as necessary. **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-F. Be sure to include the withholding agent's or payer's name and ID number at the top of each additional page.

**Business or Individual Name, Tax ID Number, and Address** – Enter the business or individual name, tax identification number, and address for the partner or member. For foreign addresses, see Specific Instructions.

**Backup Withholding** – If the payee is subject to backup withholding, check this box. If you are a foreign flow-through entity reporting backup withholding, attach the withholding statement that enables you to determine the specific payment to each recipient as required by the IRS.

**Total Income** – Enter the total income subject to withholding.

**Amount of Tax Withheld** – Enter the amount of tax withheld. Determine the California source taxable income allocable for the partner or member, then multiply by the applicable tax rate:

Income amount X Maximum tax rate for the partner or member.

### Tax Rates

12.3%	Non-corporate maximum tax rate
8.84%	Corporate maximum tax rate
10.84%	Bank and financial institution maximum tax rate

## 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