TAXABLE YEAR

CALIFORNIA FORM

2011 Nonresident Withholding Allocation Worksheet 587

Part I Withholding Agent

Withholding agent's name
UC - LAWRENCE BERKELEY NATIONAL LABORATORY

Address (number and street, PO Box, or PMB no.)
1 CYCLOTRON RD, MS 90J

Apt. no./Ste. no.

City
BERKELEY

State C A

ZIP Code 9 4 7 2 0

Part II Nonresident Payee (Complete Part II through Part V and return this form to the above withholding agent)

Payee's name

Owner's full name if sole proprietor

Address (number and street, PO Box, or PMB no.)

Apt. no./Ste. no.

City

State

ZIP Code

☐ SSN or ITIN ☐ CA Corp. no. ☐ FEIN

Secretary of State (SOS) file no.

Daytime telephone number ( )

Nonresident payee's entity type: (Check one)

☐ Individual/sole proprietor ☐ Corporation ☐ Partnership ☐ Limited liability company (LLC) ☐ Estate or trust

Part III Payment Type

Nonresident payee: (Check one)

☐ Performs services totally outside California (no withholding required, skip to Part V)
☐ Provides only goods or materials (no withholding required, skip to Part V)
☐ Provides goods and services in California (see allocation in Part IV)
☐ Provides services within and outside California (see allocation in Part IV)
☐ Other (Describe)_____

If the payee performs all the services within California, withholding is required on the entire payment for services unless the payee is granted a withholding waiver from the Franchise Tax Board (FTB). For more information, get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines.

Part IV Income Allocation

Gross payments expected from the above withholding agent during the calendar year for:

	(a) Within California	(b) Outside California	(c) Total payments
1 Goods and services:			
Goods/materials (no withholding required)			
Services (withholding required)			
2 Rents or lease payments			
3 Royalty payments			
4 Prizes and other winnings			
5 Other payments			
6 Total payments subject to withholding. Add column (a), line 1 through line 5			

Withholding threshold amount: $1,500.00

Withholding is optional, at the discretion of the withholding agent, on the first $1,500 in payments made during the calendar year. Withholding must begin as soon as the total payments of California source income for the calendar year exceed $1,500. If the FTB grants the withholding waiver, attach a copy of the FTB determination letter. See General Information E, Waivers.

Part V Certification of Payee

Under penalties of perjury, I certify that the information provided on this document is true and correct. If the reported facts change, I will promptly inform the withholding agent.

▶ Authorized representative's signature | Title | ( ) Daytime telephone number

▶ Payee's signature | Date | ( ) Daytime telephone number

For Privacy Notice, get form FTB 1131.

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Instructions for Form 587

Nonresident Withholding Allocation Worksheet

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

Beginning January 1, 2008, domestic nonresidents may use Form 589, Nonresident Reduced Withholding Request, to request the reduction in the standard seven percent withholding amount that is applicable to California source payments made to nonresidents.

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.

If a payee has backup withholding, the payee must contact the FTB to provide a valid Taxpayer Identification Number (ITIN) before filing a tax return. The following are acceptable TINs: social security number (SSN); individual taxpayer identification number (ITIN); federal employer identification number (FEIN); California corporation number (CA Corp No.); or California Secretary of State (SOS) file number. Failure to provide a valid TIN will result in the denial of the backup withholding credit. For more information, go to **ftb.ca.gov** and search for **backup withholding.**

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.

A Purpose

Use Form 587, Nonresident Withholding Allocation Worksheet, to determine the amount of withholding required on payments to nonresidents.

The payee completes, signs, and returns Form 587 to the withholding agent. The withholding agent relies on the certification made by the payee to determine the amount of withholding required, provided the completed and signed Form 587 is accepted in good faith. Retain the completed Form 587 for your records for a minimum of four years and provide it to the FTB upon request.

Do not use Form 587 if any of the following applies:

- Payment to a nonresident is only for the purchase of goods.
- You sold California real estate. Use Form 593-C, Real Estate Withholding Certificate.
- The payee is a resident of California or is a non-grantor trust that has at least one California resident trustee. Use Form 590, Withholding Exemption Certificate.
- The payee is a corporation, partnership, or limited liability company (LLC) that has a permanent place of business in California or is qualified to do business in California. Foreign corporations must be qualified to transact intrastate business. Use Form 590.
- The payment is to an estate and the decedent was a California resident. Use Form 590.

B Requirement

California Revenue and Taxation Code (R&TC) Section 18662 and the related regulations require withholding of income or franchise tax on certain payments made to nonresidents of California for personal services performed in California and for rents on property located in California and royalties with activities in California. The withholding rate is seven percent (.07) unless the FTB grants a waiver. See General Information E, Waivers.

C When to File This Form

The withholding agent requests that the payee completes, signs, and returns Form 587 when a contract is entered into or before payment is made to the payee. The withholding agent retains Form 587 for a minimum of four years and must provide it to the FTB upon request.

Form 587 remains valid for the duration of the contract (or term of payments), provided there is no material change in the facts. By signing Form 587, the payee agrees to promptly notify the withholding agent of any changes in the facts.

D Withholding Requirements

Payments made to nonresident payees (including individuals, corporations, partnerships, LLCs, estates, and trusts) are subject to withholding. However, no withholding is required if total payments of California source income to the payee during the calendar year are $1,500 or less.

If the California resident, qualified corporation, LLC, or partnership is acting as an agent for the nonresident payee, the payment is subject to withholding if the nonresident payee does not meet any of the exceptions on Form 590.

Payments subject to withholding include the following:

- Payments for services performed in California by nonresidents.
- Payments made in connection with a California performance.
- Rent paid to nonresidents if the rent is paid in the course of the withholding agent's business.
- Royalties paid to nonresidents from business activities in California.
- Payments of prizes for contests entered in California.
- Distributions of California source income to nonresident beneficiaries from an estate or trust.
- Other payments of California source income made to nonresidents.

Payments not subject to withholding include payments:

- To a resident of California or to a corporation with a permanent place of business in California.
- To a corporation qualified to do business in California.
- To a partnership or LLC that has a permanent place of business in California.
- For sale of goods.
- For income from intangible personal property, such as interest and dividends, unless the property has acquired a business situs in California.
- For services performed outside of California.
- To a payee that is a tax-exempt organization under either California or federal law, use Form 590.

- Representing wages paid to employees. Wage withholding is administered by the California Employment Development Department (EDD). For more information, contact your local EDD office.
- To a payee that is a government entity.
- To reimburse a payee for expenses relating to services performed in California if the reimbursement is separately accounted for and not subject to federal Form 1099 reporting. Corporate payees, for purposes of this exception, are treated as individual persons.

E Waivers

A nonresident payee may request that withholding be waived. To apply for a withholding waiver, use Form 588, Nonresident Withholding Waiver Request. If the FTB has granted a waiver, you must attach a copy of FTB's determination letter to Form 587.

F Requirement to File a California Tax Return

A payee's exemption certification on Form 587, Form 590, or a determination letter from the FTB waiving withholding does not eliminate the requirement to file a California tax return and pay the tax due. For return filing requirements, see the instructions for Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return; Form 541, California Fiduciary Income Tax Return; Form 100, California Corporation Franchise or Income Tax Return; or Form 100S, California S Corporation Franchise or Income Tax Return.

Specific Instructions

Part I – Withholding Agent

The withholding agent must complete Part I before giving Form 587 to the payee.

Part II – Nonresident Payee

The payee must complete all information in Part II including the social security number, individual taxpayer identification number, California corporation number, FEIN, or SOS file number, and entity type.

Part III – Payment Type

The nonresident payee must check the box that identifies the type of payment being received.

No withholding is required when payees are residents or have a permanent place of business in California.

Part IV – Income Allocation

Use Part IV to identify payments that are subject to withholding. Only payments sourced within California are subject to withholding. Services performed in California are sourced in California. In the case of payments for services performed when part of the services are performed outside California, enter the amount paid for performing services within California in column (a). Enter the amount paid for performing services while outside California in column (b). Enter the total amount paid for services in column (c).

If the payee's trade, business, or profession carried on in California is an integral part of a unitary business carried on within and outside California, the amounts included on line 1 through line 5 should be computed by applying the payee's California apportionment percentage (determined in accordance with the provisions of the Uniform Division of Income for Tax Purposes Act) to the payment amounts. For more information on apportionment, get California Schedule R, Apportionment and Allocation of Income.

Withholding agent. Withholding is optional, at your discretion, on the first $1,500 in payments made during the calendar year. Withholding must begin as soon as the total payments of California source income for the calendar year exceed $1,500. If circumstances change during the year (such as the total amount of payments), which would change the amount on line 6, the payee must submit a new Form 587 to the withholding agent reflecting those changes. The withholding agent should evaluate the need for a new Form 587 when a change in facts occurs.

Part V – Certification of Payee

The payee and/or the authorized representative must complete, sign, date, and return this form to the withholding agent.

Authorized representatives include those persons the payee authorized to act on their behalf through a power of attorney, third party designee, or other individual taxpayers authorized to view their confidential tax data via a waiver or release.

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
FAX 916.845.9512

OR write to:

WITHHOLDING SERVICES AND COMPLIANCE MS F182
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 write to:

TAX FORMS REQUEST UNIT MS F284
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

For all other questions unrelated to withholding or to access the TTY/TDD numbers, 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

By Automated Phone Service: Use this service to check the status of your refund, order California forms, obtain payment and balance due information, and hear recorded answers to general questions. This service is available 24 hours a day, 7 days a week, in English and Spanish.

Telephone: 800.338.0505 from within the United States
916.845.6600 from outside the United States

Follow the recorded instructions. Have paper and pencil available to take notes.