TAXABLE YEAR

CALIFORNIA FORM

2009 Nonresident Withholding Allocation Worksheet 587

Part I Withholding Agent

Withholding agent's name

L awrence Berkeley National Laboratory

Address (including number and street, PO Box, or PMB no.) | Apt. no./Ste. no.

1 Cyclotron Road, Mail Stop 90J0106

City | State | ZIP Code

Berkeley | C A | 9 4 7 2 0

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

Vendor/payee's name | Owner's full name if sole proprietor

Address (including 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 Vendor/Payee's Entity Type: (Check one)

☐ Individual/Sole Proprietor ☐ Corporation ☐ Partnership ☐ Limited Liability Company (LLC)

☐ Estate or Trust ☐ Tax-Exempt (withholding not required, skip to Part V)

Part III Payment Type

Nonresident Vendor/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 vendor/payee performs all the services within California, withholding is required on the entire payment for services unless the vendor/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 on commercial or business property			
3 Royalties on natural resources			
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

If the amount on line 6 is $1,500 or less, no withholding is required. If the amount on line 6 is greater than $1,500, withholding is required on the entire amount at the rate of seven percent. If the FTB grants the withholding waiver, attach a copy of the FTB determination letter. See General Information E, Waivers.

Part V Certification Of Vendor/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

▶ ( )

Vendor/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 Request for Reduced Withholding, to request the reduction in the standard seven percent withholding amount that is applicable to California source payments made to nonresidents.

Private Mail Box

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

A Purpose

Use Form 587, Nonresident Withholding Allocation Worksheet, to determine if withholding is required on payments to nonresidents.

The vendor/payee completes, signs, and returns Form 587 to the withholding agent. The withholding agent relies on the certification made by the vendor/payee to determine if withholding is required, provided the completed and signed Form 587 is accepted in good faith. Retain the completed Form 587 for your records, and provide a copy to the Franchise Tax Board (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 vendor/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 vendor/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. Use Form 590.
- The payment is to an estate and the decedent was a California resident. Use Form 590.

B Requirement

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 and royalties on property located in California. The withholding rate is seven percent unless the FTB grants a waiver. See General Information E, Waivers.

C When to File This Form

The withholding agent requests that the vendor/payee completes, signs, and returns Form 587 when a contract is entered into or before payment is made to the vendor/payee.

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 vendor/payee agrees to promptly notify the withholding agent of any changes in the facts.

D Withholding Requirements

Payments made to nonresident vendors/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 vendor/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 vendor/payee, the payment is subject to withholding if the nonresident vendor/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 for the right to use natural resources located 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 vendor/payee that is a tax-exempt organization under either California or federal law.
- 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 reimburse a vendor/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 vendor/payees, for purposes of this exception, are treated as individual persons.

E Waivers

A nonresident vendor/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 vendor's/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.

G Where to get Publications, Forms, and Additional Information

By Internet: You can download, view, and print California tax forms and publications from our website at **ftb.ca.gov**.

By Phone: To have publications or forms mailed to you, or to get additional nonresident withholding information, contact Withholding Services and Compliance at the address or automated telephone number below:

WITHHOLDING SERVICES AND COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: **888**.792.4900
916.845.4900 (not toll-free)

Fax: 916.845.9512

H To Get Publications, Forms, and Information Unrelated to Nonresident Withholding

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.

From within the United States. 800.338.0505
From outside the United States. . . . . 916.845.6600 (not toll-free)

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

By Internet: You can download, view, and print California tax forms and publications from our website at **ftb.ca.gov.**

By Mail: Allow two weeks to receive your order. If you live outside of California, allow three weeks to receive your order. Write to:

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

In Person: Many libraries now have internet access. A nominal fee may apply to download, view, and print California forms and publications. Employees at libraries cannot provide tax information or assistance.

Assistance for persons with disabilities

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

TTY/TDD 800.822.6268

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.

Specific Instructions

Part I – Withholding Agent

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

Part II – Nonresident Vendor/Payee

The vendor/payee must complete all information in Part II including the FEIN, social security number, or individual taxpayer identification number, and entity type. No withholding is required if the vendor/payee is a tax-exempt entity. Check the tax-exempt box if the vendor/payee is one of the following:

- An entity that is exempt from tax under either California or federal law such as a church, pension, or profit-sharing plan.
- An insurance company, IRA.
- A federal, state, or local government agency.

Tax-exempt vendors/payees do not need to complete Part III and Part IV, but must complete Part V.

Part III – Payment Type

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

No withholding is required when vendors/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 vendor's/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 vendor's/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. If the amount on line 6 is greater than $1,500, the withholding agent must withhold on all payments made to the vendor/payee until the entire amount on line 6 has been withheld upon. If circumstances change during the year (such as the total amount of payments), which would change the amount on line 6, the vendor/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 Vendor/Payee

Enter your name, title, and daytime telephone number, including area code. Sign and date the form and return it to the withholding agent.