

# 2006 Real Estate Withholding Tax Statement

## 593-B

Attach to Form 593, Real Estate Withholding Remittance Statement

**Copy A FOR FRANCHISE TAX BOARD**

**Withholding Agent (Payer/Sender)** Check one:  Escrow/Title Company  Accommodator/Intermediary  Buyer

Name, Mailing Address, City, State, and ZIP Code	Private Mailbox No.	<input type="checkbox"/> FEIN <input type="checkbox"/> California Corporation Number
	Social Security Number (SSN)	
	- -	

**Seller or Transferor (Complete one 593-B for each seller, unless husband and wife)**

Name, Mailing Address, City, State, and ZIP Code	Private Mailbox No.	Social Security Number (SSN)
	- -	
	Spouse's SSN (if jointly owned)	
	- -	
<input type="checkbox"/> FEIN <input type="checkbox"/> California Corporation Number		

**Escrow or Exchange Information**

1 Escrow or Exchange Number	2 Date of Transfer, Exchange Completion, Exchange Failure, or Installment Payment	3 Total Sales Price \$ _____	4 Ownership Percentage _____ %
5 Address (or parcel number and county) of the California real property transferred		6 Amount Subject to Withholding \$ _____ Check One: <input type="checkbox"/> Total Sales Price x Ownership % <input type="checkbox"/> Installment Payment <input type="checkbox"/> Boot <input type="checkbox"/> Failed Exchange (Total Sales Price x Ownership %)	7 Amount Withheld From This Seller \$ _____ (.0333 x Amount Subject to Withholding)

**Preparer:** Name and Title (please type or print)

Telephone Number

( )

**Purpose**

Use this form to report real estate withholding on sales closing in 2006, on installment payments made in 2006, or on exchanges which were completed or failed in 2006.

Use a separate Form 593-B to report the amount withheld from each seller. If the sellers are married and they plan to file a joint return, include both spouses on the same Form 593-B.

**Common Errors**

**Year of Form** - The year (upper left corner) of Form 593-B must be the same as the year in Box 2. See the instructions for Box 2. If you do not have Form 593-B with the correct year, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to get the correct form.

**Related Form 593** - Forms 593-B must be sent to the Franchise Tax Board with Form 593, Real Estate Withholding Remittance Statement.

**Incomplete Information** - Be sure to complete all information.

**Identification Numbers** - Check to see that the withholding agent's and seller's tax identification numbers are correct and listed in the same order as the names. If both a husband and wife are listed, make sure that their SSNs are listed in the same order as their names.

**Trusts and Trustees** - It is important to report the correct name and tax identification number when title is held in the name of a trust. If the

seller is a trust, see the instructions under "Seller or Transferor".

**Examples** - Examples for completing Form 593-B in various situations are on the Franchise Tax Board (FTB) Website at [www.ftb.ca.gov](http://www.ftb.ca.gov). Look for "Withholding," "Sale of California Real Estate," and then "Form 593-B."

**Who Must File**

Any person who withheld on the sale or transfer of California real property during the calendar month must file Forms 593 and 593-B to report and remit the amount withheld. Generally, this will be the title company, escrow company, intermediary, or accommodator. Normally, the buyer will only complete these forms when reporting the withholding on installment payments.

**When and Where to File**

File **Copy A** of Form 593-B with Form 593 and pay the amount of tax withheld within 20 days following the end of the month in which the transaction occurred.

Attach **Copy A** of Form 593-B to the back of Form 593 and mail with payment to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

Distribute the other copies as follows:

- **Copies B & C** – Send to sellers within 20 days following the end of the month in which the transaction occurred.
- **Copy D** – Retained by withholding agent.

**Penalties**

If the withholding agent does not furnish complete and correct copies of Form 593-B to the seller by the due date, the penalty is \$50 per Form 593-B. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or ten percent of the required withholding.

If the withholding agent does not furnish complete and correct copies of Form 593-B to FTB by the due date but does file them within 30 days of the due date, the penalty is \$15 per Form 593-B. If Form 593-B is filed more than 30 days after the due date, the penalty is \$50 per Form 593-B. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or ten percent of the required withholding.

**Amending Form 593-B**

To amend Form 593-B:

- Complete a new Form 593-B with the correct information.
- Write "Amended" at the top of the revised form.

- Include a letter explaining what changes were made and why.
- Fax the amended form and letter to our general fax number, (916) 845-9512, unless the amended form was requested by the FTB and a different fax number was provided.
- Whenever an amended Form 593-B is provided to FTB, Copies B & C should also be provided to each affected seller.

**Note:** Amended forms can only be filed by the withholding agent. If a seller notices an error, the seller should contact the withholding agent.

## Specific Instructions

### Withholding Agent

Check the box to indicate the type of withholding agent (the person actually sending the withholding to the FTB). Typically, this is the escrow or title company for regular sales and simultaneous Internal Revenue Code (IRC) Section 1031 exchanges; the accommodator or intermediary for non-simultaneous exchanges; and the buyer for installment payments.

Enter the name, address, and tax identification number of the withholding agent (payer/sender). Enter the social security number only when the buyer, who is an individual, is sending the withholding payment.

### Seller or Transferor

Enter the name, address, and tax identification number of the seller or transferor. If the seller has applied for a tax identification number, but has not yet received it, write "Applied For" in the space for the seller's ID and attach a copy of the federal application behind Form 593-B.

If the seller is an individual, enter the social security number (SSN). If the sellers are husband and wife and plan to file a joint return, enter the name and SSN for each spouse. Otherwise, do not enter information for more than one seller. Instead, complete a separate Form 593-B for each seller.

If the seller is a revocable trust, enter the grantor's individual name and SSN. Do not enter the name of the trust. (For tax purposes, the revocable trust is transparent and the individual seller must report the sale and claim the withholding on the individual's tax return.) If the trust was a revocable trust that became irrevocable upon the grantor's death, enter the name of the trust and the trust's federal employer identification number (FEIN). If the trust has not applied for a FEIN, leave the tax identification number blank. **Do not enter the decedent's social security number or trustee information.**

If the seller is an irrevocable trust, enter the name of the trust and the trust's federal employer identification number (FEIN). If the trust has not applied for a FEIN, leave the tax identification number blank. **Do not enter trustee information.**

If the seller is a single member disregarded LLC, enter the name and tax identification number of the single member.

For all other non-individual sellers, enter the FEIN or California corporation number.

## Escrow or Exchange Information

### Caution – Installment Sales

Follow the Installment Sales instructions only if the buyer **agreed** to withhold 3 $\frac{1}{3}$  percent of each principal payment. The buyer must have completed and signed Form 593-I, Real Estate Withholding Installment Sale Agreement, to defer any withholding. Attach Form 593-I behind the Form 593-B with the down payment withholding, or with the first principal payment withholding, if there was no down payment.

If the buyer **did not agree** to withhold 3 $\frac{1}{3}$  percent of each principal payment, or did not complete Form 593-I, then follow the instructions for "Sales."

### Box 1 – Escrow or Exchange Number

Enter the escrow or exchange number for the property transferred.

### Box 2 – Date of Transfer, etc.

**Sales:** Enter the date escrow closed.

**Installment Sales:** For withholding on down payments, enter the date escrow closed. For withholding on periodic installment payments, enter the date of the installment payment.

**Exchanges:** For completed exchanges, enter the date that the boot (cash or cash equivalent) was distributed to the exchanger. For failed exchanges, enter the date when it was determined that the exchange would not meet the IRC Section 1031 requirements and any cash was distributed to the seller.

**Note:** When withholding on boot or a failed exchange, be sure to use the forms for the year that you entered in box 2 (rather than the year of the sale) since the seller will be able to use installment sale reporting for the gain.

### Box 3 – Total Sales Price

**Sales:** Enter the total sales price of the property, unadjusted for the seller's ownership percentage. However, if on Form 593-C, Real Estate Withholding Certificate, the seller allocated the sales price based on the portion used as a principal residence versus a rental, enter only the rental portion (e.g. a duplex is sold where the seller lived in one side and rented the other side).

**Installment Sales:** For withholding on down payments, enter the total sales price for the property, unadjusted for the seller's ownership percentage. For withholding on periodic installment payments, leave this box blank.

**Exchanges:** For all completed IRC Sec. 1031 exchanges, or when the seller is receiving cash out of escrow, but intends to complete a deferred exchange, leave this box blank.

If a non-simultaneous exchange is not completed or does not meet the IRC Sec. 1031 requirements, enter the total sales price.

### Box 4 – Ownership Percentage

Enter this seller's ownership percentage rounded to two decimal places (e.g. 66.67%).

**Failed Exchanges:** If multiple transferors attempted to exchange this property, enter this seller's ownership percentage. Otherwise, enter 100.00 percent.

### Box 5 – Address

**Sales and Installment Sales:** Enter the address of the transferred property.

**Exchanges:** Enter the address of the relinquished property.

### Box 6 – Amount Subject to Withholding

**Sales:** Multiply the Total Sales Price in Box 3 by the Ownership Percentage in Box 4 and enter the result in Box 6. Check the "Total Sales Price x Ownership %" box.

If the seller intends to complete a deferred exchange, but receives boot (cash or cash equivalent) out of escrow, enter the amount of boot received by the seller. Check the "Boot" box.

**Installment Sales:** If you are withholding on the down payment, enter the amount of the down payment. If you are withholding on a periodic installment payment, enter the principal portion of the payment. Check the "Installment Payment" box if you are withholding on either the down payment or a principal payment.

**Exchanges:** For completed IRC Section 1031 exchanges, enter the amount of boot (cash or cash equivalent) received by the seller. Check the "Boot" box.

**Failed Exchanges:** Multiply the Total Sales Price in Box 3 by the Ownership Percentage in Box 4 and enter the result in Box 6. Check the "Failed Exchange" box.

**Note:** If a failed deferred exchange had boot withheld upon in the original relinquished property escrow, reduce the amount that would otherwise be shown in Box 6 by the boot that was already withheld upon in that escrow (total sales price times ownership percentage less boot withheld upon). Attach a letter to Form 593-B explaining the previous withholding.

### Box 7 – Amount Withheld From This Seller

Multiply the Amount Subject to Withholding in Box 6 by .0333 and enter the result in Box 7. This is the amount to withhold on this seller.

## Additional Information

For more information on real estate withholding, get FTB Pub. 1016, Real Estate Withholding Guidelines. To get a withholding form or publication, or to speak to a representative, contact our Withholding Services and Compliance Section's automated telephone service at:

(888) 792-4900 (toll-free), or  
(916) 845-4900  
FAX (916) 845-9512

You can download, view, and print California tax forms and publications from our Website [www.ftb.ca.gov](http://www.ftb.ca.gov).

### Assistance for Persons with Disabilities

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

TTY/TDD . . . . . (800) 822-6268

# 2006 Real Estate Withholding Tax Statement

## 593-B

This is important **tax information** and is being furnished to the Franchise Tax Board.  
File this form with your California tax return.

**Copy B FOR SELLER OR TRANSFEROR**

**Withholding Agent (Payer/Sender)** Check one:  Escrow/Title Company  Accommodator/Intermediary  Buyer

Name, Mailing Address, City, State, and ZIP Code	Private Mailbox No.	<input type="checkbox"/> FEIN <input type="checkbox"/> California Corporation Number
	Social Security Number (SSN)	
	- -	

**Seller or Transferor (Complete one 593-B for each seller, unless husband and wife)**

Name, Mailing Address, City, State, and ZIP Code	Private Mailbox No.	Social Security Number (SSN)
	- -	
	Spouse's SSN (if jointly owned)	
	- -	
<input type="checkbox"/> FEIN <input type="checkbox"/> California Corporation Number		

### Escrow or Exchange Information

1 Escrow or Exchange Number	2 Date of Transfer, Exchange Completion, Exchange Failure, or Installment Payment	3 Total Sales Price \$ _____	4 Ownership Percentage _____ %
5 Address (or parcel number and county) of the California real property transferred		6 Amount Subject to Withholding \$ _____ Check One: <input type="checkbox"/> Total Sales Price x Ownership % <input type="checkbox"/> Installment Payment <input type="checkbox"/> Boot <input type="checkbox"/> Failed Exchange (Total Sales Price x Ownership %)	7 Amount Withheld From This Seller \$ _____ (.0333 x Amount Subject to Withholding)

Preparer: Name and Title (please type or print)

Telephone Number

( )

----- Seller: DETACH HERE -----

### Instructions for Seller

This withholding of tax does not relieve you from the requirement to file a California tax return and report the sale 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 penalties if:

- You do not file a tax return.
- You file your tax return late.
- The amount of withholding does not satisfy your tax liability.

### How to Claim the Withholding

To claim the withholding credit, report the sale or transfer as required and enter the amount in **Box 7** on the line for real estate or nonresident withholding on your tax return. Attach the top portion of Form 593-B, Copy B to the lower front of your California tax return.

**Note:** S corporations, estates, or trusts may need to flow the withholding through to shareholders or beneficiaries instead of claiming it on the tax return. For further instructions, get Form 592, Nonresident Withholding Annual Return, and Form 592-B, Nonresident Withholding Tax Statement.

**Note:** If withholding was done for a failed exchange or on boot in the year following the year

the property was sold, the withholding is shown as a credit for the tax year the withholding occurred since you qualify for installment sale reporting. If you elect to report the gain in the year the property was sold, instead of in the year you received the payment, contact the Franchise Tax Board at (888) 792-4900 prior to filing your California tax return for instructions to have the credit transferred to the prior year.

### Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance Section's automated telephone service at: (888) 792-4900 (toll-free) or (916) 845-4900.

OR Write to:  
WITHHOLDING SERVICES AND COMPLIANCE SECTION  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms call:  
From within the United States . . . (800) 852-5711  
From outside the United States . . . (916) 845-6500  
(not toll-free)

OR Write to:  
TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website [www.ftb.ca.gov](http://www.ftb.ca.gov).

**Assistance for Persons with Disabilities**  
We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD . . . . . (800) 822-6268

**Asistencia Telefonica y en el Internet**  
Dentro de los Estados Unidos,  
llame al . . . . . (800) 852-5711

Fuera de los Estados Unidos,  
llame al . . . . . (916) 845-6500  
(cargos aplican)

Sitio en el Internet: [www.ftb.ca.gov](http://www.ftb.ca.gov)

**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.

2006 Real Estate Withholding Tax Statement

593-B

This is important tax information and is being furnished to the Franchise Tax Board. Keep this form with your California tax records.

Copy C FOR SELLER OR TRANSFEROR

Withholding Agent (Payer/Sender) Check one: [ ] Escrow/Title Company [ ] Accommodator/Intermediary [ ] Buyer

Name, Mailing Address, City, State, and ZIP Code
Private Mailbox No.
FEIN
California Corporation Number
Social Security Number (SSN)

Seller or Transferor (Complete one 593-B for each seller, unless husband and wife)

Name, Mailing Address, City, State, and ZIP Code
Private Mailbox No.
Social Security Number (SSN)
Spouse's SSN (if jointly owned)
FEIN
California Corporation Number

Escrow or Exchange Information

1 Escrow or Exchange Number
2 Date of Transfer, Exchange Completion, Exchange Failure, or Installment Payment
3 Total Sales Price
4 Ownership Percentage
5 Address (or parcel number and county) of the California real property transferred
6 Amount Subject to Withholding
7 Amount Withheld From This Seller

Preparer: Name and Title (please type or print)

Telephone Number

Instructions for Seller

This withholding of tax does not relieve you from the requirement to file a California tax return and report the sale 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 penalties if:

- You do not file a tax return.
You file your tax return late.
The amount of withholding does not satisfy your tax liability.

How to Claim the Withholding

To claim the withholding credit, report the sale or transfer as required and enter the amount in Box 7 on the line for real estate or nonresident withholding on your tax return.

Note: S corporations, estates, or trusts may need to flow the withholding through to shareholders or beneficiaries instead of claiming it on the tax return.

Note: If withholding was done for a failed exchange or on boot in the year following the year

the property was sold, the withholding is shown as a credit for the tax year the withholding occurred since you qualify for installment sale reporting.

Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance Section's automated telephone service at: (888) 792-4900 (toll-free) or (916) 845-4900.

OR Write to: WITHHOLDING SERVICES AND COMPLIANCE SECTION, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms call: From within the United States . . . (800) 852-5711 From outside the United States . . . (916) 845-6500 (not toll-free)

OR Write to: TAX FORMS REQUEST UNIT, FRANCHISE TAX BOARD, PO BOX 307, RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications from our Website www.ftb.ca.gov.

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

TTY/TDD . . . . . (800) 822-6268

Asistencia Telefonica y en el Internet Dentro de los Estados Unidos, llame al . . . . . (800) 852-5711 Fuera de los Estados Unidos, llame al . . . . . (916) 845-6500 (cargos aplican)

Sitio en el Internet: www.ftb.ca.gov 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.

# 2006 Real Estate Withholding Tax Statement

## 593-B

**Copy D** FOR WITHHOLDING AGENT'S RECORDS

**Withholding Agent** (Payer/Sender) Check one:  Escrow/Title Company  Accommodator/Intermediary  Buyer

Name, Mailing Address, City, State, and ZIP Code	Private Mailbox No.	<input type="checkbox"/> FEIN <input type="checkbox"/> California Corporation Number
	Social Security Number (SSN)	
	- -	

**Seller or Transferor** (Complete one 593-B for each seller, unless husband and wife)

Name, Mailing Address, City, State, and ZIP Code	Private Mailbox No.	Social Security Number (SSN)
		- -
		Spouse's SSN (if jointly owned)
		- -
		<input type="checkbox"/> FEIN <input type="checkbox"/> California Corporation Number

**Escrow or Exchange Information**

1 Escrow or Exchange Number	2 Date of Transfer, Exchange Completion, Exchange Failure, or Installment Payment	3 Total Sales Price \$ _____	4 Ownership Percentage _____ %
5 Address (or parcel number and county) of the California real property transferred	6 Amount Subject to Withholding \$ _____ Check One: <input type="checkbox"/> Total Sales Price x Ownership % <input type="checkbox"/> Installment Payment <input type="checkbox"/> Boot <input type="checkbox"/> Failed Exchange (Total Sales Price x Ownership %)	7 Amount Withheld From This Seller \$ _____ (.0333 x Amount Subject to Withholding)	

**Preparer:** Name and Title (please type or print)

Telephone Number

( )

**Purpose**

Use this form to report real estate withholding on sales closing in 2006, on installment payments made in 2006, or on exchanges which were completed or failed in 2006.

Use a separate Form 593-B to report the amount withheld from each seller. If the sellers are married and they plan to file a joint return, include both spouses on the same Form 593-B.

**Common Errors**

**Year of Form** - The year (upper left corner) of Form 593-B must be the same as the year in Box 2. See the instructions for Box 2. If you do not have Form 593-B with the correct year, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to get the correct form.

**Related Form 593** - Forms 593-B must be sent to the Franchise Tax Board with Form 593, Real Estate Withholding Remittance Statement.

**Incomplete Information** - Be sure to complete all information.

**Identification Numbers** - Check to see that the withholding agent's and seller's tax identification numbers are correct and listed in the same order as the names. If both a husband and wife are listed, make sure that their SSNs are listed in the same order as their names.

**Trusts and Trustees** - It is important to report the correct name and tax identification number when title is held in the name of a trust. If the

seller is a trust, see the instructions under "Seller or Transferor".

**Examples** - Examples for completing Form 593-B in various situations are on the Franchise Tax Board (FTB) Website at [www.ftb.ca.gov](http://www.ftb.ca.gov). Look for "Withholding," "Sale of California Real Estate," and then "Form 593-B."

**Who Must File**

Any person who withheld on the sale or transfer of California real property during the calendar month must file Forms 593 and 593-B to report and remit the amount withheld. Generally, this will be the title company, escrow company, intermediary, or accommodator. Normally, the buyer will only complete these forms when reporting the withholding on installment payments.

**When and Where to File**

File **Copy A** of Form 593-B with Form 593 and pay the amount of tax withheld within 20 days following the end of the month in which the transaction occurred.

Attach **Copy A** of Form 593-B to the back of Form 593 and mail with payment to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

Distribute the other copies as follows:

- **Copies B & C** – Send to sellers within 20 days following the end of the month in which the transaction occurred.
- **Copy D** – Retained by withholding agent.

**Penalties**

If the withholding agent does not furnish complete and correct copies of Form 593-B to the seller by the due date, the penalty is \$50 per Form 593-B. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or ten percent of the required withholding.

If the withholding agent does not furnish complete and correct copies of Form 593-B to FTB by the due date but does file them within 30 days of the due date, the penalty is \$15 per Form 593-B. If Form 593-B is filed more than 30 days after the due date, the penalty is \$50 per Form 593-B. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or ten percent of the required withholding.

**Amending Form 593-B**

To amend Form 593-B:

- Complete a new Form 593-B with the correct information.
- Write "Amended" at the top of the revised form.

- Include a letter explaining what changes were made and why.
- Fax the amended form and letter to our general fax number, (916) 845-9512, unless the amended form was requested by the FTB and a different fax number was provided.
- Whenever an amended Form 593-B is provided to FTB, Copies B & C should also be provided to each affected seller.

**Note:** Amended forms can only be filed by the withholding agent. If a seller notices an error, the seller should contact the withholding agent.

## Specific Instructions

### Withholding Agent

Check the box to indicate the type of withholding agent (the person actually sending the withholding to the FTB). Typically, this is the escrow or title company for regular sales and simultaneous Internal Revenue Code (IRC) Section 1031 exchanges; the accommodator or intermediary for non-simultaneous exchanges; and the buyer for installment payments.

Enter the name, address, and tax identification number of the withholding agent (payer/sender). Enter the social security number only when the buyer, who is an individual, is sending the withholding payment.

### Seller or Transferor

Enter the name, address, and tax identification number of the seller or transferor. If the seller has applied for a tax identification number, but has not yet received it, write "Applied For" in the space for the seller's ID and attach a copy of the federal application behind Form 593-B.

If the seller is an individual, enter the social security number (SSN). If the sellers are husband and wife and plan to file a joint return, enter the name and SSN for each spouse. Otherwise, do not enter information for more than one seller. Instead, complete a separate Form 593-B for each seller.

If the seller is a revocable trust, enter the grantor's individual name and SSN. Do not enter the name of the trust. (For tax purposes, the revocable trust is transparent and the individual seller must report the sale and claim the withholding on the individual's tax return.) If the trust was a revocable trust that became irrevocable upon the grantor's death, enter the name of the trust and the trust's federal employer identification number (FEIN). If the trust has not applied for a FEIN, leave the tax identification number blank. **Do not enter the decedent's social security number or trustee information.**

If the seller is an irrevocable trust, enter the name of the trust and the trust's federal employer identification number (FEIN). If the trust has not applied for a FEIN, leave the tax identification number blank. **Do not enter trustee information.**

If the seller is a single member disregarded LLC, enter the name and tax identification number of the single member.

For all other non-individual sellers, enter the FEIN or California corporation number.

## Escrow or Exchange Information

### Caution – Installment Sales

Follow the Installment Sales instructions only if the buyer **agreed** to withhold 3 $\frac{1}{3}$  percent of each principal payment. The buyer must have completed and signed Form 593-I, Real Estate Withholding Installment Sale Agreement, to defer any withholding. Attach Form 593-I behind the Form 593-B with the down payment withholding, or with the first principal payment withholding, if there was no down payment.

If the buyer **did not agree** to withhold 3 $\frac{1}{3}$  percent of each principal payment, or did not complete Form 593-I, then follow the instructions for "Sales."

### Box 1 – Escrow or Exchange Number

Enter the escrow or exchange number for the property transferred.

### Box 2 – Date of Transfer, etc.

**Sales:** Enter the date escrow closed.

**Installment Sales:** For withholding on down payments, enter the date escrow closed. For withholding on periodic installment payments, enter the date of the installment payment.

**Exchanges:** For completed exchanges, enter the date that the boot (cash or cash equivalent) was distributed to the exchanger. For failed exchanges, enter the date when it was determined that the exchange would not meet the IRC Section 1031 requirements and any cash was distributed to the seller.

**Note:** When withholding on boot or a failed exchange, be sure to use the forms for the year that you entered in box 2 (rather than the year of the sale) since the seller will be able to use installment sale reporting for the gain.

### Box 3 – Total Sales Price

**Sales:** Enter the total sales price of the property, unadjusted for the seller's ownership percentage. However, if on Form 593-C, Real Estate Withholding Certificate, the seller allocated the sales price based on the portion used as a principal residence versus a rental, enter only the rental portion (e.g. a duplex is sold where the seller lived in one side and rented the other side).

**Installment Sales:** For withholding on down payments, enter the total sales price for the property, unadjusted for the seller's ownership percentage. For withholding on periodic installment payments, leave this box blank.

**Exchanges:** For all completed IRC Sec. 1031 exchanges, or when the seller is receiving cash out of escrow, but intends to complete a deferred exchange, leave this box blank.

If a non-simultaneous exchange is not completed or does not meet the IRC Sec. 1031 requirements, enter the total sales price.

### Box 4 – Ownership Percentage

Enter this seller's ownership percentage rounded to two decimal places (e.g. 66.67%).

**Failed Exchanges:** If multiple transferors attempted to exchange this property, enter this seller's ownership percentage. Otherwise, enter 100.00 percent.

### Box 5 – Address

**Sales and Installment Sales:** Enter the address of the transferred property.

**Exchanges:** Enter the address of the relinquished property.

### Box 6 – Amount Subject to Withholding

**Sales:** Multiply the Total Sales Price in Box 3 by the Ownership Percentage in Box 4 and enter the result in Box 6. Check the "Total Sales Price x Ownership %" box.

If the seller intends to complete a deferred exchange, but receives boot (cash or cash equivalent) out of escrow, enter the amount of boot received by the seller. Check the "Boot" box.

**Installment Sales:** If you are withholding on the down payment, enter the amount of the down payment. If you are withholding on a periodic installment payment, enter the principal portion of the payment. Check the "Installment Payment" box if you are withholding on either the down payment or a principal payment.

**Exchanges:** For completed IRC Section 1031 exchanges, enter the amount of boot (cash or cash equivalent) received by the seller. Check the "Boot" box.

**Failed Exchanges:** Multiply the Total Sales Price in Box 3 by the Ownership Percentage in Box 4 and enter the result in Box 6. Check the "Failed Exchange" box.

**Note:** If a failed deferred exchange had boot withheld upon in the original relinquished property escrow, reduce the amount that would otherwise be shown in Box 6 by the boot that was already withheld upon in that escrow (total sales price times ownership percentage less boot withheld upon). Attach a letter to Form 593-B explaining the previous withholding.

### Box 7 – Amount Withheld From This Seller

Multiply the Amount Subject to Withholding in Box 6 by .0333 and enter the result in Box 7. This is the amount to withhold on this seller.

## Additional Information

For more information on real estate withholding, get FTB Pub. 1016, Real Estate Withholding Guidelines. To get a withholding form or publication, or to speak to a representative, contact our Withholding Services and Compliance Section's automated telephone service at:

(888) 792-4900 (toll-free), or  
(916) 845-4900  
FAX (916) 845-9512

You can download, view, and print California tax forms and publications from our Website [www.ftb.ca.gov](http://www.ftb.ca.gov).

### Assistance for Persons with Disabilities

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

TTY/TDD . . . . . (800) 822-6268