

# Withholding Exemption Certificate and Nonresident Waiver Request for Real Estate Sales

## Part I Withholding Exemption Certificate

### Seller's Information

Name	<input type="checkbox"/> Social security no. <input type="checkbox"/> CA corp. no. <input type="checkbox"/> FEIN <input type="checkbox"/> SOS file no.		
Address	PMB no.	<b>Note:</b> Failure to furnish your tax identification number will void this certificate.	
City, State, ZIP Code	Phone number (      )	Ownership percentage	
Property address (if no street address, provide parcel number and county)			

Read the following and check the boxes as they apply (see General Information C, Exemptions from Withholding (Part I) in the instructions for definitions):

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| 1. Is the <b>total</b> sale price of this property \$100,000 or less? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are you a resident of California? If yes, provide your California street address, city, and ZIP Code.<br>_____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Does the property being sold qualify as your principal residence within the meaning of Internal Revenue Code (IRC) Section 121? .  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the seller a corporation that is qualified through the California Secretary of State or has a permanent place of business in California? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is the seller a partnership or a limited liability company (LLC) with recorded title to the property in the name of the partnership or LLC <b>and</b> will the partnership or LLC file a California tax return to report the sale and withhold on foreign and domestic nonresident partners as required? (Get FTB Pub. 1017, Nonresident Withholding Partnership Guidelines, for withholding information.) ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Is the seller a tax-exempt entity under either California or federal law? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is the seller an irrevocable trust with at least one trustee who is a California resident <b>and</b> will the trust file a California tax return to report the sale and withhold when distributing California source taxable income to nonresident beneficiaries as required? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the seller an estate where the decedent was a California resident at the time of death <b>and</b> will the estate file a California fiduciary tax return to report the sale and withhold when distributing California source taxable income to nonresident beneficiaries as required? ...   | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Is the seller a bank or a bank acting as a fiduciary for a trust? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Is the seller an insurance company, Individual Retirement Account (IRA), or qualified pension/profit sharing plan? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

Under penalties of perjury, I hereby certify that the information provided above is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent. I understand that completing this form does **not** exempt me from filing a California income tax return to report this sale.

Seller's name (or seller's agent if seller is not an individual) and title (type or print) \_\_\_\_\_

Seller's Signature \_\_\_\_\_ Date: \_\_\_\_\_

If you answered "Yes" to **any** of the above questions, STOP HERE. You are exempt from the nonresident withholding requirements. Provide this form to your escrow company or the buyer (withholding agent).

If you answered "NO" to **all** of the above questions, you are subject to the nonresident withholding requirements. The required withholding is 3 1/3% of the **total** sale price. Do you expect your tax liability from the sale of this property to be substantially less than that amount? If so, would you like to request a reduced amount of withholding?

- Yes. Complete the *Nonresident Withholding Waiver Request* (Part II) and send this form to the Franchise Tax Board (FTB).
- No. STOP HERE. Your escrow officer will withhold 3 1/3% of the total sale price and send it to FTB on your behalf. Obtain the seller's copy of Form 597, Nonresident Withholding Tax Statement for Real Estate Sales, from the escrow officer to attach to your California income tax return when you file and claim the amount withheld.

**Escrow Officer:** If withholding is required, complete Form 597, Nonresident Withholding Tax Statement for Real Estate Sales, and send one copy to the FTB with the payment of withholding and give two copies to the seller. The seller needs a copy of Form 597 to claim the withholding credit on the California tax return filed to report the sale.

