2021 Instructions for Form 590
Withholding Exemption Certificate

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

General Information
California Revenue and Taxation Code (R&TC) Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California. For more information, see General Information B, Income Subject to Withholding.

Registered Domestic Partners (RDPs) – For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP unless otherwise specified. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

A Purpose
Use Form 590, Withholding Exemption Certificate, to certify an exemption from nonresident withholding.

Form 590 does not apply to payments of backup withholding. For more information, go to ftb.ca.gov and search for backup withholding.

Form 590 does not apply to payments for wages to employees. Wage withholding is administered by the California Employment Development Department (EDD). For more information, go to edd.ca.gov or call 888.745.3886.

Do not use Form 590 to certify an exemption from withholding if you are a seller of California real estate. Sellers of California real estate use Form 593, Real Estate Withholding Statement, to claim an exemption from the real estate withholding requirement.

The following are excluded from withholding and completing this form:
• The United States and any of its agencies or instrumentalities.
• A state, a possession of the United States, the District of Columbia, or any of its political subdivisions or instrumentalities.
• A foreign government or any of its political subdivisions, agencies, or instrumentalities.

B Income Subject to Withholding
Withholding is required on the following, but is not limited to:
• Payments to nonresidents for services rendered in California.
• Distributions of California source income made to domestic nonresident partners, members, and S corporation shareholders and allocations of California source income made to foreign partners and members.
• Payments to nonresidents for rents if the payments are made in the course of the withholding agent’s business.
• Payments to nonresidents for royalties from activities sourced to California.
• Distributions of California source income to nonresident beneficiaries from an estate or trust.
• Endorsement payments received for services performed in California.
• Prizes and winnings received by nonresidents for contests in California.

However, withholding is optional if the total payments of California source income are $1,500 or less during the calendar year.

For more information on withholding, get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines. To get a withholding publication, see Additional Information.

C Who Certifies this Form
Form 590 is certified (completed and signed) by the payee. California residents or entities exempt from the withholding requirement should complete Form 590 and submit it to the withholding agent before payment is made. The withholding agent is then relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless notified by the Franchise Tax Board (FTB) that the form should not be relied upon.

An incomplete certificate is invalid and the withholding agent should not accept it. If the withholding agent receives an incomplete certificate, the withholding agent is required to withhold tax on payments made to the payee until a valid certificate is received.

If a military servicemember and nonmilitary spouse have the same state of domicile, the MSRRA provides:
• A spouse shall not be deemed to have lost a residence or domicile in any state solely by reason of being absent to be with the servicemember serving in the armed forces.
• A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in the armed forces.

D Definitions
For California nonwage withholding purposes:
• Nonresident includes all of the following:
  • Individuals who are not residents of California.
  • Corporations not qualified through the California Secretary of State (CA SOS) to do business in California or having no permanent place of business in California.
  • Partnerships or limited liability companies (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.

For more information about determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status. Military servicemembers have special rules for residency. For more information see General Information E, Military Spouse Residency Relief Act (MSRRA), and FTB Pub. 1032, Tax Information for Military Personnel.

Permanent Place of Business:
A corporation has a permanent place of business in California if it is organized and existing under the laws of California or it has qualified through the CA SOS to transact intrastate business. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

E Military Spouse Residency Relief Act (MSRRA)
Generally, for tax purposes you are considered to maintain your existing residence or domicile. If a military servicemember and nonmilitary spouse have the same state of domicile, the MSRRA provides:
• A spouse shall not be deemed to have lost a residence or domicile in any state solely by reason of being absent to be with the servicemember serving in the armed forces.
• A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in the armed forces.

Domicile is defined as the one place:
• Where you maintain a true, fixed, and permanent home.
• To which you intend to return whenever you are absent.
A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the same domicile outside of California and the spouse is in California solely to be with the servicemember who is serving in compliance with Permanent Change of Station orders.

California may require nonmilitary spouses of military servicemembers to provide proof that they meet the criteria for California personal income tax exemption as set forth in the MSRRA.

Income of a military servicemember's nonmilitary spouse for services performed in California is not California source income subject to state tax if the spouse is in California to be with the servicemember serving in compliance with military orders, and the servicemember and spouse have the same domicile in a state other than California.

For additional information or assistance in determining whether the applicant meets the MSRRA requirements, get FTB Pub. 1032.

**Specific Instructions**

**Payee Instructions**

Enter the withholding agent’s name.

Enter the payee’s information, including the TIN and check the appropriate TIN box.

You must provide a valid TIN as requested on this form. 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 CA SOS file number.

**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** – Follow the country’s practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. Do not abbreviate the country name.

**Exemption Reason** – Check the box that reflects the reason why the payee is exempt from the California income tax withholding requirement.

**Withholding Agent Instructions**

Do not send this form to the FTB. The certification on Form 590 remains valid until the payee’s status changes. The withholding agent must retain a copy of the certificate or substitute for at least five years after the last payment to which the certificate applies. The agent must provide it to the FTB upon request.

The payee must notify the withholding agent if any of the following situations occur:

- The individual payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.
- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

If any of these situations occur, then withholding may be required. For more information, get Form 592, Resident and Nonresident Withholding Statement, Form 592-B, Resident and Nonresident Withholding Tax Statement, Form 592-PTE, Pass-Through Entity Annual Withholding Return, Form 592-Q, Payment Voucher for Pass-Through Entity Withholding, and Form 592-V, Payment Voucher for Resident or Nonresident Withholding.

**Internet and Telephone Assistance**

**Website:** [ftb.ca.gov](http://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 disability
- 711 or 800.735.2929 California relay service

**Asistencia Por Internet y Teléfono**

**Sitio web:** [ftb.ca.gov](http://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 para personas con discapacidades auditivas o del habla
- 711 ó 800.735.2929 servicio de relevo de California

For questions unrelated to withholding, or to download, view, and print California tax forms and publications, or to access the TTY/TDD numbers, see the Internet and Telephone Assistance section.