



# County of Sacramento

County of Sacramento  
Payee Data Record  
(REV November 2013)

## PURPOSE OF FORM

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you for real estate transaction.

## ARE YOU A RESIDENT OR A NONRESIDENT?

Each corporation, individual/sole proprietor, partnership, estate or trust doing business with the County of Sacramento must indicate their residency status along with their taxpayer identification number.

A **corporation** will be considered a "resident" if it has a permanent place of business in California. The corporation has a permanent place of business in California if it is organized and existing under the laws of this state or, if a foreign corporation has qualified 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 this state only if it maintains a permanent office in this state that is permanently staffed by its employees.

For **individual/sole proprietorship**, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose or any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For withholding purposes, a **partnership** is considered a resident partnership if it has a permanent place of business in California. An estate is considered a California estate, if the decedent was a California resident at the time of death and a trust is considered a California trust if at least one trustee is a California resident.

More information on residency status can be obtained by calling the Franchise Tax Board at the numbers listed below:

From within the United States, call.....1-800-852-5711  
From outside the United States, call.....1-916-845-6500  
For hearing impaired with TDD, call.....1-800-822-6268

## EXEMPTIONS

If you are exempt from backup withholding and/or FATCA reporting, enter in the Exemption box, any code(s) that may apply to you. See Exempt payee code and Exemption from FATCA reporting code on page 3 of IRS Form W-9 (Rev. 8-2013) for the codes.

## ARE YOU SUBJECT TO NONRESIDENT WITHHOLDING?

Payments made to nonresident payees, including corporations, individuals, partnerships, estates, and trusts, are subject to withholding. Nonresident payees performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are \$1500 or less for the calendar year.

A nonresident payee may request that income taxes be withheld at a lower rate or waived by sending a completed form FRB 588 to the address below. A waiver will generally be granted when a payee has a history of filing California returns and making timely estimated payments. If the payee activity is carried on outside of California or partially outside of California, a waiver or reduced withholding rate may be granted. For more information, contact:

State of California  
Franchise Tax Board  
Nonresident Withholding Section  
Attention: State Agency Withholding Coordinator  
P.O. Box 651 Sacramento, CA 95812-0651  
Telephone: (916) 845-4900  
FAX: (916) 845-4831

WEB SITE: [www.ftb.ca.gov](http://www.ftb.ca.gov)

**If a reduced rate of withholding or waiver has been authorized by the Franchise Tax board, attach a copy to this form.**

## PRIVACY STATEMENT

Section 7(b) of the Privacy Act of 1974 (Public Law 93-5791) requires that any federal, state, or local governmental agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

The County of Sacramento requires that all parties entering into business transactions that may lead to payment(s) from the County must provide their valid Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646 to facilitate tax compliance enforcement activities and to facilitate the preparation of Form 1099 and other information returns as required by the Internal Revenue Code, Section 6109(a). The TIN for an individual and a sole proprietorship is the Social Security Number (SSN). The Internal Revenue Service (IRS) considers a TIN as incorrect if either the name or the number shown on an account does not match a name and number combination in their files or the files of the Social Security Administration (SSA). Section 3406 of the Internal Revenue Code requires that we withhold 28% in tax, called backup withholding, if the correct Payee name/TIN combination is not provided.

It is mandatory to furnish the information required. Federal law requires that payments for which the requested information is not provided be subject to a 28% withholding and state law imposes noncompliance penalties of up to \$20,000.