

LLC Filing/Payment Requirements for Nonresident Owners

Returns/ Payments	Elective/ Mandatory	Form	Due Date	Who is Included	Rate of Tax	Calculation	FTB Publication
Composite Return (aka Group Nonresident Return)	Election made by both individual owners and LLC LLC annual election made on Form 3864, Group Nonresident Return Election, and attached to Form 540NR, Group Nonresident Return Individuals must provide POAs to LLC. These do not have to be attached to group return	540NR (Long Form) return	April 15 (even if LLC files on a fiscal year) Estimated taxes required if individual nonresident's income from LLC is \$500 or more	Only individual owners (including grantor trusts) Must be full-year nonresident No other California-source income (unless it is being reported on another group nonresident return)	12.3% (13.3% if individual owner's California total taxable income from all sources is \$1 million or more)	Individual deductions or credits not allowed other than deduction for deferred compensation. Only deductions/credits applicable to the LLC may be claimed	FTB Publication 1067, Guidelines for Filing a Group Form 540NR
Nonconsenting Nonresident Members' Tax (NCNR)	LLC must pay if nonresident owner fails to sign a Form FTB 3832, LLC Nonresident Members' Consent (NCNR)	Form 3832 for each nonresident must be attached to Form 568 or LLC must pay NCNR with Form 568 (or Form 3537 if filing for extension) Form 3832 only needs to be submitted once for each nonresident member	15th day of 4th month after close of taxable year (4/15 for calendar year LLCs)	Nonresident individual members and foreign (non-California) entity members Does not apply to SMLLCs	Highest marginal tax rate: 12.3% for individuals/ partners/LLCs/trusts/estates 8.84% for C corporations 1.5% for S corporations	Based on members' distributive share of California-source income Tax may be reduced by the amount of tax previously withheld and paid by the LLC with respect to each nonconsenting nonresident member	FTB Publication 3556 MEO, Limited Liability Company Filing Information
Nonresident withholding	Mandatory payments for the tax year if distributions exceed \$1,500 (elective for first \$1,500) Waiver available if domestic nonresident filed CA returns for the two most recent taxable years in which nonresident meets filing requirements and is current on FTB tax obligations If no current filing history, one-year waiver if payee is making estimated tax payments and is current on tax payments Waiver submitted on FTB Form 588	Form 592, Resident and Nonresident Withholding Statement Payment remitted with Form 592-V Withholding for foreign partners reported on Form 592-F and remitted with Form 592-A	Quarterly payments due 4/15, 6/15, 9/15, and 1/15	Withholding required on payments made to: Nonresident individuals Nonresident entities without a permanent place of business in California that are not registered with SOS Nonresident estates and trusts (unless one trustee or the decedent is/was a California resident)	7% of distributions of California-source income to domestic nonresident partner/members (Nonresidents may request reduced withholding by filing FTB Form 589) 12.3% for foreign noncorporate members 8.84% for foreign corporate members Reduced withholding on Effectively Connected Income available for foreign partners by filing Form 589	Based on foreign members' distributive share of California-source income, excluding return of capital Payment of NCNR does not relieve LLCs of withholding requirement. However, LLCs that paid the NCNR for all nonconsenting members may request a waiver from withholding	FTB Publication 1017, Resident and Nonresident Withholding Guidelines