

Email notification from the FTB dated **December 18th, 2003**

The NEW FORMS WILL BE AVAILABLE ON THE IN PRINTED VERSION AND ON INTERNET ON DECEMBER 31st. The forms will not be fillable until the end of January 2004. The revised Publication 1016 will also be available on December 31st via Internet only and printed version available the second week of January 2004. Please note that this new version of Publication 1016 consists of all information related to Real Estate Withholding and includes all FAQs, as well.

With just a month until 2003 is history, we wanted to send you an update as to what to expect for the New Year, 2004.

First, there are New Forms and here are the specifics in a nutshell. The new forms will replace Form 597, Real Estate Withholding Tax Statement, which will change the remittance process from a transaction-by-transaction basis to one remittance for all withholding during the month. The new forms include:

1) Form 593, Real Estate Withholding Remittance Statement. This form will be used for sales closing on or after January 1, 2004:

- * To report and remit the total real estate withholding for the month, rather than sale by sale.
- * To report and remit any interest assessed on late withholding payments for 2004.
- * As the transmittal form for Form 593-B, Real Estate Withholding Tax Statement

2) Form 593-B, Real Estate Withholding Tax Statement. This form will be used to report the real estate withholding for each seller and it is similar to Form 597. However, we added new fields to aid in the computation of the withholding amount. Also, the instructions are expanded to include information on regular sales, exchanges, and installment sales.

Second, we also have Significant Form Updates to:

* Form 593-C, Real Estate Withholding Certificate for Individual Sellers, we deleted language pertaining to exemptions for sales of \$100,000 or less. Such sales are automatically exempt from withholding, and the law does not require certification for the exemption.

* Form 593-W, Real Estate Withholding Exemption Certificate and Waiver Request for Non-Individual Sellers, we deleted language pertaining to exemptions for sales of \$100,000 or less, and sales by a bank or a bank acting as a fiduciary for a trust. Such sales are automatically exempt from withholding, and the law does not require certification for the exemption.

* And we simplified Form 593-L, Real Estate Withholding-Computation of Estimated Gain or Loss by making some of the entries optional (See Form 593-C/Form 593-L Booklet).

Okay now you're asking how can we help you with these new forms. Well, here are some tips for the new Form 593-B.

As with all of our other withholding forms, you will be able to go to the FTB Forms and Publications Webpage through www.ftb.ca.gov and either print the blank Form 593-B or fill it in on-line and then print it. Since it is a four-copy form and the fill-in information is the same on all four copies, when you, the user fill in Copy A, Copies B, C & D will automatically fill in also.

It gets better...

At the top of the fillable Form 593-B there will be three yellow buttons. They will say "Reset Seller Only", "Print and Reset Entire Form" and "Reset Entire Form".

The users that are filling in multiple sets of Forms 593-B for multiple sales or for multiple sellers in the same sale would be able to:

1. Fill in the first Form 593-B,
2. Click the regular print button (that will print the four copies of that Form 593-B),
3. Click the "Reset Seller Only" button, and
4. Proceed to fill in the seller information for the next Form 593-B, etc.

And just to let you in on even more information, we are setting up the Form 592-B to work the same way.

We also wanted to assist if there are questions so we have updated Publication 1016 for 2004. Publication 1016 and all the new forms will be available to you via the Internet in December.

Other News:

The e-waiver application service is no longer available. The e-waiver application was intended to enable both individual and non-individual sellers to submit electronic waiver requests. With the implementation of AB 2065 in January 2003, individuals are no longer eligible to apply for a waiver. As a result of a very limited customer base and low usage of the electronic application, it is no longer feasible to continue this service. Non-individual sellers may still get Form 593-W, Real Estate Withholding Exemption Certificate and Waiver Request for Non-Individuals Sellers from our Website www.ftb.ca.gov and fax or mail waiver requests to the FTB. Our fax number is (916) 845-9512.

Here is an advance copy of the Handout for Sellers and Buyers. This handout has been very useful for realtors to distribute to their clients. The new forms are explained and you can print copies of this brochure when it becomes available on our website sometime in December. **HANDOUT NOT PROVIDED** << File: 677_pdf.pdf >> We are also in the process of updating our Interactive Voice Response menu. These updates allow customers to select the appropriate option to get their questions answered quickly. These changes will be effective January 2, 2004.

Our Internet Section website will also take on a new look. We have been working with our Website team to update our links. We want to be sure that important information is easily accessible and understandable to our customers. These updates also include comments and suggestions we received from you. Be sure to visit us January 2, 2004 when we deploy our new website.

We welcome your comments and suggestions, so please continue to tell us how we can better serve you and your clients.

Tina Semon-Todd
Withholding Services and Compliance Section
Education and Outreach
916 845 5320