



Office of the Chief Financial Officer

Accounts Payable
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State of California Income Tax Withholding Requirement

In order to comply with CALIFORNIA STATE INCOME TAX requirements, Berkeley Lab is required to withhold 7% of the payment made to suppliers, unless they have provided Berkeley Laboratory with either a California Form 587, *Non-Resident Withholding Allocation Worksheet* or California Form 590, *Withholding Exemption Certificate*, completed as appropriate.

Does your company/Do you physically perform services in the State of California?

If no: Please complete Form 587. Form 587 is used to determine if withholding is required on payments to non-residents. The withholding agent (in this case, Berkeley Lab) relies on the certification made by the supplier (payee) to determine if withholding is required.

If yes, and you qualify for an exemption from California withholding, complete Form 590.

Based on California Franchise Tax Board's instructions the purpose of Form 590 is to certify an exemption from non-resident withholding. California residents and entities that have a permanent place of business in California should complete and present Form 590 to the withholding agents (in this case Berkeley Lab). As soon as the form is received, the withholding agent is relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590. If no forms are received, you could be subject to California non-resident withholding of 7%.

**** Please note:** Either a Form 587 or Form 590 (not both) must be completed and signed in order to do business with Berkeley Lab. A W-9 form cannot be accepted in lieu of one of the required California forms.

For more information on your State tax status, contact the **Franchise Tax Board** on the web at: www.ftb.ca.gov or call (800) 852-5711.