

# 2019 Instructions for Form FTB 3832

## Limited Liability Company Nonresident Members' Consent

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 2015**, and to the California Revenue and Taxation Code (R&TC).

### General Information

**Registered Domestic Partners (RDP)** – For purposes of California income tax, references to a spouse, husband, or wife also refer to a California RDP, unless otherwise specified. When we use the initials RDP they refer to both a California registered domestic “partner” and a California registered domestic “partnership,” as applicable. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

#### A Purpose

When a multiple member LLC has one or more members who are nonresidents of California, use form FTB 3832, Limited Liability Company Nonresident Members' Consent, to:

- List the names and social security numbers (SSNs), individual taxpayer identification numbers (ITINs), or federal employer identification numbers (FEINs) of all such members.
- Obtain the signature of each nonresident member evidencing consent to the jurisdiction of the State of California to tax that member's distributive share of income attributable to California sources.

Multiple member LLCs must complete form FTB 3832. Single member LLCs **do not** complete form FTB 3832. The owner of the single member LLC consents to be taxed under California jurisdiction by signing the Single Member LLC Information and Consent on Side 3 of Form 568.

If a member fails to sign form FTB 3832, the LLC is required to pay tax on the member's distributive share of income at that member's highest marginal rate. Any amount paid by the LLC will be considered a payment made by the member (California Revenue and Taxation Code Section 18633.5). For more information, get Form 568, Limited Liability Company Tax Booklet.

If the nonresident member has a spouse/RDP, the spouse/RDP must also sign form FTB 3832.

**e-file** – If you e-file, attach the signed copy of form FTB 3832 to the form FTB 8453-LLC, California e-file Return Authorization for Limited Liability Companies. Retain the signed copy in the LLC's records along with a copy of the return and other associated forms, schedules, and documents, as required by the Franchise Tax Board e-file Program. For more information, get FTB Pub. 1345, 2019 Handbook for Authorized e-file Providers, Section 7, Record Keeping and Data Retention.

#### B When to File

File form FTB 3832 for either of the following:

- The first taxable period for which the LLC became subject to tax with nonresident members.
- Any taxable period during which the LLC had a nonresident member who has not signed form FTB 3832.

#### C Nonresidents Who Must File a California Return

Nonresident members (individuals, estates, trusts, corporations, etc.) are required to file the appropriate California tax returns, in addition to signing form FTB 3832. An individual nonresident must file Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, if the individual had income from California sources and:

- Was single, unmarried, or not in a registered domestic partnership at the end of 2019 and the individual's gross income from all sources was more than ~~\$17,693~~ or adjusted gross income from all sources was more than ~~\$14,154~~.
- Was married or in an RDP at the end of 2019, and the individual and spouse/RDP had a combined gross income from all sources of more than ~~\$35,388~~ or adjusted gross income from all sources of more than ~~\$29,312~~.

For more information, get California 540NR, Nonresident or Part-Year Resident Booklet.

Nonresident individuals may have California source income if their customer receives the benefit of their service or intangible in California. For more information, get Schedule R, Apportionment and Allocation of Income.

#### D Group Nonresident Member Return

Certain nonresident members of an LLC doing business in California may elect to file a group nonresident return using Form 540NR. For more information, get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR.