

**Table 1. Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties**

- This table lists the income tax rates on interest, dividends, royalties, and other non-personal services income. The income code numbers shown in this table are the same as the income codes on [Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding](#).
- Taxpayers must meet the limitation on benefits provisions in the treaty, if any, to qualify for reduced withholding rates. See [Table 4. Limitation on Benefits](#), for a list of treaties that contain a limitation on benefits provision.
- In most cases, the Business Profits article, rather than a reduced withholding tax rate, applies if the income is attributable to a permanent establishment of the taxpayer in the United States.
- If the Treaty Article Citation includes a “P,” that refers to a protocol that amends the original treaty article. See also [Table 3 – List of Tax Treaties](#). A reference to 2P or 5P would be to the 2<sup>nd</sup> protocol or the 5<sup>th</sup> protocol.

Income Code Number		Interest		Dividends			Pension and Annuities	
Name	Code	1 Paid by U.S. Obligors— General bbb	Treaty Article Citation	6 Paid by U.S. Corporations— General <sup>a</sup>	7 Qualifying for Direct Dividend Rate <sup>a, b, aaa</sup>	Treaty Article Citation	15 Pensions and Annuities <sup>d</sup>	Treaty Article Citation
Australia.....	AS	10 g,k, m ,nn	11(2) / P7	15 mm	5 mm,oo	10(2) / P6	0	18(1)
Austria.....	AU	0 g,jj,ss	11(1)	15 w	5 w	10(2)	0	18(1)(a)
Bangladesh.....	BG	10 g,bb,jj	11(2)	15 mm	10 mm	10(2)	0 f,q	19(1)
Barbados.....	BB	5 rr	11(1) /2P1	15 w rr	5 w, rr	10(2) / PIII(1)	0 f	18(1)(a)
Belgium .....	BE	0 g,jj, ss	11(1)	15 dd,mm	5 dd,mm,oo	10(2)	0 f	17(1)
Bulgaria .....	BU	5 g,dd,jj,nn	11(1)	10 dd,mm	5 dd,mm	10(2)	0 f	17(1)
Canada.....	CA	0 g,jj	XI(1) \ 5P6(1)	15 mm	5 mm	X(2) / 5P5(1)	15	XVIII(1) / 3P9; 5P13
China, People's Rep. of.....	CH	10 z	10(2)	10	10	9(2)	0 t	17(1)
Comm. of Independent States*.....		0 n	III(1)(g)	30	30	None	30	none
Cyprus..bbb.....	CY	10 nn	13(2)	15	5	12(2)	0 f	23(1)
Czech Republic.....	EZ	0 g	11(1)	15 w	5 w	10(2)	0 f	19(1)(a)
Denmark.....	DA	0 g,kk	11(1)	15 dd,mm	5 dd,mm,oo	10(2) / PII	30 c,t	18(1)
Egypt.....	EG	15	12(2)	15	5	11(2)	0 f	19(1)
Estonia.....	EN	10 g,kk	11(2)	15 w	5 w	10(2)	0 f	18(1)
Finland.....	FI	0 g,kk	11(1) / PIV	15 dd,mm	5 dd,mm,oo	10(2) / PIII	0 f	18(1)
France.....	FR	0 g,k,ss	11(2)	15 mm	5 mm,oo,ss	10(2) / 2P2	30 t	18(1) / 1PIII
Germany.....	GM	0 g,jj	11(1)	15 dd,mm,zz	5 dd,mm,oo,	10(2) / PIV	0 f	18(1)
Greece.....	GR	0 r	VI	30	30	IX	0	XI(2)
Hungary.....	HU	0	10(1)	15	5	9(2)	0 t	15(1)
Iceland.....	IC	0 g,kk,ss	11(1)	15 dd,mm	5 dd,mm,ss	10(2)	0	17(1),(4)
India.....	IN	15 z	11(2)	25 w	15 w	10(2)	0 f	20(1), (0-9)
Indonesia.....	ID	10 z	12(2) / P2	15	10	11(2) / P1	15 q	21(1)
Ireland bbb.....	EI	0 g,k,ss	11(1)	15 mm,	5 mm,ss	10(2)	0 f	18(1)(a)
Israel.....	IS	17½ z	13(2)	25 w	12½ w	12(2)	0 f	20(1)
Italy .....	IT	10 g,h	12(2)	15 mm	5 mm	10(2)	0 f	18(1)
Jamaica.....	JM	12½z	11(2)	15	10	10(2) / P2	0 f,p	19(1)(a)
Japan.....	JA	10 e,g,dd,ee	11(2)	10 dd,ee,mm	5 dd,ee,mm,oo	10(2)	0	17(1)
Kazakhstan.....	KZ	10 g	11(2)	15 ff	5 ff	10(2)	0 f	18(1)(a)
Korea, South.....	KS	12	13(2)	15	10	12(2)	0 f	23(1)
Latvia.....	LG	10 g,kk	11(2)	15 w	5 w	10(2)	0 f	18(1)

Income Code Number	Social Security			Royalties					
	Name	Code	21	Treaty Article Citation	10	11	12	Treaty Article Citation	
Name	Code	Social Security <sup>99</sup>	Treaty Article Citation	Industrial Equipment	Know-How/ Other Industrial Royalties	Patents	Film & TV	Copyrights	Treaty Article Citation
Australia.....	AS	30	18(2)	n/a u,	5	5	5	5	12(2) / P8
Austria.....	AU	30	18(1)(b)	n/a u	0 ss	0 ss	10 ss	0 ss	12(1), (2)
Bangladesh.....	BG	30	19(2)	n/a u	10	10	10	10	12(2)
Barbados.....	BB	30	18(1)(b)	n/a u rr	5 rr	5 rr	5 rr	5 rr	12(2) / 1PV
Belgium.....	BE	30	17(2)	n/a u	0 ss	0 ss	0 ss	0 ss	12(1)
Bulgaria.....	BU	30	17(2)	n/a u	5	5	5	5	12(2) / P5(7)
Canada.....	CA	0	XVIII(5) / 4P2(2)	10	0	0	10	0	12(2), (3) / 5P7(1)
China, People's Rep. of.....	CH	30	17(2)	7 v	10	10	10	10	II(2)
Comm. of Independent States.....		30	None	0	0	0	0	0	III(1)(a)
Cyprus..bbb.....	CY	30	24	n/a u	0	0	0	0	14(1)
Czech Republic.....	EZ	30	19(1)(b)	10	10	10	0	0	12(2)
Denmark.....	DA	30	18(2)	n/a u	0	0	0	0	12(1)
Egypt.....	EG	0	20	n/a u	30 u	15 yy	n/a u	15 yy	13(1)
Estonia.....	EN	30	18(2)	5	10	10	10	10	12(2)
Finland.....	FI	30	18(1)	n/a u	0	0	0	0	12(1)
France.....	FR	30	18(1) / 1PIII	n/a u	0 ss	0 ss	0 ss	0 ss	12(1) / 2PIII
Germany.....	GM	0	18(5) / PVIII	n/a u	0	0	0	0	12(1)
Greece.....	GR	30	XIV(1)	0	0	0	30	0	VII
Hungary.....	HU	30	15(2)	n/a u	0	0	0	0	11
Iceland...	IC	30	17(2)	n/a u	5 ss	0 ss	5 ss	0 ss	12(1), (2)
India.....	IN	30	20(2)	10	15	15	15	15	12(2)
Indonesia.....	ID	30	22	10	10	10	10	10	13(2) / P34
Ireland..bbb.....	EI	0	18(1)(b)	n/a u	0 ss	0 ss	0 ss	0 ss	12(1)
Israel.....	IS	0	21	n/a u	15 u	15	10	10	14(1)
Italy.....	IT	0	18(2)	5 tt	8	8	8	0	12(2)
Jamaica.....	JM	30	19(1)(b)	n/a u	10	10	10	10	12(2)
Japan.....	JA	0	17(1)	n/a u	0 ee	0 ee	0 ee	0 ee	12(1)
Kazakhstan.....	KZ	30	18(1)(b)	10 uu	10	10	10	10	12(2)
Korea, South.....	KS	30	24	n/a u	15	15	10	10	14(1)
Latvia.....	LG	30	18(2)	5	10	10	10	10	12(2)

Income Code Number		Interest		Dividends			Pension and Annuities	
		1		6	7		15	
Name	Code	Paid by U.S. Obligor— General	Treaty Article Citation	Paid by U.S. Corporations— General <sup>a</sup>	Qualifying for Direct Dividend Rate <sup>a,b,aaa</sup>	Treaty Article Citation	Pensions and Annuities	Treaty Article Citation
Lithuania.....	LH	10 g, z, kk	11(2)	15 w	5 w	10(2)	0 f	18(1)
Luxembourg.....	LU	0 g,k	12(1)	15 w	5 w	10(2)	0	19(1)(a)
Malta.....bbb.....	MT	10 g,jj, ss	11(2)	15 dd,mm	5 dd,mm, ss	10(2)	0 f	17(1)
Mexico.....	MX	15 g,dd,ee,hh	11(2)	10 dd,mm	5 dd,mm,oo	10(2) / 2PII	0	19(1)(a)
Morocco.....	MO	15	11(2)	15	10	10(2)	0 f	19(1)
Netherlands.....	NL	0, m,ss	12(1)	15 pp,zz	5 gg,oo,pp	10(2) / P3(a)	0 f,p	19(1)
New Zealand.....	NZ	10 g, jj,nn	11(2) / PVII	15 mm	5 mm,oo	10(2) / PVI	0	18(1)
Norway.....	NO	10 z	9(2) / PV	15	15	8(2) / PIV(1)	0 f	18(1)
Pakistan.....	PK	30	XIV	30	15	VII(2) / VI(1)	0 j	X(1)
Philippines.....	RP	15z	12(2)	25	20	11(2)	30 q	18(1)
Poland.....	PL	0	12(1)	15	5	11(2)	30	None
Portugal.....	PO	10 g,k	11(2)	15 w	5 w	10(2),(3)	0 f	20(1)(a)
Romania.....	RO	10	11(2)	10	10	10(2)	0 f	16(1)
Russia.....	RS	0 g	11(!)	10 ff	5 ff	10(2)	0 t	17(1)(a)
Slovak Republic.....	LO	0 g	11(1)	15 w	5 w	10(2)	0 f	19(1)
Slovenia.....	SI	5 g z	11(2)	15 mm	5 mm	10(2)	0 f	18(1)
South Africa.....	SF	0 g,jj	11(1)	15 w	5 w	10(2)	15 l	18(1)
Spain.....	SP	15 z	11(2)	15 w	10 w	10(2)	0 f	20(1)(a)
Sri Lanka.....	CE	10 g,jj	11(2)	15 gg	15 gg	10(2)	0 t	19(1)
Sweden.....	SW	0 g	11(1)	15 dd,mm,zz	5 dd,mm,oo	10(2) / PIV	0	19(1)
Switzerland.....	SZ	0 g,jj	11(1)	15 w	5 w	10(2)	0	18(1)
Thailand.....	TH	15 g,z	11(2)	15 w	10 w	10(2)	0 f	20(1)
Trinidad & Tobago.....	TD	30	13	30	30	12(1)	0 f	22(1)
Tunisia.....	TS	15z	11(2)	20 w	14 w	10(2)	0 f	18(1)
Turkey.....	TU	15 g, m,z	11(2)	20 w	15 w	10(2)	0	18(1)
Ukraine.....	UP	0 g	11(1)	15 ff	5 ff	10(2)	0	19(2)
United Kingdom..bbb...	UK	0 g,ee,kk	11(1)	15 ee,mm	5 ee,mm,oo	10(2)	0 f	17(1)
Venezuela.....	VE	10 g,kk,ll	11(@)	15 mm	5 mm	10(2)	0 t	19(1)
Other Countries.....		30		30	30		30	

\* Those countries to which the U.S.-U.S.S.R. income tax treaty still applies: Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan.

Income Code Number		Social Security		Royalties					
Name	Code	21	Treaty Article Citation	10	11	12	Treaty Article Citation		
		Social Security <sup>99</sup>		Industrial Equipment	Know-how/ Other Industrial Royalties	Patents	Film & TV	Copyrights	
Lithuania.....	LH	30	18(2)	5	10	10	10	10	12(2)
Luxembourg.....	LU	30	19(1)(b)	n/a u	0 ss	0 ss	0 ss	0 ss	13(1)
Malta.....bbb.....	MT	30	17(2)	n/a u	10 ss	10 ss	10 ss	10 ss	12(2)
Mexico.....	MX	30	19(1)(b)	10	10	10	10	10	12(2)
Morocco.....	MO	30	20(3)	n/a u	10	10	10	10	12(2)
Netherlands.....	NL	30	19(4)	n/a u	0 ss	0 ss	0 ss	0 ss	13(1)
New Zealand.....	NZ	30	18(1)(b)	n/a u	5	5	5	5	12(2) / PVIII
Norway.....	NO	30	19 / PVIII	n/a u	0	0	n/a u	0	10(1)
Pakistan.....	PK	30	None	n/a u	0	0	n/a u	0	VIII(1)
Philippines.....	RP	30	19	n/a u	15vv	15 vv	15 vv	15 vv	13(2)
Poland.....	PL	30	None	n/a u	10	10	10	10	13(2)
Portugal.....	PO	30	20(1)(b)	10	10	10	10	10	13(2)
Romania.....	RO	0	17	n/a u	15	15	10	10	12(2)
Russia.....	RS	30	17(1)(b)	n/a u	0	0	0	0	12(1)
Slovak Republic.....	LO	30	19(1)(b)	10	10	10	0	0	12(2)
Slovenia.....	SI	30	18(2)	n/a u	5	5	5	5	12(1)
South Africa.....	SF	30	18(2)	n/a u	0	0	0	0	12(1)
Spain.....	SP	30	20(1)(b)	8	10	10	8	5 aa	12(2)
Sri Lanka.....	CE	30	19(2)	5,y	10	10	10	10	12(2)
Sweden.....	SW	30	19(2)	n/a u	0	0	0	0	12(1)
Switzerland.....	SZ	15	19(4)	n/a u	0	0	n/a u	0	12(1)
Thailand.....	TH	30	20(2)	8	15	15	5	5 tt	12(2)
Trinidad & Tobago.....	TD	30	None	n/a u	15	15	n/a u	0 cc	14(1)
Tunisia.....	TS	30	18(1)	10 xx	15	15	15	15	12(2)
Turkey.....	TU	30	18(2)	5	10	10	10	10	12(2)
Ukraine.....	UP	30	19(1)	n/a u	10	10	10	10	12(2)
United Kingdom...bbb.....	UK	0	17(3)	n/a u	0 ee	0 ee	0 ee	0 ee	12(1)
Venezuela.....	VE	30	19(2)	5	10	10	10	10	12(2)
Other Countries.....		30		30	30	30	30	30	

**Footnotes to Table 1. Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties**

a	No U.S. tax is imposed on a percentage of any dividend paid by a U.S. corporation in existence on January 1, 2011, that received at least 80% of its gross income from an active foreign business for the 3-year period before the dividend is declared. (See sections 871(i)(2)(B) and 881(d) of the Internal Revenue Code.)
b	The direct dividend rate generally applies to dividends paid by a subsidiary to a foreign parent corporation that owns the required percentage of the voting stock ownership, generally 10%. In some cases, the income of the subsidiary must meet certain requirements (e.g., a certain percentage of its total income must consist of income other than dividends and interest).
c	In most cases, if the person was receiving pension distributions before March 31, 2000, the distributions continue to be exempt from U.S. tax.
d	In most cases, this rate applies only to pensions not paid by a government. See specific treaty rules for government pensions.
e	Interest is exempt if (a) paid to certain financial institutions or (b) paid on indebtedness from the sale on credit of equipment or merchandise.
f	Includes alimony.
g	Exemption or reduced rate does not apply to an excess inclusion for a residual interest in a real estate mortgage investment conduit (REMIC).
h	In Italy, interest paid or accrued on the sale of goods, merchandise, or services between enterprises is exempt. Interest paid or accrued on the sale on credit of industrial, commercial, or scientific property is exempt. In addition, interest paid to a qualified governmental entity that holds, directly or indirectly, less than 25 percent of the capital of the person paying the interest, or paid with respect to debt obligations guaranteed or insured by a qualified governmental entity of Italy or the U.S. and beneficially owned by a resident of Italy is exempt.
i	The rate is 5% for trademarks and any information for rentals of industrial, commercial, or scientific equipment.
j	Exemption is not available when paid from a fund under an employees' pension or annuity plan, if contributions to it are deductible under U.S. tax laws in determining taxable income of the employer.
k	The rate is 15% for interest determined with reference to the profits of the issuer or one of its associated enterprises.
l	Annuities purchased while the annuitant was not a resident of the United States are not taxable. The reduced rate applies if the distribution is not subject to a penalty for early withdrawal.
m	Contingent interest that does not qualify as portfolio interest is treated as a dividend and is subject to the rate under column 6 or 7.
n	The exemption applies only to interest on credits, loans, and other indebtedness connected with the financing of trade between the United States and the C.I.S. member. It does not include interest from the conduct of a general banking business.
o	The exemption applies only to gains from the sale or other disposition of property acquired by gift or inheritance.
p	The exemption does not apply if the applicable past employment was performed in the United States while such person was a resident of the United States, or if the annuity was purchased in the United States while such person was a resident of the United States.

**Footnotes to Table 1. Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties**

q	Annuities paid in return for other than the recipient's services are exempt. For Bangladesh, exemption does not apply to annuity received for services rendered.
r	Exemption does not apply to such interest paid by a U.S. corporation to a Greek corporation controlling, directly or indirectly, more than 50 percent of the entire voting power in the paying corporation.
s	The rate for royalties with respect to tangible personal property is 7%.
t	Does not apply to annuities. For Denmark, annuities are exempt.
u	If enterprise earns income from leasing of equipment in the conduct of a trade or business, covered by Business Profits article. (net tax). If passive income from the leasing of equipment, and not in Royalty article, covered by the Other Income article, if any. In Pakistan payment for TV broadcasting rights are covered by the Royalty article but not rental income from motion picture films.
v	10 % rate of tax imposed on 70% of gross royalties for rentals of industrial, commercial, or scientific equipment.
w	The rate in column 6 applies to dividends paid by a regulated investment company (RIC) or a real estate investment trust (REIT). However, that rate applies to dividends paid by a REIT only if the beneficial owner of the dividends is an individual holding less than a 10% interest (25% in the case of Portugal, Spain, Thailand, and Tunisia) in the REIT.
x	Royalties not taxed at the 5% or 8% rate are taxed at a 10% rate, unless the royalty is attributable to a permanent establishment of the taxpayer in the United States.
y	The rate is 5% for the rental of tangible personal property.

**Footnotes to Table 1. Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties**

z	<p>In Norway, Lithuania, and Spain, the rate is 0% if the interest is paid on a loan granted by a bank or similar financial institution, the beneficial owner is the State, or a political subdivision, or guaranteed by the State or instrumentality, or is paid in connection with commercial credit for goods or services.</p> <p>An Israeli, the rate is reduced from 17.5% to 10% if paid to a bank, or the recipient may make a net election to be taxed on interest as if attributable to a PE in the US. The rate is 0% if paid to the state of Israel, or instrumentality of the State, or guaranteed by the State or instrumentality of the State.</p> <p>In China, the rate is 0% if paid to the government of China, a political subdivision or local authority thereof, the Central Bank of China, or any financial institution wholly owned by the government, or with respect to debt-claims indirectly financed by the government of China, a political subdivision or local authority thereof, the Central Bank of China, or any financial institution wholly owned by that government.</p> <p>In Jamaica, the rate is 0% under similar circumstances as China.</p> <p>In Thailand, the 15% rate is reduced to 10% rate if paid to financial institution, or is paid with respect to an arm's length sale on credit of equipment, merchandise, or services.</p> <p>In India, the 15% rate is reduced to 10% if paid to a financial institution, and 0% if paid to the government of India, the Federal Reserve or India, if the debt is guaranteed by the Exim Bank of India or approved by the government.</p> <p>In Indonesia, the rate is 0% if paid to the State or an instrumentality of the State.</p> <p>The Philippines treaty exempts interest beneficially owned by the State or instrumentality of the State, or guaranteed by such, and interest paid on public issues of bonded indebtedness is taxed at 10%.</p> <p>In Slovenia, the 5% rate is reduced to 0% if paid to a qualified governmental entity of Slovenia that does not control the person paying the interest; the interest is paid or accrued with respect to debt obligations guaranteed or insured by t qualified governmental entity of Slovenia, or the interest is paid or accrued with respect to a deferred payment for personal property (movable property) or services.</p> <p>In Tunisia, interest is exempt if paid to a bank or similar financial institution with respect to an obligation having a maturity of at least 7 years; or to the Government of the Tunisian or a political subdivision or local authority, or instrumentality thereof.</p> <p>In Turkey, the 15% rate is reduced to 10% if paid to a bank, and interest paid to the government of Turkey, its Central bank, or connection with a loan or credit guaranteed or insured by the Turkish government is exempt from tax.</p>
aa	The rate is 8% for copyrights of scientific work.
bb	The rate is 5% for interest (a) beneficially owned by a bank or other financial institution (including an insurance company) or (b) paid due to a sale on credit of any industrial, commercial, or scientific equipment, or of any merchandise to an enterprise.
cc	The rate is 15% for copyrights of scientific work.

**Footnotes to Table 1. Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties**

dd	Amounts paid to a pension fund that are not derived from the carrying on of a business, directly or indirectly, by the fund are exempt. This includes dividends paid by a REIT only if the conditions in footnote mm are met. For Sweden, to be entitled to the exemption, the pension fund must not sell or make a contract to sell the holding from which the dividend is derived within 2 months of the date the pension fund acquired the holding.
ee	Exemption or reduced rate does not apply to amount paid under, or as part of, a conduit arrangement.
ff	The rate in column 6 applies to dividends paid by a regulated investment company (RIC). Dividends paid by a real estate investment trust (REIT) are subject to a 30% rate.
gg	The rate applies to dividends paid by a real estate investment trust (REIT) only if the beneficial owner of the dividends is (a) an individual holding less than a 10% interest in the REIT, (b) a person holding not more than 5% of any class of the REIT's stock and the dividends are paid on stock that is publicly traded, or (c) a person holding not more than a 10% interest in the REIT and the REIT is diversified.
hh	The rate is 4.9% for interest derived from (1) loans granted by banks and insurance companies and (2) bonds or securities that are regularly and substantially traded on a recognized securities market. The rate is 10% for interest not described in the preceding sentence and paid (i) by banks or (ii) by the buyer of machinery and equipment to the seller due to a sale on credit. There is a full exemption if the beneficial owner is Mexico, a political subdivision or local authority; is a trust, company, or other organization constituted and operated exclusively to administer or provide benefits under one or more plans established to provide pension, retirement or other employee benefits and its income is generally exempt from tax in Mexico, or if the interest arises in the United States and is paid in respect of a loan for a period of not less than three years made, guaranteed, or insured, or a credit for such period extended, guaranteed, or insured by the Banco Nacional de Comercio Exterior, S.N.C. or the Banco Nacional Financiera, S.N.C.
ii	The exemption does not apply if (1) the recipient was a U.S. resident during the 5-year period before the date of payment, (2) the amount was paid for employment performed in the United States, and (3) the amount is not a periodic payment, or is a lump-sum payment in lieu of a right to receive an annuity.
jj	The rate is 15% (10% for Bulgaria; 30% for Austria, Germany and Switzerland) for contingent interest that does not qualify as portfolio interest. In most cases, this is interest based on receipts, sales, income, or changes in the value of property.
kk	The rate is 15% for interest determined with reference to (a) receipts, sales, income, profits or other cash flow of the debtor or a related person, (b) any change in the value of any property of the debtor or a related person, or (c) any dividend, partnership distribution, or similar payment made by the debtor or related person.
ll	The rate is 4.95% if the interest is beneficially owned by a financial institution (including an insurance company).

**Footnotes to Table 1. Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties**

mm	The rate in column 6 applies to dividends paid by a regulated investment company (RIC) or real estate investment trust (REIT). However, that rate applies to dividends paid by a REIT only if the beneficial owner of the dividends is (a) an individual (or pension fund, in some cases) holding not more than a 10% interest in the REIT, (b) a person holding not more than 5% of any class of the REIT's stock and the dividends are paid on stock that is publicly traded, or (c) a person holding not more than a 10% interest in the REIT and the REIT is diversified.
nn	Interest received by a financial institution is exempt, as is interest received by the government of Australia, a political or administrative subdivision or a local authority thereof, or by any other body exercising governmental functions in Australia, or by a bank performing central banking functions in Australia. In some cases, the exemption does not apply if the interest is paid as part of an arrangement involving back-to-back loans or other arrangement that is economically equivalent and intended to have a similar effect to back-to-back loans.
oo	Dividends received from an 80% owned corporate subsidiary are exempt if certain ownership period and limitation on benefits conditions are met by the recipient. For Japan, only 50% ownership is necessary. See specific treaty article to determine other conditions.
pp	The rate in column 6 applies to dividends paid by a regulated investment company (RIC) or real estate investment trust (REIT). However, that rate applies to dividends paid by a REIT only if the beneficial owner of the dividends is (a) an individual holding not more than a 25% interest in the REIT, (b) a person holding not more than 5% of any class of the REIT's stock and the dividends are paid on stock that is publicly traded, or (c) a person holding not more than a 10% interest in the REIT and the REIT is diversified, or (d) a Dutch belegginginstelling.
qq	Applies to 85% of the social security payments received from the U.S. Government. The effective rate on the total social security payments received is 85% of the rate shown in the table. These rates also apply to the social security equivalent portion of tier 1 railroad retirement benefits (income code 22) received from the U.S. The remainder of tier 1, all of tier 2, dual, and supplemental railroad retirement benefits (income code 23) are taxed as shown in column 15, "Pensions and Annuities."
rr	No benefits for interest, dividends or royalties are permitted if recipient is subject to a special tax regime or administrative practice that provides for an effective tax rate substantially lower than the generally applicable tax rate for companies or individuals as appropriate.
ss	15% rate applies if income is attributable to a permanent establishment which that enterprise has in a third state, if the tax that is actually paid with respect to such income in the third state is less than 60 percent of the tax that would have been payable in the treaty country if the income were earned in by the enterprise and were not attributable to the permanent establishment in the third state, unless derived in the active conduct of a trade or business in that third state.
tt	Also includes computer software.
uu	Beneficial owner may elect to compute tax on a net basis as if attributable to a PE.
vv	Note that Philippine's withholding rate differs from U.S. rate.
xx	Not including payments for the use of a ship or aircraft, or containers used in international traffic.
yy	Gains not contingent on productivity or use covered by the gains article.

**Footnotes to Table 1. Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties**

zz	Pension funds are exempt from tax on all dividends, if such dividends are not derived from the carrying on of a business by the pension fund or through an associated enterprise. See MAP with Netherland and Switzerland for list of pension funds.
aaa	The branch profits tax rate is generally the same rate as the direct dividend rate (including an exemption if direct dividends qualify for an exemption), provided the treaty has entered into effect after January 1, 1987. If a new treaty has not entered into force, then the rate is 0 (Cyprus, China, Egypt, Greece, Hungary, Jamaica, Korea, Morocco, Norway, Pakistan, Poland, Romania, and the Philippines), except for Trinidad & Tobago --10%, and countries to which the U.S.S.R. treaty applies-- 30%.
bbb	If an individual is a resident but not a domiciliary of the country, income or gain subject to tax by reference to the amount remitted to or received in that country and not by reference to the full amount thereof, then the exemption or reduced rates for items provided for in this table is only available for the amount remitted to that country.
ccc	The rate of tax on branch interest (section 884(f)(1)(A)) is the treaty rate of the person who beneficially owns the interest. The rate of tax on excess interest (section 884(f)(1)(B)) is the general rate of tax on interest under the treaty in which the foreign corporation is resident. Alternatively, the interest rate on branch interest can be the same rate of tax as the rate for excess interest.