

# Foreign Recipients of U.S. Income, 2005

by Scott Luttrell

United States-source income of nonresident alien individuals and other foreign persons is reported on Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. This income is subject to a flat, statutory tax rate of 30 percent. However, this rate is frequently reduced or eliminated by way of an income tax treaty or statutory exemption (see Table 1 for the amount of income exempt from taxation). Income that is exempt from taxation because of a tax treaty or certain other exemptions must still be reported. The principal types of income are interest, dividends, notional principal contract income, rents, royalties, Social Security and railroad retirement payments, and personal services income, shown separately in Table 2. Other types of income include capital gains, scholarships, pensions and annuities, gambling winnings, and certain real estate distributions. Bank deposit interest and certain other interest payments on specific types of financial obligations are generally not reported on Form 1042-S.<sup>1</sup>

U.S. individuals, corporations, or other entities paying U.S.-source income to foreign persons are required to withhold taxes on this income (except where statutory or treaty exemptions apply) or to appoint a withholding agent (normally a U.S. financial institution) to do so. Foreign financial institutions that enter into agreements with the Internal Revenue Service, known as qualified intermediaries (QIs), may also serve as withholding agents. A withholding agent or qualified intermediary is fully liable for all taxes owed by a foreign beneficial owner and also reports the income paid to each recipient on Form 1042-S. Without this withholding requirement, there would be no effective way to enforce taxpayer compliance, because foreign recipients are generally not required to file U.S. tax returns to report this income.

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## Data Highlights

During Tax Year 2005, foreign persons received \$378.4 billion in U.S.-source income, as reported on Form 1042-S, and \$333.2 billion (88.0 percent) of this income were exempt from withholding taxes. A total of \$6.7 billion in taxes was withheld on the residual \$45.3 billion of income subject to withholding tax. The 63 countries with which the United States maintained a comprehensive tax treaty in 2005 accounted for \$279.2 billion of the total U.S. income paid to foreign persons and \$4.3 billion of the tax withheld (Table 1).<sup>2</sup> There were 10 nontreaty jurisdictions that received more than \$1 billion of U.S.-source income in 2005: the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, Hong Kong, Jersey, Netherlands Antilles, Saudi Arabia, Singapore, and Taiwan (Table 2). All nontreaty countries combined to account for 26.2 percent of total income and 36.0 percent of total tax withheld.

As shown in Figure A, residents of the United Kingdom, Japan, the Cayman Islands, Germany, the Netherlands, and Switzerland received the largest shares of U.S.-source income. Recipients from these six countries combined to account for 59.4 percent of total income. Meanwhile, the largest amounts of tax withheld were paid by residents of the Cayman Islands, Canada, France, Luxembourg, the United Kingdom, Switzerland, and Australia. Tax withheld on payments to residents of these countries made up 49.0 percent of total tax withheld.

Among recipient categories, corporations received the majority of U.S.-source income with \$263.2 billion (69.5 percent). Governments and international organizations were next with \$21.1 billion (5.6 percent), followed by individual recipients with \$10.8 billion (2.8 percent). The largest amounts of tax were withheld on payments made to corporations and individuals, accounting for 49.5 percent and 11.5 percent, respectively. The recipient category QI pools (see Explanation of Selected Terms), shown in Table 2 and Figure B, represents payments made from QIs directly to beneficial owners (or payments

<sup>1</sup> U.S. Department of the Treasury, Internal Revenue Service, Instructions for Form 1042-S. Bank deposit interest is generally excluded from Form 1042-S reporting, although an exception exists for Canadian residents who are not U.S. citizens. Bank deposit interest paid to Canadian residents is subject to Form 1042-S reporting but is exempt from withholding tax. In addition to bank deposit interest, other payments to foreign persons that are not subject to reporting on Form 1042-S include: interest and original issue discount (OID) from short-term obligations, registered obligations targeted to foreign markets, bearer obligations targeted to foreign markets, notional principal contract payments that are not effectively connected income, and accrued interest and OID.

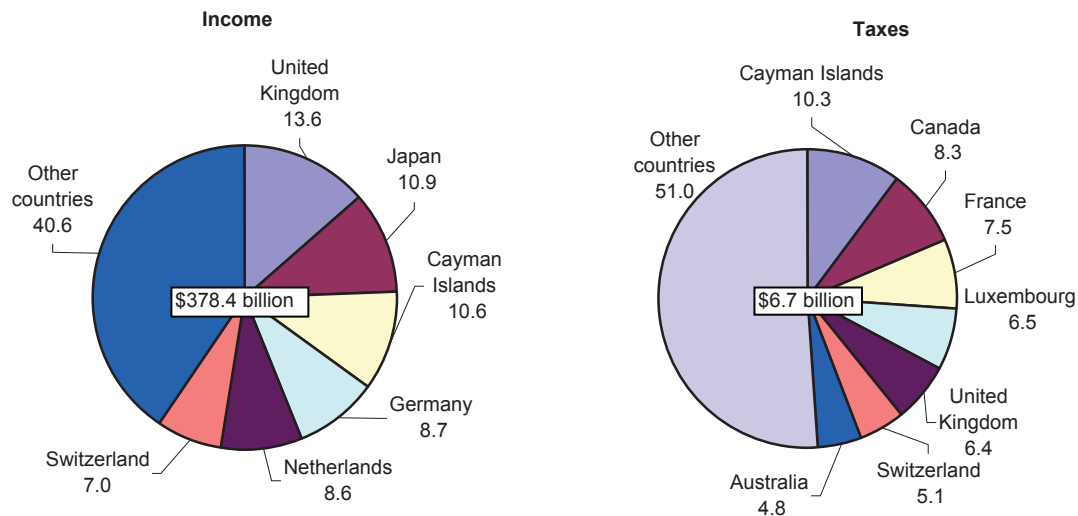
<sup>2</sup> U.S. Department of the Treasury, Internal Revenue Service, U.S. Tax Treaties, Publication 901. The U.S. income tax treaty with the former Union of Soviet Socialist Republics (U.S.S.R.) remains in effect for the following members of the Commonwealth of Independent States (C.I.S.): Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan. That treaty will remain in effect until new treaties with these individual countries are negotiated and ratified. New treaties with Russia, Kazakhstan, and the Ukraine entered into force in 1994, 1996, and 2001, respectively.

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**Figure A**

**Percentage of Income Paid to Foreign Persons and Percentage of Tax Withheld on Income Paid to Foreign Persons in Selected Countries, 2005**



**Figure B**

**U.S.-Source Payments to Foreign Persons: Income, Tax withheld, and Effective Tax Rate, by Recipient Type, Tax Year 2005**

[Money amounts are in thousands of dollars]

Selected recipient type	U.S.-source income			U.S. tax withheld	Effective tax rate on income subject to withholding tax [1]
	Total	Exempt from withholding	Subject to withholding		
	(1)	(2)	(3)	(4)	(5)
All recipients	378,438,148	333,181,909	45,256,240	6,665,857	14.7
Individuals	10,778,161	7,220,459	3,557,702	764,925	21.5
Corporations	263,182,921	236,478,349	26,704,573	3,299,199	12.4
Partnerships/trusts	8,534,865	7,176,113	1,358,753	267,684	19.7
U.S. branch treated as U.S. person	2,459,059	2,457,968	1,091	311	28.5
Governments and international organizations	21,114,040	21,047,656	66,385	8,728	13.1
Tax-exempt organizations	4,096,156	4,051,858	44,299	8,989	20.3
Private foundations	143,715	68,171	75,544	4,506	6.0
Artists and athletes	470,652	95,887	374,765	104,771	28.0
Qualified intermediary pools	53,445,529	41,453,883	11,991,646	2,037,094	17.0
Other/unknown	14,213,050	13,131,565	1,081,482	169,650	15.7

[1] U.S. tax withheld divided by U.S.-source income

NOTES: Detail may not add to totals because of rounding. Percentages are computed using rounded data.

that are treated as paid directly to beneficial owners). QI pool payments may include income payable to more than one category of recipient. As such, specific recipient classification is not available for these types of payments. In 2005, payments to QI pools made up 14.1 percent of total income and contributed 30.6 percent of total tax withheld.

U.S. income paid to foreign persons is classified under 1 of 34 possible income categories. Most of these income categories are devoted to specific types of interest, dividends, and passive types of income. For 2005, interest payments (\$211.8 billion) accounted for the majority of income paid to foreign recipients, accounting for 56.0 percent of the total. Dividends and notional principal contract income combined to account for \$113.5 billion, or 30.0 percent of total income. Rents and royalties accounted for \$21.5 billion, or 5.7 percent of total income.

Corporations were the leading recipients of the largest categories of income. Corporate recipients earned the most interest (69.0 percent), dividends (47.5 percent), notional principal contract income (95.5 percent), and rents and royalties income (92.8 percent). After corporate recipients, and excluding QI pools and other and unknown recipients, foreign governments and international organizations collected the largest shares of interest (6.4 percent) and dividends (6.4 percent). Individual recipients collected the second largest share of rents and royalties (2.4 percent).

Overall, the effective tax rate on all U.S.-source income subject to withholding in 2005 was 14.7 percent, significantly below the statutory rate of 30 percent, due largely to reduced withholding rates permitted under tax treaties. As shown in Figure B, tax rates varied considerably among recipient types. While corporations received the largest amount of income subject to withholding tax, they enjoyed some of the lowest effective tax rates (12.4 percent). This is largely attributable to the fact that corporations received large amounts of dividends and royalties that are subject to reduced withholding rates by way of tax treaties. In contrast, individual recipients received 20.4 percent of total income subject to withholding in the form of personal services income and Social Security and railroad retirement benefits, which are less likely to benefit from reduced treaty rates. QI pool payments subject to withholding tax

consisted of 92.6-percent dividends, the withholding rates for which were largely reduced by tax treaties.

## Data Sources and Limitations

Payers (or their authorized withholding agents) of most U.S.-source income to foreign persons must withhold tax in accordance with Internal Revenue Code section 1441. Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, is filed by the payer to report this income and the U.S. tax withheld. A financial institution often acts as the payer's withholding agent. The statistics in this data release were tabulated by calendar year, using all Forms 1042-S filed with the Internal Revenue Service for 2005. The data reflect the income that was paid and U.S. tax that was withheld for 2005.

Because the population of Forms 1042-S was used for the statistics, the data are not subject to sampling error. However, the data are subject to nonsampling error, including data entry and taxpayer reporting errors. Although the data were subjected to tests for certain basic mathematical relationships, including the calculation of the correct tax withheld, the possibility of error cannot be completely eliminated.

## Explanation of Selected Terms

*Beneficial owner*—In general, the beneficial owner is the person who is required under U.S. tax principals, to include income in gross income on a tax return. A person is not a beneficial owner of income, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent that person is a conduit whose participation in a transaction is disregarded.

*Foreign persons*—For purposes of this data release, foreign persons include: (a) individuals whose residence is not within the United States and who are not U.S. citizens (i.e., nonresident aliens) and (b) corporations and other organizations (including partnerships, private foundations, estates, and trusts) created or organized outside the United States. Individuals residing, and organizations created or organized, in Puerto Rico and U.S. possessions are also considered foreign persons.

*Notional principal contract income*—Notional principal contracts involve two parties who agree

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contractually to pay each other amounts at specified times, based on the underlying contract. The notional amount is an amount, specified in the contract, on which certain calculations are made. Generally, when amounts are due under the contract at the same time, they are netted, and only one payment is made.

*Qualified intermediary pool*—Payments made by a qualified intermediary directly to beneficial owners may generally be reported on the basis of reporting pools. A reporting pool consists of income that falls within a particular withholding rate and within a particular income type, exemption type, or recipient type.

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**Table 1. Foreign Recipients of U.S. Income Forms 1042S: Number, Total U.S.-Source Income, and U.S. Tax Withheld, Tax Treaty Countries and Total Non-Tax Treaty Countries, 2005**

[Money amounts in thousands of dollars]

Treaty status, country or geographic area	Number of Forms 1042S	U.S.-source income			U.S. tax withheld
		Total	Exempt from withholding	Subject to withholding	
	(1)	(2)	(3)	(4)	(5)
<b>Total</b>	<b>3,307,478</b>	<b>378,438,148</b>	<b>333,181,909</b>	<b>45,256,240</b>	<b>6,665,857</b>
<b>Treaty countries, total</b>	<b>2,585,776</b>	<b>279,202,083</b>	<b>242,976,584</b>	<b>36,225,499</b>	<b>4,266,814</b>
Armenia	482	24,530	23,898	632	113
Australia [1]	154,662	5,675,556	3,055,852	2,619,705	322,598
Austria	29,054	1,133,430	939,242	194,188	41,463
Azerbaijan	425	5,948	5,354	594	93
Barbados	2,666	519,126	350,243	168,883	34,116
Belarus	404	2,317	1,513	804	174
Belgium	22,421	6,053,452	5,509,306	544,145	90,004
Canada	430,555	16,901,234	11,025,120	5,876,114	555,639
China	75,528	3,396,714	3,219,868	176,846	20,397
Cyprus	2,005	121,738	114,293	7,445	1,799
Czech Republic	4,400	193,665	170,804	22,861	4,223
Denmark	7,222	1,859,531	1,579,439	280,092	38,054
Egypt	4,154	36,886	24,813	12,073	2,193
Estonia	754	3,248	1,621	1,627	388
Finland	4,034	1,343,407	1,260,703	82,704	8,177
France [2]	52,029	15,078,901	7,702,112	7,376,789	502,933
Georgia	505	4,042	2,101	1,941	478
Germany	798,228	32,926,009	30,196,601	2,729,407	251,703
Greece	17,352	111,715	49,435	62,281	16,345
Hungary	3,520	2,116,511	2,031,693	84,817	12,741
Iceland	1,838	631,952	616,819	15,133	2,563
India	23,146	298,083	223,963	74,119	11,885
Indonesia	6,821	31,129	24,761	6,369	1,125
Ireland	35,782	8,413,652	7,413,802	999,850	202,478
Israel	30,810	685,632	530,303	155,329	28,878
Italy	49,374	2,676,058	1,574,293	1,101,765	152,142
Jamaica	4,869	61,625	40,937	20,688	3,544
Japan	86,081	41,078,767	38,864,142	2,214,625	214,677
Kazakhstan	510	51,139	48,797	2,341	327
Korea, Republic of (South)	23,606	1,971,896	1,723,536	248,360	37,184
Kyrgyzstan	237	1,375	1,184	191	25
Latvia	826	10,491	9,250	1,241	310
Lithuania	775	4,098	2,753	1,345	283
Luxembourg	5,431	9,849,585	7,314,159	2,535,426	435,784
Mexico	142,671	3,304,285	2,382,791	921,495	142,521
Moldova	218	1,689	974	715	149
Morocco	912	10,668	8,736	1,932	390

Footnotes at end of table.

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**Table 1. Foreign Recipients of U.S. Income Forms 1042S: Number, Total U.S.-Source Income, and U.S. Tax Withheld, Tax Treaty Countries and Total Non-Tax Treaty Countries, 2005—Continued**

[Money amounts in thousands of dollars]

Treaty status, country or geographic area	Number of Forms 1042S	U.S.-source income			U.S. tax withheld
		Total	Exempt from withholding	Subject to withholding	
	(1)	(2)	(3)	(4)	(5)
Netherlands	38,816	32,587,372	31,612,492	974,879	107,574
New Zealand	16,200	366,365	214,944	151,421	21,296
Norway	6,263	3,808,739	3,716,009	92,730	15,046
Pakistan	4,784	35,520	30,001	5,519	1,057
Philippines	21,084	388,906	308,759	80,148	18,094
Poland	7,343	145,531	117,320	28,211	6,052
Portugal	10,493	241,921	171,718	70,203	12,847
Romania	2,494	21,171	10,108	11,064	1,538
Russia	9,303	548,843	528,760	20,083	3,626
Slovak Republic	1,340	8,638	6,193	2,445	554
Slovenia	1,201	12,895	9,215	3,680	841
South Africa	7,775	115,362	68,623	46,739	8,281
Spain	30,192	928,887	616,362	312,525	42,334
Sri Lanka	732	3,591	1,247	2,344	342
Sweden	23,190	3,710,038	3,253,034	457,004	62,915
Switzerland	41,285	26,657,493	25,051,575	1,605,918	336,905
Tajikistan	183	1,016	866	150	19
Thailand	6,669	155,966	139,906	16,060	2,760
Trinidad and Tobago	5,466	52,308	43,433	8,876	2,381
Tunisia	425	21,647	21,213	434	78
Turkey	5,084	30,278	17,052	13,226	2,305
Turkmenistan	124	952	785	167	25
Ukraine	1,705	10,464	8,561	1,903	447
United Kingdom	274,440	51,510,423	48,789,076	2,721,347	423,265
Uzbekistan	427	2,695	1,997	698	149
Venezuela	44,451	1,244,976	192,122	1,052,854	58,185
<b>Nontreaty countries, total [3]</b>	<b>721,702</b>	<b>99,236,065</b>	<b>90,205,325</b>	<b>9,030,740</b>	<b>2,399,043</b>

[1] Includes Ashmore and Cartier Islands/Christmas Island/Cocos (Keeling) Islands/Coral Sea Islands Territory/Norfolk Island.

[2] Includes Guadeloupe/French Guiana/Martinique/Reunion.

[3] Includes Puerto Rico and U.S. possessions. The U.S. and Bermuda have had a tax treaty in effect since 1986, however, this treaty provides no reduction of withholding rates.

NOTES: Detail may not add to totals because of rounding. Form 1042S is entitled "Foreign Person's U.S. Source Income Subject to Withholding."



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**Table 2. Foreign Recipients of U. S. Income Forms 1042S: Number, U.S. Tax Withheld, and U.S.-Source Income, by Principal Type of Income, Selected Recipient Type, and Selected Country of Recipient, 2005**

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld [1]	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Total</b>	<b>3,307,478</b>	<b>6,665,857</b>	<b>378,438,148</b>	<b>211,819,378</b>	<b>67,223,982</b>	<b>21,476,001</b>	<b>1,346,436</b>	<b>1,978,036</b>	<b>46,236,397</b>
<b>RECIPIENT TYPES</b>									
Individuals, total	2,847,993	764,925	10,778,161	3,708,966	2,094,957	521,903	1,346,430	881,031	4,133
Corporations, total	308,436	3,299,199	263,182,921	146,100,764	31,912,141	19,932,984	0	418,912	44,160,468
Partnerships/trusts, total	72,868	267,684	8,534,865	4,330,930	3,286,387	108,545	0	22,674	35,487
U.S. branch treated as U.S. person, total	556	311	2,459,059	1,864,069	23,217	4	0	0	547,070
Governments and international organizations, total	4,268	8,728	21,114,040	13,616,366	4,286,304	4,111	0	665	123,020
Tax-exempt organizations, total [1]	5,071	8,989	4,096,156	2,443,312	1,392,564	136,750	0	129	0
Private foundations, total	847	4,506	143,715	61,334	71,284	2,491	0	3	0
Artists and athletes, total	8,867	104,771	470,652	0	0	19,590	0	0	0
Qualified intermediary pools, total	35,425	2,037,094	53,445,529	37,322,201	15,280,652	125,208	0	5	1,455
Other/unknown, total	23,147	169,650	14,213,050	2,371,437	8,876,476	624,415	6	654,617	1,364,764
<b>COUNTRIES OR GEOGRAPHIC AREAS, RECIPIENT TYPES</b>									
Argentina	58,516	17,166	317,668	243,673	37,199	3,166	8,794	3,943	0
Individuals	56,160	10,173	236,725	189,442	20,354	713	8,794	3,119	0
Corporations	1,897	3,452	63,718	50,631	9,978	1,481	0	694	0
Qualified intermediary pools	12	2	1,009	1,001	9	0	0	0	0
Australia	154,274	322,078	5,669,483	2,028,862	2,007,051	578,126	16,666	11,083	407,511
Individuals	113,238	13,354	103,666	10,200	33,598	7,782	16,666	5,287	0
Corporations	19,760	221,959	3,325,152	676,828	1,308,956	562,055	0	2,471	403,888
Qualified intermediary pools	65	40,424	1,153,742	884,247	260,821	0	0	0	0
Austria	29,054	41,462	1,133,429	756,415	196,718	21,466	6,983	14,165	92,514
Individuals	25,901	6,190	73,149	11,121	24,204	12,558	6,983	2,244	0
Corporations	655	15,219	448,545	258,031	72,682	8,766	0	1,011	92,514
Qualified intermediary pools	1,913	19,013	323,097	231,111	86,463	12	0	1	0
Bahamas	18,475	73,654	1,601,337	1,281,801	249,206	19,527	654	1,602	1,846
Individuals	4,200	3,864	36,468	15,291	14,695	63	654	844	0
Corporations	13,237	46,278	1,168,344	957,979	158,351	18,254	0	61	1,846
Qualified intermediary pools	220	10,906	261,502	224,390	36,621	0	0	0	0
Bahrain	1,711	1,199	204,708	192,792	7,360	18	24	0	909
Individuals	1,375	255	2,411	316	649	17	24	0	0
Corporations	260	895	137,502	132,386	3,291	0	0	0	248
Qualified intermediary pools	14	16	193	49	145	0	0	0	0
Barbados	2,666	34,115	519,125	313,370	58,579	37,345	1,448	338	55,286
Individuals	1,431	629	11,948	7,590	927	1,024	1,448	20	0
Corporations	978	25,537	445,822	276,626	52,017	11,820	0	312	55,286
Qualified intermediary pools	19	408	23,886	22,469	1,359	0	0	0	0
Belgium	22,421	90,003	6,053,451	4,238,210	940,839	79,702	5,300	66,067	641,268
Individuals	19,814	7,771	112,001	11,833	18,664	3,167	5,300	62,712	0
Corporations	1,298	7,303	1,823,060	1,018,660	42,543	76,380	0	676	641,268
Qualified intermediary pools	452	69,836	4,073,567	3,184,870	868,380	0	0	0	0
Bermuda	18,196	234,521	8,815,047	7,833,010	737,511	11,567	749	3,296	18,847
Individuals	5,693	4,377	52,688	36,697	4,252	7,800	749	241	0
Corporations	10,688	186,452	7,933,412	7,123,277	594,445	3,716	0	3,023	9,330
Qualified intermediary pools	42	7,225	173,168	148,924	23,946	29	0	0	0

Footnotes at end of table.

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**Table 2. Foreign Recipients of U. S. Income Forms 1042S: Number, U.S. Tax Withheld, and U.S.-Source Income, by Principal Type of Income, Selected Recipient Type, and Selected Country of Recipient, 2005—Continued**

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld [1]	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Brazil	30,276	20,430	381,603	253,081	26,341	4,492	5,233	23,464	0
Individuals	28,114	10,203	133,219	89,767	14,121	3,032	5,233	6,430	0
Corporations	1,506	5,865	96,876	73,734	2,353	1,100	0	14,938	0
Qualified intermediary pools	5	0	112	111	1	0	0	0	0
British Virgin Islands	59,970	217,730	9,530,608	8,516,521	825,300	39,587	367	17,900	22,804
Individuals	2,955	2,705	70,954	58,596	10,710	505	367	4	0
Corporations	55,672	204,791	9,330,157	8,369,177	799,072	36,545	0	392	22,804
Qualified intermediary pools	74	125	6,344	5,930	415	0	0	0	0
Canada	430,555	555,638	16,901,233	5,624,732	6,106,805	616,690	352,539	253,094	2,489,463
Individuals	395,732	75,398	966,949	80,935	81,907	49,176	352,539	96,477	0
Corporations	16,518	179,294	9,317,162	3,227,403	2,374,477	546,966	0	109,448	2,158,330
Qualified intermediary pools	3,991	272,193	4,778,961	1,882,327	2,868,988	23	0	0	0
Cayman Islands	69,215	687,910	40,087,882	37,151,769	2,225,578	8,877	398	74	55,309
Individuals	19,371	109,574	1,140,097	704,340	397,639	71	398	2	0
Corporations	45,409	536,067	37,411,308	35,136,254	1,702,900	6,435	0	70	43,858
Qualified intermediary pools	226	5,497	74,719	55,024	15,763	20	0	0	0
Chile	18,741	37,930	445,059	243,114	116,125	2,126	3,468	1,412	513
Individuals	15,008	4,610	86,059	67,446	7,943	301	3,468	973	0
Corporations	3,552	32,667	269,909	88,783	107,476	1,227	0	364	513
Qualified intermediary pools	6	0	35	35	0	0	0	0	0
China	75,528	20,397	3,396,713	2,780,770	173,040	70,639	330	233,090	44,272
Individuals	74,228	5,332	389,253	52,530	22,483	1,038	330	224,753	0
Corporations	807	1,459	986,153	931,685	3,532	3,920	0	372	44,272
Qualified intermediary pools	24	12,599	291,632	165,912	125,704	0	0	0	0
Colombia	25,848	8,407	366,960	320,674	23,219	3,863	7,359	2,497	0
Individuals	23,477	5,519	56,065	30,707	6,430	1,902	7,359	2,339	0
Corporations	2,022	2,572	128,999	120,620	5,400	1,883	0	118	0
Qualified intermediary pools	d	d	d	d	d	d	d	d	d
Denmark	7,222	38,054	1,859,531	566,511	266,054	34,211	4,294	2,239	948,015
Individuals	5,877	2,901	27,444	5,589	4,705	2,710	4,294	1,592	0
Corporations	747	8,759	1,336,260	257,660	85,851	31,201	0	155	937,187
Qualified intermediary pools	229	23,812	428,163	270,669	157,323	1	0	0	0
Finland	4,034	8,177	1,343,407	163,393	73,608	49,063	2,456	10,437	1,017,833
Individuals	3,315	971	8,178	578	784	188	2,456	792	0
Corporations	375	4,221	1,180,665	75,972	19,809	47,500	0	42	1,017,373
Qualified intermediary pools	56	2,574	39,406	22,240	17,152	0	0	0	0
France	51,696	502,783	15,076,115	5,071,788	5,119,145	2,299,288	26,922	67,749	2,213,945
Individuals	45,344	19,439	216,738	23,990	43,197	36,538	26,922	48,136	0
Corporations	3,791	350,324	12,137,203	3,679,097	4,112,512	2,171,711	0	14,454	1,933,737
Qualified intermediary pools	642	113,797	1,923,819	1,184,161	737,455	13	0	1	0
Germany	798,228	251,703	32,926,008	10,054,807	3,079,880	1,035,839	92,651	113,963	17,906,075
Individuals	784,667	36,879	780,712	49,861	194,236	35,507	92,651	36,208	127
Corporations	6,595	118,904	28,626,122	8,258,509	2,230,206	891,725	0	9,470	17,017,657
Qualified intermediary pools	3,302	81,228	2,201,902	1,505,539	604,386	75,708	0	1	0

Footnotes at end of table.



# Foreign Recipients of U.S. Income, 2005

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**Table 2. Foreign Recipients of U. S. Income Forms 1042S: Number, U.S. Tax Withheld, and U.S.-Source Income, by Principal Type of Income, Selected Recipient Type, and Selected Country of Recipient, 2005—Continued**

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld [1]	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Greece	17,352	16,345	111,715	16,925	41,282	1,813	38,392	2,938	0
Individuals	16,789	12,785	87,706	8,254	30,159	184	38,392	2,854	0
Corporations	352	2,012	18,346	8,138	6,776	1,435	0	37	0
Qualified intermediary pools	79	90	359	59	294	0	0	0	0
Guernsey	2,934	18,705	684,758	613,744	62,494	514	0	255	0
Individuals	440	655	32,966	30,342	1,850	0	0	116	0
Corporations	1,868	9,835	475,746	439,597	31,704	487	0	0	0
Qualified intermediary pools	163	6,289	159,856	137,358	20,928	8	0	0	0
Hong Kong	39,782	61,046	1,376,128	952,282	319,815	6,532	1,707	16,919	32,440
Individuals	34,402	13,832	121,822	61,740	47,043	965	1,707	1,652	0
Corporations	4,427	25,345	666,059	551,320	45,938	5,235	0	15,071	32,440
Qualified intermediary pools	180	16,362	165,459	110,356	54,969	1	0	0	0
India	23,146	11,885	298,082	24,217	6,280	10,921	1,822	164,141	36
Individuals	21,971	7,493	80,040	4,566	5,195	600	1,822	22,664	0
Corporations	329	4,139	201,212	6,326	730	10,294	0	139,865	36
Qualified intermediary pools	11	37	151	1	150	0	0	1	0
Ireland	35,782	202,478	8,413,652	6,456,046	1,365,270	136,337	18,518	20,615	79,568
Individuals	29,492	20,677	1,110,189	696,711	220,228	11,528	18,518	1,547	70
Corporations	3,719	126,330	6,443,681	5,484,885	589,670	124,515	0	16,627	79,497
Qualified intermediary pools	163	37,039	581,213	169,534	410,836	0	0	0	0
Israel	30,810	28,877	685,631	444,643	61,685	84,222	7,879	43,123	19,200
Individuals	28,393	8,551	105,770	30,811	16,820	15,595	7,879	15,980	0
Corporations	1,513	11,405	369,461	277,025	16,981	47,785	0	5,023	19,200
Qualified intermediary pools	192	5,577	70,769	48,038	22,670	0	0	0	0
Italy	49,374	152,141	2,676,058	1,236,564	965,568	94,146	98,524	33,002	95,759
Individuals	44,674	8,062	282,201	11,830	13,586	14,746	98,524	26,239	0
Corporations	1,800	24,169	537,256	188,254	157,232	77,751	0	3,150	95,759
Qualified intermediary pools	1,533	116,755	1,597,208	817,423	776,999	32	0	0	0
Jamaica	4,869	3,544	61,625	34,008	2,323	9,784	6,181	5,315	0
Individuals	4,354	2,444	21,242	4,000	1,131	1,756	6,181	4,795	0
Corporations	305	1,035	32,812	23,348	1,158	8,017	0	27	0
Qualified intermediary pools	d	d	d	d	d	d	d	d	d
Japan	86,081	214,677	41,078,767	20,987,316	6,054,379	5,007,390	46,845	65,650	7,930,072
Individuals	76,944	8,694	249,171	52,260	24,695	26,673	46,845	49,044	0
Corporations	5,499	103,794	27,202,017	11,360,390	2,745,373	4,761,980	0	10,680	7,788,111
Qualified intermediary pools	596	82,729	8,945,793	6,452,297	2,468,788	0	0	0	0
Jersey	4,744	71,084	2,047,797	1,767,089	238,376	71	0	114	0
Individuals	456	839	6,416	3,322	2,953	35	0	0	0
Corporations	2,368	36,827	1,769,661	1,614,211	113,936	28	0	114	0
Qualified intermediary pools	963	18,684	147,930	81,825	65,777	3	0	0	0
Korea, Republic of (South)	23,606	37,183	1,971,895	1,469,218	29,116	159,550	1,334	33,915	4,657
Individuals	20,774	4,820	88,657	8,893	4,437	2,642	1,334	30,442	0
Corporations	1,030	30,698	598,631	407,788	19,851	155,653	0	3,071	4,657
Qualified intermediary pools	34	91	303,061	302,518	543	0	0	0	0

Footnotes at end of table.

# Foreign Recipients of U. S. Income, 2005

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**Table 2. Foreign Recipients of U. S. Income Forms 1042S: Number, U.S. Tax Withheld, and U.S.-Source Income, by Principal Type of Income, Selected Recipient Type, and Selected Country of Recipient, 2005—Continued**

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld [1]	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Kuwait	4,044	6,197	717,098	349,189	309,557	249	0	263	1,517
Individuals	3,166	821	4,149	1,046	2,006	237	0	263	0
Corporations	625	4,103	32,193	17,202	13,020	0	0	0	1,517
Qualified intermediary pools	3	6	22	0	23	0	0	0	0
Luxembourg	5,431	435,783	9,849,585	6,799,117	2,370,182	391,040	355	7,772	6
Individuals	1,357	8,571	58,032	427	56,496	34	355	312	0
Corporations	3,299	233,797	6,770,098	4,552,352	1,722,958	376,152	0	226	6
Qualified intermediary pools	478	173,409	2,590,272	1,908,953	519,885	12	0	0	0
Mexico	142,671	142,520	3,304,285	1,582,765	544,123	288,164	182,369	25,563	1,704
Individuals	136,551	84,182	693,287	276,430	107,972	9,872	182,369	18,533	0
Corporations	4,015	49,535	1,014,974	213,799	416,289	273,267	0	5,807	1,704
Qualified intermediary pools	11	229	2,323	26	2,297	0	0	0	0
Netherlands	38,816	107,574	32,587,371	7,508,556	11,332,051	483,766	13,962	299,106	860,036
Individuals	27,475	8,567	89,178	7,281	24,064	6,424	13,962	14,699	64
Corporations	5,684	74,947	19,077,446	4,713,179	1,696,548	390,955	0	10,049	557,290
Qualified intermediary pools	2,172	8,712	158,538	66,245	65,813	9	0	0	0
Netherlands Antilles	5,360	84,445	3,030,434	2,691,638	285,412	8,806	471	81	190
Individuals	2,530	809	77,824	39,108	2,031	318	471	68	0
Corporations	2,436	37,516	548,448	408,622	124,308	8,487	0	11	0
Qualified intermediary pools	62	44,205	2,355,933	2,208,426	147,494	0	0	0	0
New Zealand	16,200	21,296	366,365	194,429	113,705	40,190	1,051	1,448	1,081
Individuals	13,036	2,425	20,086	1,993	7,198	2,802	1,051	1,168	0
Corporations	1,500	15,623	140,138	28,966	69,121	36,185	0	231	1,081
Qualified intermediary pools	20	150	519	12	506	0	0	0	0
Norway	6,263	15,046	3,808,739	2,263,684	565,150	21,604	34	4,427	2,166
Individuals	5,330	973	14,494	1,620	2,655	2,525	34	3,618	0
Corporations	553	9,734	1,665,854	662,267	58,678	18,851	0	235	2,166
Qualified intermediary pools	23	2,806	30,411	5,278	18,708	0	0	0	0
Panama	21,504	29,797	687,497	519,383	145,618	882	1,512	784	0
Individuals	4,486	5,263	83,452	63,072	15,741	96	1,512	726	0
Corporations	16,787	24,234	559,354	412,485	129,450	754	0	19	0
Qualified intermediary pools	8	2	100	92	8	0	0	0	0
Philippines	21,084	18,094	388,906	297,864	12,574	23,998	37,623	6,222	0
Individuals	20,047	13,888	71,069	12,820	5,614	434	37,616	5,667	0
Corporations	349	3,982	55,046	30,405	1,038	23,338	0	8	0
Qualified intermediary pools	3	1	18	14	5	0	0	0	0
Portugal	10,493	12,846	241,921	133,713	19,484	1,070	27,981	2,945	52,313
Individuals	9,936	8,082	60,734	21,522	6,083	186	27,981	2,531	0
Corporations	257	2,317	102,926	47,224	1,210	868	0	413	52,313
Qualified intermediary pools	82	1,266	17,704	13,671	4,029	0	0	0	0
Puerto Rico	9,650	4,003	1,176,214	1,120,652	44,026	441	1,098	290	1,028
Individuals	4,150	480	17,015	13,460	868	172	1,098	23	0
Corporations	4,374	3,192	904,787	883,542	16,907	253	0	267	0
Qualified intermediary pools	0	0	0	0	0	0	0	0	0

Footnotes at end of table.

# Foreign Recipients of U.S. Income, 2005

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**Table 2. Foreign Recipients of U. S. Income Forms 1042S: Number, U.S. Tax Withheld, and U.S.-Source Income, by Principal Type of Income, Selected Recipient Type, and Selected Country of Recipient, 2005—Continued**

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld [1]	Total U.S.-source income	Principal types of U.S.-source income					
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income	Notional principal contract income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Saudi Arabia	8,792	13,645	1,197,365	366,611	338,489	290	15	45	0
Individuals	8,128	7,603	37,942	4,410	24,434	270	15	38	0
Corporations	450	5,177	148,047	130,635	15,769	0	0	0	0
Qualified intermediary pools	d	d	d	d	d	d	d	d	d
Singapore	40,235	55,746	3,029,872	1,354,294	1,331,906	10,550	128	1,161	238
Individuals	35,834	6,529	44,510	17,524	18,929	611	128	413	0
Corporations	2,488	39,304	988,798	668,662	53,963	9,850	0	398	238
Qualified intermediary pools	208	7,140	190,982	166,306	24,402	3	0	0	0
Spain	30,192	42,333	928,887	544,741	207,023	61,457	26,860	19,939	10,445
Individuals	27,298	10,576	91,320	24,758	14,929	5,452	26,860	6,941	0
Corporations	1,735	13,932	385,856	194,157	84,960	55,353	0	1,566	10,445
Qualified intermediary pools	412	15,974	365,691	259,528	106,014	0	0	0	0
Sweden	23,190	62,914	3,710,037	1,688,012	809,378	818,910	11,039	23,089	38,989
Individuals	20,531	5,842	60,392	2,686	6,511	3,544	11,039	20,295	0
Corporations	863	28,046	2,352,411	1,226,033	218,617	813,520	0	911	38,989
Qualified intermediary pools	64	26,018	413,045	117,534	295,501	0	0	0	0
Switzerland	41,285	336,905	26,657,493	17,383,140	1,771,205	4,753,057	13,243	22,772	1,055,943
Individuals	31,617	14,472	210,374	40,399	60,652	39,985	13,243	10,315	3,870
Corporations	5,112	53,825	22,424,544	14,947,864	502,840	4,551,524	0	3,081	1,027,346
Qualified intermediary pools	2,338	224,248	2,264,216	1,105,676	1,104,609	700	0	0	0
Taiwan	80,870	51,608	5,011,793	4,203,337	152,460	5,404	264	2,949	4,476
Individuals	75,317	23,226	227,068	132,034	62,204	562	264	2,571	0
Corporations	2,799	16,578	2,122,696	1,957,255	45,359	4,745	0	305	4,476
Qualified intermediary pools	5	0	1	0	1	0	0	0	0
United Arab Emirates	7,633	6,497	832,343	180,916	538,065	178	17	167	0
Individuals	6,984	2,847	14,499	8,981	3,484	143	17	162	0
Corporations	332	2,044	118,236	46,490	5,480	34	0	3	0
Qualified intermediary pools	13	3	20	9	12	0	0	0	0
United Kingdom	274,440	423,265	51,510,423	25,315,474	10,011,107	3,742,408	97,645	254,970	9,877,877
Individuals	238,229	54,337	1,027,151	277,500	229,365	183,906	97,645	71,589	0
Corporations	17,383	225,253	43,197,204	20,360,851	7,913,576	3,439,243	0	31,586	9,821,676
Qualified intermediary pools	2,792	64,086	4,043,727	3,341,939	464,099	47,804	0	0	0
Venezuela	44,451	58,184	1,244,976	168,911	1,041,059	2,730	1,236	8,466	8,223
Individuals	41,035	4,364	128,660	96,150	12,104	1,892	1,236	7,332	0
Corporations	2,980	52,674	1,106,406	68,428	1,027,519	328	0	900	8,223
Qualified intermediary pools	3	0	37	37	1	0	0	0	0

[1] Unrelated business income paid to foreign tax-exempt organizations is subject to withholding tax.

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

NOTES: Detail may not add to totals because of rounding. Form 1042S is entitled "Foreign Person's U.S. Source Income Subject to Withholding." All countries with total U.S.-source income over \$100 million for Tax Year 2005 were selected for this table.