

Foreign Recipients of U.S. Income, 1992

by Denise S. Freitas

United States-source income paid to "foreign persons" in 1992 totaled \$77.5 billion, a net increase of 10.5 percent or \$7.3 billion over 1991. Accordingly, the \$2.0 billion in U.S. tax withheld by domestic agents on this income was 9.2 percent more than that for 1991. Payments to Japanese persons increased by 9.6 percent to \$21.8 billion, making them the largest recipient group for 1992 U.S.-source income. Payments to United Kingdom persons, the second largest recipient group, increased by 11.3 percent, to \$15.2 billion. Together, these two countries accounted for almost half of the income paid to foreign recipients.

Background

U.S.-source income of nonresident alien individuals and other foreign persons is reported on Form 1042S, *Foreign Persons' U.S.-Source Income Subject to Withholding*. This income is subject to a flat, statutory tax rate of 30 percent. However, this income may be taxed at a lower rate or not taxed at all by way of a tax treaty or statutory exemption (see Table 1 for amount of income exempt from taxation). The income covered by this article includes, but is not limited to, certain interest, dividends, compensation for personal services, rents and royalties, retirement payments, and capital gains. Income that is "effectively connected" with a U.S. trade or business (see "Income Effectively Connected with a U.S. Trade or Business" in the *Explanation of Selected Terms* section), or is bank deposit interest, is not subject to withholding and is generally not reported on Form 1042S.

Even though certain income is exempt from U.S. taxation under a tax treaty between the person's country of residence and the United States, or under a U.S. statutory exemption (such as for portfolio interest), it is nevertheless reported on Form 1042S. Portfolio interest is generally any interest other than interest on a bank loan or a loan between related persons. According to section 871(i) of the Internal Revenue Code, bank deposit interest is exempt from withholding. The reductions or exemptions from U.S. tax vary under each treaty. A foreign payee may claim an exemption or reduced tax rate on interest or royalties by filing Form 1001, *Ownership, Exemption, or Reduced Rate Certificate*.

U.S. individuals or businesses distributing 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 financial institution) to do so. A payer or designated

agent is fully liable for all taxes owed by a recipient and also reports the income paid to each recipient on a Form 1042S. Without this withholding requirement there would be no way to enforce taxpayer compliance because foreign recipients are not required to file U.S. tax returns to report this income.

Data Highlights

Total U.S.-source income payments to foreign persons as reported on Form 1042S increased by \$7.3 billion to \$77.5 billion between 1991 and 1992. Interest (\$49.1 billion for 1992) accounted for \$1.9 billion of this increase. Dividends (\$13.7 billion for 1992) accounted for \$2.1 billion of the increase. In addition to interest and dividends, total payments are comprised of capital gains, royalties, rents, pensions and annuities, scholarship or fellowship compensations, compensations for personal services, social security and railroad retirement payments, real estate distributions, and miscellaneous income. The last income category is used to report U.S.-source fixed or determinable annual income that is not reportable under any of the other income categories. Examples of such income are commissions, insurance proceeds, prizes, and racing purses. Miscellaneous income, as shown in the statistics, also includes income that taxpayers do not specifically classify as being one type or another.

For 1992, the total number of Forms 1042S rose 13.6 percent to 1,373,430. The average payment decreased to \$56,440, down 2.8 percent from 1991. The average U.S. tax withheld per payment, not including tax withheld by foreign governments and foreign withholding agents (see *Data Sources and Limitations*), decreased by 3.9 percent to \$1,474. For 1992, the average or effective withholding rate (tax withheld as a percentage of total U.S.-source income paid) remained stable at 2.6 percent. However, the effective withholding rate on the \$17.6 billion of income subject to withholding tax was 11.5 percent, substantially less than the 30 percent statutory rate. Reasons for this are discussed in the *Taxes Withheld* section.

Tax Treaties

The United States participated in tax treaties in 1992 with 50 of its trading partners (Table 1). It should be noted that the U.S. income tax treaty with the former U.S.S.R. remains in effect with members of the Commonwealth of Independent States (C.I.S.). That treaty will remain in effect until new treaties with individual C.I.S. members are negotiated and ratified. C.I.S. members are Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan [1]. Thus, in the statistics for previous years

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the U.S.S.R. is included in the treaty country total [2]; in the 1992 data, the individual C.I.S. members are included instead of the U.S.S.R. as a whole.

For 1992, persons in treaty countries received 87.1 percent of total U.S.-source income payments to foreign persons, while accounting for 81.5 percent of the total U.S. tax withheld on these payments. The only two non-treaty countries which received amounts of U.S.-source income over \$1 billion were Bermuda and the Cayman Islands (Table 2) [3]. A comparison of income, U.S. tax withheld, and effective U.S. tax rates for treaty and non-treaty country recipients for 1992 is given (Figure A).

Figure A

Total U.S.-Source Income, U.S. Tax Withheld, and Effective U.S. Tax Rates for Treaty and Nontreaty Countries, 1992

(Money amounts are in millions of dollars)

Treaty status	Total U.S.-source income	U.S. tax withheld ¹	Effective U.S. tax rate (col. 2/ col. 1) (percent)
	(1)	(2)	(3)
All countries.....	77,516	2,025	2.6
Tax treaty countries.....	67,550	1,636	2.4
Non-tax treaty countries.....	9,966	389	3.9

¹Excludes small amounts of tax withheld by foreign governments and withholding agents.

Types of Income

For 1992, interest payments reported on the 1042S, which excludes bank deposit interest, increased by 3.9 percent to \$49.1 billion, accounting for 63.3 percent of the total U.S.-source income paid to foreign persons. For 1991, interest comprised 67.3 percent of total U.S.-source income and amounted to \$47.2 billion. Dividends, the second largest type of payment, increased by 18.3 percent to \$13.7 billion. Dividends comprised 17.6 percent of the total U.S.-source income in 1992 and 16.0 percent in 1991. Compensation for personal services decreased by 66.1 percent to approximately \$0.6 billion, while capital gains increased by 280.5 percent from \$0.08 billion to \$0.3 billion. Miscellaneous income, which doubled between 1989 and 1991, rose by 85.2 percent in 1992 to a total of almost \$7.9 billion. Income and tax information for the different types of income in 1992 are detailed (Figure B).

Types of Recipients

Foreign corporations received 74.0 percent of the U.S.-source income paid in 1992, while accounting for 69.5 percent of the U.S. tax withheld. U.S.-source income paid to foreign corporations totaled \$57.4 billion, a \$3.9 billion

Figure B

Total U.S.-Source Income and U.S. Tax Withheld, by Type of Income, 1992

(Money amounts are in millions of dollars)

Income type	Total U.S.-source income	U.S. tax withheld ¹	Percentage of U.S. tax withheld	Effective U.S. tax rate (col. 2/ col. 1) (percent)
	(1)	(2)	(3)	(4)
All income types.....	77,516	2,025	100.0	2.6
Interest.....	49,089	287	14.2	0.6
Dividends.....	13,673	1,353	66.8	9.9
To foreign parents.....	6,563	367	18.1	5.6
Other.....	7,110	986	48.7	13.9
Rents and royalties.....	4,421	160	7.9	3.6
Social security and railroad retirement payments.....	1,033	82	4.0	7.9
Compensation for personal services.....	559	41	2.0	7.3
Capital gains.....	293	1	(²)	(²)
Pensions and annuities.....	185	11	0.5	5.9
Scholarships and fellowships.....	322	14	0.7	4.3
Real estate distributions.....	56	16	0.8	28.6
Miscellaneous.....	7,885	60	3.0	0.8

¹Excludes small amounts of U.S. tax withheld by foreign governments and withholding agents.

²Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

increase from 1991 (Table 2). Percentages of total income and U.S.-tax withheld by type of recipient are presented (Figure C).

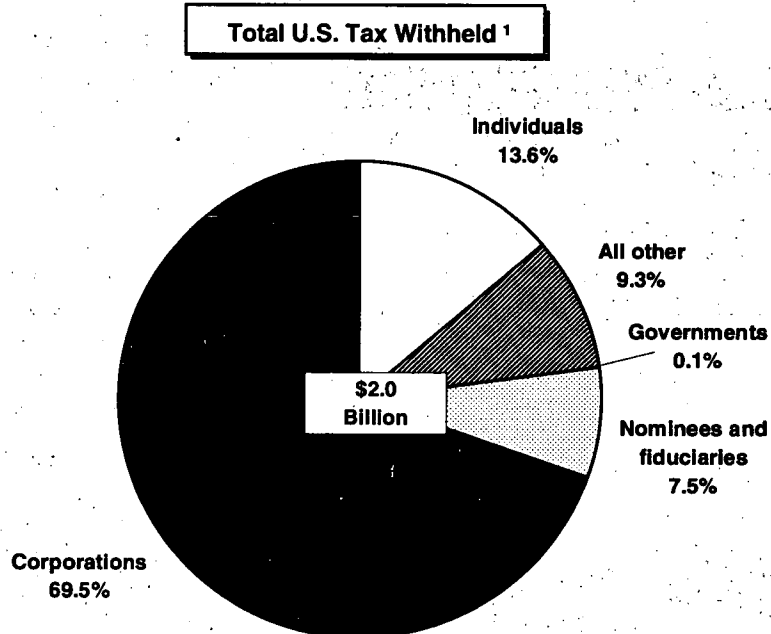
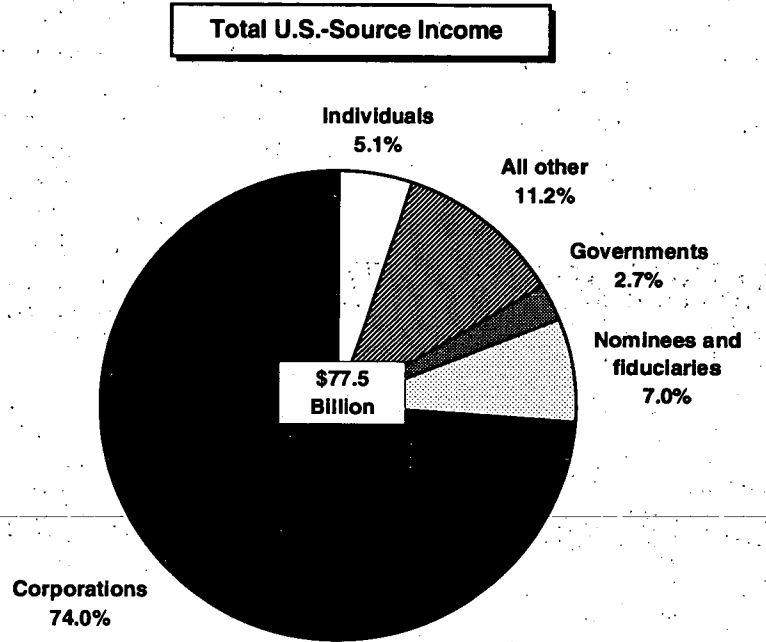
Tax withheld on corporations is low in comparison to the income earned by those corporations (69.5 versus 74.0 percent of the totals for all recipients) because 75.8 percent of the income distributed to corporations was exempt from U.S. taxation, principally due to various tax treaties involving interest income, which made up 62.5 percent of the income distributed. Thus, only 1.4 percent of the income distributed to corporations was taxed at the maximum rate of 30 percent. In addition, "direct investment dividends" (i.e., those dividends paid to a foreign parent company by a U.S. subsidiary) were subject to a lower tax rate under most tax treaties than were portfolio dividends.

Individuals, in contrast to corporations, show a higher percentage of total taxes withheld relative to total income (Figure C). Just 59.6 percent of the income distributed to individuals was exempt from U.S. taxation and 24.8 percent of this income was taxed at the maximum rate of 30 percent. Moreover, individuals received 41.2 percent of their income in the form of retirement benefits and dividends, two of the income types taxed at the highest effective rates, and that generally receive limited or no treaty benefits.

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Figure C

Total U.S.-Source Income and U.S. Tax Withheld, by Type of Recipient, 1992



¹Excludes small amounts of U.S. tax withheld by foreign governments and withholding agents.

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Foreign governmental organizations received \$2,080.0 million in U.S.-source income during 1992, but less than \$2.4 million in taxes was withheld on this income. This was because income paid to these organizations was largely exempt from U.S. taxation. Most income received by these governmental organizations was in the form of interest (75.0 percent). The countries whose governmental organizations received the most income and accounted for the most U.S. tax withheld, respectively, are shown (Figures D and E).

Figure D

U.S.-Source Income and U.S. Tax Withheld for Countries Whose Governments Received the Most U.S.-Source Income, 1992

[Money amounts are in thousands of dollars]

Selected country or geographic area	U.S.-source income received by foreign government organizations	U.S. tax withheld
All countries ¹	2,079,954	2,375
United Kingdom.....	490,196	1
Singapore.....	369,071	--
Spain.....	288,434	2
United Arab Emirates.....	246,727	--
Saudi Arabia.....	93,986	1
Kuwait.....	87,183	2,178
Brunei.....	79,084	--

¹Includes countries not shown separately.

Figure E

U.S.-Source Income and U.S. Tax Withheld for Countries Whose Governments Had the Most U.S. Tax Withheld, 1992

[Money amounts are in thousands of dollars]

Selected country or geographic area	U.S.-source income received by foreign government organizations	U.S. tax withheld
All countries ¹	2,079,954	2,375
Kuwait.....	87,183	2,178
Germany.....	29,808	50
Bahamas.....	1,145	29
British Virgin Islands.....	215	28

¹Includes countries not shown separately.

Countries of Recipients

For 1992, there were 13 countries whose residents received total payments of more than \$1 billion each. These countries were Australia, Belgium, Bermuda, Canada, Cayman Islands, France, Germany, Japan, Netherlands, Netherlands Antilles, Sweden, Switzerland, and the United Kingdom. Payments to these countries represented 84.8 percent of the total U.S.-source income

reported on Form 1042S and 77.8 percent of the total U.S. taxes withheld.

For 1992, Japan received more U.S.-source income than any other country. Payments to Japanese residents increased by 9.6 percent from 1991 to a total of \$21.8 billion. Most of this income, \$15.8 billion, was interest paid to corporations. Japan accounted for more than 28.1 percent of the total income paid to foreign recipients.

The United Kingdom, the second largest recipient of U.S.-source income, experienced an increase in U.S.-source income of 11.3 percent. In 1992, more than \$15.2 billion in income was paid to recipients in the United Kingdom (\$11.0 billion was paid to corporations), \$8.5 billion of which was interest.

Taxes Withheld

For 1992, the U.S. tax withheld amounted to approximately \$2.0 billion on U.S.-source income of \$77.5 billion. This translates to an effective tax rate of 2.6 percent. The overall effective tax rate was much lower than the statutory U.S. withholding rate of 30 percent for a number of reasons, some of which have previously been mentioned:

- tax treaties allow for lower tax rates or exemptions on certain types of payments made to residents of treaty countries;
- under a statutory exemption, U.S.-source income paid to foreign governmental organizations is generally not taxed (although it must still be reported on Form 1042S);
- most U.S.-source income paid to foreign private foundations is taxed at a 4 percent rate;
- the effective tax rate for social security and railroad retirement benefit payments was 15 percent in 1992 because only half of these payments is subject to the full 30 percent statutory withholding rate (the other half is not subject to the withholding); and
- the Tax Reform Act of 1984 rescinded the withholding tax on portfolio interest which represents most interest income. However, this interest income (except bank deposit interest and interest that is effectively connected with a trade or business) must still be reported on Form 1042S.

These factors result in considerable variation among countries (as well as among types of recipients and types of income paid) in terms of the effective U.S. withholding rate.

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Of the \$77.5 billion of total U.S.-source income reported on Form 1042S, 77.4 percent (or \$59.9 billion) was exempt from taxation. Because of tax treaties, only \$2.1 billion of the \$17.5 billion of income subject to taxation was taxed at the 30 percent statutory rate. This was just 2.7 percent of the total U.S.-source income.

Approximately 69.5 percent of the total U.S. tax withheld on foreign recipients was for income paid to corporations, compared to 13.6 percent for individuals and 7.5 percent for nominees and fiduciaries. About 68.4 percent of taxes withheld for corporations was for dividend payments. Of the \$1.4 billion in U.S. tax withheld on income paid to corporations, more than half was accounted for by Japan (\$0.5 billion) and the United Kingdom (\$0.4 billion).

For 1992, about \$276 million in U.S. tax withheld was on income paid to foreign individuals. Recipients in Mexico, Canada, and Saudi Arabia accounted for more U.S. taxes than persons in other countries. Taxes withheld on individuals in Mexico totaled \$36.6 million. Approximately \$27.7 million of that amount was withheld on social security benefits, although only half of the amounts paid were subject to withholding. Of the \$28.6 million in tax withheld on Canadian individuals, \$9.2 million was on dividends. Of the \$21.0 million withheld on Saudi Arabian individuals, \$20.7 million was for dividends.

U.S. taxes withheld on foreign governmental organizations totaled almost \$2.4 million. The effective tax rate for these organizations was approximately 0.1 percent, reflecting the fact that organizations of this type were generally exempt from tax under the Internal Revenue Code. Governmental organizations in Kuwait had the largest amount of U.S. tax withheld, almost \$2.2 million. The effective tax rate for payments to governmental organizations in Kuwait was 2.5 percent. The Cayman Islands, Croatia, Cuba, Czechoslovakia, and Ecuador (all nontreaty countries) were the only countries for which U.S. tax withheld on payments to governmental organizations was computed at the maximum 30 percent rate.

Summary

U.S.-source income paid to foreign recipients totaled \$77.5 billion in 1992. U.S. tax withheld on this income amounted to over than \$2.0 billion. Recipients in Japan and United Kingdom accounted for almost 50 percent of U.S. income paid foreign persons.

Foreign corporations received more income (nearly \$57.4 billion) and had more U.S. tax withheld (\$1.4 billion) than all other recipient types combined. Interest payments accounted for 63.3 percent of all income distributed, while tax on dividends accounted for 66.8 percent of the total U.S. tax withheld.

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 the Internal Revenue Code. Form 1042S, *Foreign Persons' U.S.-Source Income Subject to Withholding*, is filed by the payer to report this income and the U.S. tax withheld. Often a financial institution acts as the payer's withholding agent.

The statistics in this article were tabulated by calendar year, using all Forms 1042S filed with the Internal Revenue Service for 1992. The data reflect the income that was paid and the U.S. tax that was withheld in 1992, except for U.S. tax withheld by foreign governmental organizations and their withholding agents. In a few countries, under treaty provisions, tax is withheld by foreign governmental organizations (or other authorized entities) for income paid to foreign nominees and fiduciaries if the ultimate recipient is unknown or is not a resident of a treaty country. The purpose of such tax withholding is to prevent persons in nontreaty countries from reaping treaty benefits by indirectly channelling their income through a treaty country. When the ultimate recipient is not entitled to the treaty benefits, the foreign governmental organization (or withholding agent) remits the tax withheld back to the United States. This additional tax, therefore, is not generally attributable to specific income years. For this reason, the statistics in Tables 1 and 2 do not include tax withheld by foreign governmental organizations and foreign withholding agents (except for Canada, which remits its tax payments during the same calendar year in which the U.S. income is paid and which is, therefore, treated as if it were a domestic withholding agent for purposes of these statistics). The taxes received during 1992 from foreign governmental organizations are shown (Figure F). Because all Forms 1042S were used

Figure F

U.S. Tax Withheld by Foreign Governments and Withholding Agents, 1992

[Money amounts are in thousands of dollars]

Country	Tax withheld
Total	75,690
Tax treaty countries, total	75,690
Austria.....	218
Belgium.....	4,671
Denmark.....	13
France.....	646
Luxembourg.....	4,584
Netherlands.....	952
Switzerland.....	62,774
United Kingdom.....	1,832
Non-tax treaty countries.....	--

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for the statistics, the data are not subject to sampling error. However, the data are subject to nonsampling error, such as computer data entry errors and minor taxpayer reporting errors. A limited computerized program was used to test the data for certain basic numerical relationships, including the calculation of the correct tax withheld, but the possibility of error was not completely eliminated. In addition, Forms 1042S with income greater than \$2 million were manually verified.

Explanation of Selected Terms

Foreign Persons.-- For purposes of this article, 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. Also, for purposes of this article, persons residing in Puerto Rico and U.S. possessions are considered foreign persons.

Income Effectively Connected with a U.S. Trade or Business.-- Income that is "effectively connected" with a U.S. trade or business is exempt from the withholding tax requirements. This income is taxed at the ordinary graduated U.S. rates, in the same manner as any other income paid to U.S. citizens and residents. Foreign corporations must report such income on a Form 1120F, *U.S. Tax Return of a Foreign Corporation* and individuals on a

Form 1040NR, *U.S. Nonresident Alien Income Tax Return*. Effectively connected income may be erroneously reported on Forms 1042S, but the extent of its inclusion in the statistics is believed to be insignificant, although unknown.

Nominee and Fiduciary.-- An entity chosen or appointed to accept income for the beneficial owner. Typically, a financial institution acts as a nominee or fiduciary. A nominee differs from a fiduciary in that a nominee has little or no freedom to exercise judgment or control over income received.

Withholding Agent.-- A withholding agent is any person or entity required to withhold taxes. Usually the withholding agent is the payer of the income or an entity (normally a financial institution) acting on behalf of the payer.

Notes and References

- [1] U.S. Department of the Treasury, Internal Revenue Service, *U.S. Tax Treaties* (Revised November 1992), Publication 901.
- [2] For 1991 data on the U.S.S.R., see Bori, Denise., "Foreign Recipients of U.S. Income, 1991," *Statistics of Income Bulletin*, Spring 1994, Volume 14, Number 1.
- [3] Bermuda has a limited treaty but it is not relevant for the purposes of this article.

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Table 1.—Forms 1042S: Number of Returns, Total U.S.-Source Income, and U.S. Tax Withheld, Tax Treaty Countries and Total Non-Tax Treaty Countries

(Money amounts are in thousands of dollars)

Country or geographic area	Number of Forms 1042S	U.S.-source income			U.S. tax withheld ¹
		Total	Exempt from U.S. tax withholding	Subject to U.S. tax withholding	
	(1)	(2)	(3)	(4)	(5)
Total.....	1,373,430	77,515,771	59,960,306	17,555,465	2,024,814
Tax Treaty countries, total.....	997,639	67,549,506	51,583,282	15,966,224	1,635,532
Armenia.....	113	4,024	3,960	64	13
Australia.....	16,981	1,332,903	1,162,170	170,733	22,521
Austria.....	7,086	243,769	209,937	33,832	5,171
Azerbaijan.....	7	43	22	21	2
Barbados.....	1,032	68,226	53,514	14,713	2,203
Belarus.....	21	2,042	1,986	56	16
Belgium.....	13,104	1,369,066	1,242,266	126,800	17,610
Canada.....	330,181	4,590,212	3,516,726	1,073,486	156,051
China.....	17,807	187,561	175,538	12,023	1,356
Cyprus.....	1,080	10,478	8,743	1,735	227
Denmark.....	3,840	342,293	249,884	92,409	7,459
Egypt.....	2,543	14,886	12,327	2,559	449
Finland.....	2,127	185,676	167,294	18,382	1,398
France.....	26,314	5,199,582	3,870,561	1,329,021	96,165
Germany.....	116,645	3,339,509	2,628,332	711,177	66,078
Greece.....	16,713	75,960	32,588	43,372	7,014
Hungary.....	1,204	7,402	5,055	2,347	234
Iceland.....	324	1,446	613	833	122
India.....	6,514	42,331	26,894	15,437	2,377
Indonesia.....	2,174	48,868	43,970	4,898	783
Ireland.....	9,495	570,201	523,882	46,319	7,918
Italy.....	38,173	754,219	598,035	156,184	19,133
Jamaica.....	2,862	13,212	3,361	9,851	1,503
Japan.....	137,036	21,756,955	17,028,553	4,728,402	513,851
Kazakhstan.....	15	126	101	25	4
Kyrgyzstan.....	3	17	17	--	--
Luxembourg.....	3,239	875,199	743,786	131,413	33,209
Malta.....	746	5,398	2,026	3,372	261
Moldova.....	6	59	40	19	1
Morocco.....	910	14,634	14,168	466	77
Netherlands.....	15,389	4,487,927	3,189,793	1,298,134	102,984
Netherlands Antilles.....	4,273	1,455,694	1,358,584	97,110	28,669
New Zealand.....	3,698	30,833	15,982	14,851	1,982
Norway.....	8,297	136,901	116,095	20,806	3,252
Pakistan.....	3,921	21,427	13,509	7,918	533
Philippines.....	24,164	110,165	37,113	73,052	11,763
Poland.....	5,209	25,358	11,598	13,760	1,948
Romania.....	425	2,503	2,188	315	60
Russia.....	2,388	21,747	18,541	3,207	695
South Korea.....	4,766	148,740	140,641	8,099	1,192
Spain.....	12,681	504,659	445,112	59,547	9,681
Sweden.....	9,070	1,136,894	839,880	297,014	24,099
Switzerland.....	28,632	3,185,418	1,993,118	1,192,300	125,929
Tajikistan.....	5	13	12	1	(²)
Trinidad and Tobago.....	1,506	4,771	1,544	3,227	543
Tunisia.....	291	1,413	1,150	263	34
Turkmenistan.....	25	64	37	27	4
Ukraine.....	105	668	534	134	25
United Kingdom.....	114,486	15,217,953	11,071,459	4,146,494	358,931
Uzbekistan.....	13	61	43	17	2
Non-Tax Treaty countries, total.....	375,791	9,966,265	8,377,024	1,589,241	389,282

¹ Excludes small amounts of U.S. tax withheld by foreign governments and withholding agents

² Less than \$500.

NOTE: Detail may not add to totals because of rounding

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Table 2.--Forms 1042S: Number of Returns, U.S. Tax Withheld, and U.S.-Source Income, by Principal Types of Income, Selected Recipient Types, and Country of Recipient

(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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All countries, total....	1,373,430	2,024,814	77,515,771	49,088,944	13,672,825	4,421,163	1,032,844	558,592
Individuals.....	1,130,894	275,743	3,943,931	1,195,394	590,572	161,496	1,032,844	314,028
Corporations.....	102,777	1,408,092	57,382,406	35,859,759	10,480,054	4,059,496	--	158,992
Argentina.....	15,702	5,002	44,569	22,273	7,703	878	5,709	1,893
Individuals.....	11,205	3,229	30,500	14,003	4,799	225	5,709	1,049
Corporations.....	250	868	6,841	4,590	917	609	--	--
Australia.....	16,981	22,521	1,332,903	397,274	99,780	35,850	6,026	16,247
Individuals.....	13,946	3,270	37,175	1,989	4,917	3,317	6,026	13,660
Corporations.....	1,526	7,715	1,079,989	279,143	22,428	31,348	--	680
Austria.....	7,086	5,171	243,769	181,894	21,695	3,691	3,912	3,038
Individuals.....	3,992	1,376	13,924	1,249	1,689	316	3,912	1,683
Corporations.....	1,996	2,874	154,896	112,493	15,155	2,989	--	9
Bahamas.....	6,116	24,789	456,942	360,556	83,327	1,390	762	418
Individuals.....	2,189	1,954	22,039	11,353	4,903	331	762	374
Corporations.....	2,908	18,811	370,816	301,155	63,615	1,005	--	18
Bahrain.....	844	1,615	100,611	91,798	7,691	6	8	34
Individuals.....	600	128	866	348	415	6	8	28
Corporations.....	169	805	56,758	54,152	2,250	(²)	--	--
Barbados.....	1,032	2,203	68,226	54,972	11,024	36	1,529	16
Individuals.....	788	258	2,406	211	147	35	1,529	12
Corporations.....	136	1,866	34,586	23,991	10,581	--	--	2
Belgium.....	13,104	17,610	1,369,066	965,764	229,727	49,805	2,673	4,406
Individuals.....	11,047	2,067	21,386	2,848	5,006	1,849	2,673	3,112
Corporations.....	809	13,052	524,715	162,312	208,665	47,325	--	477
Bermuda.....	3,960	31,862	1,276,238	1,096,955	124,662	8,264	583	239
Individuals.....	1,482	585	13,571	6,142	1,328	263	583	201
Corporations.....	1,246	24,401	851,156	709,646	102,739	3,923	--	7
Brazil.....	10,299	4,951	50,145	31,089	5,901	1,561	4,009	2,101
Individuals.....	7,192	2,456	22,139	8,396	2,768	869	4,009	1,395
Corporations.....	274	1,718	12,624	10,671	1,145	324	--	450
British Virgin Islands.....	10,178	19,468	481,709	401,074	75,877	167	--	167
Individuals.....	938	941	16,981	11,723	4,875	14	--	26
Corporations.....	6,979	14,095	293,883	237,389	54,712	129	--	140
Canada.....	330,181	156,051	4,590,212	2,561,070	1,046,833	177,059	252,860	50,798
Individuals.....	289,959	28,592	502,335	31,049	61,384	36,190	252,860	22,341
Corporations.....	17,274	92,654	3,069,019	1,859,789	704,559	105,411	--	19,922
Cayman Islands.....	6,833	30,826	1,363,643	1,258,956	95,412	484	340	1
Individuals.....	781	1,388	14,415	9,595	3,524	2	340	--
Corporations.....	4,071	23,871	844,124	762,489	74,966	455	--	1
China.....	17,807	1,356	187,561	31,613	2,084	245	619	73,710
Individuals.....	17,269	1,045	116,877	4,887	708	182	619	71,747
Corporations.....	119	242	66,212	24,681	844	46	--	400
Denmark.....	3,840	7,459	342,293	221,098	78,159	17,959	3,778	2,285
Individuals.....	3,291	1,003	8,313	526	947	206	3,778	971
Corporations.....	291	5,341	251,215	148,786	69,898	17,571	--	1,133
Finland.....	2,127	1,398	185,676	134,732	13,730	6,415	2,132	1,121
Individuals.....	1,440	477	4,193	207	240	39	2,132	501
Corporations.....	292	786	143,572	111,110	13,223	6,350	--	163
France.....	26,017	96,092	5,199,582	2,880,566	1,098,197	253,264	15,166	21,354
Individuals.....	19,919	10,845	142,830	14,089	72,570	5,661	15,166	16,954
Corporations.....	2,797	69,651	4,365,552	2,540,902	875,919	240,123	--	919
Germany.....	116,645	66,078	3,339,509	1,917,790	704,056	385,441	44,072	29,025
Individuals.....	104,382	17,813	297,453	89,610	88,561	23,220	44,072	21,112
Corporations.....	3,908	40,436	2,506,604	1,385,214	567,652	356,796	--	3,576
Gibraltar.....	242	591	12,327	10,338	1,864	(²)	15	--
Individuals.....	80	31	3,484	3,363	78	(²)	15	--
Corporations.....	98	198	6,892	6,175	687	--	--	--

Footnotes at end of table.

Foreign Recipients of U.S. Income, 1992

Table 2.—Forms 1042S: Number of Returns, U.S. Tax Withheld, and U.S.-Source Income, by Principal Types of Income, Selected Recipient Types, and Country of Recipient—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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Greece.....	16,713	7,014	75,960	13,082	5,438	183	35,605	2,170
Individuals.....	15,834	6,434	51,482	3,356	2,786	118	35,605	1,765
Corporations.....	186	181	19,458	6,419	1,467	28	--	93
Guernsey (Channel Islands).....	639	5,918	98,052	79,491	17,917	217	--	21
Individuals.....	74	100	3,546	3,294	227	1	--	21
Corporations.....	369	5,342	87,778	71,422	15,892	216	--	--
Hong Kong.....	19,290	21,032	741,504	465,406	54,025	8,884	3,815	1,994
Individuals.....	14,363	6,346	40,150	13,839	16,211	1,333	3,815	590
Corporations.....	2,275	9,087	361,655	249,682	19,397	7,416	--	1,184
India.....	6,514	2,377	42,331	5,467	2,341	143	977	9,651
Individuals.....	6,114	1,969	33,422	1,890	732	56	977	9,328
Corporations.....	79	355	7,639	2,812	1,462	72	--	185
Indonesia.....	2,174	783	48,868	12,054	1,139	78	60	1,273
Individuals.....	1,978	287	8,523	996	818	74	60	1,040
Corporations.....	53	451	7,914	7,510	104	--	--	213
Ireland.....	9,495	7,918	570,201	429,566	35,512	63,470	9,555	7,146
Individuals.....	8,532	2,169	20,883	1,226	2,316	1,040	9,555	4,104
Corporations.....	398	1,320	317,470	223,058	8,292	62,160	--	2,299
Israel.....	9,551	6,953	96,986	66,262	13,185	2,107	4,361	2,565
Individuals.....	7,790	3,397	21,498	4,332	2,613	395	4,361	2,191
Corporations.....	287	2,818	48,191	37,659	8,509	1,451	--	58
Italy.....	38,173	19,133	754,219	464,409	52,541	86,759	98,851	11,460
Individuals.....	35,367	2,555	146,099	20,876	5,252	1,149	98,851	6,350
Corporations.....	1,328	14,268	504,356	357,034	36,778	82,918	--	2,814
Japan.....	137,036	513,851	21,756,955	15,577,348	1,686,160	1,068,479	13,864	29,693
Individuals.....	105,472	6,129	260,119	167,501	9,541	20,846	13,864	17,868
Corporations.....	10,272	473,427	18,618,133	13,035,087	1,501,048	1,014,924	--	10,176
Jersey (Channel Islands).....	1,040	8,819	141,696	114,015	25,972	839	7	63
Individuals.....	110	140	937	475	165	274	7	--
Corporations.....	516	6,279	89,269	70,375	17,985	564	--	61
Kuwait.....	1,644	4,274	154,228	123,457	29,384	34	22	73
Individuals.....	1,183	306	3,386	1,749	1,357	34	22	73
Corporations.....	272	1,406	48,132	43,110	3,933	--	--	--
Liberia.....	1,602	13,067	196,576	147,958	46,183	47	24	(²)
Individuals.....	327	323	4,410	3,173	994	--	24	(²)
Corporations.....	987	2,342	102,274	91,397	10,539	44	--	--
Liechtenstein.....	1,810	8,281	62,308	36,856	20,966	2,510	11	731
Individuals.....	372	760	7,660	5,110	2,471	1	11	--
Corporations.....	897	5,021	28,168	14,160	10,160	2,503	--	243
Luxembourg.....	3,239	33,209	875,199	734,966	131,882	4,140	179	1,272
Individuals.....	697	514	33,315	29,946	2,678	4	179	165
Corporations.....	1,157	18,874	534,638	455,092	72,581	4,135	--	1,050
Malaysia.....	3,374	470	108,040	97,749	1,252	100	18	119
Individuals.....	3,177	331	2,675	228	572	100	18	115
Corporations.....	64	38	90,474	89,642	370	--	--	--
Mexico.....	86,432	44,939	442,252	188,540	15,943	15,280	187,167	6,635
Individuals.....	81,759	36,635	300,542	74,964	8,642	3,562	187,167	5,488
Corporations.....	910	6,120	40,549	26,458	5,018	7,125	--	475
Netherlands.....	15,389	102,984	4,487,927	2,795,721	1,245,664	296,295	7,233	12,145
Individuals.....	10,854	4,937	106,849	60,318	22,650	2,191	7,233	7,986
Corporations.....	2,458	80,303	3,968,666	2,485,219	1,093,532	276,904	--	3,102
New Zealand.....	3,698	1,982	30,833	14,982	6,275	6,138	519	998
Individuals.....	3,101	544	4,628	409	928	695	519	533
Corporations.....	167	697	11,553	5,889	276	5,269	--	56

Footnotes at end of table.

Foreign Recipients of U.S. Income, 1992

Table 2.—Forms 1042S: Number of Returns, U.S. Tax Withheld, and U.S.-Source Income, by Principal Types of Income, Selected Recipient Types, and Country of Recipient—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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Nigeria.....	1,072	575	6,510	3,252	1,153	20	6	150
Individuals.....	976	317	3,566	1,205	261	16	6	150
Corporations.....	45	233	2,479	1,673	804	2	--	--
Norway.....	8,297	3,252	136,901	70,106	7,456	2,713	13,503	2,444
Individuals.....	7,500	2,349	17,741	292	996	205	13,503	1,165
Corporations.....	362	611	100,065	65,574	5,054	2,433	--	846
Panama.....	10,496	38,546	308,678	216,544	55,772	3,803	1,146	316
Individuals.....	3,006	1,938	18,481	8,462	4,937	237	1,146	171
Corporations.....	5,129	30,636	240,320	178,717	32,085	3,508	--	87
Philippines.....	24,164	11,763	110,165	31,348	4,850	129	64,832	1,507
Individuals.....	23,493	11,548	79,436	3,042	2,836	122	64,832	1,355
Corporations.....	189	97	13,467	12,889	375	--	--	--
Portugal.....	9,034	4,382	142,084	113,048	991	62	26,310	330
Individuals.....	8,734	4,216	29,123	848	692	50	26,310	238
Corporations.....	96	70	17,684	17,258	105	(²)	--	--
Puerto Rico.....	10,494	510	232,057	230,104	1,116	277	113	79
Individuals.....	9,397	249	1,836	515	666	252	113	51
Corporations.....	294	144	199,249	198,843	353	24	--	26
Russia.....	2,388	695	21,747	433	100	2,320	46	13,511
Individuals.....	2,164	491	16,430	277	84	662	46	10,511
Corporations.....	17	(²)	1,277	116	(²)	1,043	--	111
Saudi Arabia.....	6,616	25,112	508,229	367,935	130,572	573	11	3,406
Individuals.....	5,338	21,006	83,072	12,161	69,078	567	11	184
Corporations.....	664	3,814	223,864	181,086	38,671	4	--	--
Singapore.....	10,374	3,676	532,431	423,030	104,136	461	128	545
Individuals.....	9,047	983	17,663	4,943	11,292	113	128	178
Corporations.....	479	2,218	100,976	93,209	5,015	333	--	188
South Africa.....	3,819	2,266	16,011	1,521	1,345	1,118	617	2,256
Individuals.....	3,475	1,696	13,420	763	999	231	617	1,781
Corporations.....	49	364	1,467	338	222	860	--	25
South Korea.....	4,766	1,192	148,740	125,698	1,522	1,155	248	7,472
Individuals.....	4,380	797	18,056	1,523	540	202	248	7,022
Corporations.....	210	361	49,214	45,081	803	906	--	197
Spain.....	12,681	9,681	504,659	341,584	20,602	2,881	16,394	5,943
Individuals.....	11,282	4,152	34,288	4,671	3,763	494	16,394	4,445
Corporations.....	586	2,478	162,017	109,861	4,038	1,667	--	10
Sweden.....	9,070	24,099	1,136,894	203,079	275,206	69,203	10,520	19,160
Individuals.....	8,024	4,578	28,871	1,183	3,042	901	10,520	9,325
Corporations.....	529	18,536	983,329	167,678	268,443	67,438	--	8,224
Switzerland.....	28,632	125,929	3,185,418	1,662,555	918,383	387,105	6,146	30,297
Individuals.....	15,554	7,645	128,177	65,253	33,134	5,546	6,146	4,555
Corporations.....	6,647	76,942	2,593,535	1,446,816	614,862	351,386	--	23,062
Taiwan.....	10,371	4,586	580,862	472,961	10,539	501	139	1,203
Individuals.....	9,103	2,925	23,920	8,139	6,696	460	139	889
Corporations.....	414	1,259	408,405	405,720	2,075	17	--	254
Thailand.....	2,029	670	26,147	9,063	579	62	449	320
Individuals.....	1,872	539	7,225	3,525	498	62	449	305
Corporations.....	34	106	1,587	1,238	29	--	--	6
Turks and Caicos Islands.....	328	317	7,605	6,467	1,002	10	13	34
Individuals.....	45	110	510	138	313	5	13	34
Corporations.....	189	179	5,818	5,184	573	--	--	--
United Arab Emirates.....	1,597	466	367,447	78,821	285,113	16	--	417
Individuals.....	1,403	188	3,659	283	626	16	--	62
Corporations.....	55	261	35,071	34,170	620	--	--	280
United Kingdom.....	114,486	358,931	15,217,953	8,536,546	4,446,479	1,407,483	51,755	102,201
Individuals.....	87,209	13,355	585,264	368,072	55,633	35,929	51,755	28,816
Corporations.....	10,354	272,697	11,019,432	5,445,859	3,763,454	1,320,610	--	40,976
Venezuela.....	12,052	3,936	60,451	45,660	8,453	725	1,387	658
Individuals.....	9,209	2,510	32,917	22,791	5,159	470	1,387	383
Corporations.....	677	773	11,906	10,130	1,464	220	--	61

¹ Excludes small amounts of U.S. tax withheld by foreign governments and withholding agents.

² Less than \$500.