

# Foreign Recipients of U. S. Income, 1994

## Data Release

**U**nited States-source income paid to "foreign persons" in 1994 totaled almost \$84.2 billion, an increase of nearly 9 percent, or \$6.7 billion, from 1992 [1]. The \$1.9 billion in U.S. tax withheld by domestic individuals, businesses, and agents on this income was 5 percent less than that for 1992. Although payments to Japanese persons decreased by 2 percent to \$21.3 billion, Japanese recipients received the most 1994 U.S.-source income. Payments to the United Kingdom, the second largest recipient country, increased by 9 percent, to \$16.5 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 is frequently 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). Treaties are more likely to reduce the tax rate than exempt the income. However, income that is exempt from taxation because of a tax treaty is still required to be reported. The principal types of income are interest (other than that from bank deposits), dividends, 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, and real estate distributions (other than real estate distributions that are considered to be "effectively connected" with a U.S. trade or business, which are reported on Form 8288A, *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests*). Certain types of income that are "effectively connected" with a U.S. trade or business (see *Explanation of Selected Terms*), or are bank deposit interest (which is not taxed at all), are not subject to the withholding tax and are generally not reported on Form 1042S.

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 effective way to enforce taxpayer compliance because foreign recipients are generally not required to file U.S. tax returns to report this income.

In 1994, the United States participated in tax treaties with 54 of its trading partners (Table 1). 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, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. That treaty will remain in effect until new treaties with these individual countries are negotiated and ratified [2]. It should be noted that during 1994 the United States exchanged instruments of ratification for new income tax treaties with the Czech and Slovak Republics, Mexico, the Netherlands, and Russia. Of these five countries, the Czech and Slovak Republics and Mexico did not previously have treaties with the United States. Thus, in the statistics for previous years they are included in the nontreaty country total; in the 1994 data they are included as treaty countries. For 1994, persons in treaty countries received 83.3 percent of total U.S.-source income payments to foreign persons, while accounting for 80.1 percent of the total U.S. tax withheld on these payments. The three nontreaty countries which received amounts of U.S.-source income over \$1 billion were Bermuda, Cayman Islands, and Hong Kong (Table 2) [3].

### Data Highlights

The total number of Forms 1042S increased 11.1 percent to 1.5 million between 1992 and 1994. For 1994, the total U.S.-source income payments to foreign persons as reported on these forms increased by 8.6 percent to \$84.2 billion. The average payment decreased to \$55,146, down 2.3 percent from 1992. 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 14.8 percent to \$1,256. For 1994, the average or effective withholding rate (tax withheld as a percentage of total U.S.-source income paid) decreased from 2.6 percent to 2.3 percent. Of the \$84.2 billion of total U.S.-source income reported on Forms 1042S, 81.7 percent (or \$68.8 billion) was exempt from taxation. The effective withholding rate on the \$15.4 billion of income subject to withholding tax was 12.5 percent; however, this was substantially less than the 30-percent statutory rate. Because of tax treaties and statutory exemptions, only \$2.7 billion of the \$15.4 billion

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of income subject to taxation was taxed at the 30-percent statutory rate. This was just 3.2 percent of the total U.S.-source income.

For 1994, interest payments reported on Forms 1042S, which excludes bank deposit interest, increased by 21.4 percent to \$59.6 billion, accounting for 70.8 percent of the total U.S.-source income paid to foreign persons. Dividends, the second largest type of payment, decreased by 5.4 percent, to \$12.9 billion. Dividends comprised 15.4 percent of the total U.S.-source income. U.S.-source income paid to foreign corporations totaled \$62.3 billion, a \$5.0 billion increase from 1992. U.S.-source income paid to foreign individuals totaled \$4.7 billion, a \$0.8 billion increase from 1992. Foreign corporations received 74.1 percent of the U.S.-source income paid in 1994, while accounting for 64.8 percent of the U.S. tax withheld. Tax withheld on corporations is low in comparison to the income earned by those corporations because 81.9 percent of the income distributed to corporations was exempt from U.S. taxation, principally due to interest being exempt from taxation or taxed at very low rates, which made up 72.6 percent of the income distributed. Individuals, in contrast to corporations, show a higher percentage of total taxes withheld relative to total income. Foreign individuals received 5.6 percent of the U.S.-source income paid in 1994, while accounting for 15.7 percent of the U.S. tax withheld. By comparison to corporations, just 64.3 percent of the income distributed to individuals was exempt from U.S. taxation. Moreover, individuals received 35.8 percent of their income in the form of social security benefits, railroad retirement benefits, and dividends, three of the income types taxed at the highest effective rates, and that generally received limited or no treaty benefits.

### 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 U.S. tax withheld. Often a financial institution acts as the payer's withholding agent. The statistics in this data release were tabulated by calendar year, using all Forms 1042S filed with the Internal Revenue Service for 1994. The data reflect the income that was paid and U.S. tax that was withheld in 1994, 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 channeling 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 this data release generally do not include tax withheld by foreign governments 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). These amounts, however, are shown in column 7 of Table 1. Because all Forms 1042S were used 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 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. Also, individuals residing, and organizations created or organized, 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. Most of 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* [4]. Effectively connected real estate distributions are reported on Form 8288A. 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.

*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

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(normally a financial institution) acting on behalf of the payer.

### **Notes and References**

- [1] Statistics on foreign recipients of U.S. income are compiled yearly. Because of processing problems with the 1993 data, 1992 data are used for comparison purposes in this data release.
- [2] U.S. Department of the Treasury, Internal Revenue

Service, *U.S. Tax Treaties* (Revised November 1994), Publication 901.

- [3] Bermuda has a limited treaty with the United States, but it is not relevant to the subject matter covered in this data release.
- [4] For information on Forms 1120F, see *Statistics of Income, Corporation Income Tax Returns*, Publication 16, published annually. The Statistics of Income program does not produce data from Forms 1040NR.

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**Table 1.--Forms 1042S: Number, 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		
		Total	Exempt from withholding	Subject to withholding	Total	By domestic withholding agents <sup>1</sup>	By foreign governments and withholding agents
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total.....</b>	<b>1,526,539</b>	<b>84,181,918</b>	<b>68,813,575</b>	<b>15,368,343</b>	<b>2,011,773</b>	<b>1,917,876</b>	<b>93,897</b>
<b>Treaty countries, total.....</b>	<b>1,159,192</b>	<b>70,114,564</b>	<b>56,345,688</b>	<b>13,768,871</b>	<b>1,630,146</b>	<b>1,536,249</b>	<b>93,897</b>
Armenia.....	212	2,189	2,013	176	35	35	--
Australia.....	20,445	726,596	541,011	185,585	26,361	26,361	--
Austria.....	9,830	313,694	265,027	48,667	7,796	7,796	--
Azerbaijan.....	51	392	330	62	13	13	--
Barbados.....	1,164	76,667	63,464	13,203	2,021	2,021	--
Belarus.....	196	1,337	1,219	118	22	22	--
Belgium.....	14,343	578,588	405,981	172,607	22,595	18,176	4,419
Canada.....	339,578	4,859,373	4,060,906	798,467	119,116	119,116	--
China.....	26,632	215,332	200,787	14,545	1,490	1,490	--
Cyprus.....	1,372	10,729	9,077	1,652	245	245	--
Czech Republic.....	743	12,131	10,472	1,659	392	392	--
Denmark.....	3,812	228,097	165,807	62,290	8,660	8,658	2
Egypt.....	3,056	22,708	19,269	3,439	487	487	--
Finland.....	2,077	304,724	250,205	54,519	3,392	3,392	--
France.....	32,104	4,394,716	3,388,438	1,006,278	82,980	81,992	988
Georgia.....	184	2,190	1,825	365	17	17	--
Germany.....	164,492	3,674,055	3,019,366	654,689	73,559	73,559	--
Greece.....	17,503	105,905	62,709	43,195	7,239	7,239	--
Hungary.....	1,549	19,532	16,351	3,181	380	380	--
Iceland.....	570	2,280	1,636	644	94	94	--
India.....	11,691	62,817	44,183	18,633	2,442	2,442	--
Indonesia.....	3,042	40,069	18,472	21,597	900	900	--
Ireland.....	10,687	506,523	417,169	89,354	13,715	13,680	35
Italy.....	39,512	722,346	564,082	158,264	20,201	20,201	--
Jamaica.....	3,582	14,704	5,339	9,365	1,330	1,330	--
Japan.....	85,781	21,339,496	16,516,720	4,822,776	493,142	493,142	--
Kazakhstan.....	399	3,079	2,933	146	38	38	--
Korea, Republic of (South).....	7,922	130,878	119,899	10,979	1,633	1,633	--
Kyrgyzstan.....	196	1,810	1,784	26	1	1	--
Luxembourg.....	3,614	3,100,013	2,941,555	158,458	42,411	36,011	6,400
Malta.....	749	5,482	4,100	1,381	209	209	--
Mexico.....	86,583	739,322	455,681	283,641	43,057	43,057	--
Moldova.....	104	942	929	14	1	1	--
Morocco.....	742	4,144	3,305	839	138	138	--
Netherlands.....	17,569	4,994,928	3,741,917	1,253,010	90,151	88,756	1,395
Netherlands Antilles.....	4,525	1,820,352	1,742,447	77,905	22,275	22,275	--
New Zealand.....	4,319	94,860	68,236	26,623	3,797	3,797	--
Norway.....	8,253	307,687	282,291	25,396	3,978	3,978	--
Pakistan.....	4,111	16,301	10,617	5,684	635	635	--
Philippines.....	23,818	108,249	38,321	69,928	11,257	11,257	--
Poland.....	5,198	43,534	27,951	15,583	2,319	2,319	--
Romania.....	1,148	6,361	5,288	1,073	165	165	--
Russia.....	9,875	69,597	56,111	13,485	2,730	2,730	--
Slovak Republic.....	349	11,640	11,181	460	64	64	--
Spain.....	15,009	281,742	224,219	57,523	8,510	8,510	--
Sweden.....	9,269	571,121	451,750	119,370	15,089	15,089	--
Switzerland.....	35,733	3,002,857	1,949,302	1,053,555	202,349	123,754	78,595
Tajikistan.....	144	1,249	1,220	29	9	9	--
Trinidad and Tobago.....	2,236	10,252	6,241	4,011	720	720	--
Tunisia.....	255	1,356	769	588	43	43	--
Turkmenistan.....	178	1,585	1,541	44	9	9	--
Ukraine.....	1,273	8,787	8,231	556	69	69	--
United Kingdom.....	121,168	16,537,128	14,134,009	2,403,118	289,854	287,791	2,063
Uzbekistan.....	245	2,118	2,002	116	11	11	--
<b>Non-treaty countries, total.....</b>	<b>367,347</b>	<b>14,067,354</b>	<b>12,467,887</b>	<b>1,599,472</b>	<b>381,627</b>	<b>381,627</b>	<b>--</b>

<sup>1</sup>Canada remits to the United States tax payments during the same calendar year in which the U.S. income is paid. Therefore, these payments are included in column 6, rather than column 7.

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

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**Table 2.—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**

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld <sup>1</sup>	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)
<b>All countries, total.....</b>	<b>1,526,539</b>	<b>1,917,876</b>	<b>84,181,918</b>	<b>59,586,495</b>	<b>12,927,720</b>	<b>5,337,555</b>	<b>1,081,038</b>	<b>520,433</b>
<b>Individuals, total.....</b>	<b>1,251,081</b>	<b>301,807</b>	<b>4,745,895</b>	<b>1,465,325</b>	<b>620,226</b>	<b>301,980</b>	<b>1,081,038</b>	<b>363,473</b>
<b>Corporations, total.....</b>	<b>150,386</b>	<b>1,243,674</b>	<b>62,346,969</b>	<b>45,273,545</b>	<b>9,130,349</b>	<b>4,733,035</b>	--	<b>122,576</b>
<b>Partnerships, total.....</b>	<b>2,521</b>	<b>11,779</b>	<b>287,383</b>	<b>207,393</b>	<b>40,528</b>	<b>25,572</b>	--	<b>4,862</b>
<b>Fiduciaries, total.....</b>	<b>19,185</b>	<b>115,741</b>	<b>5,721,668</b>	<b>4,899,102</b>	<b>804,377</b>	<b>2,864</b>	--	<b>8</b>
<b>Nominees, total.....</b>	<b>4,566</b>	<b>21,363</b>	<b>465,960</b>	<b>287,390</b>	<b>155,253</b>	<b>434</b>	--	<b>437</b>
<b>Governments and international organizations, total.....</b>	<b>1,269</b>	<b>20,992</b>	<b>2,852,314</b>	<b>2,226,195</b>	<b>607,938</b>	<b>446</b>	--	<b>170</b>
<b>Tax-exempt organizations, total.....</b>	<b>8,468</b>	<b>5,910</b>	<b>537,599</b>	<b>269,443</b>	<b>232,024</b>	<b>26,121</b>	--	<b>228</b>
<b>Private foundations, total.....</b>	<b>491</b>	<b>1,923</b>	<b>53,715</b>	<b>20,128</b>	<b>19,037</b>	<b>14,496</b>	--	--
<b>Artists and athletes, total.....</b>	<b>5,078</b>	<b>18,226</b>	<b>90,138</b>	<b>854</b>	<b>610</b>	<b>5,483</b>	--	<b>684</b>
<b>Other, total.....</b>	<b>16,813</b>	<b>57,837</b>	<b>2,157,949</b>	<b>1,380,886</b>	<b>516,492</b>	<b>108,170</b>	--	<b>1,705</b>
<b>Unknown, total.....</b>	<b>66,681</b>	<b>118,626</b>	<b>4,922,328</b>	<b>3,556,234</b>	<b>800,885</b>	<b>118,955</b>	--	<b>26,292</b>
<b>Argentina.....</b>	<b>15,233</b>	<b>5,067</b>	<b>115,542</b>	<b>84,161</b>	<b>7,429</b>	<b>1,394</b>	<b>6,130</b>	<b>2,495</b>
<b>Individuals.....</b>	<b>13,224</b>	<b>3,666</b>	<b>41,939</b>	<b>21,225</b>	<b>5,286</b>	<b>515</b>	<b>6,130</b>	<b>2,071</b>
<b>Corporations.....</b>	<b>413</b>	<b>800</b>	<b>49,369</b>	<b>47,098</b>	<b>1,048</b>	<b>738</b>	--	<b>39</b>
<b>Australia.....</b>	<b>20,445</b>	<b>26,361</b>	<b>726,596</b>	<b>495,876</b>	<b>147,635</b>	<b>30,283</b>	<b>6,737</b>	<b>5,831</b>
<b>Individuals.....</b>	<b>16,851</b>	<b>3,746</b>	<b>113,221</b>	<b>85,330</b>	<b>6,958</b>	<b>1,860</b>	<b>6,737</b>	<b>3,471</b>
<b>Corporations.....</b>	<b>1,856</b>	<b>11,269</b>	<b>434,028</b>	<b>326,271</b>	<b>53,100</b>	<b>24,770</b>	--	<b>809</b>
<b>Austria.....</b>	<b>9,830</b>	<b>7,796</b>	<b>313,694</b>	<b>246,994</b>	<b>40,830</b>	<b>4,365</b>	<b>4,588</b>	<b>1,880</b>
<b>Individuals.....</b>	<b>6,799</b>	<b>2,852</b>	<b>22,166</b>	<b>911</b>	<b>9,044</b>	<b>526</b>	<b>4,588</b>	<b>1,738</b>
<b>Corporations.....</b>	<b>1,876</b>	<b>3,823</b>	<b>215,128</b>	<b>179,232</b>	<b>25,347</b>	<b>2,574</b>	--	<b>9</b>
<b>Bahamas.....</b>	<b>13,820</b>	<b>34,468</b>	<b>654,602</b>	<b>526,748</b>	<b>117,282</b>	<b>1,537</b>	<b>693</b>	<b>391</b>
<b>Individuals.....</b>	<b>2,339</b>	<b>2,061</b>	<b>17,281</b>	<b>8,003</b>	<b>6,717</b>	<b>81</b>	<b>693</b>	<b>346</b>
<b>Corporations.....</b>	<b>10,276</b>	<b>28,309</b>	<b>540,414</b>	<b>436,314</b>	<b>97,222</b>	<b>1,400</b>	--	<b>20</b>
<b>Bahrain.....</b>	<b>1,222</b>	<b>1,963</b>	<b>107,329</b>	<b>96,435</b>	<b>9,286</b>	<b>20</b>	<b>9</b>	<b>9</b>
<b>Individuals.....</b>	<b>893</b>	<b>180</b>	<b>2,175</b>	<b>1,414</b>	<b>554</b>	<b>20</b>	<b>9</b>	<b>9</b>
<b>Corporations.....</b>	<b>225</b>	<b>879</b>	<b>56,041</b>	<b>52,118</b>	<b>2,934</b>	--	--	--
<b>Belgium.....</b>	<b>14,343</b>	<b>18,176</b>	<b>578,588</b>	<b>329,610</b>	<b>141,571</b>	<b>56,587</b>	<b>2,971</b>	<b>7,075</b>
<b>Individuals.....</b>	<b>11,921</b>	<b>3,274</b>	<b>32,019</b>	<b>7,225</b>	<b>5,324</b>	<b>2,308</b>	<b>2,971</b>	<b>6,847</b>
<b>Corporations.....</b>	<b>945</b>	<b>11,738</b>	<b>416,717</b>	<b>213,627</b>	<b>119,709</b>	<b>53,207</b>	--	<b>29</b>
<b>Bermuda.....</b>	<b>5,820</b>	<b>36,801</b>	<b>1,855,483</b>	<b>1,602,020</b>	<b>151,547</b>	<b>9,353</b>	<b>631</b>	<b>626</b>
<b>Individuals.....</b>	<b>2,051</b>	<b>1,204</b>	<b>47,608</b>	<b>42,453</b>	<b>2,459</b>	<b>285</b>	<b>631</b>	<b>416</b>
<b>Corporations.....</b>	<b>2,524</b>	<b>27,227</b>	<b>1,453,179</b>	<b>1,237,052</b>	<b>118,839</b>	<b>9,065</b>	--	<b>9</b>
<b>British Virgin Islands.....</b>	<b>25,770</b>	<b>28,744</b>	<b>922,305</b>	<b>801,720</b>	<b>113,538</b>	<b>125</b>	<b>305</b>	<b>24</b>
<b>Individuals.....</b>	<b>1,515</b>	<b>902</b>	<b>27,809</b>	<b>23,288</b>	<b>3,650</b>	<b>24</b>	<b>305</b>	--
<b>Corporations.....</b>	<b>22,069</b>	<b>20,557</b>	<b>673,786</b>	<b>584,353</b>	<b>84,475</b>	<b>94</b>	--	<b>1</b>
<b>Brunei.....</b>	<b>190</b>	<b>260</b>	<b>280,018</b>	<b>201,763</b>	<b>78,205</b>	<b>14</b>	--	--
<b>Individuals.....</b>	<b>166</b>	<b>19</b>	<b>173</b>	<b>68</b>	<b>67</b>	<b>14</b>	--	--
<b>Corporations.....</b>	<b>6</b>	<b>237</b>	<b>2,237</b>	<b>1,443</b>	<b>794</b>	--	--	--
<b>Canada.....</b>	<b>339,578</b>	<b>119,116</b>	<b>4,859,373</b>	<b>2,890,168</b>	<b>957,881</b>	<b>139,749</b>	<b>271,153</b>	<b>71,221</b>
<b>Individuals.....</b>	<b>297,942</b>	<b>29,139</b>	<b>580,142</b>	<b>64,460</b>	<b>58,850</b>	<b>29,299</b>	<b>271,153</b>	<b>44,110</b>
<b>Corporations.....</b>	<b>18,092</b>	<b>72,268</b>	<b>3,155,278</b>	<b>2,054,859</b>	<b>627,743</b>	<b>89,137</b>	--	<b>22,246</b>
<b>Cayman Islands.....</b>	<b>10,839</b>	<b>32,213</b>	<b>2,188,813</b>	<b>2,059,135</b>	<b>111,779</b>	<b>1,542</b>	<b>282</b>	<b>4,677</b>
<b>Individuals.....</b>	<b>1,111</b>	<b>1,656</b>	<b>28,091</b>	<b>20,184</b>	<b>6,013</b>	<b>14</b>	<b>282</b>	<b>942</b>
<b>Corporations.....</b>	<b>7,672</b>	<b>25,543</b>	<b>1,253,494</b>	<b>1,152,335</b>	<b>88,088</b>	<b>134</b>	--	<b>3,402</b>
<b>China.....</b>	<b>26,632</b>	<b>1,490</b>	<b>215,332</b>	<b>71,265</b>	<b>2,024</b>	<b>321</b>	<b>530</b>	<b>77,582</b>
<b>Individuals.....</b>	<b>25,683</b>	<b>1,203</b>	<b>151,249</b>	<b>11,020</b>	<b>1,322</b>	<b>99</b>	<b>530</b>	<b>76,530</b>
<b>Corporations.....</b>	<b>269</b>	<b>241</b>	<b>37,989</b>	<b>36,277</b>	<b>449</b>	<b>210</b>	--	<b>272</b>

Footnotes at end of table.

# Foreign Recipients of U. S. Income, 1994

**Table 2.—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—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 <sup>1</sup>	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)
Cook Islands.....	116	242	425,712	424,875	729	( <sup>2</sup> )	--	--
Individuals.....	56	91	9,707	9,359	242	--	--	--
Corporations.....	24	132	1,489	1,064	424	( <sup>2</sup> )	--	--
Denmark.....	3,812	8,658	228,097	144,808	57,223	8,465	3,774	2,789
Individuals.....	3,225	1,104	10,487	1,349	950	676	3,774	1,200
Corporations.....	326	4,449	132,635	81,831	35,159	7,548	--	1,560
Finland.....	2,077	3,392	304,724	226,551	22,216	28,091	2,113	848
Individuals.....	1,563	641	63,956	58,601	250	823	2,113	641
Corporations.....	269	2,507	182,108	122,594	21,538	27,245	--	204
France.....	32,104	81,992	4,394,716	2,831,027	849,702	320,079	16,440	21,903
Individuals.....	24,462	8,999	123,108	13,034	33,815	17,674	16,440	17,805
Corporations.....	3,737	56,815	3,797,471	2,525,284	668,250	287,283	--	804
Germany.....	164,492	73,559	3,674,055	2,377,789	643,070	382,187	48,500	28,199
Individuals.....	150,063	21,667	432,431	88,623	113,400	119,425	48,500	25,937
Corporations.....	4,717	41,841	2,781,334	1,946,492	465,366	255,585	--	893
Greece.....	17,503	7,239	105,905	28,589	5,526	218	35,952	1,603
Individuals.....	16,049	6,545	54,693	5,514	3,289	176	35,952	1,445
Corporations.....	710	287	47,085	20,685	983	7	--	1
Hong Kong.....	21,290	29,328	1,023,041	847,924	125,120	3,331	3,260	1,038
Individuals.....	15,942	6,326	55,806	25,878	15,720	1,388	3,260	534
Corporations.....	2,752	14,314	713,079	631,070	49,219	1,880	--	431
Ireland.....	10,687	13,680	506,523	311,764	68,503	68,242	10,202	4,088
Individuals.....	9,312	2,280	19,859	1,622	2,555	1,410	10,202	1,203
Corporations.....	629	3,203	342,171	220,713	17,595	66,293	--	2,356
Isle of Man.....	847	5,267	114,217	100,009	13,802	171	--	( <sup>2</sup> )
Individuals.....	196	399	2,968	1,421	1,480	62	--	( <sup>2</sup> )
Corporations.....	443	3,359	97,226	89,686	7,261	109	--	--
Israel.....	10,994	5,585	170,233	140,585	8,927	1,021	4,754	5,866
Individuals.....	9,470	4,156	27,913	7,829	3,245	313	4,754	5,340
Corporations.....	383	712	86,063	82,697	1,506	443	--	129
Italy.....	39,512	20,201	722,346	406,297	84,173	57,385	99,645	9,255
Individuals.....	36,185	3,328	145,963	10,994	9,371	2,593	99,645	7,592
Corporations.....	1,764	14,129	492,665	335,691	65,376	44,961	--	1,161
Japan.....	85,781	493,142	21,339,496	16,432,233	2,112,460	1,541,201	15,693	35,380
Individuals.....	71,406	6,704	223,807	101,941	11,263	32,855	15,693	21,973
Corporations.....	10,902	440,785	17,960,101	13,614,453	1,854,334	1,433,850	--	12,023
Jersey.....	1,889	11,853	338,572	295,494	41,878	152	42	--
Individuals.....	154	65	131,121	130,782	226	68	42	--
Corporations.....	1,096	8,777	158,776	126,313	31,706	68	--	--
Korea, Republic of (South).....	7,922	1,633	130,878	96,256	2,988	969	283	8,322
Individuals.....	7,427	890	30,570	2,131	935	199	283	8,087
Corporations.....	279	666	65,688	61,202	1,699	629	--	147
Kuwait.....	2,678	9,432	165,360	127,442	36,953	295	11	68
Individuals.....	1,600	463	4,020	2,061	1,488	184	11	68
Corporations.....	866	1,405	29,691	24,339	5,114	110	--	( <sup>2</sup> )
Liberia.....	2,389	14,060	115,476	67,832	46,546	53	9	90
Individuals.....	311	215	2,825	1,936	681	6	9	( <sup>2</sup> )
Corporations.....	1,952	4,371	61,303	46,065	14,363	47	--	90
Luxembourg.....	3,614	36,011	3,100,013	2,588,659	504,181	986	183	2,484
Individuals.....	815	548	50,675	47,229	2,496	19	183	110
Corporations.....	1,468	19,598	2,686,609	2,244,870	436,602	963	--	2,374
Malaysia.....	5,116	578	109,420	103,183	1,599	120	20	67
Individuals.....	4,796	440	7,214	2,306	601	119	20	62
Corporations.....	82	108	91,936	90,892	898	( <sup>2</sup> )	--	( <sup>2</sup> )

Footnotes at end of table.

# Foreign Recipients of U. S. Income, 1994

**Table 2.—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—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 <sup>1</sup>	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)
Mexico.....	86,583	43,057	739,322	446,842	34,319	29,067	192,390	5,278
Individuals.....	81,386	37,101	309,328	72,724	11,621	3,729	192,390	4,796
Corporations.....	1,146	4,263	78,161	35,251	19,122	22,282	--	258
Netherlands.....	17,569	88,756	4,994,928	2,781,527	1,306,454	521,735	8,322	14,445
Individuals.....	13,059	5,444	93,606	42,957	21,516	773	8,322	10,584
Corporations.....	2,599	72,813	4,400,643	2,422,576	1,121,491	515,131	--	3,505
Netherlands Antilles.....	4,525	22,275	1,820,352	1,678,165	89,175	8,244	558	106
Individuals.....	1,344	338	11,330	8,332	778	196	558	88
Corporations.....	2,420	18,736	1,667,593	1,542,834	79,206	3,800	--	16
Norway.....	8,253	3,978	307,687	130,831	9,301	3,864	14,299	1,536
Individuals.....	7,494	2,655	20,412	1,093	904	468	14,299	1,306
Corporations.....	348	842	109,024	98,139	5,509	3,245	--	35
Panama.....	12,208	15,953	241,709	184,244	48,666	943	1,169	239
Individuals.....	3,308	1,739	25,019	14,883	4,655	95	1,169	25
Corporations.....	7,803	10,931	188,465	152,144	33,469	814	--	57
Philippines.....	23,818	11,257	108,249	29,608	5,517	501	61,480	1,231
Individuals.....	22,942	11,062	80,649	6,842	3,015	499	61,480	1,130
Corporations.....	430	91	22,980	20,676	422	--	--	92
Portugal.....	9,716	6,059	152,456	67,026	20,462	180	28,965	155
Individuals.....	9,352	4,829	64,900	1,745	1,921	94	28,965	145
Corporations.....	153	200	23,651	18,557	1,860	( <sup>2</sup> )	--	( <sup>2</sup> )
Puerto Rico.....	12,079	592	262,606	250,920	9,900	497	14	210
Individuals.....	9,260	348	4,101	1,740	928	331	14	143
Corporations.....	368	161	247,065	244,826	1,996	163	--	67
Saudi Arabia.....	8,176	27,544	775,452	641,210	126,884	675	27	3,059
Individuals.....	6,632	22,137	93,658	18,240	72,083	666	27	320
Corporations.....	910	4,372	290,310	257,020	33,140	6	--	--
Singapore.....	12,396	4,615	877,849	718,396	152,683	765	107	237
Individuals.....	10,683	1,517	18,572	11,812	3,703	356	107	164
Corporations.....	660	2,333	317,543	305,790	9,531	352	--	47
Spain.....	15,009	8,510	281,742	189,380	24,582	4,959	17,922	3,299
Individuals.....	13,080	4,341	44,208	9,626	4,444	1,768	17,922	3,151
Corporations.....	799	2,805	115,851	84,252	16,387	2,534	--	118
Sweden.....	9,269	15,089	571,121	176,802	92,800	196,973	10,212	18,841
Individuals.....	8,219	4,903	31,240	1,745	2,447	1,660	10,212	9,540
Corporations.....	559	9,076	510,706	156,503	83,026	194,819	--	9,009
Switzerland.....	35,733	123,754	3,002,857	1,567,298	809,738	516,197	6,854	7,525
Individuals.....	17,252	7,884	108,579	49,113	30,756	8,201	6,854	4,920
Corporations.....	6,825	72,031	2,137,787	1,150,635	502,616	405,413	--	1,916
Taiwan.....	19,128	6,639	934,972	899,396	13,239	2,258	152	913
Individuals.....	16,901	3,593	40,470	16,494	7,447	489	152	365
Corporations.....	1,165	2,295	659,988	653,123	2,931	1,764	--	543
United Arab Emirates.....	3,525	616	429,323	126,470	302,110	55	2	83
Individuals.....	3,171	400	6,471	4,942	1,056	55	2	77
Corporations.....	109	166	41,961	41,488	240	--	--	7
United Kingdom.....	121,168	287,791	16,537,128	11,463,181	2,997,703	1,350,919	58,613	65,323
Individuals.....	95,705	17,054	466,540	185,303	73,053	55,043	58,613	29,201
Corporations.....	11,171	182,422	12,621,671	8,842,494	2,171,799	1,251,039	--	24,652
Venezuela.....	17,897	4,954	103,170	81,029	11,047	1,483	1,431	1,664
Individuals.....	14,116	3,449	55,633	40,672	6,684	1,229	1,431	1,628
Corporations.....	1,567	782	31,941	28,442	2,104	161	--	24

<sup>1</sup> Excludes small amounts of U.S. tax withheld by foreign governments and withholding agents. See Table 1.

<sup>2</sup> Less than \$500.

NOTE: All countries with total U.S.-source income over \$100 million were selected for this table.