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# U.S. Tax Treaties

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## Important Changes

**New U.S.-Israel tax treaty.** The United States recently exchanged instruments of ratification for a new income tax treaty with Israel. The provisions for withholding tax at source are effective for amounts paid after January 31, 1995. For all other taxes, the treaty is effective for tax years beginning after 1994. The provisions of this treaty are discussed in this publication.

**Other new income tax treaties.** Treaties have recently been ratified or approved for ratification with Canada, France, Mexico, Portugal, Sweden, and the Ukraine. However, the exchange of the ratification papers had not yet taken place at the time this publication was being prepared for print. See Publication 553, *Highlights of 1995 Tax Changes*, for any further developments.

## Important Reminders

**Disclosure of a treaty-based position that reduces your tax.** If you take the position that any U.S. tax is overruled or otherwise reduced by a U.S. treaty (a treaty-based position), you generally must disclose that position on your affected return.

**U.S.-U.S.S.R. income tax treaty.** The U.S.-U.S.S.R. income tax treaty remains in effect for the following members of the Commonwealth of Independent States: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine (see *Important Changes*), and Uzbekistan. That treaty will remain in effect until new treaties with these individual countries are negotiated and ratified. Provisions of the U.S.-U.S.S.R. income tax treaty are discussed in this publication under *Commonwealth of Independent States*.



## Introduction

The United States (U.S.) has income tax treaties (conventions) with a number of foreign countries. Under these treaties, residents of foreign countries are taxed at a reduced rate, or are exempt from U.S. income taxes on certain items of income they receive from sources within the United States. These reduced rates and exemptions vary among countries and specific items of income.

This publication will tell you whether a tax treaty between the United States and a particular country offers a reduced rate of, or possibly a complete exemption from, U.S. income tax for residents of that particular country.

Tables in the back of this publication show the countries that have income tax treaties with the United States, the tax rates on different kinds of income, and the kinds of income that are exempt from tax.

**You should use this publication only for quick reference. It is not a complete guide to all provisions of every income tax treaty.** You can get complete information about treaty provisions from the taxing authority in the country from which you receive income or from the treaty itself. The text of the U.S.—Canada treaty can be found in Publication 597, *Information on the United States—Canada Income Tax Treaty*. The text of some of the other treaties may be obtained from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954 (also see the explanation of *Table 3*, at the back of this publication). Or, if you have specific questions about a treaty, you are welcome to get this information from most Internal Revenue Service offices or from the Internal Revenue Service, Attn: CP:IN:D:CS, 950 L'Enfant Plaza South, S.W., Washington, DC 20024.

If the treaty does not cover a particular kind of income, or if there is no treaty between your country and the United States, you must pay tax on the income in the same way and at the same rates shown in the instructions for Form 1040NR. Also see Publication 519, *U.S. Tax Guide for Aliens*.

Tax treaties reduce the U.S. taxes of residents of foreign countries. With certain exceptions, they **do not reduce** the U.S. taxes of U.S. citizens or residents. U.S. citizens and residents are subject to U.S. income tax on their worldwide income. But, because treaty provisions generally are reciprocal (apply to both treaty countries), a U.S. citizen or resident who receives income from a treaty country may refer to the tables in this publication to see if a tax treaty might affect the tax to be paid to that foreign country.

Foreign taxing authorities sometimes require certification from the U.S. Government that an applicant filed an income tax return as a U.S. citizen or resident, as part of the proof of entitlement to the treaty benefits. For information on this, see Publication 686, *Certification for Reduced Tax Rates in Tax Treaty Countries*.

Many of the individual states of the United States tax the income of their residents.

Therefore, you should consult the tax authorities of the state in which you live to find out if that state taxes the income of individuals and, if so, whether the tax applies to any of your income.

**Disclosure of a treaty-based position that reduces your tax.** If you take the position that any U.S. tax is overruled or otherwise reduced by a U.S. treaty (a treaty-based position), you generally must disclose that position on Form 8833, *Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)*, and attach it to your return. If you are not required to file a return because of your treaty-based position, you must file a return anyway to report your position. The filing of Form 8833 does not apply to a reduced rate of withholding tax on noneffectively connected income, such as dividends, interest, rents or royalties, or to a reduced rate of tax on pay received for services performed as an employee, including pensions, annuities, and social security. For more information, get Publication 519, *U.S. Tax Guide for Aliens*.

If you fail to file Form 8833, you may have to pay a \$1,000 penalty. Corporations are subject to a \$10,000 penalty for each failure.

## Useful Items

You may want to see:

### Publication

- 519** U.S. Tax Guide for Aliens
- 597** Information on the United States—Canada Income Tax Treaty
- 686** Certification for Reduced Tax Rates in Tax Treaty Countries

### Form (and Instructions)

- 8833** Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)

**Ordering publications and forms.** To order free publications and forms, call 1-800-TAX-FORM (1-800-829-3676). You can also write to the IRS Distribution Center nearest you. Check your income tax return instructions for the address.

If you have access to a personal computer and a modem, you can also get many forms and publications electronically. See *How To Get Forms and Publications* in your income tax package for details.

**Telephone help.** You can call the IRS with your tax question Monday through Friday during regular business hours. Check your telephone book for the local number or you can call **1-800-829-1040**.

**Telephone help for hearing-impaired persons.** If you have access to TDD equipment, you can call **1-800-829-4059** with your tax questions or to order forms and publications. See your tax package for the hours of operation.

## Tax Exemptions Provided by Treaties

In addition to the tables in the back of this publication, this publication contains discussions of the exemptions from tax and certain other effects of the tax treaties on the following types of income:

- 1) Certain pay for personal services performed as a nonresident alien,
- 2) Pay as a foreign professor or teacher who teaches or performs research in the United States for a limited time,
- 3) Amounts received from abroad for maintenance and studies by a foreign student or apprentice who is here for study or experience, and
- 4) Wages, salaries, and pensions received as a nonresident alien paid by a foreign government.

## Personal Services Income

Pay for certain personal services performed in the United States is exempt from U.S. income tax if you are a **resident** (not necessarily a citizen) of one of the countries discussed below, if you are in the United States for a limited number of days and if you meet certain other conditions. For this purpose, the word “day” means a day during any part of which you are physically present in the United States.

**Terms defined.** Several terms appear in many of the discussions that follow. The exact meanings of the terms are determined by the particular tax treaty under discussion; thus, the meanings can vary from treaty to treaty. The definitions that follow are, therefore, general definitions that may not give the exact meaning intended by a particular treaty.

The terms **fixed base** and **permanent establishment** generally mean a fixed place of business, such as an office, a factory, a warehouse, or a mining site, through which an enterprise carries on its business.

The term **borne by** generally means having ultimate financial accounting responsibility for or providing the monetary resources for an expenditure or payment, even if another entity in another location actually made the expenditure or payment.

## Australia

Income that residents of Australia receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not in the United States for more than 183 days during the tax year, and
- 2) Do not have a fixed base regularly available to them in the United States for the purpose of performing the services.

If they have a fixed base available in the United States, they are taxed on the income attributable to the fixed base.

Pay that residents of Australia receive for labor or personal services performed in the United States as employees (dependent personal services), including services as a director of a company, is exempt from U.S. income tax if:

- 1) The residents are in the United States for no more than 183 days during the tax year,
- 2) The pay is paid by, or on behalf of, an employer or company that is not a resident of the United States, and
- 3) The pay is not deductible in determining the taxable income of the trade or business of the employer (or company) in the United States.

These exemptions do not apply to public entertainers (such as theater, motion picture, radio, or television entertainers, musicians and athletes) from Australia who earn more than \$10,000 in gross receipts, including reimbursed expenses, from their entertainment activities in the United States during the tax year.

## Austria

Income that residents of Austria receive for labor or personal services (including practicing liberal professions and performing services as a director) performed in the United States is exempt from U.S. income tax if they are temporarily in the United States for no more than 183 days during the tax year and the income is not more than \$3,000.

Income, regardless of amount, received by residents of Austria who are temporarily in the United States for no more than 183 days during the tax year is also exempt from U.S. income tax if it is received for labor or personal services performed as an employee of, or under contract with, a natural person who is a resident of Austria or an Austrian corporation, and it is borne by that person or corporation.

## Barbados

Income that residents of Barbados receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not in the United States for more than 89 days during the tax year,
- 2) Earn net income for independent services provided to U.S. residents that is not more than \$5,000 (there is no dollar limit if the contractors are not U.S. residents), and
- 3) Do not have a regular base available in the United States for performing the services.

If they have a regular base available in the United States but otherwise meet the conditions for exemption, they are taxed only on the income attributable to the regular base.

Income that residents of Barbados receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. tax if the residents meet four requirements:

- 1) They are not in the United States for more than 183 days during the calendar year,
- 2) The income earned in the calendar year in the United States is not more than \$5,000,
- 3) Their income is paid by or for an employer who is not a U.S. resident, and
- 4) The income is not borne by a permanent establishment or regular base of the employer in the United States.

Income of a Barbadian resident from employment as a member of the regular complement of a ship or aircraft operated in international traffic is exempt from U.S. tax.

These exemptions do not apply to Barbadian resident public entertainers (such as theater, motion picture, radio, or television artists, musicians, or athletes) who receive gross receipts of more than \$250 per day or \$4,000 in the tax year, not including reimbursed expenses, from their entertainment activities in the United States. However, the exemptions do apply regardless of these limits on gross receipts if the entertainer's visit to the United States is substantially supported by Barbadian public funds or if the entertainer's services are provided to a nonprofit organization.

## Belgium

Income that residents of Belgium receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are present in the United States less than 183 days during the tax year, and
- 2) Do not maintain a fixed base in the United States for a period or periods that total more than 182 days during the tax year.

If they do not meet condition (2), they are taxed on the income attributed to the base.

The exemption for independent personal services does not apply to individuals who are public entertainers (theater, motion picture, or television artists, musicians, or athletes), if they are in the United States for more than 90 days during the tax year or if their pay for services as public entertainers is more than \$3,000.

Income that residents of Belgium receive for labor or personal services performed in the United States as employees (dependent personal services), including services as an officer of a corporation, is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are present in the United States less than 183 days during the tax year,

- 2) They are employees of a resident of Belgium or of a permanent establishment in Belgium, and
- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

Income for services performed by an individual as an employee aboard a ship or an aircraft registered in Belgium and operated by a resident of Belgium in international traffic is exempt from U.S. tax if the individual is a member of the regular complement of the ship or aircraft.

These exemptions do not apply to fees received by a resident of Belgium for services performed as a director of a U.S. corporation if the fees are treated as a distribution of profits and cannot be taken as a deduction by the corporation.

## Canada

Income that residents of Canada receive for personal services as independent contractors or self-employed individuals (independent personal services) that they perform during the tax year in the United States (except as public entertainers) is exempt from U.S. tax regardless of length of presence in the United States or amount of the income, provided they do not have a fixed base regularly available to them in the United States for performing the services. If they have a fixed base available in the United States, they are taxed on the income attributable to the fixed base.

Income that residents of Canada receive for personal services performed as employees (dependent personal services) in the United States (except as public entertainers) is exempt from U.S. tax if it is not more than \$10,000 for the year. If it is more than \$10,000 for the year, it is exempt only if:

- 1) The residents are present in the United States for no more than 183 days during the calendar year, and
- 2) The income is not borne by a U.S. resident employer or by a permanent establishment or fixed base of an employer in the United States.

These exemptions do not apply to public entertainers (such as theater, motion picture, radio, or television artists, musicians, or athletes) from Canada who derive more than \$15,000 in gross receipts, including reimbursed expenses, from their entertainment activities in the United States during the calendar year. However, the exemptions do apply, regardless of this \$15,000 limit, to athletes participating in team sports in leagues with regularly scheduled games in both Canada and the United States.

Pay received by a resident of Canada for employment regularly done in more than one country on a ship, aircraft, motor vehicle, or train operated by a Canadian resident is exempt from U.S. tax.

For more information, see Publication 597, *Information on the United States—Canada Income Tax Treaty*.

## China, People's Republic of

Income that residents of the People's Republic of China receive for personal services as independent contractors or self-employed individuals (independent personal services) that they perform during the tax year in the United States (except as athletes or public entertainers) is exempt from U.S. income tax if the residents:

- 1) Are present in the United States for no more than 183 days in the calendar year, and
- 2) Do not have a fixed base regularly available in the United States for performing the services.

If they have a fixed base available in the United States, they are taxable on the income attributable to the fixed base.

Pay received by residents of the People's Republic of China for services performed as employees (dependent personal services) in the United States (except as athletes or public entertainers) is exempt from U.S. tax if:

- 1) The residents are not present in the United States for more than 183 days in the calendar year,
- 2) The pay is paid by or for an employer who is not a U.S. resident, and
- 3) The pay is not borne by a permanent establishment or fixed base that the employer has in the United States.

These exemptions do not apply to directors' fees for service on the board of directors of a U.S. corporation, nor, generally, to income received as a public entertainer (such as a theater, motion picture, radio, or television artist, musician, or athlete). However, income of athletes or public entertainers from China participating in a cultural exchange program agreed upon by the U.S. and Chinese governments is exempt from U.S. tax.

## Commonwealth of Independent States

Income that residents of a C.I.S. member receive for performing personal services in the United States is exempt from U.S. income tax if those residents are in the United States for no more than 183 days during the tax year.

Pay received by an employee who is a member of the regular complement of a ship or aircraft operated in international traffic by a C.I.S. member or a resident of a C.I.S. member is exempt from U.S. tax.

## Cyprus

Income that residents of Cyprus receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are present in the United States for less than 183 days in the tax year, and
- 2) Do not have a fixed base regularly available to them in the United States for performing the services.

If they have a fixed base available in the United States, they are taxable on the income attributable to the fixed base.

Pay received by residents of Cyprus from services performed as employees (dependent personal services), including services as an officer of a corporation, is exempt from U.S. income tax if:

- 1) The residents are in the United States for less than 183 days during the tax year,
- 2) The pay is paid by or for an employer who is not a U.S. resident, and
- 3) The pay is not borne by a permanent establishment, fixed base, or trade or business that the employer has in the United States.

Pay received by a Cyprus resident for performing personal services as an employee and member of the regular complement of a ship or aircraft operated in international traffic by a resident of Cyprus is exempt from U.S. tax.

These exemptions do not apply to Cyprus resident public entertainers (theater, motion picture, radio, or television artists, musicians, or athletes) who receive gross receipts of more than \$500 per day or \$5,000 for the tax year, not including reimbursed expenses, from their entertainment activities in the United States.

Directors' fees received by residents of Cyprus for service on the board of directors of a U.S. corporation are exempt from U.S. income tax to the extent of a reasonable fixed amount payable to all directors for each day of attendance at directors' meetings held in the United States.

## Czech Republic

Income that residents of the Czech Republic receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if the residents:

- 1) Are present in the United States for no more than 183 days in any 12-month period, and
- 2) Do not have a fixed base regularly available to them in the United States for performing the services.

If they have a fixed base available, they are taxed only on income attributable to the fixed base.

Income that residents of the Czech Republic receive for employment in the United States (dependent personal services) is exempt from U.S. income tax if the following three requirements are met:

- 1) The resident is present in the United States for no more than 183 days in any 12-month period,
- 2) The income is paid by, or on behalf of, an employer who is not a U.S. resident, and
- 3) The income is not borne by a permanent establishment or a fixed base that the employer has in the United States.

These exemptions do not apply to income residents of the Czech Republic receive as public entertainers (such as theater, motion picture, radio, or television artists, or musicians) or sportsmen if their gross receipts, including reimbursed expenses, are more than \$20,000 during the tax year. Regardless of these limits, income of Czech entertainers and sportsmen is exempt from U.S. income tax if their visit to the United States is substantially supported by public funds of the Czech Republic, its political subdivisions, or local authorities, or the visit is made pursuant to a specific arrangement between the United States and the Czech Republic.

These exemptions do not apply to directors' fees and similar payments received by a resident of the Czech Republic as a member of the board of directors of a company that is a resident of the United States.

Income from employment as a member of the regular complement of a ship or aircraft operated by a Czech enterprise in international traffic is exempt from U.S. income tax.

## Denmark

Income that residents of Denmark receive for labor or personal services (including practicing liberal professions) performed in the United States is exempt from U.S. income tax if they are temporarily in the United States for no more than 90 days during the tax year and their pay is not more than \$3,000.

All income for labor or personal services that residents of Denmark perform as employees of, or under contract with, a resident, corporation, or other entity of Denmark is exempt from U.S. income tax if they are in the United States for no more than 180 days during the tax year.

## Egypt

Income that residents of Egypt receive for performing personal services as independent contractors or as self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if they are not in the United States for more than 89 days during the tax year.

Income that residents of Egypt receive for labor or personal services performed in the United States as employees (dependent personal services), including income for services performed by an officer of a corporation or company, is exempt from U.S. income tax if the residents meet four requirements:

- 1) They are not in the United States for more than 89 days during the tax year,
- 2) They are employees of a resident of, or a permanent establishment in, Egypt,
- 3) Their income is not borne by a permanent establishment that the employer has in the United States, and
- 4) Their income is subject to Egyptian tax.

Pay received by a resident of Egypt who is an employee and member of the regular complement of a ship or an aircraft operated in international traffic by a resident of Egypt is exempt.

These exemptions do not apply to Egyptian resident public entertainers (theater, motion picture, radio, or television artists, musicians, or athletes), who earn income for services as public entertainers (both independent and dependent personal services) if the gross amount of the income is more than \$400 for each day they are in the United States performing the services.

## Finland

Income that residents of Finland receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if they do not have a fixed base regularly available to them in the United States for performing the services. If they have a fixed base available in the United States, they are taxed on the income attributable to the fixed base.

Income that residents of Finland receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States for no more than 183 days during any 12-month period,
- 2) Their income is paid by, or on behalf of, an employer who is not a resident of the United States, and
- 3) Their income is not borne by a permanent establishment, fixed base, or trade or business that the employer has in the United States.

Income received for performing personal services as an employee and member of the regular complement of a ship or aircraft operated in international traffic by a resident of Finland is exempt from U.S. tax.

These exemptions do not apply to income residents of Finland receive as public entertainers or sportsmen if the gross income, including reimbursed expenses, is more than \$20,000 for their personal activities in the United States during the calendar year.

## France

Income that residents of France receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents meet two requirements:

- 1) They are in the United States for no more than 183 days during the tax year, and
- 2) They do not maintain a fixed base in the United States for more than 183 days during the tax year.

Income that residents of France receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States for no more than 183 days during the tax year,
- 2) Their income is paid by or on behalf of an employer who is not a resident of the United States, and
- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

Income for services performed by a resident of France as an employee and member of the regular complement of a ship or an aircraft operated in international traffic is exempt from tax in the United States.

These exemptions do not apply to public entertainers (such as theater, motion picture, radio, or television artists, musicians, or athletes) from France who earn more than \$10,000 in gross receipts, including reimbursed expenses, from their entertainment activities in the United States during the tax year.

## Germany

Income that residents of Germany receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if the income is not attributable to a fixed base regularly available in the United States.

Income that residents of Germany receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. tax if the residents meet three requirements:

- 1) They are present in the United States for not more than 183 days during the calendar year,
- 2) The income is paid by, or on behalf of, an employer who is not a resident of the United States, and
- 3) The income is not borne by a permanent establishment or a fixed base that the employer has in the United States.

Pay received by a resident of Germany for services performed as an employee and member of the regular complement of a ship or aircraft operated in international traffic is exempt from U.S. tax.

These exemptions do not apply to directors' fees and other similar payments received by a resident of Germany for services performed in the United States as a member of the board of directors of a company resident in the United States.

These exemptions do not apply to income residents of Germany receive as public entertainers (such as theater, motion picture, radio or television artists, or musicians) or athletes if their gross receipts, including reimbursed expenses, are more than \$20,000 during the calendar year. Regardless of these limits, income of German entertainers or athletes is exempt from U.S. tax if their visit to the United States is substantially supported by public funds of Germany, its political subdivisions, or local authorities.

## Greece

Income that residents of Greece receive for labor or personal services (including practicing liberal and artistic professions) is exempt from U.S. income tax if they are in the United States for no more than 183 days during the tax year and the pay is not more than \$10,000. The pay, regardless of amount, is exempt from U.S. income tax if it is for labor or personal services performed as employees of, or under contract with, a resident of Greece or a Greek corporation or other entity of Greece, and if the residents are in the United States for no more than 183 days during the tax year.

## Hungary

Income that residents of Hungary receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. tax if the residents:

- 1) Are not in the United States for more than 183 days during the tax year, and
- 2) Do not have a fixed base regularly available in the United States.

If they have a fixed base available in the United States, they are taxed on the income attributable to the fixed base.

Income that residents of Hungary receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States for no more than 183 days during the tax year,
- 2) Their income is paid by or on behalf of an employer who is not a resident of the United States, and
- 3) Their income is not borne by a permanent establishment or a fixed base that the employer has in the United States.

Pay received by an employee who is a member of the regular complement of a ship or aircraft operated by a resident of Hungary in international traffic is also exempt.

## Iceland

Income that residents of Iceland receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not present in the United States for more than 182 days during the tax year, and
- 2) Do not maintain a fixed base in the United States for a period or periods totaling more than 182 days during the tax year.

If they do not meet condition (2), they are taxed on the income that is attributable to the fixed base.

This exemption does not apply to residents of Iceland who are public entertainers (theater, motion picture, or television artists, musicians, or athletes) if they are in the United States for more than 90 days during the tax year or their pay for services as public entertainers is more than \$100 per day.

Income that residents of Iceland receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the employees meet three requirements:

- 1) They are in the United States for no more than 182 days during the tax year,
- 2) They are employees of a resident of Iceland or of a permanent establishment of a resident of a state other than Iceland if the permanent establishment is located in Iceland, and
- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

Income for services performed by an employee aboard a ship or an aircraft operated by a resident of Iceland in international traffic or in fishing on the high seas is exempt from U.S. tax if the individual is a member of the regular complement of the ship or aircraft.

## India

Income that residents of India receive for performing personal services in the United States during the tax year as independent contractors or self-employed individuals (independent personal services) is exempt from U.S. income tax if the residents:

- 1) Are present in the United States for no more than 89 days during the tax year, and
- 2) Do not have a fixed base regularly available to them in the United States for performing the services.

If they have a fixed base available, they are taxed only on income attributable to the fixed base.

Income that residents of India receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are present in the United States for no more than 183 days during the tax year,
- 2) The income is paid by, or on behalf of, an employer who is not a resident of the United States, and
- 3) The income is not borne by a permanent establishment, fixed base, or trade or business the employer has in the United States.

These exemptions do not apply to directors' fees and similar payments received by an Indian resident as a member of the board of directors of a company that is a U.S. resident.

Pay received by a resident of India for services performed as an employee aboard a

ship or aircraft operated by an Indian enterprise in international traffic is exempt from U.S. tax.

These exemptions do not apply to income residents of India receive as public entertainers (such as theater, motion picture, radio, or television artists, or musicians) or athletes if their net income is more than \$1,500 during the tax year for their entertainment activities in the United States. Regardless of this limit, the income of Indian entertainers and athletes is exempt from U.S. tax if their visit to the United States is wholly or substantially supported from the public funds of the Indian Government, its political subdivisions, or local authorities.

## Indonesia

Income that residents of Indonesia receive for performing personal services as individual contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are present in the United States for no more than 119 days during any consecutive 12-month period, and
- 2) Do not have a fixed base regularly available to them in the United States for performing the services.

If they have a fixed base available, they are taxed only on the income attributable to the fixed base.

Income that residents of Indonesia receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are present in the United States no more than 119 days during any consecutive 12-month period,
- 2) The income is paid by, or on behalf of, an employer who is not a resident of the United States, and
- 3) The income is not borne or reimbursed by a permanent establishment the employer has in the United States.

Pay received by an individual for services performed as an employee aboard a ship or aircraft operated by an Indonesian resident in international traffic is exempt from U.S. tax if the individual is a member of the regular complement of the ship or aircraft.

These exemptions do not apply to income residents of Indonesia receive as public entertainers (such as theater, motion picture, radio, or television artists, or musicians) or athletes if their gross receipts, including reimbursed expenses, are more than \$2,000 during any consecutive 12-month period. Regardless of these limits, income of Indonesian entertainers and athletes is exempt from U.S. tax if their visit to the United States is substantially supported or sponsored by the Indonesian Government and the Indonesian competent authority certifies that the entertainers or athletes qualify for this exemption.

## Ireland

Income that residents of Ireland receive for personal services (including professional services) performed during the tax year in the United States for, or on behalf of, a person resident in Ireland is exempt from U.S. income tax if the residents are not present in the United States for more than 183 days during that tax year.

## Israel

Income that residents of Israel receive for performing personal services as independent contractors or as self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if they are not in the United States for more than 182 days during the tax year.

Income that residents of Israel receive for labor or personal services performed in the United States as employees (dependent personal services), including income for services performed by an officer of a corporation or company, is exempt from U.S. income tax if the residents meet four requirements:

- 1) They are not in the United States for more than 182 days during the tax year,
- 2) They are employees of a resident of, or a permanent establishment in, Israel,
- 3) Their income is not borne by a permanent establishment that the employer has in the United States, and
- 4) Their income is subject to Israeli tax.

Generally, pay received by an employee of a resident of Israel for labor or personal services performed as a member of the regular complement of a ship or an aircraft operated in international traffic by a resident of Israel is exempt.

These exemptions do not apply to income that residents of Israel receive as public entertainers (such as theater, motion picture, radio or television artists, musicians, or athletes), if the gross amount of the income is more than \$400 for each day they are in the United States performing the services.

## Italy

Income that residents of Italy receive for performing personal services in the United States during the tax year as independent contractors or self-employed individuals (independent personal services) is exempt from U.S. income tax if the residents:

- 1) Are not present in the United States for more than 183 days in the tax year, and
- 2) Do not have a fixed base regularly available to them in the United States for performing the services.

If they have a fixed base available, they are taxed only on the income attributable to the fixed base.

Income that residents of Italy receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if:

- 1) The residents are present in the United States for not more than 183 days during the tax year,
- 2) The income is paid by or for an employer who is not a U.S. resident, and
- 3) The income is not borne by a permanent establishment or fixed base that the employer has in the United States.

Pay received by a resident of Italy from employment regularly exercised aboard a ship or aircraft operated by an Italian enterprise in international traffic is exempt from U.S. tax.

These exemptions do not apply to income residents of Italy receive as public entertainers (such as theater, motion picture, radio, or television artists, musicians, or athletes) if they are present in the United States for more than 90 days during the tax year or their gross receipts, including reimbursed expenses, are more than \$12,000 during the tax year for their entertainment activities in the United States.

### Jamaica

Income that residents of Jamaica receive for the performance of personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not in the United States for more than 89 days during the tax year,
- 2) Do not have a fixed base regularly available to them in the United States for performing their services, and
- 3) Earn net income for those services that is not more than \$5,000 during the tax year if the income is from a U.S. contractor.

If they have a fixed base available in the United States, they are taxed only on the income that is attributable to the fixed base. There is no dollar limit for condition (3) if the contractor is from a country other than the United States.

Income that residents of Jamaica receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet four requirements:

- 1) They are not in the United States for more than 183 days during the tax year,
- 2) Their income is paid by or for an employer who is not a resident of the United States,
- 3) Their income is not borne by a permanent establishment or a fixed base that the employer has in the United States, and
- 4) Their net income received for the services is not more than \$5,000 during the tax year.

Pay received from employment as a member of the regular complement of a ship or an aircraft operated in international traffic by a Jamaican enterprise is exempt.

These exemptions do not apply to income that residents of Jamaica receive for performing services (both independent and dependent personal services) in the United States as

entertainers, such as theater, motion picture, radio, or television artists, musicians, or athletes, if the gross receipts (excluding reimbursements for expenses) from the services are more than \$400 a day or \$5,000 for the tax year.

Directors' fees received by residents of Jamaica for services performed in the United States as members of boards of directors of U.S. corporations are exempt from U.S. tax if the fees (excluding reimbursed expenses) are not more than \$400 per day for each day the directors are present in the United States to perform the services.

### Japan

Income that residents of Japan receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not present in the United States for more than 183 days during the tax year, and
- 2) Do not maintain a fixed base in the United States for more than 183 days during the tax year.

If they do not meet condition (2), they are taxed on only the income attributable to the fixed base.

This exemption does not apply to residents of Japan who are public entertainers (theater, motion picture, or television artists, musicians, or athletes) if they are in the United States for more than 90 days during the tax year or their pay (excluding reimbursed travel expenses) for services as public entertainers is more than \$3,000 during the tax year.

Income that residents of Japan receive for labor or personal services performed in the United States as employees (dependent personal services), including pay received by an officer or a member of the board of directors of a corporation, is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States for not more than 183 days during the tax year,
- 2) They are employees of a resident of Japan or of a permanent establishment of a resident of a state **other than Japan** if the permanent establishment is located in Japan, and
- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

However, the exemption does not apply in certain cases in which the employee owns stock of the employer or is a member of the employer's board of directors.

Pay received from employment as a member of the regular complement of a ship or aircraft operated in international traffic by a resident of Japan is exempt.

### Korea, Republic of

Income that residents of the Republic of Korea receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. tax if the residents:

- 1) Are not in the United States for more than 182 days during the tax year,
- 2) Earn income for those services that is not more than \$3,000 during the tax year, and
- 3) Do not maintain a fixed base in the United States for more than 182 days during the tax year.

If they maintain a fixed base in the United States for more than 182 days, they are taxed on the income attributable to the fixed base.

Income that residents of Korea receive for labor or personal services performed in the United States as employees (dependent personal services), including pay for services performed as an officer of a corporation, is exempt from U.S. tax if the residents meet four requirements:

- 1) They are not in the United States for more than 182 days during the tax year,
- 2) They are employees of a resident of Korea or of a permanent establishment maintained in Korea,
- 3) Their compensation is not borne by a permanent establishment that the employer has in the United States, and
- 4) Their income for those services is not more than \$3,000.

Pay received by employees who are members of the regular complement of a ship or aircraft operated by a resident of Korea in international traffic is exempt.

### Luxembourg

Income (other than corporate directors' fees) that residents of Luxembourg receive for labor or personal services performed in the United States during the tax year is exempt from U.S. income tax if the residents are in the United States for no more than 180 days during the tax year and the income is not more than \$3,000.

All income (other than corporate directors' fees) that residents of Luxembourg receive for labor or personal services performed in the United States as an employee is exempt from U.S. income tax if:

- 1) The residents are in the United States for no more than 180 days during the tax year, and
- 2) The income is borne by an employer that is a resident or corporation of Luxembourg, or a permanent establishment of a U.S. enterprise in Luxembourg.

## Malta

Income that residents of Malta receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not in the United States for more than 90 days during the tax year,
- 2) Do not have a fixed base regularly available to them in the United States for performing their services, and
- 3) Earn net income for those services that is not more than \$10,000 during the tax year if the income is from a U.S. contractor.

If they have a fixed base available in the United States, they are taxed only on the income attributable to that fixed base. There is no dollar limit for condition (3) if the contractor is from a country other than the United States.

Income that residents of Malta receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are not in the United States for more than 183 days during the tax year,
- 2) Their income is paid by or on behalf of an employer who is not a resident of the United States, and
- 3) Their income is not borne by a permanent establishment or a fixed base that the employer has in the United States.

Pay received from employment as a member of the regular complement of a ship or an aircraft operated in international traffic by a Maltese enterprise is exempt.

These exemptions do not apply to income residents of Malta receive for performing services (both independent and dependent personal services) in the United States as entertainers, such as theater, motion picture, radio, or television artists, musicians, or athletes, if they are present in the United States for more than 89 days during the tax year or the income received is more than \$500 for each day of performance (including rehearsals) or \$5,000 for the tax year.

Directors' fees received by residents of Malta for serving on boards of directors of U.S. corporations are exempt from U.S. tax to the extent of a reasonable fixed amount payable to all directors of the corporation for attending directors' meetings in the United States.

## Mexico

Income that residents of Mexico receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if the residents:

- 1) Are in the United States for no more than 183 days in a 12-month period, and
- 2) Do not have a fixed base that they regularly use for performing the services.

If they have a fixed base available, they are taxed only on income attributable to the fixed base.

Income that residents of Mexico receive for employment in the United States (dependent personal services) is exempt from U.S. tax if the following three requirements are met:

- 1) The resident is present in the United States for no more than 183 days in a 12-month period,
- 2) The income is paid by, or on behalf of, an employer who is not a resident of the United States, and
- 3) The income is not borne by a permanent establishment or fixed base that the employer has in the United States.

These exemptions do not apply to director's fees and similar payments received by a resident of Mexico for services performed outside Mexico as a director or overseer of a company that is a U.S. resident.

These exemptions do not apply to income residents of Mexico receive as public entertainers (such as theater, motion picture, radio, or television artists, or musicians) or athletes if the income, including reimbursed expenses, is more than \$3,000 during the tax year for their entertainment activities in the United States. This includes income from activities performed in the United States relating to the entertainer or athlete's reputation, such as endorsements of commercial products. Regardless of this limit, the income of Mexican entertainers and athletes is exempt from U.S. tax if their visit to the United States is substantially supported by public funds of Mexico, its political subdivisions, or local authorities.

## Morocco

Income that residents of Morocco receive for performing personal services as independent contractors or as self-employed persons (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not in the United States for more than 182 days during the tax year,
- 2) Do not maintain a fixed base in the United States for more than 89 days during the tax year, and
- 3) Earn total income for those services that is not more than \$5,000.

If they have a fixed base in the United States for more than 89 days, they are taxed only on the income attributable to the fixed base.

Income that residents of Morocco receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States for less than 183 days during the tax year,
- 2) They are employees of a resident of Morocco or of a permanent establishment of a resident of a country other than Morocco if the permanent establishment is located in Morocco, and

- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

Compensation received for services performed by a member of the board of directors of a corporation does not qualify for this exemption.

Income received by an individual for performing labor or personal services as an employee aboard a ship or an aircraft operated in international traffic by a Moroccan resident is exempt from U.S. income tax if the individual is a member of the regular complement of the ship or aircraft.

These exemptions do not apply to income received for services (both independent and dependent personal services) performed in the United States by professional entertainers, including theater, film, radio, and television performers, musicians, and athletes, unless the services are performed by, or for the account of, a Moroccan nonprofit organization.

## Netherlands

Income that residents of the Netherlands receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if the income is not attributable to a fixed base in the United States that is regularly available for performing the services.

Income that residents of the Netherlands receive for employment in the United States (dependent personal services) is exempt from U.S. income tax if the following three requirements are met:

- 1) The resident is in the United States for no more than 183 days during the tax year,
- 2) The income is paid by, or on behalf of, an employer who is not a U.S. resident, and
- 3) The income is not borne by a permanent establishment or fixed base the employer has in the United States.

Income received by a Netherlands resident for employment as a member of the regular complement of a ship or aircraft operated in international traffic is exempt from U.S. tax.

These exemptions do not apply to income residents of the Netherlands receive as public entertainers (such as theater, motion picture, radio, or television artists, or musicians) or athletes if the gross income, including reimbursed expenses, is more than \$10,000.

## New Zealand

Income that residents of New Zealand receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States in any tax year is exempt from U.S. income tax if the residents:

- 1) Are present in the United States for no more than 183 days during any consecutive 12-month period, and
- 2) Do not have a fixed base regularly available to them in the United States for performing the services.



If they have a fixed base available in the United States, they are taxed on the income attributable to the fixed base.

Income that residents of New Zealand receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet these requirements:

- 1) They are present in the United States for no more than 183 days in any consecutive 12-month period,
- 2) Their income is paid by or on behalf of an employer that is not a resident of the United States, and
- 3) Their income is not borne by a permanent establishment or fixed base of the employer in the United States.

Pay received by a New Zealand resident as an employee and member of the regular complement of a ship or aircraft operated in international traffic is exempt from U.S. tax.

The exemption from U.S. tax on income from both independent and dependent personal services does not apply to public entertainers (artists, athletes, etc.) from New Zealand who earn more than \$10,000 in gross receipts, including reimbursed expenses, from their entertainment activities in the United States during the tax year.

## Norway

Income that residents of Norway receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not present in the United States for more than 182 days during the tax year, and
- 2) Do not maintain a fixed base in the United States for more than 182 days during the tax year.

If they do not meet requirement (2), they are taxed only on the income attributable to the fixed base.

This exemption does not apply to residents of Norway who are public entertainers (theater, motion picture, or television artists, musicians, or athletes) if they are in the United States for more than 90 days during the tax year or their pay for services as public entertainers is more than \$10,000 during the tax year.

Income that residents of Norway receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States less than 183 days during the tax year,
- 2) They are employees of a resident of Norway or of a permanent establishment of a resident of a state **other than Norway** if the permanent establishment is situated in Norway, and

- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

However, the exemption does not apply to a resident of Norway who performs services as an employee aboard a ship or an aircraft operated by a United States resident in international traffic or in fishing on the high seas if the resident of Norway is a member of the regular complement of the ship or aircraft.

## Pakistan

Residents of Pakistan who perform personal services (including professional services) for or on behalf of a resident of Pakistan while in the United States for no more than 183 days during the tax year are exempt from U.S. income tax on the income from the services if they are subject to Pakistani tax.

## Philippines

Income that residents of the Philippines receive for performing personal services as independent contractors or as self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Do not have a fixed base regularly available to them in the United States for performing their services,
- 2) Are in the United States for no more than 89 days during the tax year, and
- 3) Earn gross income for those services that is not more than \$10,000 for the tax year if the income is from U.S. contractors.

If they have a fixed base available in the United States, they are taxed only on the income attributable to the fixed base. There is no dollar limit for condition (3) if the contractor is a resident of a country other than the United States.

Income that residents of the Philippines receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States for no more than 89 days during the tax year,
- 2) They are employees of a resident of the Philippines or of a permanent establishment maintained in the Philippines, and
- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

Pay received by an employee of a resident of the Philippines for personal services performed as a member of the regular complement of a ship or an aircraft operated in international traffic by a resident of the Philippines is exempt.

These exemptions do not apply to income residents of the Philippines receive for performing services (both independent and dependent personal services) in the United

States as entertainers, such as theater, motion picture, radio, or television artists, musicians, or athletes, if the income is more than \$100 a day or \$3,000 for the tax year. Regardless of these limits, income of Philippine entertainers is exempt from U.S. tax if their visit to the United States is substantially supported or sponsored by the Philippine Government and the entertainers are certified as qualified for this exemption by the Philippine competent authority.

## Poland

Income that residents of Poland receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if they are in the United States for no more than 182 days during the tax year.

Income that residents of Poland receive for labor or personal services performed as employees (dependent personal services), including services performed by an officer of a corporation or company, in the United States during the tax year is exempt from U.S. income tax if the residents meet three requirements:

- 1) They are in the United States for no more than 182 days during the tax year,
- 2) Their income is paid by or on behalf of an employer who is not a U.S. resident, and
- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

Pay received by employees who are members of the regular complement of a ship or aircraft operated by a resident of Poland in international traffic is exempt.

## Romania

Income that residents of Romania receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. income tax if the residents:

- 1) Are not present in the United States for more than 182 days during the tax year, and
- 2) Do not maintain a permanent establishment in the United States with which the income is effectively connected.

Income that residents of Romania receive for labor or personal services performed as employees (dependent personal services), including services performed by an officer of a corporation or company, in the United States during the tax year is exempt from U.S. income tax if the residents meet these requirements:

- 1) They are in the United States for no more than 182 days during the tax year,
- 2) They are employees of a resident of Romania or of a permanent establishment maintained in Romania by a resident of the United States, and

- 3) Their income is not borne by a permanent establishment that the employer has in the United States.

These exemptions do not apply to entertainers, such as theater, motion picture, radio, or television artists, musicians, or athletes, who are present in the United States for more than 90 days during the tax year (90 days or more if the entertainers are employees) or who earn gross income as entertainers in the United States of more than \$3,000 during the tax year (\$3,000 or more if they are employees). However, the exemptions **do** apply, without regard to the 90 day–\$3,000 requirement, if the entertainers are present in the United States by specific arrangements between the United States and Romania.

Pay received by employees who are members of the regular complement of a ship or aircraft operated by a resident of Romania in international traffic is exempt.

## Russia

Income that residents of Russia receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if:

- 1) The residents are present in the United States for no more than 183 days during the calendar year, and
- 2) The income is not attributable to a fixed base in the United States which is regularly available to the residents.

If the residents have a fixed base available, they are taxed only on the income attributable to the fixed base.

Income that residents of Russia receive for employment in the United States (dependent personal services) is exempt from U.S. income tax if the following three requirements are met:

- 1) The resident is present in the United States for no more than 183 days during the calendar year,
- 2) The income is paid by, or on behalf of, an employer who is not a resident of the United States, and
- 3) The income is not borne by a permanent establishment or a fixed base that the employer has in the United States.

However, income from employment directly connected with a place of business that is not a permanent establishment is exempt if the resident is present in the United States not longer than 12 consecutive months. For this purpose, a place of business means a construction site, assembly or installation project, or drilling operation.

Income from employment as a member of the regular complement of a ship or aircraft operated in international traffic is exempt from U.S. tax.

Income from technical services directly connected with the application of a right or property giving rise to a royalty is exempt if those services are provided as part of a contract granting the use of the right or property.

These exemptions do not apply to directors' fees and similar payments received by a resident of Russia as a member of the board of directors or similar body of a company that is a U.S. resident.

## Slovak Republic

Income that residents of the Slovak Republic receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if the residents:

- 1) Are present in the United States for no more than 183 days in any 12-month period, and
- 2) Do not have a fixed base regularly available to them in the United States for performing the activities.

If they have a fixed base available, they are taxed only on income attributable to the fixed base.

Income that residents of the Slovak Republic receive for employment in the United States (dependent personal services) is exempt from U.S. income tax if the following three requirements are met:

- 1) The resident is present in the United States for no more than 183 days in any 12-month period,
- 2) The income is paid by, or on behalf of, an employer who is not a U.S. resident, and
- 3) The income is not borne by a permanent establishment or a fixed base that the employer has in the United States.

These exemptions do not apply to income residents of the Slovak Republic receive as public entertainers (such as theater, motion picture, radio, or television artists, or musicians) or sportsmen if their gross receipts, including reimbursed expenses, are more than \$20,000 during the tax year. Regardless of these limits, income of Slovak entertainers and sportsmen is exempt from U.S. income tax if their visit to the United States is substantially supported by public funds of the Slovak Republic, its political subdivisions, or local authorities, or the visit is made pursuant to a specific arrangement between the United States and the Slovak Republic.

These exemptions do not apply to directors' fees and similar payments received by a resident of the Slovak Republic as a member of the board of directors of a company that is a resident of the United States.

Income from employment as a member of the regular complement of a ship or aircraft operated by a Slovak enterprise in international traffic is exempt from U.S. income tax.

## Spain

Income that residents of Spain receive as independent contractors or self-employed individuals (independent personal services) in the United States is exempt from U.S. income tax if the residents do not have a fixed base available to them in the United States for performing the services. If they have a fixed base, they

are taxed only on the income attributable to the fixed base.

Income that residents of Spain receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if:

- 1) The residents are present in the United States no more than 183 days in any 12-month period,
- 2) The income is paid by, or on behalf of, an employer who is not a U.S. resident, and
- 3) The income is not borne by a permanent establishment or fixed base the employer has in the United States.

Pay received by employees who are members of a regular complement of a ship or aircraft operated in international traffic by a Spanish enterprise may be taxed by Spain.

These exemptions do not apply to public entertainers (such as theater, motion picture, radio, or television artists, or musicians) or athletes from Spain who earn more than \$10,000 in income, including reimbursed expenses, from their entertainment activities in the United States during the tax year. Regardless of these limits, Spanish entertainers and athletes are exempt from U.S. tax if their visit to the United States is substantially supported by public funds of Spain, a political subdivision, or local authority.

## Sweden

Income that residents of Sweden receive for labor or personal services (including practicing liberal professions) is exempt from U.S. income tax regardless of amount if it is received for labor or services performed while in the United States for no more than 180 days during the tax year as employees of, or under contract with, a resident, corporation, or other entity of Sweden.

Residents of Sweden are exempt from U.S. income tax on income for such services provided to non-Swedish employers or contractors if the Swedish residents are in the United States for no more than 90 days during the tax year and the income is not more than \$3,000.

These exemptions do not apply to the professional earnings of individuals such as actors, artists, musicians, and professional athletes.

## Switzerland

Income that residents of Switzerland receive for labor or personal services (including practicing liberal professions and performing services as directors) is exempt from U.S. income tax if the residents are in the United States for no more than 183 days during the tax year and the income is not more than \$10,000.

Also exempt from U.S. income tax is income, regardless of the amount, received by residents of Switzerland in the United States for no more than 183 days during the tax year for the labor or personal services performed as employees of, or under contract with, a resident, corporation, or other entity of Switzerland.

## Trinidad and Tobago

Income (including reimbursed travel expenses) that residents of Trinidad and Tobago receive during the tax year for personal services performed in the United States is exempt from U.S. income tax if the individuals are in the United States for no more than 183 days during the tax year and either:

- 1) The residents are employees of a resident of a country other than the United States or are employees of a permanent establishment of a U.S. resident outside the United States and the income is not deducted in figuring the profits of a permanent establishment in the United States, or
- 2) The income is not more than \$3,000 (excluding reimbursed travel expenses).

These exemptions do not apply to the professional earnings of public entertainers such as actors, musicians, and professional athletes or to any person providing their services if the pay is more than \$100 per day (excluding reimbursed travel expenses).

Pay received by members of the regular complement of a ship or aircraft operated in international traffic by a resident of Trinidad and Tobago is exempt from U.S. tax.

## Tunisia

Income that residents of Tunisia receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States are exempt from U.S. income tax if:

- 1) They are not in the United States for more than 183 days during the tax year,
- 2) They do not have a fixed base regularly available in the United States for performing the services, and
- 3) The gross income for the tax year from U.S. residents for services performed in the United States is no more than \$7,500.

If they do not meet condition (2), they are taxed on the income that is attributable to the fixed base.

Income that residents of Tunisia receive for personal services performed in the United States as employees (dependent personal services) is exempt from U.S. income tax if:

- 1) The residents are in the U.S. for no more than 183 days during the tax year,
- 2) Their income is paid by, or on behalf of, an employer who is not a resident of the United States, and
- 3) Their income is not borne by a permanent establishment or fixed base the employer has in the United States.

Pay received by employees who are members of the regular complement of a ship or aircraft operated by an enterprise in international traffic is exempt from U.S. tax if the place of management of the enterprise is in Tunisia.

These exemptions do not apply to income residents of Tunisia receive as public entertainers (such as theater, motion picture, radio,

or television artists and musicians) or athletes if their gross receipts, including reimbursed expenses, are more than \$7,500 during the tax year.

These exemptions do not apply to fees received by a resident of Tunisia for services performed as a director of a U.S. corporation if the fees are treated as a distribution of profits and cannot be taken as a deduction by the corporation.

## United Kingdom

Income that residents of the United Kingdom receive for performing personal services as independent contractors or self-employed individuals (independent personal services) in the United States during the tax year is exempt from U.S. tax if the residents:

- 1) Are not in the United States for more than 183 days during the tax year, and
- 2) Do not have a fixed base regularly available in the United States.

Income that residents of the United Kingdom receive for labor or personal services performed in the United States as employees (dependent personal services) is exempt from U.S. tax if the employees meet three requirements:

- 1) They are in the United States for no more than 183 days,
- 2) Their income is paid by or on behalf of an employer who is not a resident of the United States, and
- 3) Their income is not borne by a permanent establishment or a fixed base that the employer has in the United States.

Income for services performed by an employee and member of the regular complement of a ship or aircraft operated in international traffic is taxed by the country of which the employer operating the ship or aircraft is a resident.

These exemptions do not apply to income received for services performed in the United States as an entertainer, musician, or athlete if the income, including reimbursed expenses, is more than \$15,000 in any tax year.

## Professors, Teachers, and Researchers

Pay of professors and teachers who are residents of the following countries is generally exempt from U.S. income tax for 2 or 3 years if they temporarily visit the United States to teach or do research. The exemption applies to pay earned by the visiting professor or teacher during the applicable period. For most of the following countries, the applicable period begins on the date of arrival in the United States for the purpose of teaching or engaging in research. Furthermore, for most of the following countries, the exemption applies even if the stay in the United States extends beyond the applicable period.

The exemption generally applies to pay received during a second teaching assignment if both are completed within the specified time,

even if the second assignment was not arranged until after arrival in the United States on the first assignment. For each of the countries listed, the conditions are stated under which the pay of a professor or teacher from that country is exempt from U.S. income tax.

If you do not meet the requirements for exemption as a teacher or if you are a resident of a treaty country that does not have a special provision for teachers, you may qualify under a personal services income provision discussed earlier.

## Austria

A professor or teacher who is a resident of Austria and temporarily visits the United States to teach at a university, college, school, or other educational institution for not longer than 2 years is exempt from U.S. income tax on the income for teaching during that period.

## Belgium

An individual who is a resident of Belgium on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other recognized educational institution in the United States primarily to teach or engage in research, or both, at a university or other accredited educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## China, People's Republic of

An individual who is a resident of the People's Republic of China and who is temporarily in the United States primarily to teach, lecture, or conduct research at a university or other accredited educational institution or scientific research institution is exempt from U.S. income tax on income for the teaching, lecturing, or research for a total of not more than 3 years.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Commonwealth of Independent States

An individual who is a resident of a C.I.S. member on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government or an educational or scientific research institution in the United States primarily to teach, engage in research, or participate in scientific, technical, or professional conferences is exempt from U.S. income tax on income for teaching, research, or participation in these conferences for a maximum period of 2 years.

This exemption does not apply to income from research carried on mainly for the benefit of a private person, including a commercial enterprise of the United States or a foreign trade organization of a C.I.S. member.

The exemption does, however, apply if the research is conducted through an intergovernmental agreement on cooperation.

This exemption also applies to journalists and correspondents who are temporarily in the United States for periods not longer than 2 years and who receive their compensation from abroad. It is not necessary that the journalists or correspondents be invited by the U.S. Government or other appropriate institution, nor does it matter that they are employed by a private person, including commercial enterprises and foreign trade organizations.

## Czech Republic

An individual is exempt from U.S. income tax on income for teaching or research for up to 2 years if he or she:

- 1) Is a resident of the Czech Republic immediately before visiting the United States, and
- 2) Is in the United States primarily to teach or conduct research at a university, college, school, or other accredited educational or research institution.

A Czech resident is entitled to these benefits only once. However, the exemption does not apply if:

- 1) The resident claimed during the immediate preceding period the benefits described later under *Students and Apprentices*, or
- 2) The income is from research undertaken primarily for the private benefit of a specific person or persons.

## Denmark

A professor or teacher who is a resident of Denmark and temporarily visits the United States to teach at a university, college, school, or other educational institution for a period not longer than 2 years is exempt from U.S. income tax on income for teaching during that period.

## Egypt

An individual who is a resident of Egypt on the date of arrival in the United States and who is temporarily in the United States primarily to teach or engage in research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income from the teaching or research for a maximum of 2 years from the date of arrival in the United States. The individual must have been invited to the United States for a period not expected to be longer than 2 years by the U.S. Government or a state or local government, or by a university or other recognized educational institution in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## France

An individual who is a resident of France on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other accredited educational or research institution in the United States primarily to teach or engage in research, or both, at a university or other educational or research institution is exempt from U.S. income tax on income from teaching or research for a maximum of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Germany

A professor or teacher who is a resident of Germany and who is in the United States for not more than 2 years to engage in advanced study or research or teaching at an accredited educational institution or institution engaged in research for the public benefit is exempt from U.S. tax on income received for such study, research, or teaching. If the individual's visit to the United States exceeds 2 years, the exemption is lost for the entire visit unless the competent authorities of Germany and the United States agree otherwise.

The exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Greece

A professor or teacher who is a resident of Greece and who is temporarily in the United States to teach at a university, college, or other educational institution for a maximum of 3 years is exempt from U.S. income tax on the income received for teaching during that period.

## Hungary

An individual who is a resident of Hungary on the date of arrival in the United States and who is temporarily in the United States primarily to teach or engage in research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum of 2 years from the date of arrival in the United States. The individual must have been invited to the United States for a period not expected to be longer than 2 years by the U.S. Government or a state or local government, or by a university or other recognized educational institution in the United States.

The exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Iceland

An individual who is a resident of Iceland on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other recognized educational institution in the United States primarily to teach or engage in

research, or both, at a university or other educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## India

An individual is exempt from U.S. tax on income received for teaching or research if he or she:

- 1) Is a resident of India immediately before visiting the United States, and
- 2) Is in the United States to teach or engage in research at an accredited university or other recognized educational institution in the United States for a period not longer than 2 years.

If the individual's visit to the United States exceeds 2 years, the exemption is lost for the entire visit.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Indonesia

An individual is exempt from U.S. tax on income for teaching or research for a maximum of 2 years from the date of arrival in the United States if he or she:

- 1) Is a resident of Indonesia immediately before visiting the United States, and
- 2) Is in the United States at the invitation of a university, school, or other recognized educational institution to teach or engage in research, or both, at that educational institution.

A resident of Indonesia is entitled to this exemption only once. But this exemption does not apply to income from research carried on mainly for the private benefit of any person.

## Ireland

A professor or teacher from Ireland who visits the United States to teach at a university, college, school, or other educational institution for not longer than 2 years is exempt from U.S. income tax on the income received for teaching during that period.

## Israel

An individual who is a resident of Israel on the date of arrival in the United States and who is temporarily in the United States primarily to teach or engage in research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income from the teaching or research for a maximum of 2 years from the date of arrival in the United States. The individual must have been invited to the United States for a period not expected to be longer than 2 years by the U.S. Government or a state or local government, or by a

university or other recognized educational institution in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest. The exemption does not apply if, during the immediately preceding period, the benefits described in Article 24(1) of the treaty, pertaining to students, were claimed.

## Italy

A professor or teacher who is a resident of Italy on the date of arrival in the United States and who temporarily visits the United States to teach or conduct research at a university, college, school, or other educational institution, or at a medical facility primarily funded from government sources, is exempt from U.S. income tax for up to 2 years on pay from this teaching or research.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Jamaica

An individual who is a resident of Jamaica on the date of arrival in the United States and who temporarily visits the United States to teach or engage in research at a university, college, or other recognized educational institution is exempt from U.S. income tax on the income received for the teaching or research for not more than 2 years from the date of arrival in the United States. A resident of Jamaica is entitled to this exemption only once.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Japan

An individual who is a resident of Japan on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other accredited educational institution located in the United States primarily to teach or engage in research, or both, at a university or other educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Korea, Republic of

An individual who is a resident of the Republic of Korea on the date of arrival in the United States and who is temporarily in the United States primarily to teach or engage in research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum of 2 years from the date of arrival in the United States. The individual must have been invited to the United States for a period not expected to be longer than 2 years by the U.S. Government or a

state or local government, or by a university or other recognized educational institution in the United States.

The exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Luxembourg

A resident of Luxembourg who is temporarily in the United States at the invitation of a U.S. university, college, school, or other recognized educational institution only to teach or engage in research, or both, at that educational institution is exempt from U.S. income tax on income for the teaching or research for not more than 2 years from the date of arrival in the United States.

This exemption does not apply to pay for research carried on for the benefit of any person other than the educational institution that extended the invitation.

## Malta

A professor or teacher who is a resident of Malta and visits the United States for not longer than 2 years to carry out advanced study or research or to teach at a university, college, school, or other educational institution is exempt from U.S. income tax on the income received during that period if it was paid from sources outside the United States. If the individual's 2-year period is exceeded, the exemption is lost for the entire visit, including the 2-year period.

The exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Netherlands

An individual is exempt from U.S. income tax on income received for teaching or research for a maximum of 2 years from the date of arrival if he or she:

- 1) Is a resident of the Netherlands immediately before visiting the United States, and
- 2) Is in the United States to teach or engage in research at a university, college, or other recognized educational institution for not more than 2 years.

If the individual's visit to the United States is longer than 2 years, the exemption is lost for the entire visit unless the competent authorities of the Netherlands and the United States agree otherwise.

The exemption does not apply to income from research carried on primarily for the private benefit of any person rather than in the public interest. Nor does the exemption apply if the resident claimed during the immediate preceding period the benefits described later under *Students and Apprentices*.

## Norway

An individual who is a resident of Norway on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other recognized educational institution in the United States primarily to teach or engage in research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum period of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Pakistan

A professor or teacher who is a resident of Pakistan and who temporarily visits the United States to teach at a university, college, school, or other educational institution for not longer than 2 years is exempt from U.S. income tax on the income received for teaching for that period.

## Philippines

An individual who is a resident of the Philippines on the date of arrival in the United States and who is temporarily in the United States primarily to teach or engage in research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income from the teaching or research for not more than 2 years from the date of arrival in the United States. The individual must have been invited to the United States for a period not expected to be longer than 2 years by the U.S. Government or a state or local government, or by a university or other recognized educational institution in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Poland

An individual who is a resident of Poland on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other recognized educational institution in the United States primarily to teach or engage in research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Romania

An individual who is a resident of Romania on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other recognized educational institution in the United States primarily to teach or engage in

research, or both, at a university or other recognized educational institution is exempt from U.S. income tax on income for the teaching or research for a maximum of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

### **Slovak Republic**

An individual is exempt from U.S. income tax on income for teaching or research for up to 2 years if he or she:

- 1) Is a resident of the Slovak Republic immediately before visiting the United States, and
- 2) Is in the United States primarily to teach or conduct research at a university, college, school, or other accredited educational or research institution.

A Slovak resident is entitled to these benefits only once. However, the exemption does not apply if:

- 1) The resident claimed during the immediate preceding period the benefits described later under *Students and Apprentices*, or
- 2) The income is from research undertaken primarily for the private benefit of a specific person or persons.

### **Sweden**

A resident of Sweden who is temporarily in the United States at the invitation of a university, college, school, or other recognized educational institution in the United States only to teach or engage in research, or both, at that educational institution for not more than 2 years from the date of arrival is exempt from U.S. income tax on income for the teaching or research.

This exemption does not apply to income for research carried on for the benefit of any person using or disseminating the results of the research for profit.

### **Switzerland**

A professor or teacher who is a resident of Switzerland and temporarily visits the United States to teach at a university, college, school, or other educational institution for not longer than 2 years is exempt from U.S. income tax on the income received for teaching for that period.

### **Trinidad and Tobago**

An individual who is a resident of Trinidad and Tobago on the date of arrival in the United States and who is temporarily in the United States at the invitation of the U.S. Government, a university, or other accredited educational institution in the United States primarily to teach or engage in research, or both, at a university or other accredited educational institution is exempt from U.S. income tax on the income received for the teaching or research

for a maximum of 2 years from the date of arrival in the United States.

This exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest. Nor does the exemption apply to income if an agreement exists between the Governments of Trinidad and Tobago and the United States for providing the services of these individuals.

### **United Kingdom**

A professor or teacher who is a resident of the United Kingdom on the date of arrival in the United States and who is in the United States for not longer than 2 years primarily to teach or engage in research at a university, college, or other recognized educational institution is exempt from U.S. income tax on income for the teaching or research. If the individual's 2-year period is exceeded, the exemption is lost for the entire visit, including the 2-year period.

The exemption does not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

### **Students and Apprentices**

Residents of the following countries who are in the United States to study or acquire technical experience are exempt from U.S. income tax, under certain conditions, on amounts received from abroad for their maintenance and studies.

This exemption does not apply to the salary paid by a foreign corporation to one of its executives, a citizen and resident of a foreign country who is temporarily in the United States to study a particular industry for an employer. That amount is a continuation of salary and is not received to study or acquire experience.

For each country listed there is a statement of the conditions under which the exemption applies to students and apprentices from that country.

Amounts received from the National Institutes of Health (NIH) under provisions of the Visiting Fellows Program by residents of the following countries are exempt from U.S. income tax to the extent provided for in the respective countries' current tax treaties with the United States: Belgium, China, Cyprus, the Czech Republic, Egypt, France, Iceland, Indonesia, Japan, Korea, Morocco, the Netherlands, Norway, Pakistan, the Philippines, Poland, Romania, Russia, the Slovak Republic, Spain, Trinidad and Tobago, and Tunisia.

However, amounts received from NIH under the Visiting Associate Program and Visiting Scientist Program are not exempt from U.S. tax as a grant, allowance, or award.

### **Australia**

A resident of Australia or an individual who was a resident of Australia immediately before visiting the United States who is temporarily here for full-time education is exempt from U.S. income tax on payments received from outside the United States for the individual's maintenance or education.

### **Austria**

A resident of Austria who is temporarily in the United States only as a student at a university, college, school, or other educational institution is exempt from U.S. income tax on amounts received from abroad for study and maintenance. An apprentice (including *Volontaere* and *Praktikanten*) who is a resident of Austria and is temporarily in the United States only to acquire business or technical experience is also exempt from U.S. income tax on amounts received from abroad for study and maintenance.

A resident of Austria who receives a grant, allowance, or award from a nonprofit religious, scientific, literary, or educational organization is exempt from U.S. income tax on the payments from that organization. Pay for personal services is not exempt.

A resident of Austria who is an employee of an Austrian enterprise, or an organization of the kind mentioned in the preceding paragraph, is exempt from U.S. income tax on pay from abroad paid by that enterprise or organization if:

- 1) The individual is temporarily in the United States for no more than one year only to acquire technical, professional, or business experience from any person other than the enterprise or organization by which employed, and
- 2) The annual income for services, wherever performed, is not more than \$10,000.

### **Barbados**

A student or business apprentice who is a resident of Barbados on the date of arrival in the United States and is here for full-time education or training is exempt from U.S. income tax on payments received from outside the United States for the individual's maintenance, education, or training.

Nevertheless, an individual who qualifies for this exemption may instead choose to be treated as a resident alien of the United States for all U.S. income tax purposes. Once made, this choice applies for the entire period that the individual remains qualified for exemption and may not be revoked without the permission of the U.S. competent authority.

### **Belgium**

An individual who is a resident of Belgium on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and

- 3) Income from personal services performed in the United States of up to \$2,000 for each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of Belgium on the date of arrival in the United States and who is in the United States as an employee of, or under contract with, a resident of Belgium is exempt from U.S. income tax for a period of 12 consecutive months on up to \$5,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Belgium or other than a person related to that resident, or
- 2) Study at an educational institution.

An individual who is a resident of Belgium on the date of arrival in the United States and who is temporarily present in the United States for not longer than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on income received for personal services for the training, research, or study in the amount of \$10,000.

## Canada

A full-time student, trainee, or business apprentice who is or was a Canadian resident immediately before visiting the United States is exempt from U.S. income tax on amounts received from sources outside the United States for maintenance, education, or training.

Also see Publication 597, *Information on the United States—Canada Income Tax Treaty*.

## China, People's Republic of

A student, business apprentice, or trainee who is a resident of the People's Republic of China on the date of arrival in the United States and who is present in the United States solely to obtain training, education, or special technical experience is exempt from U.S. income tax on the following amounts:

- 1) Payments received from abroad for maintenance, education, study, research, or training,
- 2) Grants or awards from a government, scientific, educational, or other tax-exempt organization, and
- 3) Income from personal services performed in the United States of up to \$5,000 for each tax year.

An individual is entitled to this exemption only for the time reasonably necessary to complete the education or training.

## Commonwealth of Independent States

An individual who is a resident of a C.I.S. member and who is temporarily in the United States primarily to study at an educational or scientific research institution or to obtain training for

qualification in a profession or specialty is exempt from U.S. income tax on amounts received as stipends, scholarships, or other substitute allowances necessary to provide ordinary living expenses. An individual is entitled to the benefit of this exemption for a maximum of 5 years and for less than \$10,000 in each tax year.

An individual who is a resident of a C.I.S. member and who is temporarily in the United States primarily to acquire technical, professional, or commercial experience or perform technical services and who is an employee of, or under contract with, a resident of a C.I.S. member is exempt from U.S. income tax on the amounts received from that resident. Also exempt is an amount received from U.S. sources, of not more than \$10,000, that is necessary to provide for ordinary living expenses. The exemption contained in this paragraph is limited to one year.

An individual who is a resident of a C.I.S. member and who is temporarily present in the United States under an exchange program provided for by an agreement between governments on cooperation in various fields of science and technology is exempt from U.S. income tax on all income received in connection with the exchange program for a period not longer than one year.

## Cyprus

An individual who is a resident of Cyprus on the date of arrival in the United States and who is temporarily here primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 for each tax year.

An individual is entitled to this exemption for up to 5 tax years and for an additional period as is necessary to complete, as a full-time student, educational requirements for a post-graduate or professional degree from a recognized educational institution.

An individual who is a resident of Cyprus on the date of arrival in the United States and who is temporarily here as an employee of, or under contract with, a resident of Cyprus is exempt from U.S. income tax for not more than one year on income from personal services for a maximum of \$7,500 if the individual is in the United States primarily to either:

- 1) Acquire technical, professional, or business experience from a person other than a resident of Cyprus or other than a person related to that resident, or
- 2) Study at a university or other recognized educational institution.

An individual who is a resident of Cyprus on the date of arrival in the United States and who is temporarily here for a period of not more than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on income for personal services for the training, research, or study. This exemption is limited to \$10,000.

## Czech Republic

An individual who is a resident of the Czech Republic at the beginning of his or her visit to the United States and who is temporarily present in the United States is exempt from U.S. income tax on certain amounts for a period of up to 5 years. To be entitled to the exemption, the individual must be in the United States for the primary purpose of:

- 1) Studying at a university or other accredited educational institution in the United States,
- 2) Obtaining training required to qualify him or her to practice a profession or professional specialty, or
- 3) Studying or doing research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization.

If the individual meets any of these requirements, the following amounts are exempt from U.S. tax:

- 1) The payments from abroad, other than compensation for personal services, for the purpose of maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) The income from personal services performed in the United States of up to \$5,000 for the tax year.

An individual who is a Czech resident at the beginning of the visit to the United States and who is temporarily present in the United States as an employee of, or under contract with, a Czech resident is exempt from U.S. income tax for a period of 12 consecutive months on up to \$8,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than the Czech resident, or
- 2) Study at a university or other accredited educational institution in the United States.

An individual who is a Czech resident at the time he or she becomes temporarily present in the United States and who is temporarily present in the United States for a period not longer than 1 year as a participant in a program sponsored by the U.S. government for the primary purpose of training, research, or study, is exempt from U.S. income tax on up to \$10,000 of income from personal services for that training, research, or study.

These exemptions do not apply to income from research undertaken primarily for the private benefit of a specific person or persons.

## Denmark

A student or apprentice who is a citizen of Denmark and lives in the United States only to study or acquire business experience is exempt from U.S. income tax on amounts (other than the student's own income) received from abroad for maintenance and studies.

## Egypt

An individual who is a resident of Egypt on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$3,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 tax years and for any additional period of time needed to complete, as a full-time student, educational requirements as a candidate for a postgraduate or professional degree from a recognized educational institution.

An individual who is a resident of Egypt on the date of arrival in the United States and who is temporarily in the United States as an employee of, or under contract with, a resident of Egypt is exempt from U.S. income tax for a period of 12 consecutive months on up to \$7,500 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Egypt or other than a person related to that resident, or
- 2) Study at a university or other educational institution.

An individual who is a resident of Egypt on the date of arrival in the United States and who is temporarily in the United States for no more than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on income received for personal services for the training, research, or study for a maximum of \$10,000.

## Finland

A full-time student, trainee, or business apprentice who is a resident of Finland immediately before visiting the United States is exempt from U.S. income tax on amounts

received from sources outside the United States for maintenance, education, or training.

## France

An individual who is a resident of France on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other accredited educational institution in the United States, obtain professional training, or study, or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 tax years.

An individual who is a resident of France on the date of arrival in the United States and who is in the United States as an employee of, or under contract with, a resident of France is exempt from U.S. income tax for one tax year on up to \$5,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of France or a corporation 50% or more of the voting stock of which is owned by that resident of France, or
- 2) Study at an educational institution.

## Germany

A student or business apprentice (including Volontaere and Praktikanten) who is or was immediately before visiting the United States a resident of Germany and who is present in the United States for full-time education or training is exempt from U.S. income tax on amounts from sources outside the United States for maintenance, education, or training.

An individual who is or was immediately before visiting the United States a resident of Germany is exempt from U.S. tax on amounts received as a grant, allowance, or award from a nonprofit religious, charitable, scientific, literary, or educational organization.

Individuals described in the previous two paragraphs are also exempt from U.S. tax on compensation for dependent personal services of up to \$5,000 per year if:

- 1) They are present in the United States for not more than 4 years, and
- 2) The services are performed for the purpose of supplementing funds available otherwise for maintenance, education, or training.

If the individual's visit exceeds 4 years, the exemption is lost for the entire visit unless the

competent authorities of Germany and the United States agree otherwise.

An individual who is a resident of Germany and who is employed by a German enterprise or by a nonprofit religious, charitable, scientific, literary, or educational organization is exempt from U.S. tax on compensation paid by the employer from outside the United States if:

- 1) The individual is temporarily in the United States for not more than one year to acquire technical, professional, or business experience from any person other than his or her employer, and
- 2) The compensation is not more than \$10,000.

If the compensation is more than \$10,000, none of the income is exempt.

## Greece

A student or business apprentice who is a resident of Greece and is temporarily in the United States only to study or acquire business experience is exempt from U.S. income tax on amounts received from sources outside the United States for maintenance or studies.

## Hungary

An individual who is a resident of Hungary immediately before arrival in the United States and is here for full-time education or training is exempt from U.S. income tax on payments received from outside the United States for the individual's maintenance, education, or training.

The full-time student or trainee may instead choose to be treated as a resident alien of the United States for U.S. income tax purposes. Once made, the choice applies for the entire period that the individual remains qualified for exemption as a full-time student or trainee and may not be changed unless permission is obtained from the U.S. competent authority.

## Iceland

An individual who is a resident of Iceland on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of Iceland on the date of arrival in the United States and who is temporarily in the United States as an



employee of, or under contract with, a resident of Iceland is exempt from U.S. income tax for a period of 12 consecutive months on up to \$5,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Iceland or other than a person related to that person, or
- 2) Study at an educational institution.

An individual who is a resident of Iceland on the date of arrival in the United States and who is temporarily present in the United States for not longer than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on income received for personal services for the training, research, or study for a maximum of \$10,000.

## India

An individual who is a resident of India immediately before visiting the United States and who is temporarily in the United States primarily for studying or training is exempt from U.S. income tax on payments from abroad for maintenance, study, or training. The exemption does not apply to payments borne by a permanent establishment in the United States or paid by a U.S. citizen or resident, the U.S. Government, or any of its agencies, instrumentalities, political subdivisions, or local authorities.

Under the treaty, if the payments are not exempt under the rule described above, an individual described in the previous paragraph may be eligible to deduct exemptions for his or her spouse and dependents and the standard deduction. The individual **must** file Form 1040NR or Form 1040NR-EZ to claim these amounts. For information on how to claim these amounts, see Chapter 5 in Publication 519.

The individual is entitled to these benefits only for a period of time considered reasonable or customarily required to complete studying or training.

## Indonesia

An individual who is a resident of Indonesia immediately before visiting the United States and who is temporarily in the United States is exempt from U.S. income tax on certain amounts for a period of up to 5 years. To be entitled to the exemption, the individual must be temporarily in the United States for full-time study at a U.S. university, school, or other recognized educational institution, or for full-time study, research, or training as a recipient of a grant, allowance, or award from either the U.S. or Indonesian Government, a scientific, educational, religious, or charitable organization, or under a technical assistance program entered into by either the U.S. or Indonesian Government. If the individual meets any of these requirements, the following amounts are exempt from tax:

- 1) All payments from abroad for maintenance, education, study, research, or training,

2) The grant, allowance, or award, and

3) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual who is a resident of Indonesia immediately before visiting the United States and is temporarily in the United States only as a business or technical apprentice is exempt from U.S. income tax for a period of 12 consecutive months on up to \$7,500 received for personal services.

## Ireland

A student or business apprentice from Ireland who is receiving full-time education or training in the United States is exempt from U.S. income tax on payments received from persons in Ireland for maintenance, education, or training.

## Israel

An individual who is a resident of Israel on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$3,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 tax years.

An individual who is a resident of Israel on the date of arrival in the United States and who is temporarily in the United States as an employee of, or under contract with, a resident of Israel is exempt from U.S. income tax for a period of 12 consecutive months on up to \$7,500 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Israel or other than a person related to that resident, or
- 2) Study at a university or other educational institution.

An individual who is a resident of Israel on the date of arrival in the United States and who is temporarily in the United States for no more than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on income received for personal services for the training, research, or study for a maximum of \$10,000.

## Italy

A student or business apprentice (trainee) who is a resident of Italy on the date of arrival in the United States and who is temporarily in the United States only for education or training is exempt from U.S. income tax on amounts received from outside the United States for maintenance, education, and training.

## Jamaica

A student who is a resident of Jamaica on the date of arrival in the United States and is here for full-time education or training is exempt from U.S. income tax on payments received from outside the United States for the student's maintenance, education, or training.

An individual who is a resident of Jamaica on the date of arrival in the United States and who is temporarily in the United States as an employee of, or under contract with, a resident of Jamaica is exempt from U.S. income tax for a period of 12 consecutive months on up to \$7,500 of net income from personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Jamaica or other than a person related to that resident, or
- 2) Study at a university or other recognized educational institution.

An individual who qualifies for one of the exemptions discussed above may instead choose to be treated as a resident alien of the United States for all U.S. income tax purposes. Once made, the choice applies for the entire period that the individual remains qualified for exemption and may not be revoked unless permission is obtained from the U.S. competent authority.

## Japan

An individual who is a resident of Japan on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other accredited educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of Japan on the date of arrival in the United States and who is in the United States as an employee of, or under contract with, a resident of Japan is exempt from U.S. income tax for a period of 12 consecutive months on up to \$5,000 received

for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Japan, or
- 2) Study at an educational institution.

An individual who is a resident of Japan on the date of arrival in the United States and who is temporarily present in the United States for not longer than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on income received for personal services for the training, research, or study in the amount of \$10,000.

## **Korea, Republic of**

An individual who is a resident of the Republic of Korea on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Amounts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of Korea on the date of arrival in the United States and who is temporarily in the United States as an employee of, or under contract with, a resident of Korea is exempt from U.S. income tax for one year on up to \$5,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Korea or other than a person related to that resident, or
- 2) Study at an educational institution.

An individual who is a resident of Korea on the date of arrival in the United States and who is temporarily present in the United States for not longer than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on income received for personal services for the training, research, or study for a maximum of \$10,000.

## **Luxembourg**

Certain residents of Luxembourg are exempt from U.S. income tax on income received from abroad for employment or amounts received from abroad for their maintenance, education, or training if they are temporarily in the United

States. To qualify for this exemption they must be temporarily in the United States only as:

- 1) Students at a university, college, school, or other recognized educational institution, or
- 2) Business apprentices for not more than one year, or
- 3) Recipients of a grant, allowance, or award from a religious, charitable, scientific, literary, or educational organization primarily to study or research.

Certain other residents of Luxembourg who are temporarily in the United States for no more than one year are exempt from U.S. income tax for that period on pay, including pay from an employer abroad, of not more than \$5,000. To qualify for this exemption they must be employees of, or under contract with, a Luxembourg enterprise or a Luxembourg religious, charitable, scientific, literary, or educational organization and be in the United States only to acquire technical, professional, or business experience from a person other than that enterprise or organization.

Residents of Luxembourg are also exempt from U.S. income tax on certain income if they are in the United States for no more than one year only for training, research, or study under an arrangement with the U.S. Government. The income that is exempt in this case is that received for services directly related to this training, research, or study and includes pay from their employer abroad. The amount exempt may not be more than \$10,000.

## **Malta**

A student, apprentice, or business trainee who is or was a resident of Malta immediately before arrival in the United States and is here for full-time education or training is exempt from U.S. income tax on payments received from outside the United States for the individual's maintenance, education, or training.

An individual who qualifies for the exemption discussed above may instead choose to be treated as a resident alien of the United States for U.S. income tax purposes. Once made, the choice applies for the entire period the individual remains qualified for exemption and may not be changed unless permission is obtained from the U.S. competent authority.

## **Mexico**

A student or business apprentice who is a resident of Mexico immediately before visiting the United States and is in the United States solely for the purpose of education or training is exempt from U.S. tax on amounts received from sources outside the United States for the individual's maintenance, education, or training.

## **Morocco**

An individual who is a resident of Morocco on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research

as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

## **Netherlands**

An individual who immediately before visiting the United States is a resident of the Netherlands and who is present in the United States primarily for full-time study at a recognized university, college, or school or securing training as a business apprentice is exempt from U.S. income tax on the following amounts:

- 1) Payments from abroad for maintenance, education, or training, and
- 2) Income from personal services performed in the United States of up to \$2,000 each tax year.

The individual is entitled to this exemption only for a period of time considered reasonable or customarily required to complete studying or training.

An individual who immediately before visiting the United States is a resident of the Netherlands and is temporarily present in the United States for a period not exceeding 3 years for the purpose of study, research, or training solely as a recipient of a grant, allowance, or award from a scientific, educational, religious, or charitable organization or under a technical assistance program entered into by either the Netherlands or the United States, or its political subdivisions or local authorities is exempt from U.S. income tax on the following amounts:

- 1) The amount of the grant, allowance, or award, and
- 2) Income of up to \$2,000 for personal services performed in the United States for any tax year if the services are connected with, or incidental to, the study, research, or training.

An individual is not entitled to these exemptions if, during the immediately preceding period, the individual claimed the exemption discussed earlier under *Professors, Teachers, and Researchers*.

## **New Zealand**

A resident of New Zealand or an individual who was a resident of New Zealand immediately before visiting the United States who is in the United States for full-time education is exempt from U.S. income tax on amounts received from abroad for maintenance or education.

## Norway

An individual who is a resident of Norway on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 tax years.

An individual who is a resident of Norway on the date of arrival in the United States and who is in the United States as an employee of, or under contract with, a resident of Norway is exempt from U.S. income tax for a period of 12 consecutive months on up to \$5,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Norway or other than a person related to that resident of Norway, or
- 2) Study at an educational institution.

Also exempt is a resident of Norway who is present in the United States for not longer than one year as a participant in a program sponsored by the Government of the United States primarily to train, research, or study. The individual is exempt from tax on income from personal services performed in the United States and received for the training, research, or study, for a maximum of \$10,000.

## Pakistan

Residents of Pakistan temporarily in the United States are exempt from U.S. income tax on certain income they may receive. To be entitled to this exemption, they must be in the United States only as students at a recognized university, college, or school, or as recipients of grants, allowances, or awards from religious, charitable, scientific, or educational organizations of Pakistan primarily to study or research. The income exempt in these cases is any payment from abroad for maintenance, education, or training, and any pay for personal services of not more than \$5,000 for any tax year.

Other residents of Pakistan who are temporarily in the United States for no more than one year are exempt from U.S. income tax on pay of not more than \$6,000 received for that period, including pay from the enterprise or organization of which they are employees or with which they are under contract. To qualify for this exemption, they must be employees of, or under contract with, a Pakistani enterprise

or religious, charitable, scientific, or educational organization and be in the United States only to acquire technical, professional, or business experience from a person other than that enterprise or organization.

Also exempt from U.S. income tax on certain income are residents of Pakistan temporarily in the United States under an arrangement with the U.S. Government, or any of its agencies or instrumentalities, only for study, training, or orientation. They are exempt from tax on income of not more than \$10,000 for services directly related to their training, study, or orientation, including income from their employer abroad.

## Philippines

An individual who is a resident of the Philippines on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$3,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of the Philippines on the date of arrival in the United States and who is temporarily in the United States as an employee of, or under contract with, a resident of the Philippines is exempt from U.S. income tax for a period of 12 consecutive months on up to \$7,500 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of the Philippines or other than a person related to that resident, or
- 2) Study at an educational institution.

An individual who is a resident of the Philippines on the date of arrival in the United States, and who is temporarily in the United States (for no more than one year as a participant in a program sponsored by the U.S. Government) primarily to train, research, or study, is exempt from U.S. income tax on income received for personal services for the training, research, or study, up to a maximum of \$10,000.

## Poland

An individual who is a resident of Poland on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research

as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award,
- 3) Any other payments received from Poland, except income from performing personal services, and
- 4) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of Poland on the date of arrival in the United States and who is temporarily in the United States as an employee of, or under contract with, a resident of Poland is exempt from U.S. income tax for one year on up to \$5,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Poland or other than a person related to that resident, or
- 2) Study at an educational institution.

An individual who is a resident of Poland on the date of arrival in the United States and who is temporarily in the United States for not longer than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on up to \$10,000 of income received for personal services for the training, research, or study.

## Romania

An individual who is a resident of Romania on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other recognized educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of Romania on the date of arrival in the United States and who is temporarily in the United States as an employee of, or under contract with, a resident of Romania is exempt from U.S. income tax for one year on up to \$5,000 received for personal

services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that resident of Romania or other than a person related to that resident, or
- 2) Study at an educational institution.

An individual who is a resident of Romania on the date of arrival in the United States and who is temporarily in the United States for not longer than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study is exempt from U.S. income tax on up to \$10,000 of income received for personal services for the training, research, or study.

## Russia

An individual who is a resident of Russia at the beginning of his or her visit to the United States is exempt from U.S. tax on payments from abroad for maintenance, education, study, research, or training and on any grant, allowance, or other similar payments. To be entitled to the exemption, the individual must be temporarily present in the United States primarily to:

- 1) Study at a university or other accredited educational institution,
- 2) Obtain training required to qualify him or her to practice a profession or professional specialty, or,
- 3) Study or do research as a recipient of a grant, allowance, or other similar payments from a governmental, religious, charitable, scientific, literary, or educational organization.

The individual is entitled to this exemption only for a period of time necessary to complete the study, training, or research, but the exemption for training or research may not extend for a period exceeding 5 years.

These exemptions do not apply to income from research if it is undertaken primarily for the private benefit of a specific person or persons.

## Slovak Republic

An individual who is a resident of the Slovak Republic at the beginning of his or her visit to the United States and who is temporarily present in the United States is exempt from U.S. income tax on certain amounts for a period of up to 5 years. To be entitled to the exemption, the individual must be in the United States for the primary purpose of:

- 1) Studying at a university or other accredited educational institution in the United States,
- 2) Obtaining training required to qualify him or her to practice a profession or professional specialty, or
- 3) Studying or doing research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization.

If the individual meets any of these requirements, the following amounts are exempt from U.S. tax:

- 1) The payments from abroad, other than compensation for personal services, for the purpose of maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) The income from personal services performed in the United States of up to \$5,000 for the tax year.

An individual who is a Slovak resident at the beginning of the visit to the United States and who is temporarily present in the United States as an employee of, or under contract with, a Slovak resident is exempt from U.S. income tax for a period of 12 consecutive months on up to \$8,000 received from personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than the Slovak resident, or
- 2) Study at a university or other accredited educational institution in the United States.

An individual who is a Slovak resident at the time he or she becomes temporarily present in the United States and who is temporarily present in the United States for a period not longer than 1 year as a participant in a program sponsored by the U.S. government for the primary purpose of training, research, or study, is exempt from U.S. income tax on up to \$10,000 of income from personal services for that training, research, or study.

These exemptions do not apply to income from research undertaken primarily for the private benefit of a specific person or persons.

## Spain

An individual who is a resident of Spain at the beginning of the visit to the United States and who is temporarily in the United States primarily to study at a U.S. university or other accredited educational institution, to obtain training to become qualified to practice a profession or professional specialty, or to study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Payments from abroad (other than compensation for personal services) for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$5,000 for each tax year.

An individual is entitled to the benefit of this exemption for a maximum of 5 years.

An individual who is a resident of Spain at the beginning of the visit to the United States and is temporarily in the United States as an

employee of, or under contract with, a resident of Spain is exempt from U.S. income tax for a period of 12 consecutive months on up to \$8,000 received for personal services if the individual is in the United States primarily to:

- 1) Acquire technical, professional, or business experience from a person other than that Spanish resident, or
- 2) Study at a university or other accredited educational institution in the United States.

Both the \$5,000 and \$8,000 exemptions include any amount excluded or exempted from tax under U.S. tax law.

These exemptions do not apply to income from research carried on mainly for the private benefit of any person rather than in the public interest.

## Sweden

A resident of Sweden is exempt from U.S. income tax on amounts received from abroad as income for employment or payments for maintenance, education, or training if temporarily in the United States only as:

- 1) A student at a recognized university, college, or school,
- 2) A business apprentice, or
- 3) The recipient of a grant, allowance, or award from a religious, charitable, scientific, or educational organization for the purpose of study or research.

A resident of Sweden is also exempt from U.S. income tax on certain pay if temporarily in the United States only for training, research, or study under an arrangement with the U.S. Government. The pay exempt in this case is that received for services directly related to the training, research, or study and includes wages from an employer abroad. This pay is exempt only if it is not more than \$10,000.

## Switzerland

A student or apprentice who is a resident of Switzerland and temporarily visits the United States only to study or acquire business or technical experience is exempt from U.S. income tax on payments from abroad for maintenance or studies.

## Trinidad and Tobago

An individual who is a resident of Trinidad and Tobago on the date of arrival in the United States and who is temporarily in the United States primarily to study at a university or other accredited educational institution in the United States, obtain professional training, or study or do research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization is exempt from U.S. income tax on the following amounts:

- 1) Gifts from abroad for maintenance, education, study, research, or training,
- 2) The grant, allowance, or award, and
- 3) Income from personal services performed in the United States of up to \$2,000 each

tax year, or, if the individual is obtaining training required to qualify to practice a profession or a professional specialty, a maximum of \$5,000 for any tax year.

An individual is entitled to the benefit of this exemption for a maximum period of 5 tax years.

An individual who is a resident of Trinidad and Tobago on the date of arrival in the United States and who is in the United States as an employee of, or under contract with, a resident or corporation of Trinidad and Tobago is exempt from U.S. income tax for one tax year on up to \$5,000 received for personal services if the individual is in the United States primarily to:

- 1) Study at an educational institution, or
- 2) Acquire technical, professional, or business experience from a person other than that resident or corporation of Trinidad and Tobago.

Also exempt is a resident of Trinidad and Tobago who is present in the United States for not longer than one year as a participant in a program sponsored by the U.S. Government primarily to train, research, or study. The individual is exempt from tax on income from personal services performed in the United States and received for the training, research, or study for up to a maximum of \$10,000.

## Tunisia

An individual who is a resident of Tunisia immediately before visiting the United States and who is in the United States for full-time study or training is exempt from U.S. income tax on the following amounts:

- 1) Payments from abroad for full-time study or training,
- 2) A grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization to study or engage in research, and
- 3) Income from personal services performed in the United States of up to \$4,000 in any tax year.

The individual is entitled to this exemption for a maximum of 5 years.

## United Kingdom

A student or business apprentice who is a resident of the United Kingdom at the time of arrival in the United States and who is receiving full-time education or training in the United States is exempt from U.S. income tax on payments received from abroad for maintenance, education, or training.

## Wages and Pensions Paid by a Foreign Government

Wages, salaries, pensions, and annuities paid by the governments of the following countries to their residents who are present in the United States as nonresident aliens generally

are exempt from U.S. income tax. The conditions under which the income is exempt are stated for each of the countries listed.

**Exemption under U.S. tax law.** Employees of foreign countries who do not qualify under a tax treaty provision and employees of international organizations should see if they can qualify for exemption under U.S. tax law.

If you work for a foreign government in the United States, your foreign government salary is exempt from U.S. tax if you perform services similar to those performed by U.S. government employees in that foreign country and that foreign government grants an equivalent exemption. If you work for an international organization in the United States, your salary from that source is exempt from U.S. tax. See Chapter 10 of Publication 519 for more information.

## Australia

Salaries, wages, and similar income, including pensions, paid by Australia, its political subdivisions, agencies, or authorities to its citizens (other than U.S. citizens) for performing government functions as an employee of any of the above entities are exempt from U.S. income tax.

## Austria

Wages, salaries, and similar income and pensions paid by Austria, Bundeslaender, districts or municipalities or other public corporations or a public pension fund to an individual (other than a citizen of the United States or an individual admitted to the United States for permanent residence) are exempt from U.S. income tax.

## Barbados

Income, including a pension, paid from the public funds of Barbados, or its political subdivisions or local authorities, to a citizen of Barbados for performing governmental functions is exempt from U.S. income tax.

However, this exemption does not apply to payments for services in connection with a business carried on by Barbados or its political subdivisions or local authorities.

## Belgium

Wages, salaries, similar income, and pensions and annuities paid by, or from public funds of, Belgium, its political subdivisions, or its local authorities, to citizens of Belgium (or to citizens of countries other than the United States or Belgium who come to the United States and are employed by Belgium or its political subdivisions or local authorities) for performing governmental functions are exempt from U.S. tax.

However, this exemption does not apply to payments for services performed in connection with a trade or business carried on by Belgium or its political subdivisions or local authorities.

## Canada

Wages, salaries, and similar income (other than pensions) paid by Canada or by a Canadian political subdivision or local authority to a

citizen of Canada for performing governmental functions are exempt from U.S. income tax. This exemption does not apply, however, to payments for services performed in connection with a trade or business carried on by Canada or its political subdivisions or local authorities.

Also see Publication 597, *Information on the United States—Canada Income Tax Treaty*.

## China, People's Republic of

Income, other than a pension, paid by the People's Republic of China or its political subdivisions or local authorities to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply to payments for services performed in the United States by a resident of the United States who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a U.S. resident only to perform the services.

Pensions paid by the People's Republic of China for services performed for China are exempt from U.S. income tax unless the recipient is both a citizen and a resident of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a business carried on by the People's Republic of China or its subdivisions or local authorities.

## Commonwealth of Independent States

Wages, salaries, and similar income paid by the C.I.S. or a member of the C.I.S. to its citizens for personal services performed as an employee of a governmental agency or institution of the C.I.S. or a member of the C.I.S. (excluding local government employees) in the discharge of governmental functions are exempt from U.S. income tax. For this purpose, persons engaged in commercial activities are not considered engaged in the discharge of governmental functions.

## Cyprus

Wages, salaries, and similar income, including pensions, annuities, and similar benefits, paid from public funds of Cyprus to a citizen of Cyprus for labor or personal services performed as an employee of Cyprus in the discharge of governmental functions are exempt from U.S. income tax.

## Czech Republic

Income, including a pension, paid from the public funds of the Czech Republic, its political subdivisions, or local authorities to a Czech citizen for services performed in the discharge of governmental functions is exempt from U.S. income tax. This exemption does not apply to income paid for services performed in connection with a business carried on by the Czech Republic, its political subdivisions, or local authorities.

## Denmark

Wages, salaries, and similar income and pensions paid by Denmark, or any public authority in Denmark, to individuals living in the United States are exempt from U.S. income tax. This exemption does not apply to citizens of the United States or alien residents of the United States.

## Egypt

Wages, salaries, and similar income, including pensions, annuities, and similar benefits, paid from public funds of the Arab Republic of Egypt to a citizen of Egypt (or to a citizen of another country who comes to the United States specifically to work for the Government of Egypt) for labor or personal services performed as an employee of the national Government of Egypt, or any of its agencies, in the discharge of governmental functions are exempt from U.S. income tax.

This exemption does not apply to U.S. citizens or to alien residents of the United States. The exemption also does not apply to payments for services performed in connection with a trade or business carried on by Egypt or any of its agencies.

## Finland

Income, other than a pension, paid by Finland, its political subdivisions, statutory bodies, or local authorities to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply to payments for services performed in the United States by a U.S. resident who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a U.S. resident only to perform the services.

Pensions paid by Finland for services performed for Finland are exempt from U.S. income tax unless the recipient is a resident and citizen of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Finland or its political subdivisions, statutory bodies, or local authorities.

## France

Income, including pensions, paid by or from public funds of the French Government or one of its political subdivisions or a local authority thereof to a French national in the United States for services performed for France (or for a political subdivision or a local authority of France) in the discharge of governmental functions is exempt from U.S. tax.

This exemption does not apply to any income or pensions paid because of services (or past services) performed in connection with any industrial or commercial activity carried on by the French Government (or a political subdivision or local authority thereof).

## Germany

Wages, salaries, and similar income and pensions paid by Germany, its Laender, or municipalities, or their public pension funds are exempt from U.S. income tax if paid to individuals other than U.S. citizens and other than individuals admitted to the United States for permanent residence.

## Greece

Wages, salaries, and similar income and pensions paid by Greece or its subdivisions to individuals living in the United States for services rendered to Greece or its subdivisions are exempt from U.S. income tax. This exemption does not apply to citizens of the United States or alien residents of the United States.

## Hungary

Income (other than a pension) paid by the Republic of Hungary or its political subdivisions for labor or personal services performed for the paying governmental body is exempt from U.S. tax. However, the exemption does not apply to payments for services performed in the United States by a resident of the United States who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a resident of the United States only to perform the services.

Pensions paid by Hungary for services performed for Hungary are exempt from U.S. income tax unless the recipient is both a citizen and a resident of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Hungary or its subdivisions.

## Iceland

Wages, salaries, and similar income, including pensions and similar benefits, paid by or from public funds of the Republic of Iceland, a political subdivision, or a local authority to a citizen of Iceland (other than a U.S. citizen or one admitted to the United States for permanent residence) for labor or personal services performed for Iceland or its political subdivisions or local authorities in the discharge of governmental functions are exempt from U.S. tax.

## India

Income, other than a pension, paid by India, its political subdivisions, or local authorities to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply if the services are performed in the United States by a U.S. resident who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a U.S. resident only to perform the services.

Pensions paid by India for services performed for India are exempt from U.S. tax unless the individual is both a resident and citizen of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a business carried on by India, its subdivisions, or local authorities.

## Indonesia

Income, other than a pension, paid by Indonesia, its political subdivisions, or local authorities to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply if the services are performed in the United States by a U.S. resident who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a U.S. resident only to perform the services.

Pensions paid by Indonesia for services performed for Indonesia are exempt from U.S. tax.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Indonesia, its subdivisions, or local authorities.

## Ireland

Salaries, wages, and similar income and pensions paid by the Government of Ireland to an individual, other than a citizen of the United States, for services performed for it in discharge of its governmental functions are exempt from U.S. income tax. Payments received by an individual who is a citizen of the United States are similarly exempt only if that individual is also a citizen of Ireland. This exemption does not apply to payments for services performed in connection with any trade or business carried on by the Government of Ireland for profit.

## Israel

Wages, salaries, and similar income, including pensions and similar benefits, paid from public funds by the national government of Israel or its agencies, for services performed in the discharge of governmental functions, are exempt from U.S. income tax. This exemption does not apply to citizens of the United States or alien residents of the United States.

## Italy

Income, other than a pension, paid by Italy or by an Italian political or administrative subdivision or local authority to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply to payments for services performed in the United States by a resident of the United States who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a U.S. resident only to perform the services.

The spouse and dependent children of an individual, however, are not subject to the second restriction if that individual is receiving exempt income for governmental services performed

for Italy and that individual does not come under either of the restrictions.

Pensions paid by Italy for services performed for Italy are exempt from U.S. income tax unless the recipient is both a citizen and a resident of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Italy or its subdivisions or local authorities.

## Jamaica

Income, other than a pension, paid by the Government of Jamaica or its political subdivisions or local authorities for personal services performed for the paying governmental body is exempt from U.S. income tax.

This exemption does not apply to payments for services performed in the United States by an individual who is a citizen and resident of the United States.

Pensions paid by Jamaica for services performed for Jamaica generally are exempt from U.S. income tax. However, if the recipient of the pension is a citizen and resident of the United States *and* was a U.S. citizen at the time the services were performed, the pension is taxable in the United States.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Jamaica or its subdivisions or local authorities.

## Japan

Salaries, wages, and similar income, including pensions and similar benefits, paid by Japan or out of funds to which Japan or any of its local authorities contributes to an individual who is a national of Japan (other than a U.S. citizen or one admitted to the United States for permanent residence) for labor or personal services performed as an employee of the Government of Japan or any of its local authorities are exempt from U.S. income tax.

## Korea, Republic of

Wages, salaries, and similar income, including pensions and similar benefits, paid from public funds of the Republic of Korea to a citizen of Korea (other than a U.S. citizen or an individual admitted to the United States for permanent residence) for services performed as an employee of Korea discharging government functions are exempt from U.S. income tax.

## Luxembourg

Wages, salaries, and similar income, and pensions, annuities, and similar benefits paid by Luxembourg, its political subdivisions, or its compulsory social security funds for services performed for Luxembourg or its political subdivisions in discharge of governmental functions are exempt from U.S. income tax. These amounts are exempt only if they are paid to individuals other than U.S. citizens or individuals admitted to the United States for permanent residence.

## Malta

Income, other than a pension, paid by the Government of Malta or by any of its political subdivisions or local authorities for services performed for the paying governmental body is exempt from U.S. income tax.

This exemption does not apply to payments for services performed in the United States by a resident of the United States who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a U.S. resident solely to perform the services.

The spouse or dependent children of an individual, however, are not subject to the second restriction if that individual is receiving exempt income for governmental services performed for Malta and that individual does not come under either of the restrictions.

Pensions paid by Malta for services performed for Malta are exempt from U.S. income tax unless the recipient is both a citizen and a resident of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Malta or its subdivisions or local authorities.

## Mexico

Income, other than a pension, paid by Mexico, its political subdivisions, or local authorities to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply if the services are performed in the United States by a U.S. resident who either:

- 1) Is a U.S. national, or
- 2) Did not become a resident of the United States solely for purposes of performing the services.

Pensions paid by Mexico, its political subdivisions, or local authorities for services performed for the paying governmental body are exempt from U.S. income tax unless the individual is both a resident and national of the United States.

These exemptions do not apply to income or pensions connected with commercial or industrial activities carried on by Mexico, its political subdivisions, or local authorities.

## Morocco

Wages, salaries, and similar income, including pensions and similar benefits, paid from public funds of the Kingdom of Morocco to a citizen of Morocco (other than a U.S. citizen or an individual admitted to the United States for permanent residence) for labor or personal services performed for Morocco or for any of its political subdivisions or local authorities in the discharge of governmental functions are exempt from U.S. income tax.

## Netherlands

Income, other than a pension, paid by the Netherlands, its political subdivisions, or local authorities to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply if the services are rendered in the United States and the individual is a U.S. resident who either:

- 1) Is a U.S. national, or
- 2) Did not become a U.S. resident solely for the purpose of performing the services.

Pensions paid by the Netherlands for services performed for the Netherlands are exempt from U.S. income tax unless the individual is both a resident and national of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a business carried on by the Netherlands, its political subdivisions, or local authorities.

## New Zealand

Income (other than pensions) paid by the Government of New Zealand, its political subdivisions, or local authorities for services performed in the discharge of governmental functions is exempt from U.S. income tax. However, the income is not exempt if the services are performed in the United States by a U.S. citizen resident in the United States or by a resident of the United States who did not become a resident only to perform the services.

Pensions paid by New Zealand in consideration for past governmental services are exempt from U.S. income tax unless paid to U.S. citizens resident in the United States.

These exemptions do not apply to payments for services performed in connection with any trade or business carried on for profit by the Government of New Zealand (or its subdivisions or local authorities).

## Norway

Wages, salaries, and similar income, including pensions and similar benefits paid by or from public funds of Norway or its political subdivisions or local authorities to a citizen of Norway for labor or personal services performed for Norway or any of its political subdivisions or local authorities in the discharge of governmental functions are exempt from U.S. income tax.

## Pakistan

Income, including pensions and annuities, paid to certain individuals by or on behalf of the Government of Pakistan or the Government of a Province in Pakistan or one of its local authorities for services performed in the discharge of functions of that Government or local authority is exempt from U.S. income tax. To be exempt from tax, these payments must be made to citizens of Pakistan who do not have immigrant status in the United States. This exemption does not apply to payments for services performed in connection with any trade or business carried on for profit.

## Philippines

Wages, salaries, and similar income, including pensions, annuities, and similar benefits, paid from public funds of the Republic of the Philippines to a citizen of the Philippines (or to a citizen of another country other than the United States who comes to the United States specifically to work for the Government of the Philippines) for labor or personal services performed as an employee of the national Government of the Philippines or any of its agencies in the discharge of governmental functions are exempt from U.S. income tax.

## Poland

Wages, salaries, and similar income, including pensions, annuities, and similar benefits, paid from public funds of Poland to a citizen of Poland (other than a U.S. citizen or one admitted to the United States for permanent residence) for labor or personal services performed as an employee of the national Government of Poland in the discharge of governmental functions are exempt from U.S. income tax.

## Romania

Wages, salaries, and similar income, including pensions, annuities, and similar benefits, paid from public funds of Romania to a citizen of Romania (other than a U.S. citizen or one admitted to the United States for permanent residence) for labor or personal services performed as an employee of the national Government of Romania in the discharge of governmental functions are exempt from U.S. income tax.

## Russia

Income, other than a pension, paid by Russia, its republics, or local authorities to an individual for government services is exempt from U.S. tax. However, the exemption does not apply if the services are performed in the United States by a U.S. resident who either:

- 1) Is a U.S. citizen, or
- 2) Did not become a U.S. resident solely for the purpose of performing the services.

Pensions paid by Russia, its republics, or local authorities for services performed for Russia is exempt from U.S. tax unless the individual is both a resident and citizen of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a business.

## Slovak Republic

Income, including a pension, paid from the public funds of the Slovak Republic, its political subdivisions, or local authorities to a Slovak citizen for services performed in the discharge of governmental functions is exempt from U.S. income tax. This exemption does not apply to income paid for services performed in connection with a business carried on by the Slovak Republic, its political subdivisions, or local authorities.

## Spain

Income, other than a pension, paid by Spain, its political subdivisions, or local authorities to an individual for services performed for the paying governmental body is exempt from U.S. income tax. However, the exemption does not apply to payments for services performed in the United States by a resident of the United States who either:

- 1) Is a citizen of the United States, or
- 2) Did not become a U.S. resident only to perform the services.

Pensions paid by Spain, its political subdivisions, or local authorities for services performed for Spain are exempt from U.S. tax unless the individual is a citizen and resident of the United States.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Spain, its subdivisions, or local authorities.

## Sweden

Wages, salaries, and similar income and pensions paid by Sweden or one of its political subdivisions, territories, or possessions to individuals living in the United States are exempt from U.S. income tax. This exemption does not apply to citizens or resident aliens of the United States.

## Switzerland

Wages, salaries, and similar income and pensions paid by Switzerland or by any of its agencies, instrumentalities, political subdivisions, or other public authorities to an individual (other than a citizen of the United States) are exempt from U.S. income tax. Payments received by an individual who is a citizen of the United States are exempt only if the individual is also a citizen of Switzerland.

## Trinidad and Tobago

Wages, salaries and similar income and pensions, annuities, and similar benefits paid by or from the public funds of the Government of Trinidad and Tobago to a national of that country for services performed for Trinidad and Tobago in the discharge of governmental functions are exempt from U.S. tax.

## Tunisia

Income, other than a pension, paid by Tunisia, its political subdivisions, or local authorities to a Tunisian citizen for personal services performed in the discharge of governmental functions is exempt from U.S. income tax.

Pensions paid by Tunisia, its political subdivisions, or local authorities for services performed for Tunisia are exempt from U.S. income tax unless the recipient is a U.S. citizen.

These exemptions do not apply to income or pensions for services performed in connection with a trade or business carried on by Tunisia, its political subdivisions, or local authorities.

## United Kingdom

Income, other than pensions, paid by the United Kingdom to employees for services performed for the United Kingdom is exempt from U.S. income tax. The exemption does not extend to employees of a political subdivision or local authority of the United Kingdom. The exemption does not apply if the services are performed in the United States and the recipient is both a citizen and a resident of the United States.

Pensions paid by the United Kingdom or its political subdivisions or local authorities to individuals for services performed in the discharge of governmental functions are exempt from U.S. income tax, unless the recipient is both a citizen and a resident of the United States.

These exemptions do not apply to payments or pensions for services performed in connection with a business carried on by or on behalf of the United Kingdom.

## Explanation of Tables

The paragraphs below describe the tables that follow and provide additional information that may make the tables more useful to you.

### Table 1

This table lists the income tax rates on such income as interest, dividends, capital gains, rents, and royalties. The income code numbers shown in this table are the same as the income codes on Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*.

**Interest.** If you are a nonresident alien who receives interest that is not effectively connected with the conduct of a U.S. trade or business, you do **not** include the interest in income if it is paid on deposits with banks, on accounts or deposits with certain financial institutions, or on certain amounts held by insurance companies. These amounts are exempt from U.S. tax even though they are considered to be income from a U.S. source. Also exempt from U.S. tax (although considered from U.S. sources) is certain portfolio interest on obligations issued after July 18, 1984. See Publication 519, *U.S. Tax Guide for Aliens*, for more information.

**Social security benefits.** 85% of the U.S. social security benefits paid to nonresident aliens is subject to U.S. income tax at a rate of 30%, unless taxed at a lower rate or exempt by treaty. This results in a 25.5% effective tax rate on the total social security benefits received.

### Table 2

This table lists the different kinds of personal service income that may be fully or partly exempt from U.S. income tax. You must meet **all** of the treaty requirements before the item of income can be exempt from U.S. income tax.



The income code numbers shown in this table are the same as the income codes on Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*.

**Independent personal services.** The term "independent personal services" generally means services you perform for your own account if you receive the income and bear the losses arising from those services. Examples of these services are those provided by physicians, lawyers, engineers, dentists, and accountants who perform personal services as sole proprietors or partners.

**Dependent personal services.** Dependent personal services usually are those you perform for someone else as an employee.

### Table 3

This table lists the countries that have tax treaties with the United States. The tax treaties are published in the *Internal Revenue Bulletins* (I.R.B.) and the *Cumulative Bulletins* (C.B.), which contain official matters of the Internal Revenue Service. The column headed *Citation* shows the number of the I.R.B. or C.B. and the page on which a particular treaty may be found.

Regulations implementing some treaties were issued as Treasury Decisions (T.D.). Other treaties are explained by Treasury explanation. The fifth column lists the T.D. numbers and the I.R.B. or C.B. in which each T.D. or Treasury explanation is printed.

You can subscribe to the I.R.B. or buy volumes of the C.B. from the Government Printing Office or you are welcome to read them in most Internal Revenue Service offices. Many public libraries and business organizations subscribe to a commercial tax service that publishes the treaties and regulations or explanations. You may find it convenient to use those sources.

Table 1. Tax Rates for 1995 on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties

Country of Residence of Payee	Income Code Number		1	2	3	6		9	10	11		12	13	14	21
	Name	Code				U.S. Corporation General <sup>a</sup>	U.S. Sub-Foreign Parent corporation <sup>a</sup>			Dividends Paid by a U.S. Sub-Foreign Parent corporation <sup>a</sup>	Copyright Royalties				
Australia	AS	910	910	910	910	915	915	30	910	910	910	910	30	910	30
Austria	AU	910	910	910	910	915	915	30	910	910	910	910	30	910	30
Barbados	BB	915	915	915	915	915	915	910	910	910	910	910	30	910	30
Belgium	BE	915	915	915	915	915	915	910	910	910	910	910	30	910	30
Canada	CA	915	915	915	915	915	915	30	910	910	910	910	30	910	0
China, People's Rep. of Commonwealth of	CH	910	910	910	910	910	910	30	910	910	910	910	30	910	30
Independent States		910	910	910	910	915	915	910	910	910	910	910	30	910	30
Cyprus	CY	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Czech Republic	EZ	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Denmark	DA	910	910	910	910	915	915	30	910	910	910	910	30	910	30
Egypt	EG	915	915	915	915	915	915	910	910	910	910	910	30	910	0
Finland	FI	910	910	910	910	915	915	910	910	910	910	910	30	910	30
France	FR	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Germany	GM	910	910	910	910	915	915	910	910	910	910	910	30	910	0
Greece	GR	910	910	910	910	915	915	30	910	910	910	910	30	910	30
Hungary	HU	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Iceland	IC	910	910	910	910	915	915	910	910	910	910	910	30	910	30
India	IN	915	915	915	915	915	915	30	910	910	910	910	30	910	30
Indonesia	ID	915	915	915	915	915	915	910	910	910	910	910	30	910	0
Ireland	EI	910	910	910	910	915	915	30	910	910	910	910	30	910	30
Hungary	HU	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Iceland	IC	910	910	910	910	915	915	910	910	910	910	910	30	910	30
India	IN	915	915	915	915	915	915	30	910	910	910	910	30	910	30
Indonesia	ID	915	915	915	915	915	915	910	910	910	910	910	30	910	0
Ireland	EI	910	910	910	910	915	915	30	910	910	910	910	30	910	30
Israel	IS	915	915	915	915	915	915	910	910	910	910	910	30	910	0
Italy	IT	915	915	915	915	915	915	910	910	910	910	910	30	910	0
Jamaica	JM	912/2	912/2	912/2	912/2	915	915	910	910	910	910	910	30	910	30
Japan	JA	910	910	910	910	915	915	910	910	910	910	910	30	910	0
Korea, Rep. of	KS	912	912	912	912	915	915	910	910	910	910	910	30	910	30
Luxembourg <sup>k</sup>	LU	910	910	910	910	915	915	30	910	910	910	910	30	910	30
Malta	MT	912/2	912/2	912/2	912/2	915	915	910	910	910	910	910	30	910	0
Mexico	MX	915	915	915	915	915	915	910	910	910	910	910	30	910	30
Morocco	MO	915	915	915	915	915	915	910	910	910	910	910	30	910	30
Netherlands	NL	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Netherlands Antilles, Aruba <sup>n</sup>	NT, AA	910	910	910	910	915	915	910	910	910	910	910	30	910	30
New Zealand	NZ	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Norway	NO	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Pakistan <sup>l</sup>	PK	915	915	915	915	915	915	910	910	910	910	910	30	910	30
Philippines	RP	915	915	915	915	915	915	910	910	910	910	910	30	910	30
Poland	PL	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Romania	RO	910	910	910	910	915	915	910	910	910	910	910	30	910	0
Russia	RS	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Slovak Republic	LO	910	910	910	910	915	915	910	910	910	910	910	30	910	30
Spain	SP	910	910	910	910	915	915	910	910	910	910	910	30	910	30

Table 1. (Continued)

Income Code Number	Country of Residence of Payee	Code	1	2	3	6		7	9	10	11		12	13	14	21
			Interest Paid by U.S. Obligors General	Interest on Real Property Mortgages	Interest Paid to a Controlling Foreign Corporation	U.S. Corporation General <sup>a</sup>	U.S. Subsidiary to Foreign Parent Corporation <sup>a</sup>	Capital Gains <sup>y</sup>	Industrial Royalties	Motion Pictures and Television	Other	Real Property Income and Natural Resources Royalties <sup>y</sup>	Pensions and Annuities	Social Security Payment <sup>u</sup>		
	Sweden .....	SW	<sup>h</sup> 0	<sup>h</sup> 0	<sup>h</sup> 0	<sup>h</sup> 15	<sup>b,h</sup> 15	<sup>h</sup> 0	<sup>h</sup> 0	0	0	0	0	30	<sup>d</sup> 0	30
	Switzerland .....	SZ	<sup>h</sup> 5	<sup>h</sup> 5	<sup>h</sup> 5	<sup>h</sup> 15	<sup>b,h</sup> 15	30	30	<sup>h</sup> 0	<sup>h</sup> 0	<sup>h</sup> 0	<sup>h</sup> 0	30	<sup>d</sup> 0	30
	Trinidad & Tobago .....	TD	30	30	30	30	30	30	30	<sup>g</sup> 15	30	30	<sup>g</sup> 0	30	<sup>d</sup> 0	30
	Tunisia .....	TS	<sup>g</sup> 15	<sup>g</sup> 15	<sup>g</sup> 15	<sup>g</sup> 20	<sup>b,g</sup> 14	<sup>g</sup> 0	<sup>g</sup> 0	<sup>g</sup> 15	<sup>g</sup> 15	<sup>g</sup> 15	<sup>g</sup> 15	30	0	30
	United Kingdom .....	UK	<sup>g</sup> 0	<sup>g</sup> 0	<sup>g</sup> 0	<sup>g</sup> 15	<sup>b,g</sup> 15	30	30	<sup>h</sup> 0	<sup>h</sup> 0	<sup>h</sup> 0	<sup>h</sup> 0	30	<sup>d</sup> 0	0
	Other countries .....		30	30	30	30	30	30	30	30	30	30	30	30	30	30

<sup>a</sup> No U.S. tax is imposed on a dividend paid by a U.S. corporation that received at least 80% of its gross income from an active foreign business for the 3-year period before the dividend is declared.

<sup>b</sup> The reduced rate applies to dividends paid by a subsidiary to a foreign parent corporation that has the required percentage of stock ownership. In some cases, the income of the subsidiary must meet certain requirements (e.g. a certain percentage of its total income must consist of income other than dividends and interest). For Italy, the reduced rate is 10% if the foreign corporation owns 10% to 50% of the voting stock (for a 12-month period) of the company paying the dividends.

<sup>c</sup> The exemption or reduction in rate applies only if the recipient is subject to tax on this income in the country of residence. Otherwise, a 30% rate applies.

<sup>d</sup> Exemption does not apply to U.S. Government (federal, state, or local) pensions and annuities; a 30% rate applies to these pensions and annuities. For this purpose, railroad retirement tier 2, dual, and supplemental benefits are not considered U.S. Government pensions or annuities. U.S. Government pensions paid to individuals who are both residents and nationals of Finland, India, Malta, Mexico, the Netherlands, Russia, Spain, or the United Kingdom are exempt from U.S. tax.

<sup>e</sup> The treaty exemption that applies to U.S. source capital gains includes capital gains under section 871(a)(2) of the Internal Revenue Code if they are received by a nonresident alien who is in the U.S. for no more than 183 days. (182 days for Belgium, Egypt, and Israel.)

<sup>f</sup> Includes alimony. For Indonesia, alimony is subject to a 30% rate.

<sup>g</sup> Under the treaty the exemption or reduction in rate does not apply if the recipient has a permanent establishment in the United States and the property giving rise to the income is effectively connected with this permanent establishment. For Australia, Barbados, Canada, China, Cyprus, the Czech Republic, Finland, France, Germany, Hungary, India, Indonesia, Italy, Jamaica, Malta, Mexico, the Netherlands, New Zealand, Philippines, Russia, the Slovak Republic, Spain, Tunisia, and the United Kingdom, the exemption or reduction in rate also does not apply if the property producing the income is effectively connected with a fixed base in the United States from which the recipient performs independent personal services (professional services for royalties paid to a Philippines resident). Even with the treaty, if the income is not effectively connected with a trade or business in the United States by the recipient, the recipient will be considered as not having a permanent establishment in the United States under section 894(b), I.R.C.

<sup>h</sup> Under the treaty the exemption or reduction in rate does not apply if the recipient is engaged in a trade or business in the United States through a permanent establishment that is in the United States. However, if the income is not effectively connected with a trade or business in the United States by the recipient, the recipient will be considered as not having a permanent establishment

in the United States to apply the reduced treaty rate to that item of income.

<sup>i</sup> Bangladesh has not indicated that it wishes to assume the responsibilities or exercise the rights of the United States—Pakistani income tax treaty.

<sup>j</sup> Exemption is not available when paid from a fund under an employee's pension or annuity plan, if contributions to it are deductible under U.S. tax laws in determining taxable income of the employer.

<sup>k</sup> Exemption from or reduction in rate of tax does not apply to income of holding companies entitled to special tax benefits under the laws of Luxembourg.

<sup>l</sup> Exemption does not apply to gains from the sale of real property. The United States has announced termination of the provisions of the United States - Netherlands treaty that apply to the Netherlands Antilles and Aruba, effective January 1, 1988. However, the provisions of Article VIII(1) of the treaty will continue to apply to certain interest payments made by a domestic corporation to an Antilles corporation.

<sup>m</sup> The exemption applies only to interest on credits, loans, and other indebtedness connected with the financing of trade between the United States and the C.I.S. member. It does not include interest from the conduct of a general banking business.

<sup>n</sup> The exemption applies only to gains from the sale or other disposition of property acquired by gift or inheritance.

<sup>o</sup> The exemption does not apply if the recipient was a resident of the United States when the pension was earned or when the annuity was purchased.

<sup>p</sup> Annuities paid in return for other than the recipient's services are exempt.

<sup>q</sup> Generally, if the property was owned by the Canadian resident on September 26, 1980, not as part of the business property of a permanent establishment or fixed base in the U.S., the taxable gain is limited to the appreciation after 1984. Capital gains on personal property not belonging to a permanent establishment or fixed base of the taxpayer in the U.S. are exempt.

<sup>r</sup> Under the treaty, the reduced rate for royalties with respect to tangible personal property is 7%.

<sup>s</sup> The exemption does not apply if (1) the recipient was a U.S. resident during the 5-year period before the date of payment, (2) the amount was paid for employment performed in the United States, and (3) the amount is not a periodic payment, or is a lump-sum payment in lieu of a right to receive an annuity.

<sup>t</sup> Applies to 85% of the social security payments received from the U.S. Government. The effective rate on the total social security payments received is 85% of the rate shown in the table. These rates also apply to the social security equivalent portion of tier 1 railroad retirement benefits (income code 22) received from the U.S. The remainder of tier 1, all of tier 2, dual, and supplemental railroad retirement benefits (income code 23) are taxed as shown in the column of this table labeled "Pensions and Annuities."

<sup>v</sup> Gains on the disposition of U.S. real property interests are con-

sidered effectively connected with a U.S. trade or business and thus are subject to graduated rates of tax rather than the flat percentage shown in this column.

<sup>w</sup> Tax imposed on 70% of gross royalties for rentals of industrial, commercial, or scientific equipment.

<sup>x</sup> The rate in column 6 applies to dividends paid by a regulated investment company (RIC) or a real estate investment trust (REIT). However, the reduced rate does not apply to dividends paid by a REIT if the beneficial owner of the dividends is an individual holding a 10% or greater interest (25% or greater interest for the Netherlands, Spain and Tunisia) in the REIT. In that case, a 30% rate applies.

<sup>y</sup> Royalties not taxed at the 5% or 8% rate are taxed at a 10% rate, unless footnote (g) applies.

<sup>z</sup> The exemption does not apply if the recipient of the gain is an individual who is present in the United States for more than 119 days during the year.

<sup>aa</sup> The rate is 10% if the interest is paid on a loan granted by a bank or similar financial institution. For Mexico, the 10% rate also applies to bonds and securities that are regularly and substantially traded on a recognized securities market.

<sup>bb</sup> This is the rate for royalties for the use of, or the right to use, industrial, commercial, and scientific equipment. The rate for royalties for information concerning industrial, commercial and scientific know-how is subject to the rate in column 12.

<sup>cc</sup> The rate is 15% if the payor of royalties is the Federal, state, or local government or a public sector company.

<sup>cd</sup> The exemption does not apply to cinematographic films, or works on film, tape, or other means of reproduction for use in radio or television broadcasting.

<sup>ee</sup> U.S. social security benefits paid to individuals who are both residents and nationals of India, are exempt from tax if they are for services performed for the United States, its subdivisions, or local authorities.

<sup>ff</sup> Exemption or reduced rate does not apply to an excess inclusion for a residual interest in a real estate mortgage investment conduit (REMIC).

<sup>gg</sup> The rate in column 6 applies to dividends paid by a regulated investment company (RIC). Dividends paid by a real estate investment trust (REIT) are subject to a 30% rate.

<sup>hh</sup> The exemption does not apply to gains from the sale of U.S. real property. However, for U.S. real property that was owned continuously since June 18, 1980, by the Netherlands resident, the taxable gain may be limited to the appreciation after 1984. For details, see Article 14(2) of the treaty.

<sup>ii</sup> An election can be made to treat this interest income as if it were industrial and commercial profits taxable under Article 8 of the treaty.

<sup>jj</sup> The exemption does not apply to gain from the sale or other disposition of property described in Article 14(2)(c)(copyrights of literary, artistic, or scientific works).

Table 2. Compensation for Personal Services Performed in United States Exempt from U.S. Income Tax Under Income Tax Treaties

Country (1)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
	Code <sup>1</sup> (2)	Purpose (3)				
<b>Australia</b>	16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	14
	20	Public entertainment	183 days	Any contractor	\$10,000	17
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15
	20	Public entertainment <sup>15</sup>	183 days	Any foreign resident	\$10,000	17
<b>Austria</b>	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	20
	15	Scholarship or fellowship grant	No limit	Any U.S. or foreign resident <sup>5</sup>	No limit	XIII(3)
	16	Independent personal services	183 days	Austrian resident contractor	No limit	X
	17	Dependent personal services	183 days	Other foreign or U.S. resident contractor	\$3,000	X
<b>Barbados</b>	18	Teaching	183 days	Austrian resident	No limit	X
	19	Studying and training: Remittances or allowances	183 days	Other foreign or U.S. resident	\$3,000	X
	16	Independent personal services <sup>7,22</sup>	2 years	U.S. educational institution	No limit	XII
	20	Public entertainment	No limit	Any foreign resident	No limit	XIII(1) & (2)
<b>Belgium</b>	17	Studying and training: Remittances or allowances <sup>10</sup>	1 year	Austrian resident	\$10,000 <sup>6</sup>	XIII(4)
	20	Independent personal services	89 days	Any foreign contractor	No limit	14
	17	Public entertainment	89 days	Any U.S. contractor	\$5,000	14
	20	Dependent personal services <sup>7,15</sup>	No limit	Any contractor	\$250 per day or \$4,000 p.a. <sup>6</sup>	17
<b>Canada</b>	19	Studying and training: Remittances or allowances <sup>10</sup>	183 days	Any foreign resident	\$5,000	15
	16	Independent personal services	No limit	Any U.S. or foreign resident	\$250 per day or \$4,000 p.a. <sup>6</sup>	17
	17	Public entertainment	No limit	Any foreign resident	No limit	20
	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	20
<b>China, People's Rep. of</b>	15	Scholarship or fellowship grant <sup>24</sup>	5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	21(1)
	16	Independent personal services <sup>22</sup>	182 days	Any contractor	No limit	14(2)(a)(b)
	20	Public entertainment	90 days	Any contractor	\$3,000	14(2)(c)
	17	Dependent personal services <sup>15</sup>	182 days	Belgian resident	No limit	15
<b>China, People's Rep. of</b>	18	Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	20
	19	Studying and training: Remittances or allowances	5 years	Any foreign resident	No limit	21(1)
	16	Independent personal services	12 consec. mo.	Belgian resident	\$5,000	21(2)(b)
	17	Dependent personal services	5 years	Other foreign or U.S. resident	\$2,000 p.a.	21(1)
<b>China, People's Rep. of</b>	19	Studying and training: Remittances or allowances <sup>10</sup>	12 consec. mo.	Belgian resident	\$5,000	21(2)(a)
	16	Independent personal services	1 year	U.S. Government or its contractor	\$10,000	21(3)
	17	Dependent personal services	No limit	Any contractor	No limit <sup>12</sup>	XIV
	19	Studying and training: Remittances or allowances <sup>10</sup>	183 days	Any U.S. or foreign resident	\$10,000	XV
<b>China, People's Rep. of</b>	16	Independent personal services	No limit	Any foreign resident	No limit <sup>12</sup>	XV
	17	Dependent personal services	No limit	Any foreign resident	No limit	XX
	19	Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	XX
	15	Scholarship or fellowship grant <sup>24</sup>	No specific limit	Any U.S. or foreign resident <sup>6</sup>	No limit	20(b)
<b>China, People's Rep. of</b>	16	Independent personal services	183 days	Any contractor	No limit	13
	20	Public entertainment <sup>23</sup>	No limit	Any contractor	No limit	16
	17	Dependent personal services <sup>7,15</sup>	183 days	Any foreign resident	No limit	14
	20	Public entertainment <sup>23</sup>	No limit	Any U.S. or foreign resident	No limit	16
<b>China, People's Rep. of</b>	18	Teaching <sup>4</sup>	3 years	U.S. educational or research institute	No limit	19
	19	Studying and training: Remittances or allowances	No specific limit	Any foreign resident	No limit	20(a)
	16	Independent personal services	No specific limit	Any U.S. or foreign resident	\$5,000 p.a.	20(c)
	19	Studying and training: Remittances or allowances	No specific limit	Any U.S. or foreign resident	\$5,000 p.a.	20(c)

Table 2. (Continued)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)					
Commonwealth of Independent States	15	Scholarship or fellowship grant	5 years	Any U.S. or foreign resident	Limited <sup>19</sup>	V(1)	
	16	Independent personal services	183 days	Any U.S. or foreign contractor	No limit	V(2)	
	17	Dependent personal services	183 days	Any U.S. or foreign contractor	No limit	V(2)	
	18	Teaching <sup>4,18</sup>	2 years	U.S. educational or scientific institution	No limit	V(1)	
	19	Studying and training: Remittances or allowances Compensation while gaining experience Compensation under U.S. Government program	5 years 1 year	Any U.S. or foreign resident C.I.S. resident	Limited <sup>19</sup> No limit <sup>19</sup>	V(1) V(1)	
Cyprus	15	Scholarship or fellowship grant <sup>24</sup>	Generally, 5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	21(1)	
	16	Independent personal services <sup>22</sup>	182 days	Any contractor	No limit	17	
	20	Public entertainment	No limit	Any contractor	\$500 per day or \$5,000 p.a. <sup>6</sup>	19(1)	
	17	Dependent personal services <sup>15</sup> Directors' fees	182 days No limit	Any foreign resident U.S. corporation	No limit <sup>22</sup>	18 20	
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$500 per day or \$5,000 p.a. <sup>6</sup>	19(1)	
	19	Studying and training: Remittances or allowances	Generally, 5 years	Any foreign resident	No limit	21(1)	
		Compensation during training	Generally, 5 years	Any U.S. or foreign resident	\$2,000 p.a.	21(1)	
		Compensation while gaining experience <sup>2</sup> Compensation under U.S. Government program	1 year	Cyprus resident	\$7,500	21(2)	
			1 year	U.S. Government or its contractor	\$10,000	21(3)	
	Czech Republic	15	Scholarship or fellowship grant <sup>24</sup>	5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	21(1)
16		Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	14	
20		Public entertainment	183 days	Any contractor	\$20,000 p.a. <sup>30</sup>	18	
17		Dependent personal services <sup>7,15</sup>	183 days	Any foreign resident	No limit	15	
20		Public entertainment	183 days	Any foreign resident	\$20,000 p.a. <sup>30</sup>	18	
	18	Teaching <sup>4,35</sup>	2 years	Any U.S. educational or research institution	No limit	21(5)	
	19	Studying and training: Remittances and allowances Compensation during training Compensation while gaining experience <sup>2</sup> Compensation under U.S. Government program	5 years 5 years 12 consec. mos. 1 year	Any foreign resident Any U.S. or foreign resident Czech resident U.S. Government	No limit No limit \$5,000 p.a. \$8,000 p.a.	21(1) 21(1) 21(2)	
			1 year	U.S. Government	\$10,000	21(3)	
	Denmark	16	Independent personal services	180 days	Danish resident contractor	No limit	XI
				90 days	Other foreign or U.S. resident contractor	\$3,000	XI
17		Dependent personal services	180 days	Danish resident	No limit	XI	
18		Teaching	90 days	Other foreign or U.S. resident	\$3,000	XI	
19		Studying and training: Remittances or allowances	2 years No limit	U.S. educational institution Any foreign resident	No limit No limit	XIV XIII	

Table 2. (Continued)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)		
		Purpose (3)							
Egypt	15	Scholarship or fellowship grant <sup>24</sup>	Generally, 5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	23(1)			
	16	Independent personal services	89 days	Any contractor	No limit	15			
	20	Public entertainment	No limit	Any contractor	\$400 per day	17			
	17	Dependent personal services <sup>14,15</sup>	89 days	Egyptian resident	No limit	16			
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$400 per day	17			
	18	Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	22			
	19	Studying and training: Remittances or allowances Compensation during training Compensation while gaining experience <sup>2</sup> Compensation under U.S. Government program	Generally, 5 years Generally, 5 years 12 consec. mo. 1 year	Any foreign resident U.S. or any foreign resident Egyptian resident U.S. Government or its contractor	No limit \$3,000 p.a. \$7,500 \$10,000	23(1) 23(1) 23(2) 23(3)			
	16	Independent personal services <sup>22</sup>	no limit	Any contractor	No limit	14			
	20	Public entertainment	no limit	Any contractor	\$20,000 p.a. <sup>25</sup>	17			
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15			
	20	Public entertainment	no limit	Any U.S. or foreign resident	\$20,000 p.a. <sup>25</sup>	17			
	19	Studying and training: Remittances or allowances <sup>10</sup>	no limit	Any foreign resident	No limit	20			
	France	15	Scholarship or fellowship grant <sup>24</sup>	5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	18(1)		
		16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit <sup>12</sup>	14		
		17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit <sup>12</sup>	15		
		18	Teaching <sup>4</sup>	2 years	U.S. educational or research institution	No limit	17		
		19	Studying and training: Remittances or allowances Compensation during training Compensation while gaining experience <sup>2</sup>	5 years 5 years 1 year 1 year	Any foreign resident U.S. resident French resident French resident	No limit \$2,000 p.a. \$5,000 \$5,000	18(1) 18(1) 18(2) 18(2)		
		Germany	15	Scholarship or fellowship grant	No limit	Any U.S. or foreign resident <sup>5</sup>	No limit	20(3)	
			16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	14	
20			Public entertainment <sup>22</sup>	No limit	Any contractor	\$20,000 p.a. <sup>30</sup>	17		
17			Dependent personal services <sup>7,15</sup>	183 days	Any foreign resident	No limit	15		
20			Public entertainment <sup>15</sup>	183 days	Any foreign resident	\$20,000 p.a. <sup>30</sup>	17		
18			Teaching <sup>4</sup>	2 years	U.S. educational or research institution	No limit	20(1)		
19			Studying and training: Remittances or allowances <sup>10</sup> Compensation during study or training Compensation while gaining experience <sup>2</sup>	No limit 4 years 1 year	Any foreign resident Any U.S. or foreign resident Any German enterprise or foreign organization or institution	No limit \$5,000 p.a. \$10,000 <sup>26</sup>	20(2) 20(4) 20(5)		
Greece			16	Independent personal services	183 days	Greek resident contractor	No limit	X	
			17	Dependent personal services	183 days	Other foreign or U.S. resident contractor	\$10,000	X	
			18	Teaching	183 days	Greek resident	No limit	X	
			19	Studying and training: Remittances or allowances	183 days 3 years	Other foreign or U.S. resident U.S. educational institution	\$10,000 No limit	X XII	
			Hungary	16	Independent personal services <sup>22</sup>	No limit	Any foreign resident	No limit	XIII
				17	Dependent personal services <sup>15</sup>	183 days	Any contractor	No limit	13
				18	Teaching <sup>4</sup>	183 days	Any foreign resident	No limit	14
	19			Studying and training: <sup>20</sup> Remittances or allowances <sup>10</sup>	2 years No limit	U.S. educational institution Any foreign resident	No limit No limit	17 18(1)	

Table 2. (Continued)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)					
Iceland	15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	22(1)
	16	Independent personal services <sup>22</sup>		182 days	Any contractor	No limit	18
	20	Public entertainment		90 days	Any contractor	\$100 per day	18
	17	Dependent personal services <sup>15</sup>		182 days	Iceland resident <sup>16</sup>	No limit	19
	18	Teaching <sup>4</sup>		2 years	U.S. educational institution	No limit	21
India	19	Studying and training: Remittances or allowances		5 years	Any foreign resident	No limit	22(1)
	20	Compensation during training		5 years	U.S. or any foreign resident	\$2,000 p.a.	22(1)
	16	Compensation while gaining experience <sup>2</sup>		12 consec. mo.	Iceland resident	\$5,000	22(2)
	20	Compensation under U.S. Government program		1 year	U.S. Government or its contractor	\$10,000	22(3)
	17	Public entertainment <sup>22</sup>		89 days	Any contractor	No limit	15
Indonesia	20	Independent personal services <sup>22</sup>		89 days	Any contractor	\$1,500 p.a. <sup>26</sup>	18
	17	Dependent personal services <sup>15</sup>		183 days	Any foreign resident	No limit	16
	20	Public entertainment <sup>15</sup>		183 days	Any foreign resident	\$1,500 p.a. <sup>26</sup>	18
	18	Teaching <sup>4</sup>		2 years	U.S. educational institution	no limit	22
	19	Studying and training: Remittances or allowances		no limit	Any foreign resident <sup>27</sup>	No limit	21(1)
Ireland	15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	19(1)
	16	Independent personal services <sup>22</sup>		119 days	Any contractor	no limit	15
	20	Public entertainment		no limit	Any contractor	\$2,000 p.a. <sup>25</sup>	17
	17	Dependent personal services <sup>15</sup>		119 days	Any foreign resident	no limit	16
	20	Public entertainment		no limit	Any U.S. or foreign resident	\$2,000 p.a. <sup>25</sup>	17
Ireland	18	Teaching <sup>4</sup>		2 years	U.S. educational institution	no limit	20
	19	Studying and training: Remittances or allowances		5 years	Any foreign resident	No limit	19(1)
	20	Compensation during training		5 years	Any foreign or U.S. resident	\$2,000 p.a.	19(1)
	17	Compensation while gaining experience		12 consec. mo.	Any U.S. or foreign resident	\$7,500	19(2)
	16	Independent personal services		183 days	Irish resident contractor	No limit	XI
Israel	17	Dependent personal services		183 days	Irish resident	No limit	XI
	18	Teaching		2 years	U.S. educational institution	No limit	XVIII
	19	Studying and training: Remittances or allowances <sup>10</sup>		No limit	Irish resident	No limit	XIX
	15	Scholarship or fellowship grant		5 yrs.	Any U.S. or foreign resident <sup>6</sup>	No limit	24(1)
	16	Independent personal services		182 days	Any contractor	No limit	16
Israel	20	Public entertainment		No limit	Any contractor	\$400 per day <sup>28</sup>	18
	17	Dependent personal services <sup>14,15</sup>		182 days	Israeli resident <sup>16</sup>	No limit	17
	20	Public entertainment		No limit	Any U.S. or foreign resident	\$400 per day <sup>28</sup>	18
	18	Teaching <sup>4,37</sup>		2 years	U.S. educational institution	No limit	23
	19	Studying and training: Remittances or allowances		5 yrs	Any foreign resident	No limit	24(1)
Israel	20	Compensation during study or training		5 yrs	Any U.S. or foreign resident	\$3,000 p.a.	24(1)
	17	Compensation while gaining experience <sup>2</sup>		12 consec. mo.	Israeli resident	\$7,500	24(2)
	20	Compensation under U.S. Government program		1 yr.	U.S. Government or its contractor	\$10,000	24(3)



Table 2. (Continued)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)					
Italy	16	Independent personal services <sup>7,22</sup>	183 days	Any contractor	No limit	14	
	20	Public entertainment	90 days	Any contractor	\$12,000 p.a. <sup>25</sup>	17(1)	
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15	
	20	Public entertainment	90 days	Any U.S. or foreign resident	\$12,000 p.a. <sup>25</sup>	17(1)	
	18	Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	20	
	19	Studying and training: Remittances or allowances	No limit	Any foreign resident	No limit	21	
	Jamaica	16	Independent personal services <sup>22</sup>	89 days	Any foreign contractor	No limit	14
		20	Public entertainment	89 days	Any U.S. contractor	\$5,000 p.a.	14
		17	Dependent personal services <sup>15</sup>	No limit	Any contractor	\$400 per day or \$5,000 p.a. <sup>6</sup>	18
		20	Public entertainment	183 days	Any foreign resident	\$5,000 p.a.	15
		18	Directors' fees	No limit	Any U.S. or foreign resident	\$400 per day or \$5,000 p.a. <sup>6</sup>	18
		19	Teaching <sup>4</sup>	2 years	U.S. resident	\$400 per day <sup>6</sup>	16
		19	Studying and training: <sup>20</sup> Remittances or allowances <sup>10</sup>	No limit	U.S. educational institution	No limit	22
		20	Public entertainment	12 consec. mo.	Any foreign resident	No limit	21(1)
		17	Dependent personal services <sup>15</sup>	12 consec. mo.	Jamaican resident	\$7,500 p.a.	21(2)
		20	Public entertainment	12 consec. mo.	Jamaican resident	\$7,500 p.a.	21(2)
	Japan	15	Scholarship or fellowship grant <sup>24</sup>	5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	20(1)
		16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	17
		20	Public entertainment	90 days	Any contractor	\$3,000 <sup>5</sup>	17
17		Dependent personal services <sup>15,17</sup>	183 days	Japanese resident <sup>16</sup>	No limit	18	
18		Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	19	
19		Studying and training: Remittances or allowances	5 years	Any foreign resident	No limit	20(1)	
19		Studying and training: Remittances or allowances	5 years	U.S. or any foreign resident	\$2,000 p.a. <sup>6</sup>	20(1)	
17		Compensation during training	12 consec. mo.	Japanese resident	\$5,000 <sup>6</sup>	20(2)	
18		Compensation while gaining experience <sup>2</sup>	1 year	U.S. Government or its contractor	\$10,000 <sup>6</sup>	20(3)	
19		Compensation under U.S. Government program	1 year	U.S. Government or its contractor	\$10,000 <sup>6</sup>	20(3)	
Korea, Rep. of		15	Scholarship or fellowship grant <sup>24</sup>	5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	21(1)
		16	Independent personal services <sup>22</sup>	182 days	Any contractor	\$3,000 p.a.	18
		17	Dependent personal services <sup>15</sup>	182 days	Korean resident <sup>16</sup>	\$3,000 p.a.	19
	18	Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	20	
	19	Studying and training: Remittances or allowances	5 years	Any foreign resident	No limit	21(1)	
	17	Compensation during training	5 years	Any foreign or U.S. resident	\$2,000 p.a.	21(1)	
	18	Compensation while gaining experience <sup>2</sup>	1 year	Korean resident	\$5,000	21(2)	
	19	Compensation under U.S. Government program	1 year	U.S. Government or its contractor	\$10,000	21(3)	
	15	Scholarship or fellowship grant	No limit	Any foreign resident <sup>6</sup>	No limit	XIV(1)	
	16	Independent personal services	180 days	Luxembourg resident <sup>39</sup>	No limit	XII	
Luxembourg	17	Dependent personal services <sup>7</sup>	180 days	Any U.S. or foreign resident	\$3,000	XII	
	18	Teaching <sup>8</sup>	180 days	Luxembourg resident <sup>39</sup>	No limit	XII	
	19	Studying and training: Remittances or allowances	2 years	Any U.S. or foreign resident	\$3,000	XII	
	18	Teaching <sup>8</sup>	180 days	U.S. educational institution	No limit	XIII	
	19	Studying and training: Remittances or allowances	No limit	Any foreign resident	No limit	XIV(1)	
	19	Studying and training: Remittances or allowances	1 year	Any foreign resident	No limit	XIV(1)	
		Compensation during training	1 year	Any foreign resident	\$5,000	XIV(2)	
		Compensation while gaining experience <sup>2</sup>	1 year	Any foreign resident	\$5,000	XIV(2)	
		Compensation under U.S. Government program	1 year	U.S. Government, its contractor, or a foreign resident	\$10,000	XIV(3)	

Table 2. (Continued)

Country (1)	Code' (2)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)					
<b>Malta</b>	16	Independent personal services <sup>22</sup>	90 days	Any foreign contractor	No limit	14	
	20	Public entertainment	90 days	Any U.S. contractor	\$10,000 p.a.	14	
	17	Dependent personal services <sup>15</sup>	89 days	Any contractor	\$500 per day or \$5,000 p.a.	18	
	20	Public entertainment	183 days	Any foreign resident	No limit	15	
	18	Directors' fees	89 days	Any U.S. or foreign resident	\$500 per day or \$5,000 p.a.	18	
<b>Mexico</b>	18	Teaching <sup>4</sup>	No limit	U.S. corporation	No limit <sup>21</sup>	17	
	19	Studying and training <sup>20</sup>	2 years	Any foreign resident	No limit	21	
	16	Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	22	
	20	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	14	
	17	Public entertainment	No limit	Any contractor	\$3,000 p.a. <sup>30</sup>	18	
<b>Morocco</b>	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15	
	20	Public entertainment	No limit	Any U.S. or foreign resident	\$3,000 p.a. <sup>30</sup>	18	
	19	Studying and training	No limit	Any foreign resident	No limit	21	
	15	Remittances and allowances	No limit	Any foreign resident	No limit	18	
	15	Scholarship or fellowship grant <sup>24</sup>	5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	18	
<b>Netherlands</b>	16	Independent personal services <sup>22</sup>	182 days	Any contractor <sup>12</sup>	\$5,000	14	
	17	Dependent personal services <sup>15</sup>	182 days	Moroccan resident <sup>24,16</sup>	No limit	15	
	19	Studying and training	5 years	Any foreign resident	No limit	18	
	15	Remittances or allowances	5 years	U.S. or any foreign resident	\$2,000 p.a.	18	
	15	Compensation during training	5 years	U.S. or any foreign resident	No limit	18	
<b>New Zealand</b>	15	Scholarship or fellowship grant <sup>24,33</sup>	3 years	Any U.S. or foreign resident <sup>6</sup>	No limit	22(2)	
	16	Independent personal services <sup>22</sup>	No limit	Any contractor	No limit	15	
	20	Public entertainment	No limit	Any contractor	\$10,000 p.a. <sup>25</sup>	18	
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	16	
	20	Public entertainment	183 days	Any foreign resident	\$10,000 p.a. <sup>25</sup>	18	
	18	Teaching <sup>4,34</sup>	2 years	U.S. educational institution	No limit	21(1)	
	19	Studying and training <sup>33</sup>	No limit	Any foreign resident	No limit	22(1)	
	16	Remittances and allowances	No limit	Any U.S. or foreign resident	\$2,000 p.a.	22(1)	
	20	Compensation while gaining experience	No limit	Any U.S. or foreign resident	\$2,000 p.a.	22(1)	
	20	Compensation while recipient of scholarship or fellowship grant	3 years	Any U.S. or foreign resident	\$2,000 p.a. <sup>36</sup>	22(2)	
<b>New Zealand</b>	16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit	14	
	20	Public entertainment	183 days	Any contractor	\$10,000 <sup>25</sup>	17	
	17	Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit	15	
	20	Public entertainment	183 days	Any foreign resident	\$10,000 <sup>25</sup>	17	
	19	Studying and training <sup>10</sup>	183 days	Any foreign resident	No limit	20	

Table 2. (Continued)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)					
<b>Norway</b>	15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	16(1)
	16	Independent personal services <sup>22</sup>		182 days	Any contractor	No limit	13
	20	Public entertainment		90 days	Any contractor	\$10,000 p.a.	13
	17	Dependent personal services		182 days	Norwegian resident <sup>16</sup>	No limit	14
	18	Teaching <sup>4</sup>		2 years	U.S. educational institution	No limit	15
<b>Pakistan<sup>11</sup></b>	19	Studying and training: Remittances or allowances Compensation during training Compensation while gaining experience <sup>2</sup> Compensation under U.S. Government program		5 years 5 years 12 consec. mo. 1 year	Any foreign resident U.S. or any foreign resident Norwegian resident U.S. Government or its contractor	No limit \$2,000 p.a. \$5,000 \$10,000	16(1) 16(1) 16(2) 16(3)
	15	Scholarship or fellowship grant <sup>24</sup>		No limit	Pakistani nonprofit organization	No limit	XIII(1)
	16	Independent personal services <sup>14</sup>		183 days	Pakistani resident contractor	No limit	XI
	17	Dependent personal services <sup>14</sup>		183 days	Pakistani resident	No limit	XI
	18	Teaching		2 years	U.S. educational institution	No limit	XII
<b>Philippines</b>	19	Studying and training: Remittances or allowances Compensation during training Compensation while gaining experience <sup>2</sup> Compensation while under U.S. Government program		No limit No limit 1 year No limit	Any foreign resident U.S. or any foreign resident Pakistani resident U.S. Government, its contractor, or any foreign resident employer	No limit \$5,000 p.a. \$6,000 \$10,000	XIII(1) XIII(1) XIII(2) XIII(3)
	15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	22(1)
	16	Independent personal services <sup>22</sup>		89 days	Any foreign contractor	No limit	15
	20	Public entertainment		89 days	Any U.S. resident	\$10,000 p.a. \$100 per day or \$3,000 p.a.	15 17
	17	Dependent personal services <sup>15</sup>		89 days	Any contractor	No limit \$100 per day or \$3,000 p.a.	16 17
<b>Poland</b>	20	Public entertainment		No limit	Any U.S. or foreign resident U.S. educational institution	No limit	21
	18	Teaching <sup>4,38</sup>		2 years	Any Philippines resident <sup>6</sup>	No limit	22(1)
	19	Studying and training: Remittances or allowances Compensation during study Compensation while gaining experience <sup>2</sup> Compensation while under U.S. Government program		5 years 5 years 12 consec. mo. 1 year	Any U.S. or foreign resident U.S. educational institution U.S. Government or its contractor	No limit \$3,000 p.a. \$7,500 p.a. \$10,000 p.a.	22(1) 22(1) 22(2) 22(3)
	15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	18(1)
	16	Independent personal services		182 days	Any contractor	No limit	15
<b>Poland</b>	17	Dependent personal services <sup>15</sup>		182 days	Any foreign resident	No limit	16
	18	Teaching <sup>4</sup>		2 years	U.S. educational institution	No limit	17
	19	Studying and training: Remittances or allowances Compensation during training Compensation while gaining experience <sup>2</sup> Compensation while under U.S. Government program		5 years 5 years 1 year 1 year	Any foreign resident U.S. or any foreign resident Polish resident U.S. Government or its contractor	No limit \$2,000 p.a. \$5,000 \$10,000	18(1) 18(1) 18(2) 18(3)

Table 2. (Continued)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services (3)		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)	
		Purpose (3)						
<b>Romania</b>	15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	20(1)	
	16	Independent personal services <sup>23</sup>		182 days	Any contractor	No limit	14	
	20	Public entertainment		90 days	Any contractor	\$3,000	14	
	17	Dependent personal services <sup>15</sup>		182 days	Romanian resident	No limit	15	
	20	Public entertainment		89 days	Romanian resident	\$2,999.99	15	
	18	Teaching <sup>4</sup>		2 years	U.S. educational institution	No limit	19	
	19	Studying and training: Remittances or allowances Compensation during training Compensation while gaining experience <sup>2</sup> Compensation while under U.S. Government program		5 years 5 years 1 year	Any foreign resident U.S. or any foreign resident Romanian resident	No limit \$2,000 p.a. \$5,000	20(1) 20(1) 20(2)	
				1 year	U.S. Government or its contractor	\$10,000	20(3)	
	<b>Russia</b>	15	Scholarship or fellowship grant <sup>24,40</sup>		5 years <sup>31</sup>	Any U.S. or foreign resident <sup>5</sup>	No limit	18
		16	Independent personal services <sup>22</sup>		183 days	Any contractor	No limit	13
		17	Dependent personal services <sup>7,15,32</sup>		183 days	Any foreign resident	No limit	14
		19	Studying and training: Remittances		5 years <sup>31</sup>	Any foreign resident	No limit	18
	<b>Slovak Republic</b>	15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	21(1)
		16	Independent personal services <sup>22</sup>		183 days	Any contractor	No limit	14
		20	Public entertainment		183 days	Any contractor	\$20,000 p.a. <sup>30</sup>	18
		17	Dependent personal services <sup>7,15</sup>		183 days	Any foreign resident	No limit	15
		20	Public entertainment		183 days	Any foreign resident	\$20,000 p.a. <sup>30</sup>	18
		18	Teaching <sup>35</sup>		2 years	Any U.S. educational or research institution	No limit	21(5)
		19	Studying and training: Remittances and allowances Compensation during training Compensation while gaining experience <sup>2</sup> Compensation under U.S. Government program		5 years 5 years 12 consec. mos.	Any foreign resident Any U.S. or foreign resident Slovak resident	No limit \$5,000 p.a. \$8,000	21(1) 21(1) 21(2)
				1 year	U.S. Government	\$10,000	21(3)	
<b>Spain</b>		15	Scholarship or fellowship grant <sup>24</sup>		5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	22(1)
		16	Independent personal services <sup>22</sup>		no limit	Any contractor	No limit	15
		20	Public entertainment		no limit	Any contractor	\$10,000 p.a. <sup>30</sup>	19
	17	Dependent personal services <sup>15</sup>		183 days	Any foreign resident	No limit	16	
	19	Public entertainment Studying and training: Remittances or allowances Compensation during training Compensation while gaining experience <sup>2</sup>		no limit 5 years 5 years 12 consec. mo.	Any U.S. or foreign resident Any U.S. or foreign resident Spanish resident	\$10,000 p.a. <sup>30</sup> No limit \$5,000 p.a. \$8,000	19 22(1) 22(1) 22(2)	
<b>Sweden</b>	15	Scholarship or fellowship grant		No limit	Any foreign resident <sup>5</sup>	No limit	XII(1)	
	16	Independent personal services <sup>12</sup>		180 days	Swedish resident contractor	No limit	XI(b)(1)	
	17	Dependent personal services		90 days	Other foreign or U.S. contractor	\$3,000	XI(b)(2)	
	18	Teaching <sup>4</sup>		180 days	Swedish resident	No limit	XI(b)(1)	
	19	Studying and training: Remittances or allowances Compensation under U.S. Government program		90 days 2 years	Other foreign or U.S. resident U.S. educational institution	\$3,000 No limit	XI(b)(2) XII(3)	
			No limit	Any foreign resident	No limit	XII(1)		
			No limit	U.S. Government, its contractor, or any foreign resident employer	\$10,000	XII(2)		

Table 2. (Continued)

Country (1)	Code <sup>1</sup> (2)	Category of Personal Services		Maximum Presence in U.S. (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
		Purpose (3)					
Switzerland	16	Independent personal services <sup>9</sup>	183 days	Swiss resident contractor	No limit	X	
	17	Dependent personal services <sup>9</sup>	183 days	Other foreign or U.S. contractor	\$10,000	X	
	18	Teaching	183 days	Swiss resident	No limit	X	
	19	Studying and training: Remittances or allowances	2 years	Other foreign or U.S. resident U.S. educational institution	\$10,000 No limit	XII	
Trinidad and Tobago	15	Scholarship or fellowship grant <sup>24</sup>	No limit	Any foreign resident	No limit	XIII	
	16	Independent personal services <sup>13</sup>	5 years	Any U.S. or foreign resident <sup>6</sup>	No limit	19(1)	
	17	Dependent personal services <sup>13</sup>	183 days	Any foreign resident contractor	No limit	17	
	18	Teaching <sup>4</sup>	183 days	Any U.S. contractor	\$3,000 <sup>6</sup>	17	
	19	Studying and training: Remittances or allowances	183 days	Any foreign resident	No limit	17	
		Compensation during training	2 years	Any U.S. resident	\$3,000 <sup>6</sup>	17	
		Compensation during professional training	5 years	U.S. educational institution or U.S. Government	No limit	18	
		Compensation while gaining experience <sup>2</sup>	5 years	Any foreign resident	No limit	19(1)	
		Compensation under U.S. Government program	5 years	U.S. or any foreign resident	\$2,000 p.a. <sup>6</sup>	19(1)	
			1 year	U.S. or any foreign resident	\$5,000 p.a. <sup>6</sup>	19(1)	
Tunisia	15	Scholarship or fellowship grant <sup>10,24</sup>	1 year	Trinidad—Tobago resident	\$5,000 <sup>6</sup>	19(2)	
	16	Independent personal services <sup>22</sup>	5 years	U.S. Government or its contractor	\$10,000 <sup>6</sup>	19(3)	
	20	Public entertainment	183 days	Any U.S. or foreign resident <sup>6</sup>	No limit	20	
	17	Dependent personal services <sup>15</sup>	no limit	U.S. resident contractor	\$7,500 p.a.	14	
	20	Public entertainment	183 days	Any contractor	\$7,500 p.a. <sup>25</sup>	17	
	19	Studying and training: <sup>10</sup> Remittances or allowances	no limit	Any foreign resident	No limit	15	
		Compensation during training	5 years	Any U.S. or foreign resident	\$7,500 p.a. <sup>25</sup>	17	
		Independent personal services <sup>22</sup>	5 years	Any foreign resident	No limit	20	
		Dependent personal services <sup>15</sup>	5 years	Any U.S. or foreign resident	\$4,000 p.a.	20	
	United Kingdom	16	Independent personal services <sup>22</sup>	183 days	Any contractor	No limit <sup>12</sup>	14
17		Dependent personal services <sup>15</sup>	183 days	Any foreign resident	No limit <sup>12</sup>	15	
18		Teaching <sup>4</sup>	2 years	U.S. educational institution	No limit	20	
19		Studying and training: Remittances or allowances <sup>10</sup>	No limit	Any foreign resident	No limit	21	

- <sup>1</sup> Refers to income code numbers under which the income is reported on Forms 1042-S. Personal services must be performed by a nonresident alien individual who is a resident of the specified treaty country.
- <sup>2</sup> Applies only if training or experience is received from a person other than alien's employer.
- <sup>3</sup> Annual compensation for services wherever performed.
- <sup>4</sup> Does not apply to compensation for research work primarily for private benefit.
- <sup>5</sup> Grant must be from a nonprofit organization. For Sweden, the organization must be located outside the United States. In many cases, the exemption also applies to amounts from either the U.S. or foreign government. For Indonesia and the Netherlands, the exemption also applies if the amount is awarded under a technical assistance program entered into by the United States or the foreign government, or its political subdivisions or local authorities.
- <sup>6</sup> Reimbursed expenses are not taken into account in figuring any maximum compensation to which the exemption applies. For Japan and Trinidad and Tobago, only reimbursed travel expenses are disregarded in figuring the maximum compensation.
- <sup>7</sup> Does not apply to fees of a foreign director of a U.S. corporation.
- <sup>8</sup> Does not apply to compensation for research work for other than the U.S. educational institution involved.
- <sup>9</sup> Applies to public entertainment in accordance with U.S. reservation rejecting exclusion contained in Art. X(4) of the Switzerland treaty.
- <sup>10</sup> Applies only to full-time student or trainee.
- <sup>11</sup> Bangladesh has not indicated that it wishes to assume the responsibilities or exercise the rights of the United States—Pakistan income tax treaty.
- <sup>12</sup> Does not apply to compensation paid to public entertainers (actors, artists, musicians, athletes, etc.). For Canadian or U.K. resident public entertainers, the exemption does not apply if the gross receipts (including reimbursements) are \$15,000 or more in any year. For French resident public entertainers, the exemption does not apply if their gross receipts (including reimbursements) are more than \$10,000 in any tax year.
- <sup>13</sup> Does not apply to compensation paid to public entertainers that is more than \$100 a day.
- <sup>14</sup> Exemption applies only if the compensation is subject to tax in the country of residence.

- <sup>15</sup> The exemption does not apply if the employee's compensation is borne by a permanent establishment (or in some cases a fixed base) that the employer has in the United States.
- <sup>16</sup> The exemption also applies if the employer is a permanent establishment in the treaty country but is not a resident of the treaty country.
- <sup>17</sup> This exemption does not apply in certain cases if the employee is a substantial owner of that employer and the employer is engaged in certain defined activities.
- <sup>18</sup> The exemption is also extended to journalists and correspondents who are temporarily in the U.S. for periods not longer than 2 years and who receive compensation from abroad.
- <sup>19</sup> Also exempt are amounts of up to \$10,000 received from U.S. sources to provide ordinary living expenses. For students, the amount will be less than \$10,000, determined on a case by case basis.
- <sup>20</sup> A student or trainee may choose to be treated as a U.S. resident for tax purposes. If the choice is made, it may not be changed without the consent of the U.S. competent authority.
- <sup>21</sup> Does not apply to amounts received in excess of a reasonable fixed amount payable to all directors for attending meetings in the United States.
- <sup>22</sup> Exemption does not apply to the extent income is attributable to the recipient's fixed U.S. base. For residents of France and Japan, this fixed base must be maintained in the U.S. for more than 183 days during the tax year for the exemption not to apply; for residents of Belgium, Iceland, Korea, and Norway, the fixed base must be maintained for more than 182 days; for residents of Morocco, the fixed base must be maintained for more than 89 days.
- <sup>23</sup> Exemption does not apply if the recipient maintains a permanent establishment in the U.S. with which the income is effectively connected.
- <sup>24</sup> Does not apply to payments from the National Institutes of Health (NIH) under its Visiting Associate Program and Visiting Scientist Program.
- <sup>25</sup> Exemption does not apply if gross receipts (including reimbursements) exceed this amount.
- <sup>26</sup> Exemption does not apply if net income (or gross income for Israel) exceeds this amount.
- <sup>27</sup> Exemption does not apply to payments borne by a permanent establishment in the United States or paid by a U.S.

- citizen or resident of the federal, state, or local government.
- <sup>28</sup> Exemption does not apply if compensation exceeds this amount.
- <sup>29</sup> The exemption applies only to income from activities performed under special cultural exchange programs agreed to by the U.S. and Chinese governments.
- <sup>30</sup> Exemption does not apply if gross receipts (including reimbursements) exceed this amount. Income is fully exempt if visit to the United States is substantially supported by public funds of the treaty country or its political subdivisions or local authorities.
- <sup>31</sup> The 5-year limit pertains only to research.
- <sup>32</sup> Compensation from employment directly connected with a place of business that is not a permanent establishment is exempt if the alien is present in the United States for a period not exceeding 12 consecutive months. Compensation for technical services directly connected with the application of a right or property giving rise to a royalty is exempt if the services are provided as part of a contract granting the use of the right or property.
- <sup>33</sup> Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 21.
- <sup>34</sup> Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 22.
- <sup>35</sup> Exemption does not apply if the individual either (a) claimed the benefit of Article 21(5) during a previous visit, or (b) during the immediately preceding period, claimed the benefit of Article 21(1), (2), or (3).
- <sup>36</sup> Exemption applies only to compensation for personal services performed in connection with, or incidental to, the individual's study, research, or training.
- <sup>37</sup> Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 24(1).
- <sup>38</sup> Exemption does not apply if, during the immediately preceding period, the individual claimed the benefits of Article 22(1).
- <sup>39</sup> For Luxembourg, the exemption also applies if the income is borne by an employer that is a permanent establishment of a U.S. enterprise in Luxembourg.
- <sup>40</sup> Applies to grants, allowances, and other similar payments received for studying or doing research.

Table 3. List of Tax Treaties

Country	Official Text Symbol <sup>1</sup>	General Effective Date	Citation	Applicable Treasury Explanations or Treasury Decision (T.D.)
Australia	TIAS 10773	Dec. 1, 1983	1986-2 C.B. 220	1986-2 C.B. 246.
Austria	TIAS 3923	Jan. 1, 1957	1957-2 C.B. 985	T.D. 6322, 1958-2 C.B. 1038.
Barbados	TIAS 11090	Jan. 1, 1984	1991-2 C.B. 436	1991-2 C.B. 466
Protocol	TIAS	Jan. 1, 1994		
Belgium	TIAS 7463	Jan. 1, 1971	1973-1 C.B. 619	
Protocol	TIAS 11254	Jan. 1, 1988		
Canada <sup>2</sup>	TIAS 11087	Jan. 1, 1985	1986-2 C.B. 258	1987-2 C.B. 298.
China, People's Republic of	TIAS	Jan. 1, 1987	1988-1 C.B. 414	1988-1 C.B. 447.
Commonwealth of Independent States <sup>3</sup>	TIAS 8225	Jan. 1, 1976	1976-2 C.B. 463	1976-2 C.B. 475.
Cyprus	TIAS 10965	Jan. 1, 1986	1989-2 C.B. 280	1989-2 C.B. 314.
Czech Republic	TIAS	Jan. 1, 1993		
Denmark	TIAS 1854	Jan. 1, 1948	1950-1 C.B. 77	T.D. 5692, 1949-1 C.B. 104; T.D. 5777, 1950-1 C.B. 76. 1982-1 C.B. 243.
Egypt	TIAS 10149	Jan. 1, 1982	1982-1 C.B. 219	
Finland	TIAS	Jan. 1, 1991		
France	TIAS 6518	Jan. 1, 1967	1968-2 C.B. 691	T.D. 6986, 1969-1 C.B. 365.
Protocol	TIAS 7270	Jan. 1, 1970	1972-1 C.B. 438	
Protocol	TIAS 9500	Jan. 1, 1979	1979-2 C.B. 411	1979-2 C.B. 428.
Protocol	TIAS 11096	Oct. 1, 1985	1987-2 C.B. 326	
Protocol	TIAS	Various		
Germany	TIAS	Jan. 1, 1990 <sup>4</sup>		
Greece	TIAS 2902	Jan. 1, 1953	1958-2 C.B. 1054	T.D. 6109, 1954-2 C.B. 638.
Hungary	TIAS 9560	Jan. 1, 1980	1980-1 C.B. 333	1980-1 C.B. 354.
Iceland	TIAS 8151	Jan. 1, 1976	1976-1 C.B. 442	1976-1 C.B. 456.
India	TIAS	Jan. 1, 1991		
Indonesia	TIAS 11593	Jan. 1, 1990		
Ireland	TIAS 2356	Jan. 1, 1951	1958-2 C.B. 1060	T.D. 5897, 1952-1 C.B. 89.
Israel	TIAS	Jan. 1, 1995		
Italy	TIAS 11064	Jan. 1, 1985	1992-1 C.B. 442	1992-1 C.B. 473
Jamaica	TIAS 10207	Jan. 1, 1982	1982-1 C.B. 257	1982-1 C.B. 291.
Japan	TIAS 7365	Jan. 1, 1973	1973-1 C.B. 630	1973-1 C.B. 653.
Korea, Republic of	TIAS 9506	Jan. 1, 1980	1979-2 C.B. 435	1979-2 C.B. 458.
Luxembourg	TIAS 5726	Jan. 1, 1964	1965-1 C.B. 615	1965-1 C.B. 642.
Malta	TIAS 10567	Jan. 1, 1982	1984-2 C.B. 339	1984-2 C.B. 366.
Mexico	TIAS	Jan. 1, 1994	1994-34 I.R.B. 4	1994-34 I.R.B. 69
Morocco	TIAS 10195	Jan. 1, 1981	1982-2 C.B. 405	1982-2 C.B. 427.
Netherlands	TIAS	Jan. 1, 1994		
Netherlands Antilles, Aruba <sup>5</sup>	TIAS 3367	Jan. 1, 1955	1956-2 C.B. 1116	T.D. 6153, 1955-2 C.B. 777.
Protocol	TIAS 5665	Various	1965-1 C.B. 624	
New Zealand	TIAS 10772	Nov. 2, 1983	1990-2 C.B. 274	1990-2 C.B. 303.
Norway	TIAS 7474	Jan. 1, 1971	1973-1 C.B. 669	1973-1 C.B. 693.
Protocol	TIAS 10205	Jan. 1, 1982	1982-2 C.B. 440	1982-2 C.B. 454.
Pakistan	TIAS 4232	Jan. 1, 1959	1960-2 C.B. 646	T.D. 6431, 1960-1 C.B. 755.
Philippines	TIAS 10417	Jan. 1, 1983	1984-2 C.B. 384	1984-2 C.B. 412.
Poland	TIAS 8486	Jan. 1, 1974	1977-1 C.B. 416	1977-1 C.B. 427.
Romania	TIAS 8228	Jan. 1, 1974	1976-2 C.B. 492	1976-2 C.B. 504.
Russia	TIAS	Jan. 1, 1994		
Slovak Republic	TIAS	Jan. 1, 1993		
Spain	TIAS	Jan. 1, 1991		
Sweden	TS 958	Jan. 1, 1940	1940-2 C.B. 43	T.D. 4975, 1940-2 C.B. 43.
Supplemental	TIAS 5656	Various	1965-1 C.B. 626	1965-1 C.B. 674.
Switzerland	TIAS 2316	Jan. 1, 1951	1955-2 C.B. 815	T.D. 5867, 1951-2 C.B. 75; T.D. 6149, 1955-2 C.B. 814.
Trinidad and Tobago	TIAS 7047	Jan. 1, 1970	1971-2 C.B. 479	
Tunisia	TIAS	Jan. 1, 1990		
United Kingdom	TIAS 9682	Jan. 1, 1975	1980-1 C.B. 394	1980-1 C.B. 455.

<sup>1</sup>(TIAS)—Treaties and Other International Act Series; (TS)—Treaty Series.

<sup>2</sup>The Canadian Treaty also may be found in Publication 597, *Information on the United States—Canada Income Tax Treaty*.

<sup>3</sup>The U.S.—U.S.S.R. income tax treaty applies to the countries of Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

<sup>4</sup>The general effective date for the area that was the German Democratic Republic is January 1, 1991.

<sup>5</sup>The United States has announced termination of most provisions of the United States—Netherlands Treaty that apply to Netherlands Antilles and Aruba, effective January 1, 1988.