



United States Tax Guide

2011

FOREWORD

For any business moving into new markets, a key deciding factor will be the target country's tax regime. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions. This handy reference guide provides clients and professional practitioners with comprehensive tax and business information for 100 countries throughout the world.

As you will appreciate, the production of the WWTG is a huge team effort and I would like to thank all the member firms of the PKF network who gave up their time to contribute the vital information on their country's taxes that forms the heart of this publication. I would also like to thank Richard Jones, PKF (UK) LLP, Kevin Reilly, PKF Witt Mares, and Rachel Yeo, PKF Melbourne for co-ordinating and checking the entries from within their regions.

The WWTG continues to expand reflecting both the growth of the PKF network and the strength of the tax capability offered by member firms throughout the world.

I hope that you find that the combination of reference to the WWTG plus assistance from your local PKF member firm will provide you with the advice you need to make the right decisions for your international business.

Jon Hills

PKF (UK) LLP

Chairman, International Tax Committee of the PKF International network

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PREFACE

The PKF Worldwide Tax Guide 2011 (WWTG) has been prepared to provide an overview of the taxation and business regulation regimes of 100 of the world's most significant trading countries. In compiling this publication, member firms of the PKF network have sought to base their summaries on information current as of 30 September 2010, while also noting imminent changes where necessary.

On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country's personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

In addition to the printed version of the WWTG, individual country taxation guides are available in PDF format which can be downloaded from the PKF website at www.pkf.com

Finally, PKF International Limited gladly welcomes any comments or thoughts readers may wish to make in order to improve this publication for their needs. Please contact Kevin F Reilly, PKF Witt Mares, 10304 Eaton Place, Suite 440, Fairfax, Virginia 22030, USA by email to kreilly@pkfwittmares.com

PKF INTERNATIONAL LIMITED
MARCH 2011

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ABOUT PKF INTERNATIONAL LIMITED

PKF International Limited (PKFI) administers a network of legally independent firms. The PKF network is the 10th largest global accountancy network with over 245 legally independent member and correspondent firms which have a combined annual turnover of \$2.4 billion. Located in 125 countries, the member firms of the PKF network share a commitment to providing clients with high quality, partner-led services tailored to meet each client's own specific requirements.

The membership base of the PKF network has grown steadily since it was formed in 1969. Added to the sustained growth in the number of PKF member firms, this solidity has provided the foundations for the global sharing of expertise, experience and skills and the development of services that meet the evolving needs of all types of client, from the individual to the multi-national corporation.

Services provided by member firms include:

- Assurance & Advisory
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- Forensic Accounting
- Management Consultancy
- Hotel Consultancy
- IT Consultancy

PKF member firms are organised into five geographical regions covering Africa; Latin America; Asia Pacific; Europe, the Middle East & India (EMEI); and North America & the Caribbean. Each region elects representatives to the board of PKF International Limited, which administers the network. While the member firms remain separate and independent, international tax, corporate finance, professional standards, audit, hotel consultancy and business development committees also work together to improve quality standards, develop initiatives and share knowledge across the network.

Please visit www.pkf.com for more information.

STRUCTURE OF COUNTRY DESCRIPTIONS

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LOCAL TAXES
OTHER TAXES

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LOSSES
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INCENTIVES

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INTERNATIONAL TIME ZONES

AT 12 NOON, GREENWICH MEAN TIME, THE STANDARD TIME ELSEWHERE IS:

A

Algeria	12 noon
Angola	1 pm
Argentina	9 am
Australia -	
Melbourne	10 pm
Sydney	10 pm
Adelaide	9.30 pm
Perth	8 pm
Austria	1 pm

B

Bahamas	7 am
Bahrain	3 pm
Belgium	1 pm
Belize	6 am
Bermuda	8 am
Brazil	7 am
British Virgin Islands	7 am

C

Canada -	
Toronto	7 am
Winnipeg	6 am
Calgary	5 am
Vancouver	4 am
Cayman Islands	7 am
Chile	8 am
China - Beijing	10 pm
Colombia	7 am
Croatia	1 pm
Cyprus	2 pm
Czech Republic	1 pm

D

Denmark	1 pm
Dominican Republic	7 am

E

Ecuador	7 am
Egypt	2 pm
El Salvador	6 am
Estonia	2 pm

F

Fiji	12 midnight
Finland	2 pm
France	1 pm

G

Gambia (The)	12 noon
Germany	1 pm
Ghana	12 noon
Greece	2 pm
Grenada	8 am
Guatemala	6 am
Guernsey	12 noon
Guyana	8 am

H

Hong Kong	8 pm
Hungary	1 pm

I

India	5.30 pm
Indonesia	7 pm
Ireland	12 noon

Isle of Man	12 noon
Italy	1 pm

J

Jamaica	7 am
Japan	9 pm
Jersey	12 noon
Jordan	2 pm

K

Kazakhstan	5 pm
Kenya	3 pm
Korea	9 pm
Kuwait	3 pm

L

Latvia	2 pm
Lebanon	2 pm
Liberia	12 noon
Libya	2 pm
Luxembourg	1 pm

M

Malaysia	8 pm
Malta	1 pm
Mauritius	4 pm
Mexico	6 am
Morocco	12 noon

N

Namibia	2 pm
Netherlands (The)	1 pm
New Zealand	12 midnight
Nigeria	1 pm
Norway	1 pm

O

Oman	4 pm
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P

Panama	7 am
Papua New Guinea	10 pm
Philippines	8 pm
Poland	1 pm
Portugal	1 pm
Puerto Rico	8 am

Q

Qatar	8 am
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R

Romania	2 pm
Russia -	
Moscow/St Petersburg	3 pm

S

Serbia	1 pm
Sierra Leone	12 noon
Singapore	7 pm
Slovak Republic	1 pm
Slovenia	1 pm
South Africa	2 pm
Spain	1 pm
Sweden	1 pm
Switzerland	1 pm

T

Taiwan	8 pm
Thailand	7 pm
Tunisia	12 noon
Turkey	2 pm
Turks and Caicos Islands	7 am

U

Uganda	2 pm
United Arab Emirates	4 pm
United Kingdom(GMT)	12 noon
United States of America -	
New York City	7 am
Washington, D.C.	7 am
Chicago	6 am
Houston	6 am
Denver	5 am
Los Angeles	4 am
San Francisco	4 am
Uruguay	9 am

V

Venezuela	8 am
Vietnam	7 pm

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A. TAXES PAYABLE

FEDERAL TAXES AND LEVIES

COMPANY TAX

Company tax is payable by all corporate entities, except for certain exempt organisations and pass-through corporations subject to special rules. Corporations incorporated in the US are subject to tax on their worldwide income and foreign corporations are generally only subject to tax on their income effectively connected to a US trade or business.

The US levies corporate tax on a graduated scale as follows:

Taxable income Over (US\$)	Not over (US\$)	Tax (US\$)
0	50,000	15%
50,000	75,000	7,500 + 25% of excess over \$50,000
75,000	100,000	13,750 + 34% of excess over \$75,000
100,000	335,000	22,250 + 39% of excess over \$100,000
335,000	10,000,000	113,900 + 34% of excess over \$335,000
10,000,000	15,000,000	3,400,000 + 35% of excess over \$10,000,000
15,000,000	18,333,333	5,150,000 + 38% of excess over \$15,000,000
18,333,333	–	Flat 35%

It should be noted that personal service corporations pay a flat 35% tax on all income. Corporations in a controlled group share in the benefits of the lower brackets.

Generally, a corporation is required to prepay its estimated tax liability in four instalments. Penalties may be assessed if estimated instalments are less than 100% of the actual liability.

The US imposes income taxation at both the business and personal levels. Corporate earnings, taxed first to the corporation and again later when distributed as dividends to shareholders, may be taxed at a combined federal rate exceeding 45%. Therefore, business is increasingly being conducted through flow-through entities such as traditional partnerships, limited liability companies (LLC), and certain tax-election corporations ('S corporations'). S corporations may not have non-resident individuals or corporations as shareholders. Foreign-owned businesses in the US may not derive as much benefit from these structures as domestic businesses due to the interaction of US withholding and branch profits taxes.

US flow-through entities are often used by non-US persons as holding companies for US and non-US businesses and assets. Significant planning opportunities are available for both US domestic and foreign taxpayers through the use of 'hybrid' entities. These companies are treated as flow-through entities by one jurisdiction and as taxable entities by another. US rules are often flexible in allowing US taxpayers to select the desired tax status of the entity under the "check-the-box" regime.

Corporate tax returns and payments are due by the 15th day of the third month following the end of the fiscal year. Calendar year taxpayers must file by 15 March. An automatic extension of six months may be granted if requested by the original due date of the return. Extensions to file a return, however, do not extend the time for payment of tax due.

CAPITAL GAINS TAX

For corporations, the excess of the net gains from the sale of capital assets over net losses from the sale of assets or net capital gains is taxed at the same rates applicable to ordinary income. However, capital losses may only be used to offset capital gains and the excess of losses over gains may be carried back three years or forward five years. Losses must be applied to the earliest carry back year before any carry forwards may be used.

ALTERNATIVE MINIMUM TAX (AMT)

The US imposes an alternative minimum tax on certain corporations at a rate of 20%. The AMT income is derived from regular taxable income adjusted by specified items that received preferential treatment under the regular tax system. Such 'tax preference'

items may include accelerated depreciation, depletion and intangible drilling costs. The AMT is imposed if the tax on the alternative minimum taxable income is greater than the regular tax. It does not apply to small corporations, defined as corporations with less than US\$7.5 million of average annual gross receipts over a three-year period.

BRANCH PROFITS TAX

The tax on a foreign corporation's US branch's profits and earnings is the same as regular corporate tax, except that an additional 30% branch level tax (BLT) is imposed upon the after-tax earnings of the US branch that are not reinvested in the business by the close of the tax year or that are repatriated in a later tax year. The branch level taxable base is adjusted for any changes in the net equity of the US branch. The BLT may be reduced or eliminated by any relevant tax treaties or replaced by the secondary withholding tax.

In addition to the branch profits tax, a branch level interest tax is imposed at 30% of any interest paid by the US branch to a foreign entity not engaged in the same business activity. The tax also is assessed on any excess interest deducted on the US tax return over the amount actually paid.

SALES TAX

Sales taxes are imposed at the state and municipality levels and vary in rates and in bases. In general, sales tax is imposed on tangible goods sold to the final consumer. A use tax is imposed on goods purchased for use in a business but only when no sales tax has been collected. Generally, vendors must register and collect sales tax in states where they are considered to be 'doing business'. The question of whether sellers are required to collect and pay sales taxes on sales of goods and services ordered via the internet or other electronic means is currently unsettled in the US. Foreign sellers who merely ship products ordered over the internet to the US will typically not be subject to state and local taxation although many states are becoming increasingly aggressive in this area.

VALUE ADDED TAX (VAT)

The US does not impose any VAT.

FRINGE BENEFITS TAX (FBT)

The US does not impose any corporate level taxes on fringe benefits provided to its employees. However, certain fringe benefits are taxable to employees receiving the benefits and are required to be reported on their personal income tax returns.

The US does require employers and employees to pay certain payroll related taxes including:

- (1) a portion of an employee's Social Security (FICA), taxable at 6.2% of the wage base (currently \$106,800, annually adjusted). For 2011 only, the employee's portion is reduced to 4.2%
- (2) federal unemployment tax (FUTA) at 6.2% of the first \$7,000 of wages (less credits of up to 5.4% for state unemployment tax)
- (3) state unemployment tax (SUT) which varies from state to state
- (4) Medicare at 1.45% of total wages paid.

LOCAL TAXES

Most states and some municipalities of the US impose income taxes on corporations. Rates vary as do the tax bases. Most states allow income to be apportioned to a state if business is conducted in more than one state. Historically, a three-factor formula consisting of tangible assets, sales and receipts, and payroll has generally been used. However, many states are moving to formulas that are more heavily weighted to sales. Most states begin with federal taxable income in the computation of their taxable base but many states require adjustments to calculate taxable income for their purposes.

Several states have imposed a tax on gross margin or gross sales in lieu of a tax on net income. It is also important to note that state income taxes are not subject to the provisions of the various US income tax treaties and that, therefore, some states consider foreign companies to be subject to their state income tax even if the company is not subject to US federal income tax. It is also important to note that foreign sellers may be subject to other states taxes such as sales tax even if not subject to state or local income taxes.

Other taxes that may be levied at the state level include real and personal property tax, franchise tax, intangibles tax, transfer tax, and tax on capital. Taxes paid to the states and municipalities are deductible on the federal income tax return in the year paid or accrued.

OTHER TAXES

In addition to corporation income taxes, the US also imposes the following taxes.

ACCUMULATED EARNINGS TAX

Corporations accumulating over US\$250,000 of prior and current period earnings and profits may be subject to this tax. The tax is imposed at a rate of 15% on

'accumulated taxable income'. The amount of accumulated taxable income subject to tax is reduced by earnings retained for the reasonable needs of the business.

PERSONAL HOLDING COMPANY (PHC) TAX

Closely-held corporations that receive substantial income from passive activities and do not distribute this income to shareholders are subject to the PHC tax. The tax is imposed at a rate of 15% on the undistributed income. This tax is in addition to the regular corporate tax.

B. DETERMINATION OF TAXABLE INCOME

Corporate taxable income is determined by ascertaining assessable gross income and reducing it by allowable deductions. Allowable deductions must be segregated into ordinary and special deductions. Corporations are taxed at the entity level. For flow-through entities such as partnerships, limited liability companies and S corporations, taxable income is determined in a similar fashion. However, each entity flows through the income or loss and special deductions to its shareholders/members/partners who are taxed on their own returns.

DEPRECIATION AND DEPLETION

Property, plant and equipment may be written off over its effective useful life as established under a statutory cost recovery system. For property acquired or placed in service after 31 December 1986, the capitalised costs must be depreciated using the Modified Accelerated Cost Recovery System (MACRS) over a life of three to 39 years. Most tangible property is in the three, five and seven year category while real property is categorised as 27.5 or 39 year property. However, depreciation on certain components of buildings and real property improvements can be accelerated to shorter lives through the use of cost segregation studies designed to identify the proper categorisation of costs for tax asset classification purposes. Recently enacted tax law provides for a 15-year recovery period for qualified leasehold improvements and restaurant property placed in service before 1 January 2012.

For some smaller corporations, an election may be made to treat the cost of \$134,000 of assets as an expense rather than as a capital expenditure. The maximum deduction is US \$500,000 and is limited to taxable income determined without regard to the above election. This expense benefit is phased out if qualified purchases exceed a certain threshold amount (US \$530,000). In addition, taxpayers may qualify for 100% bonus depreciation for qualified property placed in service before 1 January 2012 and 50% bonus depreciation before 2013.

A deduction for depletion is allowable for expenditures on natural resources. Generally, depletion may be calculated using either a cost or percentage method. Cost depletion is based on the adjusted basis of the property and an estimate of the number of units that make up the deposit and the number of units extracted during the year.

Under the percentage depletion method, a flat percentage of gross income is taken as the depletion deduction. It may not exceed 50% (100% for oil and gas properties) of the taxable income from the property before the depletion deduction. For independent oil and gas producers and royalty owners, the depletion deduction may not exceed 65% of the taxpayer's taxable income.

STOCK INVENTORY

Inventories are generally stated at the lower of cost or market value on the first in, first out (FIFO) method or cost only on the last in, first out (LIFO) method.

Uniform capitalisation rules may require the inclusion in inventory or capital accounts of certain otherwise deductible indirect and administrative costs incurred for real or personal property produced or acquired for resale.

CAPITAL GAIN AND LOSSES

See discussion above.

DIVIDENDS

A US corporation is entitled to a special deduction for dividends received from other domestic corporations. A deduction is allowed for 70% of the dividends received from corporations owned less than 20% by the recipient corporation. The deduction increases to 80% if the corporation is owned more than 20% but less than 80% by the recipient corporation and increases to 100% if the ownership is 80% or more. With some exceptions, dividends from foreign corporations are 100% taxable.

INTEREST DEDUCTIONS

A taxpayer generally may deduct business interest paid or accrued within the tax year on indebtedness. However, such debt must pertain to the debt of the taxpayer and must result from a genuine debtor-creditor relationship. Numerous exceptions and

limitations exist regarding the deductibility of interest. For example, if a corporation's debt to equity ratio exceeds 1.5 to 1, then interest expense deductions on certain related party debt may be disallowed or deferred.

LOSSES

Generally, net operating losses from a trade or business may be carried back two years or forward 20 years to be applied against taxable income. A successor corporation may use carryovers of a predecessor to a limited extent in a change of ownership, a subsidiary liquidation or a specified reorganisation. Special rules apply to 2008 and 2009 losses which extend the carry back period if certain conditions are met.

FOREIGN SOURCE INCOME

US corporations are taxed on worldwide income, including any foreign branch income. To avoid any double taxation, foreign tax deductions or credits are available on the US return. Where US shareholders have more than a 50% interest in a foreign subsidiary, certain income of the foreign subsidiary may be taxed as if received directly by the US shareholder. Other special rules apply to certain types of foreign corporations with US shareholders.

INVESTMENT TAX CREDIT

The Investment Credit comprises four components:

- (1) the rehabilitation credit
- (2) the energy credit
- (3) the qualifying advanced coal project credit and
- (4) the qualifying gasification project credit.

For flow-through entities, the credits must be allocated to the individual partners/shareholders on a pro rata basis. Generally, the credit is 10% of qualifying expenses (20% in the case of certified historic structures). It should be noted that no investment credit is allowed for investment credit property to the extent it is financed with non-qualified non-recourse debt.

INCENTIVES

In addition to investment tax credits, other preferential tax incentives are available for activities such as those related to export, activities engaged in US possessions, qualified private activity bonds, research and development expenditures, and for hiring certain specified individuals. Also, a deduction is available for certain manufacturing/production activities.

OTHER

Other issues that need to be mentioned include the following:

- (1) Deductions are allowable for charitable contributions but for corporations may not exceed 10% of taxable income computed without regard to the contributions. Excess contributions may be carried forward for five years.
- (2) Organisational and business start-up expenditures are deductible up to \$10,000, subject to certain limitations and the remainder must be written off over 180 months.
- (3) Meals and entertainment expenses are limited to 50% of expenses incurred in most circumstances. Certain entertainment expenses are entirely non-deductible.
- (4) Bad debts, except for certain financial institutions, are deductible only under the specific method for receivables that become uncollectible in whole or in part during the tax year.
- (5) Life insurance premiums paid on key employees are deductible only to the extent that they are:
 - (a) included in the employees' compensation
 - (b) not unreasonable in amount
 - (c) the employer is not directly or indirectly a beneficiary.

C. FOREIGN TAX RELIEF

A US corporation or a foreign corporation engaged in business in US may elect to claim either a credit or a deduction for income taxes paid to another country if the taxes are connected with or related to its business and if the income is also taxed by the US. Generally, the tax credit is available only if such foreign tax is based on foreign source income. The tax credit may not reduce the US tax liability on income from US sources. Any credit unusable in one year may be carried back to the prior year and forward ten years.

D. CORPORATE GROUPS

Affiliated groups of US corporations (parent has 80% ownership) are permitted to offset the losses of one affiliate against the profits of another via the filing of consolidated federal income tax returns. State and local rules vary from federal

rules in this regard and may not permit loss offsetting. Some may also require, alternatively, that returns are filed to include results of all related companies, including companies that are not includable in a federal consolidated income tax return.

E. RELATED PARTY TRANSACTIONS

Related party transactions negotiated at arm's length are treated the same as non-related party transactions. However, in general, a deduction may not be taken by one party until the transaction has been included in gross income by the other party. The Internal Revenue Service may make any adjustments necessary to reflect the income of the related parties.

For multi-national groups, additional emphasis is placed on the 'transfer price' among members of the group. Several methods are provided to determine a proper arm's length price including the use of unrelated third party comparables, the comparable profits and the profit split methods. Significant compliance burdens now apply in these situations. Failure to maintain contemporaneous documentation of pricing determinations could result in substantial penalties (up to 40% of the tax due). US regulations require taxpayers to conduct transfer pricing studies to determine the 'best method' under the applicable circumstances.

Transfer pricing determinations must often meet standards in multiple jurisdictions. US rules for determining transfer pricing may vary from the rules of other countries that have introduced transfer pricing standards and from OECD guidelines. US states are increasingly interested in both multi-national and multi-state transfer pricing and may at times take positions differing from those of the Internal Revenue Service.

F. WITHHOLDING TAXES – NON-US PAYEES

Taxes are required to be withheld from portfolio dividends, interest, rents, and royalties, and certain other types of income paid to non-US payees. The statutory rate is 30% but reduced rates may apply if the recipient is a resident of a treaty country. Foreign persons or entities may also be exempted from withholding if the US source income is connected with conduct of a trade or business in the US. This exemption is not available unless the foreign recipient provides notice to the US payor prior to payment. Portfolio interest is exempt from withholding. Portfolio interest includes interest earned on US bank deposits and portfolio debt obligations.

Special withholding tax rules apply to non-US partners in US partnerships and non-US members of an LLC that conducts a trade or business in the US. A 35% withholding tax rate is applied to a foreign partner's (whether an individual or corporation) current year US source income. Special withholding tax rules also apply to direct or indirect sales or other dispositions of US real property by foreigners. A 10% withholding rate applies to the gross amount realized or sales price on the disposition unless specific permission is granted for a reduction.

G. EXCHANGE CONTROL

No direct exchange controls exist. Transactions in currency of \$10,000 or more must be reported to the Internal Revenue Service. Multiple related transactions must be treated as a single transaction for disclosure purposes. The direct or indirect transportation of currency or other monetary instruments exceeding \$10,000 to a foreign jurisdiction must also be reported. Transfers through normal banking procedures that do not involve the physical transportation of currency are not required to be disclosed.

H. PERSONAL TAX

US citizens and other resident individuals are subject to the same tax rules. Taxes are assessed on worldwide income reduced by certain adjustments, deductions and exemptions. Non-resident individuals are generally subject to tax on their income from US sources. Certain credits are available to reduce the tax computed. Generally, income consists of compensation from employment services, interest and dividends, income or loss from self-employment, capital gains and losses, rents and royalties and income or loss from pass-through entities. Allowable deductions include medical expenses, home mortgage and investment interest, state, local and real estate taxes, casualty losses, charitable contributions and other business and investment-related miscellaneous deductions.

Limitations exist for the amount of losses and deductions that may be claimed by a taxpayer. Most deduction limitations are based upon the income levels of the individual.

Income tax rates vary depending upon the filing status of the taxpayer. The five categories of filing status are:

- (1) single
- (2) married filing a joint return
- (3) married filing separate returns
- (4) head of household
- (5) qualifying widow(er) with dependent child.

The current maximum tax rate is 35%.

The US requires employers to withhold federal and state income taxes, social security and Medicare from an employee's salary. These taxes must be remitted to the government on a periodic basis. Self-employed individuals are required to make quarterly estimated payments equal to at least 90% of their actual tax liability in most cases. Higher income individuals may need to pay in 100% of the current year's tax or 110% of the prior year's tax. Penalties and interest may be assessed for underpayment of these taxes.

Special tax rates apply to capital gains and dividend income of individuals. The rate is based on the length of time that the asset is held as well as the type of capital asset. Many dividends also receive a preferential tax rate. Non-resident individuals are typically subject to tax on income from US sources and are generally not taxed on US source capital gains unless the gains are directly or indirectly related to sales of US real property. Many non-resident individuals do not receive preferential tax rates on dividend income. The current preferential rate for qualified dividends and long term capital gains is 15%.

In addition to the regular income tax, individuals may also be liable for other taxes on their tax returns. These taxes include the alternative minimum tax (AMT), self-employment tax, social security and Medicare tax and qualified retirement plan tax. Most states and some municipalities also impose income taxes that vary in rates and bases. The US imposes other taxes on individuals such as gift tax and estate tax.

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

	Portfolio	Substantial holdings (%) (1)	Interest (%) (2)	Royalties (%) (3)
<i>Non-Treaty Countries:</i>	30	30	30	30
<i>Treaty Countries:</i>				
<i>Resident corporations and individuals:</i>	Nil	Nil	Nil	Nil
<i>Non-resident corporations and individuals:</i>				
Australia	15	5	10	0/5
Austria	15	5	0	0/10
Barbados	15	5	5	5
Belgium	15	5	15	0
Canada	15	5	10	0/10
China	10	10	10	10
Commonwealth of Independent States (CIS)	30	30	0/30	0
Cyprus	15	5	10	0
Czech Republic	15	5	0	0/10
Denmark	15	5	0	0
Egypt	15	5	15/30	0/15
Estonia	15	5	10	5/10
Finland	15	5	0	0/5
France	15	5	0	0/5

	Portfolio	Substantial holdings (1) (%)	Interest (2) (%)	Royalties (3) (%)
Germany	15	5	0	0
Greece	30	30	0/30	0/30
Hungary	15	5	0	0
Iceland	15	5	0	0/30
India	25	15	15	15/10
Indonesia	15	10	10	10/15
Ireland, Republic of	15	5	0	0
Israel	25	12.5	17.5	15/10
Italy	15	5/10	15	5/8/10
Jamaica	15	10	12.5	10
Japan	10	5	10	0
Kazakhstan	15	5	10	10
Korea, Republic of	15	10	12	15/10
Latvia	15	5	10	5/10
Lithuania	15	5	10	5/10
Luxembourg	15	5	0	0
Mexico	10	5	15	10
Morocco	15	10	15	10
Netherlands	15	5	0	0
New Zealand	15	15	10	10
Norway	15	15	0	0
Pakistan	30	15	30	0/30
Philippines	25	20	15	15
Poland	15	5	0	10
Portugal	15	5	10	10
Romania	10	10	10	10/15
Russia	10	5	0	0
Slovak Republic	15	5	0	0/10
South Africa	15	5	0	0
Spain	15	10	10	5/8
Sweden	15	5	0	0
Switzerland	15	5	0	0
Thailand	15	10	15	5/8/15
Trinidad and Tobago	30	30	30	0/15/30
Tunisia	20	14	15	10/15
Turkey	20	15	15	5/10
Ukraine	15	5	0	10
United Kingdom	15	0/5	0	0
Venezuela	15	5	10	5/10

1 Refer to the relevant treaty for details of the necessary interest that the recipient needs to hold in the payor in order for this rate to apply.

2 Certain interest paid by banks and insurance companies to non-residents are exempt.

3 For copyright royalties the individual treaties should be consulted due to rate variations. Royalties may include personal property rentals.



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