

# Foreign Recipients of U.S. Income, 1995

## Data Release

United States-source income paid to “foreign persons” in 1995 totaled \$95.8 billion, an increase of nearly 14 percent, or \$11.6 billion, from 1994. Dividends were the primary factor for this increase. The \$2.6 billion in U.S. tax withheld by domestic individuals, businesses, and agents on this income was 33 percent more than that for 1994. This large increase was primarily due to taxes on the increased dividends. Payments to Japanese persons increased by 28 percent to \$27.3 billion, resulting in Japanese recipients receiving the most 1995 U.S.-source income. Payments to the United Kingdom, the second largest recipient country, increased by nearly 18 percent to \$19.5 billion. Together, these two countries accounted for almost half of the income paid to foreign recipients.

### Background

U.S.-source income of nonresident alien individuals and other foreign persons is reported on Form 1042S, *Foreign Person's U.S. Source Income Subject to Withholding*. This income is subject to a flat, statutory tax rate of 30 percent. However, this income is frequently taxed at a lower rate or not taxed at all by way of a tax treaty or statutory exemption (see Table 1 for amount of income exempt from taxation). Treaties are more likely to reduce the tax rate than totally exempt the income from taxation. However, income that is exempt from taxation because of a tax treaty is still required to be reported. The principal types of income are interest (other than that from bank deposits), dividends, rents, royalties, Social Security and railroad retirement payments, and personal services income, shown separately in Table 2. Other types of income include capital gains, scholarships, pensions and annuities, and certain real estate distributions. Certain types of income that are “effectively connected” with a U.S. trade or business, or are bank deposit interest, are not subject to the withholding tax and are generally not reported on Form 1042S (see *Explanation of Selected Terms*).

U.S. individuals or businesses distributing U.S.-source income to foreign persons are required to withhold taxes on this income (except where statutory or treaty exemptions apply), or to appoint a withholding agent (normally a financial institution) to do so. A payer or designated agent is fully liable for all taxes owed by a recipient and also reports the income paid to each recipient

on a Form 1042S. Without this withholding requirement, there would be no effective way to enforce taxpayer compliance because foreign recipients are generally not required to file U.S. tax returns to report this income.

In 1995, the United States participated in tax treaties with 56 of its trading partners (Table 1). Among these tax treaties were two countries not included in 1994: Israel and Portugal. During that year, the U.S. income tax treaty with the former Union of Soviet Socialist Republics remained in effect for the following members of the Commonwealth of Independent States: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. That treaty will remain in effect until new treaties with these individual countries are negotiated and ratified [1]. For 1995, persons in treaty countries received 86.4 percent of total U.S.-source income payments to foreign persons, while accounting for 83.8 percent of the total U.S. tax withheld on these payments. The three nontreaty countries that received significant amounts of U.S.-source income, over \$1 billion each, were Bermuda, the Cayman Islands, and Singapore (Table 2).

### Data Highlights

There were 1.6 million Forms 1042S filed for 1995, an increase of 4.9 percent over the previous year. For 1995, the total U.S.-source income payments to foreign persons as reported on these forms increased by 13.8 percent to \$95.8 billion. The average payment increased to \$59,850, up 8.5 percent from 1994. The average U.S. tax withheld per payment, not including tax withheld by foreign governments and foreign withholding agents (see Data Sources and Limitations), increased by 27.5 percent to \$1,602. For 1995, the effective withholding rate (tax withheld as a percentage of total U.S.-source income paid) increased from 2.3 percent to 2.8 percent. Of the \$95.8 billion of total U.S.-source income reported on Forms 1042S, 77.4 percent (or \$74.2 billion) was exempt from taxation. The effective withholding rate on the \$21.7 billion of income subject to withholding tax was 11.8 percent; however, this was substantially less than the 30-percent statutory rate. Because of tax treaties and statutory exemptions, only \$2.6 billion of the \$21.7 billion of income subject to taxation was taxed at the statutory rate. This was just 2.8 percent of the total U.S.-source income.

For 1995, interest receipts reported on Form 1042S, which excludes bank deposit interest, increased by 1.4 percent to \$60.4 billion, accounting for 63.1 percent of the total U.S.-source income paid to foreign persons. Dividends, the second largest type of payment, increased by

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36.0 percent to \$17.6 billion. Dividends comprised 18.3 percent of the total U.S.-source income. Rents and royalties of \$7.1 billion accounted for 7.4 percent of the total.

U.S.-source income paid to foreign corporations totaled \$73.6 billion, an \$11.3 billion increase from 1994. Foreign corporations received 76.8 percent of the U.S.-source income paid in 1995, while accounting for 69.5 percent of the U.S. tax withheld. Tax withheld on corporations is low in comparison to the income earned by those corporations because 76.1 percent of the income distributed to corporations was exempt from U.S. taxation, principally due to interest being exempt from taxation, or taxed at very low rates. Interest comprised 61.8 percent of the income distributed to corporations.

U.S.-source income paid to foreign individuals totaled \$5.3 billion, a \$0.58-billion increase from 1994. Individuals, in contrast to corporations, show a higher percentage of total taxes withheld relative to total income. Foreign individuals received 5.5 percent of the U.S.-source income paid in 1995, while accounting for 15.5 percent of the U.S. tax withheld. By comparison to corporations, just 65.1 percent of the income distributed to individuals was exempt from U.S. taxation. Moreover, individuals received 30.4 percent of their income in the form of Social Security benefits, railroad retirement benefits, and dividends, three of the income types taxed at the highest effective rates, and that generally received limited or no treaty benefits.

### Data Sources and Limitations

Payers (or their authorized withholding agents) of most U.S.-source income to foreign persons must withhold tax in accordance with the Internal Revenue Code. Form 1042S, *Foreign Person's U.S. Source Income Subject to Withholding*, is filed by the payer to report this income and U.S. tax withheld. Often, a financial institution acts as the payer's withholding agent. The statistics in this data release were tabulated by calendar year, using all Forms 1042S filed with the Internal Revenue Service for 1995. The data reflect the income that was paid and U.S. tax that was withheld in 1995, except for U.S. tax withheld by foreign governmental organizations and their withholding agents. In a few countries, under treaty provisions, foreign governmental organizations (or other authorized entities) withhold tax for income paid to foreign nominees and fiduciaries if the ultimate recipient is unknown or is not a resident of a treaty country. The purpose of such tax withholding is to prevent persons in nontreaty countries from reaping treaty benefits by indirectly channeling their income through a treaty country. When the ultimate

recipient is not entitled to the treaty benefits, the foreign governmental organization (or withholding agent) remits the tax withheld back to the United States. This additional tax, therefore, is not generally attributable to specific income years. For this reason, the statistics in this data release generally do not include tax withheld by foreign governments and foreign withholding agents (except for Canada, which remits its tax payments during the same calendar year in which the U.S. income is paid). These amounts, however, are shown in column 7 of Table 1.

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

### Explanation of Selected Terms

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

*Income Effectively Connected with a U.S. Trade or Business.*--Income that is "effectively connected" with a U.S. trade or business is exempt from the withholding tax requirements. Most of this income is taxed at the ordinary graduated U.S. rates, in the same manner as any other income paid to U.S. citizens and residents. Foreign corporations must report such income on a Form 1120F, *U.S. Income Tax Return of a Foreign Corporation*, and individuals on a Form 1040NR, *U.S. Nonresident Alien Income Tax Return* [2]. Effectively connected real estate distributions are reported on Form 8288A, *Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests*. Effectively connected income may be erroneously reported on Forms 1042S, but the extent of its inclusion in the statistics is believed to be insignificant, although unknown.

*Personal Services Income.*--This category of compensation includes payments for professional services, such as fees of an attorney, physician, or accountant made directly

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to the nonresident alien performing the services.

### Notes and References

[1] U.S. Department of the Treasury, Internal Revenue Service, *U.S. Tax Treaties* (Revised November 1995), Publication 901. Russia negotiated a separate treaty that went into effect on January 1, 1994. A tax treaty between Kazakhstan and the U.S. was con-

cluded and entered into force in 1996.

[2] For information on Forms 1120F, see *Statistics of Income, Corporation Income Tax Returns*, Publication 16, published annually. The Statistics of Income program does not produce data from Forms 1040NR.

[3] For information on Form 1042S, see *Withholding of Tax on Nonresident Aliens and Foreign Corporations*, Publication 515, published annually.

Source: IRS, *Statistics of Income Bulletin*, Publication 1136, Summer 1998.

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

[Money amounts are in thousands of dollars]

Country or geographic area	Number of Forms 1042S	U.S.-source income			U.S. tax withheld		
		Total	Exempt from withholding	Subject to withholding	Total	By domestic withholding agents <sup>1</sup>	By foreign governments and withholding agents
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total.....</b>	<b>1,601,145</b>	<b>95,827,946</b>	<b>74,154,692</b>	<b>21,673,254</b>	<b>2,683,552</b>	<b>2,564,935</b>	<b>118,617</b>
<b>Treaty countries, total.....</b>	<b>1,211,763</b>	<b>82,840,861</b>	<b>62,717,419</b>	<b>20,123,442</b>	<b>2,249,438</b>	<b>2,130,821</b>	<b>118,617</b>
Armenia.....	304	1,679	1,518	161	21	21	--
Australia.....	23,520	707,553	473,572	233,980	33,430	33,430	--
Austria.....	11,895	420,872	339,094	81,778	12,812	12,812	--
Azerbaijan.....	126	592	516	75	7	7	--
Barbados.....	1,270	106,449	94,116	12,334	1,937	1,937	--
Belarus.....	376	7,314	6,743	571	105	105	--
Belgium.....	14,996	869,946	688,793	181,153	26,632	22,355	4,276
Canada.....	306,342	5,609,154	4,462,773	1,146,381	170,123	170,123	--
China.....	39,462	296,162	279,266	16,896	1,754	1,754	--
Cyprus.....	1,566	12,147	10,231	1,916	388	388	--
Czech Republic.....	1,158	37,561	35,098	2,463	634	634	--
Denmark.....	4,182	243,564	190,450	53,114	7,650	7,650	--
Egypt.....	2,864	23,705	19,230	4,475	647	647	--
Finland.....	2,366	326,174	309,428	16,746	1,855	1,855	--
France.....	36,310	6,285,525	4,212,648	2,072,877	149,971	148,402	1,570
Georgia.....	220	1,408	1,146	262	26	26	--
Germany.....	182,668	4,957,249	3,880,196	1,077,053	99,973	99,973	--
Greece.....	19,579	112,888	68,015	44,873	11,464	11,464	--
Hungary.....	1,747	31,724	28,258	3,466	454	454	--
Iceland.....	686	5,047	3,560	1,487	240	240	--
India.....	15,189	86,891	65,479	21,412	3,074	3,074	--
Indonesia.....	3,773	35,692	30,290	5,402	877	877	--
Ireland.....	12,189	1,011,550	922,264	89,286	16,745	16,745	--
Israel.....	22,809	133,215	95,337	37,878	8,782	8,782	--
Italy.....	40,707	1,222,979	689,042	533,937	41,904	41,904	--
Jamaica.....	3,666	16,730	6,452	10,278	2,261	2,261	--
Japan.....	53,009	27,304,623	21,633,200	5,671,424	620,553	620,553	--
Kazakhstan.....	626	3,967	3,567	400	43	43	--
Korea, Republic of (South).....	10,325	164,810	145,081	19,728	2,740	2,740	--
Kyrgyzstan.....	286	1,987	1,866	121	8	8	--
Luxembourg.....	3,811	1,577,529	1,397,720	179,809	49,209	40,017	9,192
Malta.....	479	7,041	5,253	1,788	256	256	--
Mexico.....	90,213	592,418	301,868	290,550	63,544	63,544	--
Moldova.....	207	961	839	122	12	12	--
Morocco.....	708	3,765	2,726	1,039	179	179	--
Netherlands.....	19,727	3,447,210	2,579,617	867,593	102,094	101,694	400
Netherlands Antilles.....	5,112	1,496,960	1,387,395	109,565	32,809	32,809	--
New Zealand.....	5,110	117,290	82,940	34,350	4,815	4,815	--
Norway.....	8,686	270,216	244,782	25,434	5,480	5,480	--
Pakistan.....	4,162	15,515	12,801	2,715	479	479	--
Philippines.....	23,126	94,590	29,284	65,307	16,463	16,463	--
Poland.....	4,898	79,707	65,355	14,352	3,306	3,306	--
Portugal.....	10,296	134,508	97,548	36,960	9,657	9,657	--
Romania.....	1,632	8,167	7,007	1,160	194	194	--
Russia.....	12,666	157,430	143,447	13,983	3,105	3,105	--
Slovak Republic.....	512	10,249	9,756	493	85	85	--
Spain.....	16,320	306,543	177,772	128,771	15,292	15,292	--
Sweden.....	9,713	618,191	273,441	344,750	30,695	30,695	--
Switzerland.....	40,958	4,319,090	2,368,463	1,950,627	271,433	171,293	100,140
Tajikistan.....	223	1,196	1,120	76	11	11	--
Trinidad and Tobago.....	3,022	35,618	31,186	4,431	1,064	1,064	--
Tunisia.....	299	1,283	929	354	56	56	--
Turkmenistan.....	304	1,825	1,729	96	16	16	--
Ukraine.....	1,985	11,686	10,180	1,506	255	255	--
United Kingdom.....	132,999	19,490,300	14,784,861	4,705,439	421,800	418,761	3,039
Uzbekistan.....	379	2,416	2,171	245	19	19	--
<b>Nontreaty countries, total <sup>2</sup>.....</b>	<b>389,382</b>	<b>12,987,085</b>	<b>11,437,273</b>	<b>1,549,812</b>	<b>434,114</b>	<b>434,114</b>	<b>--</b>

<sup>1</sup>Canada remits to the United States tax payments during the same calendar year in which the U.S. income is paid. Therefore, these payments are included in column 6, rather than column 7. For other countries, tax payments remitted to the United States are generally not attributable to specific income years.

<sup>2</sup>Includes Puerto Rico and U.S. possessions. The U.S. and Bermuda have had a tax treaty in effect since 1986. However, this treaty provides no reduction of withholding rates.

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

# Foreign Recipients of U.S. Income, 1995

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

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld <sup>1</sup>	Total U.S.-source income	Principal types of U.S.-source income				
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All countries, total.....</b>	<b>1,601,145</b>	<b>2,564,935</b>	<b>95,827,946</b>	<b>60,446,751</b>	<b>17,577,826</b>	<b>7,095,802</b>	<b>845,852</b>	<b>675,428</b>
<b>Individuals, total.....</b>	<b>1,261,373</b>	<b>398,050</b>	<b>5,270,231</b>	<b>1,914,720</b>	<b>755,037</b>	<b>229,851</b>	<b>845,852</b>	<b>476,088</b>
<b>Corporations, total.....</b>	<b>170,714</b>	<b>1,782,817</b>	<b>73,557,773</b>	<b>45,426,980</b>	<b>13,742,834</b>	<b>6,605,674</b>	<b>--</b>	<b>155,909</b>
<b>Partnerships, total.....</b>	<b>2,314</b>	<b>15,838</b>	<b>371,421</b>	<b>249,214</b>	<b>62,952</b>	<b>45,721</b>	<b>--</b>	<b>3,569</b>
<b>Fiduciaries, total.....</b>	<b>23,128</b>	<b>149,455</b>	<b>6,886,466</b>	<b>5,880,557</b>	<b>985,020</b>	<b>4,904</b>	<b>--</b>	<b>22</b>
<b>Nominees, total.....</b>	<b>4,438</b>	<b>24,352</b>	<b>395,043</b>	<b>192,858</b>	<b>175,584</b>	<b>402</b>	<b>--</b>	<b>--</b>
<b>Governments and international organizations, total.....</b>	<b>991</b>	<b>4,417</b>	<b>2,247,133</b>	<b>1,715,553</b>	<b>518,742</b>	<b>554</b>	<b>--</b>	<b>**</b>
<b>Tax-exempt organizations, total <sup>2</sup>.....</b>	<b>8,799</b>	<b>5,054</b>	<b>689,633</b>	<b>500,415</b>	<b>186,176</b>	<b>832</b>	<b>--</b>	<b>181</b>
<b>Private foundations, total.....</b>	<b>478</b>	<b>1,279</b>	<b>38,009</b>	<b>17,616</b>	<b>4,088</b>	<b>15,705</b>	<b>--</b>	<b>531</b>
<b>Artists and athletes, total.....</b>	<b>7,599</b>	<b>30,211</b>	<b>133,466</b>	<b>**</b>	<b>121</b>	<b>9,080</b>	<b>--</b>	<b>333</b>
<b>Other, total.....</b>	<b>20,830</b>	<b>33,918</b>	<b>2,175,026</b>	<b>1,766,765</b>	<b>383,974</b>	<b>12,289</b>	<b>--</b>	<b>1,969</b>
<b>Unknown, total.....</b>	<b>100,481</b>	<b>119,544</b>	<b>4,063,746</b>	<b>2,782,072</b>	<b>763,299</b>	<b>170,792</b>	<b>--</b>	<b>36,824</b>
Argentina.....	18,256	6,126	84,952	55,546	8,396	2,428	6,340	1,756
Individuals.....	14,374	4,001	48,185	27,093	5,341	330	6,340	1,552
Corporations.....	518	1,023	22,788	20,067	996	1,320	--	146
Australia.....	23,520	33,430	707,553	296,658	165,541	45,416	7,143	6,422
Individuals.....	19,152	4,969	107,434	72,054	7,655	2,895	7,143	5,814
Corporations.....	2,117	13,279	392,014	139,162	48,212	36,211	--	414
Austria.....	11,895	12,812	420,872	317,174	73,095	5,351	4,725	2,000
Individuals.....	8,342	3,758	30,920	2,917	12,516	2,435	4,725	1,914
Corporations.....	2,284	5,705	254,198	200,989	41,797	2,401	--	33
Bahamas.....	16,930	36,633	648,922	512,236	113,094	4,621	689	133
Individuals.....	2,637	2,305	33,510	24,845	4,449	12	689	115
Corporations.....	12,866	27,420	504,371	403,560	92,480	4,361	--	**
Bahrain.....	1,246	1,904	137,688	127,800	6,927	65	7	30
Individuals.....	872	142	23,557	22,873	416	41	7	22
Corporations.....	197	552	72,333	69,973	1,760	24	--	--
Barbados.....	1,270	1,937	106,449	92,304	7,114	3,262	1,544	166
Individuals.....	973	553	5,882	2,246	284	824	1,544	166
Corporations.....	197	1,329	83,191	73,378	6,358	2,425	--	--
Belgium.....	14,996	22,355	869,946	462,447	145,030	119,192	3,091	12,851
Individuals.....	12,248	2,623	44,722	10,732	6,419	4,521	3,091	12,246
Corporations.....	1,048	15,472	690,641	343,262	116,525	114,162	--	70
Bermuda.....	7,622	43,816	1,537,768	1,215,228	173,214	16,133	699	695
Individuals.....	2,357	1,016	23,151	18,187	2,736	448	699	328
Corporations.....	3,649	35,625	1,164,332	873,739	145,312	15,100	--	367
British Virgin Islands.....	31,400	35,045	827,511	701,672	114,422	74	396	**
Individuals.....	1,831	1,067	29,615	25,606	3,093	11	396	**
Corporations.....	26,533	25,441	587,958	496,434	82,768	46	--	--
Brunei.....	249	297	222,987	172,179	50,732	11	--	--
Individuals.....	209	35	165	21	76	11	--	--
Corporations.....	7	**	**	--	**	--	--	--
Canada.....	306,342	170,123	5,609,154	3,278,001	1,139,526	196,383	37,414	95,587
Individuals.....	257,690	34,293	380,753	55,183	67,391	33,413	37,414	52,622
Corporations.....	18,766	96,269	3,965,121	2,563,293	671,736	136,907	--	36,530
Cayman Islands.....	12,774	46,062	2,851,612	2,693,621	136,699	2,000	307	195
Individuals.....	1,477	7,761	153,106	129,065	16,189	20	307	31
Corporations.....	9,038	30,844	2,047,539	1,940,408	97,626	171	--	--
Chile.....	7,338	3,601	109,713	91,515	8,640	598	2,454	792
Individuals.....	5,869	2,068	23,513	12,567	4,449	95	2,454	235
Corporations.....	666	975	41,747	37,796	3,150	243	--	6
China.....	39,462	1,754	296,162	68,239	2,832	545	546	116,736
Individuals.....	38,370	1,554	242,468	17,231	2,483	240	546	115,745
Corporations.....	226	145	48,393	47,254	182	289	--	17

Footnotes at end of table.

# Foreign Recipients of U.S. Income, 1995

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

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld <sup>1</sup>	Total U.S.-source income	Principal types of U.S.-source income				
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Cook Islands.....	115	212	36,203	35,381	700	**	--	--
Individuals.....	70	15	13,623	13,498	19	--	--	--
Corporations.....	24	96	18,294	17,967	326	**	--	--
Denmark.....	4,182	7,650	243,564	144,359	52,247	30,841	3,674	2,009
Individuals.....	3,543	1,491	16,654	6,635	1,170	567	3,674	1,776
Corporations.....	361	3,792	159,809	94,835	32,621	29,489	--	9
Finland.....	2,366	1,855	326,174	287,585	6,870	5,902	2,176	1,333
Individuals.....	1,801	933	70,346	64,068	428	858	2,176	750
Corporations.....	256	417	160,407	145,453	5,710	2,383	--	--
France.....	36,310	148,250	6,285,525	3,280,327	1,844,654	391,099	17,274	31,968
Individuals.....	27,035	9,724	158,934	56,302	17,877	12,332	17,274	29,652
Corporations.....	4,113	124,555	5,630,163	2,901,421	1,684,510	365,009	--	1,254
Germany.....	182,668	99,973	4,957,249	3,154,592	1,068,077	405,692	51,311	41,386
Individuals.....	163,786	27,163	425,031	111,294	134,875	28,803	51,311	36,573
Corporations.....	5,148	60,246	3,983,190	2,625,205	859,104	358,213	--	2,111
Greece.....	19,579	11,464	112,888	28,198	6,131	211	36,441	2,903
Individuals.....	16,842	10,857	64,303	9,482	4,233	161	36,441	2,631
Corporations.....	1,915	239	44,871	16,684	815	10	--	--
Hong Kong.....	24,271	35,395	796,972	621,398	137,328	3,026	3,094	2,368
Individuals.....	18,287	7,204	121,951	88,535	18,778	1,276	3,094	971
Corporations.....	3,060	18,165	400,234	319,985	58,361	1,714	--	1,288
Ireland.....	12,189	16,745	1,011,550	766,029	79,108	67,567	10,787	3,749
Individuals.....	10,587	3,530	40,008	18,981	3,275	1,820	10,787	1,431
Corporations.....	755	3,812	783,615	619,683	20,317	65,186	--	23
Isle of Man.....	1,156	6,161	105,228	85,419	18,121	828	--	19
Individuals.....	222	106	1,892	1,468	360	10	--	19
Corporations.....	604	4,259	87,830	74,339	12,690	553	--	--
Israel.....	22,809	8,782	133,215	88,519	13,422	5,260	1,444	9,503
Individuals.....	10,802	4,781	43,278	15,145	5,120	1,000	1,444	9,410
Corporations.....	507	2,453	77,282	68,235	4,123	3,818	--	30
Italy.....	40,707	41,904	1,222,979	523,696	432,051	69,477	99,732	10,363
Individuals.....	37,421	3,932	156,459	15,327	11,437	2,395	99,732	9,940
Corporations.....	1,689	35,379	962,942	425,441	411,495	58,710	--	138
Japan.....	53,009	620,553	27,304,623	18,231,706	2,265,082	2,122,462	17,302	76,123
Individuals.....	36,253	9,431	270,569	120,150	12,347	35,681	17,302	31,875
Corporations.....	10,414	556,341	23,548,790	15,029,149	1,946,019	2,030,351	--	34,692
Jersey.....	1,613	13,815	283,383	230,728	51,754	63	--	--
Individuals.....	179	824	48,669	46,065	2,578	7	--	--
Corporations.....	835	10,153	128,980	91,436	36,901	55	--	--
Korea, Republic of (South).....	10,325	2,740	164,810	118,372	7,296	1,935	--	10,826
Individuals.....	9,737	1,275	44,550	9,641	1,344	154	--	10,330
Corporations.....	305	1,301	77,425	68,468	4,800	877	--	415
Kuwait.....	3,102	7,354	142,095	100,611	36,641	1,582	--	339
Individuals.....	1,922	558	5,624	2,154	1,750	424	--	339
Corporations.....	917	3,102	37,546	24,257	10,238	1,158	--	--
Liberia.....	2,141	15,583	107,775	55,042	52,027	8	3	2
Individuals.....	355	224	4,058	3,053	717	3	3	2
Corporations.....	1,615	14,403	77,729	29,139	48,222	5	--	--
Luxembourg.....	3,811	40,017	1,577,529	1,392,303	176,496	2,730	191	1,430
Individuals.....	780	506	31,871	28,896	1,942	**	191	178
Corporations.....	1,574	26,232	1,212,905	1,088,119	118,741	2,263	--	651
Malaysia.....	6,112	2,838	66,632	57,646	1,133	1,556	22	377
Individuals.....	5,778	546	9,370	3,024	672	135	22	273
Corporations.....	85	2,266	54,956	53,071	367	1,421	--	**
Mexico.....	90,213	63,544	592,418	284,862	36,701	37,063	195,541	5,686
Individuals.....	83,127	56,561	324,366	78,559	13,974	6,994	195,541	4,996
Corporations.....	1,753	4,277	76,600	37,070	17,439	18,599	--	407

Footnotes at end of table.

# Foreign Recipients of U.S. Income, 1995

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

[Money amounts are in thousands of dollars]

Selected country or geographic area and selected recipient type	Number of Forms 1042S	U.S. tax withheld <sup>1</sup>	Total U.S.-source income	Principal types of U.S.-source income				
				Interest	Dividends	Rents and royalties	Social Security and railroad retirement payments	Personal services income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Netherlands.....	19,727	101,694	3,447,210	1,707,237	947,808	449,242	8,898	11,440
Individuals.....	14,819	6,287	68,734	24,303	9,042	1,545	8,898	10,339
Corporations.....	2,618	82,812	2,925,179	1,442,562	748,967	431,008	--	117
Netherlands Antilles.....	5,112	32,809	1,496,960	1,321,036	122,132	10,063	551	1,536
Individuals.....	1,601	4,814	32,427	12,466	16,109	247	551	1,517
Corporations.....	2,974	22,888	1,310,790	1,173,816	90,455	6,777	--	18
New Zealand.....	5,110	4,815	117,290	79,621	26,857	5,089	529	399
Individuals.....	4,306	658	7,973	455	2,176	913	529	312
Corporations.....	283	2,383	28,466	13,780	10,813	149,602	--	117
Norway.....	8,686	5,480	270,216	186,601	9,615	3,332	14,604	1,960
Individuals.....	7,873	4,108	24,022	3,064	1,175	439	14,604	1,434
Corporations.....	321	993	231,555	172,013	6,295	2,673	--	185
Panama.....	13,549	13,882	248,403	189,491	40,819	1,692	1,205	10,119
Individuals.....	3,280	1,806	26,367	3,064	4,406	439	1,205	72
Corporations.....	8,831	10,633	194,124	149,077	32,478	993	--	10,000
Philippines.....	23,126	16,463	94,590	19,836	5,618	526	58,430	1,956
Individuals.....	22,392	16,127	76,921	7,246	2,832	523	58,430	1,868
Corporations.....	275	236	10,791	10,148	408	--	--	88
Portugal.....	10,296	9,657	134,508	94,242	6,241	140	29,858	1,095
Individuals.....	9,952	8,372	37,663	3,950	989	107	29,858	1,092
Corporations.....	126	327	32,446	29,187	2,122	--	--	2
Puerto Rico.....	10,601	1,023	327,440	313,373	12,096	445	13	176
Individuals.....	8,637	237	4,050	2,406	758	291	13	120
Corporations.....	674	354	306,839	301,228	5,356	143	--	56
Russia.....	12,666	3,105	157,430	92,738	1,319	1,756	--	12,626
Individuals.....	11,961	2,065	138,035	83,460	284	773	--	12,429
Corporations.....	146	33	2,101	898	151	894	--	181
Saudi Arabia.....	8,455	25,631	852,035	715,774	127,846	911	27	3,296
Individuals.....	6,772	22,869	99,534	21,778	73,015	909	27	94
Corporations.....	851	1,350	416,273	381,702	34,407	2	--	--
Singapore.....	13,435	8,820	1,023,408	801,560	209,590	781	80	1,352
Individuals.....	11,421	1,594	16,992	8,269	4,096	336	80	716
Corporations.....	721	6,072	383,715	345,857	32,196	369	--	222
Spain.....	16,320	15,292	306,543	146,164	88,062	10,357	18,289	9,397
Individuals.....	14,433	6,384	54,749	16,478	6,636	854	18,289	3,600
Corporations.....	769	7,867	160,456	64,000	78,126	8,538	--	5,740
Sweden.....	9,713	30,695	618,191	156,590	327,936	73,173	10,202	21,007
Individuals.....	8,535	5,351	35,816	5,384	2,917	577	10,202	8,742
Corporations.....	544	22,860	532,250	129,035	308,685	65,650	--	11,200
Switzerland.....	40,958	171,293	4,319,090	2,006,405	1,593,869	574,609	7,307	19,880
Individuals.....	19,362	9,099	141,542	76,294	30,582	8,307	7,307	6,377
Corporations.....	6,922	133,211	3,749,233	1,734,789	1,350,162	556,824	--	13,075
Taiwan.....	25,130	11,693	573,576	515,438	18,343	5,108	144	7,492
Individuals.....	22,177	6,267	60,431	23,694	12,703	797	144	867
Corporations.....	1,451	4,352	167,217	152,292	2,558	4,304	--	6,622
United Arab Emirates.....	3,719	739	461,075	155,181	304,956	199	**	81
Individuals.....	3,161	385	5,472	3,810	1,008	166	**	76
Corporations.....	125	281	61,603	58,168	3,289	32	--	5
United Kingdom.....	132,999	418,761	19,490,300	11,273,692	5,057,916	2,366,808	63,209	68,951
Individuals.....	104,305	26,351	604,939	258,805	151,755	46,113	63,209	35,525
Corporations.....	13,705	319,836	14,909,794	7,768,925	4,343,630	2,239,541	--	22,824
Venezuela.....	20,710	5,532	120,575	95,541	12,635	974	1,520	1,772
Individuals.....	15,913	3,887	76,650	59,794	8,249	709	1,520	1,342
Corporations.....	1,941	794	28,160	24,116	1,983	161	--	266

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

<sup>2</sup> Unrelated business income paid to foreign tax-exempt organizations is subject to the withholding tax.

\*\*Indicates amount less than \$500.

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