

is required to be filed (see paragraph (b) of this section).

(2) *Conditions relating to approval or disapproval of application.* An application for exemption on Form 4029 will not be approved unless the Secretary of Health, Education, and Welfare finds with respect to the religious sect or division thereof of which the individual filing the application is a member:

(i) That the sect or division thereof has the established tenets or teachings by reason of which the individual applicant is conscientiously opposed to the benefits of insurance of the type referred to in section 1402(h) (see paragraph (a) of this section),

(ii) That it is the practice, and has been for a period of time which the Secretary of Health, Education, and Welfare deems to be substantial, for members of such sect or division thereof to make provisions for their dependent members which, in the judgment of such Secretary, is reasonable in view of the general level of living of the members of the sect or division thereof; and

(iii) That the sect or division thereof has been in existence continuously since December 31, 1950.

In addition, an application for exemption on Form 4029 will not be approved if any benefit or other payment under title II of title XVIII of the Social Security Act became payable (or, but for section 203, relating to reduction of insurance benefits, or 222(b), relating to reduction of insurance benefits on account of refusal to accept rehabilitation services, of the Social Security Act would have been payable) at or before the time of the filing of the application for exemption. Any determination required to be made pursuant to the preceding sentence will be made by the Secretary of Health, Education, and Welfare.

(f) *Period for which exemption is effective*—(1) *General rule.* An application for exemption shall be in effect (if approved as provided in paragraph (e) of this section) for all taxable years beginning after December 31, 1950, except as otherwise provided in subparagraph (2) of this paragraph.

(2) *Exceptions.* An application for exemption referred to in subparagraph (1) of this paragraph shall not be effective for any taxable year which:

(i) Begins (a) before the taxable year in which the individual filing the application first met the requirements of subparagraphs (1) and (2) of paragraph (a) of this section, or (b) before the time as of which the Secretary of Health, Education, and Welfare finds that the sect or division thereof of which the individual is a member met the requirements of subparagraphs (C) and (D) of section 1402(h)(1) (see subdivisions (i) and (ii) of paragraph (e)(2) of this section), or

(ii) Ends (a) after the time at which the individual filing the application ceases to meet the requirements of subparagraphs (1) and (2) of paragraph (a) of this section, or (b) after the time as of which the Secretary of Health, Education, and Welfare finds that the sect or division thereof of which the individual is a member ceases to meet the requirements of subparagraphs (C) and (D) of section 1402(h)(1) (see subdivisions (i) and (ii) of paragraph (e)(2) of this section).

(g) *Refund or credit.* An application for exemption on Form 4029 filed on or before December 31, 1968 (if approved as provided in paragraph (e) of this section), shall constitute a claim for refund or credit of any tax on self-employment income under section 1401 (or under section 480 of the Internal Revenue Code of 1939) paid or incurred in respect of any taxable year beginning after December 31, 1950, and ending before December 31, 1967, for which an exemption is granted. Refund or credit of any tax referred to in the preceding sentence may be made, pursuant to the provisions of section 501(c) of the Social Security Amendments of 1967 (81 Stat. 933), notwithstanding that the refund or credit would otherwise be prevented by operation of any law or rule of law. No interest shall be allowed or paid in respect of any refund or credit made or allowed in connection with a claim for refund or credit made on Form 4029.

[T.D. 6993, 34 FR 831, Jan. 18, 1969]

§ 1.1403-1 Cross references.

For provisions relating to the requirement for filing returns with respect to net earnings from self-employment, see § 1.6017-1. For provisions relating to declarations of estimated tax

on self-employment income, see §§ 1.6015(a) to 1.6015(j)-1, inclusive. For other administrative provisions relating to the tax on self-employment income, see the applicable sections of the regulations in this part (§ 1.6001-1 *et seq.*) and the applicable sections of the regulations in part 301 of this chapter (Regulations on Procedure and Administration).

[T.D. 7427, 41 FR 34026, Aug. 12, 1976]

WITHHOLDING OF TAX ON NONRESIDENT
ALIENS AND FOREIGN CORPORATIONS
AND TAX-FREE COVENANT BONDS

**NONRESIDENT ALIENS AND
FOREIGN CORPORATIONS**

§ 1.1441-0 Outline of regulation provisions for section 1441.

This section lists captions contained in §§ 1.1441-1 through 1.1441-9.

§ 1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.

- (a) Purpose and scope.
 - (b) General rules of withholding.
 - (1) Requirement to withhold on payments to foreign persons.
 - (2) Determination of payee and payee's status.
 - (i) In general.
 - (ii) Payments to a U.S. agent of a foreign person.
 - (iii) Payments to wholly-owned entities.
 - (A) Foreign-owned domestic entity.
 - (B) Foreign entity.
 - (iv) Payments to a U.S. branch of certain foreign banks or foreign insurance companies.
 - (A) U.S. branch treated as a U.S. person in certain cases.
 - (B) Consequences to the withholding agent.
 - (C) Consequences to the U.S. branch.
 - (D) Definition of payment to a U.S. branch.
 - (E) Payments to other U.S. branches.
 - (v) Payments to a foreign intermediary.
 - (A) Payments treated as made to persons for whom the intermediary collects the payment.
 - (B) Payments treated as made to foreign intermediary.
 - (vi) Other payees.
 - (vii) Rules for reliably associating a payment with a withholding certificate or other appropriate documentation.
 - (A) Generally.
 - (B) Special rules applicable to a withholding certificate from a nonqualified intermediary or flow-through entity.
 - (C) Special rules applicable to a withholding certificate provided by a qualified intermediary that does not assume primary withholding responsibility.
 - (D) Special rules applicable to a withholding certificate provided by a qualified intermediary that assumes primary withholding responsibility under chapter 3 of the Internal Revenue Code.
 - (E) Special rules applicable to a withholding certificate provided by a qualified intermediary that assumes primary Form 1099 reporting and backup withholding responsibility but not primary withholding under chapter 3.
 - (F) Special rules applicable to a withholding certificate provided by a qualified intermediary that assumes primary withholding responsibility under chapter 3 and primary Form 1099 reporting and backup withholding responsibility and a withholding certificate provided by a withholding foreign partnership.
- (3) Presumptions regarding payee's status in the absence of documentation.
 - (i) General rules.
 - (ii) Presumptions of classification as individual, corporation, partnership, etc.
 - (A) In general.
 - (B) No documentation provided.
 - (C) Documentary evidence furnished for offshore account.
 - (iii) Presumption of U.S. or foreign status.
 - (A) Payments to exempt recipients.
 - (B) Scholarships and grants.
 - (C) Pensions, annuities, etc.
 - (D) Certain payments to offshore accounts.
 - (iv) Grace period.
 - (v) Special rules applicable to payments to foreign intermediaries.
 - (A) Reliance on claim of status as foreign intermediary.
 - (B) Beneficial owner documentation or allocation information is lacking or unreliable.
 - (C) Information regarding allocation of payment is lacking or unreliable.
 - (D) Certification that the foreign intermediary has furnished documentation for all of the persons to whom the intermediary certificate relates is lacking or unreliable.
 - (vi) U.S. branches.
 - (vii) Joint payees.
 - (A) In general.
 - (B) Special rule for offshore accounts.
 - (viii) Rebuttal of presumptions.
 - (ix) Effect of reliance on presumptions and of actual knowledge or reason to know otherwise.
 - (A) General rule.
 - (B) Actual knowledge or reason to know that amount of withholding is greater than is required under the presumptions or that reporting of the payment is required.
 - (x) Examples.
 - (4) List of exemptions from, or reduced rates of, withholding under chapter 3 of the Code.