

(d) Non-financial foreign entity

For purposes of this section, the term “non-financial foreign entity” means any foreign entity which is not a financial institution (as defined in section 1471(d)(5)).

(Added Pub. L. 111-147, title V, § 501(a), Mar. 18, 2010, 124 Stat. 102.)

§ 1473. Definitions

For purposes of this chapter—

(1) Withholdable payment

Except as otherwise provided by the Secretary—

(A) In general

The term “withholdable payment” means—

(i) any payment of interest (including any original issue discount), dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income, if such payment is from sources within the United States, and

(ii) any gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States.

(B) Exception for income connected with United States business

Such term shall not include any item of income which is taken into account under section 871(b)(1) or 882(a)(1) for the taxable year.

(C) Special rule for sourcing interest paid by foreign branches of domestic financial institutions

Subparagraph (B) of section 861(a)(1) shall not apply.

(2) Substantial United States owner**(A) In general**

The term “substantial United States owner” means—

(i) with respect to any corporation, any specified United States person which owns, directly or indirectly, more than 10 percent of the stock of such corporation (by vote or value),

(ii) with respect to any partnership, any specified United States person which owns, directly or indirectly, more than 10 percent of the profits interests or capital interests in such partnership, and

(iii) in the case of a trust—

(I) any specified United States person treated as an owner of any portion of such trust under subpart E of part I of subchapter J of chapter 1, and

(II) to the extent provided by the Secretary in regulations or other guidance, any specified United States person which holds, directly or indirectly, more than 10 percent of the beneficial interests of such trust.

(B) Special rule for investment vehicles

In the case of any financial institution described in section 1471(d)(5)(C), clauses (i),

(ii), and (iii) of subparagraph (A) shall be applied by substituting “0 percent” for “10 percent”.

(3) Specified United States person

Except as otherwise provided by the Secretary, the term “specified United States person” means any United States person other than—

(A) any corporation the stock of which is regularly traded on an established securities market,

(B) any corporation which is a member of the same expanded affiliated group (as defined in section 1471(e)(2) without regard to the last sentence thereof) as a corporation the stock of which is regularly traded on an established securities market,

(C) any organization exempt from taxation under section 501(a) or an individual retirement plan,

(D) the United States or any wholly owned agency or instrumentality thereof,

(E) any State, the District of Columbia, any possession of the United States, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing,

(F) any bank (as defined in section 581),

(G) any real estate investment trust (as defined in section 856),

(H) any regulated investment company (as defined in section 851),

(I) any common trust fund (as defined in section 584(a)), and

(J) any trust which—

(i) is exempt from tax under section 664(c), or

(ii) is described in section 4947(a)(1).

(4) Withholding agent

The term “withholding agent” means all persons, in whatever capacity acting, having the control, receipt, custody, disposal, or payment of any withholdable payment.

(5) Foreign entity

The term “foreign entity” means any entity which is not a United States person.

(Added Pub. L. 111-147, title V, § 501(a), Mar. 18, 2010, 124 Stat. 103.)

§ 1474. Special rules**(a) Liability for withheld tax**

Every person required to deduct and withhold any tax under this chapter is hereby made liable for such tax and is hereby indemnified against the claims and demands of any person for the amount of any payments made in accordance with the provisions of this chapter.

(b) Credits and refunds**(1) In general**

Except as provided in paragraph (2), the determination of whether any tax deducted and withheld under this chapter results in an overpayment by the beneficial owner of the payment to which such tax is attributable shall be made as if such tax had been deducted and withheld under subchapter A of chapter 3.