

Instructions

Section references are to the Internal Revenue Code.

General Information

Purpose of form. This form is used to obtain an exemption from withholding of tax under section 1441 or 1442 on certain income for nonresident alien individuals and fiduciaries, foreign partnerships, and foreign corporations. See **Pub. 519**, U.S. Tax Guide for Aliens, for details on alien status.

When exemption applies. File a new Form 4224 with the withholding agent for each tax year. The exemption applies only to income paid after the withholding agent receives the form, within the specified tax year of the owner (the person entitled to the income) whose name appears on the form. See **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Corporations, for further information.

Income eligible for exemption. In general, to be exempt from withholding, the income must be effectively connected with the conduct of the owner's trade or business in the United States, and must be included in the owner's gross income under section 871(b)(2), 842, or 882(a)(2) for the tax year. If these requirements are met, the following items of income may be exempt from withholding: interest, dividends, rents, royalties, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, and other fixed or determinable annual or periodic gains, profits, and income; gains described in section 631(b) or (c); amounts subject to tax under section 871(a)(1)(C) or 881(a)(3); gains subject to tax under section 871(a)(1)(D) or 881(a)(4); and gains on transfers described in section 1235 made by October 4, 1966.

If a nonresident alien individual or foreign corporation is a partner in a foreign or domestic partnership, the exemption from withholding under section 1441 or 1442 only applies to the partner's distributive share of partnership income that is effectively connected with the conduct of a trade or business in the United States.

Income not eligible for exemption. The following are not eligible for exemption from withholding: compensation for personal services by a nonresident alien individual (but see **Form 8233**, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual), compensation described in section 543(a)(7) received by a foreign corporation that is a personal holding company, and income resulting from a section 897 disposition of an investment in U.S. real property.

Filing of tax return. All persons who have income effectively connected with the conduct of a trade or business in the United States are required to include that income on an annual U.S. income tax return. See **Pub. 519** for more information.

Filing Form 4224

Owner of income. Give Form 4224 to your withholding agent before payments are made to obtain exemption from withholding on any income to which it applies. You should keep a copy for your records. Promptly notify your agent in writing if the income to which the form applies is no longer effectively connected with the conduct of a trade or business in the United States.

U.S. taxpayer identification number. You are required to furnish a taxpayer identification number to obtain exemption from withholding on eligible income. You may use a social security number (SSN) or an employer identification number (EIN) if you have one.

Contact a Social Security Administration office to find out if you are eligible to get an SSN. If you do not have, **and are not eligible to obtain**, an SSN, you must apply for an IRS individual taxpayer identification number (ITIN), using **Form W-7**, Application for IRS Individual Taxpayer Identification Number.

Nonresident alien estates or trusts must use their employer identification number. See **Form SS-4**, Application for Employer Identification Number, for more information.

If you do not know the withholding agent's employer identification number, please get it from the withholding agent.

Withholding agent. Keep this form for your records. Do not attach Form 4224 to **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, or to **Form 1042-S**, Foreign Person's U.S. Source Income Subject to Withholding.

Address of fiduciary, trustee, or agent. For a foreign address, enter the city or town, province or state, and country. **Do not** abbreviate the country name. Include the postal code where appropriate.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give the information to the withholding agent. It is needed to ensure that you are complying with these laws and to allow the withholding agent to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 7 min.
- Learning about the law or the form** 13 min.
- Preparing the form** 14 min.
- Copying and sending the form** 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this address. Instead, see **Filing Form 4224** on this page.

