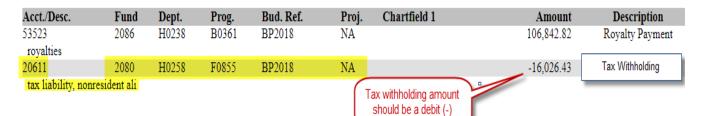
## **Copyright and Industrial Royalties:**

- Industrial Royalties -- Includes royalties for the use of, or the right to use, patents, trademarks, secret processes and formulas, goodwill, franchises, "know-how," and similar rights. It also may include rents for the use or lease of personal property. Taxable to a foreign national at **30%**, without a tax treaty.
- Other Royalties -- Royalties paid for the use of copyrights on books, periodicals, articles, etc., except motion picture and television copyrights. Taxable to a foreign national at **30%**, without a tax treaty

## **Payment Instructions:**

- Contact the Tax Department prior to processing the payment to determine if the foreign national is eligible for a tax treaty exemption. Otherwise, foreign national is subject to **30%** tax withholding.
- To determine if the vendor is a foreign national, the department must have them complete the "Foreign National Information Addendum" found in the Tax website <u>http://www.uh.edu/finance/pages/tax\_info.htm.</u> Upload the addendum to the voucher.
- If the vendor <u>is not</u> a foreign ntional, the vendor must write their name on the top section of the addendum, write "N/A" on the visa section, then sign and date the form. No taxes to withhold, but voucher must be routed through tax workflow for review and approval.
- Foreign nationals must complete the full addendum. The department should apply the tax withholding of **30%** to the royalty payment. Add an additional account line to the voucher using account code **20611** and tax liability cost center **2080-H0258-F0855-BPXXXX-NA** or Speed type 24299. Route the voucher through tax workflow for review and approval.



## **Tax Department contact information:**

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