
S T A T U T O R Y I N S T R U M E N T S

1980 No. 779**INCOME TAX****DOUBLE TAXATION RELIEF****The Double Taxation Relief (Taxes on Income)
(United States of America Dividends) Regulations 1980**

Made - - - - - 22nd May 1980

Coming into operation 22nd May 1980

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 517 of the Income and Corporation Taxes Act, 1970(a), hereby make the following Regulations:—

1. These Regulations may be cited as the Double Taxation Relief (Taxes on Income) (United States of America Dividends) Regulations 1980, and shall come into operation on 22nd May 1980.

2. The Double Taxation Relief (Taxes on Income) (USA) Regulations, 1946(b) shall, in addition to the dividends to which they apply by virtue of Regulation 2(1) of those Regulations, apply to dividends from United States sources from which United States tax has been withheld at the rate of 15 per cent with a view to carrying out in relation to such dividends the provisions of the Convention between the Government of the United Kingdom and Northern Ireland and the Government of the United States of America which is scheduled to the Double Taxation Relief (Taxes on Income) (The United States of America) Order 1980(c).

By Order of the Commissioners of Inland Revenue.

22nd May 1980.

Anne Smallwood.

(a) 1970c. 10.
(c) S.I. 1980/568.

(b) S.I. 1946/1331, amended by S.I. 1955/499 and S.I. 1961/985.

EXPLANATORY NOTE

(This is not part of the Regulations)

These Regulations extend the application of Regulations made in 1946 (and amended in 1955 and 1961) in relation to dividends from United States sources, from which United States withholding tax at the rate of 15 per cent had been deducted under the provisions of the Double Taxation Convention between the United Kingdom and the United States signed on 16 April 1946, to dividends from United States sources from which United States withholding tax at the same rate has been deducted under the provisions of the new Double Taxation Convention signed on 31 December 1975.

The Double Taxation Relief (Taxes on Income) (USA) Regulations 1946 provide that, where dividends from which United States tax has been withheld under the provisions of the 1946 Double Taxation Convention at the rate of 15 per cent, instead of the normal rate of 30 per cent, are paid through a paying agent in the United Kingdom and United Kingdom tax is required to be deducted, the paying agent should allow the 15 per cent withholding tax as a credit against the United Kingdom tax chargeable on the dividend. Where, however, such dividends are paid through a paying agent in the United Kingdom to persons not resident in the United Kingdom, the paying agent should deduct an additional 15 per cent United States withholding tax and account for it to the United Kingdom Commissioners of Inland Revenue, who will then account for it to the United States taxation authorities. The 1955 and 1961 amendments to the 1946 Regulations authorise paying agents to refrain from deducting the additional 15 per cent United States withholding tax when they pay dividends to residents of territories with which the United States has similar agreements or to residents of the United States who, under United States law, are not subject to the withholding tax.