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 [http://www.uh.edu/finance/pages/tax_info.htm](http://www.uh.edu/finance/pages/tax_info.htm). Upload the addendum to the voucher.

- If the vendor is not a foreign national, 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.

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<th>Prog.</th>
<th>Bud. Ref.</th>
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Tax Department contact information:

Keith Gernold  
Tax Director  
kgernold@central.uh.edu  
713-743-8710

Alma Villarreal  
Foreign National Tax Specialist I  
avillare@central.uh.edu  
713-743-8608

Maggie Zarazua  
Tax Assistant II  
mzarazua@central.uh.edu  
713-743-7740