

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. 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.

Acct./Desc.	Fund	Dept.	Prog.	Bud. Ref.	Proj.	Chartfield 1	Amount	Description
53523 royalties	2086	H0238	B0361	BP2018	NA		106,842.82	Royalty Payment
20611 tax liability, nonresident ali	2080	H0258	F0855	BP2018	NA		-16,026.43	Tax Withholding

Tax withholding amount should be a debit (-)

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