

## §514.7

## 26 CFR Ch. I (4–1–20 Edition)

1001A-F, in duplicate, with the withholding agent in the United States.

(c) *Manner of filing.* The provisions of §514.4 relating to the execution, filing, effective period, and disposal of Form 1001A-F are equally applicable with respect to the income falling within the scope of this section.

(d) *Definition.* As used in this section, the term “pensions” means periodic payments made in consideration for services rendered or by way of compensation for injuries received, and the term “life annuities” means a stated sum payable periodically at stated times during life, or during a specified number of years, under an obligation to make the payments in return for adequate and full consideration in money or money’s worth. Neither term includes retired pay or pensions paid by the United States or by any State or Territory of the United States.

### §514.7 Beneficiaries of a domestic estate or trust.

(a) *Entitled to benefits of convention.* If he otherwise satisfies the requirements of the respective articles concerned, a nonresident alien individual who is a resident of France and who is a beneficiary of a domestic estate or trust shall be entitled to the reduction in the rate of, or exemption from, United States tax granted by Articles 6A and 7 of the convention with respect to dividends, interest, and patent royalties and other like amounts to the extent that (1) any amount paid, credited, or required to be distributed by such estate or trust to such beneficiary is deemed to consist of such items, and (2) such items would, without regard to the convention, be includible in his gross income.

(b) *Withholding of United States tax.* In order to be entitled, because of the application of paragraph (a) of this section, to the reduction in rate of, or exemption from, withholding of United States tax the beneficiary must otherwise satisfy the requirements of the respective articles concerned, and shall, where applicable, execute and submit to the fiduciary of the estate or trust in the United States the appropriate form or forms prescribed in §§514.4(b) and 514.6(b).

(c) *Amounts otherwise includible in gross income of beneficiary.* For the determination of amounts which, without regard to the convention, are includible in the gross income of the beneficiary, see subchapter J of chapter 1 of the Internal Revenue Code of 1954, and the regulations thereunder.

### §514.8 Release of excess tax withheld at source.

(a) *Amounts to be released—(1) Dividends derived from domestic corporation.* If United States tax has been withheld at the statutory rate on or after January 1, 1957, from dividends described in §514.2(a) and derived from a domestic corporation by a nonresident alien (including a nonresident alien individual, fiduciary, and partnership) or by a foreign corporation, whose address at the time of payment was in France, the withholding agent shall release and pay over to the person from whom the tax was withheld an amount which is equal to the difference between the tax so withheld and the tax required to be withheld pursuant to §514.2(c).

(2) *Coupon bond interest—(i) Substitute form.* In the case of every taxpayer who furnishes to the withholding agent Form 1001-F clearly marked “Substitute” and executed in accordance with §514.4(b)(1), where United States tax has been withheld at the statutory rate on or after January 1, 1957, from coupon bond interest, the withholding agent shall release and pay over to the person from whom the tax was withheld an amount which is equal to the difference between the tax so withheld and the tax required to be withheld pursuant to §514.4(b)(1) if the taxpayer also attaches to such form a letter in duplicate, signed by the owner, trustee, or agent and containing the following:

(a) The name and address of the obligor;

(b) The name and address of the owner from which the excess tax was withheld;

(c) A statement that, at the time when the interest was derived from which the excess tax was withheld, the owner was neither a citizen nor a resident of the United States but was a resident of France, or, in the case of a corporation, the owner was a French corporation; and