

§ 520.116 Reciprocal administrative assistance.

(a) By Article XV of the convention, United States and Sweden adopt the principle of exchange of information and assistance in the service of documents incident to the collection of taxes. It is agreed that such fiscal co-operation shall be carried out in accordance with the laws of the respective countries and hence only such information as is available to the Commissioner under the revenue laws may be used as a source from which to secure the information required to be submitted to the Finance Minister of Sweden.

(b) Pursuant to such principle, withholding agents shall, in the preparation of withholding returns, Form 1042, report on such returns, in addition to the items of income upon which tax has been withheld at the source, those items of income paid to a nonresident alien individual resident in Sweden or to a Swedish corporation or other entity upon which tax has not been withheld at the source. (See § 520.109.) Such return shall show the same information with respect to such items of income upon which tax has not been withheld at the source as is shown with respect to items of income upon which the tax has been withheld at the source.

(c) All information and correspondence relating to exchange of information and to service of documents may be transmitted by the Secretary directly to the Finance Minister of Sweden.

§ 520.117 Information to be furnished in the ordinary course.

(a) In accordance with the provisions of Article XVI (1) (a) and (b) of the convention, the Secretary shall forward to the Finance Minister of Sweden, Stockholm, Sweden, as soon as practicable after the close of the calendar year 1940 and of each calendar year thereafter during which the convention is in effect the following information relating to such preceding calendar year:

(1) The name and address of each person whose address as disclosed on Forms 1012 and 1042 is in Sweden deriving from sources within the United

States dividends, interest, royalties, pensions, annuities, or other fixed or determinable annual or periodical income, showing the amount of such income with respect to such person.

(2) The name and address of each person whose address as disclosed by Forms 1000, 1087 and 1099 is in Sweden showing the amount of income set forth on such form with respect to each person.

(b) In accordance with the provisions of Article XVI(1)(c) of the convention, there shall likewise be forwarded any particulars which the Commissioner may obtain incident to the determination of estate tax liability of any decedent from inventories of assets of estates of decedents concerning debts contracted with individuals resident in Sweden or with Swedish corporations or other entities.

§ 520.118 Information in specific cases.

Under the provisions of Article XVIII of the convention and upon request of the Finance Minister of Sweden, made through diplomatic channels and subject to the provisions of Article XIX of the convention, the Secretary will furnish to the Finance Minister of Sweden particulars in case of any specific taxpayer who is a citizen of Sweden or a Swedish corporation or other entity, relating to the application of Swedish national income and property tax and the Swedish communal income tax. In the case of other specific taxpayers, the Secretary will give consideration to requests of the Finance Minister of Sweden with a view to furnishing similar information concerning such taxpayer.

§ 520.119 Mutual assistance in the collection of taxes.

Under the provisions of Article XXI of the convention, the Secretary of the Treasury and the Finance Minister of Sweden are authorized to prescribe rules with respect to those provisions of the convention relating to the exchange of information, service of documents, and mutual assistance in the collection of the taxes to which the convention relates. Such rules concerning matters of procedure, forms of application and replies thereto, conversion of currency, disposition of

amounts collected and related matters will be made the subject matter of a common agreement between the competent authorities of the two contracting States concerned and when consummated will be published.

PART 521—DENMARK

Subpart—Withholding of Tax

RELEASE OF EXCESS TAX WITHHELD AND REDUCTION IN RATE OF WITHHOLDING

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- 521.115 Credit against United States tax liability for Danish tax.
- 521.116 Reciprocal administrative assistance.
- 521.117 Claims in cases of double taxation.

AUTHORITY: 26 U.S.C. 62, 143, 144, 211, and 231.

Subpart—Withholding of Tax

SOURCE: Treasury Decision 5692, 14 FR 1123, Mar. 12, 1949, unless otherwise noted. Redesignated at 25 FR 14022, Dec. 31, 1960.

EFFECTIVE DATE NOTE: By T.D. 8732, 62 FR 53498, Oct. 14, 1997, Subpart—Withholding of Tax, consisting of §§ 521.1 through 521.8 was removed, effective Jan. 1, 1999. By T.D. 8804, 63 FR 72183, Dec. 31, 1998, the effective date was delayed until Jan. 1, 2000. By T.D. 8856, 64 FR 73408, Dec. 30, 1999, the effective date was delayed until Jan. 1, 2001.

RELEASE OF EXCESS TAX WITHHELD AND REDUCTION IN RATE OF WITHHOLDING

§ 521.1 Introductory.

(a) The income tax convention between the United States and the Kingdom of Denmark, signed May 6, 1948, proclaimed by the President of the United States on December 8, 1948, and effective as to taxable years beginning after December 31, 1947 (referred to in this subpart as the convention), provides in part as follows:

ARTICLE I

(1) The taxes referred to in this Convention are:

(a) In the case of the United States of America: The Federal income tax, including surtaxes.

(b) In the case of Denmark:
The national income tax, including the war profits tax.

The intercommunal income tax.
The communal income tax.

(2) The present Convention shall also apply to any other taxes of a substantially similar character imposed by either contracting State subsequently to the date of signature of the present Convention.

ARTICLE II

(1) As used in this Convention:

(a) The term “United States” means the United States of America, and when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(b) The term “Denmark” means the Kingdom of Denmark; the provisions of the Convention shall not, however, extend to the Faroe Islands; nor do they apply to Greenland.

(c) The term “permanent establishment” means a branch office, factory, warehouse or other fixed place of business, but does not include the casual and temporary use of merely storage facilities, nor does it include an agency unless the agent has and exercises a