

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 (-)

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