

# Changes to Publication 515 for New Income Tax Treaty and Protocol

## Announcement 97-29

The United States recently exchanged instruments of ratification for a new income tax treaty with Kazakhstan and a new protocol with Indonesia. This information is not reflected in the 1996 revision of Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Corporations (For withholding in 1997)*, which was printed before these items were exchanged. Use the following information to modify the 1997 withholding tables in Publication 515.

**Kazakhstan.** The provisions for taxes withheld on interest, dividends, and royalties are effective for amounts paid or credited on or after February 1, 1997. For other taxes, the provisions are effective for tax periods beginning on or after January 1, 1996.

The withholding rates for 1997 are the same as the tax rates for 1996. The provisions and tax rates can be found in Tables 1 and 2 of the March 1997 revision of Publication 901, *U.S. Tax Treaties*.

**Indonesia.** The provisions of the new protocol are effective for amounts paid or credited on or after February 1, 1997.

*Table 1* of Publication 515 reflects the January 1997 rates. For amounts paid or credited on or after February 1, 1997, make the following changes to *Table 1*:

1) Under income codes 1, 2, 3, 7, 11, and 12, replace "15" with "10."

2) In column 7, add footnote "b." The reduced rate only applies if the foreign parent corporation owns directly at least 25% of the voting stock of the company paying the dividends.