



BDO Seidman, LLP
Accountants and Consultants

June 2004

Subject:
Form 8802
U.S. Residency
Certification Update

International Tax Alert

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FOR MORE INFORMATION

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Date\Timing:

Effective July 5, 2004

Affecting:

All taxpayers requiring IRS certification of U.S. residency.

Details:

The IRS has announced that beginning July 5, 2004, U.S. tax certification must be obtained by using Form 8802, Application for United States Residency Certification. This new date replaces the original effective date of March 17, 2004. An excerpt from our January 2004 International Tax Alert, set forth below, outlines these new rules (our January alert is still available at: <http://www.bdo.com/about/publications/tax/index.asp>).

U.S. treaty partners routinely require proof of U.S. residency to secure the benefits of a U.S. tax treaty. Form 6166, *U.S. Residency Certification Letter* is issued by the U.S. Department of Treasury and submitted to the foreign country's withholding agent or representative to certify such U.S. residency. Currently, a Form 6166 is secured upon written petition to the U.S. Treasury. Form 8802, *Application for United States Residency Certification*, has replaced this written petition. The IRS promises that a Form 6166 or a rejection notification will be issued within 30 days of filing the Form 8802.

Form 8802 provides a uniform method of application for certification. Moreover, certain foreign countries (e.g., Spain and the U.K.) have requirements for proving U.S. residency that go beyond the "standard" requirements - Form 8802 addresses these additional requirements.

Form 8802 may also be used to apply for proof of tax status for other purposes, such as obtaining an exemption from a value added tax (VAT) imposed by a foreign country.

Material Discussed in this newsletter is meant to provide general information and should not be acted on without obtaining professional advice tailored to your firm's individual needs.