

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF 1966 AMENDMENT**

Amendment by Pub. L. 89-809 applicable with respect to payments occurring after Dec. 31, 1966, see section 103(n)(3) of Pub. L. 89-809, set out as a note under section 871 of this title.

**§ 1462. Withheld tax as credit to recipient of income**

Income on which any tax is required to be withheld at the source under this chapter shall be included in the return of the recipient of such income, but any amount of tax so withheld shall be credited against the amount of income tax as computed in such return.

(Aug. 16, 1954, ch. 736, 68A Stat. 360.)

**§ 1463. Tax paid by recipient of income**

If—

- (1) any person, in violation of the provisions of this chapter, fails to deduct and withhold any tax under this chapter, and
- (2) thereafter the tax against which such tax may be credited is paid,

the tax so required to be deducted and withheld shall not be collected from such person; but this section shall in no case relieve such person from liability for interest or any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

(Aug. 16, 1954, ch. 736, 68A Stat. 360; Pub. L. 101-239, title VII, § 7743(a), Dec. 19, 1989, 103 Stat. 2406; Pub. L. 104-188, title I, § 1704(t)(9), Aug. 20, 1996, 110 Stat. 1887.)

**Editorial Notes****AMENDMENTS**

1996—Pub. L. 104-188 substituted “this section” for “this subsection”.

1989—Pub. L. 101-239 amended section generally. Prior to amendment, section read as follows: “If any tax required under this chapter to be deducted and withheld is paid by the recipient of the income, it shall not be re-collected from the withholding agent; nor in cases in which the tax is so paid shall any penalty be imposed on or collected from the recipient of the income or the withholding agent for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment.”

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF 1989 AMENDMENT**

Pub. L. 101-239, title VII, § 7743(b), Dec. 19, 1989, 103 Stat. 2406, provided that: “The amendment made by subsection (a) [amending this section] shall apply to failures after December 31, 1989.”

**§ 1464. Refunds and credits with respect to withheld tax**

Where there has been an overpayment of tax under this chapter, any refund or credit made under chapter 65 shall be made to the withholding agent unless the amount of such tax was actually withheld by the withholding agent.

(Aug. 16, 1954, ch. 736, 68A Stat. 360.)

**[§ 1465. Repealed. Pub. L. 94-455, title XIX, § 1901(a)(156), Oct. 4, 1976, 90 Stat. 1789]**

Section, act Aug. 16, 1954, ch. 736, 68A Stat. 360, defined withholding agent.

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF REPEAL**

Repeal applicable with respect to taxable years beginning after Dec. 31, 1976, see section 1901(d) of Pub. L. 94-455, set out as an Effective Date of 1976 Amendment note under section 2 of this title.

**CHAPTER 4—TAXES TO ENFORCE REPORTING ON CERTAIN FOREIGN ACCOUNTS**

Sec.

1471.	Withholdable payments to foreign financial institutions.
1472.	Withholdable payments to other foreign entities.
1473.	Definitions.
1474.	Special rules.

**Editorial Notes****PRIOR PROVISIONS**

A prior chapter 4, consisting of sections 1481 and 1482, which related to rules applicable to recovery of excessive profits on government contracts, was repealed by Pub. L. 101-508, title XI, § 11801(a)(37), Nov. 5, 1990, 104 Stat. 1388-521.

Section 1481, acts Aug. 16, 1954, ch. 736, 68A Stat. 362; June 21, 1965, Pub. L. 89-44, title VIII, § 809(d)(5)(B), 79 Stat. 168; Oct. 4, 1976, Pub. L. 94-455, title XIX, §§ 1901(a)(157), 1906(b)(13)(A), 1951(b)(14)(A), 90 Stat. 1789, 1834, 1840, related to mitigation of effect of renegotiation of government contracts.

Section 1482, added Pub. L. 85-866, title I, § 62(a), Sept. 2, 1958, 72 Stat. 1648, related to readjustment for repayments made pursuant to price redeterminations.

**§ 1471. Withholdable payments to foreign financial institutions****(a) In general**

In the case of any withholdable payment to a foreign financial institution which does not meet the requirements of subsection (b), the withholding agent with respect to such payment shall deduct and withhold from such payment a tax equal to 30 percent of the amount of such payment.

**(b) Reporting requirements, etc.****(1) In general**

The requirements of this subsection are met with respect to any foreign financial institution if an agreement is in effect between such institution and the Secretary under which such institution agrees—

(A) to obtain such information regarding each holder of each account maintained by such institution as is necessary to determine which (if any) of such accounts are United States accounts,

(B) to comply with such verification and due diligence procedures as the Secretary may require with respect to the identification of United States accounts,

(C) in the case of any United States account maintained by such institution, to report on an annual basis the information described in subsection (c) with respect to such account,

(D) to deduct and withhold a tax equal to 30 percent of—

(i) any passthru payment which is made by such institution to a recalcitrant account holder or another foreign financial