



# Have you paid too much tax on overseas dividends?

Here we provide  
an example


0333 123 7171

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1.



Sally received **\$1k** in dividends from a US company. These dividends are subject to withholding tax of **30%**, so **\$300** is paid to the US tax authorities.



# 2.

The double tax treaty between the UK and US means that UK residents should only be charged **15%** tax on dividends arising from US companies.

**Sally should have only been charged \$150.**

When Sally reports this on her tax return, she should only include **\$150** of US withholding taxes. If she includes the full amount, HMRC may amend the return and demand payment of the difference, meaning she could end up paying **double the amount of tax.**


**3.**



# 4.

Sally can reclaim the **\$150** of overcharged withholding taxes from the US tax authorities, but **proof of UK tax residency** may be needed.





If you're unsure whether you've paid the correct amount of tax on your overseas dividends or if you need help requesting a certificate of residence from HMRC...

**GET IN  
TOUCH**

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