

Tax Information for the 2009 BCAPL 8-Ball National Championships

If you are planning to enter the tournament you need only read the sections below that apply to you:

- For U.S. residents – only sections 1 and 5 apply;
- Most foreign residents need only read sections 2 and 5;
- However, if you live outside the United States but you have received or can obtain an Individual Tax Identification Number (ITIN) from the Internal Revenue Service (IRS) you may be able to avoid withholding taxes. To learn more, read sections 3 and 4 (as well as 2 and 5).

Forms referred to below may be viewed/downloaded at <http://www.irs.gov/formspubs>

Section 1 – United States Residents

You can avoid withholding taxes on your prize money by filling out Form W-9. This tells us your name, address and Social Security number. (Form W-9 will be made available at the Tournament.) After the Tournament, BCA Pool League will report your winnings to the IRS and to you, using Form 1099-MISC. (If you do not fill out Form W-9, we will be required to withhold 30% of your prize money!)

Section 2 – Foreign Residents: Most Will Be Subject to Withholding Taxes

For most (and, perhaps, all) foreign participants, the process is very simple: (1) **You will be subject to 30% withholding taxes on your prize money;** (2) at the Tournament, prize winners will have to supply their name and address; and (3) we will then provide the IRS with this information on Form 1042-S, two copies of which will be mailed to you. When it comes time for you to pay taxes in your own country, you will not only have a record of your winnings, but you will have documents that show that you paid substantial taxes to the U.S. Government. In many cases you will be able to get a tax credit for these payments. Be sure to check with your tax advisor in your home country.

Section 3 – Foreign Residents: A Few May Be Able to Avoid Withholding Taxes

For some non-U.S. residents, withholding taxes may be avoided provided (a) your country has a tax treaty with the United States, (b) you have an "Individual Taxpayer Identification Number" (ITIN) from the IRS and (c) your prize money does not exceed the maximum amount that is exempt from withholding under the treaty.

If you do not have an ITIN, we regret to inform you that rule changes in recent years have made them much more difficult to get. We will be unable to assist you in obtaining an ITIN but a tax adviser in your own country might be able to help you. However, if you received an ITIN at any time in the past, it is still valid.

In any event, if you have an ITIN and there is a tax treaty between your country and the United States and your prize does not exceed the amount allowed under the treaty you will be able to avoid withholding taxes by filling out Form 8233. We will be able to help you do this at the tournament.

One more thing: If you are eligible for zero withholding, **we will have to temporarily withhold 100% of your prize money** until 10 days after Form 8233 is mailed to the IRS. We expect to mail such Forms one or two weeks after the end of the tournament. The 10-day period is required by the IRS to give them time to verify your eligibility for avoiding withholding. Assuming there is no objection from the IRS (and there shouldn't be as long as your ITIN is valid), we will mail you a check for the full amount of your prize approximately 24 days after the Tournament ends.

Section 4 – Foreign Residents: Information on Individual Countries

The table below summarizes the treaty situation for residents from 28 countries. We list the maximum dollar amount that you may earn without becoming subject to tax withholding. We also list the treaty article number that will have to be put on Form 8233. None of this is relevant to you unless you have or can obtain an ITIN. If there is no treaty with your country you will be subject to withholding even if you have an ITIN.

Argentina No treaty	Aruba No treaty	Austria \$20,000 17	Belgium \$ 3,000 14(2)(c)
Canada \$15,000 16	Colombia No treaty	Czech Rep. \$20,000 18	Denmark \$20,000 17
Ecuador No treaty	Egypt \$ 400/ day 17	France \$10,000 17	Germany \$20,000 17
Greece \$10,000 X	Hungary No limit 13	Italy \$12,000 17(1)	Japan \$ 3,000 17
Korea \$ 3,000 18	Luxembourg \$10,000 18	Mexico \$ 3,000 18	Netherlands \$10,000 18
Peru No treaty	Portugal \$10,000 19	Russia No limit	Spain \$10,000 19
Sweden \$ 6,000 18	Switzerland \$10,000 17	Turkey \$ 3,000 17	Vietnam No treaty

Section 5 – Two Additional Notes About Taxes

If you do not win a prize we will not need to collect any personal information from you. For U.S. residents, this means you will not have to fill out a W-9. For foreign residents, it means that neither will you have to fill out an 8233, nor will you have to provide us with the information we would need to fill out a 1042-S