

2015 BCAPL NATIONAL CHAMPIONSHIPS TAX INFORMATION

If you are planning to enter the tournament, please read the sections 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 2-5. Forms referred to below may be viewed and downloaded at <http://www.irs.gov/formspubs>

SECTION 1: UNITED STATES RESIDENTS

You can avoid withholding taxes from your prize money by filling out Form W-9. This gives us your name, address, and Social Security Number (SSN). The Form W-9 will be made available at the Tournament. If you win \$600 or more in the calendar year, CueSports International (CSI) will report your winnings to you and the IRS using form 1099-MISC. **If you do not fill out Form W-9, we will be required to withhold 30% of your prize money regardless of the amount you win.**

SECTION 2: FOREIGN RESIDENTS - MOST WILL BE SUBJECT TO WITHHOLDING TAXES

For most 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, a copy of which will be mailed to you. When you pay taxes in your own country, you will not only have a record of your winnings, but you will have documents that show you paid taxes to the U.S. Government. In many cases, you may receive a tax credit for these payments from your government. Check with your tax advisor in your home country.

SECTION 3: FOREIGN RESIDENTS - A FEW WILL 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 annual amount that is exempt from withholding under the treaty.

If you do not have an ITIN, 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 advisor in your country may be able to help. However, if you previously received an ITIN, it is still valid.

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 W-8BEN. We will help you at the Tournament.

Finally, if you are eligible for zero withholding, **we are required to temporarily withhold 100% of your prize money** until 10 days after Form 8233 is mailed to the IRS. We expect to mail these forms 1-2 weeks after the Tournament concludes. The 10-day period is required by the IRS to give them time to verify your eligibility for avoiding withholding. If there is no objection from the IRS, we will mail you a check for the full amount of your prize approximately 24 days after the Tournament concludes.

SECTION 4: FOREIGN RESIDENTS - INFORMATION ON INDIVIDUAL COUNTRIES

The table below summarizes the treaty situation for residents from several countries. We list the maximum dollar amount that you may earn in one year without becoming subject to tax withholding. We also list the treaty article number that will have to be put on Form W-8BEN. None of this is relevant to you unless you have or can obtain an ITIN. If there is no treaty with your country and you win \$600 or more during the year, you will be subject to withholding even if you have an ITIN.

Austria: \$10,000 / 17	Estonia: \$20,000 / 17	New Zealand: \$10,000 / 17	Spain: \$10,000 / 19
Bahamas: No Treaty	Greece: \$10,000 / X	Philippines: \$3,000 / 17	Switzerland: \$10,000 / 17
Belgium: \$20,000 / 16	Grenada: No Treaty	Portugal: \$10,000 / 19	Taiwan (China): No Limit / 16
Canada: \$15,000 / XVI	Jamaica: \$5,000 / 18	Saint Lucia: No Treaty	United Kingdom: \$20,000 / 16
China: No Limit / 16	Netherlands: \$10,000 / 18	Singapore: 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, you will not have to complete Form W-8BEN nor will you have to provide us with the information for Form 1042-S.

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