



TaxNewsFlash

United States



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United States and Croatia sign income tax treaty

The U.S. Treasury Department today announced that officials from the United States and Croatia have signed a comprehensive income tax treaty that closely follows the U.S. Model income tax treaty.

According to today's [Treasury release](#), key aspects include:

- Elimination of withholding taxes on cross-border payments of dividends paid to pension funds and on payments of interest
- Reductions in withholding taxes on cross-border payments of dividends other than those paid to a pension fund, as well as royalties
- Modern anti-abuse provisions intended to prevent instances of non-taxation of income as well as treaty shopping
- Robust dispute resolution mechanisms including mandatory binding arbitration
- Standard provisions for the exchange of information to help the revenue authorities of both nations carry out their duties as tax administrators

The new tax treaty will enter into force after the United States and Croatia have notified each other that they have completed their requisite domestic procedures, which in the case of the United States refers to the advice and consent to ratification by the U.S. Senate.

Read [text](#) [PDF 475 KB] of the income tax treaty

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