



My Dear Friend

I am presenting weekly Newsletter under head 125 FAQ's on Guidance for Doing Business in United States of America (USA)

- 1. This Newsletter is released under our awareness mission to help Indian investors for doing business in USA that USA's tax laws + other laws (both) approximately 90% are similar to India.***
- 2. I trust that you will be enriched by reading this Newsletter***

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● *With best wishes from CA. Satish Agarwal, New Delhi* ●



125 FAQ's on Guidance for Doing Business in United States of America (USA)

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125 FAQ's on Guidance for Doing Business in United States of America (USA)

(A) USA's *Introduction* for doing business

1. USA's *background*

- (i) USA is *prominent market for foreign investors* where several foreign companies are planning to enter with understanding that *USA's market will be key considerations for their long-term success.*
- (ii) USA is *covering* approximately *50% of world's total production items*
- (iii) USA is *covering* approximately *25% of world's total consumption items* for most of goods and services (*both*).

2. USA's *business infrastructures*

- (i) (a) USA is *permitting 100% foreign investments in most of sectors* with most favorable regulatory environments in the world
+ (*plus*)
(b) Also USA is *permitting equal rights + equal opportunities* for foreign companies and also for foreign nationals *except few exceptions* (*all*)
- (ii) USA is *having highly educated + also skilled workforces* (*both*) approximately *180 million* people to attract foreign investors.
- (iii) USA is *having highly developed infrastructure* for transportations + communications + electrical powers to support *for advanced industrial + commercial + also agricultural activities* (*all*).
- (iv) USA's *technology + manufacturing + also service industries* (*all*) are *important sectors* for foreign investors.
- (v) USA is *not having unemployment* due to tight labor markets.



3. USA's *Govt. structure*

- (i) USA is *federal republic consisting 50 states* + also *District of Columbia (Washington, D.C.) both*.
- (ii) *Original American colonies have achieved their independence from England in 1776* thereafter USA is *operating under 250 year old constitution*.
- (iii) *50 individual states are permitted to exercise high degree of autonomy* + also *to play important role in business regulations (both)*.
- (iv) USA *state govt.'s are legislating* + *administrating civil + criminal laws within their jurisdictions to regulate activities like education + utilities + insurance + also state banking (all)*.
- (v) USA's *federal govt. + municipal governments are acting within state guidelines for operating public facilities + services like law enforcement + public safety + clean water + wastewater systems + also local roads (all)*.
- (vi) *Separate school districts have operational authority over publicly supported education at local level*.
- (vii) *Foreign investors are required to handle USA's wide diversity of regulations + services + state's taxes + also local taxes (all)*
- (viii) *Foreign investors are benefited with competition among USA's various jurisdictions to attract foreign investors*.
- (ix) *Foreign investors are facing problems for handling 50 state's rules + tax regimes + also for understanding patchwork of state regulations (all)*.
- (x) *Foreign investors are benefited with state's laws + regulations which are transparent + also evenly applied within state except few exceptions (all)*.
- (xi) USA's local *bureaucracies are working for creating cooperative + also helpful environment (both) for businesses*.

4. USA's *History*

- USA is known *best place for having plenty of opportunities specifically these commenced after 1850* when USA's economy has started *shifting from farming to industry*.



5. USA's *business advantages*

- (i) USA is having *techno-friendly* environment
- (ii) USA is having *political stable* environment
- (iii) USA is having *favorable economic* environment
- (iv) USA is having *Intellectual Property (IP) protection*
- (v) USA is having *easy US immigration*
- (vi) USA is having *easier access to capital + investors (both)*
- (vii) USA is having *business-friendly laws + regulations (both)*
- (viii) USA is having *federal + state + local govt.'s Initiatives (all)*
- (ix) USA is having *equal opportunities for foreign investors*
- (x) USA is having *business credibility among Americans*

6. USA's *total land*

- (i) USA is *3rd largest country* for land in the world.
- (ii) USA is having *total area of 9,8335,517 sq. km*
 - (a) *Land area is 9,147,593 sq. km*
 - (b) *Water area is 685,924 sq. km*
- *Abovementioned total area includes 50 states + also Columbia's district (both)*
- (iii) USA is having *equivalent to 50% area as available with Russia*
- (iv) USA is having *slightly larger area as comparative to China*
- (v) USA is having *equivalent to 200% area as available with Western Europe*

7. USA's *Climates*

- (i) USA's climate is *tropical* like:
 - (a) *In Florida area*
 - (b) *In Hawaii area*
 - (c) *In Gulf Coast area*



- (ii) USA's climate is *desert* like:
 - (a) In *southwest* area
 - (b) In *arctic in Alaskan interior* area
- (iii) USA's interior for *48 states* is having *greater* seasonal *temperature* ranges comparison to coastal areas.
- (iv) USA's *rainfall* is generally *increasing west to east* in central areas.
- (v) USA's *2 major northern + southern mountain* ranges are *affecting* local *climates* like *Appalachians* in East + also *Rockies* in West (*all*).

8. USA's **Geographic Area (Terrain)**

- (i) (a) USA is comprising with *vast central plain mountains in West*
 - (b) USA is comprising with *hills + mountains (both) in East*
 - (c) USA is comprising with *rugged mountains + also broad river valleys (both) in Alaska*
 - (d) USA is comprising with *rugged + also volcanic topography (both) in Hawaii*.
- (ii) USA is having *lowest point* like - (minus) *86 m in Death valley*
- (iii) USA is having *highest point* like *6190 m in Denali*

9. USA's **Natural resources**

- (i) USA is having *several natural resources* like:
 - (a) *Coal* as natural resource
 - (b) *Copper* as natural resource
 - (c) *Lead* as natural resource
 - (d) *Molybdenum* as natural resource
 - (e) *Phosphates* as natural resource
 - (f) *Uranium* as natural resource
 - (g) *Bauxite* as natural resource
 - (h) *Gold* as natural resource
 - (i) *Iron* as natural resource



- (j) *Mercury as natural resource*
 - (k) *Nickel as natural resource*
 - (l) *Potash as natural resource*
 - (m) *Silver as natural resource*
 - (n) *Tungsten as natural resource*
 - (o) *Zinc as natural resource*
 - (p) *Petroleum as natural resource*
 - (q) *Natural gas as natural resource*
 - (r) *Timber as natural resource*
 - (s) *Etc. as natural resource*
- (ii) USA is having *world's largest coal* reserves for *491 billion* tones which is *equivalent to 27% of world's total*

10. USA's *usable land*

- (i) USA is having *agricultural land* in *44.5%* area like:
 - (a) Under *arable* in *16.8%* area
 - (b) Under *permanent crops* in *0.23%* area
- (ii) USA is having *forest land* in *33.3%* area
- (iii) USA is having *Irrigated land* in *264,000 sq. km*

11. USA's *Natural Hazards*

- (i) For *Tsunamis* + volcanoes +also *earthquake activity* around Pacific Basin (*all*)
- (ii) For *Hurricanes* along with *Atlantic coast*
- (iii) For *Tornadoes* in *Midwest*
- (iv) For *Mudslides* in *California*
- (v) For *Forest fires* in *West*
- (vi) For *Flooding*
- (vii) For *Permafrost* in *northern Alaska* being major impediment to development



12. USA's *Environmental issues*

- (i) For *air pollution resulting in acid rain in USA + also Canada (both)*
- (ii) For *large emitter of carbon dioxide from burning of fossil fuels*
- (iii) For *water pollution from runoff of pesticides + also fertilizers (both)*
- (iv) For *limited natural freshwater resources in most of USA's western part which requires careful management*
- (v) For *desertification*

13. USA's *Education*

- (i) USA's *elementary + also secondary* educations (both) are *mandatory* up to age *16 or 18* as *varying* from state to state.
- (ii) USA's *public schools* are *fully subsidized*
- (iii) USA's *enrollment* for education *in public + also private* schools (both) like:
 - (a) *90% in public* schools
 - (b) *10% in private* schools
- (iv) (a) USA's *88% adults* having age *over 25 years* are *graduated* from high school
 - + (plus)
 - (b) Also *37%* out of *88%* adults have *obtained bachelor's degree* or *higher degree*.

14. USA's *Currency*

- (i) USA is *having US dollar (USD)* as *currency* equivalent to *100 cents* to *1 USD*
- (ii) USA's *USD* is *freely convertible* into currency of non USA countries.

15. USA's *markets*

- USA's *foreign investors* generally are *not considering* multitude of *local + also regional* markets (both) where each *market* has *different* requirements like:



- (i) USA's *certain states* like *New York + Illinois + California + Texas* are *richer + larger* in geography + also population *than many countries in the world* (all)
- (ii) USA's *different regions* have *distinctive* cultural + also economic *characteristics* (both) therefore *when foreign investors fails to recognize* same may ultimate *lead to losses* in USA's business
- (iii) USA's *diverse ethnic populations* are representing in *large* + also in *distinct markets* (both) across the country.
- (iv) USA's overall *geographic size* is presenting special logistical *challenges in serving* + also in *supplying* customers (both).



(B) USA's Business Structures for doing business

16. USA's business structures

- (i) Through *Sole Proprietorships*
- (ii) Through *Partnerships*
- (iii) Through *Limited Liability Companies (LLCs)*
- (iv) Through *C-Corporations (Companies)*
- (v) Through *S-Corporations* like small companies in India

17. USA's sole proprietorship entities

- (i) (a) Sole proprietorships are permitted for easy to form + also provide 100% business's control (both).
- (b) Sole proprietorships are permitted for activities without with govt.'s registration.
- (ii) (a) Sole proprietorships are not permitted for separate business entity.
- (b) Sole proprietorships are not permitted for separate business assets + business liabilities from personal assets + also liabilities (all).
+ (plus)
- (c) Sole proprietorships are responsible for personal liabilities against debts + also business obligations (both).
But
- (d) Sole proprietorships are permitted for obtaining trade names.
- (iii) Sole proprietorships are good choice for low-risk businesses + also for owners (both) those wishes to test their business ideas before forming other business structure like partnership or LLP or C-Corporation or S-Corporation (any).

18. USA's partnership

- Partnerships are permitted as simplest structure for minimum 2 or more than 2 persons to carry business together under 2 category of partnerships like:
 - (i) Under Limited partnerships (LPs)
 - (ii) Under Limited liability partnerships (LLPs)



19. USA's **Limited Partnerships (LPs)**

- (i) LPs are required to have minimum **1 partner with unlimited liability**
- (ii) **100% other partners** are permitted to have **limited liability**.
- (iii) **100% other partners** with limited liability are permitted to have **limited control** which is to be documented in partnership agreement.
- (iv) **100% other partners** with limited liability are required to offer profits directly to Internal Revenue Service (IRS) in USA similar to Income Tax Department (ITD) in India through their **personal tax returns** + also required to pay self employment taxes (**both**)
- (v) **General partner** with unlimited liability is required to offer profits directly to IRS through personal tax returns of partners + also to pay self employment taxes.

20. USA's **Limited Liability Partnerships (LLPs)**

- (i) LLPs are similar to LPs
- But**
- (ii) LLP's **100% partners** with limited liability are permitted to protect themselves from LLPs liabilities beyond their capitals.
 - (iii) LLPs are treated good choice for carrying businesses with multiple partners or professionals (any) like attorneys + also etc. (both) those wishes to test their business ideas before forming C-Corporation in USA similar to company in India.

21. USA's **Limited Liability Companies (LLCs)**

- (i) LLCs are permitted to take advantage of corporations + also partnerships (both) business structures.
- (ii) LLCs are permitted to protect from personal liability against personal assets + vehicles + houses + also savings accounts (all) during bankruptcy or lawsuits (any)
- (iii) LLCs are permitted for profits + losses (both) to be passed through to their personal incomes without facing corporate tax rates.
- (iv) LLC's members are considered self-employed + also required to pay self-employment tax + contributions towards Medicare + also social Securities (all).



- (v) (a) LLCs are *having limited life in many* states when a member joins or leaves (any)
- (b) LLCs are *required to dissolve in some* states + also to re-structure (both) *with new members except* where LLCs are having *agreement in place for buying + selling + also transferring ownership (all)*.
- (vi) LLCs are *treated good choice for medium or higher-risk businesses* where personal *assets* of members are *protected* + also members those wish *to pay lower tax rate* comparison to Corporation (both).

22. USA's C-Corporations

- (i) (a) C-Corporations with limited liabilities are permitted *to carry business under less simplest structure* comparative to partnership structure
- (b) C-Corporation's legal status is *separate from its owners* (shareholders)
- (c) C-Corporations with limited liability are required *to offer profits directly to IRS* in USA similar to ITD in India *through c-corporation tax returns*
- (ii) (a) C-Corporations are permitted *to offer strongest protection* to its shareholders *from their personal liabilities*

But

- (b) C-Corporations *incorporation's cost* is much *higher than other structures* like Sole proprietorship + also partnership (both)

+ (plus)

- (c) Also c-corporations are required *to have more extensive record-keeping + operational processes + also reporting (all)*.
- (iii) (a) C-Corporations are required *to pay income tax on their own profits*.

+ (plus)

- (b) Also shareholders are required *to pay income tax on their dividend incomes* separately.
- (iv) C-Corporations are permitted to have 100% *independent life* separate *from its shareholders*.
- (v) C-Corporations shareholders are *permitted to sell their own shares*



- (vi) C-Corporations are permitted to carry business comparatively undisturbed beside shareholders is existed or sold their own shares.
- (vii) C-Corporations are permitted to raise share capital through sale of shares.
- (viii) C-Corporations are treated good choice for medium or high-risk businesses by raising share capital through sale of shares to public.

23. USA's S-Corporations

- (i) S-Corporations are permitted for selecting to pass corporate incomes + losses + deductions + also credits (all) through shareholders for Federal Tax (FT) purposes (only).
- (ii) S-Corporation's shareholders are required to report incomes + losses in their personal tax returns + also to be assessed at individual income tax slabs (rates) all.
- (iii) S-Corporation's shareholders are permitted to avoid double taxation on their corporate incomes.
- (iv) S-Corporations are required to pay income tax on their certain built-in gains + also passive incomes (both) at S-corporation's level.

24. USA's qualifications for S-Corporations

- (i) Required to be domestic corporation (only)
- (ii) Permitted shareholders :
 - Individuals + certain trusts + also certain estates (all)
- (iii) Not Permitted shareholders :
 - Partnerships + corporations + also non-resident shareholders (all)
- (iv) Not permitted for number of shareholders exceeding 100
- (v) Not permitted for exceeding 1 class of shares
- (vi) Not permitted for eligible Corporation:
 - Certain financial institutions + insurance companies + also domestic international sales corporations (all).



25. USA's *Characteristic for S-Corporations*

- (i) S-Corporations are *required to meet certain criteria* as mentioned under FAQ 24.
- (ii) S-Corporations are permitted *to have independent life* where shareholders are *allowed to leave company* or *sell their shares without disturbing continuity* to carry business.
- (iii) S-Corporations are required *to follow strict + also operational processes* of C-Corporations (both).
- (iv) S-Corporations are required *to register with IRS to obtain S-Corporation's status* over and above additionally to register as S-Corporations with their state.
- (v) (a) 100% states are *not treating* 100% S-Corporations *equally*
But
(b) *Many states are recognizing similar to federal government (govt.) + treating them + also to levy tax on shareholders (all).*
(c) *Some states are charging tax on S-Corporation's profits* above certain specified limits
(d) *Some states are not recognizing available privileges* for S-Corporations + (plus)
(e) *Also treating S-Corporations equivalent to C-Corporations*
- (vi) S-Corporation's incorporations are *permitted to avoid double taxation drawback* which is existed with C-Corporation's incorporations.
- (vii) S-Corporations are *permitted for profits + also some losses (both)* to be passed directly to owners' personal incomes *without using corporate tax rates.*

26. USA's *business structure's comparison*

<i>S.No</i>	<i>Name of Business Structure</i>	<i>Pattern of Ownership</i>	<i>Nature of Liability</i>	<i>Type of taxes</i>
<i>(i)</i>	<i>Sole Partnership</i>	<i>1 Person</i>	<i>Unlimited personal liability</i>	<i>Self-employment personal's tax</i>
<i>(ii)</i>	<i>Partnerships</i>	<i>Minimum 2</i>	<i>Unlimited personal</i>	<i>Self-employment</i>



		<i>persons + (plus) Maximum unlimited persons</i>	<i>liability except structured for limited liability partnership</i>	<i>personal's tax expect structured for limited liability partnership</i>
<i>(iii)</i>	<i>Limited Liability Company (LLC)</i>	<i>Minimum 1 person + (plus) Maximum unlimited persons</i>	<i>0% personal liability</i>	<i>Self-employment personal's tax or corporate tax</i>
<i>(iv)</i>	<i>C- Corporation</i>	<i>Minimum 1 person + (plus) Maximum unlimited persons</i>	<i>0% personal liability</i>	<i>Corporate tax</i>
<i>(v)</i>	<i>S- Corporation</i>	<i>(a) Minimum 1 person + Maximum 100 persons + (plus) (b) Also 100% persons must be U.S. Citizens (both)</i>	<i>0% personal liability</i>	<i>Self-employment personal's tax</i>

27. USA's LLC advantages

- (i) Unlimited number of members (owners) are permitted under LLC*
- (ii) Profits + also losses (both) are to be passed through owners individual tax returns*
- (iii) Annual meeting + also minutes books (both) are not required*

28. USA's LLC disadvantages

- (i) LLCs are not permitted for corporate income-splitting (lower tax liability)*
- (ii) LLCs are not permitted for issuing shares (stocks)*



29. USA's *Corporation advantages*

- *C + S (both) Corporations business structure's advantages*
- (i) *C + S (both) Corporations are permitted for issuing stocks to attract investors*
- (ii) *C + S (both) Corporations are permitted for corporate income-splitting (lower tax liability)*

30. USA's *Corporation disadvantages*

- (i) (a) *C-corporation liable for double taxation on corporate profits*
But
(b) *S-corporation not liable for double taxation on corporate profits*
- (ii) *Annual meeting + also minutes books (both) are required*
- (iii) (a) *S-corporations are not permitted for more than 100 owners*
But
(b) *C-corporations are permitted for more than 100 owners*

31. USA's *branch operations*

- (i) *Foreign companies (Investors) are permitted to establish unincorporated branches in USA.*
- (ii) *Foreign Investors (parent corporations) are required to take legal liability for unincorporated branches in USA.*
- (iii) *Foreign Investors are permitted to establish unincorporated branch in USA with moderate expenses + also minimum legal formalities (both)*

32. USA's *Joint Ventures (JVs)*

- (i) *USA is permitting business structure through JVs for specific + also limited (both) purposes like construction projects or mineral explorations (any).*
- (ii) *JVs are permitted between 2 or more than 2 business entities or persons (any).*
- (iii) *JV's operating partners may be partnership firm or corporation (any).*



33. *USA's Holding Companies*

- (i) USA is *permitting to allow holding companies for owning stocks + also securities of other legal entities (both).*
- (ii) USA's holding companies are *permitted for new businesses losses' setting off against present or future profits for tax purposes (only).*
+ (plus)
- (iii) Also USA's holding companies are *permitted for 1 or more than 1 businesses losses' setting off against present or future profits for tax purposes (only).*

34. *USA's business records maintenance*

- (i) USA's *business entities + also individuals (both) are required to maintain records as adequate to verify tax returns by IRS.*
- (ii) USA's corporations are required *to satisfy state's reporting requirements.*
- (iii) USA's Public *listed corporations are required to file annual audited financial statements (annual reports) with in USA's federal Securities Exchange Commission (SEC).*



(C) USA's Legal Compliances for doing business

35. USA's registered agents

- (i) 100% business structures (entities) are required to have registered agent in state for processing of services.
- (ii) Individuals + business entities are permitted to accept legal papers on behalf of 100% business structures when are to be sued + also not physically located in state (all).
- (iii) 100% business structures are permitted to act through own registered agent.
- (iv) 100% registered agents are required to be individual resident or business entity which is authorized to do business by state govt. in state.
- (v) 100% registered agents are required to have physical street address in state.

36. USA's Federal Employer Identification Numbers (FEINs)

- (i) FEINs are unique identifier numbers to be assigned by Internal Revenue Service (IRS) to 100% business entities.
- (ii) FEINs are required to be used by employers for reporting taxes to IRS.
- (iii) FEINs are made with 9 digits as formatted like XX-XXXXXXX.
- (iv) 100% business entities are permitted directly to IRS to apply for FEINs.
- (v) IRS is issuing FEINs immediately.

37. USA's State Employer Identification Numbers (State EINs)

- (i) State EINs are known as state tax registrations of employer
- (ii) State EINs are assigned by IRS to 100% employees based business entities
- (iii) State EINs are being used for filing taxes + also hiring employees (both).

38. USA's goods importing entities

- (i) Business entities (importers) are permitted for importing goods with certain requirements + restrictions + also regulations (all) needed.



- (ii) Importers are *responsible for making* sure that *100% correct documents* are *filed* + also *100% complied with* specific rules + regulations of *USA's. govt.*
- (iii) Importers are required *to complete 7 Steps for importing of goods* into USA like:
 - (a) *To obtain Importer number*
 - (b) *To speak to customs broker*
 - (c) *To determine goods' tariff classification* + also valuation (*both*)
 - (d) *To prepare commercial invoice*
 - (e) *To complete Importer security filing* for ocean shipment (*only*)
 - (f) *To determine for customs bond* if needed
 - (g) *To file entry documents* + also to pay customs duties and taxes (*both*)

39. USA's *Foreign Account Tax Compliance Act (FATCA)*

- (i) USA's FATCA is *required for comprehensive U.S. anti-evasion global reporting system* as designed to *locate incomes + assets* held by USA's citizens + green card holders *in foreign accounts* being maintained outside USA *directly or indirectly* through foreign entity's ownership + also *to ensure* that this *information* is already reported to IRS (*all*).
- (ii) (a) USA's FATCA is *required for* U.S. Withholding Agents (*USWAs*) to *withhold @ 30% gross withholding tax on withholdable payments* being *made to non-compliant* foreign persons + Foreign Financial Institutions (*FFIs*) + also Non-Financial Foreign Entities (*NFFEs*) *all*.
- (b) *Withholdable payments* are to include certain payments due *from USA's sourced* like *Fixed, Determinable, Annual or Periodical (FDAP)* incomes *i.e. interest* or dividends or etc. (*any*).
- (iii) USA's FATCA is *imposing* various *complex registrations* + reporting + due diligences + withholding requirements *for FFIs* + registrations with IRS + providing *annual information's* on their U.S. investors + also account holders (*all*).



- (iv) *Non-Financial Companies (NFCs) have obligations under FATCA commencing from tax withholding + reporting information's to IRS for establishing controls + procedures to ensure appropriate payee documentation is already collected + vetted + also retained (all).*
- (v) (a) *IRS has amended several forms + also procedures (both) to conform to FATCA.*
- + (plus)*
- (b) *Also taxpayers are required to use IRS Form W-8 + its variants for documentation their foreign status (both) for FATCA purposes.*
- (vi) *USA's govt. departments have also adopted similar to FATCA like OECD's Common Reporting Standard (CRS) which is affecting USA's citizens + green card holders for foreign banks + also financial accounts (all).*
- (vii) *USA is correctly not participating in OECD's CRS.*
- (viii) (a) *USA's citizens + also green card holders (both) are required to adopt CRS when holding accounts in financial institutions in countries those have already adopted CRS*
- + (plus)*
- (b) *Also USA's citizens + green card holders (both) are required to certify their CRS status + to disclose information's for controlling interest like minimum 25% (all).*



(D) USA's *Setting-up of business structures for doing business*

40. USA's *process for setting up*

- (i) To *choose entity's name*
- (ii) To *appoint registered agent in state*
- (iii) To *submit documents to registered agent*
- (iv) To *file documents to state through registered agent*
- (v) To *review documents + also process of filings (both) by state*
- (vi) To *issue file number after entity is formed by state*

41. USA's *Neo bank (fintech firms) accounts*

- (i) Fintech firms are known as *challenger banks*.
- (ii) Fintech firms are *offering apps + software + other technologies to streamline mobile + also online banking (all)*.
- (iii) Fintech firms are (generally) *specialized in certain financial products like current account + also savings accounts (both)*.
- (iv) Fintech firms are (generally) *more nimble + also transparent in comparison to their megabank counterparts*.
- (v) Fintech firms are (generally) *Federal Deposit Insurance Corporations (FDICs)* those insure that investors' money is safe with regular banks like:
 - (a) USA's *Relay Bank*
 - (b) USA's *Lili Bank*
 - (c) USA's *Oxygen Bank*
 - (d) USA's *Wise Bank*
 - (e) USA's *Mercury Bank*

42. USA's *Virtual Phone Number (VPN) Service Providers*

- (i) VPN is treated *normal + also real phone number (both)*.
- (ii) VPN is *not connected to physical phone line or to SIM-card (any)*.
- (iii) VPN is *enabling to make call with availability of free apps for Android + also iOS or your laptop (both)*.



- (iv) VPN is enabling to *have same experience* like you are calling from *regular local number*.
- (v) VPN is enabling to *see your number before answering* like you are making calls from *regular local number*. Certain virtual phone number *service providers* are *available* in USA like.
 - (a) USA's *Sonetel*
 - (b) USA's *CallHippo*
 - (c) USA's *Mightycall*
 - (d) USA's *Krispcall*
 - (e) USA's *Hushed*

43. USA's *Virtual Office Address (VOA) Service Providers*

- (i) VOA service providers are *providing physical address + office-related services without having overheads* like long lease + administrative staff + also etc. (*all*).
- (ii) Business entities are *enable to work from anywhere* through VOA by *using mailing address + phone answering services + meeting rooms + also video conferencing* (*all*).
- (iii) VOAs are *being operated as 1 unit* to serve several customers *without sitting in fixed location*.
- (iv) VOAs are specifically *popular with startups + also small businesses* (*both*) those wish *to minimize expenses*.
- (v) VOAs' *services* are *available through creation of web-based office productivity software + also services* (*both*) like video conferencing. Certain *service providers* are *available* in USA like.
 - (a) USA's *ipostal1*
 - (b) USA's *Anytime Mailbox*
 - (c) USA's *Post Scan Mail*
 - (d) USA's *Regus*
 - (e) USA's *OsDoro*



(E) USA's Tax compliances for doing business

44. USA's tax structures

- (i) USA is *having* approximately *10,000 tax jurisdictions* to levy tax therefore complying with 100% tax laws + also tax rules (both) is *big challenge*.
- (ii) USA's *cash-strapped federal* + state + also local tax collectors (*all*) are *more vigilant for ensuring compliances* of taxes therefore sometimes it's *confusing for scope of tax codes*.
- (iii) USA's tax to *include certain areas* like
 - (a) USA's *Incomes* tax
 - (b) USA's *Gross receipts* tax
 - (c) USA's *Payrolls* tax
 - (d) USA's *Transactions'* tax
 - (e) USA's *Property tax* on real estate + personal properties + also intangible properties (*all*)
 - (f) USA's *Estates* tax
 - (g) USA's *Gifts* tax
 - (h) USA's *Excises* tax on certain goods and services (*only*).
- USA's *federal govt.* is *not permitted to levy sales tax* + also property tax (*both*).
- (iv) USA is considered 1 out of few countries where Value Added Taxes (*VAT*) is *not applicable* similar to GST in India.
- (v) USA's states are *imposing sales tax against retail sales* of goods and certain services to customers *within state*.
- (vi) USA's *sales tax* (generally) is levied *based on purchase price* therefore being *collected by seller from final buyers* (consumers) thereafter being remitted to states *by seller*.
- (vii) USA state's *seller* is required *to register with state tax authority* + to report + also to pay sales tax (*all*).



45. **USA's use tax on consumption**

- (i) USA's *states* are (generally) *imposing use tax against storage or use or consumption of goods + also certain services (both) within state.*
- (ii) USA's use tax is *complementary to sales tax* therefore being *imposed when state's sales tax or equivalent tax whichever higher was not collected by seller as state's sales tax collection agent*
- (iii) USA's use tax is *imposed when seller does not have nexus with state of use.*
- (iv) USA's use tax is (generally) *based on cost of taxable goods sold or service provider therefore purchaser is required to report + also to pay use tax (both) directly to state.*

46. **USA's tax department**

- (i) USA's *Internal Revenue Code (IRC)* similar to India's *Income Tax Act (ITA)* is *applicable* being *basic law for Federal Income Tax (FIT)* purpose.
- (ii) USA's *FIT* is frequently *changing* through several amendments.
- (iii) USA's *Treasury Department (TD)* similar to India's *Income Tax Department (ITD)* is *implementing FIT.*
- (iv) USA's *IRS* similar to India's *Central Board of Direct Taxes (CBDT)* is *working as federal tax collection agency + also empowered for enforcing IRC* commonly known as code *similar to India's Income Tax Act (ITA), 1961.*
- (v) USA's *IRS* is *issuing regulations + other guidance* for applications + also interpretations for certain *provisions of IRC (all).*
- (vi) USA's *taxpayers* are *permitted for asking questions* about their specific transactions *through written request* directly to *IRS* for *IRC's interpretation based on actual facts.*

47. **USA's types of taxes**

- (i) *Federal Income Tax* is being levied @ *21%* on taxable incomes
- (ii) *Social Security Tax* is being levied @ *12.4%* on taxable incomes



- (iii) *Medicare Tax is being levied @ 2.9% on taxable incomes*
- (iv) *Federal Unemployment (FUTA) Tax is being levied @ 6% on taxable incomes*
- (v) *Franchise Tax is varied from 1 state to another state*

48. USA's Federal Income Tax (FIT)

- (i) *FIT is applicable on annual taxable incomes of individuals + business entities + also other legal entities (all) from January 01, 2018.*
- (ii) *FIT is applicable @ 21% (flat) due to passage of Tax Cuts and Jobs Act of 2017.*

49. USA's Social Security Tax (SST)

- (i) *SST is applicable on wages and salaries incomes of specified employments based on Federal Insurance Contributions Act tax (FICA) or Self-Employed Contributions Act Tax (SECA) any*
- (ii) *SST is levied under Old- Age, Survivors, and Disability Insurance (OASDI) program*
- (iii) *SST is administered by Social Security Administration (SSA).*
- (iv) *SST is collected by IRS for Federal Old-Age and Survivors Insurance (OASI) Trust Funds + also Federal Disability Insurance (DI) Trust Funds (both) under Social Security Trust Funds entity*

50. USA's Medicare Tax (MCT)

- (i) *MCT is applicable on wages and salaries incomes on specified employments based on USA's law.*
- (ii) *MCT is known as Hospital Insurance Tax (HIT)*
- (iii) *MCT is collected for funding medical insurance programs of USA's govt.*
- (iv) *MCT is collected by employers from employees + paid as self employment tax (both)*
- (v) (a) *MCT is required to collect for Medicare program + also for hospital insurance (both) for individuals having minimum age 65 years*



+ (plus)

- (b) Also MCT is required to collect for certain disabilities or medical conditions (any)
- (vi) MCT is required to include Medicare hospital insurance covers like hospital visits + hospice + nursing home care + also some home healthcare (all).

51. USA's **Federal Unemployment Tax Act (FUTA)**

- (i) FUTA is applicable on business entities having employees commonly known as payroll tax
- (ii) FUTA is collected for allocating to state unemployment insurance agencies + also to be used for funding unemployment benefits for persons those are out of job.
- (iii) FUTA is federal law for raising revenue for administering unemployment insurance + also job service programs (both) in every state.
- (iv) Employers are required to pay annual or quarterly (as case may be) Federal unemployment taxes

52. USA's **Franchise Tax (FT)**

- (i) FT is applicable on certain business entities or on business entities as incorporated in certain states (any)
- (ii) FT is applicable on owning property by certain business entities in certain states
- (iii) FT is applicable beside business entities have no business incomes therefore FT is applicable beside business losses
- (iv) FT is applicable in certain states (only) like:
 - (a) USA's Delaware
 - (b) USA's Alabama
 - (c) USA's Arkansas
 - (d) USA's Illinois



- (e) USA's *Georgia*
- (f) USA's *Louisiana*
- (g) USA's *Missouri*
- (h) USA's *Mississippi*
- (i) USA's *North Carolina Oklahoma*
- (j) USA's *New York*
- (k) USA's *Texas*
- (l) USA's *Tennessee*
- (m) USA's *Pennsylvania*
- (n) USA's *West Virginia*

53. USA's *Withholding tax compliances*

- (i) USA's *non residents* are required to pay flat tax rate @ 30% on USA sourced incomes
- (ii) USA's *non residents* are permitted to avail lower tax rate or exemptions when IRC's section is providing for lower tax rate or tax treaty benefits under Double Taxation Avoidance Agreement (DTAA) any
- (iii) USA's withholding tax compliances are applicable on payments to be made to *non residents*.
- (iv) USA's *non residents* are required to furnish Form *W-8 BEN* to payer beside not claiming for reduced withholding tax
- (v) USA's *non residents* are required to furnish Form *W-8 BEN-E* to payer for claiming exemptions from withholding tax compliances.

54. USA's *Major Federal Tax Forms*

<i>S.No</i>	<i>Form's Name</i>	<i>Form's Particulars</i>
(i)	<i>Form-W2</i>	<i>For furnishing tax statement by employees</i>
(ii)	<i>Form-941</i>	<i>For furnishing Quarterly Federal Tax Returns (FTR) by employers</i>
(iii)	<i>Form-7004</i>	<i>For furnishing application for extension of time to file FTR</i>



(iv)	Form-1065	For furnishing FTR by partnerships entities
(v)	Form-1120S	For furnishing FTR by S-Corporations
(vi)	Form-1120F	For furnishing FTR for Estates by 100% taxpayers
(vii)	Form-1120	For furnishing FTR by C-Corporations
(viii)	Form-1040	For furnishing FTR by Individuals
(ix)	Form-1040NR	For furnishing FTR by Non-resident individuals

- USA's Federal Tax Returns (FTR) is similar to India's Income Tax Return (ITR)

55. USA's statutory compliances

- (i) Fee payment for registered agent's renewal
- (ii) Fee payment for franchise tax
- (iii) Fee payment for filing of franchise tax return
- (iv) Filling of federal tax return (Form 1120)
- (v) Filling of State Tax Return
- (vi) Filling of Federal employer return (Form 941)
- (vii) Filling of State employer return
- (viii) Filling of information return (Form 5472)
- (ix) Filling of Withholding tax return (Form 042 or 1042-S)
- (x) Filling of Foreign Bank and Financial Accounts (FBAR)

56. USA's books reconciliation + finalization + filling FTR

- (i) (a) USA's calender year is commencing from January 01 and ending on December 31 every year.
+ (plus)
(b) Also India's financial year is commencing from April 01 and ending on March 31
- USA's + also India's (both) books required to be reconciled for interparty transactions.
- (ii) Transactions from January 01 to March 31 (3 months) are to be incorporated in USA's ITR + also in India's ITR (both).



- (iii) 100% *transactions* between 2 AEs are to *be accounted* in books of accounts
- (iv) 100% withholding *compliances* are to *be obeyed* in USA + also in India (*both*).
- (v) 100% *transactions* between 2 AEs are to *be carried on* Arm Length Price (ALP) principles therefore benchmarking analysis are also *be made* in advance.

57. USA's **Consolidated FTR**

- (i) Federal Corporate Income Tax (FCIT) is optionally *permitting for consolidated FTR* for group of corporations *through* reporting of tax liability in 1 *consolidated FTR* instead of separate FTR for each corporation.
- (ii) FCIT is *permitting* for consolidated FTR for *affiliated group of corporations* (only).
- (iii) *Affiliated group* of corporations is *required to has chain* for more than 1 corporations + also *connected through stock ownership* to common parent (*both*).
- (iv) Group's *parent* corporations (generally) is *required to own* minimum 80% *stocks of each subsidiaries* directly or through 1 or more than 1 of its 80%-owned subsidiaries.
- (v) *Consolidated FTR* is *permitting for set-off of losses* for 1 or more than 1 corporation *with profits* of 1 or more than 1 corporation *through Parent Corporation*.
- (vi) *Affiliated group* is *required for continuing to file consolidated FTR for 100% succeeding tax years* except group is *no longer remains in existence* or *permission* is obtained from IRS *for ceasing* to file consolidated FTR (any).

58. USA's **Due date for FTR filing**

- (i) USA's IRS is *permitting corporate FTR* (Form 1120) for 1 corporation or member of consolidated group (any) not exceeding *April 15* for close of calendar year (*ending on December 31*).
- (ii) USA's IRS is *permitting extension* maximum for *6 month* when taxpayer *applies* for it.
- (iii) USA's IRS is *not allowing FTR* when incomes not reflecting in US dollars.



59. USA's states taxes + local taxes

- (i) USA's state jurisdictions + local jurisdictions (both) are empowered to impose taxes + fees + also other filing requirements (all)
- (ii) Taxes + fees + other filings requirements are required for payroll + property + unclaimed property + licenses + industry related taxes + taxes on special types of businesses + gross receipts + real property transactions + also net worth taxes (all).

60. USA's Federal taxation

- USA's federal taxation is applicable on 2 types of individuals like USA's residents + also USA's non residents (both) for Income tax purpose.

61. USA's tax residents

- Tax residents to include certain individuals like:
 - (i) USA's citizens (USA's passport holder)
 - (ii) USA's green cardholders
 - (iii) USA's non-residents like:
 - (a) Those have chosen to become USA's residents for tax purpose.
 - Or
 - (b) Those have satisfied USA's substantial presence test requirements.

62. USA's substantial presence test

- (i) Individual be treated USA's tax resident:
 - (a) When individual has resided for minimum 31 days in current calendar year
 - or
 - (b) When individual has resided for minimum 183 days like minimum for 31 days in current year + 61 days in 1st preceding year + 30 days in 2nd preceding year + also 61 days spreading over all years = 183 days
- (ii) Substantial present test to exclude days of resided in USA when non-residents students + also exchange workers (both) are staying in USA on F or J or Q or M (any) visa.



63. USA's tax residents for 100% (whole) calendar year

- Individual is treated USA's tax resident for 100% (whole) calendar year when became USA's citizen beside non-resident in USA.

64. USA's tax residents from 1st day of presence in USA

- (i) USA's green card holder is treated tax resident from 1st day of presence during calendar year

Or

- (ii) USA's substantial presence test holder is treated tax resident from 1st day of physical presence during calendar year

- (iii) Temporary visit for lower than 10 days are to be ignored for establishing starts date.

65. USA's dual status for 1st calendar year

- (i) To include individual whose residency is started during mid of year therefore individual is treated dual status taxpayer for 1st (initial) calendar year (only).

+ (plus)

- (ii) Also same individual is treated USA's partly non-resident + also partly resident (both) for tax purpose

- (iii) Dual status taxpayer is having significant impact for filing status + exemptions + also deductions (all).

- (iv) USA's non-resident individual is permitted to choose 100% (whole) initial year's residency when certain conditions are satisfied.

66. USA's tax residents for worldwide incomes

- USA's tax resident is required to pay Income tax on worldwide incomes + also allowed to deduct certain deductions from his worldwide incomes like:

- (i) USA's tax resident is allowed to claim Medical + health + also retirement (all) contributions already made. However allowed subject to certain monetary limits

- (ii) USA's resident is allowed to claim fixed-amount exemptions for certain dependents

- (iii) USA's tax resident is allowed to claim fixed amount standard deduction or



Itemized deductions *whichever is higher* like mortgage interest + *real estate taxes* + state income taxes + *charitable donations* + also work-related expenses (all). However allowed subject to certain *monetary limits*.

- (iv) USA's tax resident is *permitted to use graduated rates of tax* similar to India's slab rate of tax on worldwide taxable incomes *based on taxpayer's filing status* like single or *married* or etc. (any)
- (v) USA's tax resident is *permitted to avail credit* against tax paid *on non USA's sourced incomes* (foreign incomes) similar to Foreign Tax Credit (FTC) in India.
- (vi) USA's tax resident is *permitted to carry excess FTC* for utilizing against 1 year *before* current year or *10 years after* current year (any) *when* tax resident has *excess foreign sourced incomes*.

67. USA's **Alternative Minimum Tax (AMT)**

- (i) USA's *tax resident* is *required to pay AMT* similar to Minimum Alternative Tax (MAT) or AMT in India.
- (ii) USA's AMT is *imposed at flat on individual's alternative minimum taxable incomes* similar to India
 - (a) AMT incomes are *computed by adding* certain *preference income* items + also *disallowing* certain expense's *deductions* from regular taxable incomes
- (minus)
 - (b) AMT incomes are *reduced by significant exemptions*
+ (plus)
 - (c) Also AMT to be *applied* when AMT is *higher than* regular calculated tax.
- (iv) (a) Primarily AMT was being *applied on* individuals those have *significant itemized* deductions.

But

 - (b) Now more and *more individuals* are *covered* for levy of AMT *because exemptions* are *not increased* commensurate to inflation.



68. USA's **taxation on non-tax residents**

- Non-tax residents are required to pay tax on certain USA sourced incomes like:
 - (i) Fixed, Determinable, Annual or Periodical (FDAP) USA sourced incomes
 - (ii) Incomes earned through trade or business effectively connected from USA
 - (iii) USA's non-tax residents are required to pay tax at graduated rates similar to slab rates systems in India
 - (iv) USA's non-tax residents are permitted to avail deductions + also exemptions (both). However permitted subject to certain limits.
 - (v) USA's non-tax residents are permitted to pay at flat tax or lower rate of tax when recipient is resident of country having Double Taxation Avoidance Agreement (DTAA) or tax treaty with USA
 - (vi) USA's non-residents (generally) not required to pay tax on capital gains on sale of foreign assets except those assets are (effectively) connected with USA's trade or business (any).

69. USA's **disclosures for foreign bank accounts + assets**

- (i) USA's citizens + also green card holders (both) are required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts to FTD.
- (ii) FinCEN Form 114 is required to be filed up to June 30 without any extension when individual had interest or signature authority in foreign bank accounts having aggregate balance exceeding USD 10,000 at any time during calendar tax year.
- (iii) USA's citizens + also green card holders (both) are required to file IRS Form 8938, Statement of Specified Foreign Financial Assets along with their FTR.
- (iv) IRS Form 8938 is required to be filed under U.S. Foreign Account Tax Compliance Act (FATCA) for reporting interest in certain specified foreign financial assets when total value of assets is exceeding certain reporting limits.
- (v) IRS Form 8938 is not replacing taxpayer's obligation to file FinCEN Form 114.



70. USA's *inventory valuation*

- (i) USA's inventory valuation is *required* using *certain* authorized *methods* like:
 - (a) *Last-in first-out (LIFO)* method
 - (b) *First-in first-out (FIFO)* method
 - (c) *Burden rates (cost + expenses)* method
 - (d) *Specific identification (specific rates)* method
- (ii) USA's taxpayers are *required* to *apply* same *method* consistently
- (iii) *ITD* is *permitted* to *ask* *manufacturer* + *large seller* to *capitalize* certain *expenses* which are (normally) *not associated with inventories* + also certain *self-constructed assets* (*all*)
- (iv) Certain *expenses* to *include* *warehousing* + *purchasing* + *general* + *administrative costs* + also etc. (*all*).

71. USA's *capital losses*

- (i) USA's capital losses to include *losses* *arise* *against* *sale* of *capital* *asset*.
 - (ii) USA's capital asset to include *asset* *held* *for* *long* *period* + also *not* being *purchased* or *sold* *in* *normal* *course* of *business* (*both*).
 - (iii) (a) USA's corporations are *permitted* to *deduct* *capital* *losses* *against* *capital* *gains* (*only*).
- But*
- (b) USA's *unused* capital losses are *permitted* to be *carry* *backward* *for* *maximum* *3* *years* or *carry* *forward* *for* *maximum* *5* *years* *totaling* to *8* *years*.

72. USA's *Net Operating Losses (NOL)*

- (i) USA's taxpayers are *permitted* to *carry* *backward* of *NOL* *for* *maximum* *2* *years* or *carry* *forward* *for* *unlimited* *years* *after* *year* *ending* on *Dec* *31*, *2017*.
- (ii) USA's taxpayers are *not* *permitted* to *carry* *backward* or *carry* *forward* of *NOL* *when* *pertaining* to *year* *before* *ending* on *Dec* *31*, *2017*.
- (iii) USA's taxpayers are *permitted* to *deduct* *NOL* *maximum* *for* *80%* of *forward* *year's* *taxable* *incomes* *without* *NOL* *deduction*



73. USA's Incentives + Credits

- USA is *permitting* several incentives + also credits (both) to promote business activities in country.

74. USA's deductions

- USA's business entities are *permitted to claim certain deductions* when engaged in *manufacturing* + also in *other qualified production* activities (both) minimum for *100%* (wholly) or *significant* (partly) activities thereafter amount of deduction to be equal to *lowest of 3* following amounts like:

(i) Maximum *9%* against *incomes* from *qualified* production activities

Or

(ii) Maximum *9%* against *taxable* incomes

Or

(iii) Maximum *50%* of IRS Form W-2 *wages allocable* to domestic production

- *Whichever is lower* ●

75. USA's Research and development credit (R&D)

(i) USA's corporations are permitted to claim *deduction for more expenses* than *actually spend on R&D* therefore corporations are permitted deductions *more than 100%* of actually spend.

(ii) (a) USA's corporations are required to carry R&D under *technology in nature*
+ (plus)

(b) Also to be *intended to resolve technical uncertainty* as involved in process of experimentation

+ (plus)

(c) Also to be *useful for developing of new* or improved function or performance or *reliability* or quality of *1* or more than *1 business components* (any)

76. USA's Foreign Tax Credit (FTC)

(i) (a) USA's taxpayers are permitted to claim *FTC against taxes paid* or *accrued in foreign country* on foreign sourced incomes

+ (plus)

(b) Also USA's taxpayers are *liable to pay tax in USA* on *same* foreign sourced incomes.

(ii) USA's taxpayers are *not permitted to claim* against *FTC exceeding Income tax liability* in USA.



77. USA's foreign investors under 1st regime

- Under 1st tax regime through withholding tax
- (i) Foreign investors are permitted to pay Income tax on USA's sourced incomes as flat @ 30% through withholding tax when incomes are not considered (effectively) connected with USA's trade or business like dividends or royalties paid to them.
+ (plus)
- (ii) Also foreign investors are permitted to pay income tax on USA's sourced incomes as not flat @ 30% when recipients are qualified to avail reduced rate as specified under DTAA (tax treaty) with recipient's country.

78. USA's foreign investors under 2nd regime

- Under 2nd tax regime through regular graduated (slab) corporate tax rates
- (i) Foreign investors are permitted to pay Income tax on USA's sourced incomes at regular graduated (slab) corporate tax rates when incomes are considered (effectively) connected with USA's trade or business
+ (plus)
- (ii) Also foreign corporations (investors) are permitted to avail 2nd tax regime for distribution of incomes from USA's corporation or against distribution of earnings from USA's branch business @ 30% or reduced rate under DTAA (tax treaty) with recipient's country.

79. USA's Branch profits

- (i) Foreign investors are required to pay tax on their branch's profits those are engaged in trade or business (any) in USA under branch profits tax
- (ii) (a) Foreign investors are required to pay as flat @ 30% equivalent to dividend distribution tax
Or
(b) Foreign investors are permitted to pay reduced rate of Income tax under DTAA (tax treaty) whichever is lower under branch profits tax.

80. USA's Real estate investments

- (i) Foreign investors are required to pay tax on realize gains from disposition of real estate located in USA under special tax regime equivalent to Capital gains tax as applicable on sale of corporate stocks (shares)



- (ii) Foreign investors are required to pay tax on profits earned from sale of U.S. Real Property Interest (USRPI) at graduated tax rates when (effectively) connected with US trade or business (any).
- (iii) USRPIs to include direct ownership + also indirect ownership of stock in USA's corporations like U.S. Real Property Holding Corporation (USRPHC).
- (iv) USRPHC is defined as corporation having USRPIs with Fair Market Value (FMV) equivalent to 50% or more than 50% of 100% corporation's FMV.
- (v) USA's property is defined to include land + improvements thereon + also personal properties as associated with real properties (all).
- (vi) (a) Domestically controlled (more than 50% owned) Real Estate Investment Trusts (REITS)
+ (plus)
(b) Also maximum 5% interests in publicly traded corporation is not treated USRPIs
- (vii) Buyer of USRPI is (generally) required to withhold 15% on consideration of transactions similar to other non-resident withholding tax regime
- (viii) Withholding tax is representing pre payment of tax as collected by purchaser from seller in anticipation of USA's tax liability through sale transactions
- (ix) Seller is permitted to make request with FTD before transaction for reduced rate of withholding tax along with supported by preliminary calculations.

81. USA's Thin-capitalization + earnings stripping

- (i) USA is imposing restrictions on deductions under interest expense in certain circumstances like:
 - (a) Taxpayer is not permitted to deduct interest exceeding 30% of taxpayer's Adjusted Taxable Income (ATI)
+ (plus)
 - (b) Also taxpayer's business interest incomes + certain other amounts (all).
- (ii) ATI is defined more closely as cash basis taxable incomes.



- (iii) (a) Taxpayer is permitted to carry forward of excess interest over 30% for unlimited years therefore abovementioned disallowance is not permanent
- But
- (b) Its deferment for adjustment in future.

82. USA's Transfer Pricing (TP)

- (i) USA is having detailed + also stringent Transfer Pricing (TP) rules for Arm's Length Pricing (ALP) against Related Party Transactions (RPTs).
- (ii) RPTs are to include 100% transactions conducted between corporation and its units + intercompany purchases + royalties + interest + management fees + also etc. (all).
- (iii) ITD's regulations are specifying 10 elements for comprising 100% TP study.
- (iv) ITD is not prohibited for proposing adjustments in RPTs beside taxpayer is having 100% TP's study at own level.
- (v) 100% TP study is able to avoid potential penalty imposition when proposed adjustments are substantial in nature.
- (vi) IRS is having authority to agree for Advance Pricing Agreement (APA) with taxpayer.

83. USA's Tax treaties

- (i) USA has entered into bilateral income tax treaties with non USA countries where having significant trading activities.
- (ii) (a) USA's treaties are affecting taxation of business activities + also shipping activities (both)
- + (plus)
- (b) Also USA's treaties are allowing for reduced withholding taxes on certain USA sourced incomes like dividends + interest + royalties (all)
- (iii) USA's treaties are having significant limitations on benefits articles.
- (iv) USA's treaties are having complex rules to prevent foreign investors from claiming treaty benefits beside not eligible to claim through structuring transactions in 3rd country outside USA.



84. USA's *tax reporting's + tax compliances*

- (i) (a) USA is *having* extremely *detailed* tax *reporting* requirements + also comprehensive (both) like *filing* of IRS Form *W8-BEN* or *W8-BEN-E* (any)
+ (plus)
- (b) IRS has dramatically *increased scrutiny of foreign-related compliances* in last several years.
- (ii) IRS has *observed that* USA's *payers* are *not obtaining* certain *documents* from payee to prove his entitlement to *avail tax treaty benefits* + also reduced withholding rates (*both*)
- (iii) IRS is empowered to ask *payees to obtain* USA's Taxpayer Identification Number (*TIN*) *similar to* India's Permanent Account Number (*PAN*)
- (iv) IRS is empowered to ask to *file annual statement* (return) in IRS from *1042* series for providing *details of payments* made to payees those located outside USA

85. USA's *state govt.'s + local govt.'s*

- (i) USA's *50 states* + *District of Columbia* + also several *localities* (all) are *imposing different incomes based tax* on corporations
- (ii) USA's *several states* are *imposing* Franchise Taxes (*FT*) for having privilege of doing business in their state.
- (iii) USA's states *FT* rates are *varied* from *1st* state to *2nd* state.
- (iv) USA's *FT* is *defined a tax based on net incomes* or net worth or gross receipts or *combination of these 3 tax bases* (any).
- (v) USA's *state taxes* + local taxes are *complex* + also *varied* significantly from *1st* state to *2nd* state (all).
- (vi) *Corporation* + also other business entities (both) are being *suggested to review legal compliances* in each state *before selecting any state* for commencing business activity.

86. USA's *Nexus based Jurisdiction*

- (i) USA's taxpayers are required to *opt their jurisdictions* based on *nexus like* jurisdiction is treated in *1st* state when *business* is being operated from *1st* state *beside actual amount of business activities* as conducted in *2nd* state.



- (ii) USA's 1st state is having *right to tax* on business incomes based on *relationship* between 1st state and corporation *beside* business is being *operated* from 2nd state
- (iii) USA's 1st state is permitted to *levy* *Income tax* based on *transactions* when sufficient *nexus* is *established* between 1st state and corporation *beside* corporation is *operating* business activities *in more than 1 state*
- (iv) USA's state jurisdiction or *nexus* is *determined based on business activities* operated in 1st state or in 2nd state for deciding *right to impose* *Income tax* on taxpayer
- (v) USA's state jurisdiction or *nexus* is *based on 3 principal limitations* like:
 - (a) U.S. Constitution's limitations are found *in due process clause*
 - (b) U.S. Constitution's limitations are found *in commerce clause*
 - (c) U.S. Constitution's limitations are found *in federal law (Public Law 86-272)* under *federal government's power* to regulate interstate commerce + also limitations *when states are permitted to impose* voluntarily.
- Requisite *analysis* may be *varied* considerably from 1st state to 2nd state + also independently *based on* corporation's *Permanent Establishment (PE)* in USA for tax treaty purpose.

87. USA's *tax base*

- (i) USA's states are *imposing net Income tax* on federal taxable incomes after *NOL deductions* as starting point.

+ (plus)
- (ii) Also USA's states are *permitted to have own modifications* to federal taxable incomes *for* calculating state *tax base*.

88. USA's *additions in incomes*

- (i) USA's *some* states are *not permitted to add* in incomes as *interest on municipal bonds*
- (ii) USA's municipal *bonds* are considered *double exempt* bond similar to exempt bonds being issued *in India*



(iii) USA's state Income tax paid is to be deducted for computing federal taxable incomes.

(iv) USA's most of states are permitted to impose state Income tax (only)

(v) USA's some of states are permitted to impose their own taxes (only).

89. USA's deletion in incomes

(i) (a) USA's taxpayers are permitted to delete interest incomes on USA govt.'s obligations like treasury notes or bills (any)

But

(b) USA's taxpayers are not permitted to delete interest incomes on Ginnie Maes + also Fannie Maes (both)

(ii) USA's taxpayers are permitted to delete refunds of state income tax

(iii) USA's some states are permitted to make specific rules for calculating depreciation + depletion + charitable contributions + interest deductions + also NOLs (all).

90. USA's incomes apportionment

● USA's taxpayers are permitted to determine apportionment based on certain clauses of law when corporations are having business activities in more than 1 state to assign apportionment to each state's incomes

(i) USA's commerce clause is empowered for fairly apportionment among states

(ii) USA's each state has different rules for apportionment therefore uniform rules are not existed.

(iii) Substantial state-to-state variations are existed in USA.

(iv) USA's states have developed different rules for different types of apportionment of incomes

(v) USA is permitting apportionment based on formula to be determined after comparing 1 or more than 1 factors representing 100% business activities within 1 state or more than 1 state.

(vi) USA is permitting apportionment based on average of ratios for 3 factors like total sale + property + also payroll (all)



- (vii) (a) USA has *reset trend* to consider total *sale factor* (only)
+ (plus)
- (b) Also *not to consider* property + payroll *factors* (both)
- (viii) USA's *some* states have *specified special factors* to each *industry* like *transportation* + broadcasting + also print media (*all*)
- (ix) USA's *some* states are empowered to ask corporations to *utilize different* apportionment *method when standard* method is *not suitable*.
- (x) USA's *some* states are *considering inclusion of partnership* apportionment *factors* + *accounting* treatments for *foreign incomes* + also sourcing of sales other than sales of tangible personal property (*all*).

91. USA's *expenses allocation*

- (i) USA's taxpayers are permitted for expenses' allocation *against non business* incomes *when incomes not generated* through regular line of business.
- (ii) USA's *some* states have specifically *categorized* certain types of *incomes* like *dividends* for expenses' allocation *beside business incomes* is existed or *not* existed (any)
- (iii) USA's *some* states have *ignored distinction* among business is existed or *not* existed (any).
- (iv) USA's *some* states have their own *unique technology for allocation* + also for apportionment (*both*) therefore being *used vice-versa*.
- (v) USA's certain incomes are *not permitted for allocation* therefore these are *to be allocated to 1 state* (only) based on state's legal or commercial domicile or *transaction* (any) which has substantial connection like sale of *non business* real *property* being located in *1 state*

92. USA's *state statutory filing*

- (i) USA's *some* states are *imposing large variety for filing methods* for group of commonly controlled corporations.
- (ii) USA's *some* states are *requiring separate corporate returns* for 100% corporations as engaged in business in their states



- (iii) USA's *most* states are *requiring combination of some* or 100% of commonly controlled corporations.
- (iv) *Combinations* of returns are *to include consolidated* returns + also *combined* returns (*both*) which are varied significantly from state to state.
- (v) *Consolidated* returns are *to include* corporations which *owned* minimum 80% common *ownership*
- (vi) *Combined* returns are *to include* corporations which *owned* minimum 50% + also comprising unitary business (*both*).
- (vii) *Unitary* businesses are *to include* a concept when *states* are required *to verify relationship* between different corporations to determine whether *unitary business relationship* is existed.
- (viii) USA's states are required *to look on* certain *factors* like *economies of scale* + *functional integration* + *line of business* + also centralization of management (*all*) to determine whether *unitary business relationship* is existed or *not existed*
- (ix) USA's states are differently *using* certain *terms* + also *meanings* (*both*) like *for consolidated* + *combined* + also *unitary* (*all*) *from state to state*.
- (x) USA's states observing that *foreign entities* are *adding* more layers of *complexity*
- *Professionals* are required *to analyze* states' *laws* before *filing* statutory documents for their clients.

93. USA's *State tax + sales tax + use tax*

- (i) USA's *50 states* + *District of Columbia* + approximately *10,000* local *jurisdictions* are *imposing* sales tax + also *use taxes* (*all*).
- (ii) USA's state sales *tax* is being *imposed on retail sales* for tangible personal property + also selected services (*both*)
- (iii) USA's state *use tax* is being *imposed on use* or *consumption of same items*.
- (iv) (a) USA's state sales taxes + also *uses taxes* (*both*) are being *collected by seller* when *seller has physical presence* in state thereafter *seller* is required to *remit* to state govt.



+ (plus)

- (b) Also USA's state sales tax + also use taxes (both) are being *paid by purchaser when seller is not able to collect* thereafter purchaser is required to *remit* to state govt.
- (v) USA's state sales tax + use taxes laws are *applicable* on *100% corporations + 100% industries* + also on *100% states* (all)
- (vi) USA's state sales tax + also use taxes (both) laws are *applicable* on *100% corporations* *beside* incurring *NOLs* each year.
- (vii) USA's state sales tax + also use taxes (both) laws are *constantly changing*.
- (viii) Professionals are required *to analyze* particular state's law *before completing* legal *compliances* for their clients.
- (ix) USA's state sales tax + also use taxes (both) laws are *allowing* certain *exemptions* which are *varied* slightly or significantly *from state to state* *beside* few common *exemptions* are being *allowed* by 100% states.

94. USA's resale exemption

- (i) USA's taxpayers are *permitted to avail* resale *exemption* against purchasing of property or service for resale *when purchaser is not considered* as final consumer or user (any).
- (ii) USA's taxpayers are required *to pay sales tax* or use taxes (any) *when* certain items *taken for own uses*
- (iii) USA's taxpayers are *not permitted to avail* resale *exemptions* on *100% businesses* therefore exemptions are permitted on *certain items* (only)
- (iv) USA's few states construction *contractors* are required *to pay use tax* on property's *purchase* + also services (both) when *used for performing contracts*.

95. USA's exemption for machinery + equipment

- (i) USA's *several* states are allowing *exemption for purchase of* industrial *machineries* + also equipments (both).



- (ii) Industrial machineries + equipments are to be *directly* + also primarily *used (all) for processing tangible personal property* which is to be sold.
- (iii) Industrial machineries + also equipments (*both*) are required to *demonstrate direct effect on product* or cause a direct effect (*any*).
- (iv) USA's *some* states are allowing *exemption for repairs of industrial machineries + equipments + consumption of electricity + also natural gas (all) which are being used for industrial processes.*

96. USA's exemption for R&D machineries + equipments

- (i) USA's *some* states are allowing *exemption for purchase of industrial machineries + equipments which are to be used for Research and Development (R&D) + tax-advantaged (enterprise) zones + pollution control + also provision of renewable energy (all).*
+ (*plus*)
- (ii) Also USA's *some* states are allowing *exemption for certain industries like: Govt. contracting*

97. USA's sales tax principle

- (i) USA's state sales tax is applicable *based on nature of taxable property or service + also location of sale (both).*
- (ii) USA's state sales tax is *varied from state-to-state* specifically for developing industries like *some* states are presently *struggling with application of sales tax + also use tax on cloud computing (both).*

98. USA's questions & answers on sales tax principle

- (i) *Whether cloud computing is transfer of tangible assets or service + amusement + communications + some hybrid of abovementioned items?*
- (ii) *Whether goods or services are taxable when uses are happened in multiple locations across the country?*
 - *Answers of abovementioned questions are varied from state-to-state.*



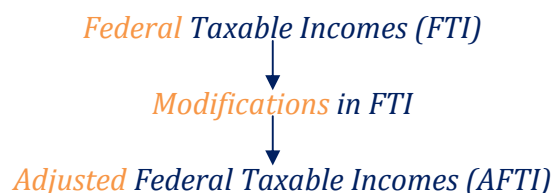
99. USA's State tax nexus established in South Dakota v. Wayfair in Supreme Court

- (i) USA's state sale tax *nexus* are often being *addressed* through analyzing *for* area of sale tax *liability* + also *quantum* of sale tax (*both*).
- (ii) USA's *different corporations* have their *different arguments* (opinions) like:
 - (a) *For filing of state incomes* + also *franchisees incomes* (*both*)
 - (b) *For filing of sales tax* + also *use tax* (*both*)
 - (c) *For filing of gross receipts in tax return*

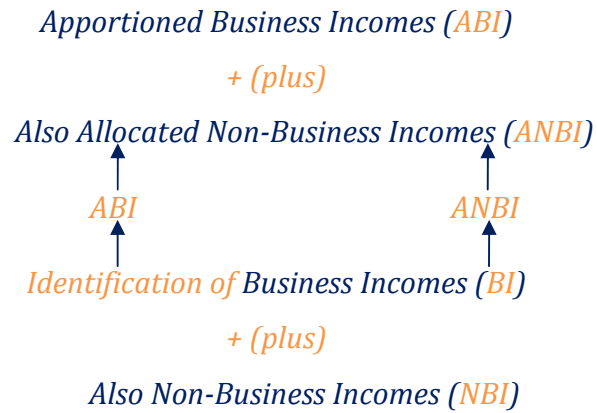
100. USA's judgements in South Dakota v. Wayfair in Supreme court

- (i) (a) USA's supreme court has *pronounced on June 21, 2018* that states are *permitted for imposing sales tax* + also *use tax* (*both*)
+ (*plus*)
 - (b) Also permitted *for collection* + remittance (*both*) *responsibilities* are to be levied *on remote sellers* based on their economic *presence in state*.
 - (c) Wayfair's decision has *changed definition of nexus* between sales tax + use tax and state therefore it's *affected most of USA's most of taxpayers* + also *industries* (*all*)
 - (d) USA's *most* states have *provided new laws* + also guidance (*both*) in *accordance with Wayfair* decision held in early *2019* in anticipation that Wayfair's *decision to effect* between states incomes and franchise tax *nexus*.
- (ii) 100% inbound (*domestic*) *businesses* are close *observant for final effect* of Wayfair's decision.
- (iii) Wayfair's decision is *effecting USA's domestic entities* + *foreign entities for new collections* + remittances + also *reporting requirements* (*all*).

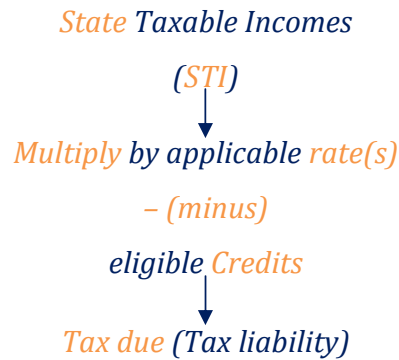
101. USA's chart for Federal Taxable Incomes (FTI)



102. USA's chart for *Apportioned Business Incomes (ABI)*



103. USA's chart for *Tax Due (liability)*



(F) USA's Role for Indian entities for doing business

104. USA's businesses by Indians

- (i) Indian business entities are already *aggressively set up their subsidiary* or *planning to set up subsidiary in USA*.
- (ii) Indian business entities are *aggressively setting up their subsidiaries because USA is world's largest economy + having friendly business environment + international recognizable credentials + also many more associated benefits (all)*.
- (iii) Indian business entities *initially entering* into businesses *with their USA's subsidiaries*.
- (iv) Indian business entities *gradually entering* into business *with non subsidiaries entities in USA + also outside USA (both)*.
- (v) Indian business entities are *required to obey proper regulatory compliances like Transfer Pricing (TP) regulations + also Arm Length Price (ALP) principles (both)*.

105. USA's businesses by Indian Associated Enterprises (AEs)

- *2 enterprises are to be treated AE when certain conditions as specified under section 92A of ITA, 1961 are satisfied like:*
 - (i) *When 1st enterprise is participating directly or indirectly or through 1 or more than 1 intermediaries for its management or control or capital (any) of 2nd enterprise.*
 - (ii) *When 1st enterprise + also 2nd enterprise (both) are being managed by same person(s) through participating directly or indirectly or through 1 or more than 1 intermediaries for its management or control or capital (any).*
 - (iii) *When 1st enterprise is holding minimum 25% voting powers of 2nd enterprise through directly or indirectly (any)*
 - (iv) (a) *When minimum 26% voting powers of 1st enterprise + also 2nd enterprise (both) are hold by same person*
+ (plus)



- (b) Also given *loan from 1st enterprise to 2nd enterprise* for minimum *51%* of book value of *total assets* (both)
- (v) When *guarantee given against loans from 1st enterprise to lender of 2nd enterprise* for minimum *10%* of total borrowings.
- (vi) When minimum *50%* Board of Directors (BoDs) or members of governing board or *1 or more than 1 Executive Directors (ED)* or Executive members of governing body are *appointed by 1st enterprise for 2nd enterprise*.
- (vii) When minimum *50%* Board of Directors (BoDs) or members of governing board or *1 or more than 1 Executive Directors (ED)* or Executive members of governing body are *appointed by same person(s)*.
- (viii) When *100% manufacturing* or processing of goods or articles or business as *carried by 1st enterprise* who is *100% dependent on use of know-how* or patents or copyrights or *trade-marks* or licenses or *franchises* or any other business or *commercial rights* of similar nature or *data* or documentation or *drawing* or specification relating to patent or invention or model or *design* or secret *formula* or process (any) is *100% owned by 2nd enterprise*.
- (ix) (a) When minimum *90% of raw materials* + also consumables as required for *manufacturing* or processing of goods or articles as *carried by 1st enterprise* are being *supplied by 2nd enterprise* or by persons specified by *2nd enterprise (any)*
- + (plus)*
- (b) Also *prices* + other conditions (both) for *supply of 1st enterprise* are *influenced by 2nd enterprise*.
- (x) (a) When *goods* or articles as manufactured or processed by *1st enterprise* are being *sold to 2nd enterprise* or to persons as specified by *2nd enterprise*
- + (plus)*
- (b) Also *prices* + other conditions (both) for *supply of 1st enterprise* are *influenced by 2nd enterprise*.
- (xi) When *1st enterprise* + also *2nd enterprise* (both) are *controlled by individual* or his relative or *jointly* by individual + his relative (any)



- (xii) When *1st enterprise* + also *2nd enterprise* (both) are *controlled by Hindu Undivided Family (HUF)* or his relative or *jointly* by HUF + his relative (*any*)
- (xiii) When *1st enterprise* is *firm* or Association of Persons (*AoPs*) or Body of Individuals (*BoI*) is *holding* minimum *10%* in *2nd enterprise* like firm or AoPs or BoI (*any*)
- (xiv) When *1st enterprise* + also *2nd enterprise* (both) *have* relationship for *mutual interest* as may be specified by India's govt.

106. India's Associated Enterprises (AEs) test

- (i) Enterprise is permitted *to determine* whether *AE* is existed or *not existed*
+ (*plus*)
- (ii) Also *transactions* are *incurred* during financial year thereafter *to comply provisions* as applicable under ITA, 1961.

107. India's statutory compliances

- (i) Obtaining *Statutory audit report* under Companies Act (CA), 2013
- (ii) Obtaining *Tax audit report* under Income Tax Act (ITA), 1961
- (iii) Obtaining *Transfer Pricing (TP) study report* + also *audit* (both) under ITA, 1961
- (iv) Filling *transaction report* to Income Tax Department (*ITD*) in form *3CEAA*
- (v) Filling *Income Tax Return (ITR)* under ITA, 1961
- (vi) Filling *Annual Performance Report (APR)* under RBI Act, 1934
- (vii) Filling *Quarterly TDS returns* in Form *24Q* + *26Q* + *27Q* + also etc. (*all*)
- (viii) Fulfilling *legal compliances* under *GST* + *PF* + *ESI* + *PT* + also etc. (*all*)
- (ix) Fulfilling *legal compliances* under *CA, 2013* in *AOC4* + *MGT7* + *MSME* + *DPT3* + also etc. (*all*).

108. India's Overseas Direct Investments (ODIs) regulations

- (i) *Indian Entity (IE)* is *not permitted to invest* outside India under RBI circular *RBI/2022-2023/110 A.P. {DIR Series} Circular No.12*.



- (ii) *IE (generally) not making transaction for promoter's capital contribution (subscription) for C-Corporation or LLCs therefore treated no capital contribution by promoter under FEMA, 1999 Regulation.*
- (iii) (a) *USA's registered agents are permitted to show for initial investment as cash contribution in incorporation documents like Operating Agreements + Articles of Organization + also etc. (all)*
- But*
- (b) *RBI is not allowing for initial investment as cash contribution therefore these are treated as invalid + also violation of FEMA, 1999 Regulation (both)*
- (c) *IE is mandatory required to remit initial investment through India's Authorized Dealer (AD) banks.*



(G) USA's special authorized activities for doing business

109. USA's Duty Free Zones (DFZs)

- (i) USA's DFZs are known as *designated sites licensed by FTZ Board* where special customs procedures are to be used *similar to Special Economic Zones (SEZs) in India*.
- (ii) FTZ board is *empowered to design procedures* for permitting goods from outside USA *for warehousing* or altering similar to area as notified *outside USA's Customs territory*.
- (iii) (a) Goods stored in FTZs are *enjoying duty-free status till these are entered in USA's Customs territory*
+ (plus)
(b) Also goods stored in FTZs are *enjoying duty free status till these are transferred from 1st FTZ to 2nd FTZ*.
- USA's custom *duty is to be paid when goods are ultimately imported into USA's Customs territory*

110. USA's Maquiladoras programmes

- (i) USA has *permitted duty free in-bound manufacturing* for more than *3000* companies for operating *under special provisions of Mexican law* when goods are re-exported to USA *after processing or assembling (any) in Mexico*
- (ii) USA's maquiladora program is *permitting for components to be imported from USA for processing or assembling (any) in Mexico thereafter to be re-exported to USA*.
- (iii) Mexican law is *permitting imports from USA for processing or assembling (any) in Mexico* under maquiladora program.
- (iv) USA is *collecting import (custom) duties on value added (only) in Mexico*.
- (v) Mexico's *most* of maquiladora facilities are *located on USA-Mexico border* though plants installed in *central + also southern Mexico (both)*.
- (vi) (a) Many *Caribbean + also Central American* countries (both) *have also implemented maquiladora program for accessing USA's market*



+ (plus)

(b) Also *in non-USA market* where manufacturers are *desiring lower cost of production + for accessing USA's market (both)*.

111. USA's *Exports*

(i) USA's *most items* are *permitted for exports without export licenses or regulations (any)*

(ii) USA's *few strategic items* are *not permitted for exports without export licenses or regulations (any)*

(iii) USA's *exporters* are required *to research in advance to determine for restrictions are applicable (if any) when export licenses or regulations are required like:*

(a) USA's *business formation structure* for export is *easy*

+ (plus)

(b) Also USA's *business for export* is *permitted without citizenship or residency of owner (any)*

(v) USA's *most states (jurisdictions)* are *permitting several legal entities* for export

(vi) USA's *most export businesses* are being *operated through corporation (company) structure by USA's residents + also by non-residents (both)*

(vii) USA's *exporters* are required *to have consultation from experienced international tax specialist for long-term global tax savings.*

(viii) USA is *permitting fast process for registering business entities* even within *1 day.*

(ix) USA's *attorney be used for registration function + also to advise on other legal requirements (both)*

112. USA's *Acquiring business*

(i) USA is *permitting for buying existing running business through purchase of assets or purchase of ownership interests in entity (any).*

But

(ii) USA's *tax consequences* are to *be critically examined* before *acquiring existing running business.*



113. USA's *private placement*

- (i) USA is permitting *buying for minimum 5% of publicly traded securities*
Or
- (ii) *Securities of corporations having minimum 500 shareholders are required to file information's with Securities and Exchange Commission (SEC).*
+ (plus)
- (iii) Also *filing be containing certain information's like source of funds + purpose for placement + future plans + present beneficial interest + also shares acquired within last 60 days (all).*
- *Public placement (buying) is permitted with additional information's.*

114. USA's *public placement*

- (i) USA is permitting *buying for minimum 10% of publicly traded corporation's securities with filing of information's with SEC.*
- (ii) USA's *disclosures can't be avoided through 3rd party purchases.*
- (iii) USA's *some states are required certain information's for filing against tender offers as directed toward firms those have substantial assets within their holdings.*
- (iv) USA's *filing for preparing public stock offering is required substantial time + expenses to raise capital therefore required assistance from key personnel similar to Key Managerial Personal (KMP) + also outside professionals (all).*
- (v) USA's *filing registrations are required 100% + detailed disclosures + also financial information's (all) to meet SEC's requirements.*



(H) USA's *Visa* for foreign employees + other foreigners

115. USA's *Foreign employees*

- (i) USA is *not restricting* on numbers for foreign employees *working in corporations* when employees have *satisfied federal entry* + also work *permit (both) requirements*.
- (ii) (a) USA is *imposing* substantial *penalties* on employers *for employment without proper documents*
+ (plus)
(b) Also USA's 100% *employers* are responsible *to check documents (both)*.

116. USA's *Visa* for foreign employees

- (i) USA's 100% details for *federal entry requirements* for various types of activities are *available with USA's consulates* across the world + also *with USA Citizenship and Immigration Services (USCIS)*.
- (ii) USA's foreign *employees* are required *to get approval from USA department of labor* for verifying shortage of able workers in each job category.
- (iii) USA's foreign *employees* are required to *take guidance's from US immigration law specializing lawyers for working* + also *earning wages in USA (both)*.

117. USA's *business visitor Visa (B-1)*

- USA is *permitting* for *1 year temporary* business visitor visa (B-1) *for entry by foreign investors* for certain activities (*only*) like:
 - (i) For *surveying business opportunities* in USA
 - (ii) (a) For *attending meetings* + also *consultations (both)* with business associates *in USA*
But
(b) *Not permitted for earning incomes* + also *generating employments (both) in USA*.
 - (iii) USA is *permitting 6 months extension* therefore *maximum permitting for 18 (12+6) months* under *temporary business visitor visa (B-1)*.



118. USA's trade visa (E-1)

- (i) USA is permitting 1 year trade visa (E-1) for individuals those are involved in substantial trades or investments
- (ii) USA's trade visa (E-1) holder is required to work as executive or holding managerial position or possessing specialized knowledge (any) as essential to his USA's position.
- (iii) USA is permitting 1 year extension for trade visa (E-1) therefore maximum permitting for 2 (1+1) years under trade visa category.

119. USA's treaty investor visa (E-2)

- (i) USA is permitting 1 year treaty investor visa (E-2) for citizens of countries having treaties for commerce + also navigation (both) with USA.
- (ii) USA's treaty investor category visa (E-2) holder is required to work as executive or holding managerial position or possessing specialized knowledge (any) as essential to his USA's position.
- (iii) USA is permitting 1 year extension for treaty investor visa (E-2) therefore maximum permitting for 2 (1+1) years under treaty investor category.

120. USA's Intra-company transfers visa (L-1)

- (i) USA is permitting 3 years Intra company transfers visa (L-1) for executives + managers + also specialists (all) those already employed for minimum 1 year + (plus)
- (ii) Also abovementioned employee's services are required for USA's subsidiary or affiliate of foreign corporation.
- (iii) USA is permitting extension based on demonstration for need

121. USA's visa for scholars + professionals (H-1)

- USA is permitting H-1 visa for scholars + also professionals (both) those are desiring entry for performing specialized services.

122. USA's visa for individuals' jobs (H-2)

- USA is permitting H-2 visa for individuals to perform temporary + also seasonal (both) jobs.



123. USA's *visa for individuals' training (H-3)*

- USA is *permitting H-3 visa for individuals' to visit temporarily to receive training.*

124. USA's *Immigrant visa*

- (i) USA is *permitting immigrant visa for permanent residence for foreigners based on system of preference within annual quota limitations.*
- (ii) USA is *permitting immigrant visa for permanent residence for foreigners based on relationships with USA's citizens or green card holders or profession or occupation (any) + also relationship with USA's employers (both).*

125. USA's *References + links*

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- (ii) *U.S. Census Bureau. (n.d.). American Fact Finder*
https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml
- (iii) *Bureau of Labor Statistics-Labor Force Statistics from the Current Population Survey*
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- (iv) *Central Intelligence Agency-The World Fact Book–United States*
<https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>
- (v) *U.S. Census Bureau. Foreign Trade–Top Trading Partners*
<https://www.census.gov/foreign-trade/statistics/highlights/top/top1904yr.html>
- (vi) *Office of the United States Trade Representative-Generalized System of Preferences (GSP)*
<https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp>
- (vii) *International Trade Administration-Foreign Trade Zones*
<http://trade.gov/enforcement/ftz/>
- (viii) *Cañas, Jesus, Roberto A. Coronado, Robert W. Gilmer, and Eduardo Saucedo-The Impact of the Maquiladora Industry on U.S. Border Cities-Federal Reserve Bank of Dallas*
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- (ix) *United States Department of Labor-Wages*
<http://www.dol.gov/dol/topic/wages/minimumwage.htm>
- (x) *Bureau of Labor Statistics-Union Members—2018*
<http://www.bls.gov/news.release/union2.toc.htm>
- (xi) *United States Department of Labor-Wages*
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- (xiii) *Social Security Administration-Retirement Planner: Benefits by Year of Birth*
<http://www.ssa.gov/retire2/agereduction.htm>
- (xiv) *Central Intelligence Agency-The World Fact Book – United States*
<https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>
- (xv) *National Center for Education Statistics-Fast Facts*
<https://nces.ed.gov/fastfacts/#>



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