



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

5.24.1

SEPTEMBER 8, 2017

## EFFECTIVE DATE

(09-08-2017)

## PURPOSE

- (1) This transmits obsolete IRM 5.24.1, *Central Withholding Agreement (CWA) Program, Overview*.

## BACKGROUND

- (1) IRC 1441 requires a withholding tax rate of 30% on U.S. sourced gross income for independent personal services of nonresident aliens (NRAs) such as athletes and entertainers.
- (2) The CWA program provides an alternative to IRC 1441 by reducing the amount of tax withholding to be more in line with the NRAAE's annual projected tax liability.
- (3) Part of the program involves tax specialists and internal revenue agents verifying income and expense items related to a tour or event claimed by the NRAAE. This IRM section was therefore moved to Part 4, *Examining Process*, which more accurately describes program activities.

## MATERIAL CHANGES

- (1) The material previously contained in IRM 5.24.1.1 is incorporated into the new Manual Transmittal area of IRM 4.64.1.
- (2) The material previously contained in IRM 5.24.1.2 is incorporated into the new IRM 4.64.1.1.1.
- (3) The material previously contained in IRM 5.24.1.3 is incorporated into the new IRM 4.64.1.1.2.
- (4) The material previously contained in IRM 5.24.1.4 is incorporated into the new IRM 4.64.1.1.2.
- (5) The material previously contained in IRM 5.24.1.5 is incorporated into the new IRM 4.64.1.1.2.
- (6) The material previously contained in IRM 5.24.1.6 is incorporated into the new IRM 4.64.1.1.2.
- (7) The material previously contained in IRM 5.24.1.7 is incorporated into the new IRM 4.64.1.1.7.
- (8) The material previously contained in IRM 5.24.1.8 is incorporated into the new IRM 4.64.1.1.2 and IRM 4.64.1.4.
- (9) The material previously contained in IRM 5.24.1.9 was not incorporated.
- (10) The material previously contained in IRM 5.24.1.10 is incorporated into the new IRM 4.64.1.10.
- (11) The material previously contained in IRM 5.24.1.11 is incorporated into the new IRM 4.64.1.
- (12) The material previously contained in IRM 5.24.1.12 is not incorporated.

## EFFECT ON OTHER DOCUMENTS

IRM 5.24.1 dated July 28, 2009 is now obsolete. The guidance in this IRM section has been moved to IRM 4.64.1, *Central Withholding Agreement (CWA) Program, Case Development and Processing Guidelines*.

**AUDIENCE**

LB&I tax specialists, internal revenue agents, tax examiners, and management assistants working in the CWA program.

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