Tax Services often receives questions from employees and departments regarding international assignments of varying lengths.

The U.S. currently has [tax treaties](#) with 68 foreign countries around the world.

Generally, the **Dependent Compensation article** within a tax treaty defines the period that an employee is allowed presence in the foreign country without becoming subject to that country’s tax laws or triggering “Permanent Establishment”.

**What is Permanent Establishment (PE)?** PE is when an entity is considered a fixed place of business in the host country for tax purposes. If an organization triggers PE, it will most likely be required to withhold local income taxes as well as pay the employer’s share of local income taxes. It may also become responsible for VAT or GST taxes, as well as triggering other liabilities such as host country employee benefits, social welfare obligations, etc.

CSU is not currently able to facilitate international payroll. BFS and HR are working together to develop a long-term solution to enable departments to place individuals abroad on assignments of indefinite duration. Campus will be notified as soon as a solution is approved.

Please contact Tax Services before an employee commences an international assignment.