

which are imposed after MARCH 17, 1995  
in addition to, or in place of, the taxes to which the  
Convention applies under paragraph 2."

#### ARTICLE 2

Subparagraphs (c) and (d) of paragraph 1 of Article III  
(General Definitions) of the Convention shall be deleted and  
replaced by the following:

"(c) The term "Canadian tax" means the taxes  
referred to in Article II (Taxes Covered) that are  
imposed on income by Canada;

(d) The term "United States tax" means the taxes  
referred to in Article II (Taxes Covered), other  
than in subparagraph (b)(i) to (iv) of paragraph 2  
thereof, that are imposed on income by the United  
States;"

#### ARTICLE 3

1. Paragraph 1 of Article IV (Residence) of the Convention  
shall be deleted and replaced by the following:

"1. For the purposes of this Convention, the term  
"resident" of a Contracting State means any person  
that, under the laws of that State, is liable to tax  
therein by reason of that person's domicile, residence,  
citizenship, place of management, place of  
incorporation or any other criterion of a similar  
nature, but in the case of an estate or trust, only to  
the extent that income derived by the estate or trust  
is liable to tax in that State, either in its hands or  
in the hands of its beneficiaries. For the purposes of  
this paragraph, an individual who is not a resident of  
Canada under this paragraph and who is a United States  
citizen or an alien admitted to the United States for  
permanent residence (a "green card" holder) is a  
resident of the United States only if the individual  
has a substantial presence, permanent home or habitual  
abode in the United States, and that individual's  
personal and economic relations are closer to the  
United States than to any third State. The term  
"resident" of a Contracting State is understood to  
include: