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This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do **not** rely on draft forms, instructions, and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released.

Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms), and may remain there even after the final release is posted at [IRS.gov/DownloadForms](https://www.irs.gov/DownloadForms). All information about all forms, instructions, and pubs is at [IRS.gov/Forms](https://www.irs.gov/Forms).

Almost every form and publication also has its own page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/Form1040](https://www.irs.gov/Form1040); the Publication 17 page is at [IRS.gov/Pub17](https://www.irs.gov/Pub17); the Form W-4 page is at [IRS.gov/W4](https://www.irs.gov/W4); and the Schedule A (Form 1040) page is at [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA). If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not in a Search box. Note that these are friendly shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). We cannot respond to all comments due to the high volume we receive. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.



Instructions for Form 1040-C

U.S. Departing Alien Income Tax Return

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form 1040-C and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1040c](https://www.irs.gov/Form1040c).

What's New

Change in tax rates. For 2018, most tax rates have been reduced. The 2018 tax rates are 10%, 12%, 22%, 24%, 32%, 35%, and 37%.

Moving expenses no longer deductible. For 2018, you can no longer deduct your moving expenses unless you are a member of the Armed Forces on active duty.

Deduction for personal exemptions suspended. For 2018, you can't claim a personal exemption deduction for yourself, your spouse, or your dependents.

Increase in and modification of child tax credit. For 2018, the credit amount for the child tax credit is increased to \$2,000 per qualifying child, with \$1,400 of the credit refundable. In addition, a \$500 credit is available for each of your dependents that is not a qualifying child.

Social security number (SSN) required for child tax credit. Your child must have an SSN issued before the due date of your 2018 return (including extensions) to be claimed as a qualifying child for the child tax credit or additional child tax credit. If your dependent child has an ITIN, but not an SSN, issued before the due date of your 2018 return (including extensions), you may be able to claim the new credit for other dependents for that child.

Changes to itemized deductions. For 2018, the following changes have been made to itemized deductions that can be claimed on Schedule A.

- Your itemized deductions are no longer limited if your adjusted gross income is over a certain amount.
- You can deduct the part of your medical and dental expenses that is more than 7.5% of your adjusted gross income (AGI).
- Your deduction of state and local income, sales, and property taxes is limited to a combined total deduction of \$10,000 (\$5,000 if married filing separately).
- You can no longer deduct job-related expenses or other miscellaneous itemized deductions that were subject to the 2% of AGI floor. You may still deduct certain other items on Schedule A, such as gambling losses.
- For indebtedness incurred after December 15, 2017, the deduction for home mortgage interest is limited to interest on up to \$750,000 of home acquisition indebtedness. This new limit doesn't apply if you had a binding contract to close on a home after December 15, 2017, and closed on or before April 1, 2018, and the prior limit would apply.
- You can no longer deduct interest on home equity indebtedness, which means indebtedness not incurred for the purpose of buying, building, or substantially improving the qualified residence secured by the indebtedness.



Your standard deduction is zero if (a) your spouse itemizes on a separate return, or (b) you were a dual-status alien and you do not elect to be taxed as a resident alien for 2018.

Deduction for qualified business income. For tax years beginning after December 31, 2017, taxpayers other than corporations are entitled to a deduction of up to 20% of their qualified business income from a qualified trade or business. The deduction is subject to multiple limitations such as the type of trade or business, the taxpayer's taxable income, the amount of W-2 wages paid with respect to the qualified trade

or business, and the unadjusted basis of qualified property held by the trade or business. The deduction can be taken in addition to the standard or itemized deductions. For more information, see Code section 199A.

Modification of deduction for personal casualty losses. Beginning in 2018, your deduction for personal casualty losses is modified. See [Personal casualty losses](#) for more information.

Limitation on wagering losses. Beginning in 2018, the limitation on losses from wagering transactions applies not only to the actual costs of wagers you incurred, but to other expenses incurred in connection with the conduct of your gambling activity.

Alternative minimum tax (AMT) exemption amount increased. The AMT exemption amount is increased to \$70,300 (\$109,400 if married filing jointly or qualifying widow(er); \$54,700 if married filing separately). The income level at which the AMT exemption begins to phase out has increased to \$500,000 (\$1,000,000 if married filing jointly).

Standard deduction amount increased. For 2018, the standard deduction amount has been increased for all filers, and the amounts are as follows.

- Single or Married Filing Separately—\$12,000.
- Married Filing Jointly or Qualifying Widow(er)—\$24,000.
- Head of Household—\$18,000.

Social security tax. For 2018, the maximum amount of earned income (wages and net earnings from self-employment) subject to the social security tax is \$128,400.

General Instructions

Reminders

Use your 2017 tax return as a guide in figuring your 2018 tax, but be sure to consider the following.

Former U.S. citizens and former U.S. long-term residents. If you expatriate or terminate your long-term residency in 2018, you must file Form 8854, Initial and Annual Expatriation Statement, with your 2018 income tax return. You also may be subject to income tax under section 877A on the net unrealized gain on your property as if the property had been sold on the day before your expatriation date. You figure this tax on Form 8854. For more details, see Pub. 519, U.S. Tax Guide for Aliens.

Social security or Medicare taxes withheld in error. If you are a foreign student on an F-1, J-1, M, or Q visa, and social security or Medicare taxes were withheld on your wages in error, you may want to file Form 843, Claim for Refund or Request for Abatement, to request a refund of these taxes. For more information, see *Refund of Taxes Withheld in Error* in chapter 8 of Pub. 519.

Child tax credit not refundable for resident aliens electing to exclude foreign earned income from tax. Group I (resident alien) filers who exclude foreign earned income from their gross income may not claim any additional child tax credit on line 27. These filers are only allowed to claim the child tax credit to the extent allowable on line 18.

Individual taxpayer identification number (ITIN) renewal. ITINs assigned before January 1, 2013, and ITINs that you have not included on a tax return in the last three consecutive years will expire. Renew your ITIN to avoid delays in processing your tax return. For more information, see the Instructions for Form W-7.

Purpose of Form

Form 1040-C is used by aliens who intend to leave the United States or any of its possessions to:

- Report income received or expected to be received for the entire tax year, and
- Pay the expected tax liability on that income, if they are required to do so.

Form 1040-C must be filed before an alien leaves the United States or any of its possessions. For more information, see [How To Get the Certificate](#), later.

TIP If you are a nonresident alien, use the 2017 Instructions for Form 1040NR, U.S. Nonresident Alien Income Tax Return, to help you complete Form 1040-C.


TIP If you are a resident alien, use the 2017 Instructions for Form 1040, U.S. Individual Income Tax Return, to help you complete Form 1040-C.


You can get tax forms, instructions, and publications from the Internal Revenue Service (IRS). See [Additional information](#), later.


Alien status rules. If you are not a citizen of the United States, specific rules apply to determine if you are a resident or nonresident alien for tax purposes. Intent is not a factor in determining your residency status.

You are considered a resident alien if you meet either the green card test or the substantial presence test. However, even though you otherwise would meet the substantial presence test, you will not be considered a U.S. resident if you qualify for the closer connection to a foreign country exception or you are able to qualify as a nonresident alien by reason of a tax treaty. These tests and the exception are discussed in the instructions for [Part I—Explanation of Status—Resident or Nonresident Alien](#), later.

Additional information. For more information on the taxation of resident and nonresident aliens, residency tests, and other special rules, see Pub. 519.

 You can download tax forms, instructions, and publications at www.irs.gov/Forms-Pubs.

 **Ordering forms and publications.** Go to IRS.gov/OrderForms to order current and prior-year forms and instructions. Your order should arrive within 10 business days.

 People who are deaf, hard-of-hearing, or have a speech disability and who have access to TTY/TDD equipment can call 1-800-829-4059. Deaf or hard-of-hearing individuals can also contact the IRS through relay services such as the Federal Relay Service available at www.gsa.gov/FedRelay.

TIP To get information, forms, and publications in Spanish, go to IRS.gov/Espanol.

TIP **Tax questions.** If you have a tax question not answered by this publication, go to IRS.gov/Individuals/International-Taxpayers.

The Taxpayer Advocate Service Is Here To Help You

What is the Taxpayer Advocate Service? The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service that helps taxpayers and protects taxpayer rights. Our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](#).

What can TAS do for you? We can help you resolve problems that you can't resolve with the IRS. And our service is free. If you qualify for our assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business.
- You face (or your business is facing) an immediate threat of adverse action.
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How can you reach us? We have offices in every state, the District of Columbia, and Puerto Rico. Your local advocate's number is in your local directory and at IRS.gov/Taxpayer-Advocate. You can also call us at 1-877-777-4778.

How can you learn about your taxpayer rights? The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. Our Tax Toolkit at IRS.gov/Taxpayer-Advocate can help you understand what these rights mean to you and how they apply. These are your rights. Know them. Use them.

How else does the Taxpayer Advocate Service help taxpayers? TAS works to resolve large-scale problems that affect many taxpayers. If you

know of one of these broad issues, please report it to us at [IRS.gov/SAMS](https://www.irs.gov/SAMS).

Treaty Benefits

If you take the position that a treaty of the United States overrides or modifies any provision of the Internal Revenue Code and that position reduces (or potentially reduces) your tax, you may have to file Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), with your final U.S. income tax return. See Pub. 519 for more information.



Copies of the treaties are available at [IRS.gov/Businesses/International-Businesses/United-States-Income-Tax-Treaties-A-to-Z](https://www.irs.gov/Businesses/International-Businesses/United-States-Income-Tax-Treaties-A-to-Z).

Final Return Required

A Form 1040-C is not a final return. You must file a final income tax return after your tax year ends.

If you are a U.S. citizen or resident alien on the last day of the year, you should file Form 1040 reporting your worldwide income. If you are not a U.S. citizen or resident alien on the last day of the year, you generally should file Form 1040NR or, if eligible, Form 1040NR-EZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents. However, certain individuals who were resident aliens at the beginning of the tax year but nonresident aliens at the end of the tax year must file a “dual-status” return. See [Dual-status tax year](#), later.

Any tax you pay with Form 1040-C counts as a credit against tax on your final return. Any overpayment shown on Form 1040-C will be refunded only if and to the extent your final return for the tax year shows an overpayment.

Note. There are some tax items that are not addressed on Form 1040-C or in these instructions that must be taken into account on your final return. For example, if you are a Group 1 (resident alien) filer, you must reconcile any advance payments of the premium tax credit with the premium tax credit allowed on your tax return.

Certificate of Compliance

Note. The issuance of a certificate of compliance is not a final

determination of your tax liability. If it is later determined that you owe more tax, you will have to pay the additional tax due.

Form 1040-C or Form 2063. If you are an alien, you should not leave the United States or any of its possessions without getting a certificate of compliance from your IRS Field Assistance Area Director on Form 1040-C or Form 2063, U.S. Departing Alien Income Tax Statement, unless you meet one of the [Exceptions](#), explained later.

You can file the shorter Form 2063 if you have filed all U.S. income tax returns you were required to file, you paid any tax due, and either of the following applies.

- You have no taxable income for the year of departure and for the preceding year (if the time for filing the earlier year's return has not passed).
- You are a resident alien with taxable income for the preceding year or for the year of departure, but the Area Director has decided that your leaving will not hinder collecting the tax.

Exceptions. You do not need a certificate of compliance if any of the following applies.

1. You are a representative of a foreign government who holds a diplomatic passport, a member of the representative's household, a servant who accompanies the representative, an employee of an international organization or foreign government whose pay for official services is exempt from U.S. taxes and who has no other U.S. source income, or a member of the employee's household who has no income from U.S. sources. However, if you signed a waiver of nonimmigrant's privileges as a condition of holding both your job and your status as an immigrant, this exception does not apply, and you must get a certificate.
2. You are a student, industrial trainee, or exchange visitor, or the spouse or child of such an individual. To qualify for this exception, you must have an F-1, F-2, H-3, H-4, J-1, J-2, or Q visa. Additionally, you must not have received any income from sources in the United States other than:

- a. Allowances covering expenses incident to your study or training in the

United States (including expenses for travel, maintenance, and tuition),

- b. The value of any services or accommodations furnished incident to such study or training,

- c. Income from employment authorized under U.S. immigration laws, or

- d. Interest on deposits, but only if that interest is not effectively connected with a U.S. trade or business.

3. You are a student, or the spouse or child of a student, with an M-1 or M-2 visa. To qualify, you must not have received any income from sources in the United States other than:

- a. Income from employment authorized under U.S. immigration laws, or

- b. Interest on deposits, but only if that interest is not effectively connected with a U.S. trade or business.

4. Any of the following applies.

- a. You are on a pleasure trip and have a B-2 visa.

- b. You are on a business trip, have a B-1 visa or a combined B-1/B-2 visa, and do not stay in the United States or any of its possessions for more than 90 days during the tax year.

- c. You are passing through the United States or any of its possessions, including travel on a C-1 visa or under a contract, such as a bond agreement, between a transportation line and the U.S. Attorney General.

- d. You are admitted on a border-crossing identification card.

- e. You do not need to carry passports, visas, or border-crossing identification cards because you are (i) visiting for pleasure or (ii) visiting for business and do not stay in the United States or any of its possessions for more than 90 days during the tax year.

- f. You are a resident of Canada or Mexico who commutes frequently to the United States to work and your wages are subject to income tax withholding.

- g. You are a military trainee admitted for instruction under the Department of Defense and you will

leave the United States on official military travel orders.

However, exception 4 does not apply if the Area Director believes you had taxable income during the current tax year through your departure date, or the preceding tax year, and that your leaving the United States would hinder collecting the tax.

How To Get the Certificate

To get a certificate of compliance, you must go to an IRS office **at least** two weeks before you leave the United States and file either Form 2063 or Form 1040-C and any other required tax returns that have not been filed. The certificate may not be issued more than 30 days before you leave. If both you and your spouse are aliens and both of you are leaving the United States, both of you must go to the IRS office.

To find an IRS office, click on [Contact Your Local IRS Office](#) and click on Services Provided to see if Alien Clearance (Sailing Permits) service is available at that office. Please note that all Taxpayer Assistance Centers (TACs) operate by appointment. Services are limited and not all services are available at every TAC office. Call 1-844-545-5640 to schedule an appointment.

Remember that you must visit an IRS office at least two weeks (but no more than 30 days) before you leave the United States, so make sure you call for an appointment well before those time frames.

Please be prepared to furnish your anticipated date of departure and bring the following records with you if they apply.

1. A valid passport with your alien registration card or visa.
2. Copies of your U.S. income tax returns filed for the past 2 years. If you were in the United States for less than 2 years, bring copies of the income tax returns you filed for that period.
3. Receipts for income taxes paid on these returns.
4. Receipts, bank records, canceled checks, and other documents that prove your deductions, business expenses, and dependents claimed on the returns.
5. A statement from each employer you worked for this year

showing wages paid and tax withheld. If you are self-employed, you must bring a statement of income and expenses up to the date you plan to leave.

6. Proof of any payments of estimated tax for the past year and the current year.

7. Documents showing any gain or loss from the sale of personal and/or real property, including capital assets and merchandise.

8. Documents concerning scholarship or fellowship grants, such as: (a) verification of the grantor, source, and purpose of the grant; (b) copies of the application for, and approval of, the grant; (c) a statement of the amount paid, and your duties and obligations under the grant; and (d) a list of any previous grants.

9. Documents indicating qualification for special tax treaty benefits.

10. Document verifying your date of departure from the United States, such as an airline ticket.

11. Document verifying your U.S. taxpayer identification number (TIN), such as a social security card or an IRS-issued Notice CP 565 showing your individual taxpayer identification number (ITIN).

Note. If you are married and reside in a community property state, also bring the documents listed on this page for your spouse. This applies whether or not your spouse requires a certificate.

If you are filing Form 1040-C, file an original and one copy for the tax year in which you plan to leave. If you are departing between January 1, 2018, and April 17, 2018, you also must file Form 1040NR or Form 1040 for 2017 and pay any tax due.

Generally, a certificate of compliance on Form 1040-C will be issued without your paying tax or posting bond if you have not received a termination assessment. A **termination assessment** is a demand for immediate payment of income tax for the current and immediately preceding year.

This certificate applies to all of your departures during the current tax year, subject to revocation on any later departure if the Area Director believes your leaving would hinder collecting the tax.

If you owe income tax and the Area Director determines that your departure will jeopardize the collection of the tax, a certificate of compliance on Form 1040-C will be issued only when you pay the tax due or post bond, and the certificate will apply only to the departure for which it is issued.

For additional information go to [IRS.gov/Individuals/International-Taxpayers/Departing-Alien-Clearance-Sailing-Permit](https://www.irs.gov/Individuals/International-Taxpayers/Departing-Alien-Clearance-Sailing-Permit).

Specific Instructions

Joint return. Nonresident aliens cannot file a joint return. Resident aliens can file a joint return on Form 1040-C only if both of the following apply.

1. The alien and his or her spouse reasonably expect to be eligible to file a joint return at the close of the tax period for which the return is made.
2. If the tax period of the alien is terminated, the tax period of his or her spouse is terminated at the same time.

If Form 1040-C is filed as a joint return, enter both spouses' names, identification numbers, and passport or alien registration card numbers in the spaces provided on page 1 of the form. Also, include both spouses' income in Part II and furnish both spouses' information in Part I of the form. It may be necessary to complete a separate Part I for each spouse.

Identifying number. You must enter your identifying number where requested at the top of page 1 of Form 1040-C. Generally, this is your social security number (SSN). If you do not have an SSN, contact the Social Security Administration (SSA) to find out if you are eligible for one.



You may call the SSA at 1-800-772-1213 (for the deaf or hard-of-hearing, call the TTY number, 1-800-325-0778).



You can also visit the SSA's website at www.ssa.gov/ssnumber/, and then enter "Noncitizen" in the search box.

Individual taxpayer identification number (ITIN). If you do not have an SSN and are not eligible to get one, you must apply for

an ITIN. For details on how to apply for an ITIN, see Form W-7, Application for IRS Individual Taxpayer Identification Number, and its instructions. Get the form at [IRS.gov/Pub/IRS-pdf/FW7.pdf](https://www.irs.gov/pub/irs-pdf/fw7.pdf). If you already have an ITIN, enter it wherever your SSN is requested on your tax return.

If you are required to include another person's SSN on your return and that person does not have and cannot get an SSN, enter that person's ITIN.

Note. An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law. For more information go to [IRS.gov/Individuals/International-Taxpayers/Taxpayer-Identification-Numbers-TIN](https://www.irs.gov/Individuals/International-Taxpayers/Taxpayer-Identification-Numbers-TIN).

Part I—Explanation of Status—Resident or Nonresident Alien

Generally, you are considered a resident alien if you meet either the green card test or the substantial presence test for 2018. You are considered a nonresident alien for the year if you do not meet either of these tests. For more information on resident and nonresident alien status, see Pub. 519.

Green card test. You are a resident alien for tax purposes if you are a lawful permanent resident of the United States at any time during 2018. You are a lawful permanent resident of the United States if you have been given the privilege, under U.S. immigration laws, of residing permanently in the United States as an immigrant. You generally have this status if the U.S. Citizenship and Immigration Services (USCIS) (or its predecessor organization, the Immigration and Naturalization Service) has issued you an alien registration card, also known as a green card.

Substantial presence test. You are considered a resident alien for tax purposes if you meet the substantial presence test for 2018. You meet this test if you were physically present in the United States for at least:

- 31 days during 2018, and
- 183 days during the period 2018, 2017, and 2016, using the following chart.

(a) Year	(b) Days of physical presence	(c) Multiplier	(d) Testing days (multiply (b) times (c))
2018		1.000	
2017		.333	
2016		.167	
Total testing days (add column (d))			

Days of presence in the United States. Generally, you are treated as present in the United States on any day that you are physically present in the country at any time during the day. However, you do not count the following days of presence in the United States for the substantial presence test.

- Days you commuted to work in the United States from a residence in Canada or Mexico if you regularly commuted from Canada or Mexico.
- Days you were in the United States for less than 24 hours while you were traveling between two places outside the United States.
- Days you were temporarily present in the United States as a regular member of the crew of a foreign vessel engaged in transportation between the United States and a foreign country or a possession of the United States. This rule does not apply to any day you were otherwise engaged in a trade or business in the United States.
- Days you intended, but were unable, to leave the United States because of a medical condition or medical problem that arose while you were in the United States.
- Days you were an exempt individual. In general, an exempt individual is: (a) a foreign-government-related individual, (b) a teacher or trainee, (c) a student, or (d) a professional athlete who is temporarily present in the United States to compete in a charitable sports event.

Note. If you qualify to exclude days of presence in the United States because you are an exempt individual (other than a foreign-government-related individual) or because of a medical condition or problem, file Form 8843, Statement

for Exempt Individuals and Individuals With a Medical Condition, with your final income tax return.

Closer connection to a foreign country exception. Even though you otherwise would meet the substantial presence test, you are not treated as having met that test for 2018 if you: (a) were present in the United States for fewer than 183 days during 2018, (b) establish that during 2018 you had a tax home in a foreign country, and (c) establish that during 2018 you had a closer connection to one foreign country in which you had a tax home than to the United States unless you had a closer connection to two foreign countries.

Note. If you meet this exception, file Form 8840, Closer Connection Exception Statement for Aliens, with your final income tax return.

Residence determined by tax treaty. If you are a dual-resident taxpayer, you can still claim the benefits under an income tax treaty. A dual-resident taxpayer is one who is a resident of both the United States and another country under each country's tax laws. The income tax treaty between the two countries must contain a provision that provides for resolution of conflicting claims of residence (tie-breaker rule). If you are treated as a resident of a foreign country under a tax treaty, you are treated as a nonresident alien in figuring your U.S. income tax. For purposes other than figuring your tax, you will be treated as a U.S. resident.

Dual-status tax year. A dual-status tax year is one in which you have been both a resident alien and a nonresident alien. The most common dual-status tax years are the years of arrival and departure. In figuring your income tax liability for a dual-status tax year, different U.S. income tax rules apply to each status. You must follow these rules in completing Form 1040-C. See the Form 1040NR instructions for details.

Note. Certain resident aliens who leave the United States during the year may be subject to tax under section 877A. These resident aliens compute their tax using the method prescribed under section 877A when completing Form 1040-C. See

chapter 4 of Pub. 519 for more information.

Income effectively connected with a U.S. trade or business—nonresident aliens. If you are a nonresident alien, the tax on your income depends on whether the income is or is not effectively connected with a U.S. trade or business.

Income effectively connected with a U.S. trade or business (including wages earned by an employee) is taxed at the graduated rates that apply to U.S. citizens and resident aliens. Income you receive as a partner in a partnership or as a beneficiary of an estate or trust is considered effectively connected with a U.S. trade or business if the partnership, estate, or trust conducts a U.S. trade or business.

Income from U.S. sources that is not effectively connected with a U.S. trade or business is generally taxed at 30%. Your rate may be lower if the country of which you are a resident and the United States have a treaty setting lower rates.

For a list of the types of income not considered effectively connected with a U.S. trade or business, see the instructions for [Schedule A—Income](#) and [Schedule B—Certain Gains and Losses From Sales or Exchanges by Nonresident Aliens of Property Not Effectively Connected With a U.S. Trade or Business](#), later. If you are a nonresident alien in the United States to study or train, see Pub. 519.

Part II—Figuring Your Income Tax

Read the descriptions on line 1 of Form 1040-C for Groups I, II, and III to see which group(s) applies to you. If Group I or II applies, use lines 14 through 21 to figure your tax. If Group III applies, use lines 22 and 23 to figure your tax. If you are a nonresident alien to which both Groups II and III apply, use lines 14 through 23 to figure your tax.

Line 15. Adjustments. If you are a resident alien, you can take the adjustments allowed on Form 1040. The Form 1040 instructions have information on adjustments you can take. Be sure to consider the tax law changes noted earlier in [What's New](#).

If you are a nonresident alien and have income effectively connected

with a U.S. trade or business, you can take the adjustments allowed on Form 1040NR. See the Form 1040NR instructions. Be sure to consider the tax law changes noted in [What's New](#).

If you are a nonresident alien and all your income is not effectively connected with a U.S. trade or business, you cannot take any adjustments.

Line 18. Credits. If you are a Group I (resident alien) filer, you can claim the same credits as on Form 1040. If you are a Group II (nonresident alien with income effectively connected with a U.S. trade or business) filer, you can generally claim the same credits as on Form 1040NR.

Line 20. Other taxes. Enter on line 20 any other taxes such as those listed below. Also use the 2017 Instructions for Form 1040 or the 2017 Instructions for Form 1040NR for information on the additional taxes to include on this line.

• **Self-employment tax.** This tax applies to resident aliens and to nonresident aliens if an international social security agreement in effect determines that the nonresident alien is covered under the U.S. social security system. The self-employment tax rate for 2018 is 15.3%. This includes a 2.9% Medicare tax and a 12.4% social security tax. Use Schedule SE (Form 1040), Form 1040-PR, or Form 1040-SS to figure your self-employment tax. For 2018, the maximum amount of self-employment income subject to the social security tax is \$128,400. There is no limit on the amount of self-employment income subject to the Medicare tax.



You can find more information on international social security agreements (also known as totalization agreements) at [IRS.gov/Individuals/International-Taxpayers/Totalization-Agreements](https://www.irs.gov/Individuals/International-Taxpayers/Totalization-Agreements).

• **Social security and Medicare taxes on tip income not reported to employer.** If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you generally must pay these taxes. See the Form 1040 instructions or the Form 1040NR instructions.

• **Social security and Medicare taxes not withheld by employer.** If

you are an employee who received wages from an employer who did not withhold social security and Medicare tax from your wages, you may owe these taxes. See the Form 1040 instructions or the Form 1040NR instructions.

• **Additional Medicare Tax.** For information about the Additional Medicare Tax, see the Instructions for Form 8959.

• **Net Investment Income Tax.** For information about the Net Investment Income Tax, see the Instructions for Form 8960.

• **Additional tax on IRAs, other qualified retirement plans, etc.** If you received a distribution from or made an excess contribution to one of these plans, you may owe this tax. See the Form 1040 instructions or the Form 1040NR instructions.

• **Household employment taxes.** If you pay cash wages to any one household employee in 2018, you may owe this tax. See the Form 1040 instructions or the Form 1040NR instructions.

• **Tax on accumulation distribution of trusts.** Use Form 4970 to figure the tax.

• **Tax from recapture of investment credit.** Use Form 4255 to figure the tax.

• **Tax from recapture of low-income housing credit.** Use Form 8611 to figure the tax.

• **Tax from recapture of federal mortgage subsidy.** Use Form 8828 to figure the tax.

• **Repayment of first-time homebuyer credit.** You must repay the first-time homebuyer credit if you bought the home in 2008. For details about repaying the first-time homebuyer credit, see the Instructions for Form 5405.

• **Health Care: Individual Responsibility.** Beginning in 2014, individuals are required to have qualifying health care coverage (called minimum essential coverage) in each month, qualify for a health coverage exemption, or make a shared responsibility payment when they file their tax returns. If you are a Group I (resident alien) filer, you must make a shared responsibility payment for all months in 2018 that you or any of your dependents were present in the United States, did not have minimum essential coverage, and do not qualify for a health coverage

exemption. For more information about minimum essential coverage and health coverage exemptions, see the 2017 Instructions for Form 8965. If a shared responsibility payment is required, use the Shared Responsibility Payment Worksheet in the Instructions for Form 8965 to figure the amount to include on line 20 (other taxes) of Form 1040-C.

Line 23. Generally, you must enter 30% of the amount on line 22. However, if you are entitled to a lower rate or an exemption from tax because of a treaty between your country and the United States, attach a statement showing your computation of the tax. Also include the applicable treaty article(s).



You can find information on lower rates or an exemption from tax because of a treaty between your country and the United States at [IRS.gov/Individuals/International-Taxpayers/Tax-Treaty-Tables](https://www.irs.gov/Individuals/International-Taxpayers/Tax-Treaty-Tables).

Line 27. Other payments. Include on line 27 any of the following payments. See the Instructions for Form 1040 or Form 1040NR for details on other payments to include on this line.

- **Earned income credit (EIC).** This credit applies only to resident aliens. Enter any EIC that is due to you.
- **Additional child tax credit.** For information on the credit and changes for 2018, see Pub. 505. If you are a Group I (resident alien) filer and you exclude any foreign earned income from your gross income (see section 911 and Form 2555), you may not claim any additional child tax credit here on line 27. You are only allowed to claim the child tax credit to the extent allowable on line 18.
- **Net Premium Tax Credit.** For information about the Net Premium Tax Credit, see the Instructions for Form 8962.
- **U.S. income tax paid at previous departure during the tax period.** Enter any tax you paid if you previously departed the United States during this tax period.
- **Excess social security and RRTA tax withheld.** If you had two or more employers in 2018 who together paid you more than \$128,400 in wages, too much social security tax or tier 1 railroad retirement (RRTA) tax

may have been withheld. See Pub. 505.

- **Credit for federal tax paid on fuels.** Use Form 4136 to figure the credit.

Signature

Form 1040-C is not considered a valid return unless you sign it. You may have an agent in the United States prepare and sign your return if you are sick or otherwise unable to sign. However, you must have IRS approval to use an agent. To obtain approval, file a statement with the IRS office where you file Form 1040-C explaining why you cannot sign.

If an agent (including your spouse) signs for you, your authorization of the signature must be filed with the return.

Court-appointed conservator, guardian, or other fiduciary. If you are a court-appointed conservator, guardian, or other fiduciary for an individual who has to file Form 1040-C, sign your name for the individual. File Form 56.

Paid preparers must sign.

Generally, anyone you pay to prepare your return must sign it and include their Preparer Tax Identification Number (PTIN) in the space provided. The preparer also must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.

Schedule A—Income

Line 1, column (c). Enter amounts shown as federal income tax withheld on your Forms W-2, 1099, 1042-S, etc. Be sure to enter the amount withheld on the same line on which the related income is reported. Include the amount of any Additional Medicare Tax withheld by your employer. For more information, visit [IRS.gov/Businesses/Small-Businesses-Self-Employed/Questions-And-Answers-For-The-Additional-Medicare-Tax](https://www.irs.gov/Businesses/Small-Businesses-Self-Employed/Questions-And-Answers-For-The-Additional-Medicare-Tax).

Line 1, column (d). Resident aliens should include income that would be included on Form 1040, such as wages, salaries, interest, dividends, rents, alimony, etc.

Line 1, column (e). Enter nonresident alien income effectively connected with a U.S. trade or business. Nonresident aliens should

include income that would be included on page 1 of Form 1040NR or Form 1040NR-EZ. This includes:

- Salaries and wages (generally shown in box 1 of Form W-2),
- The taxable part of a scholarship or fellowship grant,
- Business income or loss (income that would be included on Schedule C (Form 1040) or Schedule C-EZ (Form 1040) as an attachment to Form 1040NR), and
- Any other income considered to be effectively connected with a U.S. trade or business. See the Instructions for Form 1040NR for details.

Line 1, column (f). Enter nonresident alien income from U.S. sources that is not effectively connected with a U.S. trade or business, including:

- Interest, dividends, rents, salaries, wages, premiums, annuities, compensation, remuneration, and other fixed or determinable annual or periodic gains, profits, and income.
- Prizes, awards, and certain gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings. In most cases, you cannot offset losses against winnings and report the difference.
- 85% of the U.S. social security benefits you receive. This amount is treated as U.S. source income not effectively connected with a U.S. trade or business and is subject to the 30% tax rate, unless exempt or taxed at a reduced rate under a U.S. tax treaty. Social security benefits include any monthly benefit under Title II of the Social Security Act or part of a tier 1 railroad retirement benefit treated as a social security benefit. They do not include any supplemental security income (SSI) payments.

Line 5. Include on line 5, column (d), (e), or (f), all income you received during the year that is exempt by Code (see examples below). Also include on line 5 income that is exempt by treaty, but only if the income is reportable in column (d) or (e). Attach a statement that shows the basis for the treaty exemption (including treaty and article(s)).

Note. Do not include on line 5 income reportable in column (f) that is exempt by treaty. Instead report these

amounts on line 1 of column (f) and explain on the statement required for Part II, line 23, the basis for the reduced rate or exemption.

Be sure to include on line 5, column (c), any amount withheld on exempt income you are reporting on line 5, column (d), (e), or (f). For example, include amounts that were withheld by a withholding agent that was required to withhold due to lack of documentation. However, do not include amounts reimbursed by the withholding agent.

Do not include on lines 1 through 4 any amount that is reportable on line 5.

Exempt income for nonresident aliens. The following income received by nonresident aliens is exempt from U.S. tax.

1. Interest on bank deposits or withdrawable accounts with savings and loan associations or credit unions that are chartered and supervised under federal or state law, or amounts held by an insurance company under an agreement to pay interest on them, if the income is not effectively connected with a U.S. trade or business. Certain portfolio interest on obligations issued after July 18, 1984, is also exempt income.

2. Your personal service income if:

- You were in the United States 90 days or less during the tax year,
- You received \$3,000 or less for your services, and
- You performed the services as an employee of or under contract with a nonresident alien individual, foreign partnership, or foreign corporation not engaged in a U.S. trade or business; or for a foreign office of a U.S. partnership, corporation, citizen, or resident.

3. Capital gains not effectively connected with a U.S. trade or business if you were in the United States fewer than 183 days during the tax year. **Exception:** Gain or loss on the disposition of a U.S. real property interest is not exempt.

4. U.S. bond income. Your income from series E, EE, H, or HH U.S. savings bonds that you bought while a resident of the Ryukyu Islands (including Okinawa) or the Trust Territory of the Pacific Islands (Caroline and Marshall Islands).

5. Annuities you received from qualified annuity plans or trusts if both of the following conditions apply.

a. The work that entitles you to the annuity was performed either (1) in the United States for a foreign employer and you met the conditions under 2 earlier, or (2) outside the United States, and

b. When the first amount was paid as an annuity, at least 90% of the employees covered by the plan (or by the plan or plans that included the trust) were U.S. citizens or residents.

6. U.S. source dividends paid by certain foreign corporations if they are not effectively connected with your U.S. trade or business. See *Second exception* under *Dividends* in chapter 2 of Pub. 519 for the definition of foreign corporation and how to figure the amount of excludable dividends.

Certain items of income may be exempt from federal tax under a tax treaty. For more details, see Pub. 901, *Tax Treaties*.

Schedule B—Certain Gains and Losses From Sales or Exchanges by Nonresident Aliens of Property Not Effectively Connected With a U.S. Trade or Business

If you are a nonresident alien, use Schedule B to figure your gain or loss from the sale or exchange of property not effectively connected with a U.S. trade or business. Include the following types of income. For more information on these types of income, see Pub. 519 and the Instructions for Form 1040NR.

1. Capital gains. Capital gains in excess of capital losses if you were in the United States at least 183 days during the year.

Note. The gain or loss on the disposition of a U.S. real property interest is considered effectively connected and should be shown in Schedule A, column (e).

2. Income other than capital gains.

- Gains on the disposal of timber, coal, or U.S. iron ore with a retained economic interest.
- Gains from the sale or exchange of patents, copyrights, secret processes

and formulas, goodwill, trademarks, trade brands, franchises, and other like property, or of any interest in any such property. The gains must result from payments for the production, use, or disposition of the property or interest.

Original issue discount (OID). If you sold or exchanged the obligation, include the OID that accrued while you held the obligation minus the amount previously included in income. If you received a payment on the obligation, see Pub. 519.

Schedule C—Itemized Deductions

If you are a resident alien, you can take the deductions allowed on Schedule A of Form 1040. See the Schedule A (Form 1040) instructions. Be sure to consider the tax law changes noted in [What's New](#), earlier.

If you are a nonresident alien and have income effectively connected with a U.S. trade or business, you can take the deductions allowed on Schedule A of Form 1040NR. See the Schedule A (Form 1040NR) instructions. If you do not have income effectively connected with a U.S. trade or business, you cannot take any deductions.

Personal casualty losses.

Beginning in 2018, you can claim an itemized deduction for any personal casualty loss only to the extent it is attributable to a federally declared disaster.



Residents of India who were students or business apprentices may be able to take the standard deduction. See Pub. 519 for details.

Line 2. Add the amounts in columns (b) and (d) of line 1. Enter the total here and on Schedule D, line 2 or line 8, whichever applies.

Schedule D—Tax Computation

Standard Deduction (Group 1 only)

If you do not itemize your deductions, you can take the 2018 standard deduction listed below for your filing status.

Filing Status	Standard Deduction
Married filing jointly or Qualifying widow(er)	\$24,000*
Head of household	\$18,000*
Single or Married filing separately	\$12,000*

*To these amounts, add the additional amount shown next.

Additional amount for the elderly or the blind. An additional standard deduction amount of \$1,300 is allowed for a married individual (whether filing jointly or separately) or a qualifying widow(er) who is age 65 or older or blind in 2018 (\$2,600 if the individual is both age 65 or older and blind, \$5,200 if both spouses are age 65 or older and blind). An additional standard deduction amount of \$1,600 is allowed for an unmarried individual (single or head of household) who is age 65 or older or blind (\$3,200 if the individual is both age 65 or older and blind).

Note. If you were born before January 2, 1954, you are considered to be age 65 or older in 2018.

Lines 4 and 10

Include in the total on line 4 or line 10, whichever applies, any tax from Form 4972, Tax on Lump-Sum Distributions, and Form 8814, Parents' Election To Report Child's Interest and Dividends.

Also include any recapture of an education credit. You may owe this tax if you claimed an education credit in an earlier year, and either tax-free educational assistance or a refund of qualified expenses was received in

2018 for the student. See Form 8863 for more details.

Lines 5 and 11

Include in the total on line 5 or line 11, whichever applies, any tax from Form 6251, Alternative Minimum Tax—Individuals.

- The AMT exemption amount is:
- \$70,300 if single or head of household;
 - \$109,400 if married filing jointly or a qualifying widow(er);
 - \$54,700 if married filing separately.

Lines 6 and 12

Include in the total on line 6 or line 12 the excess advance premium tax credit repayment from line 29 of Form 8962. See the Instructions for Form 8962.

Disclosure, Privacy Act, and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Sections 6001, 6011, 6012(a), 6851, and their regulations require that you give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Section 6109 requires you to provide your identifying number on the return.

Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice to enforce the

tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths and possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. If you do not provide the information requested, or provide false information, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated time and expenses, see the Form 1040 instructions or your income tax return.

Comments. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). You can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the tax form to this address. Instead, see [How To Get the Certificate](#), earlier.

2018 Tax Rate Schedules (Groups I and II)



Do not use these Tax Rate Schedules to figure your 2017 taxes. Use only to figure your 2018 taxes.

Schedule X—Single Taxpayers (Groups I and II)				Schedule Z—Head of Household (Group I only)			
If the amount on Schedule D, line 3 or 9, is:				If the amount on Schedule D, line 3, is:			
The tax is:				The tax is:			
Over—	But not over—		of the amount over—	Over—	But not over—		of the amount over—
\$0	\$9,525	-----	10.0%	\$0	\$13,600	-----	10.0%
9,525	38,700		\$952.50 + 12.0%	9,525	13,600		\$1,360.00 + 12.0%
38,700	82,500		4,453.50 + 22.0%	38,700	51,800		5,944.00 + 22.0%
82,500	157,500		14,089.50 + 24.0%	82,500	82,500		12,698.00 + 24.0%
157,500	200,000		32,089.50 + 32.0%	157,500	157,500		30,698.00 + 32.0%
200,000	500,000		45,689.50 + 35.0%	200,000	200,000		44,298.00 + 35.0%
500,000	-----		150,689.50 + 37.0%	500,000	-----		149,298.00 + 37.0%
			500,000				500,000
Schedule Y—Married Filing Joint Return (Group I only) and Qualifying Widow or Widower (Groups I and II)				Schedule Y—Married Filing Separate Return (Groups I and II)			
If the amount on Schedule D, line 3 or 9, is:				If the amount on Schedule D, line 3 or 9, is:			
The tax is:				The tax is:			
Over—	But not over—		of the amount over—	Over—	But not over—		of the amount over—
\$0	\$19,050	-----	10.0%	\$0	\$9,525	-----	10.0%
19,050	77,400		\$1,905.00 + 12.0%	9,525	38,700		\$952.50 + 12.0%
77,400	165,000		8,907.00 + 22.0%	38,700	82,500		4,453.50 + 22.0%
165,000	315,000		28,179.00 + 24.0%	82,500	157,500		14,089.50 + 24.0%
315,000	400,000		64,179.00 + 32.0%	157,500	200,000		32,089.50 + 32.0%
400,000	600,000		91,379.00 + 35.0%	200,000	300,000		45,689.50 + 35.0%
600,000	-----		161,379.00 + 37.0%	300,000	-----		80,689.50 + 37.0%
			600,000				300,000