



**Note:** *The draft you are looking for begins on the next page.*

## **Caution: DRAFT—NOT FOR FILING**

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms** and do **not** rely on draft forms, instructions, and publications for filing. We do **not** release draft forms until we believe we have incorporated all changes (except when explicitly stated on this coversheet). However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions generally are subject to OMB approval before they can be officially released, so we post only drafts of them until they are approved. Drafts of instructions and publications usually have some changes before their final release.

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

Almost every form and publication has a page on IRS.gov with a friendly shortcut. For example, the Form 1040 page is at [IRS.gov/Form1040](https://www.irs.gov/Form1040); the Pub. 501 page is at [IRS.gov/Pub501](https://www.irs.gov/Pub501); the Form W-4 page is at [IRS.gov/W4](https://www.irs.gov/W4); and the Schedule A (Form 1040/SR) 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 a Search box.

If you wish, you can submit comments to the IRS 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 and may not be able to consider many suggestions until the subsequent revision of the product.

If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

2020



Department of the Treasury  
Internal Revenue Service

# Instructions for Form 1040-NR

## U.S. Nonresident Alien Income Tax Return

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### Form 1040-NR Redesign



## Everyone files the new Form 1040-NR!

Use the base form and Schedule OI...

only the schedules that are right for you!



## Form 1040-NR Redesign Helpful Hints

For 2020, you will no longer use Form 1040-NR-EZ as you may have in the past. Instead, you will use the redesigned Form 1040-NR. The lines on Form 1040-NR have been rearranged so that, in most instances, they are for the same tax items as the lines on 2020 Form 1040 or 1040-SR. The table, [Where To Find Your Lines on Redesigned 2020 Form 1040-NR](#), following the *What's New*, later, shows where lines have moved.

You may also need the three Form 1040 numbered schedules: Schedule 1 (Form 1040), Additional Income and Adjustments to Income; Schedule 2 (Form 1040), Additional Taxes; and Schedule 3 (Form 1040), Additional Credits and Payments. Certain lines formerly found on Form 1040-NR are now on those schedules.

Schedules A, NEC, and OI, which in years prior to 2020 were pages 3, 4, and 5 of Form 1040-NR, are now separate schedules called Schedule A (Form 1040-NR), Schedule NEC (Form 1040-NR), and Schedule OI (Form 1040-NR), respectively. **You will still need to complete the applicable items on Schedule OI (Form 1040-NR) and include that schedule with your redesigned Form 1040-NR.**

**CAUTION:** There are now a Schedule A (Form 1040-NR) and a Schedule A (Form 1040). Do **not** use Schedule A (Form 1040-NR) with Form 1040 or Form 1040-SR. Use Schedule A (Form 1040-NR) only with Form 1040-NR. If using a Schedule A with Form 1040 or 1040-SR, use Schedule A (Form 1040).

Though you will need to file Form 1040-NR and Schedule OI (Form 1040-NR), you may not need to file the numbered schedules (Schedules 1 through 3 (Form 1040)), or Schedule A (Form 1040-NR) and Schedule NEC (Form 1040-NR). However, if your return is more complicated (for example, you claim certain deductions or credits or owe additional taxes, or you have U.S. source income not effectively connected with a U.S. trade or business), you will need to complete one or more of those schedules. Below is a general guide to which schedule(s) you will need to file based on your circumstances. See the instructions for the schedules later for more information. If you *e-file* your return, you generally will not notice much of a change and the software you use will generally determine which schedules you need.

**You will need the Instructions for Forms 1040 and 1040-SR.** Throughout these instructions, you are directed to go to the Instructions for Forms 1040 and 1040-SR for details on how to complete a line. **But**, in most instances, you will need to look at whether you must take exceptions into consideration when applying those instructions. The table [Where To Find Your Lines on Redesigned 2020 Form 1040-NR](#) has a single asterisk by the lines for which the Instructions for Forms 1040 and 1040-SR are to be applied without any exceptions. For the rest of the lines, there are exceptions. The specific exceptions for a line are listed under the instructions for the line. Some of the exceptions noted repeatedly in the line instructions are below.

- A nonresident alien filing Form 1040-NR cannot have a Married filing jointly or a Head of household filing status.
- Certain tax benefits (such as the child tax credit, the credit for other dependents, and the additional child tax credit; and the premium tax credit for dependents) are only available in full to residents of Canada and Mexico and, to a limited extent, to residents of India and South Korea. These tax benefits cannot be claimed by other nonresident aliens.
- There are certain forms used by Form 1040 and Form 1040-SR filers that are **NOT** used by Form 1040-NR filers: for example, Form 2555, Form 965, and Schedule K-1 (Form 1120-S).
- The instructions for estates and trusts on the main form may, in certain instances, align more with the Instructions for Form 1041, U.S. Income Tax Return for Estates and Trusts, than with the Instructions for Forms 1040 and 1040-SR, which are for individuals. If you are filing for a nonresident alien estate or trust, you will still need to follow the [Instructions for Schedule NEC](#), later, if the estate or trust has U.S. source income that is not effectively connected with a U.S. trade or business. And there may be tax benefits and income inclusions on Form 1041 not applicable to a nonresident alien trust or estate.

IF YOU . . .	THEN USE . . .
Can claim deductions and losses properly allocated and apportioned to income effectively connected with a U.S. trade or business. Do not include deductions and/or losses that relate to exempt income or to income that is not effectively connected with a U.S. trade or business.	<b>Schedule A (Form 1040-NR)</b> <b>Note.</b> Do <b>not</b> use Schedule A (Form 1040-NR) with Form 1040 or Form 1040-SR. Use Schedule A (Form 1040-NR) only with Form 1040-NR. With Form 1040 or 1040-SR, use Schedule A (Form 1040).
Have income not effectively connected with a U.S. trade or business.	<b>Schedule NEC (Form 1040-NR)</b>
Have additional income, such as business or farm income or loss, unemployment compensation, prize or award money, or gambling winnings.	<b>Schedule 1 (Form 1040), Part I</b>
Have any deductions to claim, such as student loan interest deduction, self-employment tax, or educator expenses.	<b>Schedule 1 (Form 1040), Part II</b>
Owe AMT or need to make an excess advance premium tax credit repayment.	<b>Schedule 2 (Form 1040), Part I</b>
Owe other taxes, such as self-employment tax, household employment taxes, and additional tax on IRAs or other qualified retirement plans and tax-favored accounts.	<b>Schedule 2 (Form 1040), Part II</b>
Can claim a nonrefundable credit other than the child tax credit or the credit for other dependents, such as the foreign tax credit or general business credit.	<b>Schedule 3 (Form 1040), Part I</b>
Can claim a refundable credit other than the additional child tax credit, such as the net premium tax credit, health coverage tax credit, or qualified sick and family leave credits from Schedule H or Schedule SE.	<b>Schedule 3 (Form 1040), Part II</b>
Have other payments, such as an amount paid with a request for an extension to file, excess social security tax withheld, or have a deferral of payments of tax (for certain Schedule H and Schedule SE filers).	

## The Taxpayer Advocate Service (TAS) 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. Their job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](#).

### How can you learn about your taxpayer rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](#) to help you understand what these rights mean to you and how they apply. These are *your* rights. Know them. Use them.

### What can the TAS do for you?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their 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; or
- You have tried repeatedly to contact the IRS but no one has responded, or the IRS has not responded by the date promised.

### How can you reach TAS?

TAS has offices *in every state, the District of Columbia, and Puerto Rico*. Your local advocate's number is in your local directory at [TaxpayerAdvocate.IRS.gov/Contact-Us](#). You can also call them at 877-777-4778.

### How else does the TAS 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 them at [IRS.gov/SAMS](#).

### TAS for Tax Professionals

TAS can provide a variety of information for tax professionals, including tax law updates and guidance, TAS programs, and ways to let TAS know about systemic problems you've seen in your practice.

## Low Income Taxpayer Clinics (LITCs)

Low Income Taxpayer Clinics (LITCs) are independent from the IRS. LITCs represent individuals whose income is below a certain level and need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee for eligible taxpayers. To find a clinic near you, visit [TaxpayerAdvocate.IRS.gov/about/LITC](#) or see IRS Pub. 4134, [Low Income Taxpayer Clinic List](#).

## Suggestions for Improving the IRS

### Taxpayer Advocacy Panel

Have a suggestion for improving the IRS and do not know who to contact? The Taxpayer Advocacy Panel (TAP) is a diverse group of citizen volunteers who listen to taxpayers, identify taxpayers' issues, and make suggestions for improving IRS service and customer satisfaction. The panel is demographically and geographically diverse, with at least one member from each state, the District of Columbia, and Puerto Rico. Contact TAP at [ImproveIRS.org](#) or 888-912-1227 (toll free).

You can electronically file (*e-file*) your Form 1040-NR.



**makes doing your taxes  
faster and easier.**

Have you tried IRS *e-file*? It's the fastest way to get your refund and reduce errors. See *Options for e-filing your returns* below or visit [IRS.gov](https://www.irs.gov) for details.

## Options for e-filing your returns—safely, quickly, and easily

### Why do 89% of Americans file their taxes electronically?

- *Security*—The IRS uses the latest encryption technology to safeguard your information.
- *Flexible Payments*—File early; pay by the due date of your return (not counting extensions)—April 15, 2021, for most people.
- *Greater Accuracy*—Fewer errors mean faster processing.
- *Quick Receipt*—Get an acknowledgment that your return was received and accepted.
- *Go Green*—Reduce the amount of paper used.
- *Faster Refunds*—Join the eight in 10 taxpayers who get their refunds faster by using direct deposit and *e-file*.



**IRS *e-file*: It's Safe.  
It's Easy. It's Time.**



Joining the more than 135 million Americans who are already using *e-file* is easy. Just ask your tax preparer or use commercial software. IRS *e-file* is the safest, most secure way to transmit your tax return to the IRS. Since 1990, the IRS has processed more than 1 billion *e-filed* tax returns safely and securely. There's no paper return to be lost or stolen.

Most tax return preparers are now required to use IRS *e-file*. If you are asked if you want to *e-file*, just give it a try. IRS *e-file* is now the norm, not the exception.

IRS.gov is the gateway to all electronic services offered by the IRS, as well as the spot to download forms at [IRS.gov/Forms](https://www.irs.gov/Forms).

## Make your tax payments electronically—it's easy.

You can make electronic payments online, by phone, or from a mobile device. Paying electronically is safe and secure. The IRS uses the latest encryption technology and does not store the bank account number you use to submit your payment. When you use any of the IRS electronic payment options, it puts you in control of paying your tax bill and gives you peace of mind. You determine the payment date, and you will receive an immediate confirmation from the IRS. It's easy, secure, and much quicker than mailing in a check or money order. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) to see all your electronic payment options.



## Affordable Care Act—What You Need To Know

See *Affordable Care Act—What You Need To Know* in the Instructions for Forms 1040 and 1040-SR for details.

## What's New

**Future developments.** For the latest information about developments related to Form 1040-NR and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1040NR](https://www.irs.gov/Form1040NR).

**Married filing status change.** At the top of page 1 of Form 1040-NR, the filing status "Married" has been changed to "Married filing separately." Select Married filing separately if you are married even if you are not separated from your spouse. But see [Married Filing Separately](#), later, for an exception.

**Form 1040-NR redesign.** Refer to [Form 1040-NR Redesign Helpful Hints](#), earlier, for a comprehensive discussion of the redesign, including the references to the Instructions for Forms 1040 and 1040-SR that you will see throughout these instructions. [Where To Find Your Lines on Redesigned 2020 Form 1040-NR](#), later, showing where the former Form 1040-NR lines are in the redesigned Form 1040-NR, follows this section.

**Required e-filing.** Tax return preparers must generally *e-file* Forms 1040-NR for taxable returns filed for

tax years ending on or after December 31, 2020, unless filing for a dual status taxpayer, a fiscal-year taxpayer, a trust, or an estate. For these and other exceptions, see Notice 2020-70.

**Qualified disability trusts.** The exemption amount for a qualified disability trust increased to \$4,300 for 2020.

**Charitable contributions.** Students or business apprentices eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty who have elected to use the standard deduction may qualify to take a deduction for charitable cash contributions of up to \$300 (\$150 if married filing separately). See [Line 10b](#), later.

**Deductible IRA contributions.** You no longer need to be younger than age 70½ to take a deduction for your contributions to an IRA.

**Coronavirus-related distributions.** You may be eligible for special tax benefits if you withdrew amounts from your retirement plan and you were impacted by the coronavirus. See Form 8915-E for details.

**Coronavirus tax relief for certain individuals.** The Coronavirus Aid, Relief, and Economic Security (CARES) Act permits certain individuals who file Schedule SE or Schedule H to defer the payment of 50% of the social security tax

imposed for the period beginning on March 27, 2020, and ending December 31, 2020. For more information, see the instructions for Schedule SE or Schedule H. For information on reporting the deferral, see [Exception 2](#) in the instructions for Schedule 3, line 12, later.

**Credits for sick and family leave for certain self-employed individuals.** The Families First Coronavirus Relief Act (FFCRA) helps self-employed individuals affected by coronavirus by providing paid sick leave and paid family leave credits equivalent to those that employers provide their employees for qualified sick leave wages and qualified family leave wages paid for leave taken during the period beginning April 1, 2020, and ending March 31, 2021. For more information, see the Instructions for Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, and, in the Instructions for Forms 1040 and 1040-SR, the instructions for Schedule 3, line 12b.

**Schedule LEP (Form 1040), Request for Change in Language Preference.** Schedule LEP is a new form that allows taxpayers to state a preference to receive written communications from the IRS in a language other than English. For more information, including what languages are available and how to file, see Schedule LEP.

## Where To Find Your Lines on Redesigned 2020 Form 1040-NR

**Before you begin:**

- Line numbers in the 2nd column not followed by an asterisk indicate those lines for which the Instructions for Forms 1040 and 1040-SR must be read in conjunction with the exceptions listed for the line in these instructions and those lines whose instructions are found completely in these instructions. See, for example, line 1a and line 1b in the 2nd column of this table and also [Line 1a](#) and [Line 1b](#), later.
- Line numbers in the 2nd column followed by an asterisk indicate those lines whose instructions are found completely in the Instructions for Forms 1040 and 1040-SR. See, for example, line 4a in the 2nd column of this table and also [Line 4a](#), later.
- Line numbers in the 2nd column followed by two asterisks indicate those lines whose instructions are not found in the Instructions for Forms 1040 and 1040-SR or the Instructions for Form 1040-NR. The directions on the form for these lines are sufficient. See, for example, line 11 in the 2nd column of this table.

2019 Form 1040-NR line #	Redesigned 2020 Form 1040-NR line #	Line Description
8	<a href="#">1a</a>	Wages, salaries, tips, etc. Attach Form(s) W-2
9a	<a href="#">2b</a>	Interest, Taxable
9b	<a href="#">2a</a>	Interest, Tax-exempt
10a	<a href="#">3b</a>	Dividends, Ordinary
10b	<a href="#">3a</a>	Dividends, Qualified
11	<a href="#">Schedule 1, line 1</a>	Refunds, credits, or offsets of state and local income taxes, Taxable
--	<a href="#">Schedule 1, line 2</a>	Leave blank. Alimony received is reported on Schedule NEC for Form 1040-NR filers.
12	<a href="#">1b</a>	Scholarship and fellowship grants from Form(s) 1042-S or required statement
13	<a href="#">Schedule 1, line 3</a>	Business income or (loss) from Schedule C (Form 1040)
14	<a href="#">7</a>	Capital gain or (loss)
15	<a href="#">Schedule 1, line 4</a>	Gains or (losses), Other, from Form 4797
16a	<a href="#">4a*</a>	IRA distributions, Total
16b	<a href="#">4b*</a>	IRA distributions, Taxable amount
17a	<a href="#">5a</a>	Pensions and annuities, Total
17b	<a href="#">5b</a>	Pensions and annuities, Taxable amount
--	<a href="#">6</a>	Reserved for future use
18	<a href="#">Schedule 1, line 5</a>	Rental real estate, royalties, partnerships, trusts, etc., from Schedule E (Form 1040)
19	<a href="#">Schedule 1, line 6</a>	Farm income or (loss) from Schedule F (Form 1040)
20	<a href="#">Schedule 1, line 7*</a>	Unemployment compensation
21	<a href="#">Schedule 1, line 8</a>	Income, Other. List type and amount
22	<a href="#">1c</a>	Total income exempt by a treaty from page 5, Schedule OI, Item L (1)(e)
23	<a href="#">9**</a>	Total effectively connected income
24	<a href="#">Schedule 1, line 10*</a>	Educator expenses
25	<a href="#">Schedule 1, line 12*</a>	Health savings account deduction
26	<a href="#">Schedule 1, line 13*</a>	Moving expenses for members of the Armed Forces from Form 3903
27	<a href="#">Schedule 1, line 14*</a>	Deductible part of self-employment tax from Schedule SE (Form 1040)
28	<a href="#">Schedule 1, line 15*</a>	Self-employed SEP, SIMPLE, and qualified plans
29	<a href="#">Schedule 1, line 16</a>	Self-employed health insurance deduction
30	<a href="#">Schedule 1, line 17*</a>	Penalty on early withdrawal of savings
--	<a href="#">Schedule 1, line 18</a>	Leave blank. Form 1040-NR filers can not claim a deduction for alimony paid.
--	<a href="#">10b</a>	\$300 (\$150 if Married filing separately) above-the-line charitable deduction
31	<a href="#">10c</a>	Scholarship and fellowship grants exclusion
32	<a href="#">Schedule 1, line 19</a>	IRA deduction
33	<a href="#">Schedule 1, line 20</a>	Student loan interest deduction
--	<a href="#">Schedule 1, line 21</a>	Leave blank. Form 1040-NR filers can not claim a deduction for tuition and fees.
34	<a href="#">Schedule 1, line 22</a>	Adjustments to income write-ins, except for performing artists expenses
	<a href="#">Schedule 1, line 11</a>	Performing artists expenses
35	<a href="#">11**</a>	Adjusted gross income
36	--	Reserved for future use
37	<a href="#">12</a>	Itemized deductions from Schedule A
38	<a href="#">13a*</a>	Qualified business income deduction from Form 8995 or Form 8995-A
39	<a href="#">13b</a>	Exemptions for estates and trusts only
41	<a href="#">15**</a>	Taxable income
42	<a href="#">16</a>	Tax
43	<a href="#">Schedule 2, line 1</a>	Alternative minimum tax from Form 6251
44	<a href="#">Schedule 2, line 2</a>	Excess advance premium tax credit repayment from Form 8962
46	<a href="#">Schedule 3, line 1</a>	Foreign tax credit. Attach Form 1116 if required
47	<a href="#">Schedule 3, line 2*</a>	Credit for child and dependent care expenses from Form 2441
--	<a href="#">Schedule 3, line 3</a>	Leave blank. Form 1040-NR filers cannot claim a credit for education credits.
48	<a href="#">Schedule 3, line 4</a>	Retirement savings contributions credit from Form 8880
49	<a href="#">19</a>	Child tax credit and credit for other dependents

## Where To Find Your Lines on Redesigned 2020 Form 1040-NR (Continued)

2019 Form 1040-NR line #	Redesigned 2020 Form 1040-NR line #	Line Description
50	Schedule 3, line 5*	Residential energy credits from Form 5695
51	<a href="#">Schedule 3, lines 6a to 6c</a>	Credits from Form 3800, Form 8801, or other form
52	21**	Nonrefundable credits total
54	23a**	Tax on income not effectively connected with a U.S. trade or business from Schedule NEC, line 15
55	Schedule 2, line 4**	Self-employment tax from Schedule SE (Form 1040)
56	<a href="#">Schedule 2, line 5</a>	Social security and Medicare tax—Unreported—from Form 4137 or 8919
57	Schedule 2, line 6*	IRAs, other qualified retirement plans, etc.—Additional tax
58	<a href="#">23c</a>	Transportation tax
59a	Schedule 2, line 7a*	Household employment taxes from Schedule H (Form 1040)
59b	Schedule 2, line 7b*	First-time homebuyer credit repayment from Form 5405
60	<a href="#">Schedule 2, lines 8a &amp; 8c</a>	Taxes from Form 8959 or other source
61	24**	Tax after credits
62a	25a and 25b*	Federal income tax withheld from Form(s) W-2 and 1099
	<a href="#">25c</a>	Federal income tax withheld from forms other than Forms W-2, 1099, 8805, 8288-A, and 1042-S
62b	<a href="#">25e</a>	Federal income tax withheld from Form(s) 8805
62c	<a href="#">25f</a>	Federal income tax withheld from Form(s) 8288-A
62d	<a href="#">25g</a>	Federal income tax withheld from Form(s) 1042-S
63	<a href="#">26</a>	Current-year estimated tax payments from current year and amount applied from prior-year return
--	<a href="#">27</a>	Reserved for future use
64	<a href="#">28</a>	Additional child tax credit from Schedule 8812
65	<a href="#">Schedule 3, line 8</a>	Net premium tax credit from Form 8962
66	<a href="#">Schedule 3, line 9</a>	Amount paid with request for extension to file
67	<a href="#">Schedule 3, line 10</a>	Excess social security and tier 1 RRTA tax withheld
68	Schedule 3, line 11*	Credit for federal tax on fuels. Attach Form 4136
69	<a href="#">Schedule 3, lines 12a, 12c, and 12d</a>	Credits from Form 2439, 8885, or other form
70	<a href="#">29</a>	Credit for amount paid with Form 1040-C
--	<a href="#">30</a>	Reserved for future use
71	33**	Total payments
72	<a href="#">34</a>	Overpayment
73a	<a href="#">35a</a>	Amount of line 72 you want refunded to you
73b through 73d	<a href="#">35b through 35d</a>	Banking information for direct deposit
73e	<a href="#">35e</a>	Refund check mailed to a different address outside the United States
74	36*	Amount of line 72 you want applied to your 2020 estimated tax
75	<a href="#">37</a>	Amount owed
76	<a href="#">38</a>	Estimated tax penalty

## Filing Requirements

### Do You Have To File?

File Form 1040-NR if any of the conditions in [Table A. Who Must File Form 1040-NR](#), later, apply to you.



**You must still meet (1), (2), or (3) below to be exempt from filing a 2020 Form 1040-NR.**

**Exceptions.** You do not need to file Form 1040-NR if you meet (1), (2), or (3) below.

1. You were a nonresident alien student, teacher, or trainee who was temporarily present in the United States under an “F,” “J,” “M,” or “Q” visa, and you have no income that is subject to tax under section 871 (that is, the income items listed on page 1 of Form 1040-NR, lines 1a, 1b, 2b, 3b, 4b, 5b, 7, and 8, and Schedule NEC (Form 1040-NR), lines 1 through 12).

2. You were a student or business apprentice who was eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty, you

are single or a qualifying widow(er), and your gross income for 2020 was less than or equal to \$12,400 if single (\$24,800 if a qualifying widow(er)). See chapter 5 of Pub. 519 for more details on these treaty benefits.

3. You were a partner in a U.S. partnership that was not engaged in a trade or business in the United States during 2020 and your Schedule K-1 (Form 1065) includes only income from U.S. sources reportable on Schedule NEC (Form 1040-NR), lines 1 through 12.





If the partnership withholds taxes on this income in 2021 and the tax withheld and reported in box 10 of Form 1042-S is less or more than the tax due on the income, you will need to file Form 1040-NR for 2021 to pay the underwithheld tax or claim a refund of the overwithheld tax.



Even if you do not otherwise have to file a return, you should file one if you can get

money back. For example, you should file if one of the following applies.


1. You are eligible to get a refund of any federal income tax withheld.
2. You are engaged in a U.S. trade or business and are eligible for any of the following credits.
  - a. Additional child tax credit.
  - b. Credit for federal tax on fuels.
  - c. Premium tax credit.

d. Health coverage tax credit.

You should also consider filing a return if you received a Form 1099-B (or substitute statement). See Pub. 501 for more details.

DRAFT AS OF  
February 8, 2021

**Table A. Who Must File Form 1040-NR**

<p>You must file Form 1040-NR if any of the following conditions apply to you.</p>	
<p>1. You were a nonresident alien engaged in a trade or business in the United States during 2020. You must file even if:</p> <ul style="list-style-type: none"> <li>a. You have no income from a trade or business conducted in the United States,</li> <li>b. You have no U.S. source income, or</li> <li>c. Your income is exempt from U.S. tax under a tax treaty or any section of the Internal Revenue Code.</li> </ul> <p>However, if you have no gross income* for 2020, do not complete the schedules for Form 1040-NR other than Schedule OI (Form 1040-NR). Instead, attach a list of the kinds of exclusions you claim and the amount of each.</p>	
<p>2. You were a nonresident alien not engaged in a trade or business in the United States during 2020 and:</p> <ul style="list-style-type: none"> <li>a. You received income from U.S. sources that is reportable on Schedule NEC, lines 1 through 12; and</li> <li>b. Not all of the U.S. tax that you owe was withheld from that income.</li> </ul>	
<p>3. You owe any special taxes, including any of the following.</p> <ul style="list-style-type: none"> <li>a. Alternative minimum tax.</li> <li>b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. (If you are filing a return only because you owe this tax, you can file <b>Form 5329</b> by itself.)</li> <li>c. Household employment taxes. (If you are filing a return only because you owe these taxes, you can file <b>Schedule H (Form 1040)</b> by itself.)</li> <li>d. Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.</li> <li>e. Recapture of first-time homebuyer credit. See the instructions for <a href="#">Schedule 2, line 7b</a>, later.</li> <li>f. Write-in taxes or recapture taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts (HSAs). See the instructions for <a href="#">Schedule 2, line 8</a>, later.</li> </ul>	
<p>4. You received HSA, Archer Medical Savings Account (MSA), or Medicare Advantage MSA distributions.</p>	
<p>5. You had net earnings from self-employment of at least \$400 and you are a resident of a country with whom the United States has an international social security agreement. See the instructions for <a href="#">Schedule 2, line 4</a>, later.</p>	
<p>6. Advance payments of the premium tax credit were made for you or a dependent who enrolled in coverage through the Marketplace. You or whoever enrolled you should have received Form(s) 1095-A showing the amount of the advance payments.</p>	
<p>7. Advance payments of the health coverage tax credit were made for you, your spouse, or a dependent. You or whoever enrolled you should have received Form(s) 1099-H showing the amount of the advance payments.</p>	
<p>8. You are the personal representative for a deceased person who would have had to file Form 1040-NR. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased person's property.</p>	
<p><b>9. You represent an estate or trust that has to file Form 1040-NR. Change the form to reflect the provisions of subchapter J, chapter 1, of the Internal Revenue Code. You may find it helpful to refer to Form 1041 and its instructions when completing the Form 1040-NR. Refer to the Instructions for Forms 1040 and 1040-SR only as necessary.</b></p>	
<p> <b>CAUTION</b> If you are filing Form 1040-NR for a foreign trust, you may have to file Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner, on or before the 15th day of the 3rd month after the end of the trust's tax year. For more information, see the Instructions for Form 3520-A.</p>	
<p>10. You held a qualified investment in a qualified opportunity fund (QOF) at any time during the year. You must file your return with Form 8997 attached. See the instructions for Form 8997 for additional reporting requirements.</p>	
<p>11. You are a dual-resident taxpayer and you would like to be treated as a nonresident of the United States for purposes of figuring your income tax liability. You may need to file your return with a Form 8833 attached. See the Instructions for Form 8833 for additional information.</p>	
<p>* Gross income means all income you received in the form of money, goods, property, and services that is not exempt from tax. In most cases, it includes only income from U.S. sources. Gross income includes gains, but not losses, from asset transactions. Gross income from a business means, for example, the amount on Schedule C (Form 1040), line 7; or Schedule F (Form 1040), line 9. But, in figuring gross income, do not reduce your income by any losses, including any loss on Schedule C (Form 1040), line 7; or Schedule F (Form 1040), line 9.</p>	

**Requirement to reconcile advance payments of the premium tax credit.** See *Requirement to reconcile advance payments of the premium tax credit* under *Filing Requirements* in the Instructions for Forms 1040 and 1040-SR for details.

**Exception 1.** If you are filing Form 1040-NR, you can claim the premium tax credit for dependents only if you are a U.S. national; resident of

Canada, Mexico, or South Korea; or a student or business apprentice eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty. See Pub. 974.

**Exception 2.** You cannot use advance payments made for your spouse, as a Form 1040-NR filer cannot file a joint return.

**Exception 3.** If your filing status at the top of page 1 on Form 1040-NR is

Married filing separately, you cannot take the premium tax credit unless you meet the criteria of one of the exceptions under *Married taxpayers* in the Instructions for Form 8962.

**Filing a deceased person's return.** The personal representative must file the return for a deceased person who was required to file a return for 2020. A personal representative can be an executor, administrator, or anyone

who is in charge of the deceased person's property.

**Filing for an estate or trust.** If you are filing Form 1040-NR for a nonresident alien estate or trust, change the form to reflect the provisions of subchapter J, chapter 1, of the Internal Revenue Code. You may find it helpful to refer to Form 1041 and its instructions for some purposes when completing the Form 1040-NR rather than looking to these instructions for details.



*If you are filing Form 1040-NR for a foreign trust, you may have to file Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner, on or before the 15th day of the 3rd month after the end of the trust's tax year. For more information, see the Instructions for Form 3520-A.*

### Simplified Procedure for Claiming Certain Refunds

You can use this procedure only if you meet all of the following conditions for the tax year.

- You were a nonresident alien.
- You were not engaged in a trade or business in the United States at any time.
- You had no income that was effectively connected with the conduct of a U.S. trade or business.
- Your U.S. income tax liability was fully satisfied through withholding of tax at source.
- You are filing Form 1040-NR solely to claim a refund of U.S. tax withheld at source under chapter 3 or tax withheld under chapter 4 (FATCA).

**Example.** John is a nonresident alien individual. The only U.S. source income he received during the year was dividend income from U.S. stocks. The dividend income was reported to him on Form(s) 1042-S. On one of the dividend payments, the withholding agent incorrectly withheld at a rate of 30% (instead of 15%). John is eligible to use the simplified procedure.

If you meet all of the conditions listed earlier for the Simplified Method for the tax year, complete Form 1040-NR as follows.

**Page 1.** Enter your name, identifying number (defined in [Identifying Number](#), later), and all address information requested at the top of

page 1. If your income is not exempt from tax by treaty, leave the rest of page 1 blank. If your income is exempt from tax by treaty, enter the exempt income on line 1c and leave the rest of page 1 blank.

**Page 2—Lines 23a and 24.** Enter on line 23a the tax on income not effectively connected with a U.S. trade or business from Schedule NEC, line 15. Enter your total income tax liability on line 24.

**Line 25b.** Enter the total amount of U.S. tax withheld from Form(s) 1099.

**Line 25g.** Enter the total amount of U.S. tax withheld on income not effectively connected with a U.S. trade or business from Form(s) 1042-S.

**Line 33.** Add lines 25d, 25e, 25f, 25g, 26, and 32. This is the total tax you have paid.

**Lines 34 and 35a.** Enter the difference between line 24 and line 33. This is your total refund.

You can have the refund deposited into more than one account. See [Lines 35a through 35e—Amount refunded to you](#), later, for more details.

**Line 35e.** You may be able to have your refund check mailed to an address that is not shown on page 1. See [Line 35e](#), later, for more details.

**Signature.** You must sign and date your tax return. See [Sign Your Return](#), later.

**Schedule NEC (Form 1040-NR), lines 1a through 12.** Enter the amounts of gross income you received from dividends, dividend equivalents, interest, royalties, pensions, annuities, and other income. If any income you received was subject to backup withholding or withholding at source, you must include all gross income of that type that you received. The amount of each type of income should be shown in the column under the appropriate U.S. tax rate, if any, that applies to that type of income in your particular circumstances.

If you are entitled to a reduced rate of, or exemption from, withholding on the income pursuant to a tax treaty, the appropriate rate of U.S. tax is the same as the treaty rate. Use column (d) if the appropriate tax rate is other than 30%, 15%, or 10%, including 0%.

**Example.** Mary is a nonresident alien individual. The only U.S. source income she received during the year was as follows.

- 4 dividend payments.
- 12 interest payments.

All payments were reported to Mary on Form(s) 1042-S. On one of the dividend payments, the withholding agent incorrectly withheld at a rate of 30% (instead of 15%). There were no other withholding discrepancies. Mary must report all four dividend payments. She is not required to report any of the interest payments.

**Note.** Payments of gross proceeds from the sale of securities or regulated futures contracts are generally exempt from U.S. tax. If you received such payments and they were subjected to backup withholding, specify the type of payment on line 12 and show the amount in column (d).

**Lines 13 through 15.** Complete these lines as instructed on the form.

**Schedule OI (Form 1040-NR).** You must answer all questions. For item L, identify the country, tax treaty article(s) under which you are applying for a refund of tax, the number of months in prior years that you claimed the treaty benefit, and the amount of exempt income in the current year. Also attach Form 8833 if required.

**Note.** If you are claiming a reduced rate of, or exemption from, tax based on a tax treaty, you must generally be a resident for income tax purposes of the particular treaty country within the meaning of the treaty and you cannot have a permanent establishment or fixed base in the United States. You can download the complete text of most U.S. tax treaties at IRS.gov. Go to IRS.gov, enter "tax treaties" in the search box at the top of the page, and click on *United States Income Tax Treaties - A to Z*. Technical explanations for many of those treaties are also available at that site.

If you are claiming an exemption from tax under chapter 4, you must qualify for a reduced rate of, or exemption from, tax for chapter 3 purposes unless the payment is not an amount subject to chapter 3 withholding. See Regulations section 1.1441-2(a).

**Documentation.** You must attach acceptable proof of the withholding for which you are claiming a refund. If you are claiming a refund of backup withholding tax based on your status as a nonresident alien, you must attach a copy of the Form 1099 that shows the income and the amount of backup withholding. If you are claiming a refund of U.S. tax withheld at source under chapter 3 or tax withheld under chapter 4, you must attach a copy of the Form 1042-S that shows the income and the amount of U.S. tax withheld. Attach the forms to the left margin of page 1.

### Additional Information

**Portfolio interest.** If you are claiming a refund of U.S. tax withheld from portfolio interest, include a description of the relevant debt obligation, including the name of the issuer, CUSIP number (if any), interest rate, and the date the debt was issued.



*Interest payments on foreign bearer obligations issued on or after March 19, 2012, are not eligible for the portfolio interest exception to withholding. For more information, see Interest in Pub. 519 and Pub. 515.*

**Withholding on distributions.** If you are claiming an exemption from withholding on a distribution from a U.S. corporation with respect to its stock because the corporation had insufficient earnings and profits to support dividend treatment, you must attach a statement that identifies the distributing corporation and provides the basis for the claim.

If you are claiming an exemption from withholding on a distribution from a mutual fund or real estate investment trust (REIT) with respect to its stock because the distribution was designated as long-term capital gain or a nondividend distribution, you must attach a statement that identifies the mutual fund or REIT and provides the basis for the claim.

If you are claiming an exemption from withholding on a distribution from a U.S. corporation with respect to its stock because, in your particular circumstances, the transaction qualifies as a redemption of stock under section 302, you must attach a statement that describes the

transaction and presents the facts necessary to establish that the payment was a complete redemption, a disproportionate redemption, or not essentially equivalent to a dividend.

### Items To Note

**Special rules for former U.S. citizens and former U.S. long-term residents.** If you renounced your U.S. citizenship or terminated your long-term resident status, you may be subject to special rules. See [Special Rules for Former U.S. Citizens and Former U.S. Long-Term Residents \(Expatriates\)](#), later.

**Self-employment tax.** You must pay self-employment tax on your self-employment income if an international social security agreement in effect between your country of tax residence and the United States provides that you are covered under the U.S. social security system. Enter the tax on Schedule 2 (Form 1040), line 4. See [Line 4](#) under *Instructions for Schedule 2*, later, for additional information. Enter the deductible part of your self-employment tax on Schedule 1 (Form 1040), line 14. Attach Schedule SE (Form 1040). See the *Instructions for Schedule SE (Form 1040)* for additional information.

**Social security or Medicare taxes withheld in error.** If you are a foreign student or exchange visitor on an F-1, J-1, M-1, 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 and Request for Abatement, to request a refund of these taxes. For more information, see *Students and Exchange Visitors* in chapter 8 of Pub. 519, U.S. Tax Guide for Aliens.

**Other reporting requirements.** You may also have to file other forms, including the following.

- Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b).
- Form 8840, Closer Connection Exception Statement for Aliens.
- Form 8843, Statement for Exempt Individuals and Individuals With a Medical Condition.
- Form 8938, Statement of Specified Foreign Financial Assets.

**Dual resident taxpayer holding specified foreign financial assets.**

Special reporting requirements for Form 8938 apply to dual resident taxpayers holding specified foreign financial assets and taxed for all or a portion of the year as nonresident aliens under Regulations section 301.7701(b)-7. For more information, see the *Instructions for Form 8938*, in particular, *Special rule for dual resident taxpayers* under *Who Must File*.

### Additional Information

If you need more information, our free publications may help you. Pub. 519 will be the most beneficial, but the following publications may also help.

<b>Pub. 501</b>	Dependents, Standard Deduction, and Filing Information
<b>Pub. 525</b>	Taxable and Nontaxable Income
<b>Pub. 529</b>	Miscellaneous Deductions
<b>Pub. 597</b>	Information on the United States–Canada Income Tax Treaty

These free publications and the forms and schedules you will need are available from the IRS. You can download them at [IRS.gov](http://IRS.gov). Also see [How To Get Tax Help](#), later, for other ways to get them (as well as information on receiving IRS assistance in completing the forms).

You can download the complete text of most U.S. tax treaties at [IRS.gov](http://IRS.gov). Go to [IRS.gov](http://IRS.gov), enter "tax treaties" in the search box at the top of the page, and click on *United States Income Tax Treaties - A to Z*. Technical explanations for many of those treaties are also available at that site.

### Resident Alien or Nonresident Alien

If you are not a citizen of the United States, specific rules apply to determine if you are a resident alien or a nonresident alien for tax purposes. Generally, you are considered a resident alien if you meet either the green card test or the substantial presence test for 2020. (These tests are explained in [Green Card Test](#) and [Substantial Presence Test](#), later.) Even if you do not meet either of these tests, you may be able to choose to be treated as a U.S. resident for part of 2020. See *First-Year Choice* in chapter 1 of Pub. 519 for details.



Generally, you are considered a nonresident alien for the year if you are not a U.S. resident under either of these tests. However, see [Dual-Resident Taxpayer](#), later, if you are a resident of the United States under these tests but are eligible to claim benefits as a resident of a foreign country under a U.S. income tax treaty.

For more details on resident and nonresident status, the tests for residence, and the exceptions to them, see chapter 1 of Pub. 519.

### Green Card Test

You are a resident for tax purposes if you were a lawful permanent resident (immigrant) of the United States at any time during 2020. (Also see [Dual-Status Taxpayers](#), later.) In most cases, you are a lawful permanent resident if the USCIS (or its predecessor organization, INS) has issued you an alien registration card, also known as a green card.

You continue to have resident status under this test unless the status is taken away from you or is administratively or judicially determined to have been abandoned.

An administrative or judicial determination of abandonment of resident status may be initiated by you, the USCIS, or a U.S. consular officer.

Your resident status is considered to have been taken away from you if the U.S. Government issues you a final administrative or judicial order of exclusion or deportation. When your resident alien status is considered to have been administratively or judicially determined to be abandoned depends on who initiates the determination.

If the USCIS or U.S. consular officer initiates this determination, your resident status will be considered to be abandoned when the final administrative order of abandonment is issued. If you initiate the determination, your resident status is considered to be abandoned when you file either of the following documents—along with your USCIS Alien Registration Receipt Card—with the USCIS or a U.S. consular officer.

- USCIS Form I-407 (Record of Abandonment of Lawful Permanent Resident Status).

- A letter stating your intent to abandon your resident status.

The USCIS Alien Registration Receipt Card is also referred to as a “green card.”

When filing by mail, you must send your filing by certified mail, return receipt requested (or the foreign equivalent), and keep a copy and proof that it was mailed and received.



*Until you have proof your letter was received, you remain a resident for tax purposes even if the USCIS would not recognize the validity of your green card because it is more than 10 years old or because you have been absent from the United States for a period of time.*

For more details, including special rules that apply if you give up your green card after holding it in at least 8 of the prior 15 years, see *Green Card Test* in chapter 1 of Pub. 519. Also see [USCIS.gov/i-407](#).

### Substantial Presence Test

You are considered a U.S. resident if you meet the substantial presence test for 2020. You meet this test if you were physically present in the United States for at least:

1. 31 days during 2020; and
2. 183 testing days during the 3-year period of 2020, 2019, and 2018, as calculated using the following chart.

(a) Year	(b) Days of physical presence	(c) Multiplier	(d) Testing days (multiply (b) times (c))
2020		1.000	
2019		0.333	
2018		0.167	
Total testing days (add column (d))			.....

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, there are exceptions to this rule. In general, do not count the following as days of presence in the United States for the substantial presence test.

1. Days you commute to work in the United States from a residence in Canada or Mexico if you regularly commute from Canada or Mexico.
2. Days you are in the United States for less than 24 hours when you are in transit between two places outside the United States.
3. Days you were temporarily in the United States as a regular crew member of a foreign vessel engaged in transportation between the United States and a foreign country or a possession of the United States unless you otherwise engaged in trade or business on such day.
4. Days you intend, but are unable, to leave the United States because of a medical condition that arose while you were in the United States.
5. Days you are in the United States under a NATO visa as a member of a force or civilian component to NATO. However, this exception does not apply to an immediate family member who is present in the United States under a NATO visa. A dependent family member must count every day of presence for purposes of the substantial presence test.
6. Days you are an [exempt individual](#) (defined next).



*You may need to file Form 8843 to exclude days of presence in the United States if you meet (4) or (6) above. For more information on the requirements, see Form 8843 (and also Form 8843 COVID-19 Medical Condition Travel Exception (Rev. Proc. 2020-20 Exception)) in chapter 1 of Pub. 519.*

**Exempt individual.** For purposes of the substantial presence test, an exempt individual is anyone in one of the following categories.

- An individual temporarily present in the United States as a foreign government-related individual under an “A” or “G” visa, other than individuals holding “A-3” or “G-5” class visas.
- A teacher or trainee who is temporarily present under a “J” or “Q” visa, who substantially complies with the requirements of the visa.
- A student who is temporarily present under an “F,” “J,” “M,” or “Q” visa, who substantially complies with the requirements of the visa.



- A professional athlete who is temporarily in the United States to compete in a charitable sports event.

**Note.** Alien individuals with “Q” visas are treated as students, teachers, or trainees and, as such, are exempt individuals for purposes of the substantial presence test if they otherwise qualify. “Q” visas are issued to aliens participating in certain international cultural exchange programs.

See chapter 1 of Pub. 519 for more details regarding exempt individuals and days of presence in the United States for the substantial presence test.



*You cannot be an exempt individual indefinitely. Generally, you will not be an exempt individual as a teacher or trainee in 2020 if you were exempt as a teacher, trainee, or student for any part of 2 of the preceding 6 years. You will not be an exempt individual as a student in 2020 if you were exempt as a teacher, trainee, or student for any part of more than 5 calendar years. However, there are exceptions to these limits. See Substantial Presence Test in chapter 1 of Pub. 519 for more information.*

### Closer Connection to Foreign Country

Even though you would otherwise meet the substantial presence test, you can be treated as a nonresident alien if you:

- Were present in the United States for fewer than 183 days during 2020,
- Establish that during 2020 you had a tax home in a foreign country, and
- Establish that during 2020 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.

You are not eligible for the closer connection exception if you have an application pending for adjustment of status to that of a lawful permanent resident or if you have applied, or have taken steps to apply, for lawful permanent residence. See chapter 1 of Pub. 519 for more information.

You must file a fully completed Form 8840 with the IRS to claim the closer connection exception. See

Form 8840 in chapter 1 of Pub. 519. Each spouse must file a separate Form 8840 to claim the closer connection exception.

### Dual-Resident Taxpayer

You are a dual-resident taxpayer if you are a resident of both the United States and a foreign country under each country's tax laws. If the income tax treaty between the United States and that foreign country contains a provision for resolving conflicting claims of residence (often referred to as “tie-breaker” rules), and you determine that you are a resident of the foreign country under that provision, you can be treated as a nonresident of the United States for purposes of figuring out your income tax liability if you file a Form 1040-NR and attach a Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b). A dual-resident taxpayer may also be eligible for U.S. competent authority assistance. See Rev. Proc. 2015-40, 2015-35 I.R.B. 236, or its successor. You can download the complete text of most U.S. tax treaties at IRS.gov. Go to IRS.gov, enter “tax treaties” in the search box at the top of the page, and click on *United States Income Tax Treaties - A to Z*. Technical explanations for many of those treaties are also available at that site.

### When and Where Should You File?

**Individuals.** If you were an employee and received wages subject to U.S. income tax withholding, file Form 1040-NR by the 15th day of the 4th month after your tax year ends. A return for the 2020 calendar year is due by **April 15, 2021**.

If you file after this date, you may have to pay interest and penalties. See [Interest and Penalties](#), later.

If you did not receive wages as an employee subject to U.S. income tax withholding, file Form 1040-NR by the 15th day of the 6th month after your tax year ends. A return for the 2020 calendar year is due by June 15, 2021.

**Estates and trusts.** If you file for a nonresident alien estate or trust that has an office in the United States, file the return by the 15th day of the 4th

month after the tax year ends. If you file for a nonresident alien estate or trust that does not have an office in the United States, file the return by the 15th day of the 6th month after the tax year ends.

**Note.** If the due date for filing falls on a Saturday, Sunday, or legal holiday, file by the next business day.

If you were serving in, or in support of, the U.S. Armed Forces in a designated combat zone or contingency operation, you may be able to file later. See Pub. 3 for details.

If you *e-file* your return, there is no need to mail it. However, if you choose to mail it instead, filing instructions and addresses are at the end of these instructions.

*Where To File* next provides the current address for mailing your return. Use these addresses for Forms 1040-NR filed in 2021. The address for returns filed after 2021 may be different. See [IRS.gov/Form1040NR](https://www.irs.gov/Form1040NR) for any updates.

### Where To File

**E-file.** If you *e-file* your return, there is no need to mail it. See the *e-file* page, earlier, or IRS.gov for more information. However, if you choose to mail it, filing instructions and addresses are below.

**Individuals.** If you are not enclosing a payment, mail Form 1040-NR to:

Department of the Treasury  
Internal Revenue Service  
Austin, TX 73301-0215  
U.S.A.

If enclosing a payment, mail Form 1040-NR to:

Internal Revenue Service  
P.O. Box 1303  
Charlotte, NC 28201-1303  
U.S.A.

**Estates and trusts.** If you are not enclosing a payment, mail Form 1040-NR to:

Department of the Treasury  
Internal Revenue Service  
Kansas City, MO 64999  
U.S.A.

If enclosing a payment, mail Form 1040-NR to:

Internal Revenue Service  
P.O. Box 1303  
Charlotte, NC 28201-1303  
U.S.A.



*If you make this election, you may forfeit the right to claim benefits otherwise available under a U.S. tax treaty. For more information about the benefits that might otherwise be available, see the specific treaty.*

sign the Form 1040-NR. If you are not enclosing a payment, mail your return and statement to:

Department of the Treasury  
Internal Revenue Service  
Austin, TX 73301-0215  
U.S.A.

### What if you cannot file on time?

See *What if You Can't File on Time?* in the Instructions for Forms 1040 and 1040-SR.

### Private Delivery Services

See *Private Delivery Services* in the Instructions for Forms 1040 and 1040-SR for details on private delivery services.

**Exception.** Do not use the mailing addresses in those instructions. Use the mailing addresses in [Where To File](#), earlier.

### Election To Be Taxed as a Resident Alien

You can elect to be taxed as a U.S. resident for the whole year if all of the following apply.

- You were married.
- Your spouse was a U.S. citizen or resident alien on the last day of the tax year.
- You file a joint return for the year of the election using Form 1040 or 1040-SR.

To make this election, you must attach the statement described in *Nonresident Spouse Treated as a Resident* in chapter 1 of Pub. 519 to your return. Do not use Form 1040-NR.

If you make the election to be treated as a resident alien, your worldwide income for the whole year must be included and will be taxed under U.S. tax laws. You must agree to keep the records, books, and other information needed to figure the tax. If you made the election in an earlier year, you can file a joint return or separate return for 2020. If you file a separate return, use Form 1040 or 1040-SR. You must include your worldwide income for the whole year whether you file a joint or separate return.

### Dual-Status Taxpayers



*If you elect to be taxed as a resident alien (discussed in [Election To Be Taxed as a Resident Alien](#), earlier), the special instructions and restrictions discussed here do not apply.*

### Dual-Status Year

A dual-status year is one in which you change status between nonresident and resident alien. Different U.S. income tax rules apply to each status.

Most dual-status years are the years of arrival or departure. Before you arrive in the United States, you are a nonresident alien. After you arrive, you may or may not be a resident, depending on the circumstances.

If you become a U.S. resident, you stay a resident until you leave the United States or are no longer a lawful permanent resident of the United States. You may become a nonresident alien when you leave if you meet both of the following conditions.

- After leaving (or after your last day of lawful permanent residency if you met the [green card test](#), defined earlier) and for the remainder of the calendar year of your departure, you have a closer connection to a foreign country than to the United States.
- During the next calendar year, you are not a U.S. resident under either the [green card test](#) or the [substantial presence test](#), defined earlier.

See chapter 1 of Pub. 519 for more information.

### What and Where To File for a Dual-Status Year

If you were a U.S. resident on the last day of the tax year, file Form 1040 or 1040-SR. Enter "Dual-Status Return" across the top and attach a statement showing your income for the part of the year you were a nonresident. You can use Form 1040-NR as the statement; enter "Dual-Status Statement" across the top. Do not

If enclosing a payment, mail your return to:

Internal Revenue Service  
P.O. Box 1303  
Charlotte, NC 28201-1303  
U.S.A.

If you were a nonresident on the last day of the tax year, file Form 1040-NR. Enter "Dual-Status Return" across the top and attach a statement showing your income for the part of the year you were a U.S. resident. You can use Form 1040 or 1040-SR as the statement; enter "Dual-Status Statement" across the top. Do not sign the Form 1040 or 1040-SR. If you are not enclosing a payment, mail your return and statement to:

Department of the Treasury  
Internal Revenue Service  
Austin, TX 73301-0215  
U.S.A.

If enclosing a payment, mail your return to:

Internal Revenue Service  
P.O. Box 1303  
Charlotte, NC 28201-1303  
U.S.A.

**Statements.** Any statement you file with your return must show your name, address, and identifying number (defined in [Identifying Number](#), later).

Former U.S. long-term residents are required to file Form 8854, Initial and Annual Expatriation Statement, with their dual-status return for the last year of U.S. residency. To determine if you are a former U.S. long-term resident, see *Expatriation Tax* in chapter 4 of Pub. 519.

### Income Subject to Tax for Dual-Status Year

As a dual-status taxpayer not filing a joint return, you are taxed on income from all sources for the part of the year you were a resident alien.

Generally, you are taxed on income only from U.S. sources for the part of the year you were a nonresident alien. However, all income effectively connected with the conduct of a trade or business in the United States is taxable.

Income you received as a dual-status taxpayer from sources outside the United States while a resident alien is taxable even if you became a nonresident alien after receiving it and before the close of the tax year. Conversely, income you received from sources outside the United States while a nonresident alien is not taxable in most cases even if you became a resident alien after receiving it and before the close of the tax year. Income from U.S. sources is generally taxable whether you received it while a nonresident alien or a resident alien (unless specifically exempt under the Internal Revenue Code or a tax treaty provision).

### Restrictions for Dual-Status Taxpayers

**Standard deduction.** You cannot take the standard deduction even for the part of the year you were a resident alien.

**Head of household.** You cannot use the Head of household Tax Table column or Section D of the Tax Computation Worksheet in the Instructions for Forms 1040 and 1040-SR.

**Joint return.** You cannot file a joint return unless you elect to be taxed as a resident alien (see [Election To Be Taxed as a Resident Alien](#), earlier) instead of a dual-status taxpayer.

**Tax rates.** If you were married and a nonresident of the United States for all or part of the tax year and you do not make the election discussed earlier to be taxed as a resident alien, you must use the Married filing separately column in the Tax Table or Section C of the Tax Computation Worksheet in the Instructions for Forms 1040 and 1040-SR to figure your tax on income effectively connected with a U.S. trade or business. If you were married, you cannot use the Single Tax Table column or Section A of the Tax Computation Worksheet in the Instructions for Forms 1040 and 1040-SR. But see [Married Filing Separately](#), later, for an exception.

**Tax credits.** You cannot take the earned income credit, the credit for the elderly or disabled, or any education credit unless you elect to be taxed as a resident alien (see [Election To Be Taxed as a Resident Alien](#), earlier) instead of a dual-status taxpayer.

See chapter 6 of Pub. 519 for information on other credits.

### How To Figure Tax for a Dual-Status Year

When you figure your U.S. tax for a dual-status year, you are subject to different rules for the part of the year you were a resident and the part of the year you were a nonresident.

All income for the period of residence and all income that is effectively connected with a trade or business in the United States for the period of nonresidence, after allowable deductions, is combined and taxed at the same rates that apply to U.S. citizens and residents. For the period of residence, allowable deductions include all deductions on Schedule A (Form 1040), including medical expenses, real property taxes, and certain interest.

**Note.** Schedule A (Form 1040) is not the same as Schedule A (Form 1040-NR).

See the Instructions for Schedule A (Form 1040). Those instructions are **not** the same as the Instructions for Schedule A (Form 1040-NR), which appear later in these instructions.

Income that is not effectively connected with a trade or business in the United States for the period of nonresidence is subject to the flat 30% rate or lower treaty rate. No deductions are allowed against this income.

If you were a resident alien on the last day of the tax year and you are filing Form 1040 or 1040-SR, include the tax on the noneffectively connected income on Schedule 2 (Form 1040), line 8c. Enter "1040-NR" as the code on the space provided.

If you are filing Form 1040-NR, enter the tax from the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, Schedule J (Form 1040), or Form 8615 on Form 1040-NR,

line 16; and the tax on the noneffectively connected income on Form 1040-NR, line 23a. Include any net investment income tax from Form 8960 for the part of the year you were a U.S. resident on Schedule 2 (Form 1040), line 8, and check box b. See Form 8960 and its instructions for more details.

**Credit for taxes paid.** You are allowed a credit against your U.S. income tax liability for certain taxes you paid, or are considered to have paid, or that were withheld from your income. These include the following.

1. Tax withheld from wages earned in the United States and taxes withheld at the source from various items of income from U.S. sources other than wages. This includes U.S. tax withheld on dispositions of U.S. real property interests.
  - When filing Form 1040 or 1040-SR, show the total tax withheld on Form 1040 or 1040-SR, line 25d. Enter amounts from the attached statement (Form 1040-NR, lines 25d through 25g) in the column to the right of line 25d on Form 1040 or 1040-SR, and identify and include them in the amount on line 25d on Form 1040 or 1040-SR.
  - When filing Form 1040-NR, show the total tax withheld on Form 1040-NR, lines 25d through 25g. Enter the amount from the attached statement (Form 1040 or 1040-SR, line 25d) in the column to the right of line 25d on Form 1040-NR, and identify and include it in the amount on line 25d on Form 1040-NR.

2. Estimated tax paid with Form 1040-ES or Form 1040-ES (NR).

3. Tax paid with Form 1040-C at the time of departure from the United States. When filing Form 1040 or 1040-SR, include the tax paid with Form 1040-C with the total payments on line 33 on Form 1040 or 1040-SR. Identify the payment in the area to the left of the entry.

### How To Report Income on Form 1040-NR

#### Community Income

If either you or your spouse (or both you and your spouse) was a nonresident alien at any time during the tax year and you had community income during the year, treat the community income according to the



applicable community property laws except as follows.

- Earned income of a spouse, other than trade or business income or partnership distributive share income. The spouse whose services produced the income must report it on his or her separate return.
- Trade or business income, other than partnership distributive share income. Treat this income as received by the spouse carrying on the trade or business and report it on that spouse's return.
- Partnership distributive share income (or loss). Treat this income (or loss) as received by the spouse who is the partner and report it on that spouse's return.
- Income derived from the separate property of one spouse that is not earned income, trade or business income, or partnership distributive share income. The spouse with the separate property must report this income on his or her separate return.

Use Form 8958, Allocation of Tax Amounts Between Certain Individuals in Community Property States, to figure the portion of the income allocated to you. Attach your completed Form 8958 to your tax return. See Pub. 555, Community Property, for more details.

### Kinds of Income

You must divide your income for the tax year into the following three categories.

**1. Income effectively connected with a U.S. trade or business.** This income is taxed at the same rates that apply to U.S. citizens and residents. Report this income on page 1 of Form 1040-NR. Pub. 519 describes this income in greater detail.

**2. U.S. income not effectively connected with a U.S. trade or business.** This income is taxed at 30% unless a treaty between your country of residence (as defined under the treaty) and the United States has set a lower rate that applies to you. Report this income on Schedule NEC (Form 1040-NR). Pub. 519 describes this income in greater detail.

**Note.** Use line 23c to report the 4% tax on U.S. source gross transportation income.

**3. Income exempt from U.S. tax.** If the income is exempt from tax by

treaty, complete item L of Schedule OI (Form 1040-NR) and line 1c on page 1 of Form 1040-NR.

**Virtual currency.** See *Virtual Currency* in the Instructions for Forms 1040 and 1040-SR.

**Income from a sharing (or gig) economy activity.** If you use one of the many online platforms available to provide goods and services, you may be involved in what is known as the sharing (or gig) economy. If you receive income from a sharing (or gig) economy activity, it is generally taxable even if you do not receive a Form 1099-MISC, Miscellaneous Income; Form W-2, Wage and Tax Statement; or some other income statement. To learn more about this income, go to [IRS.gov/Sharing](https://www.irs.gov/Sharing) or [IRS.gov/Gig](https://www.irs.gov/Gig).

### Dispositions of U.S. Real Property Interests

Gain or loss on the disposition of a U.S. real property interest (see Pub. 519 for definition) is taxed as if the gain or loss were effectively connected with the conduct of a U.S. trade or business.

Report gains and losses on the disposition of U.S. real property interests on Schedule D (Form 1040) and Form 1040-NR, line 7. Also, net gains may be subject to the alternative minimum tax. See [Line 1](#) under *Instructions for Schedule 2*, later. See *Real Property Gain or Loss* in chapter 4 of Pub. 519 for more information.

### Income You Can Elect To Treat as Effectively Connected With a U.S. Trade or Business

You can elect to treat some items of income as effectively connected with a U.S. trade or business. The election applies to all income from real property located in the United States and held for the production of income and to all income from any interest in such property. This includes:

- Gains from the sale or exchange of such property or an interest therein, but see the [Tip](#) below;
- Gains on the disposal of timber, coal, or iron ore with a retained economic interest;
- Rents from real estate; or
- Rents and royalties from mines, oil or gas wells, or other natural resources.



**TIP** You do not need to make an election to treat gain from the disposition of a U.S. real property interest as effectively connected income. Dispositions of U.S. real property interests are automatically treated as effectively connected income. See [Dispositions of U.S. Real Property Interests, earlier](#).

To make the election, attach a statement to your return for the year of the election. Include the following items in your statement.

1. That you are making the election.
2. A complete list of all of your real property, or any interest in real property, located in the United States (including location). Give the legal identification of U.S. timber, coal, or iron ore in which you have an interest.
3. The extent of your ownership in the real property.
4. A description of any substantial improvements to the property.
5. Your income from the property.
6. The dates you owned the property.
7. Whether the election is under section 871(d) or a tax treaty.
8. Details of any previous elections and revocations of the real property election.

**Note.** Once made, the section 871 election will remain in effect until revoked with the consent of the Commissioner. A new section 871 election may not be made until after the 5th year in which the revocation occurs.

### Foreign Income Taxed by the United States

You may be required to report some income from foreign sources on your U.S. return if the income is effectively connected with a U.S. trade or business. For this foreign income to be treated as effectively connected with a U.S. trade or business, you must have an office or other fixed place of business in the United States to which the income can be attributed. For more information, including a list of the types of foreign source income that must be treated as effectively connected with a U.S. trade or business, see chapter 4 of Pub. 519.

## Special Rules for Former U.S. Citizens and Former U.S. Long-Term Residents (Expatriates)

The expatriation tax provisions apply to certain U.S. citizens who have lost their citizenship and long-term residents who have ended their residency. You are a former U.S. long-term resident if you were a lawful permanent resident of the United States (green card holder) in at least 8 of the last 15 tax years ending with the year your residency ends.

For more information on the expatriation tax provisions, see *Expatriation Tax* in chapter 4 of Pub. 519; the Instructions for Form 8854; and Notice 2009-85 (for expatriation after June 16, 2008), 2009-45 I.R.B. 598, available at [IRS.gov/irb/2009-45\\_IRB#NOT-2009-85](https://www.irs.gov/irb/2009-45_IRB#NOT-2009-85).

## Line Instructions for Form 1040-NR



For 2020, there are three important changes in these line instructions.

- You need the 2020 Instructions for Forms 1040 and 1040-SR. Throughout these line instructions, you will be referred to those instructions for guidance. Exceptions are listed where applicable.
- The line numbering has changed. To see where lines have moved, see [Where To Find Your Lines on Redesigned 2020 Form 1040-NR](#), earlier.
- Some of the lines that used to be on the main Form 1040-NR are now on Schedule 1 (Form 1040), Schedule 2 (Form 1040), and Schedule 3 (Form 1040). See those schedules. See also the instructions for those schedules following these line instructions.

## Filing Status

The amount of your tax depends on your filing status. Before you decide which box to check, read the following explanations. For more information about marital status, see Pub. 501.



Remember to provide your country of residency, or that you are a U.S. national, on Schedule OI (Form 1040-NR), item A or B, as applicable. Certain tax benefits, such as the child tax credit

and the credit for other dependents, are only available to residents of Canada and Mexico and to U.S. nationals, and, to a limited extent, to residents of South Korea and India.

**U.S. national.** A U.S. national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

### Single

See *Single* in the Instructions for Forms 1040 and 1040-SR for details on the Single filing status.

### Married Filing Separately



The "Married filing separately" filing status replaces the former "Married" filing status.

See *Married Filing Separately* in the Instructions for Forms 1040 and 1040-SR for details on the Married filing separately filing status.

**Exception.** Married persons who live apart: Some married nonresident aliens who have a child and who do not live with their spouse can file as single. If you meet all five of the following tests and you are a married resident of Canada or Mexico, you are a married U.S. national, you are a married resident of South Korea, or you are a married student or business apprentice eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty, check the box for the Single filing status at the top of page 1 of Form 1040-NR. On Schedule OI, enter your country of residency (item B) or, if applicable, that you are a U.S. national (item A).

1. You file a separate return from your spouse.
2. You paid over half the cost of keeping up your home for 2020.
3. You lived apart from your spouse for the last 6 months of 2020. Temporary absences for special circumstances, such as for business, medical care, school, or military service, count as time lived in the home.

4. Your home was the main home of your child, stepchild, or foster child for more than half of 2020. Temporary absences by you or the child for

special circumstances, such as school, vacation, business, or medical care, count as time the child lived in the home. If the child was born or died in 2020, you can still file as single as long as the home was that child's main home for more than half of the part of the year he or she was alive in 2020.

5. You could have claimed the child as a dependent or could claim the child except that the child's other parent claims him or her as a dependent under the rules for children of divorced or separated parents. See Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent.

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Foster child.** A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

### Qualifying Widow(er)

See *Qualifying Widow(er)* in the Instructions for Forms 1040 and 1040-SR for details on the qualifying widow(er) filing status.

**Exception.** You cannot check the "Single" box, unless in addition to meeting the criteria in that section, you also satisfy the two criteria below for 2020.

1. You were a resident of Canada, Mexico, or South Korea, or were a U.S. national; or you were a student or business apprentice from India eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty.
2. You were a resident alien or U.S. citizen the year your spouse died. This refers to your actual status, not the election that some nonresident aliens can make to be taxed as U.S. residents.

## Name and Address

### Individuals

Enter your name, street address, city or town, and country on the appropriate lines. Include an apartment number after the street



address, if applicable. Check the box for "Individual."

### Estates and Trusts

Enter the name of the estate or trust and check the box for "Estate or Trust." You must include different information for estates and trusts that are engaged in a trade or business in the United States.

**Not engaged in a trade or business.** Attach a statement to Form 1040-NR with your name, title, address, and the names and addresses of any U.S. grantors and beneficiaries.

**Engaged in a trade or business in the United States.** Attach a statement to Form 1040-NR with your name, title, address, and the names and addresses of all beneficiaries.

### Name Change

See *Name Change* in the Instructions for Forms 1040 and 1040-SR if your name has changed.

### Address Change

See *Address Change* in the Instructions for Forms 1040 and 1040-SR if your address has changed.

### P.O. Box

See *P.O. Box* in the Instructions for Forms 1040 and 1040-SR for information on P.O. boxes.

### Foreign Address

See *Foreign Address* in the Instructions for Forms 1040 and 1040-SR if you have a foreign address.

### Death of a Taxpayer

See *Death of a Taxpayer* under *General Information* in the Instructions for Forms 1040 and 1040-SR if you are filing a return for a deceased taxpayer.

### Identifying Number

#### Social Security Number (SSN)

See *Social Security Number (SSN)* in the Instructions for Forms 1040 and 1040-SR for information on SSNs.

**Exception.** When you bring your Form SS-5 to your local SSA office:

- If you are an F-1 or M-1 student, you must also show your Form I-20; or

- If you are a J-1 exchange visitor, you must also show your Form DS-2019.

### IRS Individual Taxpayer Identification Numbers (ITINs)

See *IRS Individual Taxpayer Identification Numbers (ITINs)* for *Aliens* in the Instructions for Forms 1040 and 1040-SR for details on ITINs.

### Employer Identification Number (EIN)

If you are filing Form 1040-NR for an estate or trust, enter the EIN of the estate or trust. If the entity does not have an EIN, you must apply for one. For details on how to get an EIN, see Form SS-4, Application for Employer Identification Number, and its instructions, which are available at [IRS.gov](https://www.irs.gov). Enter "SS-4" in the search box. For more details, see [IRS.gov/Businesses/Small-Businesses-Self-Employed/How-To-Apply-for-an-EIN](https://www.irs.gov/businesses/small-businesses-self-employed/how-to-apply-for-an-ein).

### Virtual Currency

See *Virtual Currency* in the Instructions for Forms 1040 and 1040-SR for details on virtual currency.

### Dependents

See *Dependents, Qualifying Child for Child Tax Credit, and Credit for Other Dependents* under *Who Qualifies as Your Dependent* in the Instructions for Forms 1040 and 1040-SR for details on dependents.

**Exception.** Only U.S. nationals and residents of Canada and Mexico can claim a dependent on the same terms as U.S. citizens. Residents of South Korea and students or business apprentices from India who are eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty may claim dependents on the more limited terms described in chapter 5 of Pub. 519. No other person filing a Form 1040-NR can claim a qualifying dependent.

### Rounding Off to Whole Dollars

See *Rounding Off to Whole Dollars* in the Instructions for Forms 1040 and 1040-SR.

## Income Effectively Connected With U.S. Trade or Business

The instructions for this section assume you have decided that the income involved is effectively connected with a U.S. trade or business in which you were engaged. The tax status of income also depends on its source. Under some circumstances, items of income from foreign sources are treated as effectively connected with a U.S. trade or business. Other items are reportable as effectively connected or not effectively connected with a U.S. trade or business, depending on how you elect to treat them. See chapter 4 of Pub. 519.

### Line 1a—Wages, Salaries, Tips, etc.

See *Line 1—Wages, Salaries, Tips, etc.* in the Instructions for Forms 1040 and 1040-SR for the types of income includible on line 1a of Form 1040-NR.

**Exception 1.** Enter on line 1a of Form 1040-NR only the wages, salaries, tips, etc., **effectively connected with a U.S. trade or business**. Only U.S. source income is included on line 1a as effectively connected wages. Do not include any income on line 1a of Form 1040-NR that is not treated as effectively connected to a U.S. trade or business even if it is listed in *Line 1* of the Instructions for Forms 1040 and 1040-SR.

**Exception 2.** Unlike on Form 1040 or 1040-SR, do **not** include scholarship or fellowship grants on this line. Do **not** include scholarship and fellowship grants reduced by any exclusion for those grants. Scholarship and fellowship grants are reported on Form 1040-NR, line 1b; the scholarship and fellowship exclusion is reported on Form 1040-NR, line 10c.

### Amounts Exempt Under a Treaty

Wages, salaries, tips, etc., that you claim are exempt from U.S. tax under an income tax treaty should **not** be reported on line 1a. Instead, include these amounts on line 1c and complete item L of Schedule OI (Form 1040-NR). Generally, if you submitted a properly completed Form 8233,

Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, to claim an exemption from withholding based on a treaty, your employer would not have withheld tax on the exempt amount and would have reported the exempt amount on a Form 1042-S and not in box 1 of Form W-2. However, if you did not submit a Form 8233 to your employer or if you submitted a Form 8233 to your employer but your employer withheld tax on the exempt amount because it could not readily determine your eligibility for the exemption, you can claim the exemption on Form 1040-NR by reducing your line 1a wages by the exempt amount. You will need to complete item L on Schedule OI (Form 1040-NR) and attach a statement to your return containing all information that would have otherwise been required on a Form 8233 to explain your eligibility for the exemption. See the examples next.

**Example 1.** Anna is a citizen of France who came to the United States on an F-1 visa in 2019 for the primary purpose of studying at an accredited university. In 2020, Anna completed a paid summer internship with a U.S. company as part of her optional practical training. Anna earned \$8,000 from this internship. Under Article 21 (Students and Trainees) of the income tax treaty with France, Anna can exempt up to \$5,000 of personal services income from U.S. tax. Anna submitted a valid Form 8233 to her employer to claim an exemption from withholding for the portion of her wages that is exempt under the treaty. She received a Form 1042-S from her employer showing the \$5,000 exempt amount and a Form W-2 showing \$3,000 of wages in box 1. On her 2020 Form 1040-NR, Anna should report \$3,000 on line 1a, include \$5,000 on line 1c, and complete item L on Schedule OI (Form 1040-NR). Anna should attach both the Form W-2 and the Form 1042-S to her return.

**Example 2.** The facts are the same as above except that Anna did not realize she was eligible for a \$5,000 exemption when she began work and did not submit a Form 8233 to her employer claiming the

exemption amount. All of Anna's wages from the internship were withheld upon and reported in box 1 on her Form W-2. On her Form 1040-NR, Anna should report \$3,000 on line 1a, include \$5,000 on line 1c, and complete item L on Schedule OI (Form 1040-NR). Anna should attach the Form W-2 to her Form 1040-NR. She should also attach a statement to her Form 1040-NR containing all information that would have otherwise been required on a Form 8233 to justify the exemption claimed.

### Services Performed Partly Within and Partly Outside the United States

If you performed services as an employee both inside and outside the United States, you must allocate your compensation between U.S. and non-U.S. sources.

Compensation (other than certain fringe benefits) is generally sourced on a time basis. To figure your U.S. source income, divide the number of days you performed labor or personal services within the United States by the total number of days you performed labor or personal services within and outside the United States. Multiply the result by your total compensation (other than certain fringe benefits).

### Fringe Benefits

Certain fringe benefits (such as housing and educational expenses) are sourced on a geographic basis. The source of the fringe benefit compensation is generally your principal place of work. The amount of the fringe benefit compensation must be reasonable and you must keep records that are adequate to support the fringe benefit compensation.



*You may be able to use an alternative method to determine the source of your compensation and/or fringe benefits if the alternative method more properly determines the source of the compensation.*

For 2020, if your total compensation (including fringe benefits) is \$250,000 or more and you allocate your compensation using an alternative method, check the "Yes" boxes in [item K](#) of Schedule OI (Form

1040-NR). Also attach to Form 1040-NR a statement that contains the following information.

1. The specific compensation or the specific fringe benefit for which an alternative method is used.
2. For each such item, the alternative method used to allocate the source of the compensation.
3. For each such item, a computation showing how the alternative allocation was computed.
4. A comparison of the dollar amount of the compensation sourced within and outside the United States under both the alternative method and the time or geographical method for determining the source.

You must keep documentation showing why the alternative method more properly determines the source of the compensation.

### Other Types of Income

The following types of income must also be included in the total on line 1a.

- All wages received as a household employee. An employer is not required to provide a Form W-2 to you if he or she paid you wages of less than \$2,200 in 2020. If you received wages as a household employee and you did not receive a Form W-2 because an employer paid you less than \$2,200 in 2020, enter "HSH" and the amount not reported to you on a Form W-2 on the dotted line next to line 1a. For information on employment taxes for household employees, see Tax Topic 756 at [IRS.gov/TaxTopics](https://www.irs.gov/TaxTopics).
- Tip income you did not report to your employer. This should include any allocated tips shown in box 8 on your Form(s) W-2 unless you can prove that your unreported tips are less than the amount in box 8. Allocated tips are not included as income in box 1. See Pub. 531, Reporting Tip Income, for more details.

Also include the value of any noncash tips you received, such as tickets, passes, or other items of value. Although you do not report these noncash tips to your employer, you must report them on line 1a.



You may owe social security and Medicare tax on unreported tips. See [Line 5](#) under Instructions for Schedule 2, later.

- Dependent care benefits, which should be shown in box 10 of your Form(s) W-2. But first complete Form 2441, Child and Dependent Care Expenses, to see if you can exclude part or all of the benefits.
- Employer-provided adoption benefits, which should be shown in box 12 of your Form(s) W-2 with code T. But see the Instructions for Form 8839, Qualified Adoption Expenses, to find out if you can exclude part or all of the benefits. You may also be able to exclude amounts if you adopted a child with special needs and the adoption became final in 2020.
- Excess elective deferrals. The amount deferred should be shown in box 12 of your Form W-2, and the "Retirement plan" box in box 13 should be checked. If the total amount you deferred for 2020 under all plans was more than \$19,500 (excluding catch-up contributions as explained below), include the excess on line 1a. This limit is (a) \$13,500 if you have only SIMPLE plans, or (b) \$22,500 for section 403(b) plans if you qualify for the 15-year rule in chapter 4 of Pub. 571. Although designated Roth contributions are subject to this limit, do not include the excess attributable to such contributions on line 1a. They are already included as income in box 1 of your Form W-2.

A higher limit may apply to participants in section 457(b) deferred compensation plans for the 3 years before retirement age. Contact your plan administrator for more information.

If you were age 50 or older at the end of 2020, your employer may have allowed an additional deferral (catch-up contributions) of up to \$6,500 (\$3,000 for section 401(k)(11) and SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals.



You cannot deduct the amount deferred. It is not included as income in box 1 of your Form W-2.

- Disability pensions shown on Form 1042-S or Form 1099-R if you have not reached the minimum retirement

age set by your employer. Disability pensions received after you reach minimum retirement age and other payments shown on Form 1042-S or Form 1099-R (other than payments from an IRA\*) are reported on lines 5a and 5b. Payments from an IRA\* are reported on lines 4a and 4b.

- Corrective distributions from a retirement plan shown on Form 1042-S or Form 1099-R of excess elective deferrals or other excess contributions (plus earnings). But do not include distributions from an IRA\* on line 1a. Instead, report distributions from an IRA on lines 4a and 4b.

\* This includes a Roth, SEP, or SIMPLE IRA.

- Wages from Form 8919, line 6.

### Missing or Incorrect Form W-2?

See *Missing or Incorrect Form W-2?* in the Instructions for Forms 1040 and 1040-SR if you are missing a Form W-2 or have an incorrect Form W-2.

### Line 1b—Scholarship and Fellowship Grants

If you received a scholarship or fellowship, part or all of it may be taxable. Amounts received in the form of a scholarship or fellowship that are payment for teaching, research, or other services are generally taxable as wages even if the services were required to get the scholarship or fellowship.

If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses (fees, books, supplies, and equipment) are generally taxable. For example, amounts used for room, board, and travel are generally taxable.

If you were not a degree candidate, the full amount of the scholarship or fellowship is generally taxable.

If the grant was reported on Form(s) 1042-S, you must generally include the amount shown in box 2 of Form(s) 1042-S on line 1b. However, if any or all of that amount is exempt by treaty, do not include the treaty-exempt amount on line 1b. Instead, include the treaty-exempt amount on line 1c and complete [item L](#) of Schedule OI (Form 1040-NR).

Attach any Form(s) 1042-S you received from the college or institution.

For more information about scholarships and fellowships in general, see chapter 1 of Pub. 970.

**Example 1.** You are a citizen of a country that does not have an income tax treaty in force with the United States. You are a candidate for a degree at ABC University (located in the United States). You are receiving a full scholarship from ABC University. You are not required to perform any services, such as teaching, research, or other services, to get the scholarship. The total amounts you received from ABC University during 2020 are as follows.

Tuition and fees	\$25,000
Books, supplies, and equipment	1,000
Room and board	9,000
	<u>\$35,000</u>

The Form 1042-S you received from ABC University for 2020 shows \$9,000 in box 2 and \$1,260 (14% of \$9,000) in box 10.

**Note.** Box 2 shows only \$9,000 because withholding agents (such as ABC University) are not required to report section 117 amounts (tuition, fees, books, supplies, and equipment) on Form 1042-S.

**Example 2.** The facts are the same as in [Example 1](#), except that you are a citizen of a country that has an income tax treaty in force with the United States that includes a provision that exempts scholarship income and you were a resident of that country for income tax purposes immediately before arriving in the United States to attend ABC University. Also, assume that, under the terms of the tax treaty, you are present in the United States only temporarily to finish your degree, and all of your scholarship income is exempt from tax because ABC University is a nonprofit educational organization.

**Note.** Under some treaties, scholarship or fellowship grant income is not exempt from tax if the income is received in exchange for the performance of services, such as



teaching, research, or other services. Also, many tax treaties do not permit an exemption from tax on scholarship or fellowship grant income unless the income is from sources outside the United States. If you are a resident of a treaty country, you must know the terms of the tax treaty between the United States and the treaty country to claim treaty benefits on Form 1040-NR. See the instructions for [item L](#) of Schedule OI, later, for details.

When completing Form 1040-NR, do the following.

- Enter \$0 on line 1b. The \$9,000 reported to you in box 2 of Form 1042-S is reported on line 1c (not line 1b).
- Enter \$9,000 on line 1c.
- Enter \$0 on line 10c. Because none of the \$9,000 reported to you in box 2 of Form 1042-S is included in your income, you cannot exclude it on line 10c.
- Include on line 25g any withholding shown in box 10 of Form 1042-S.
- Provide all the required information in item L of Schedule OI (Form 1040-NR).

### Line 1c—Treaty-Exempt Income

Report on line 1c the total of all your income that is exempt from tax by an income tax treaty, including both effectively connected income and not effectively connected income. Do **not** include this exempt income on line 1a. You must complete [item L](#) of Schedule OI (Form 1040-NR) to report income that is exempt from U.S. tax.

Attach any Form 1042-S you received for treaty-exempt income. If required, attach Form 8833. See [Treaty-based return position disclosure](#), later.

### Line 2a—Tax-Exempt Interest

See [Line 2a—Tax-Exempt Interest](#) in the Instructions for Forms 1040 and 1040-SR for details on tax-exempt interest.

**Exception 1.** The interest will not be includible on line 2a of Form 1040-NR unless it is effectively connected with a trade or business. If the interest was not effectively connected with a U.S. trade or business and was U.S. source, report it on Schedule NEC (Form 1040-NR), line 2a, 2b, or 2c.

**Exception 2.** Do **not** include interest from a U.S. bank, savings and loan association, credit union, or similar institution (or from certain deposits with U.S. insurance companies) that is exempt from tax under a tax treaty or under section 871(i) because the interest is not effectively connected with a U.S. trade or business.

### Line 2b—Taxable Interest

See [Line 2b—Taxable Interest](#) in the Instructions for Forms 1040 and 1040-SR.

**Exception 1.** Report on line 2b only your taxable interest income from assets effectively connected with a U.S. trade or business.

**Exception 2.** If you received interest not effectively connected with a U.S. trade or business, report it on Schedule NEC (Form 1040-NR) unless it is tax exempt under a treaty and the withholding agent did not withhold tax on the payment. If the interest is tax exempt under a treaty, include the tax-exempt amount on line 1c and complete [item L](#) of Schedule OI (Form 1040-NR). If the interest is tax exempt under a treaty but the withholding agent withheld tax, report the interest on Schedule NEC (Form 1040-NR), line 2. Use column d and show 0% for the appropriate rate of tax. You can download the complete text of most U.S. tax treaties at IRS.gov. Go to IRS.gov, enter "tax treaties" in the search box at the top of the page, and click on *United States Income Tax Treaties - A to Z*. Technical explanations for many of those treaties are also available at that site.

**Exception 3.** Do not include on line 2b interest from a U.S. bank, savings and loan association, credit union, or similar institution (or from certain deposits with U.S. insurance companies) that is exempt from tax under a tax treaty or under section 871(i) because the interest is not effectively connected with a U.S. trade or business.

### Line 3a—Qualified Dividends

See [Line 3a—Qualified Dividends](#) in the Instructions for Forms 1040 and 1040-SR for details on qualified dividends.

**Exception.** Only report qualified dividends effectively connected with a trade or business on Form 1040-NR,

line 3a. If the qualified dividends were not effectively connected with a U.S. trade or business and were U.S. source, report them on [Schedule NEC \(Form 1040-NR\), line 1a, 1b, or 1c](#).

### Line 3b—Ordinary Dividends

See [Line 3b—Ordinary Dividends](#) in the Instructions for Forms 1040 and 1040-SR for details on ordinary dividends.

**Exception.** Only report ordinary dividends effectively connected with a trade or business on Form 1040-NR, line 3b. If the ordinary dividends were not effectively connected with a U.S. trade or business and are U.S. source, report them on [Schedule NEC \(Form 1040-NR\), line 1a, 1b, or 1c](#).

### Lines 4a and 4b—IRA Distributions

See [Lines 4a and 4b—IRA Distributions](#) in the Instructions for Forms 1040 and 1040-SR for details on IRA distributions.

### Lines 5a and 5b—Pensions and Annuities

See [Lines 5a and 5b—Pensions and Annuities](#) in the Instructions for Forms 1040 and 1040-SR for details on pensions and annuities.

**Exception 1.** Only report pensions and annuities effectively connected with a trade or business on Form 1040-NR, lines 5a and 5b. If the pensions and annuities were not effectively connected with a U.S. trade or business and were U.S. source, report them on Schedule NEC (Form 1040-NR), line 7.

**Exception 2.** In addition to entering pension and annuity amounts from box 1 of Form 1099-R, you may also enter pension and annuity amounts from box 2 of Form 1042-S.

**Exception 3.** Attach Form 1042-S or 1099-R to Form 1040-NR if any federal income tax was withheld.

### Effectively Connected Pension Distributions

If you performed services in the United States, your income is generally effectively connected with a U.S. trade or business. (See section 864 for details and exceptions.)

If you worked in the United States after December 31, 1986, the part of

each pension distribution that is attributable to the services you performed after 1986 is income that is effectively connected with a U.S. trade or business.

**Example.** You worked in the United States from January 1, 1980, through December 31, 1989 (10 years). You now receive monthly pension payments from your former U.S. employer's pension plan. 70% of each payment is attributable to services you performed during 1980 through 1986 (7 years) and 30% of each payment is attributable to services you performed during 1987 through 1989 (3 years). Include 30% of each pension payment in the total amount that you report on line 5a. Include 70% of each payment in the total amount that you report in the appropriate column on Schedule NEC (Form 1040-NR), line 7.

In most cases, the effectively connected pension distribution will be fully taxable in the United States, so you must include it on line 5b.

However, in some situations, you can report a lower amount on line 5b. The most common situations are where:

- All or a part of your pension payment is exempt from U.S. tax,
- A part of your pension payment is attributable to after-tax contributions to the pension plan, or
- The payment is rolled over to another retirement plan.

See chapter 2 of Pub. 519; Pub. 575, Pension and Annuity Income; or Pub. 939, General Rule for Pensions and Annuities, for more information.

### Fully Taxable Pensions and Annuities

See *Fully Taxable Pensions and Annuities* under *Lines 5a and 5b* in the Instructions for Forms 1040 and 1040-SR for details.

**Exception.** On line 5b, include the total pension or annuity payments from box 2 of Form(s) 1042-S, if any, with the total of payments from box 1 of Form(s) 1099-R.

### Partially Taxable Pensions and Annuities

See *Partially Taxable Pensions and Annuities* under *Lines 5a and 5b* in the Instructions for Forms 1040 and 1040-SR for details.

**Exception 1.** On line 5a, include the total pension or annuity payments from box 2 of Form(s) 1042-S, if any, with the total of payments from box 1 of Form(s) 1099-R. If your Form 1042-S or Form 1099-R does not show the taxable amount, you must figure the taxable amount and include that amount on line 5b. If your annuity is paid under a qualified plan and your annuity starting date was after July 1, 1986, see [Simplified Method](#), later.

**Exception 2.** If your annuity is paid under a nonqualified plan or paid under a qualified plan and your annuity starting date was before July 2, 1986, you must generally use the General Rule. If you are required to use the General Rule, you can ask the IRS to figure the taxable part for a \$1,000 fee. For more information about the General Rule, see Pub. 939.

If your Form 1099-R shows a taxable amount, you can include that amount on line 5b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method. If you received Form 1042-S, you must figure the taxable part by using the General Rule or the Simplified Method.

### Simplified Method

See *Simplified Method* under *Lines 5a and 5b* in the Instructions for Forms 1040 and 1040-SR for details on the Simplified Method.

### Lump-Sum Distributions

See *Lump-Sum Distributions* under *Lines 5a and 5b* in the Instructions for Forms 1040 and 1040-SR for details on lump-sum distributions.

### Simplified Method

#### Worksheet—Lines 5a and 5b

See the Simplified Method Worksheet—Lines 5a and 5b in the Instructions for Forms 1040 and 1040-SR.

**Exception 1.** On each line on which a Form 1099-R (or a Form 1099-R, box 1) total is entered, also include the totals from your Forms 1042-S (or Forms 1042-S, box 2).

**Exception 2.** Enter the amount on the same line of Form 1040-NR as you are directed to enter it on Form 1040 or 1040-SR.

### Line 6—Reserved for Future Use

Leave line 6 blank.

**Exception.** Unlike on Form 1040, you report your social security benefits on Schedule NEC (Form 1040-NR), line 8.

### Line 7—Capital Gain or (Loss)

See *Line 7—Capital Gain or (Loss)* in the Instructions for Forms 1040 and 1040-SR for details on capital gain or loss. Report effectively connected capital gains or losses connected with a trade or business on Form 1040-NR, line 7. If the capital gains or losses were not effectively connected with a U.S. trade or business and were U.S. source, report them on Schedule NEC (Form 1040-NR), line 16.

**Exception.** Only report effectively connected capital gains or losses connected with a trade or business on Form 1040-NR, line 7. If the capital gains or losses were not effectively connected with a U.S. trade or business and were U.S. source, report them on Schedule NEC (Form 1040-NR), line 16.

### Lines 10a, 10b, 10c, and 10d—Adjustments to Income

#### Line 10b

See *Line 10b* under *Lines 10a, 10b, and 10c—Adjustments to Income* in the Instructions for Forms 1040 and 1040-SR for details.

**Exception.** The up-to-\$300 (up-to-\$150 if married filing separately) charitable deduction for cash contributions is only available to you if you are a student or business apprentice eligible for benefits under Article 21(2) of the United States-India Income Tax Treaty who has elected to use the standard deduction.

#### Line 10c

If you received a scholarship or fellowship grant and were a degree candidate, enter amounts used for tuition and course-related expenses (fees, books, supplies, and equipment), but only to the extent the amounts are included on line 1b. See the examples in the instructions for [line 1b](#).



## Line 12—Itemized Deductions

Enter the total itemized deductions from line 8 of Schedule A (Form 1040-NR). See the instructions for [Schedule A, line 8](#), later, for more details.

**Standard deduction for certain residents of India.** Students or business apprentices may be able to take the standard deduction on Form 1040-NR, line 12, instead of their itemized deductions if they are eligible for benefits under Article 21(2) of the United States-India Income Tax Treaty. They will enter the standard deduction amount found for their filing status on Form 1040 or 1040-SR. See chapter 5 of Pub. 519 for details. Also see *Standard Deduction* under *Line 12—Deductions or Standard Deduction* in the Instructions for Forms 1040 and 1040-SR. If they must use the Standard Deduction Worksheet for Dependents—Line 12 in the Instructions for Forms 1040 and 1040-SR, they should enter the amount on the same line of Form 1040-NR as they are directed to enter it on Form 1040 or 1040-SR.

## Lines 13a, 13b, and 13c

### Line 13a—Qualified Business Income Deduction (Section 199A Deduction)

See *Line 13—Qualified Business Income Deduction (Section 199A Deduction)* in the Instructions for Forms 1040 and 1040-SR for details on the qualified business income deduction.

**Exception.** You must have income effectively connected with a U.S. trade or business.

### Line 13b—Deduction for Exemptions for Estates and Trusts Only

A trust or estate can claim an exemption only to the extent of its income that is effectively connected with a U.S. trade or business.



*You can't claim an exemption deduction in 2020 if you are an individual.*

**Estates.** Enter \$600 on line 13b.

**Trusts.** If you are filing for a trust whose governing instrument requires it to distribute all of its income currently, enter \$300 on line 13b.

If you are filing for a qualified disability trust (defined in section 642(b)(2)(C)(ii)), enter \$4,300 on line 13b.

If you are filing for any other trust, enter \$100 on line 13b.

## Line 16—Tax

See *Line 16—Tax* in the Instructions for Forms 1040 and 1040-SR for details on taxes includible on this line, and for whether you must use the Tax Table or the Tax Computation Worksheet to compute your tax.

**Exception 1.** If you are filing for an estate or trust, use [Tax Rate Schedule W](#), later, to figure the tax.

**Exception 2.** Do **not** include on line 16 any of the following that are listed in those instructions. They do not apply to persons filing Form 1040-NR.

- Tax due to making a section 962 election.
- Recapture of an education credit from Form 8863.
- Tax from Form 8621.
- Any amounts due to section 965.

**Exception 3.** Do **not** use the Foreign Earned Income Tax Worksheet. You are not eligible for the foreign earned income exclusion, housing exclusion, or housing deduction on Form 2555.

**Exception 4.** The IRS will not figure the tax for you.

## Form 8615

See *Form 8615* under *Line 16—Tax* in the Instructions for Forms 1040 and 1040-SR for details on Form 8615.

**Exception 1.** The child's \$2,200 of unearned income must be effectively connected with a U.S. trade or business.

**Exception 2.** The Form 8615 must be filed for a child even if the child is a nonresident alien.

## Schedule D Tax Worksheet

See *Schedule D Tax Worksheet* under *Line 16—Tax* in the Instructions for Forms 1040 and 1040-SR for details on the worksheet.

## Qualified Dividends and Capital Gain Tax Worksheet

See *Qualified Dividends and Capital Gain Tax Worksheet* under *Line 16—Tax* in the Instructions for

Forms 1040 and 1040-SR for details on the worksheet.

**Exception 1.** When applying the discussion, including the Qualified Dividends and Capital Gain Tax Worksheet, to Form 1040-NR, you will use the same lines of Form 1040-NR that are used for Form 1040 or 1040-SR.

**Exception 2.** The Form 2555 and its Foreign Earned Income Tax Worksheet discussions, including those in the Qualified Dividends and Capital Gain Tax Worksheet, do not apply to you. That form is not filed by persons filing Form 1040-NR.

**Exception 3.** Estates and trusts, when completing the Qualified Dividends and Capital Gain Tax Worksheet, must use [Tax Rate Schedule W](#), later, instead of the Tax Table or the Tax Computation Worksheet in the Instructions for Forms 1040 and 1040-SR.

## Schedule J (Form 1040)

See *Schedule J* under *Line 16—Tax* in the Instructions for Forms 1040 and 1040-SR.

## Foreign Earned Income Tax Worksheet

Do not use the Foreign Earned Income Tax Worksheet in the Instructions for Forms 1040 and 1040-SR. That worksheet is for persons filing Form 2555. Form 2555 is not filed by persons filing Form 1040-NR.

## Line 19—Child Tax Credit and Credit for Other Dependents

See *Line 19—Child Tax Credit and Credit for Other Dependents* in the Instructions for Forms 1040 and 1040-SR for details on the child tax credit and the credit for other dependents, including the 2020 Child Tax Credit and Credit for Other Dependents Worksheet.

**Exception 1.** To claim the child tax credit or the credit for other dependents on Form 1040-NR in full, you must be a U.S. national or a resident of Canada or Mexico. Residents of South Korea and India can claim the credits on Form 1040-NR to the extent described in Pub. 519. No other persons filing Form 1040-NR can claim the child tax

credit or the credit for other dependents.

**Exception 2.** When applying the discussion, including the worksheet, to Form 1040-NR, you will use the same lines of Form 1040-NR that are used for Form 1040 or 1040-SR.

**Exception 3.** The Form 2555 and Form 4563 discussions, including those in the Child Tax Credit and Credit for Other Dependents Worksheet, do not apply to you. Those forms are not filed by persons filing Form 1040-NR.

## Lines 23a Through 23d—Other Taxes

### Line 23c—Transportation Tax

Nonresident alien individuals are subject to a 4% tax on U.S. source gross transportation income that is not effectively connected with a U.S. trade or business. However, the term “U.S. source gross transportation income” does not include any such income that is taxable in a possession of the United States under the provisions of the Internal Revenue Code as applied to that possession.

For purposes of this tax, transportation income will be treated as not effectively connected with the conduct of a trade or business in the United States unless:

1. You had a fixed place of business in the United States involved in the earning of transportation income, and
2. At least 90% of your U.S. source gross transportation income was attributable to regularly scheduled transportation. Or, in the case of income from the leasing of a vessel or aircraft, it was attributable to a fixed place of business in the United States. See chapter 4 of Pub. 519 for rules, definitions, and exceptions.

You may be exempt from this tax because of a treaty or an exchange of notes between the United States and the country of which you are a resident. If the country of which you are a resident does not impose tax on the shipping or aircraft income of U.S. persons, you may also be exempt from this tax. If you are exempt from the tax by treaty or exchange of notes, complete Form 8833 and attach it to this return. Also, complete [item L](#) of Schedule OI (Form 1040-NR) and

include the amount on line 1c of Form 1040-NR. If you are exempt from the tax for any other reason, you must attach a statement to Form 1040-NR identifying your country of residence and the law and provisions under which you claim exemption from the tax.

If you owe this tax, you must attach a statement to your return that includes the information described in Pub. 519.

## Payments

### Lines 25a Through 25g—Federal Income Tax Withheld

#### Line 25a—Form(s) W-2

See *Line 25a—Form(s) W-2* in the Instructions for Forms 1040 and 1040-SR for details.

#### Line 25b—Form(s) 1099

See *Line 25b—Form(s) 1099* in the Instructions for Forms 1040 and 1040-SR for details.

#### Line 25c—Other Forms

See *Line 25c—Other Forms* in the Instructions for Forms 1040 and 1040-SR for details.

**Exception.** Do not include tax withheld on Form 8805, Form 8288-A, and 1042-S on Form 1040-NR, line 25c. The taxes withheld on those forms are reported on Form 1040-NR, lines 25e, 25f, and 25g, respectively.

#### Line 25e—Form(s) 8805

Enter on line 25e any tax withheld by a partnership and shown on Form(s) 8805. Attach a copy of all Form(s) 8805 to the back of your return.

#### Line 25f—Form(s) 8288-A

Enter on line 25f any tax withheld under section 1445 (related to dispositions of U.S. real property interests) or under section 1446(f)(1) (related to dispositions of interests in partnerships engaged in the conduct of a trade or business in the United States) and shown on Form(s) 8288-A. Attach a copy of all Form(s) 8288-A to the front of your return.

### Line 25g—Form(s) 1042-S

Enter on line 25g the total amount shown as federal income tax withheld under chapter 3 or 4 on your Form(s) 1042-S. The withholding credit should be shown in box 10 of your Form(s) 1042-S. Attach Form(s) 1042-S to the front of your return.



**TIP** Be sure to attach to the front of your return a copy of Form(s) W-2, 1042-S, SSA-1042S, RRB-1042S, and 8288-A. Attach to the front of your return Form(s) 1099-R if tax was withheld. Be sure to attach to the back of your return Form(s) 8805. A foreign trust or estate must also attach to the back of Form 1040-NR copies of the Form(s) 8805 it must furnish to its beneficiaries with the Schedule(s) T completed.



**CAUTION** Refunds of taxes shown on Forms 8805, 8288-A, or 1042-S may be delayed for up to 6 months. See [Refund Information](#), later.

### Line 26—2020 Estimated Tax Payments

See *Line 26—2020 Estimated Tax Payments* in the Instructions for Forms 1040 and 1040-SR for details on 2020 estimated tax payments.

**Exception.** Substitute “ITIN or SSN” every place SSN is mentioned. For the discussion in this section, you can use an ITIN as well as an SSN.

### Line 27—Reserved for Future Use

Leave line 27 blank. Do not follow the instructions in *Line 27—Earned Income Credit* in the Instructions for Forms 1040 and 1040-SR. The earned income credit (EIC) cannot be claimed by persons filing Form 1040-NR.

### Line 28—Additional Child Tax Credit

See *Line 28—Additional Child Tax Credit* in the Instructions for Forms 1040 and 1040-SR for details on the additional child tax credit.

**Exception.** To claim the additional child tax credit in full, you must be a U.S. national or a resident of Canada or Mexico. Residents of South Korea and India can claim the credits to the extent described in Pub. 519. No

other persons filing Form 1040-NR can claim the additional child tax credit.

### Line 29—Credit for Amount Paid With Form 1040-C

Enter any amount you paid with Form 1040-C for 2020. Do not follow the instructions in *Line 29—American Opportunity Credit*, in the Instructions for Forms 1040 and 1040-SR. The American opportunity credit cannot be claimed by persons filing Form 1040-NR.

### Line 30—Reserved for Future Use

Leave line 30 blank. Do not follow the instructions in *Line 30—Recovery Rebate Credit*, in the Instructions for Forms 1040 and 1040-SR. The recovery rebate credit cannot be claimed by persons filing Form 1040-NR.

## Refund

### Line 34—Amount Overpaid

See *Line 34—Amount Overpaid* in the Instructions for Forms 1040 and 1040-SR for details on the amount overpaid.

**Exception.** The *Injured Spouse* discussion does not apply to you. A person filing Form 1040-NR cannot file a joint return.

### Lines 35a Through

### 35e—Amount Refunded to You

See *Lines 35a Through 35d—Amount Refunded to You*, in the Instructions for Forms 1040 and 1040-SR for details on what to report on lines 35a through 35d.

**Exception 1.** If you are having your refund (or part of it) directly deposited to a traditional IRA, Roth IRA, or SEP-IRA, you must establish the IRA at a **U.S.** bank or other financial institution in the United States before you request direct deposit.

**Exception 2.** If you request a refund of tax withheld on a Form 1042-S, Form 8805, or Form 8288-A, we may need additional time to process the refund. Allow up to 6 months for these refunds to be issued.

### Line 35e

If you want your refund mailed outside the United States to an address not

listed on page 1 of Form 1040-NR, enter that address on line 35e. See [Foreign address](#), earlier, for information on entering a foreign address.

**Note.** If the address on page 1 of Form 1040-NR is not in the United States, you can enter an address in the United States on line 35e. However, if the address on page 1 of Form 1040-NR is in the United States, the IRS cannot mail a refund to a different address in the United States.

### Line 36—Applied to Your 2021 Estimated Tax

See *Line 36—Applied to Your 2021 Estimated Tax*, in the Instructions for Forms 1040 and 1040-SR for details.

## Amount You Owe

See *Amount You Owe* in the Instructions for Forms 1040 and 1040-SR for details.

### Line 37—Amount You Owe

See *Line 37—Amount You Owe*, in the Instructions for Forms 1040 and 1040-SR for details on what to report on Form 1040-NR, line 37.

**Exception 1.** If you want to pay electronically but do not have a U.S. bank account, go to [IRS.gov/Individuals/International-Taxpayers/Foreign-Electronic-Payments](#) for more information.

**Exception 2.** If you are paying by check or money order, the check or money order must be drawn on a U.S. financial institution.

### Line 38—Estimated Tax Penalty

You may owe this penalty if:

- Line 37 is at least \$1,000 and it is more than 10% of the tax shown on your return, or
- You did not pay enough estimated tax by any of the due dates. This is true even if you are due a refund.

For most people, the “tax shown on your return” is the amount on your 2020 Form 1040-NR, line 24, minus the total of any amounts shown on line 28; Schedule 3 (Form 1040), lines 8 and 11; and Forms 7202 (lines 24 and 35), 8828, 4137, 5329 (Parts III through IX only), 8885, and 8919.

Also, subtract from line 24 any:

- Tax on an excess parachute payment,

- Excise tax on insider stock compensation of an expatriated corporation,
- Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance, and
- Look-back interest due under section 167(g) or 460(b).

When figuring the amount on line 24, include household employment taxes (Schedule 2 (Form 1040), line 7a) only if the total of lines 25d through 25g is more than zero or you would owe the penalty even if you did not include those taxes.

**Exception.** You will not owe the penalty if your 2019 tax return was for a tax year of 12 full months and either of the following applies.

1. You had no tax shown on your 2019 return and you were a U.S. citizen or resident for all of 2019.

2. The total of lines 25d through 25g, 26, and 29; and Schedule 3 (Form 1040), line 10, on your 2020 return is at least 100% of the tax shown on your 2019 return. (But see the Caution below.) Your estimated tax payments for 2020 must have been made on time and for the required amount.



*If your 2019 adjusted gross income was over \$150,000 (over \$75,000 if you checked filing status Married for 2019), item (2) applies only if the total of lines 25d through 25g, 26, and 29; and Schedule 3 (Form 1040), line 10, on your 2020 tax return is at least 110% of the tax shown on your 2019 return. This rule does not apply to farmers and fishermen.*

For most people, the “tax shown on your 2019 return” is the amount on your 2019 Form 1040-NR, line 61, minus the total of any amounts shown on lines 64, 65, and 68 and Forms 8828, 4137, 5329 (Parts III through IX only), 8885, and 8919.

Also, subtract from line 61 any:

- Tax on an excess parachute payment,
- Excise tax on insider stock compensation of an expatriated corporation,
- Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance, and
- Look-back interest due under section 167(g) or 460(b).



When figuring the amount on line 61, include household employment taxes only if the total of lines 62a through 62d is more than zero or you would have owed the estimated tax penalty for 2019 even if you did not include those taxes.

If the [Exception](#) just described does not apply, see the Instructions for Form 2210 for other situations in which you may be able to lower your penalty by filing Form 2210.

**Figuring the penalty.** If you choose to figure the penalty yourself, use Form 2210 (or Form 2210-F for farmers and fishermen).

Enter any penalty on line 38. Add the penalty to any tax due and enter the total on line 37.

However, if you have an overpayment on line 34, subtract the penalty from the amount you would otherwise enter on line 35a or line 36. Lines 35a, 36, and 38 must equal line 34.

If the penalty is more than the overpayment on line 34, enter -0- on lines 35a and 36. Then, subtract line 34 from line 38 and enter the result on line 37.

Don't file Form 2210 with your return unless Form 2210 indicates that you must do so. Instead, keep it for your records.

**TIP** *Because Form 2210 is complicated, you can leave line 38 blank and the IRS will figure the penalty and send you a bill. We will not charge you interest on the penalty if you pay by the date specified on the bill. If your income varied during the year, the annualized income installment method may reduce the amount of your penalty. But you must file Form 2210 because the IRS cannot figure your penalty under this method.*

## Third Party Designee

See *Third Party Designee* in the Instructions for Forms 1040 and 1040-SR for details on the third party designee.

**Exception.** The phone number you enter for the designee must be a **U.S.** phone number.

## Sign Your Return

See *Sign Your Return* in the Instructions for Forms 1040 and 1040-SR for details on signing your return.

**Exception 1.** You can have an agent in the United States prepare and sign your return if you could not do so for one of the following reasons.

- You were ill.
- You were not in the United States at any time during the 60 days before the return was due.
- Other reasons approved by the IRS, which you explain in writing to:

Department of the Treasury  
Internal Revenue Service  
Austin, TX 73301-0215  
U.S.A.

**Exception 2.** The discussion of joint returns does not apply to you. A person filing Form 1040-NR cannot file a joint return.

## Identity Protection PIN

See *Identity Protection PIN* in the Instructions for Forms 1040 and 1040-SR for details on Identity Protection Personal Identification Numbers (IP PINs).

## Phone Number and Email Address

You have the option of entering your phone number and email address in the spaces provided. There will be no effect on the processing of your return if you choose not to enter this

information. Note that the IRS initiates most contacts through regular mail delivered by the United States Postal Service. The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information.

You can report a phone scam to the Treasury Inspector General for Tax Administration at [IRS Impersonation Scam Reporting](#) or the FTC using the [FTC Complaint Assistant](#) at [FTC.gov](#). Add "IRS Telephone Scam" in the notes.

You can report an unsolicited email claiming to be from the IRS, or an IRS-related component like Electronic Federal Tax Payment System, to the IRS at [phishing@irs.gov](mailto:phishing@irs.gov).

For more information, go to [IRS.gov/Phishing](#) and [IRS.gov/newsroom/how-to-know-its-really-the-irs-calling-or-knocking-on-your-door](#).

## Paid Preparer Must Sign Your Return

See *Paid Preparer Must Sign Your Return* in the Instructions for Forms 1040 and 1040-SR for details on paid preparers.

## Assemble Your Return

See *Assemble Your Return* in the Instructions for Forms 1040 and 1040-SR for details on assembling your return.

**Exception.** Attach a copy of Forms W-2, 1042-S, SSA-1042S, RRB-1042S, 2439, and 8288-A to the front of Form 1040-NR. If you received a Form W-2c (a corrected Form W-2), attach a copy of your original Forms W-2 and any Forms W-2c. Also attach Form(s) 1099-R to the front of Form 1040-NR if tax was withheld. Attach Form 8805 to the back of your return.

## 2020 Tax Table

See the 2020 Tax Table in the Instructions for Forms 1040 and 1040-SR to determine your tax. For an example of how to locate your tax for the Form 1040-NR, see the 2020 Form 1040-NR Sample Table below.

**Exception 1.** Because you are filing Form 1040-NR, you have only three filing statuses: Single, Married filing separately (formerly Married), or Qualified widow(er). Do not use the amounts in the column for Head of a household. Use the amounts in the

Married filing jointly column only if you are a Qualified widow(er).

**Exception 2.** If you are filing for an estate or trust, you must use [Tax Rate Schedule W](#), later, to figure your tax.

**Exception 3.** Because you cannot file a joint return, use the 2020 Form 1040-NR Sample Table below instead of the one under the 2020 Tax Table in the Instructions for Forms 1040 and 1040-SR.

## 2020 Tax Computation Worksheet

See the 2020 Tax Computation Worksheet—Line 16 in the

Instructions for Forms 1040 and 1040-SR.

**Exception.** If you must use the tax computation worksheets based on the line 16 instructions, use the Section A Worksheet for Single, the Section B Worksheet for Qualifying widow(er), or the Section C Worksheet for Married filing separately, and enter the amount on Form 1040-NR, line 16.

PREPARED AS OF  
 February 8, 2021

## 2020 Form 1040-NR Sample Table

**Example.** Mr. Brown's filing status is married filing separately. His taxable income on Form 1040-NR, line 15, is \$25,300. First, he finds the \$25,300–25,350 taxable income line. Next, he finds the column for married filing separately and reads down the column. The amount shown where the taxable income line and filing status column meet is \$2,842. This is the tax amount he should enter in the entry space on Form 1040-NR, line 16.

**Sample Table**

At Least	But Less Than	Single	Married filing jointly*	Married filing separately	Head of a household
<b>Your tax is—</b>					
<b>25,200</b>	<b>25,250</b>	2,830	2,632	2,830	2,745
<b>25,250</b>	<b>25,300</b>	2,836	2,638	2,836	2,751
<b>25,300</b>	<b>25,350</b>	2,842	2,644	<del>2,842</del>	2,757
<b>25,350</b>	<b>25,400</b>	2,848	2,650	2,848	2,763

Extract of tax table to illustrate example.



## General Information

### The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

### How To Avoid Common Mistakes

See *How To Avoid Common Mistakes* in the Instructions for Forms 1040 and 1040-SR.

**Exception 1.** Be sure to enter your identifying number (SSN or ITIN) on page 1 of Form 1040-NR. Be sure to enter the SSN, ITIN, or ATIN of your dependents under Dependents on page 1 of Form 1040-NR.

**Exception 2.** Information about standard deductions only applies to students and business apprentices eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty.

**Exception 3.** You are not eligible to claim an earned income credit as a Form 1040-NR filer.

**Exception 4.** You can claim the premium tax credit for dependents only if you are a U.S. national; resident of Canada, Mexico, or South Korea; or a student or business apprentice eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty. If your filing status at the top of page 1 on Form 1040-NR is Married filing separately, you cannot take the premium tax credit unless you meet the criteria of one of the exceptions under *Married taxpayers* in the Instructions for Form 8962.

### Income Tax Withholding and Estimated Tax Payments for 2021

See *Income Tax Withholding and Estimated Tax Payments for 2021* in the Instructions for Forms 1040 and 1040-SR for more details.



For more information on withholding or estimated tax payments, see *Paying Tax Through Withholding or Estimated Tax* in chapter 8 of *Pub. 519*.

### Secure Your Tax Records From Identity Theft

See *Secure Your Tax Records From Identity Theft* in the Instructions for Forms 1040 and 1040-SR for more details.

### How Do You Make a Gift To Reduce Debt Held By the Public?

See *How Do You Make a Gift To Reduce Debt Held By the Public?* in the Instructions for Forms 1040 and 1040-SR for more details.

### How Long Should Records Be Kept?

See *How Long Should Records Be Kept?* in the Instructions for Forms 1040 and 1040-SR for more details.

### How Do You Amend Your Tax Return?

See *Amended Return* in the Instructions for Forms 1040 and 1040-SR for more details.

### Need a Copy of Your Tax Return?

See *Need a Copy of Your Tax Return Information?* in the Instructions for Forms 1040 and 1040-SR for more details.

**Exception 1.** To get a free transcript, if you are outside the United States, call 267-941-1000 (English-speaking only). This number is not toll free.

### Death of a Taxpayer

See *Death of a Taxpayer* in the Instructions for Forms 1040 and 1040-SR for more details.

### Past Due Returns

See *Past Due Returns* in the Instructions for Forms 1040 and 1040-SR for more details.

### How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) and find resources that can help you right away.

**Preparing and filing your tax return.** After receiving all your wage and earnings statements (Form W-2, W-2G, 1099-R, 1099-MISC, 1099-NEC, etc.); unemployment compensation statements (by mail or in a digital format) or other government payment statements (Form 1099-G); and interest, dividend, and retirement statements from banks and investment firms (Forms 1099), you have several options to choose from to prepare and file your tax return. You can prepare the tax return yourself, see if you qualify for free tax preparation, or hire a tax professional to prepare your return.

#### Free options for tax preparation.

Go to [IRS.gov](https://www.irs.gov) to see your options for preparing and filing your return online or in your local community, if you qualify, which include the following.

- **VITA.** The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. Go to [IRS.gov/VITA](https://www.irs.gov/VITA), download the free IRS2Go app, or call 800-906-9887 to find the nearest VITA location for free tax return preparation.
- **TCE.** The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors. Go to [IRS.gov/TCE](https://www.irs.gov/TCE), download the free IRS2Go app, or call 888-227-7669 to find the nearest TCE location for free tax return preparation.

**Using online tools to help prepare your return.** Go to [IRS.gov/Tools](https://www.irs.gov/Tools) for the following.

- The [Online EIN Application \(IRS.gov/EIN\)](https://www.irs.gov/EIN) helps you get an employer identification number (EIN).
- The [Tax Withholding Estimator \(IRS.gov/W4App\)](https://www.irs.gov/W4App) makes it easier for everyone to pay the correct amount of tax during the year. The tool is a convenient, online way to check and tailor your withholding. It's more user-friendly for taxpayers, including retirees and self-employed individuals. The features include the following.
  - Easy to understand language.
  - The ability to switch between screens, correct previous entries, and skip screens that do not apply.
  - Tips and links to help you determine if you qualify for tax credits and deductions.
  - A progress tracker.
  - A self-employment tax feature.
  - Automatic calculation of taxable social security benefits.
- The [First Time Homebuyer Credit Account Look-up \(IRS.gov/HomeBuyer\)](https://www.irs.gov/FirstTimeHomebuyerCredit) tool provides information on your repayments and account balance.



**Getting answers to your tax law questions.** On [IRS.gov](https://www.irs.gov), you can get up-to-date information on current events and changes in tax law.

- [IRS.gov/Help](https://www.irs.gov/Help): A variety of tools that will help you get answers to some of the most common tax questions.
- [IRS.gov/ITA](https://www.irs.gov/ITA): The Interactive Tax Assistant, a tool that will ask you questions on a number of tax law topics and provide answers.
- [IRS.gov/Forms](https://www.irs.gov/Forms): Find forms, instructions, and publications. You will find details on 2020 tax changes and hundreds of interactive links to help you find answers to your questions.
- You may also be able to access tax law information in your electronic filing software.

**Need someone to prepare your tax return?** There are various types of tax return preparers, including tax preparers, enrolled agents, certified public accountants (CPAs), attorneys, and many others who don't have professional credentials. If you choose to have someone prepare

your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).

Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to [Tips for Choosing a Tax Preparer](https://www.irs.gov/TipsforChoosingaTaxPreparer) on [IRS.gov](https://www.irs.gov).

**Coronavirus.** Go to [IRS.gov/Coronavirus](https://www.irs.gov/Coronavirus) for links to information on the impact of the coronavirus, as well as tax relief available for individuals and families, small and large businesses, and tax-exempt organizations.

**Tax reform.** Tax reform legislation affects individuals, businesses, and tax-exempt and government entities. Go to [IRS.gov/TaxReform](https://www.irs.gov/TaxReform) for information and updates on how this legislation affects your taxes.

**Employers can register to use Business Services Online.** The Social Security Administration (SSA) offers online service at [SSA.gov/employer](https://www.ssa.gov/employer) for fast, free, and secure online W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement, and Form W-2c, Corrected Wage and Tax Statement.

**IRS social media.** Go to [IRS.gov/SocialMedia](https://www.irs.gov/SocialMedia) to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are paramount. We use these tools to share public information with you. **Don't** post your SSN or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- [Youtube.com/irsvideos](https://www.youtube.com/irsvideos).
- [Youtube.com/irsvideosmultilingua](https://www.youtube.com/irsvideosmultilingua).

- [Youtube.com/irsvideosASL](https://www.youtube.com/irsvideosASL).

**Watching IRS videos.** The IRS Video portal ([IRSVideos.gov](https://www.irs.gov/IRSVideos)) contains video and audio presentations for individuals, small businesses, and tax professionals.

**Online tax information in other languages.** You can find information on [IRS.gov/MyLanguage](https://www.irs.gov/MyLanguage) if English is not your native language.

**Free interpreter service.**

Multilingual assistance, provided by the IRS, is available at Taxpayer Assistance Centers (TACs) and other IRS offices. Over-the-phone interpreter service is accessible in more than 350 languages.

**Getting tax forms and publications.** Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all of the forms and publications you may need. You can also download and view popular tax publications and instructions (including the Instructions for Forms 1040 and 1040-SR) on mobile devices as an eBook at no charge at [IRS.gov/eBooks](https://www.irs.gov/eBooks). Or you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order.

**Access your online account (individual taxpayers only).** Go to [IRS.gov/Account](https://www.irs.gov/Account) to securely access information about your federal tax account.

- View the amount you owe, pay online, or set up an online payment agreement.
- Access your tax records online.
- Review your payment history.
- Go to [IRS.gov/SecureAccess](https://www.irs.gov/SecureAccess) to review the required identity authentication process.

**Using direct deposit.** The fastest way to receive a tax refund is to file electronically and choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. The IRS issues more than 90% of refunds in less than 21 days.

**Getting a transcript or copy of a return.** The quickest way to get a copy of your tax transcript is to go to [IRS.gov/Transcripts](https://www.irs.gov/Transcripts). Click on either "Get Transcript Online" or "Get

Transcript by Mail™ to order a copy of your transcript. If you prefer, you can order your transcript by calling 800-908-9946.

### Reporting and resolving tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if your SSN is used to file a fraudulent return or to claim a refund or credit.
- The IRS does not initiate contact with taxpayers by email, text messages, telephone calls, or social media channels to request personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to [IRS.gov/IdentityTheft](https://www.irs.gov/IdentityTheft), the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to eligible taxpayers to help prevent the misuse of their SSNs on fraudulent federal income tax returns. When you have an IP PIN, it prevents someone else from filing a tax return with your SSN. To learn more, go to [IRS.gov/IPPIN](https://www.irs.gov/IPPIN).

### Checking on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- The IRS cannot issue refunds before mid-February 2021 for returns that claim the additional child tax credit. This applies to the entire refund, not just the portion associated with this credit.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

**Making a tax payment.** The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is

quick, easy, and faster than mailing in a check or money order. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for information on how to make a payment using any of the following options.

- **IRS Direct Pay:** Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit or Credit Card:** Choose an approved payment processor to pay online, by phone, and by mobile device.
- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or Money Order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.
- **Same-Day Wire:** You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and cut-off times.

**What if I can't pay now?** Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OPA\)](https://www.irs.gov/OPA) to meet your tax obligation in monthly installments if you cannot pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier](https://www.irs.gov/OPA) to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to [IRS.gov/OIC](https://www.irs.gov/OIC).

**Filing an amended return.** You can now file Form 1040-X electronically with tax filing software to amend 2019 Forms 1040 and 1040-SR. To do so, you must have *e-filed* your original 2019 return. Amended returns for all prior years must be mailed. See [Tips for taxpayers who need to file an amended tax return](https://www.irs.gov/Forms1040X) and go to [IRS.gov/Form1040X](https://www.irs.gov/Form1040X) for information and updates.

**Checking the status of an amended return.** Go to [IRS.gov/WMAR](https://www.irs.gov/WMAR) to track the status of Form 1040-X amended returns. Please note that it can take up to 3 weeks from the date you mailed your amended return for it to show up in our system, and processing it can take up to 16 weeks.

**Understanding an IRS notice or letter you have received.** Go to [IRS.gov/Notices](https://www.irs.gov/Notices) to find additional information about responding to an IRS notice or letter.

### Contacting your local IRS office.

Keep in mind, many questions can be answered on [IRS.gov](https://www.irs.gov) without visiting an IRS Taxpayer Assistance Center (TAC). Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue cannot be handled online or by phone. All TACs now provide service by appointment so you will know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

**Taxpayer assistance outside the United States.** If you are outside the United States and have tax questions:

- Go to [IRS.gov](https://www.irs.gov) and type "nonresident alien" in the search box, or
- Call 267-941-1000 (English-speaking only). This number is not toll free.

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## Interest and Penalties

See *Interest and Penalties* in the Instructions for Forms 1040 and 1040-SR for more details.

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## Refund Information

See *Refund Information* in the Instructions for Forms 1040 and 1040-SR for more details.

**Exception.** The processing of refund requests of tax withheld and reported on a Form 1042-S, Form 8805, or Form 8288-A may require additional time. Allow up to 6 months for these refunds to be issued.



# Instructions for Schedule 1 (Form 1040)—Additional Income and Adjustments to Income

## General Instructions

As noted in [Form 1040-NR Redesign Helpful Hints](#), earlier, some of the lines formerly on Form 1040-NR have been moved to Schedule 1 (Form 1040). You may need to use Schedule 1 (Form 1040) if you have additional income, such as business or farm income or loss, unemployment compensation, prize or award money, or gambling winnings or any deductions to claim, such as the student loan interest deduction, self-employment tax, or educator expenses.

When completing a line on Schedule 1 (Form 1040), look to the instructions below for that line, which may direct you to the **Schedule 1 instructions found in the Instructions for Forms 1040 and 1040-SR** for guidance.



See the specific line instructions below for any **Exceptions**. For example, see Line 1 below, which has three exceptions.

## Additional Income

### Line 1—Taxable Refunds, Credits, or Offsets of State and Local Income Taxes

See *Line 1* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details.

**Exception 1.** The state or local income tax must be of a U.S. state or local government.

**Exception 2.** Ignore the TIP. The only reason none of your refund would be taxable is, if in the year you paid the state or local income tax, you did not itemize deductions on Schedule A (Form 1040-NR); or you were a student or business apprentice eligible for the benefits of the United States-India Income Tax Treaty and you elected to use the standard deduction.

**Exception 3.** Use *Itemized Deduction Recoveries* in Pub. 525 instead of the State and Local Income Tax Refund Worksheet—Schedule 1,

Line 1 in the Instructions for Forms 1040 and 1040-SR.

### Lines 2a and 2b—Alimony Received

Leave lines 2a and 2b of Schedule 1 (Form 1040) blank. Do not follow the instructions in *Lines 2a and 2b—Alimony Received* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR. A person filing Form 1040-NR does not report alimony on lines 2a and 2b. You will report any alimony received on Schedule NEC (Form 1040-NR).

### Line 3—Business Income or (Loss)

See *Line 3* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details.

**Exception 1.** Report only your effectively connected income and expenses on Schedule C (Form 1040).

**Exception 2.** Include any income you received as a dealer in stocks, securities, and commodities through your U.S. office or dependent agent. If you dealt in these items through an independent agent, such as a U.S. broker, custodian, or commissioned agent, your income may not be considered effectively connected with a U.S. business.

### Line 4—Other Gains or (Losses)

See *Line 4* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on other gains or (losses).

**Exception.** The assets must have been used in a U.S. trade or business.

### Line 5—Rental Real Estate, Royalties, Partnerships, Trusts, etc.

Report income or loss from rental real estate, royalties, partnerships, estates, trusts, and residual interests in real estate mortgage investment conduits (REMICs) on Schedule 1 (Form 1040), line 5. Use Schedule E (Form 1040) to figure the amount to enter on Schedule 1 (Form 1040), line 5, and attach Schedule E (Form 1040) to your return. For more information, see the Instructions for Schedule E (Form 1040).



If you are electing to treat income from real property located in the United States as effectively connected with a U.S. trade or business, report the rental income or loss on Schedule 1 (Form 1040), line 5. See [Income You Can Elect To Treat as Effectively Connected With a U.S. Trade or Business](#), earlier, for more details on how to make the election. If you have not made or do not make the election, report the rental income on Schedule NEC (Form 1040-NR), line 6. See *Income From Real Property* in chapter 4 of Pub. 519 for more details.

### Line 6—Farm Income or (Loss)

Report farm income and expenses on line 6. Use Schedule F (Form 1040) to figure the amount to enter on line 19 and attach Schedule F (Form 1040) to your return. For more information, see the Instructions for Schedule F (Form 1040). Also see Pub. 225, *Farmer's Tax Guide*, for a list of important dates that apply to farmers.

### Line 7—Unemployment Compensation

See *Line 7* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on unemployment compensation, including unemployment compensation related to coronavirus relief.

### Line 8—Other Income

See *Line 8* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on other gains or (losses).

**Exception 1.** Use line 8 to report any other income effectively connected with your U.S. business that is not reported elsewhere on your return or other schedules. Jury duty pay, Alaska Permanent Fund dividends, and the net section 965 inclusion do not apply to Form 1040-NR filers.

**Exception 2.** Only report "other income" that is effectively connected with a U.S. trade or business. "Other income" does not include (and the income must be reported on Schedule NEC (Form 1040-NR) if it is):

- Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property, or
- Gambling winnings when you are not in the business of gambling.

For details on gambling losses, see the instructions for [Schedule A \(Form 1040-NR\), line 7](#), later.

**Exception 3. Canceled debts.** For Form 1040-NR filers, canceled debts in box 2 of Form 1042-S should be included on Schedule 1 (Form 1040), line 8.

**Exception 4. Income not effectively connected with a U.S. trade or business.** Report on Schedule NEC (Form 1040-NR) your other income that is U.S. source but that is not effectively connected with a U.S. trade or business.

**Exception 5. Medicaid waiver payments to care provider.** You will not have Medicaid waiver payments that you chose to include in earned income unless you are a student or business apprentice eligible for the benefits in Article 21(2) of the United States-India Income Tax Treaty.

**Exception 6. Nontaxable income.** Gifts or bequests you receive from a foreign person are not taxable regardless of the amount.

## Adjustments to Income

### Line 10—Educator Expenses

See *Line 10* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on educator expenses.

### Line 11—Certain Business Expenses of Reservists, Performing Artists, and Fee-Basis Government Officials

See *Line 11* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on these business expenses.

**Exception 1.** The expenses must be related to your effectively connected income.

**Exception 2.** Do not include performing-arts-related expenses as a write-in on line 22 of Schedule 1 (Form 1040). In 2019, these expenses were a write-in on the line that is now line 22 of Schedule 1 (Form 1040).

### Line 12—Health Savings Account (HSA) Deduction

See *Line 12* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on the HSA deduction.

### Line 13—Moving Expenses of Members of the Armed Forces

See *Line 13* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on these moving expenses.

### Line 14—Deductible Part of Self-Employment Tax

See *Line 14* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on the deductible part of self-employment tax.

### Line 15—Self-Employed SEP, SIMPLE, and Qualified Plans

See *Line 15* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on self-employed SEP, SIMPLE, and qualified plans.

### Line 16—Self-Employed Health Insurance Deduction

See *Line 16* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on the self-employed health insurance deduction.

**Exception 1.** The rules for a shareholder in an S corporation do not apply to you. Nonresident aliens cannot be shareholders in an S corporation.

**Exception 2.** The discussion of the Schedule A medical expense deduction in line 3 of the Self-Employed Health Insurance Deduction Worksheet does not apply to you. Your Schedule A (which is called Schedule A (Form 1040-NR)) does not have a line for medical expense deductions.

**Exception 3.** Form 2555 discussions do not apply to you. You are not eligible for the foreign earned income and foreign housing benefits on Form 2555.

**Exception 4.** You can claim the premium tax credit for dependents

only if you are a U.S. national; resident of Canada, Mexico, or South Korea; or a student or a business apprentice eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty. If your filing status at the top of page 1 on Form 1040-NR is Married filing separately, you cannot claim the premium tax credit unless you meet the criteria of one of the exceptions under *Married taxpayers* in the Instructions for Form 8962.

### Line 17—Penalty on Early Withdrawal of Savings

See *Line 17* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on the penalty on early withdrawal of savings.

### Lines 18a, 18b, and 18c—Alimony Paid

Leave lines 18a, 18b, and 18c blank on Schedule 1 (Form 1040). You are not eligible for an alimony deduction if you are filing Form 1040-NR.

### Line 19—IRA Deduction

See *Line 19* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on the IRA deduction.

**Exception 1.** When reading that section, including when completing the IRA Deduction Worksheet, follow only the guidance for the filing status you checked at the top of page 1 of Form 1040-NR.

**Exception 2.** Do not use your spouse's earned income, or your or your spouse's alimony and separate maintenance payments, when determining whether you can take the IRA deduction.

**Exception 3.** Do not apply Form 2555, Foreign Earned Income, discussions to your situation. You cannot file that form.

**Exception 4.** You must have taxable compensation effectively connected with a U.S. trade or business.

### Line 20—Student Loan Interest Deduction

See *Line 20* under *Instructions for Schedule 1* in the Instructions for

Forms 1040 and 1040-SR for details on the student loan interest deduction.

**Exception 1.** When reading that section including when completing the Student Loan Interest Deduction Worksheet in that section, follow only the guidance for the filing status you checked at the top of page 1 of Form 1040-NR.

**Exception 2.** If you checked the Married filing separately box at the top of page 1 of Form 1040-NR, you cannot take the student loan interest deduction.

### Line 21—Tuition and Fees

Leave line 21 blank. Persons filing Form 1040-NR cannot take the tuition and fees deduction.

### Line 22

See *Line 22* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR for details on the write-in adjustments.

**Exception 1.** Even though they are listed in *Line 22* under *Instructions for Schedule 1* in the Instructions for Forms 1040 and 1040-SR, do **not** include on Schedule 1 (Form 1040), line 22:

- Deductible expenses related to income from the rental of personal property engaged in for profit, and
- Attorney fees and court costs for actions involving certain unlawful discrimination claims to the extent the gross income from such actions is **not** effectively connected.

Also jury duty pay does not apply to Form 1040-NR filers.

**Exception 2.** Performing-arts-related expenses from Form 2106 are no longer a write-in adjustment as they were in 2019. Report those expenses on Schedule 1 (Form 1040), line 11.

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## Instructions for Schedule 2 (Form 1040)—Additional Taxes

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### General Instructions

As noted in [Form 1040-NR Redesign Helpful Hints](#), earlier, some of the lines formerly on Form 1040-NR have been moved to Schedule 2 (Form 1040). You may need to use Schedule 2 (Form 1040) if you owe the alternative minimum tax (AMT) or need to make an excess advance

premium tax credit repayment, or you owe other taxes, such as self-employment tax, household employment taxes, or additional tax on IRAs or other qualified retirement plans and tax-favored accounts.

For guidance when completing a line on Schedule 2 (Form 1040), look to the instructions below for that line, which may direct you to the **Schedule 2 instructions found in the Instructions for Forms 1040 and 1040-SR for guidance**. Also see *General Instructions* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for an overview.



See the specific line instructions below for any **Exceptions**. For example, see *Line 1* below, which has four exceptions.

### Specific Instructions

#### Line 1—Alternative Minimum Tax

See *Line 1* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for details on the alternative minimum tax.

**Exception 1. For estates and trusts only.** If you are filing for an estate or trust, do the following.

- Use Schedule I (Form 1041) and its instructions to find out if you owe the alternative minimum tax. Do not use the Instructions for Forms 1040 and 1040-SR to figure whether you owe the alternative minimum tax.
- If you disposed of a U.S. real property interest at a gain, you must make a special computation to see if you owe this tax. For details, see *Nonresident Aliens* in the Instructions for Form 6251.

**Exception 2.** Only use the guidance for the filing status you checked at the top of page 1 of Form 1040-NR. No other guidance in *Line 1, Alternative Minimum Tax*, in the *Instructions for Schedule 2* found in the Instructions for Forms 1040 and 1040-SR will apply to you.

**Exception 3.** The following in the list under *Exception* in *Line 1* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR do not apply to you.

- The reference to income (or loss) from S corporations. Nonresident aliens cannot be shareholders in an S corporation.

• Investment interest expense reported on Form 4952 cannot apply to you. Nonresident aliens do not file Form 4952.

• Net qualified disaster loss **unless** you are a student or business apprentice eligible for benefits under Article 21(2) of the United States-India Income Tax Treaty and you reported a standard deduction on Schedule A (Form 1040-NR), line 7.

**Exception 4.** Worksheet To See if You Should Fill in Form 6251—Schedule 2, Line 1: On line 1 of the worksheet, enter the amount from Schedule A (Form 1040-NR), line 1b. Do **not** enter the amount from line 7.

#### Line 2—Excess Advance Premium Tax Credit Repayment

See *Line 2* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for details on the excess advance premium tax credit repayment.

**Exception.** You can claim the premium tax credit for dependents only if you are a U.S. national; resident of Canada, Mexico, or South Korea; or a student or a business apprentice eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty. If your filing status at the top of page 1 on Form 1040-NR is Married filing separately, you cannot claim the premium tax credit unless you meet the criteria of one of the exceptions under *Married taxpayers* in the Instructions for Form 8962.

#### Line 4—Self-Employment Tax

Enter the amount of any taxes from Schedule SE (Form 1040). See the Instructions for Schedule SE (Form 1040) for more information.

If you are a self-employed nonresident alien, you must pay self-employment tax only if an international social security agreement (often called a totalization agreement) in effect determines that you are covered under the U.S. social security system. See the Instructions for Schedule SE (Form 1040) for information about international social security agreements. Information about totalization agreements is available at [IRS.gov](http://IRS.gov). Enter



“totalization agreement” in the search box. You can also find information at [SSA.gov/international](https://ssa.gov/international) under “International Agreements.”



*If you are not required to pay self-employment tax but do so anyway, you will not be eligible to receive social security benefits.*

### Line 5—Unreported Social Security and Medicare Tax From Forms 4137 and 8919

See *Line 5* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for details on unreported social security and Medicare tax from Forms 4137 and 8919.

**Exception.** Enter the amount from line 6 of Form 8919 on Form 1040-NR, line 1a, as Form 8919, line 6, says.

### Line 6—Additional Tax on IRAs, Other Qualified Retirement Plans, etc.

See *Line 6* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for details on additional tax on IRAs, other qualified retirement plans, etc.

### Line 7a—Household Employment Taxes

See *Line 7a* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for details on household employment taxes.

### Line 7b—First-Time Homebuyer Credit Repayment

See *Line 7b* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for details on first-time homebuyer credit repayment.

### Line 8—Other Taxes

See *Line 8* under *Instructions for Schedule 2* in the Instructions for Forms 1040 and 1040-SR for details on other taxes.

**Exception 1.** Only use the guidance for the filing status you checked at the top of page 1 of Form 1040-NR. No other guidance in *Line 8* under *Instructions for Schedule 2* in the

Instructions for Forms 1040 and 1040-SR will apply to you.

**Exception 2.** Net Investment Income Tax. You are only liable for the net investment income tax if you are a dual-status taxpayer (see [Dual-Status Taxpayers](#), earlier). You may owe this tax for the part of the year you were a U.S. resident (see Form 8960 and its instructions).

**Exception 3.** Do **not** include the following on Schedule 2 (Form 1040), line 8.

- The tax on your noneffectively connected income (that is, your income not effectively connected with a U.S. trade or business). Enter your tax on this income on Form 1040-NR, line 23a. See [Instructions for Schedule NEC \(Form 1040-NR\)](#), later.
- Interest amounts from Form 8621. Persons filing Form 1040-NR do not file Form 8621.

### Line 9—Section 965 Net Tax Liability Installment From Form 965-A

Leave Schedule 2 (Form 1040), line 9, blank. Persons filing Form 1040-NR cannot have a section 965 net tax liability installment from Form 965-A.

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## Instructions for Schedule 3 (Form 1040)—Additional Credits and Payments

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### General Instructions

As noted in [Form 1040-NR Redesign Helpful Hints](#), earlier, some of the lines formerly on Form 1040-NR have been moved to Schedule 3 (Form 1040). You may need to use Schedule 3 (Form 1040) if you can claim a nonrefundable credit other than the child tax credit or the credit for other dependents, such as the foreign tax credit or general business credit; or a refundable credit other than the additional child tax credit, such as the net premium tax credit, health coverage tax credit, or qualified sick and family leave credits from Schedule H or Schedule SE. You may also need Schedule 3 (Form 1040) if you have other payments, such as an amount paid with a request for an extension to file, excess social security tax withheld, or have a deferral of payments of tax (for certain Schedule H and Schedule SE filers).

When completing a line of Schedule 3 (Form 1040), look to the instructions below for that line, which may direct you to the **Schedule 3 instructions found in the Instructions for Forms 1040 and 1040-SR** for guidance. Also see *General Instructions* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for an overview.



*See the specific line instructions below for any Exceptions. For example, see Line 1 below, which has five exceptions.*

## Specific Instructions

### Line 1—Foreign Tax Credit

See *Line 1* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on the foreign tax credit.

**Exception 1.** The TIP, requiring you to see the instructions for Schedule 3 (Form 1040), line 3, does not apply to you. You cannot make a section 962 election.

**Exception 2.** If you meet all five requirements in *Line 1* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR and the income for which you are taking the foreign tax credit is income taxed by the United States, enter on Schedule 3 (Form 1040), line 1, the smaller of (a) your total foreign taxes, or (b) the total of the amounts on Form 1040-NR, line 16, and Schedule 2 (Form 1040), line 2. Otherwise, see Form 1116 to see whether you can take the credit. For details on foreign income taxed by the United States, see [Foreign Income Taxed by the United States](#), earlier.

**Exception 3.** If you are an estate or trust taking the foreign tax credit, you must complete Form 1116. *Exception 2* above is only for individual taxpayers.

**Exception 4.** Only use the guidance for the filing status you checked at the top of page 1 of Form 1040-NR. No other guidance in *Line 1* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR will apply to you.

**Exception 5.** The discussion of Form 4563 and Puerto Rico sourced income does not apply to you.

## Line 2—Credit for Child and Dependent Care Expenses

See *Line 2* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on the credit for child and dependent care expenses.

## Line 3—Education Credits

Leave Schedule 3 (Form 1040), line 3, blank. Persons filing Form 1040-NR cannot claim education credits.

## Line 4—Retirement Savings Contributions Credit (Saver's Credit)

See *Line 4* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on the retirement savings contributions credit (saver's credit).

**Exception.** Only use the guidance for the filing status you checked at the top of page 1 of Form 1040-NR. No other guidance in *Line 4* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR will apply to you.

## Line 5—Residential Energy Credits

See *Line 5* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on the residential energy credits: the nonbusiness energy property credit and the residential energy efficient property credit.

## Line 6—Other Credits

See *Line 6* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on these other credits.

**Exception 1.** The discussion of S corporations doesn't apply to you. You cannot be a shareholder in an S corporation.

**Exception 2.** The discussion of the credit for the elderly or the disabled does not apply to you. You cannot claim that credit.

**Exception 3.** The discussion of the section 962 election does not apply to you. You cannot make that election.

## Line 8—Net Premium Tax Credit

See *Line 8* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on the net premium tax credit.

**Exception.** You can claim the premium tax credit for dependents only if you are a U.S. national; resident of Canada, Mexico, or South Korea; or a student or a business apprentice eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty.

If your filing status at the top of page 1 on Form 1040-NR is Married filing separately, you cannot claim the net premium tax credit unless you meet the criteria of one of the exceptions under *Married taxpayers* in the Instructions for Form 8962.

## Line 9—Amount Paid With Request for Extension To File

See *Line 9* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on the amount paid with a request for extension to file.

**Exception.** The discussion of Form 2350 does not apply to you. That form is for U.S. citizens and resident aliens abroad.

## Line 10—Excess Social Security and Tier 1 RRTA Tax Withheld

See *Line 10* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on excess social security and tier 1 RRTA tax withheld.

**Exception.** Only use the guidance for the filing status you checked at the top of page 1 of Form 1040-NR. No other guidance in *Line 10* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR will apply to you. You cannot claim excess social security or tier 1 RRTA tax withheld for your spouse.

## Line 11—Credit for Federal Tax on Fuels

See *Line 11* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on the credit for federal tax on fuels.

## Line 12—Other Payments and Refundable Credits

See *Line 12* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR for details on these other payments and credits.

**Exception 1.** In *Line 12d* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR, the discussions of section 960 and of net section 965 inclusion do not apply to you. Persons filing Form 1040-NR cannot claim these credits.

**Exception 2.** In *Line 12e* under *Instructions for Schedule 3* in the Instructions for Forms 1040 and 1040-SR, if you complete the Deferral Worksheet for Schedule H or Schedules SE filers, you will use the same lines of Form 1040-NR that are used for Form 1040 or 1040-SR.

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## Instructions for Schedule A (Form 1040-NR)—Itemized Deductions

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### Before you begin:

- Do **not** use Schedule A (Form 1040-NR) with Form 1040 or Form 1040-SR. Use Schedule A (Form 1040-NR) only with Form 1040-NR. Use Schedule A (Form 1040) with Form 1040 or 1040-SR.
- Use only these instructions when completing Schedule A (Form 1040-NR). Do not use the instructions for any other Schedule A.
- Do not include on Schedule A (Form 1040-NR) items deducted elsewhere, such as on Form 1040-NR or Schedule C, E, or F (Form 1040).

**Note.** Except as provided in [Exception](#) next, include only deductions and losses properly allocated and apportioned to income effectively connected with a U.S. trade or business. Do not include deductions and/or losses that relate to exempt income or to income that is not effectively connected with a U.S. trade or business. See section 861(b).

**Exception.** You can deduct certain charitable contributions and casualty and theft losses even if they do not relate to your effectively

connected income. See [Gifts to U.S. Charities](#) and [Casualty and Theft Losses](#), later.

## State and Local Income Taxes

**Line 1a.** You can deduct state and local income taxes you paid or that were withheld from your salary during 2020 on income connected with a U.S. trade or business. If, during 2020, you received any refunds of, or credits for, income tax paid in earlier years, do not subtract them from the amount you deduct here. Also do not reduce your deduction by any state or local income tax refund or credit you expect to receive for 2020. Instead, see the instructions for [Schedule 1, line 1](#), earlier, in these instructions.

**Safe harbor for certain charitable contributions made in exchange for a state or local income tax credit.** If you made a charitable contribution in exchange for a state or local income tax credit and your charitable contribution deduction must be reduced as a result of receiving or expecting to receive the tax credit, you may qualify for a safe harbor that allows you to treat some or all of the disallowed charitable contribution as a payment of state and local income taxes.

The safe harbor applies if you meet the following conditions.

1. You made a cash contribution to an entity described in section 170(c).
2. In return for the cash contribution, you received a state or local income tax credit.
3. You must reduce your charitable contribution amount by the amount of the state or local income tax credit you receive.

If you meet these conditions, and to the extent you apply the state or local income tax credit to this or a prior year's state or local income tax liability, you may include this amount on line 1a. To the extent you apply a portion of the credit to offset your state or local income tax liability in a subsequent year (as permitted by law), you may treat this amount as state or local income tax paid in the year the credit is applied.

For more information about this safe harbor and examples, see Notice

2019-12 at [IRS.gov/pub/irs-drop/n-19-12.pdf](#).

**Line 1b.** The deduction for state and local taxes is generally limited to \$10,000 (\$5,000 if you checked Married filing separately under Filing Status on page 1 of Form 1040-NR). On Schedule A (Form 1040-NR), line 1b, enter the amount which is the smaller of state and local income taxes from line 1a and \$10,000 (\$5,000 if you checked Married filing separately under Filing Status on page 1 of Form 1040-NR).

## Gifts to U.S. Charities

**TIP** For 2020 and 2021, you may be able to elect a temporary suspension of certain limitations that apply to cash contributions made during the year. See Pub. 526 for more information.

## Lines 2 Through 4

You can deduct contributions or gifts you gave to U.S. organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to U.S. organizations that work to prevent cruelty to children or animals. Certain whaling captains may be able to deduct expenses paid in 2020 for Native Alaskan subsistence bowhead whale hunting activities. See Pub. 526 for details.

To verify an organization's charitable status, you can do the following.

- Check with the organization to which you made the donation. The organization should be able to provide you with verification of its charitable status.
- Use our online search tool at [IRS.gov/TEOS](#) to see if an organization is eligible to receive tax-deductible contributions (Pub. 78 data). Click on [Tax Exempt Organization Search](#).

**Examples of U.S. qualified charitable organizations.** Examples of U.S. qualified charitable organizations include the following.

- Churches, mosques, synagogues, temples, and other religious organizations.
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, United Way.

• Fraternal orders, if the gifts will be used for the purposes listed under *Lines 2 Through 4* above.

- Veterans' and certain cultural groups.
- Nonprofit hospitals and medical research organizations.
- Most nonprofit educational organizations, such as colleges, but only if your contribution is not a substitute for tuition or other enrollment fees.
- Federal, state, and local governments if the gifts are solely for public purposes.

## Amounts you can deduct.

Contributions can be in cash, property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual cost of gas and oil or 14 cents a mile. Add parking and tolls to the amount you claim under either method. But do not deduct any amounts that were repaid to you.

**Gifts from which you benefit.** If you made a gift and received a benefit in return, such as food, entertainment, or merchandise, you can generally deduct only the amount that is more than the value of the benefit. But this rule does not apply to certain membership benefits provided in return for an annual payment of \$75 or less or to certain items or benefits of token value. For details, see Pub. 526.

**Example.** You paid \$70 to a charitable organization to attend a fund-raising dinner and the value of the dinner was \$40. You can deduct only \$30.

**Gifts of \$250 or more.** You can deduct a gift of \$250 or more only if you have a contemporaneous written acknowledgment from the charitable organization showing the information in (1) and (2) next.

1. The amount of any money contributed and a description (but not value) of any property donated.
2. Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, a description and estimate of the value must be included. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it



does not have to describe or value the benefit.

In figuring whether a gift is \$250 or more, do not combine separate donations. For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate gift. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate gift. See Pub. 526 if you made a separate gift of \$250 or more through payroll deduction.

To be contemporaneous, you must get the written acknowledgment from the charitable organization by the date you file your return or the due date (including extensions) for filing your return, whichever is earlier. Do not attach the contemporaneous written acknowledgment to your return. Instead, keep it for your records.

**Limit on the amount you can deduct.** See Pub. 526 to figure the amount of your deduction if any of the following applies.

1. Your cash contributions or contributions of ordinary income property are more than 30% of the amount on Form 1040-NR, line 11.
2. Your gifts of capital gain property are more than 20% of the amount on Form 1040-NR, line 11.
3. You gave gifts of property that increased in value or gave gifts of the use of property.

#### **Amounts you cannot deduct.**

- Certain contributions to charitable organizations, to the extent that you receive a state or local income tax credit in return for your contribution. See Pub. 526 for more details and exceptions.

**TIP** See [Safe harbor for certain charitable contributions made in exchange for a state or local income tax credit](#), earlier, under Line 1a, if your cash contribution is disallowed because you received or expected to receive a credit.

- An amount paid to or for the benefit of a college or university in exchange for the right to purchase tickets to an athletic event in the college's or university's stadium.
- Travel expenses (including meals and lodging) while away from home performing donated services, unless

there was no significant element of personal pleasure, recreation, or vacation in the travel.

- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets. But you may be able to deduct these expenses on line 7. See [Line 7](#), later, for more information on gambling losses.
- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property. Generally, no deduction is allowed until the entire interest has been transferred.
- Gifts to individuals and groups that are operated for personal profit.
- Gifts to foreign organizations. But you may be able to deduct gifts to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, Israeli, and Mexican charities. For details and exceptions, see Pub. 526.
- Gifts to organizations engaged in certain political activities that are of direct financial interest to your trade or business. See section 170(f)(9).
- Gifts to groups whose purpose is to lobby for changes in the laws.
- Gifts to civic leagues, social and sports clubs, labor unions, and chambers of commerce.
- Value of benefits received in connection with a contribution to a charitable organization. See Pub. 526 for exceptions.
- Cost of tuition.

#### **Line 2—Gifts by Cash or Check**

Enter on line 2 the total value of gifts you made in cash or by check (including out-of-pocket expenses) unless a limit on deducting gifts applies to you. For more information about the limits on deducting gifts, see [Limit on amount you can deduct](#), earlier. If your deduction is limited, you may have a carryover to next year. See Pub. 526 for more information.

**Deduction for gifts by cash or check limited.** If your deduction for the gifts you made in cash or by check is limited, see Pub. 526 to figure the amount you can deduct. Only enter on line 2 the deductible value of gifts you made in cash or by check.

**Recordkeeping.** For any contribution made in cash, regardless of the amount, you must maintain as a record of the contribution a bank record (such as a canceled check or credit card statement) or a written record from the charity. The written record must include the name of the charity, date, and amount of the contribution. If you made contributions through payroll deduction, see Pub. 526 for information on the records you must keep. Do not attach the record to your tax return. Instead, keep it with your other tax records.

For contributions of \$250 or more, you must also have a contemporaneous written acknowledgment from the charitable organization. See [Gifts of \\$250 or more](#), earlier, for more information. You will still need to keep a record of when you made the cash contribution if the contemporaneous written acknowledgment does not include that information.

#### **Qualified Contributions**

In general, you can elect to treat gifts by cash or check as qualified contributions if the gift was paid in 2020 to a qualified charitable organization. This election isn't available for contributions to an organization described in section 509(a)(3) or for the establishment of a new, or maintenance of an existing, donor advised fund. For details, see Pub. 526.

Qualified contributions are not subject to a limitation based on a percentage of adjusted gross income; however, certain limits may apply if your qualified contributions are more than the amount on Form 1040-NR, line 11, minus all other allowable contributions. For details, see Pub. 526.

Include any contributions that you elect to treat as qualified contributions in the total amount reported on Schedule A (Form 1040-NR), line 2. Indicate the election by also entering the amount of your qualified contributions on the dotted line next to the Schedule A (Form 1040-NR), line 2, entry space.

### Line 3—Other Than by Cash or Check

Enter on line 3 the total value of your contributions of property other than by cash or check unless a limit on deducting gifts applies to you. For more information about the limits on deducting gifts, see [Limit on amount you can deduct](#), earlier. If your deduction is limited, you may have a carryover to next year. See Pub. 526 for more information.

**Deduction for gifts other than by cash or check limited.** If your deduction for the contributions of property other than by cash or check is limited, see Pub. 526 to figure the amount you can deduct. Only enter on line 3 the deductible value of your contributions of property other than by cash or check.

**Valuing contributions of used items.** If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see Pub. 561.

**Deductions more than \$500.** If the amount of your deduction is more than \$500, you must complete and attach Form 8283. For this purpose, the “amount of your deduction” means your deduction before applying any income limits that could result in a carryover of contributions.

**Contribution of motor vehicle, boat, or airplane.** If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your paper return. The organization may use Form 1098-C to provide the required information.

If your total deduction is over \$5,000 (\$500 for certain contributions of clothing and household items (see below)), you may also have to get appraisals of the values of the donated property.

See Form 8283 and its instructions for details.

**Contributions of clothing and household items.** A deduction for these contributions will be allowed

only if the items are in good used condition or better. However, this rule does not apply to a contribution of any single item for which a deduction of more than \$500 is claimed and for which you include a qualified appraisal and Form 8283 with your tax return.

**Recordkeeping.** If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include the following.

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.
- Any conditions attached to the gift.

If the gift of property is \$250 or more, you must also have a contemporaneous written acknowledgment from the charitable organization. See [Gifts of \\$250 or more](#), earlier, for more information. Form 8283 doesn't satisfy the contemporaneous written acknowledgment requirement, and a contemporaneous written acknowledgment is not a substitute for the other records you may need to keep if you gave property.



*If your total deduction for gifts of property is over \$500, you gave less than your entire interest in the property, or you made a qualified conservation contribution, your records should contain additional information. See Pub. 526 for details.*

### Line 4—Carryover From Prior Year

You may have contributions that you could not deduct in an earlier year because they exceeded the limits on the amount you could deduct. In most cases, you have 5 years to use contributions that were limited in an

earlier year. The same limits apply this year to your carryover amounts as applied to those amounts in the earlier year. After applying those limits, enter the amount of your carryover that you are allowed to deduct this year. See Pub. 526 for details.

### Casualty and Theft Losses

#### Line 6—Casualty or Theft Loss(es)

Complete and attach Form 4684 to figure the amount of your loss. Only enter the amount from Form 4684, line 18, on line 6.



*Do not enter a net qualified disaster loss from Form 4684, line 15, on line 6. Instead, enter that amount, if any, on line 7. See [Line 7](#), later, for information about reporting a net qualified disaster loss.*

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes; car, boat, and other accidents; and corrosive drywall. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution. See Pub. 547 for the limitations.

You can only deduct nonbusiness/ personal casualty or theft losses attributable to a federally declared disaster and only to the extent that:

1. The amount of each separate casualty or theft loss is more than \$100; and
2. The total amount of all losses during the year (reduced by the \$100 limit discussed in (1)) is more than 10% of the amount shown on Form 1040-NR, line 11.



*An exception to the rule limiting the deduction for personal casualty and theft losses to disaster losses applies where you have personal casualty gains not attributable to a federally declared disaster. In this case, you may deduct personal casualty losses that are not attributable to a federally declared disaster to the extent they don't exceed your personal casualty gains.*

*See the Instructions for Form 4684, Casualties and Thefts, and Pub. 547, Casualties, Disasters, and Thefts, for more information.*

## Other Itemized Deductions

### Line 7—Other

**Net qualified disaster loss reporting.** If you have a net qualified disaster loss on Form 4684, line 15, of property located in the United States, list the amount from Form 4684, line 15, on the dotted lines next to line 7 as "Net Qualified Disaster Loss" and include with your other miscellaneous deductions on line 7. Also be sure to attach Form 4684. If you are a student or business apprentice from India who is eligible for the benefits of Article 21(2) of the United States-India Income Tax Treaty and who is electing the standard deduction, see instead *Net loss* in the Instructions for Form 4684; you will include the loss in your standard deduction amount.



**Don't include your net qualified disaster loss on line 6.**

Only certain expenses can be deducted on this line. List the type and amount of each such expense on the dotted lines next to line 7 and enter the total of these expenses on line 7. If you are filing a paper return and you cannot fit all your expenses on the dotted lines next to line 7, attach a statement instead showing the type and amount of each expense. Enter one total on line 7. Examples of these expenses follow.

- Gambling losses effectively connected with a U.S. trade or business (gambling losses include, but aren't limited to, the cost of non-winning bingo, lottery, and raffle tickets), but only to the extent of gambling winnings reported on Schedule 1 (Form 1040), line 8.
  - Casualty and theft losses of income-producing property from Form 4684, lines 32 and 38b, or Form 4797, line 18a.
  - Deduction for repayment of amounts under a claim of right if over \$3,000. See Pub. 525 for details.
  - Certain unrecovered investment in a pension.
  - Impairment-related work expenses of a disabled person.
- For more details, see Pub. 529.

## Total Itemized Deductions

### Line 8

Enter the total of lines 1b, 5, 6, and 7 on line 8. Also enter this amount on Form 1040-NR, line 12.

## Instructions for Schedule NEC (Form 1040-NR)—Tax on Income Not Effectively Connected With a U.S. Trade or Business



**Do not use Schedule NEC (Form 1040-NR) with Form 1040 or Form 1040-SR. Use Schedule NEC (Form 1040-NR) only with Form 1040-NR.**

Enter your income in the row that lists the correct category of income and in the column that lists the correct tax rate under a tax treaty or the general U.S. tax rules. Use column (d) if the income is subject to a 0% rate. Include income only to the extent it is U.S. source and not effectively connected with the conduct of a trade or business in the United States.

### Withholding of tax at the source.

Tax must be withheld at the source on income not effectively connected with a U.S. trade or business that is paid to nonresident aliens. The withholding is generally at a 30% rate. The tax must be withheld by the person who pays the income. For details, see Pub. 519, Pub. 515, and section 1441 and its regulations.

Certain amounts paid for guarantees of indebtedness issued after September 27, 2010, are U.S. source income. If the payments are not made in connection with a U.S. trade or business, tax must be withheld.

**Exceptions.** There are exceptions to the general rule. The withholding tax rate may be lower or the income may be exempt if your country of tax residence and the United States have a treaty setting lower rates. See Treaty Table 1, Tax Rates on Income Other Than Personal Service Income Under Chapter 3, Internal Revenue Code, and Income Tax Treaties, available at [IRS.gov/Individuals/International-Taxpayers/Tax-Treaty-Tables](https://www.irs.gov/Individuals/International-Taxpayers/Tax-Treaty-Tables).

The 30% tax applies only to amounts included in gross income. For example, the tax applies only to the part of a periodic annuity or pension payment that is subject to tax. It does not apply to the part that is a return of your cost.

## Categories of Noneffectively Connected Income

The following list gives only a general idea of the types of income to include on Schedule NEC. The instructions for a specific line include more information and any exceptions to withholding. For more information, see Pub. 519 and Pub. 515.

1. Income that is fixed or periodic, such as interest (see below for original issue discount), dividends, rents, salaries, wages, premiums, annuities, other compensation, or certain alimony received (see the Caution below). Other items of income, such as royalties, may also be subject to the 30% tax.

2. Gains, other than capital gains, from the sale or exchange of patents, copyrights, and other intangible property.



**Alimony you received pursuant to a divorce or separation agreement entered into on or before December 31, 2018, is income on your 2020 Form 1040-NR unless that agreement was changed after December 31, 2018, to expressly provide that alimony you received isn't included in your income. Alimony you received is not included in your income if you entered into the divorce or separation agreement after December 31, 2018.**


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

4. Capital gains in excess of capital losses from U.S. sources during 2020. Include these gains only if you were in the United States at least 183 days during 2020.

5. Prizes, awards, and certain gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings (see Pub. 519 for exceptions). You must report the full



amount of your winnings unless you are a resident of Canada.

 See [Lines 10a Through 10c—Gambling Winnings—Residents of Canada](#) and [Line 11—Gambling Winnings—Residents of Countries Other Than Canada](#), later.

### Lines 1a, 1b, and 1c—Dividends

Except as provided next, include all dividends paid by U.S. corporations on line 1a. Include all U.S. source dividends paid by foreign corporations on line 1b. Include all dividend equivalent payments received with respect to section 871(m) transactions on line 1c. A dividend includes a substitute dividend payment made to the transferor of a security in a securities lending transaction or a sale-repurchase transaction that would be treated as a dividend if it were a distribution on the transferred security.

#### Dividend equivalent payments.

Dividends also include all dividend equivalent payments made after September 13, 2010. Currently, dividend equivalent payments include (1) substitute dividends, (2) payments made pursuant to a specified notional principal contract, and (3) payments made pursuant to a specified equity-linked instrument that are (directly or indirectly) contingent on, or determined by reference to, the payment of a dividend from U.S. sources.

A notional principal contract that is treated as a specified notional principal contract as of January 1, 2017, will remain a specified notional principal contract after January 1, 2017.

For payments made on or after January 1, 2017, a notional principal contract is a simple notional principal contract under Regulations section 1.871-15(d)(2)(i) or a complex notional principal contract under Regulations section 1.871-15(d)(2)(ii). In 2017 and 2018, a simple notional principal contract that has a delta of one with respect to an underlying security when the notional principal contract is issued is a specified notional principal contract. Beginning in 2019, these rules will also apply to certain non-delta-one notional

principal contracts. Similar rules apply to a complex notional principal contract; however, a complex notional principal contract is subject to the substantial equivalence test rather than the delta test. See Regulations section 1.871-15(h) for rules relating to the substantial equivalence test.

For more information on dividend equivalent payments, see Pub. 519 and Pub. 515. For information on payments with respect to notional principal contracts and equity-linked instruments, see Regulations section 1.871-15.

**Exceptions.** The following items of dividend income that you received as a nonresident alien are generally exempt from the 30% tax.

- Interest-related dividends received from a mutual fund.
  - Short-term capital gain dividends from a mutual fund only if you were present in the United States for less than 183 days during the tax year.
  - If a U.S. corporation in existence on January 1, 2020, received most of its gross income from the active conduct of a foreign business, and continues to receive most of its gross income from the active conduct of a foreign business, the part of the dividend attributable to the foreign gross income.
  - U.S. source dividends paid by certain foreign corporations.
- For more information, including other exceptions to withholding, see *Dividends* in Pub. 519 and Pub. 515.

### Lines 2a Through 2c—Interest

Include all interest on the appropriate line 2a, 2b, or 2c.

**Exceptions.** The following items of interest income that you received as a nonresident alien are generally exempt from the 30% tax.

- Interest from a U.S. bank, savings and loan association, or similar institution, and from certain deposits with U.S. insurance companies.
- Portfolio interest on obligations issued after July 18, 1984.



*Interest payments on foreign bearer obligations (bonds not issued in registered format and held by non-U.S. holders) issued on or after March 19, 2012, are not eligible for the portfolio interest exception to withholding.*

For more information, including other exceptions to withholding, see *Interest* in Pub. 519 and Pub. 515.

### Line 6—Real Property Income and Natural Resources Royalties

Enter income from real property on line 6. Do not include any income that you elected to treat as effectively connected and included on Schedule 1 (Form 1040), line 5. For more information, see the instructions for [Schedule 1, line 5](#), earlier.

### Line 8—Social Security Benefits (and Tier 1 Railroad Retirement Benefits Treated as Social Security)

85% of the U.S. social security and equivalent railroad retirement benefits you received are taxable. This amount is treated as U.S. source income not effectively connected with a U.S. trade or business. It 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 the part of a tier 1 railroad retirement benefit treated as a social security benefit. They do not include any Supplemental Security Income (SSI) payments.

You should receive a Form SSA-1042S showing the total social security benefits paid to you in 2020 and the amount of any benefits you repaid in 2020. If you received railroad retirement benefits treated as social security, you should receive a Form RRB-1042S.

Enter 85% of the total amount from box 5 of all of your Forms SSA-1042S and Forms RRB-1042S in the appropriate column of line 8 of Schedule NEC. Attach a copy of each Form SSA-1042S and RRB-1042S to the front of Form 1040-NR.

**Social security information.** Social security beneficiaries can now get a variety of information from the SSA website with a *my Social Security* account, including getting a replacement Form SSA-1099 or Form SSA-1042S if needed. For more information and to set up an account, go to [SSA.gov/myaccount](https://ssa.gov/myaccount).

**Form RRB-1099 or Form RRB-1042S.** If you need a replacement Form RRB-1099 or Form RRB-1042S, call the Railroad

**Example—John Maple**

*Schedule NEC Example—John Maple*

**Schedule NEC—Tax on Income Not Effectively Connected With a U.S. Trade or Business** (see instructions)

Enter amount of income under the appropriate rate of tax. See instructions.

Nature of Income		(a) 10%	(b) 15%	(c) 30%	(d) Other (specify)	
					%	%
<b>1</b> Dividends and dividend equivalents:						
<b>a</b> Dividends paid by U.S. corporations	<b>1a</b>		1,000			
<b>b</b> Dividends paid by foreign corporations	<b>1b</b>					
<b>10</b> Gambling—Residents of Canada only. Enter net income in column (c). If zero or less, enter -0-.						
<b>a</b> Winnings		5,000				
<b>b</b> Losses		4,500				
<b>10c</b>				500		
<b>11</b> Gambling winnings—Residents of countries other than Canada. Note: Losses not allowed	<b>11</b>					
<b>12</b> Other (specify) ▶	<b>12</b>					
<b>13</b> Add lines 1a through 12 in columns (a) through (d)	<b>13</b>		1,000	500		
<b>14</b> Multiply line 13 by rate of tax at top of each column	<b>14</b>		150	150		
<b>15</b> Tax on income not effectively connected with a U.S. trade or business. Add columns (a) through (d) of line 14. Enter the total here and on Form 1040-NR, line 23a ▶	<b>15</b>					300

Retirement Board at 877-772-5772 or go to [RRB.gov](http://RRB.gov).

**Line 9—Capital Gain**

Enter the amount from Schedule NEC (Form 1040-NR), line 18.

**Lines 10a Through 10c—Gambling Winnings—Residents of Canada**

If you are a resident of Canada who is not engaged in the trade or business of gambling, enter all gambling winnings on line 10a. Include proceeds from lotteries and raffles. **Do not include** winnings from blackjack, baccarat, craps, roulette, or big-6 wheel. You can deduct your U.S. source gambling losses to the extent of your U.S. source gambling winnings. Enter your gambling losses on line 10b. Enter your net gambling income on line 10c, column (c). If line 10b is more than line 10a, enter -0- on line 10c. A net loss from gambling activities is not deductible.

**Line 11—Gambling Winnings—Residents of Countries Other Than Canada**

Residents of one of the following countries who are not engaged in the trade or business of gambling enter all gambling winnings on line 11, column (d), specifying 0%: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, the Netherlands, Russia, Slovak

Republic, Slovenia, South Africa, Spain, Sweden, Tunisia, Turkey, Ukraine, and the United Kingdom.

Residents of Malta who are not engaged in the trade or business of gambling enter all gambling winnings on line 11, column (a).

Residents of other countries who are not engaged in the trade or business of gambling enter all gambling winnings on line 11, column (c).

Include proceeds from lotteries and raffles. **Do not include** winnings from blackjack, baccarat, craps, roulette, or big-6 wheel. You cannot offset losses against winnings and report the difference unless the winnings and losses are from the same session.

**TIP** *If you have winnings from blackjack, baccarat, craps, roulette, or big-6 wheel, and the casino gave you a Form 1042-S showing that tax was withheld, enter these winnings on line 11, column (d), and enter 0% as the tax rate. You can claim a refund of the tax.*

**Line 12—Other**

Include all U.S. source income that has not been reported on another line or is not excluded from tax. This includes prizes and awards. It also includes the tax withheld pursuant to section 5000C on specified federal procurement payments.

**Example.** John Maple is a resident of Canada who purchased stock in XYZ, a U.S. corporation. In

2020, XYZ paid dividends of \$1,000 to John. The U.S. withholding tax rate on these dividends is 30%. However, Article X of the tax treaty between the United States and Canada limits the U.S. tax rate on these dividends to a maximum rate of 15%. John filed Form W-8BEN with XYZ to claim the lower treaty rate, and XYZ correctly withheld \$150. In addition, John has U.S. source gross gambling winnings of \$5,000 and U.S. source gambling losses of \$4,500. These items would be reported on Schedule NEC as shown in the [example](#).

**Lines 16 Through 18—Capital Gains and Losses From Sales or Exchanges of Property**

Include these gains only if you were in the United States at least 183 days during 2020. They are not subject to U.S. tax if you were in the United States less than 183 days during the tax year. In determining your net gain, do not use the capital loss carryover. Losses from sales or exchanges of capital assets in excess of similar gains are not allowed. Enter the amount from line 18 on line 9. If you had a gain or loss on disposing of a U.S. real property interest, see [Dispositions of U.S. Real Property Interests](#), earlier.

## Instructions for Schedule OI, Other Information



**Do not use Schedule OI (Form 1040-NR) with Form 1040 or Form 1040-SR. Use Schedule OI (Form 1040-NR) only with Form 1040-NR.**

**Answer all questions.**

### Item A

List all countries of which you were a citizen or national during the tax year.

### Item B

List the foreign country in which you claimed residence for tax purposes during the tax year.

### Item C

If you have ever completed immigration Form I-485 and submitted the form to the U.S. Citizenship and Immigration Services, or have ever completed a Form DS-230 and submitted it to the Department of State, you have applied to become a green card holder (lawful permanent resident) of the United States.

### Item D

If you checked “Yes” for D1 or D2, you may be a U.S. tax expatriate and special rules may apply to you. See *Expatriation Tax* in chapter 4 of Pub. 519 for more information.

### Item E

If you had a visa on the last day of the tax year, enter your visa type. Examples are the following.

- B-1 Visitor for business.
- F-1 Students—academic institutions.
- H-1B Temporary worker with specialty occupation.
- J-1 Exchange visitor.

If you do not have a visa, enter your U.S. immigration status on the last day of the tax year. For example, if you entered under the visa waiver program, enter “VWP” and the name of the Visa Waiver Program Country.

If you were not present in the United States on the last day of the tax year, and you have no U.S. immigration status, enter “Not present in U.S.—No U.S. immigration status.”

### Item F

If you ever changed your visa type or U.S. immigration status, check the “Yes” box. For example, you entered the United States in 2019 on an F-1 visa as an academic student. On August 21, 2020, you changed to an H-1B visa as a teacher. You will check the “Yes” box and enter on the dotted line “Changed status from F-1 student to H-1B teacher on August 21, 2020.”

### Item G

Enter the dates you entered and left the United States during 2020 on short business trips or to visit family, go on vacation, or return home briefly.

If you are a resident of Canada or Mexico and commute to work in the United States on more than 75% of the workdays during your working period, you are a regular commuter and do not need to enter the dates you entered and left the United States during the year. Commute means to travel to work and return to your residence within a 24-hour period. Check the appropriate box for Canada or Mexico and skip to item H. See *Days of Presence in the United States* in chapter 1 of Pub. 519.

If you were in the United States on January 1, enter 1/1 as the first date you entered the United States. If you were in the United States on December 31, do not enter any date departed.

### Item H

Review your entry and passport stamps or other records to count the number of days you were actually present in the United States during the years listed. A day of presence is any day that you are physically present in the United States at any time during the 24-hour period beginning at 12:01 a.m. For the list of exceptions to the days you must count as actually present in the United States, see *Days of Presence in the United States* in chapter 1 of Pub. 519. If you were not in the United States on any day of the year, enter -0-.

### Item I

If you filed a U.S. income tax return for a prior year, enter the latest year for which you filed a return and the form number you filed.

### Item J

If you are filing this return for a trust, check the first “Yes” box. Check the second “Yes” box if you checked the first “Yes” box and at least one of the following statements applies to the trust.

- The trust (or any part of the trust) is treated as a **grantor trust** under the grantor trust rules (sections 671 through 679), whether or not the person who is treated as the owner of the trust is a U.S. person.
- The trust made a **distribution or loan** to a U.S. person during the tax year. A distribution (direct or indirect) or loan includes the uncompensated use of trust property (section 643(i)(2) (E)).
- The trust received a **contribution** from a U.S. person during the tax year.

See the Instructions for Form 3520.

A U.S. person is a U.S. citizen or resident alien, a domestic partnership, a domestic corporation, an estate other than a foreign estate, or a domestic trust. See Pub. 519 for more information.

### Item K

If you received total compensation of \$250,000 or more for 2020, check the first “Yes” box. If you checked the first “Yes” box, check the second “Yes” box if you are using an alternative method to determine the source of the compensation. Total compensation includes all compensation from sources within and outside the United States.

If you check the second “Yes” box, you must attach a statement to your return. For details about the statement and the alternative method, see [Services Performed Partly Within and Partly Outside the United States](#), earlier.

### Item L

If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country on Form 1040-NR, you must provide all the information requested in item L.

**Line 1.** If you are a resident of a treaty country (that is, you qualify as a resident of that country within the meaning of the tax treaty between the United States and that country), you must know the terms of the tax treaty between the United States and that



**Example. Item L—Income Exempt From Tax by Treaty**

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year
Italy	20	4	\$40,000
<b>(e) Total.</b> Enter this amount on Form 1040-NR, line 1c. Do not enter it on line 1a or line 1b .....			\$40,000

country to properly complete item L. You can download the complete text of most U.S. tax treaties at IRS.gov. Enter “tax treaties” in the search box and click on *United States Income Tax Treaties - A to Z*. Technical explanations for many of those treaties are also available at that site.

**Column (a), Country.** Enter the treaty country that qualifies you for treaty benefits.

**Column (b), Tax treaty article.** Enter the number of the treaty article that exempts the income from U.S. tax.

**Column (c), Number of months claimed in prior tax years.** Enter the number of months in prior tax years for which you claimed an exemption from U.S. tax based on the specified treaty article.

**Column (d), Amount of exempt income in current tax year.** Enter the amount of income in the current tax year that is exempt from U.S. tax based on the specified treaty article.

**Line (e), Total.** Add the amounts in column (d). Enter the total on Schedule OI (Form 1040-NR), item L, line 1e, and on Form 1040-NR, page 1, line 1c. Do not include this amount in the amount entered on Form 1040-NR, page 1, line 1a or 1b.

Attach any Form 1042-S you received for treaty-exempt income. If required, attach Form 8833. See [Treaty-based return position disclosure](#), later.

**Example.** Sara is a citizen of Italy and was a resident there until September 2019, when she moved to the United States to accept a position as a high school teacher at an accredited public school. Sara came

to the United States on a J-1 visa (Exchange visitor) and signed a contract to teach for 2 years at this U.S. school. She began teaching in September 2019 and plans to continue teaching through May 2021. Sara's salary per school year is \$40,000. She plans to return to Italy in June 2021 and resume her Italian residence. For calendar year 2020, Sara earned \$40,000 from her teaching position. She completes the table in item L on her 2020 tax return as shown in the [example](#).

**Line 2.** Check “Yes” if you were subject to tax in a foreign country on any of the income reported in line 1, column (d).

**Line 3.** Check “Yes” if you are claiming tax treaty benefits pursuant to a Competent Authority determination allowing you to do so. You must attach to your tax return a copy of the Competent Authority determination letter.



*If you are claiming tax treaty benefits and you failed to submit adequate documentation to a withholding agent, you must attach to your tax return all information that would have otherwise been required on the withholding tax document (for example, all information required on Form W-8BEN (Individuals), Form W-8BEN-E (Entities), or Form 8233).*

**Treaty-based return position disclosure.** 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 must generally report certain information on Form 8833 and attach it to Form 1040-NR.

If you fail to report the required information, you will be charged a penalty of \$1,000 for each failure, unless you show that such failure is due to reasonable cause and not willful neglect. For more details, see Form 8833 and its instructions.

**Exceptions.** You do not have to file Form 8833 for any of the following. See Pub. 519 for more items.

1. You claim a treaty that reduces the withholding tax on interest, dividends, rents, royalties, or other fixed or determinable annual or periodic income ordinarily subject to the 30% rate.
2. You claim a treaty that reduces or modifies the taxation of income from dependent personal services, pensions, annuities, social security and other public pensions, or income of artists, athletes, students, trainees, or teachers. This includes taxable scholarship and fellowship grants.
3. You claim an International Social Security Agreement, or a Diplomatic or Consular Agreement, reduces or modifies the taxation of income.
4. You are a partner in a partnership or a beneficiary of an estate or trust that reports the required information on its return.
5. The payments or items of income that are otherwise required to be disclosed total no more than \$10,000.

**Item M**

**Line 1.** Check the box if 2020 is the first year you are making an election to treat income from real property located in the United States as effectively connected with a U.S. trade or business under section

871(d). The election applies to all income from real property located in the United States and held for the production of income and to all income from any interest in that property.

The election will remain effective for all future tax years unless you revoke it. See chapter 4 of Pub. 519 for more details on how to make and revoke this election.

**Line 2.** Check the box if:

1. You have made an election in a previous tax year to treat income from real property located in the United States as effectively connected with a U.S. trade or business under section 871(d), and
2. You haven't revoked that election.

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## Tax Topics

All topics are available in Spanish (and most topics are available in Chinese, Korean, Vietnamese, and Russian).

You can read these Tax Topics at [IRS.gov/TaxTopics](https://www.irs.gov/TaxTopics).

### Tax information for aliens.

- 851—Resident and nonresident aliens.
- 856—Foreign tax credit.
- 857—Individual taxpayer identification number (ITIN)—Form W-7.
- 858—Alien tax clearance.

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## 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, and 6012(a) 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. If you fail to provide the requested information in a timely manner, you may be charged penalties and interest and be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments; this could make the tax

higher or delay any refund. Interest may also be charged.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask to complete, correct, or process your return; figure your tax; and collect tax, interest, or 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.

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 federal civil and criminal tax laws, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information needed to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit review of the Internal Revenue Service. We may disclose your tax information to committees of Congress; federal, state, and local child support agencies; and to other federal agencies for purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. 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. Keep this notice with your records. It may help you if we ask you for other information. If you have any questions about the rules for filing and giving information, call or visit any Internal Revenue Service office.

## We Welcome Comments on Forms

We try to create forms and instructions that can be easily understood. Often, this is difficult to do because our tax laws are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult.

We welcome your comments about these instructions and your suggestions for future editions. You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the:

Internal Revenue Service  
Tax Forms and Publications  
1111 Constitution Ave. NW  
IR-6526  
Washington, DC 20224  
U.S.A.

Don't send your Form 1040-NR to this office. Instead, see [Where To File](#), earlier.

Although we cannot respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms and instructions.

### Estimates of Taxpayer Burden

Reported time and cost burdens are national averages and do not necessarily reflect a "typical" case. The estimated average time burden for all taxpayers filing a Form 1040-NR is 12 hours, with an average cost of \$230 (see the amount in the table below), per return. This average includes all related forms and schedules, across all preparation methods and taxpayer activities. Within these estimates, there is significant variation in taxpayer activity.

Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation and submission fees, postage and photocopying costs, and tax preparation software costs. Tax preparation fees vary widely depending on the tax situation of the taxpayer, the type of professional preparer, and the geographic area.

If you have comments concerning the time and cost estimates, you can

contact us at either one of the addresses shown under *We Welcome Comments on Forms*, earlier.

### Taxpayer Bill of Rights

All taxpayers have fundamental rights they should be aware of when dealing with the IRS. The Taxpayer Bill of Rights, which the IRS adopted in June of 2014, takes existing rights in the tax code and groups them into the following 10 broad categories, making them easier to understand. Explore your rights and our obligations to protect them.

**The right to be informed.** Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.

**The right to quality service.** Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.

**The right to pay no more than the correct amount of tax.** Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.

**The right to challenge the IRS's position and be heard.** Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.

**The right to appeal an IRS decision in an independent forum.** Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.

**The right to finality.** Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.

**The right to privacy.** Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections, and will provide, where applicable, a collection due process hearing.

**The right to confidentiality.** Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.

**The right to retain representation.** Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a [Low Income Taxpayer Clinic](#) if they cannot afford representation.

**The right to a fair and just tax system.** Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the [Taxpayer Advocate Service](#) if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

Learn more at [IRS.gov/TaxpayerRights](https://www.irs.gov/TaxpayerRights).

### Estimates of Taxpayer Burden

The table shows burden estimates as of October 2020, for taxpayers filing a 2020 Form 1040-NR tax return.

Form	Average Time Burden (Hours)	Average Cost*
1040-NR	12	\$230

\* Dollars rounded to the nearest \$10.



**2020 Tax Rate Schedule for Estates and Trusts**

**Estates or Trusts.** Use Schedule W below to figure your tax.

**Schedule W**

**Estates or Trusts**—Use this schedule for a nonresident alien estate or trust

**If line 15 is:**

**The tax is:**

<i>Over—</i>	<i>But not over—</i>		<i>Of the amount over—</i>
\$0	\$2,600	..... 10%	\$0
2,600	9,450	\$260.00 + 24%	2,600
9,450	12,950	1,904.00 + 35%	9,450
12,950	-----	3,129.00 + 37%	12,950

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