INSTRUCTIONS FOR FORM 1040B

UNITED STATES NONRESIDENT ALIEN INCOME TAX RETURN

(BUSINESS WITHIN UNITED STATES)

(References are to the Internal Revenue Code, unless otherwise noted)

GENERAL INSTRUCTIONS

The term "nonresident alien individual" includes "nonresident alien fiduciary".

(A) Who must make a return on Form 1040B.—Every nonresident alien individual who at any time within the taxable year was engaged in trade or business within the United States is required to make or have made a return on Form 1040B of his income, such other income as is required by law, and any foreign personal services income received from sources within the United States.

The phrase "engaged in trade or business within the United States" includes the performance of personal services within the United States at any time within the taxable year, but does not include the performance of personal services for a nonresident alien individual, foreign partnership, or foreign corporation not engaged in trade or business within the United States by a nonresident alien individual temporarily present in the United States for a period or periods not exceeding a total of 90 days during the taxable year and whose compensation for such services did not exceed, in the aggregate, $3,000. Such phrase does not include the effecting, through a resident broker, commission agent, or custodian, of transactions in the United States in commodities (if of a kind customarily dealt in on an organized commodity exchange, if the transaction is of the kind customarily consummated at such place, and if the alien, partnership, or corporation has no office or place of business in the United States at any time during the taxable year through which or by the direction of which such transactions in commodities are effected).

The responsible representative or agent within the United States of a nonresident alien individual who at any time within the taxable year was engaged in trade or business within the United States shall file a return on behalf of the nonresident alien individual. The return shall be filed on Form 1040B.

Unless a nonresident alien individual who, at any time within the taxable year, was engaged in trade or business within the United States shall file, or cause to be filed with the collector, a true and accurate return of his total income from sources within the United States, in the manner prescribed by law, the tax shall be collected on the basis of gross income (not net income) from sources within the United States.

A nonresident alien individual who is a member of a partnership which at any time within the taxable year is engaged in trade or business within the United States is considered as being engaged in trade or business within the United States. Such individual, therefore, taxable under section 211 (b) and is required to file Form 1040B.

Every nonresident alien individual not engaged in trade or business within the United States is required to make or have made a return on Form 1040NB or Form 1040NB-a, instead of Form 1040B, in any case in which the tax was not fully satisfied at the source.

(B) Returns of income of decedents.—The executor or administrator shall make a return on Form 1040B for a nonresident alien decedent who was engaged in trade or business in the United States at any time during his last taxable year. Amounts (other than amounts includible by a partner under section 162 in computing net income) which would be includible in the decedent's income as deductions and credits to a decedent solely by reason of his death shall not be included in computing the decedent's income for the taxable period in which falls the date of death. All amounts of gross income which are not includible in the income of the decedent will, when received, be includible in the income of the estate or person receiving such amounts by inheritance or survivorship from the decedent under section 150. Deductions in respect of the decedent may be taken by the person receiving property of the decedent subject to the obligation for which the deduction is allowed.

(C) Period to be covered by return.—Calendar year 1944 or fiscal year beginning in 1944 and ending in 1945.

The established accounting period must be adhered to for all years, unless permission is received from the Commissioner to make changes. An applicant for the change in the accounting period shall be made on Form 1128 and forwarded to the Commissioner of Internal Revenue, Washington 25, D. C., U. S. A., at least 60 days prior to the close of the fractional part of the year for which a return would be required to effect the change.

(D) When and where the return must be filed.—On or before the 15th day of the sixth month following the close of the taxable year with the collector of internal revenue for the district in which you have your principal place of business in the United States, except that a nonresident alien individual whose wages are withheld from the source under section 1128 is required to file Form 1040B on or before the 15th day of the third month following the close of the taxable year. In case you have no principal place of business in the United States at the time of filing return, it should be forwarded to the Collector of Internal Revenue, Baltimore 2, Maryland, U. S. A.

(E) Declaration.—The return shall contain or be verified by a written declaration that it is made under the penalties of perjury. The return may be made by an agent (1) if made by the responsible representative or agent within the United States under competent agency appointment, or (2) if, by reason of illness, the person liable for the making of the return is unable to make it, or (3) if the taxpayer is unable to make the return by reason of continuous absence from the United States for a period of at least 60 days prior to the date prescribed by law for making the return. Whenever a return is made by an agent it must be accompanied by a power of attorney.

Where the return is actually prepared by some person or persons other than the taxpayer, such person or persons must also sign the declaration.

(F) When and to whom the tax must be paid.—The tax must be paid in full when the return is filed, or in four equal installments, as follows: On or before the 15th day of the sixth month, on the 15th day of the ninth month, on or before the 15th day of the twelfth month, and on or before the 15th day of the fifteenth month, from the close of the taxable year, except that in the case of a nonresident alien individual whose wages are subject to withholding at the source under section 1122, the tax must be paid in full on the 15th day of the third month following the close of the taxable year. If any installment is not paid on or before the date fixed for payment, the whole amount of tax unpaid shall be paid upon notice and demand by the collector.

The tax may be paid by sending or bringing with the return a check or money order drawn on the "Collector of Internal Revenue." Do not send cash by mail, nor pay it in person except at the collector's office.

(G) Penalties.—Severe penalties are provided by law for failure to file a required return, for filing late, and for filing a false or fraudulent return.

(H) Received or accrued income.—If your books of account
are kept on the accrual basis, report all income accrued, even though it has not been actually received or entered on the books, and expenses incurred instead of expenses paid. As to disallowance of deductions for unpaid expenses incurred, see paragraph (e). If your books are not kept on the accrual basis, or if you kept no books, make your return on a cash basis and report all income received or constructively received, such as bank interest credited to your account, any coupon bond interest matured, and report expenses actually paid.

(I) Items exempt from tax.—The following items are exempt, unless otherwise indicated, from United States income tax and should not be included in gross income:

(a) The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. Labor done as part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment policy, not payable by reason of the death of the insured, are not included in the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. (See Specific Instruction 5 as to taxation of annuities.)

(b) Gifts (not received as consideration for services rendered) and money and property acquired by bequest, devise, or inheritance, are not income derived from property taxable and must be reported;

(c) Interest on governmental obligations other than those listed in Schedule A is exempt;

(d) Except in the case of amounts attributable to (and not in excess of) deductions allowed under section 23 (x) in any prior taxable year, amounts received through accident or health insurance or under workmen’s compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness, and amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country;

(e) Income which consists exclusively of earnings derived from the ownership of property located under the laws of a foreign country, provided such country grants an equivalent exemption to citizens of the United States and to corporations organized in the United States;

(f) Interest received from a resident alien individual, a resident foreign corporation, or a domestic corporation when it is shown to the satisfaction of the Commissioner that less than 25 percent of the gross income of such resident alien payor or domestic corporation has been derived from sources within the United States for the 3-year period ending with the close of the taxable year of the payor, and the payment of the income for such part of such period as may be applicable;

(g) Certain dividends as noted in Specific Instruction 2;

(h) Amounts received by a citizen of France residing in France as consideration for the right to use patents, secret processes and formulas, trademarks, and other analogous rights; income received as copyright royalties; and private pensions and life annuities; and

(1) The following classes of income received by nonresident alien individuals: (1) Industrial and commercial profits of a Swedish, Canadian, or French enterprise having no permanent establishment in the United States; (2) income derived by a Swedish, Canadian, or French enterprise from the operation of ships or aircraft registered in the respective countries; (3) royalties and amounts derived by a nonresident alien individual resident in Sweden or France as consideration for the right to use patents, trademarks, and other analogous rights; (4) gains derived from the sale or exchange of capital assets by a nonresident alien individual resident in Sweden or Canada having no permanent establishment in the United States; (5) wages, salaries, and similar compensation and pensions paid by Sweden or by a political subdivision thereof, to individuals (other than citizens of the United States) temporarily residing in the United States; (6) professional earnings and livelihood of alien individuals residing in Sweden or Canada; (7) compensation for labor or personal services performed within the United States by a nonresident alien individual resident in Sweden or Canada, such exemption being, however, subject to certain limitations (see Treasury Decisions 4975 and 5206); (8) remittances from sources within Sweden or Canada (if and to the extent that they constitute gross income) (see Treasury Decisions 4975 and 5206) received in the United States by nonresident aliens residing in Sweden or Canada temporarily residing in the United States for the purposes of study or for acquiring business experience, such remittances being for the purposes of their maintenance or studies.

Any taxpayer who excludes from gross income from sources with in the United States the income specified in (1) above must file with his return a statement setting forth the amount of such income and such information as may be necessary to show that the income is of the type specified in that paragraph.

(j) Treatment of depreciation and depletion.—A reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in the trade or business may be deducted. All deductions for depreciation must be explained in Schedule C (1) or C (2). If obsolescence is claimed, explain why the useful life of the property is less than the useful life of the property as defined under the laws of the country where

The amount of depreciation on property acquired by purchase should be determined upon the basis of the original cost (not replacement cost) of the property and the probable number of years remaining of its expected useful life, except if the property was purchased prior to March 1, 1915, it will be computed on the fair market value of such property as of that date or its original cost (less depreciation actually sustained before that date), whichever is greater. (See sections 23 (l) and 114.)

See the regulations under sections 23 (m) and 114 with respect to additional forms and information required if a deduction is claimed for depletion.

Individually, provided an election is made as prescribed in section 124 (b), are entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of an emergency facility (as defined in section 124 (e)), based on a period of 60 months. A statement of the pertinent facts should be filed with the taxpayer’s return.

SPECIFIC INSTRUCTIONS

(Numbered to correspond with item numbers on page 1 of return)
for deduction of amortization of bond premium.) Include all interest received or accrued, so the may be, on, mortgage, or similar interest-bearing obligations of the United States, expect the interest specified in paragraphs (1) and (2) of section 142 of the General or (1) and (2).

4. Interest on Government obligations, etc.—Enter in Schedule A the interest received or accrued during the year. 

Noninterest-bearing obligations issued at a discount.—Taxpayer on the cash basis may avoid all noninterest-bearing obligations issued at a discount, and redeemable for fixed amounts increasing at stated intervals (for example, United States Savings Bonds), to include the increase in redemption price applicable to the current year. For the year of the bond the total increase in redemption price for the year and the end of the year must be included. Taxpayer so electing shall report such increase as interest in item 3 or 4, page 1, whichever is applicable, and attach statement showing the calculation of such increase. An election in the current year or in a prior year is binding for all subsequent years. 

5. Annuities.—Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 5 percent of the aggregate reserves at the beginning of the year plus the interest on the entire amount thereafter received and included in gross income in this and prior years equals the aggregate premiums or consideration paid for such annuity. The entire amount thereafter received must be included in gross income. 

6. Gains and losses from sales or exchanges of capital assets and other property. — Report details in Schedule C (1) and (2). 

"Capital asset" defined.—The term "capital asset" means property held by the taxpayer (whether or not connected with his trade or business, but not stock in trade or other property of a kind which would properly be included in his inventory if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 23 (1), or an object of personal and family use, or an object of a kind commonly held by or in the possession of citizens of the United States, or any political subdivision thereof, or of the District of Columbia, issued or held on February 15, 1913, and which basis is apportioned to interest at a fixed maturity date not exceeding 1 year from the date of issue, or real property used in the trade or business of the taxpayer. 

A capital gain is reported in Schedule D as that portion of the total distribution that he is entitled to under an employees' trust plan that meets the requirements of section 162 (a) in one taxable year on account of his separation from service, to the extent that the employee's compensation or hardships contributed by the employees shall be considered a gain from the sale or exchange of capital assets held for more than 6 months. 

A capital gain dividend, as defined in section 262 (relating to tax on regulated investment companies) shall be treated by the shareholder as gains from the sale or exchange of capital assets held for more than 6 months. 

For special treatment of gains and loss upon the cutting of timber, or upon the sale of timber, see section 117 (k). 

Description of property.—State following facts: (a) For real estate, location and description; (b) for personal property, name of issuer, series, denomination, and amount; and (c) for stocks, name of corporation, class of stock, number of shares, and capital changes affecting basis (including nontaxable distributions). 

Basis.—In determining GAIN in case of property acquired before March 1, 1913, or March 15, 1914, and after March 15, 1915, use cost as otherwise provided in section 113 (b), whichever is greater, but in determining LOSS use cost as otherwise provided in section 113 (b) and after February 28, 1915, use cost, except as otherwise provided in section 113. 

Losses on securities becoming worthless.—If (1) shares of stock become worthless during the year because of liquidation, with preferential distribution, or in registered form become worthless during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets held for more than 6 months. 

Nonbusiness debt.—If a debt other than a debt evidenced by a corporate security with interest coupons or in registered form and other than a debt the payment of which is a function of the production or operation of a trade or business, becomes totally worthless within the taxable year, the loss resulting therefrom shall be considered a loss from the sale or exchange, during the taxable year, of a capital asset held for not more than 6 months. Such loss to column 10 of Schedule B (1) under schedule of short-term capital gains and losses. 

Classification of capital gains and losses. — The phrase "short-term" applies to gains and losses from sales of capital assets held for less than 1 year, and the phrase "long-term" to capital assets held for more than 1 year. 

Limitation on capital losses. — Losses from sales or exchanges of capital assets shall be allowed only to the extent of the gains from such sales or exchanges, plus the net income (computed without regard to capital gains and losses) of the taxpayer for the taxable year in which the net capital loss was incurred and the taxable year in which the loss was allowed as a deduction against any net capital gains of any taxable years intervening between the taxable year in which the net capital loss was incurred and the taxable year in which the loss was incurred. Additionally, the net capital loss carry-over may not be included in computing a new capital loss of a taxable year which can be carried forward to the next five succeeding taxable years. 

Alternatives, etc. — If the net long term capital gain exceeds the net short term capital loss, the taxpayer may elect to elect from the alternative tax on ordinary income, surtax, and amounts imposed on net income. (See Computation of Alternative Tax, Schedule B (1).) 

Miscellaneous. — Loss from sale or other disposition of stocks or securities cannot be deducted unless sustained in connection with the taxpayer's trade or business, if, within 30 days before or after the date of sale or other disposition, or within 30 days from the date on which the maximum amount of gain or loss was recognized by law, or has been held by the taxpayer in the normal course of a substantially identical stock or security. 

Losses in transactions between certain persons. — No deduction is allowable for losses from sales or exchanges of property directly or indirectly between members of a family, (b) a corporation and an individual owning more than 50 percent of its stock (limitations excised), (c) a grantor and fiduciary of any trust, or (d) a fiduciary and a beneficiary of the same trust. 

7. Rents and royalties. — Fill in Schedule G (1) giving the information required. 

Report all rents and royalties from property located within the United States or from any interest in such property, including rents and royalties from farmland, leases of real property, or income from inventions, patent, copyrights, secret processes and formulas, goodwill, trade-marks, trade brands, franchises, and other like property. The income arising from the property located within the United States, or from the use of property, whether tangible or intangible, within the United States, is from sources within the United States. 

Deductions which may be properly allocated to income from rents and royalties are ordinary and necessary expenses incurred in connection with the property, the proper allocation of which is either paid and depreciation or depletion of such property sustained during the taxable year. Other necessary expenses, such as repairs, interest, taxes, insurance, fuel, light, and labor, and other such like expenses, and 

8. Net profit (or loss) from business or profession.—If you owned a business, or practiced a profession on your own account, fill in Schedule C (2) of the return and enter the net profit or 

If you are a farmer and keep no books of account, or keep books on a cash basis, own from the collector, and attach to the return, Form 1040-C, Schedule K, Farm Income and Expenses, and enter the net farm income as item 3 of the return. If your farm books of account are kept on an accrual basis, the filing of Form 1040F is optional. 

A taxpayer claiming to include in gross income amounts received during the year as loans from the Commodity Credit Corporation should file with his return a statement showing the details of such loans. (See section 123.) 

If installment method is used, attach schedule showing separately for years 1965 and 1966: (1) gross income; (2) percentage of gross income; (3) gross profit; (4) amount collected; (5) gross profit on amount collected. 

Bad debts may be treated in either of two ways — (1) by a deduction from income, in which case debts which would become wholly worthless within the taxable year, or (2) by a deduction from income of a reasonable addition to a reserve. 

Every taxpayer claiming a deduction due to a net operating loss for the period, or his estate, should file with his return the statement required by section 29.121-1 of Regulations 111. 

In any case in which a wage or salary payment, for which a deduction would otherwise be allowable under section 23 (a), is determined by the Board of Exempt Organizations, or by the Commissioner to have been made in contravention of the Act of October 2, 1942, or of the regulations, an appropriate credit or refund will be given, and the entire amount of such payment will be disallowed as a deduction. 

From the items of income derived specifically from sources within the United States, there shall be deducted (a) expenses, losses, and other deductions properly allocable to such sources, (b) taxes, (c) excess social security tax and excess income tax on the source from the United States. The retail rate is based upon the ratio of gross income from sources within the United States to the total annual gross income, and income from a domestic estate or trust. 

If the taxable period on which the basis to which your return is not coincidental to the annual accounting period of the United States, you shall enter in Schedule C (3) your share of capital gains and losses, which should be entered in Schedule B (1), and income from a domestic estate or trust. 

Enter in Schedule A your share of interest on obligations of the United States and instrumentalities, issued prior to March 1, 1941, owned by the partnership or corporation in which you are a partner or shareholder, and relating to any share of any contribution or gift, payment of which was made by the partnership, within its taxable year, to organizations created in the United States. 

(B) Other income. — Enter in Schedule C (3) any other taxable income, including alimony and separate maintenance income. 

11. Contributions. — Enter contributions or gifts paid within the taxable year to any domestic corporation, or to any community chest, fund, or foundations, or to any other charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to animals or children, or for the benefit of any private, individual, or, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; or other organizations or groups engaged in activities authorized by section 170 of the World War Veterans' Act, 1924. The amount of contributions to such organizations or groups shall be deducted from the gross income, for the definition of adjusted gross income, see section 22 (a). 

Report in Schedule D the name and address of each organization and the approximate date and amount of the contribution or gift in each case. 

12. Interest. — Enter interest on personal indebtedness as distinguished from bona fide business or trade or profession, and as distinguished from indebtedness incurred in connection with the taxpayer's trade or business, in Schedule A (1) and (2) and (3) (a), and (b). 

Do not include interest on indebtedness incurred or continued to purchase or hold securities (other than United States Savings Bonds, provided September 24, 1941, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation. For greater deductions in connection with expenses and indebtedness in connection with a single premium life insurance or endowment contract, an election shall be considered a single premium life insurance or endowment contract, it substantially all of the premiums on such contract shall be included within a period of 4 years from the date on which the contract is purchased. 

In order to claim a deduction for paid interest, the indebtedness must be connected with some source of taxable income within the United States. Any payments on account of interest should be itemized and explained in Schedule E.
12. Taxes.—Enter personal taxes and all taxes on property having a site in the United States, and not used in your business or profession, which were paid or accrued during the taxable year. State and local real estate taxes imposed in the first instance upon retailers may be deducted to the extent that they are separately stated and paid by the purchaser. Do not include taxes assessed against local property or businesses. Income or gains realized from the sale of personal property produced (in whole or in part) by the taxpayer within the United States, such as gain in income derived from the sale of personal property produced (in whole or in part) by the taxpayer within the United States and sold within a foreign country, or produced (in whole or in part) by the taxpayer within a foreign country and sold within the United States, shall be treated as derived from sources partly within and partly without the United States. (See the regulations issued under section 119 (c).)

Any deduction on account of taxes should be itemized and explained in Schedule F.

13. Losses from fire, storm, shipwreck, or other casualty, or theft.—Enter losses of property which occurred during the taxable year, and which are not covered by insurance or otherwise, during the year, if arising from fire, storm, shipwreck, or other casualty, or from theft, and if not compensated for by insurance or otherwise, are deductible only if the property was located within the United States.

Explain itemized losses claimed in Schedule G, setting forth a description of the property, date acquired, cost, subsequent improvements, depreciation, allowable salvage, and deductible loss.

15. Other deductions.—Enter other authorized deductions not claimed elsewhere on this return.

Do not deduct losses incurred in transactions which were neither connected with your trade or business nor entered into for profit. Losses sustained during the taxable year and not compensated for by insurance or otherwise, incurred in any transaction entered into for profit, although not connected with a trade or business, if otherwise allowable deductible only if individual property or income, generally can be itemized in Schedule D. A deduction from wages for the taxable year to which the loss is chargeable is allowable for the loss sustained during the taxable year.

Amortization of bond premium is mandatory with respect to fully tax-exempt bonds (the interest on which is not subject to income tax). In the case of fully taxable bonds (the interest on which is subject to the normal tax and the surtax) and partially tax-exempt bonds (the interest on which is subject only to surtax), the amortization of bond premium is elective as to either one or as to both. Such election shall be made by the taxpayer by taking a deduction for the bond premium on his return for the first taxable year to which he desires the election to be applicable. Attach a statement showing the computation of the deduction.

The election shall apply to all bonds, with respect to which it was made, owned by the taxpayer at the beginning of the first taxable year to which the election applies and also to all bonds of such class (or classes) thereafter acquired by him, and shall be binding for all subsequent taxable years, unless upon application by the taxpayer, the Commissioner permits the taxpayer to revoke the election.

In the case of a fully-exempt bond, the amortizable premium for the taxable year is in addition to the interest chargeable to the taxable year, but no deduction is allowable on account of such amortizable premium. In the case of a fully taxable bond, the amortizable premium is both an adjustment to the basis or adjusted bond and a deduction. In the case of a partially tax-exempt bond, the amortizable premium for the taxable year is used for three purposes: (1) As an adjustment to the basis or adjusted bond; (2) as a deduction, and (3) as a reduction to the credit for the interest on the bond.

16. Ratable part of deductions not definitely allocated to any class of income. In the case of the deduction of a ratable part of any other item, the portion of the item allocable to the United States, but taxable outside the United States, shall be treated as a deduction allocable to the United States and taxable within the United States. The ratable part is based upon the ratio of gross income from sources within the United States to the total gross income. Fill in Schedule H and enter as item 16 the ratable part of any deductions not definitely allocated to any item or class of gross income.

17. Total deductions.—Enter the total of Items 11 to 16, inclusive. This amount should not include any deduction claimed in Schedules B and C.

19. Income from sources within and without the United States.—Items of gross income (not allocated to sources within the United States) derived from the sale of personal property produced (in whole or in part) by the taxpayer within the United States and sold within a foreign country, or produced (in whole or in part) by the taxpayer within a foreign country and sold within the United States, shall be treated as derived from sources partly within and partly without the United States. (See the regulations issued under section 119 (c).)

Explain fully in a statement attached to the return how you determined the amount entered in Item 19 as the portion of income attributable to sources within the United States.

19. Surtax exemption.—In the case of a nonresident alien (other than a resident of Canada or Mexico) the surtax exemption for the purpose of computing the surtax under section 12 is $500.

A nonresident alien, residing in Canada or Mexico, is entitled to the following credits against net income for the purpose of the surtax:

(a) A surtax exemption of $500 for the taxpayer.

(b) A surtax exemption of $500 for the spouse of the taxpayer if such spouse has no gross income from sources within the United States and is not the dependent of a nonresident taxpayer.

(c) A surtax exemption of $500 for each dependent who during the year received more than one-half of his support from the taxpayer, had less than $500 of income from sources within the United States, and was closely related to the taxpayer.

"Closely related" means that the person is the taxpayer's—Son, daughter, or their descendants; stepson, stepdaughter, son-in-law, or daughter-in-law; brother, sister, stepbrother, stepsister, half brother, half sister, brother-in-law, or sister-in-law; uncle, aunt, nephew, or niece (but not if related only by marriage).

The above relationships apply to a legally adopted child the same as though he or she were a child by blood. Do not claim a citizen of a foreign country as a dependent unless he or she is a resident of the United States, Canada, or Mexico.

24. Surtax table.—The following table shows the surtax due for the taxable year upon surtax net income:

<table>
<thead>
<tr>
<th>Surtax Net Income</th>
<th>Surtax due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $2,000 but not over $6,000</td>
<td>$80, plus 25% of excess over $2,000</td>
</tr>
<tr>
<td>Over $6,000 but not over $10,000</td>
<td>$160, plus 25% of excess over $6,000</td>
</tr>
<tr>
<td>Over $10,000 but not over $15,000</td>
<td>$240, plus 30% of excess over $10,000</td>
</tr>
<tr>
<td>Over $15,000 but not over $20,000</td>
<td>$320, plus 35% of excess over $15,000</td>
</tr>
<tr>
<td>Over $20,000 but not over $25,000</td>
<td>$400, plus 40% of excess over $20,000</td>
</tr>
<tr>
<td>Over $25,000 but not over $30,000</td>
<td>$480, plus 45% of excess over $25,000</td>
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<tr>
<td>Over $30,000 but not over $40,000</td>
<td>$560, plus 50% of excess over $30,000</td>
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<tr>
<td>Over $40,000 but not over $50,000</td>
<td>$640, plus 55% of excess over $40,000</td>
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<tr>
<td>Over $50,000 but not over $60,000</td>
<td>$720, plus 60% of excess over $50,000</td>
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<tr>
<td>Over $60,000 but not over $70,000</td>
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<td>Over $100,000 but not over $120,000</td>
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<td>$1,200, plus 100% of excess over $120,000</td>
</tr>
<tr>
<td>Over $150,000 but not over $180,000</td>
<td>$1,280, plus 110% of excess over $150,000</td>
</tr>
<tr>
<td>Over $180,000 but not over $200,000</td>
<td>$1,360, plus 120% of excess over $180,000</td>
</tr>
</tbody>
</table>

27. Normal-tax exemption.—In the case of a nonresident alien the normal tax exemption is $500.

22. United States income tax paid at source.—Enter the total of all of the credits allowable under section 143 for the taxable year 1944.

31. United States income tax withheld by employer.—A nonresident alien engaged in trade or business within the United States and having wages subject to withholding under section 1222 should enter the amount of income tax withheld from his wages by his employer. The amount of income tax withheld (Form W-2, or Form W-2, Rev.) should be attached to the return.

34. United States tax paid on 1944 Declaration of Estimated Tax.—A nonresident alien engaged in trade or business within the United States and having wages and salaries subject to withholding under section 1222, and who filed a Declaration of Estimated Tax for 1944 should enter the total of all payments or credits on account of the estimated tax shown on such declaration.