Instructions for Form 1040C
U.S. Departing Alien Income Tax Return

Paperwork Reduction Act Notice
We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordkeeping</td>
<td>2 hrs., 5 min.</td>
</tr>
<tr>
<td>Learning about the law or the form</td>
<td>37 min.</td>
</tr>
<tr>
<td>Preparing the form</td>
<td>2 hrs., 7 min.</td>
</tr>
<tr>
<td>Copying, assembling, and sending the form to IRS</td>
<td>59 min.</td>
</tr>
</tbody>
</table>

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to the Internal Revenue Service, Washington, DC 20224. Attention: IRS Reports Clearance Officer, T:FP; or the Office of Management and Budget, Paperwork Reduction Project (1545-0086), Washington, DC 20503.

Items To Note
- See page 3 for details on some of the tax law changes effective for 1990.
- 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 report certain information on a statement attached to your tax return. For more details, see Pub. 519, U.S. Tax Guide for Aliens.

General Instructions

Purpose of Form
Form 1040C is used by aliens who intend to leave the United States to report income they received or expect to receive for the entire year.

If you are a nonresident alien, use the 1989 Instructions for Form 1040NR. Also, Pub. 519 and Pub. 901, U.S. Tax Treaties, will be helpful in filling out Form 1040C.

If you are a resident alien, the 1989 Instructions for Form 1040 will help you complete Form 1040C.

You can get copies of tax forms, instructions, and publications on request from the Internal Revenue Service. If you have a foreign address, send your order to: Forms Distribution Center, P.O. Box 258663, Richmond, VA 23289. Please order by publication or form number.

Alien Status Rules
Specific rules apply for determining residency or nonresidency. Intent is not important in determining your residency status. You are considered a nonresident alien if you are neither a U.S. citizen nor a U.S. resident under either the green card test or the substantial presence test. You are also considered a nonresident alien if you otherwise meet the substantial presence test but you come under either of two exceptions to that test—the "exempt individual" exception or the "closer connection to a foreign country" exception. These tests and exceptions are discussed in the specific instructions for Part I.

Certificate of Compliance
If you are an alien, you should not leave the United States or any of its possessions without getting a certificate of compliance from your IRS District Director on Form 1040C or Form 2063, U.S. Departing Alien Income Tax Statement, unless you meet one of the following exceptions.

Exceptions.—You do not need a certificate of compliance if:
- You are a resident of a foreign government who holds a diplomatic passport; a member of the representative’s household; a servant who accompanies the representative; an employee of an international organization or foreign government whose pay is exempt from U.S. taxes; or a member of the employee’s household who was not paid by U.S. sources. (The exception does not apply, and you must get a certificate, if you signed a waiver of nonimmigrants’ privileges as a condition of holding both your job and your status as an immigrant.)
- You are a student with an F visa or an international trainee with an H-3 visa. To qualify, you must not have been paid by U.S. sources during your stay under this visa, except for allowances covering expenses incident to your study.

Unless the District Director believes you had taxable income during the tax year, up through your departure date, and that your leaving the U.S. would hinder collecting the tax, you need not receive a certificate of compliance if:
- You are on a pleasure trip and have a B-2 visa.
- You are on a business trip and have a B-1 visa or a combined B-1 and B-2 visa and do not stay in the United States or any of its possessions for more than 90 days total during the tax year.

You are an alien passing through the United States or any of its possessions on a C-1 visa or under a contract, such as a bond agreement, between a transportation line and the Attorney General;

- You are an alien admitted on a border-crossing identification card;

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

- You are passing through the United States or any of its possessions;
- You are a military trainee admitted for instruction under the Department of Defense and you will leave the United States on official military orders; or
- You are a resident of Canada or Mexico who commutes frequently to the United States to work, and your wages are subject to income tax withholding.

Form 2063 or Form 1040C
If you do not meet one of the exceptions listed above, you must get a certificate of compliance on either Form 2063 or Form 1040C.

You may file the shorter Form 2063 if you filed all U.S. income tax returns you were required to file, you paid any tax due, and EITHER:
- You have no taxable income for the year of departure or for the preceding year if the time for filing the earlier year’s return has not passed; OR
- You are a resident alien with taxable income for the preceding year or for the year of departure, but the District Director has decided that your leaving will not hinder collecting the tax.

How To Obtain the Certificate
To get a compliance certificate, go to your local IRS office and file either Form 2063 or Form 1040C and any other tax returns that have not been filed as required. Take with you copies of documents showing your income, deductions, taxes paid, etc.

If you are filing Form 1040C, file two copies for the tax year in which you plan to leave. If the District Director has made a termination assessment against you, include on your Form 1040C any income you expect to get through the departure date during the tax year. If you received a termination assessment and you received additional income within the current tax year, the District Director may make additional assessments. If the District Director has not made a termination assessment against you, include on your Form 1040C any income you have received and expect to receive during the entire tax year of departure.

Generally, a compliance certificate on Form 1040C will be issued without your paying tax or posting bond if you have not received a termination assessment. This certification applies to all your departures during the current tax year, subject to revocation on any later departure if the District Director believes your leaving would hinder collecting the tax.

If you owe income tax and the District Director determines that your departure will jeopardize the collection of the tax, a compliance certificate on Form 1040C will be issued when you pay the tax due or post bond. This certificate applies only to the departure for which it is issued.
If you go to the departure point without a certificate or proof that you do not need one, an Internal Revenue Service employee may then subject you to an income tax examination. You will then have to complete the returns and any other required documents and either pay any income tax due or post bond.

Final Return Still Required
A Form 1040C is not a final return. Therefore, you must file a final income tax return after your tax year ends. If you are not a U.S. citizen or resident on the last day of the year, file Form 1040NR. U.S. Nonresident Alien Income Tax Return. If you are a U.S. citizen or resident alien on the last day of the year you should file Form 1040. Individual Income Tax Return. Any tax you pay with Form 1040C counts as a credit against tax on your final return. Any overpayment shown on Form 1040C will be refunded only if and to the extent your final return for the tax year shows an overpayment.

Specific Instructions

Joint Return.—Nonresident aliens may not file a joint return. Resident aliens may file a joint return on Form 1040C only if:
- The alien and his or her spouse can reasonably expect to be eligible to file a joint return at the normal close of the tax period for which the return is made; and
- If the tax period of the alien is terminated, the tax periods of both spouses are terminated so as to end at the same time.

If a joint return is filed on Form 1040C, both spouses should show their names, social security numbers, and passport or alien registration numbers in the space provided on page 1. Also, both spouses should include their income and furnish the information requested in Part I of the form.

Line 1.—If your employer is willing to furnish a letter guaranteeing that the tax will be paid, check the ‘Yes’ box on line 1. You need only sign the form and leave the remainder blank. Be sure to attach the letter from your employer to Form 1040C. The letter should state specifically the period and type of tax covered.

Part I—Explanation of Status—Resident or Nonresident Alien

Generally, you are considered a resident alien if you meet either the lawful permanent residency test (the ‘green card’ test) or the substantial presence test for 1990. You are considered a nonresident alien for the year if you are neither a U.S. citizen nor a U.S. resident under either of these tests.

Green Card Test.—You are a resident for tax purposes if you are a lawful permanent resident of the United States at any time during 1990.

Substantial Presence Test.—Alternatively, you are considered a U.S. resident if you meet the substantial presence test for 1990. Under this test, you must be physically present in the United States for at least

1) 31 days during 1990, and
2) 183 days during the period 1990, 1989, and 1988, counting all the days of physical presence in 1990 but only 1/3 the number of days of presence in 1989 and only 1/6 the number of days in 1988.

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.

The following are exceptions to the days of presence rules:
1. Exempt individual. You do not count days for which you are an exempt individual. In general, except an individual is an individual who is a:
   a. foreign government or international organization-related individual.
   b. teacher or trainee.
   c. student or
   d. professional athlete who is temporarily in the United States to compete in a charitable sports event.

2. Closer connection to a foreign country. Even though you would otherwise meet the substantial presence test, you are not treated as having met that test for 1990 if you:
   a. were present in the United States for fewer than 183 days during 1990, and
   b. established that during 1990 you had a tax home in a foreign country and had a closer connection to that country than to the United States.

For more information on resident and nonresident status, the tests for residence and the exceptions to them, see Pub. 519.

Dual-Status Tax Year.—Generally, if you leave the United States during the year with no intent to return, you have a dual-status tax year and are subject to dual-status restrictions in completing Form 1040C. A dual-status tax year is one in which you have been both a resident alien and a nonresident alien in figuring your income tax liability for a dual-status year you are subject to different provisions of the tax laws for the part of the year you have the status of a resident and the part of the year you have the status of a nonresident. See Pub. 519.

Income Effectively Connected With a U.S. Trade or Business—Nonresident Aliens.—

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

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

Income from U.S. sources that is not effectively connected with a U.S. trade or business is generally taxed at 30%. The rate may be lower for you if the country of which you are a citizen or resident and the United States have a treaty setting lower rates. If you are a resident of a country with which the United States has an income tax treaty, you should see Pub. 901.

For a listing of the kinds of income not considered effectively connected with a U.S. trade or business, see the instructions for Schedules A and B. If you are a nonresident alien in the United States for study or training, see Pub. 519. This will help you decide how much of your income is effectively connected with a U.S. trade or business, and, therefore, must be reported.

Part II—Deduction for Exemptions

If you are a resident alien, you may claim the same exemptions as on Form 1040.

Nonresident aliens of Canada, Mexico, Japan, the Republic of Korea, or US Nationals (American Samoans) engaged in a trade or business in the United States may claim the same number of exemptions they are entitled to on Form 1040NR. All other nonresident aliens engaged in a U.S. trade or business may claim only one exemption. For more information, see Pub. 519 or the Form 1040NR instructions.

If you are a nonresident alien not engaged in a trade or business in the United States, you cannot take any personal exemptions on income that is not effectively connected with a U.S. trade or business.

Part III—Figuring Your Income Tax

General.—See if you fall in Group I, II, or III by reading the descriptions directly below the heading for Part I on the form. If you fall in Group I or II, figure your tax in Part III, lines 1–10. If you fall in Group III, figure your tax in Part III, lines 11 and 12. If you are a nonresident alien and fall in both Groups I and II, figure your tax in both sections (lines 1–10 and lines 11 and 12).

Line 2—Adjustments.—If you are a resident alien, you can take the adjustments allowed on Form 1040. The Form 1040 instructions have information on adjustments that you may take. Beginning in 1990, you can also deduct one-half of your self-employment tax for the year.

If you are a nonresident alien and have income effectively connected with a U.S. trade or business, you may take adjustments allowed on Form 1040NR. (See Form 1040NR instructions.)

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

Line 5—Additional Taxes.—Enter on line 5 any additional taxes from:
- Form 4970, Tax on Accumulation Distribution of Trusts, OR
- Form 4972, Tax on Lump-Sum Distributions

Line 7—Credits.—If you are a resident alien, you may claim the same credits as on Form 1040. If you are a nonresident alien with income effectively connected with a U.S. trade or business, you may generally deduct the same credits as on Form 1040NR.

Line 9—Other Taxes.—Enter on line 9 any other taxes such as those listed below. See the Instructions for Form 1040 or 1040NR, whichever applies, for information on the additional taxes to include on this line.

Self-employment tax—Use Schedule SE (Form 1040), Form 1040-PR, or Form 1040-GS (whichever applies) to figure your self-employment tax. The maximum amount of income subject to self-employment tax for 1990 is $51,300. The self-employment tax rate for 1990 is .153. This tax applies only to resident aliens.

Beginning in 1990, you can claim a new deduction in figuring the amount of your net earnings from self-employment. The deduction is 7.65% of your net earnings from self-employment before this deduction. This deduction is allowed only in figuring self-employment tax.

Alternative minimum tax—Use Form 6251, Alternative Minimum Tax—Individuals, to figure the tax.
• Tax from recapture of investment credit—Use Form 4255, Recapture of Investment Credit, to figure the tax.

• Recapture of low-income housing credit—Use Form 8611 to figure the tax.

Line 12—Tax.—Enter 30% of the amount on line 11. If you are entitled to a lower rate because of a treaty between your country and the United States, attach a statement showing your computation.

Line 14—U.S. Income Tax Paid or Withheld at Source.—Enter the amount from page 3, Schedule A, line 4, column (c), or amounts withheld as shown on Forms W-2, W-3G, W-2P, 8288-A, 1099-R, 1042S, 8805, etc.

Line 16—Other Payments.—Include on line 16 any of the following payments:

• Earned income credit.—Enter any earned earned income credit that is due you.

• U.S. income tax paid at previous departure during the tax period.—Enter any tax you paid during the tax period when you previously departed the United States.

• Excess social security and RRTA tax withheld.—If you had two or more employers in 1990 who together paid you more than $51,300 in wages, too much social security tax and railroad retirement (RRTA) tax may have been withheld from your wages. See the Instructions for Form 1040 or Form 1040NR. The maximum social security tax for 1990 is $9,324.45.

• Credit for Federal tax on fuel.—Enter any credit for tax on gasohol, diesel fuel, and special fuels used in your business, or for certain diesel-powered cars, vans, and light trucks, from Form 4136.

See the Instructions for Form 1040 or 1040NR for information on other payments.

Signature

Your Form 1040C is not considered a valid return unless you sign it. If an agent (including your spouse or another person) signs your return, your authorization of the signature must be filed with the return. You may have an agent in the United States prepare and sign your return if you were sick or otherwise unable to sign. However, you must have IRS approval to use an agent. To obtain approval, file a statement with the IRS office where you file Form 1040C explaining why you cannot sign.

If you fill in your own return, the Paid Preparer’s space should remain blank.

Someone who prepares your return but does not charge you should not sign.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer’s Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The preparer required to sign your return MUST

• Sign it, by hand, in the space provided for the preparer’s signature. (Signature stamps or labels are not acceptable)

• Give you a copy of your return in addition to the copies to be filed with IRS.

Tax return preparers should be familiar with their responsibilities. They should see Pub. 1045, Information for Tax Practitioners, for more details.

Schedule A—Schedule of Income

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

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

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

• Interest, dividends, rents, salaries, wages, premiums, annuities, compensation, remuneration, and other fixed or determinable annual or periodic gains, profits, and income.

• Prizes, awards, and certain gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings. You cannot offset losses against winnings and report the difference.

• One-half of the U.S. social security benefits you receive are taxable. This amount is treated as U.S. source income not effectively connected with a U.S. trade or business and is subject to the 30% tax rate, unless exempted or taxed at a reduced rate under a U.S. tax treaty.

Social security benefits include any monthly benefit under Title II of the Social Security Act or part of a tier 1 railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments.

Exempt Income for Nonresident Aliens.—The following income received by a nonresident alien is exempt from U.S. tax.

(1) Interest on bank deposits or withdrawable accounts with savings and loan associations or credit unions.

(2) Royalties that are not paid under Federal or state law, or amounts held by an insurance company under an agreement to pay interest on them, if the income is not effectively connected with a U.S. trade or business.

(3) Capital gains not effectively connected with a U.S. trade or business that are exempt under Federal or state law.

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

(5) Qualifying annuities: Annuities you received from qualifying annuity plans or trusts under both the following conditions:

(a) The work done that entitles you to the annuity was done either in the United States for a foreign employer or outside the United States, and

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

Certain items of income may be exempt from Federal tax by a tax treaty. For more information, see Pub. 901.

Schedule B—Gains and Losses From Sales or Exchanges of Nonresidents’ Property Not Effectively Connected With A U.S. Trade or Business

If you are a nonresident alien, use Schedule B to figure your gain or loss from the sale or exchange of property not effectively connected with a U.S. trade or business. Include the following:

(1) Income other than capital gains.

• Gains on the applicable portion of lump-sum distributions from employees’ tax-exempt trusts or annuity plans and on the disposal of timber, coal, or U.S. iron ore with a retained economic interest.

• Gain from the sale or exchange of an original issue discount obligation, not in excess of the original issue discount accruing while such obligation was held by you and not previously included in income.

• Gains, other than capital gains, from the sale or exchange of patents, copyrights, secret processes and formulas, goodwill, trademarks, trade brands, franchises, and other like property, or of any interest in any such property.

• The gains must result from payments for the productivity, use, or disposition of the property or interest.

(2) Capital gains.

• Capital gains in excess of capital losses if you were in the United States at least 183 days during the year. However, the gain or loss on the disposition of a U.S. real property interest is considered effectively connected and should be shown in Schedule A.

• For more information on these kinds of income, see Pub. 519 and the instructions for Form 1040NR.

Schedule C—Itemized Deductions

If you are a resident alien, you can take the deductions allowed on Schedule C of Form 1040. (See the Schedule C (Form 1040) Instructions.)

If you are a nonresident alien and have income effectively connected with a U.S. trade or business, you can deduct charitable contributions and casualty and theft losses of property you had in the United States. These deductions do not need to be related to income effectively connected with your trade or business. You may also take deductions allowed on Schedule A of Form 1040NR. (See the Form 1040NR Instructions.)

If you are a nonresident alien with income not effectively connected with a U.S. trade or business, you cannot take any deductions.

Tax Law Changes Effective for 1990

Use your 1989 tax return as a guide in figuring your tax liability, but be sure to consider the tax law changes noted in this section. Also get Pub. 553, Highlights of 1989 Tax Changes, for details about late legislation that could affect your 1990 tax.

Itemized Deductions (Group I Only)

Personal Interest.—For 1990, only 10% of personal interest (such as interest on car loans or credit card balances for personal expenses) is deductible.
Standard Deduction (Group I only)
If you do not itemize your deductions, you may take the standard deduction instead. For 1990, the standard deduction amounts are:

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Standard Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married filing joint return and Qualifying widow(er)</td>
<td>$5,450*</td>
</tr>
<tr>
<td>Head of household</td>
<td>4,750*</td>
</tr>
<tr>
<td>Single</td>
<td>3,250*</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>2,725*</td>
</tr>
</tbody>
</table>

*To these amounts, add the additional amount below.

Additional Amount for the Elderly or Blind.—An additional standard deduction amount of $650 is allowed for a married individual (whether filing jointly or separately) or a qualifying widow(er) who is 65 or older or blind ($1,300 if the individual is both 65 or older and blind, $2,600 if both spouses are 65 or older and blind). An additional standard deduction amount of $800 is allowed for an unmarried individual (single or head of household) who is 65 or older or blind ($1,600 if the individual is both 65 or older and blind).

Limited Standard Deduction for Dependents.—If you can be claimed as a dependent on another person’s return, your standard deduction is the greater of:
(a) $500 or (b) your earned income, up to the standard deduction amount. To this amount add any additional amount for the elderly or blind discussed above.

Personal Exemptions (Groups I and II)
For 1990, the personal exemption amount has increased to $2,050 for each individual, the individual’s spouse, and each dependent.

Earned Income Credit
For 1990, the maximum earned income credit has increased to $953 and the income limitation amount has increased to $20,264.

1990 Tax Rate Schedules (Groups I and II)
Caution: Do not use these Tax Rate Schedules to figure your 1989 taxes. Use only to figure your 1990 taxes.

Schedule X—Single Taxpayers (Groups I and II)
If the amount on Schedule D, line 5 or 11, is:

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $19,450</td>
<td>15%</td>
</tr>
<tr>
<td>Over $29,175.50</td>
<td>28%</td>
</tr>
<tr>
<td>Over $44,000.50</td>
<td>33%</td>
</tr>
<tr>
<td>Over $67,000</td>
<td>35%</td>
</tr>
</tbody>
</table>

Schedule Z—Head of Household (Group I only)
If the amount on Schedule D, line 5, is:

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $26,050</td>
<td>15%</td>
</tr>
<tr>
<td>Over $43,075.50</td>
<td>28%</td>
</tr>
<tr>
<td>Over $67,000</td>
<td>33%</td>
</tr>
</tbody>
</table>

Schedule Y—Married Taxpayers and Qualifying Widows and Widowers
Married Filing Joint Returns (Group I only) and Qualifying Widows and Widowers (Groups I and II)
If the amount on Schedule D, line 5 or 11, is:

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $32,450</td>
<td>15%</td>
</tr>
<tr>
<td>Over $48,675.50</td>
<td>28%</td>
</tr>
<tr>
<td>Over $74,000</td>
<td>33%</td>
</tr>
<tr>
<td>Over $123,570</td>
<td>35%</td>
</tr>
</tbody>
</table>

Married Filing Separate Returns (Groups I and II)
If the amount on Schedule D, line 5 or 11, is:

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $16,225</td>
<td>15%</td>
</tr>
<tr>
<td>Over $24,337.50</td>
<td>28%</td>
</tr>
<tr>
<td>Over $39,200</td>
<td>33%</td>
</tr>
</tbody>
</table>

Worksheet (Keep your records)

1. If your filing status is:
   - Single, enter $27,333.60
   - Head of household, enter $37,780.40
   - Married filing jointly or Qualifying widow(er), enter $45,575.60
   - Married filing separately, enter $36,708.85
   
2. Enter your taxable income from Schedule D, line 5 or 11
   
3. If your filing status is:
   - Single, enter $97,620
   - Head of household, enter $134,930
   - Married filing jointly or Qualifying widow(er), enter $162,770
   - Married filing separately, enter $123,570
   
4. Subtract line 3 from line 2. Enter the result. (If the result is zero or less, use the schedule above for your filing status to figure your tax. DO NOT USE this worksheet.)

5. Multiply the amount on line 4 by 28% (.28). Enter the result

6. Multiply the amount on line 4 by 5% (.05). Enter the result

7. Multiply $574 by the number of exemptions claimed on Form 1040C, page 2, Part II, line 1e. (If married filing separately, see Note below.) Enter the result

8. Compare the amounts on lines 6 and 7. Enter the smaller of the two amounts here.

9. Tax. Add lines 1, 5, and 8. Enter the total here and on Schedule D, line 6 or 12

Note: If married filing separately and you did not claim an exemption for your spouse, multiply $574 by the number of exemptions claimed on Form 1040C, page 2, Part II, line 1e. Add $574 to the result and enter the total on line 7 above.

* U.S. GPO: 1990 — 245.191