

# 2010

# Instructions for Form 1040NR



Department of the Treasury  
Internal Revenue Service

## U.S. Nonresident Alien Income Tax Return

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

## General Instructions

### What's New for 2010

**Due date of return.** If you generally must file Form 1040NR by April 15, the due date for your 2010 Form 1040NR is April 18, 2011. The due date is April 18, instead of April 15, because of the Emancipation Day holiday in the District of Columbia—even if you do not live in the District of Columbia. See *When To File* on page 5.

**Limits on personal exemptions and overall itemized deductions ended.** For 2010, you will no longer lose part of your deduction for personal exemptions and itemized deductions, regardless of the amount of your adjusted gross income (AGI).

**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 line 54. Deduct one-half of your self-employment tax on line 27. Attach Schedule SE (Form 1040). See the Instructions for Schedule SE (Form 1040) for additional information. These instructions and lines in the form were added to clarify how nonresident aliens should report and pay their self-employment tax.

**Dividend equivalent payments.** All dividend equivalent payments received after September 13, 2010, are U.S. source dividends.

**Self-employed health insurance deduction.** Effective March 30, 2010, if you were self-employed and paid for health insurance, you may be able to include in your deduction on line 29 any premiums you paid to cover your child who was under age 27 at the end of 2010, even if the child was not your dependent. For 2010, the line 29 deduction is also allowed on Schedule SE (Form 1040). See the instructions for line 29 on page 17.

**Adoption credit.** The maximum adoption credit has increased to

\$13,170. The credit is now refundable and is claimed on line 66. See Form 8839.

**Alternative minimum tax (AMT) exemption amount increased.** The AMT exemption amount has increased to \$47,450 (\$72,450 if a qualifying widow(er); \$36,225 if married filing separately).

**Repayment of first-time homebuyer credit.** If you claimed the first-time homebuyer credit for a home you bought in 2008, you generally must begin repaying it on your 2010 return. In addition, you generally must repay any credit you claimed for 2008 or 2009 if you sold your home in 2010 or the home stopped being your main home in 2010. See the instructions for line 58 on page 27.

**Roth IRAs and designated Roth accounts.** Half of any income that results from a rollover or conversion to a Roth IRA from another retirement plan in 2010 is included in income in 2011, and the other half in 2012, unless you elect to include all of it in 2010. The same rule applies to a rollover after September 27, 2010, to a designated Roth account in the same plan. See Form 8606.

You now can make a qualified rollover contribution to a Roth IRA regardless of the amount of your modified AGI.

**Standard mileage rates.** The 2010 rate for business use of your vehicle is reduced to 50 cents a mile. The 2010 rate for use of your vehicle to move is reduced to 16½ cents a mile. The 2010 rate for use of your vehicle to do volunteer work for certain charitable organizations is still 14 cents a mile.

**Personal casualty and theft loss limit reduced.** Each personal casualty or theft loss is limited to the excess of the loss over \$100 (instead of the \$500 limit that applied for 2009). See Form 4684.

**Corrosive drywall losses.** If you paid for repairs to your personal residence or household appliances because of corrosive drywall that was installed between 2001 and 2008, you may be able to deduct those amounts paid on line 8 of Schedule A of Form 1040NR. See Form 4684 and its instructions for details.

**Divorced or separated parents.** A custodial parent who has revoked his or her previous release of a claim to a child's exemption must include a copy of the revocation with his or her return. See page 9.

**Domestic production activities income.** The percentage rate for 2010 increases to 9%. However, the deduction is reduced if you have oil-related qualified production activities income. See page 20.

**Decedents who died in 2010.** For special rules that may apply to decedents who died in 2010, including rules for property acquired from a decedent who died in 2010, see new Pub. 4895.

**Expired tax benefits.** The following tax benefits have expired and are not available for 2010.

- The exclusion from income of up to \$2,400 in unemployment compensation. All unemployment compensation you received in 2010 generally is taxable.
- Government retiree credit.
- Alternative motor vehicle credit for qualified hybrid motor vehicles bought after 2009, except cars and light trucks with a gross vehicle weight rating of 8,500 pounds or less.
- Extra \$3,000 IRA deduction for employees of bankrupt companies.
- Credit to holders of clean renewable energy bonds issued after 2009.
- Decreased estimated tax payments for certain small businesses.

**Disclosure of information by paid preparers.** If you use a paid preparer to file your return, the preparer is allowed, in some cases, to disclose certain information from your return, such as your name and address, to certain other parties, such as the preparer's professional liability insurance company or the publisher of a tax newsletter. For details, see Revenue Rulings 2010-4 and 2010-5. You can find Revenue Ruling 2010-4 on page 309 of Internal Revenue Bulletin 2010-4 at [www.irs.gov/irb/2010-04\\_IRB/ar08.html](http://www.irs.gov/irb/2010-04_IRB/ar08.html). You can find Revenue Ruling 2010-5 on page 312 of Internal Revenue Bulletin 2010-4 at [www.irs.gov/irb/2010-04\\_IRB/ar09.html](http://www.irs.gov/irb/2010-04_IRB/ar09.html).

## Items to Note

**Form 1040NR-EZ.** You may be able to use Form 1040NR-EZ if your only income from U.S. sources is wages, salaries, tips, refunds of state and local income taxes, and scholarship or fellowship grants. For more details, see Form 1040NR-EZ and its instructions.

**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. Different rules apply based on the date you renounced your citizenship or terminated your long-term residency in the United States. See *Special Rules for Former U.S. Citizens and Former U.S. Long-Term Residents (Expatriates)* on page 7.

**Social security or Medicare taxes withheld in error.** If you are a foreign student on an F1, J1, M, or Q visa, and social security or Medicare taxes were withheld on your wages in error, you may want to file Form 843, Claim for Refund and Request for Abatement, to request a refund of these taxes. For more information, see *Refund of Taxes Withheld in Error* in chapter 8 of Pub. 519, U.S. Tax Guide for Aliens.

**Other reporting requirements.** You also may 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.

For more information, and to see if you must file one of these forms, see chapter 1 of Pub. 519.

## Additional Information

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

Pub. 501	Exemptions, Standard Deduction, and Filing Information
Pub. 525	Taxable and Nontaxable Income
Pub. 529	Miscellaneous Deductions
Pub. 552	Recordkeeping for Individuals
Pub. 597	Information on the United States—Canada Income Tax Treaty
Pub. 901	U.S. Tax Treaties
Pub. 910	IRS Guide to Free Tax Services (includes a list of all publications)

These free publications and the forms and schedules you will need are available from the Internal Revenue

Service. You can download them at IRS.gov. Also see *Quick and Easy Access to Tax Help and Tax Products* on page 43 for other ways to get them (as well as information on receiving IRS assistance in completing the forms).

## 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 2010. (These tests are explained on this page and on page 3.) 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 2010. 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, even if you are a U.S. resident under one of these tests, you still may be considered a nonresident alien if you qualify as a resident of a treaty country within the meaning of an income tax treaty between the United States and that country. You can download the complete text of most U.S. tax treaties at IRS.gov. Enter “tax treaties” in the search box at the top of the page. Technical explanations for many of those treaties are also available at that site.

For more details on resident and nonresident status, the tests for residence, and the exceptions to them, see 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 2010 and you took no steps to be treated as a resident of a foreign country under an income tax treaty. (However, see *Dual-Status Taxpayers* on page 5.) In most cases you are a lawful permanent resident if the U.S. Citizenship and Immigration Services (USCIS) (or its predecessor organization, INS) has issued you an alien registration card, also known as a green card.

If you surrender your green card, your status as a resident for tax purposes will change as of the date you surrender your green card if all of the following are true.

1. You mail a letter stating your intent to surrender your green card.
2. You send this letter by certified mail, return receipt requested (or the foreign equivalent).

3. You have proof that the letter was received by the USCIS.

Keep a copy of the letter and the proof that the letter was 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 ten 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 Pub. 519.

## Substantial Presence Test

You are considered a U.S. resident if you meet the substantial presence test for 2010. You meet this test if you were physically present in the United States for at least:

1. 31 days during 2010, and
2. 183 days during the period 2010, 2009, and 2008, using the following chart.

(a) Year	(b) Days of physical presence	(c) Multiplier	(d) Testing days (multiply (b) times (c))
2010		1.000	
2009		.333	
2008		.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.

- Days you commute to work in the United States from a residence in Canada or Mexico if you regularly commute from Canada or Mexico.
- Days you are in the United States for less than 24 hours when you are in transit between two places outside the United States.
- Days you are in the United States as a crew member of a foreign vessel.
- 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.
- Days you are an exempt individual (defined on page 3).



You may need to file Form 8843 to exclude days of presence in the United States for the substantial presence test. For more information on the requirements, see Form 8843 in chapter 1 of Pub. 519.

**Exempt individual.** For these purposes, an exempt individual is generally an individual who is a:

- Foreign government-related individual;
- Teacher or trainee who is temporarily present under a “J” or “Q” visa;
- Student who is temporarily present under an “F,” “J,” “M,” or “Q” visa; or
- 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 either 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 Pub. 519 for more details regarding days of presence in the United States for the substantial presence test.

### Closer Connection to Foreign Country

Even though you otherwise would 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 2010,
- Establish that during 2010 you had a tax home in a foreign country, and
- Establish that during 2010 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.

See Pub. 519 for more information.

**Closer connection exception for foreign students.** If you are a foreign student in the United States, and you have met the substantial presence test, you still may be able to claim you are a nonresident alien. You must meet both of the following requirements.

1. You establish that you do not intend to reside permanently in the United States. The facts and circumstances of your situation are considered to determine if you do not intend to reside permanently in the United States. The facts and circumstances include the following.
  - a. Whether you have taken any steps to change your U.S. immigration status to lawful permanent resident.
  - b. During your stay in the United States, whether you have maintained a closer connection with a foreign country than with the United States.

2. You have substantially complied with your visa requirements.

You must file a fully completed Form 8843 with the IRS to claim the closer connection exception. See Form 8843 in chapter 1 of Pub. 519.



You cannot use the closer connection exception to remain a nonresident alien indefinitely. You must have in mind an estimated departure date from the United States in the near future.

### Who Must File

File Form 1040NR if any of the following four conditions applies to you.

1. You were a nonresident alien engaged in a trade or business in the United States during 2010. You must file even if:
  - a. You have no income from a trade or business conducted in the United States,
  - b. You have no U.S. source income, or
  - c. Your income is exempt from U.S. tax under a tax treaty or any section of the Internal Revenue Code.

However, if you have no gross income for 2010, do not complete the schedules for Form 1040NR. Instead, attach a list of the kinds of exclusions you claim and the amount of each.

2. You were a nonresident alien not engaged in a trade or business in the United States during 2010 and:
  - a. You received income from U.S. sources that is reportable on Schedule NEC, lines 1 through 12, and
  - b. Not all of the U.S. tax that you owe was withheld from that income.
3. You represent a deceased person who would have had to file Form 1040NR.
4. You represent an estate or trust that has to file Form 1040NR.

### Other situations when you must file.

You must file a return for 2010 if you owe any special taxes, including any of the following.

- Alternative minimum tax.
- Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.
- Household employment taxes. But if you are filing a return only because you owe this tax, you can file **Schedule H** by itself.
- 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.
- Recapture of first-time homebuyer credit. See the instructions for line 58 on page 27.

- 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. See the instructions for line 59 on page 27.
- 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 line 54 on page 26.

**Exceptions.** You do not need to file Form 1040NR if:

1. Your only U.S. trade or business was the performance of personal services; and
  - a. Your wages were less than \$3,650; and
  - b. You have no other need to file a return to claim a refund of overwithheld taxes, to satisfy additional withholding at source, or to claim income exempt or partly exempt by treaty; or
2. 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 1040NR, lines 8 through 21, and on page 4, Schedule NEC, lines 1 through 12).
3. You were a partner in a U.S. partnership that was not engaged in a trade or business in the United States during 2010 and your Schedule K-1 (Form 1065) includes only income from U.S. sources that is reportable on Schedule NEC, lines 1 through 12.



If the partnership withholds taxes on this income in 2011 and the tax withheld and reported on line 9 of Form 1042-S is more or less than the tax due on the income, you will need to file Form 1040NR for 2011 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 to get a refund of any federal income tax withheld. You also should file if you are engaged in a U.S. trade or business and are eligible for any of the following credits.

- Additional child tax credit.
- Credit for federal tax on fuels.
- Adoption credit.
- Refundable credit for prior year minimum tax.
- Health coverage tax credit.

**Exception for certain children under age 19 or full-time students.** If your child was under age 19 at the end of 2010 or was a full-time student under

age 24 at the end of 2010, had income only from interest and dividends that are effectively connected with a U.S. trade or business, and that income totaled less than \$9,500, you may be able to elect to report your child's income on your return. To do so, use Form 8814. If you make this election, your child does not have to file a return. For details, including the conditions for children under age 24, see Form 8814.

A child born on January 1, 1987, is considered to be age 24 at the end of 2010. Do not use Form 8814 for such a child.

#### **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 2010. 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 1040NR 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.



*If you are filing Form 1040NR 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 March 15, 2011. 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 1040NR solely to claim a refund of U.S. tax withheld at source.

**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 tax year, complete Form 1040NR as follows.

**Page 1.** Enter your name, identifying number (defined on page 8), 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 22 and leave the rest of page 1 blank.

**Page 4—Schedule NEC, lines 1a through 12.** Enter the amounts of gross income you received from dividends, 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.

**Page 5—Schedule OI.** 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, 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 generally must be a resident 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. See Pub. 901 for more information on tax treaties.

**Page 2—lines 53 and 59.** Enter on line 53 the tax on income not effectively connected with a U.S. trade or business from page 4, Schedule NEC, line 15. Enter your total income tax liability on line 59.

**Line 60a.** Enter the total amount of U.S. tax withheld from Form(s) 1099.

**Line 60d.** 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 68.** Add lines 60a through 67. This is the total tax you have paid.

**Lines 69 and 70a.** Enter the difference between line 59 and line 68. This is your total refund.

You can have the refund deposited into more than one account. See *Lines 70a through 70e—Amount refunded to you* beginning on page 28 for more details.

**Line 70e.** You may be able to have your refund check mailed to an address that is not shown on page 1. See *Line 70e* on page 29.

**Signature.** You must sign and date your tax return. See *Sign Your Return* on page 39.

**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, 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.

**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.

## When To File

**Individuals.** If you were an employee and received wages subject to U.S. income tax withholding, file Form 1040NR by the 15th day of the 4th month after your tax year ends. A return for the 2010 calendar year is due by April 18, 2011. (The due date is April 18, instead of April 15, because of the Emancipation Day holiday in the District of Columbia—even if you do not live in the District of Columbia.) If you file after this date, you may have to pay interest and penalties. See page 42.

If you did not receive wages as an employee subject to U.S. income tax withholding, file Form 1040NR by the 15th day of the 6th month after your tax year ends. A return for the 2010 calendar year is due by June 15, 2011.

**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.

**Extension of time to file.** If you cannot file your return by the due date, you should file Form 4868 to get an automatic 6-month extension of time to file. You must file Form 4868 by the regular due date of the return.



*An automatic 6-month extension of time to file does not extend the time to pay your tax. If you do not pay your tax by the original due date of your return, you will owe interest on the unpaid tax and may owe penalties. See Form 4868.*

## Where To File

**Individuals.** Mail Form 1040NR to:

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

**Estates and trusts.** Mail Form 1040NR to:

Department of the Treasury  
Internal Revenue Service Center  
Cincinnati, OH 45999-0048 U.S.A.

## Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the “timely mailing as timely filing/paying” rule for tax returns and payments. These private delivery services include only the following.

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.



*Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.*

## 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, 1040A, or 1040EZ.

To make this election, you must attach the statement described in Pub. 519 to your return. Do not use Form 1040NR.

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 2010. If you file a separate return, use Form 1040 or Form 1040A. Your worldwide income for the whole year must be included whether you file a joint or separate return.



*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 otherwise might be available, see the specific treaty.*

## Dual-Status Taxpayers

**Note.** If you elect to be taxed as a resident alien (discussed on this page), the special instructions and restrictions discussed here do not apply.

## Dual-Status Tax 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. 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) 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.

See 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. 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 1040NR as the statement; enter “Dual-Status Statement” across the top. Do not sign Form 1040NR. Mail your return and statement to:

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

If you were a nonresident on the last day of the tax year, file Form 1040NR. 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 as the statement; enter “Dual-Status Statement” across the top. Do not sign Form 1040. Mail your return and statement to:

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

**Statements.** Any statement you file with your return must show your name, address, and identifying number (defined on page 8).

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 taxable whether you received it while a nonresident alien or a resident alien.

## 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.

**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* on page 5) 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 to be taxed as a resident alien as discussed on page 5, you must use the Married filing separately column in the Tax Table or Section C of the Tax Computation Worksheet 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.

**Deduction for exemptions.** As a dual-status taxpayer, you usually will be entitled to your own personal exemption. Subject to the general rules for qualification, you are allowed exemptions for your spouse and dependents in figuring taxable income for the part of the year you were a resident alien. The amount you can claim for these exemptions is limited to your taxable income (determined without regard to exemptions) for the part of the year you were a resident alien. You cannot use exemptions (other than your own) to reduce taxable income to below zero for that period.

Special rules apply for exemptions for the part of the year a dual-status taxpayer is a nonresident alien if the taxpayer is a resident of Canada, Mexico, or South Korea; a U.S. national; or a student or business apprentice from India.

See Pub. 519 for more information.

**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* on page 5) instead of a dual-status taxpayer.

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

## How To Figure Tax for 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 of Form 1040, including medical expenses, real property taxes, and certain interest.

See the Instructions for Schedule A (Form 1040).

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, include the tax on the noneffectively connected income in the total on Form 1040, line 60. To the left

of line 60 enter "Tax from Form 1040NR" and the amount.

If you are filing Form 1040NR, 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 1040NR, line 42, and the tax on the noneffectively connected income on line 53.

**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:

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, show the total tax withheld on line 61. Enter amounts from the attached statement (Form 1040NR, line 60a through 60d) in the column to the right of line 61 and identify and include them in the amount on line 61.

When filing Form 1040NR, show the total tax withheld on lines 60a through 60d. Enter the amount from the attached statement (Form 1040, line 61) in the column to the right of line 60a, and identify and include it in the amount on line 60a.

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, include the tax paid with Form 1040-C with the total payments on line 72. Identify the payment in the area to the left of the entry.

## How To Report Income on Form 1040NR

### Community Income

If either you or your spouse (or both you and your spouse) were nonresident aliens 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.

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 1040NR. 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 and the United States has set a lower rate that applies to you. Report this income on Schedule NEC on page 4 of Form 1040NR. Pub. 519 describes this income in greater detail.

**Note.** Use line 57 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 on page 5 of Form 1040NR and line 22 on page 1.

## 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 1040NR, line 14. Also, net gains may be subject to the alternative minimum tax. See the instructions for line 43 on page 22. See Pub. 519, chapter 4, *Real Property Gain or Loss*, 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,
- 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.

The election does not apply to dispositions of U.S. real property interests, discussed 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.

## Foreign Income Taxed by the United States

You may be required to report some income from foreign sources on your U.S. return if it 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 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.

Different expatriation tax rules apply to individuals based on the date of expatriation. The dates are:

- Before June 4, 2004;
- After June 3, 2004, and before June 17, 2008; and
- After June 16, 2008.

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 [www.irs.gov/irb/2009-45\\_IRB/ar10.html](http://www.irs.gov/irb/2009-45_IRB/ar10.html).

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## Line Instructions for Form 1040NR

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### 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 1040NR 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 1040NR with your name, title, address, and the names and addresses of all beneficiaries.

**P.O. box.** Enter your box number only if your post office does not deliver mail to your home.

**Foreign address.** Enter the information in the following order: City, province or state, and country. Follow the country's practice for entering the postal code. In some countries the postal code may come before the city or town name.

**Country.** Enter the full name of the country in uppercase letters in English.

**Address change.** If you plan to move after filing your return, use Form 8822, Change of Address, to notify the IRS of your new address.

**Name change.** If you changed your name because of marriage, divorce, etc., and your identifying number is a social security number, be sure to report the change to the Social Security Administration (SSA) before filing your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. See *Social security number (SSN)* below for how to contact the SSA.

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## Identifying Number

An incorrect or missing identifying number can increase your tax, reduce your refund, or delay your refund.

**Social security number (SSN).** If you are an individual, in most cases you are required to enter your SSN. If you do not have an SSN but are eligible to get one, you should apply for it. Get Form SS-5, Application for a Social Security Card, online at [www.socialsecurity.gov](http://www.socialsecurity.gov), from your local Social Security Administration (SSA) office, or by calling the SSA at 1-800-772-1213.

Fill in Form SS-5 and bring it to your local SSA office in person, along with original documentation showing your age, identity, immigration status, and authority to work in the United States. If you are an F-1 or M-1 student, you also must show your Form I-20. If you are a J-1 exchange visitor, you also must show your Form DS-2019.

It usually takes about 2 weeks to get an SSN once the SSA has all the evidence and information it needs. Check that your SSN on your Forms W-2 and 1099 agrees with your social security card. If not, see page 40 for more details.

**IRS individual taxpayer identification number (ITIN).** If you do not have and are not eligible to get an SSN, you must enter your ITIN whenever an SSN is requested on your tax return. If you are required to include another person's SSN on your return and that person does not have and cannot get an SSN, enter that person's ITIN.

For details on how to apply for an ITIN, see Form W-7, Application for IRS Individual Taxpayer Identification Number, and its instructions. Get Form W-7 online at [IRS.gov](http://IRS.gov). Click on "Individuals," then "Individual Taxpayer Identification Number (ITIN)."

It takes 6 to 10 weeks to get an ITIN.

**Note.** An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.



*If, after reading these instructions and our free publications, you are not sure how to complete the applications or have additional questions, see Calling the IRS on page 42.*

**Employer identification number (EIN).** If you are filing Form 1040NR 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 by filing Form SS-4, Application for Employer Identification Number. For details on how to get an EIN, see Form SS-4 and its instructions. Form SS-4 is available at [IRS.gov](http://IRS.gov). Click on "Forms and Publications."

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## Filing Status

The amount of your tax depends on your filing status. Before you decide which box to check, read the following explanations.

### Were you single or married?

**Single.** You can check the box on line 1 or line 2 if any of the following was true on December 31, 2010.

- You were never married.
- You were legally separated under a decree of divorce or separate maintenance. But if, at the end of 2010, your divorce was not final, you are considered married and cannot check the box on line 1 or line 2.
- You were widowed before January 1, 2010, and did not remarry before the end of 2010. But if you have a dependent child, you may be able to use the qualifying widow(er) filing status. See the instructions for line 6 on page 9.
- You meet the tests described under *Married persons who live apart* below.

**Married.** If you were married on December 31, 2010, consider yourself married for the whole year.

If your spouse died in 2010, consider yourself married to that spouse for the whole year, unless you remarried before the end of 2010.

For federal tax purposes, a marriage means only a legal union between a man and a woman as husband and wife.

**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.

**Married persons who live apart.** Some married persons 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, or you are a married U.S. national, check the box on line 1. If you meet the tests below and you are a married resident of South Korea, check the box on line 2.

1. You file a separate return from your spouse.
2. You paid over half the cost of keeping up your home for 2010.
3. You lived apart from your spouse for the last 6 months of 2010. 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 2010. 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 2010, you still can file as single as long as the home was that child's main home for the part of the year he or she was alive in 2010.
5. You can claim a dependency exemption for the child or 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.

**Line 3 or 4—Married resident.** If you checked box 3 or 4, you must enter your spouse's first and last name and identifying number in the space provided.

You cannot check box 3 or 4 if your spouse does not have an SSN or an ITIN. If your spouse is not eligible to apply for an SSN, he or she must apply for an ITIN.



*If your spouse is a nonresident alien, is not being claimed as an exemption, and does not have an identifying number (SSN or ITIN), enter "NRA" in the space for Spouse's identifying number. Do not leave the space blank. If you have applied for an SSN or ITIN, enter "Applied for."*



**Line 6—Qualifying widow(er) with dependent child.** You can check the box on line 6 if all of the following apply.

1. You were a resident of Canada, Mexico, or South Korea or were a U.S. national.

2. Your spouse died in 2008 or 2009 and you did not remarry before the end of 2010.

3. You have a child or stepchild whom you claim as a dependent. This does not include a foster child.

4. This child lived in your home for all of 2010. Temporary absences by you or the child for special circumstances, such as school, vacation, business, or medical care, count as time lived in the home.

A child is considered to have lived with you for all of 2010 if the child was born or died in 2010 and your home was the child's main home for the entire time he or she was alive.

5. You paid over half the cost of keeping up your home. To find out what is included in the cost of keeping up a home, see Pub. 501.

6. 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.

7. You could have filed a joint return with your spouse the year he or she died, even if you did not actually do so.

**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.

## Exemptions

Exemptions for estates and trusts are described in the instructions for line 40 on page 22.

**Note.** Residents of India who were students or business apprentices may be able to claim exemptions for their spouse and dependents.

See Pub. 519 for more details.

**Line 7b—Spouse.** If you checked filing status box 3 or 4, you can take an exemption for your spouse only if your spouse had no gross income for U.S. tax purposes and cannot be claimed as a dependent on another U.S. taxpayer's return. (You can do this even if your spouse died in 2010.) If you checked filing status box 4, do not check line 7b if your spouse did not live with you in the United States at any time during 2010.

**Line 7c—Dependents.** Only U.S. nationals and residents of Canada, Mexico, and South Korea can claim exemptions for their dependents. If you were a U.S. national or a resident of Canada or Mexico, you can claim

exemptions for your children and other dependents on the same terms as U.S. citizens. If you were a resident of South Korea, you can claim an exemption for any of your children who lived with you in the United States at some time during 2010.

You can take an exemption for each of your dependents. If you have more than four dependents, include a statement showing the required information.



*For additional information on the definition of a qualifying child and whether you can claim an exemption for a dependent, see Exemptions for Dependents in Pub. 501.*

**Children who did not live with you due to divorce or separation.** If you checked filing status box 1 or 3 and are claiming as a dependent a child who did not live with you under the rules for children of divorced or separated parents, include with your return Form 8332 or a substantially similar statement signed by the custodial parent and whose only purpose is to release a claim to an exemption for a child. The form or statement must release the custodial parent's claim to the child without any conditions. For example, the release must not depend on the noncustodial parent paying support.

If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to include certain pages from the decree or agreement instead of Form 8332. See Form 8332 for details.



*You must include the required information even if you filed it with your return in an earlier year.*

**Release of exemption revoked.** A custodial parent who has revoked his or her previous release of a claim to exemption for a child must include a copy of the revocation with his or her return. For details, see Form 8332.

**Other dependent children.** Include the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "Dependents on 7c not entered above."

**Line 7c, column (2).** You must enter each dependent's identifying number (SSN, ITIN, or adoption taxpayer identification number (ATIN)). Otherwise, at the time we process your return we may disallow the exemption claimed for the dependent and reduce or disallow any other tax benefits (such as the child tax credit) based on the dependent.



*For details on how your dependent can get an identifying number, see Identifying Number on page 8.*

If your dependent child was born and died in 2010 and you do not have an identifying number for the child, enter "Died" in column (2) and attach a copy of the child's birth certificate, death certificate, or hospital records. The document must show the child was born alive.

**Adoption taxpayer identification numbers (ATINs).** If you have a dependent who was placed with you for legal adoption and you do not know his or her SSN, you must get an ATIN for the dependent from the IRS. See Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, for details. If the dependent is not a U.S. citizen or resident alien, apply for an ITIN instead, using Form W-7. See page 8.

**Line 7c, column (4).** Check the box in this column if your dependent is a qualifying child for the child tax credit (defined below). If you have at least one qualifying child, you may be able to take the child tax credit on line 48 and the additional child tax credit on line 62.

**Qualifying child for child tax credit.** A qualifying child for purposes of the child tax credit is a child who meets the following requirements.

- The child was under age 17 at the end of 2010 and younger than you or any age and permanently or totally disabled.
- The child is your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew).
- The child is not filing a joint return for 2010 (or is filing a joint return for 2010 only as a claim for refund of withheld income tax or estimated tax paid).
- The child is a U.S. citizen, a U.S. national, or a U.S. resident alien.
- The child did not provide over half of his or her own support for 2010.
- The child lived with you for more than half of 2010. Temporary absences by you or the child for special circumstances, such as school, vacation, business, or medical care, count as time the child lived with you. A child is considered to have lived with you for all of 2010 if the child was born or died in 2010 and your home was the child's home for the entire time he or she was alive.
- You can and do claim an exemption for the child.

In addition, if a parent can claim the child as a qualifying child, but no parent does so claim the child, you cannot claim the child as a qualifying child

unless your AGI is higher than the highest AGI of any parent of the child.

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

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## Rounding Off to Whole Dollars

You can round off cents to whole dollars on your return and schedules. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

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

Pub. 519 explains how income is classified and what income you should report here. 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. But your decision may not be easy. Interest, for example, may be effectively connected with a U.S. trade or business, it may not be, or it may be tax-exempt. 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.

### Line 8—Wages, salaries, tips, etc.

Enter the total of your effectively connected wages, salaries, tips, etc. Only U.S. source income is included on line 8 as effectively connected wages. For most people, the amount to enter on this line should be shown in box 1 of their Form(s) W-2.



*Do not include on line 8 amounts exempted under a tax treaty. Instead, include these amounts on line 22 and complete item L of Schedule OI on page 5 of Form 1040NR.*

### Services performed partly within and partly without 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) generally is 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 without 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 generally is 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 2010, 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 on page 5. Also attach to Form 1040NR 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 without 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.

Also include on line 8.

- Wages received as a household employee for which you did not receive a Form W-2 because your employer paid you less than \$1,700 in 2010. Also, enter "HSH" and the amount not reported on a Form W-2 on the dotted line next to line 8.
- Tip income you did not report to your employer. Also include allocated tips shown on your Form(s) W-2 unless you

can prove that you received less. Allocated tips should be shown in box 8 of your Form(s) W-2. They are not included as income in box 1. See Pub. 531, Reporting Tip Income, for more details.



*You may owe social security and Medicare tax on unreported or allocated tips. See the instructions for line 55 on page 26.*

- Dependent care benefits, which should be shown in box 10 of your Form(s) W-2. But first complete Form 2441 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 to find out if you can exclude part or all of the benefits. You also may be able to exclude amounts if you adopted a child with special needs and the adoption became final in 2010.
- Excess salary 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 2010 under all plans was more than \$16,500 (excluding catch-up contributions as explained below), include the excess on line 8. This limit is (a) \$11,500 if you only have SIMPLE plans, or (b) \$19,500 for section 403(b) plans if you qualify for the 15-year rule in Pub. 571. Although designated Roth contributions are subject to this limit, do not include the excess attributable to such contributions on line 8. They already are 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 2010, your employer may have allowed an additional deferral (catch-up contributions) of up to \$5,500 (\$2,500 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 17a

and 17b. Payments from an IRA are reported on lines 16a and 16b.

- Corrective distributions from a retirement plan shown on Form 1042-S or Form 1099-R of excess salary deferrals and excess contributions (plus earnings). But do not include distributions from an IRA\* on line 8. Instead, report distributions from an IRA on lines 16a and 16b.

- Wages from Form 8919, line 6.

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

#### **Missing or incorrect Form W-2.**

Your employer is required to provide or send Form W-2 to you no later than January 31, 2011. If you do not receive it by early February, ask your employer for it. Even if you do not get a Form W-2, you still must report your earnings on line 8. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

**Line 9a—Taxable interest.** Report on line 9a all of your taxable interest income from assets effectively connected with a U.S. trade or business.

If you received interest not effectively connected with a U.S. trade or business, report it on Schedule NEC, page 4, 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 22 and complete item L of Schedule OI on page 5.

If the interest is tax exempt under a treaty but the withholding agent withheld tax, report the interest on Schedule NEC, line 2. Use column d and show 0% for the appropriate rate of tax.

See Pub. 901 for a quick reference guide to the provisions of U.S. tax treaties.

Interest from a U.S. bank, savings and loan association, credit union, or similar institution, and from certain deposits with U.S. insurance companies, is tax exempt to a nonresident alien if it is not effectively connected with a U.S. trade or business.

Interest credited in 2010 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 2010 income.

See Pub. 550 for more details.

#### **Line 9b—Tax-exempt interest.**

Certain types of interest income from investments in state and municipal bonds and similar instruments are not taxed by the United States. If you received such tax-exempt interest income, report the amount on line 9b. Include any exempt-interest dividends

from a mutual fund or other regulated investment company. Do not include interest earned on your IRA, health savings account, Archer or Medicare Advantage MSA, or Coverdell education savings account. Also, 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 10a—Ordinary dividends.** Each payer should send you a Form 1099-DIV. Enter your total ordinary dividends from assets effectively connected with a U.S. trade or business on line 10a. This amount should be shown in box 1a of Form(s) 1099-DIV.

**Capital gain distributions.** If you received any capital gain distributions, see the instructions for line 14 on page 12.

**Nondividend distributions.** Some distributions are a return of your cost (or other basis). They will not be taxed until you recover your cost (or other basis). You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains on Schedule D (Form 1040).

See Pub. 550 for more details.



*Dividends on insurance policies are a partial return of the premiums you paid. Do not report them as dividends. Include them in income on line 21 only if they exceed the total of all net premiums you paid for the contract.*

#### **Line 10b—Qualified dividends.**

Enter your total qualified dividends on line 10b. Qualified dividends also are included in the ordinary dividend total required to be shown on line 10a. Qualified dividends are eligible for a lower tax rate than other ordinary income. Generally, these dividends are shown in box 1b of your Form(s) 1099-DIV.

See Pub. 550 for the definition of qualified dividends if you received dividends not reported on Form 1099-DIV.

**Exception.** Some dividends may be reported as qualified dividends in box 1b of Form 1099-DIV but are not qualified dividends. These dividends include:

- Dividends you received as a nominee. See chapter 1 in Pub. 550,
- Dividends you received on any share of stock that you held for less than 61 days during the 121-day period that began 60 days before the ex-dividend

date. The ex-dividend date is the first date following the declaration of a dividend on which the purchaser of a stock is not entitled to receive the next dividend payment. When counting the number of days you held the stock, include the day you disposed of the stock but not the day you acquired it. See the examples on this page and page 12. Also, when counting the number of days you held the stock, you cannot count certain days during which your risk of loss was diminished. See Pub. 550 for more details,

- Dividends attributable to periods totaling more than 366 days that you received on any share of preferred stock held for less than 91 days during the 181-day period that began 90 days before the ex-dividend date. When counting the number of days you held the stock, you cannot count certain days during which your risk of loss was diminished. See Pub. 550 for more details. Preferred dividends attributable to periods totaling less than 367 days are subject to the 61-day holding period rule above.

- Dividends on any share of stock to the extent that you are under an obligation (including a short sale) to make related payments with respect to positions in substantially similar or related property, and

- Payments in lieu of dividends, but only if you know or have reason to know that the payments are not qualified dividends.

**Example 1.** You bought 5,000 shares of XYZ Corp. common stock on July 8, 2010. XYZ Corp. paid a cash dividend of 10 cents per share. The ex-dividend date was July 16, 2010. Your Form 1099-DIV from XYZ Corp. shows \$500 in box 1a (ordinary dividends) and in box 1b (qualified dividends). However, you sold the 5,000 shares on August 11, 2010. You held your shares of XYZ Corp. for only 34 days of the 121-day period (from July 9, 2010, through August 11, 2010). The 121-day period began on May 17, 2010 (60 days before the ex-dividend date), and ended on September 14, 2010. You have no qualified dividends from XYZ Corp. because you held the XYZ stock for less than 61 days.

**Example 2.** Assume the same facts as in Example 1 except that you bought the stock on July 15, 2010 (the day before the ex-dividend date), and you sold the stock on September 16, 2010. You held the stock for 63 days (from July 16, 2010, through September 16, 2010). The \$500 of qualified dividends shown in box 1b of Form 1099-DIV are all qualified dividends because you held the stock for 61 days of the 121-day period (from July 16, 2010, through September 14, 2010).

**Example 3.** You bought 10,000 shares of ABC Mutual Fund common stock on July 8, 2010. ABC Mutual Fund paid a cash dividend of 10 cents a share. The ex-dividend date was July 16, 2010. The ABC Mutual Fund advises you that the portion of the dividend eligible to be treated as qualified dividends equals 2 cents per share. Your Form 1099-DIV from ABC Mutual Fund shows total ordinary dividends of \$1,000 and qualified dividends of \$200. However, you sold the 10,000 shares on August 11, 2010. You have no qualified dividends from ABC Mutual Fund because you held the ABC Mutual Fund stock for less than 61 days.



Be sure you use the *Qualified Dividends and Capital Gain Tax Worksheet* or the *Schedule D Tax Worksheet*, whichever applies, to figure your tax. See the instructions for line 42 on page 22 for details.

**Line 11—Taxable refunds, credits, or offsets of state and local income taxes.** If you received a refund, credit, or offset of state or local income taxes in 2010, you may receive a Form 1099-G. If you chose to apply part or all of the refund to your 2010 estimated state or local income tax, the amount applied is treated as received in 2010.



None of your refund is taxable if, in the year you paid the tax, you did not itemize deductions on Schedule A. If you were a student or business apprentice from India in 2009 and you claimed the standard deduction on your 2009 tax return, none of your refund is taxable. See Students and business apprentices from India in chapter 5 of Pub. 519. If none of your refund is taxable, leave line 11 blank.

For details on how to figure the amount you must report as income, see *Recoveries* in Pub. 525.

**Line 12—Scholarship and fellowship grants.** If you received a scholarship or fellowship, part or all of it may be taxable.

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. Also, 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 grant.

If the grant was reported on Form(s) 1042-S, you generally must include the amount shown in box 2 of Form(s) 1042-S on line 12. However, if any or all of that amount is exempt by treaty, do not include the treaty-exempt amount on line 12. Instead, include the treaty-exempt amount on line 22 and complete item L of Schedule OI on page 5 of Form 1040NR.

Attach any Form(s) 1042-S you received from the college or institution. If you did not receive a Form 1042-S, attach a statement from the college or institution (on their letterhead) showing the details of the grant.

For more information about scholarships and fellowships in general, see 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. The total amounts you received from ABC University during 2010 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 2010 shows \$9,000 in box 2 and \$1,260 (14% of \$9,000) in box 9.

**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.

When completing Form 1040NR:

- Enter on line 12 the \$9,000 shown in box 2 of Form 1042-S.
- Enter \$0 on line 31. Because section 117 amounts (tuition, fees, books, supplies, and equipment) were not included in box 2 of your Form 1042-S (and are not included on line 12 of Form 1040NR), you cannot exclude any of the section 117 amounts on line 31.
- Include on line 60d the \$1,260 shown in box 9 of 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 immediately before leaving for the United States to attend ABC University. Also, assume that, under the terms of

the tax treaty, all of your scholarship income is exempt from tax because ABC University is a nonprofit educational organization.

**Note.** 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 1040NR. See the instructions for item L, Schedule OI, beginning on page 37 for details.

When completing Form 1040NR:

- Enter \$0 on line 12. The \$9,000 reported to you in box 2 of Form 1042-S is reported on line 22 (not line 12).
- Enter \$9,000 on line 22.
- Enter \$0 on line 31. 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 31.
- Include on line 60d any withholding shown in box 9 of Form 1042-S.
- Provide all the required information in item L, Schedule OI, on page 5 of Form 1040NR.

**Line 13—Business income or (loss).** If you operated a business or practiced your profession as a sole proprietor, report your effectively connected income and expenses on Schedule C or Schedule C-EZ (Form 1040).

Include any income you received as a dealer in stocks, securities, and commodities through your U.S. office. 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.

**Note.** For more information on tax provisions that apply to a small business, see Pub. 334, *Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)*.

**Line 14—Capital gain or (loss).** If you had effectively connected capital gains or losses, including any effectively connected capital gain distributions or a capital loss carryover from 2009, you must complete and attach Schedule D (Form 1040). But see the *Exception* on page 13. Enter the effectively connected gain or (loss) from Schedule D (Form 1040) on line 14.

Gains and losses from disposing of U.S. real property interests are reported on Schedule D (Form 1040) and included on line 14 of Form 1040NR. See *Dispositions of U.S. Real Property Interests* on page 7.

**Exception.** You do not have to file Schedule D (Form 1040) if both of the following apply.

- The only amounts you have to report on Schedule D (Form 1040) are effectively connected capital gain distributions from box 2a of Form(s) 1099-DIV or substitute statements.
- None of the Form(s) 1099-DIV or substitute statements have an amount in box 2b (unrecaptured section 1250 gain), box 2c (section 1202 gain), or box 2d (collectibles (28%) gain).

If both of the above apply, enter your total effectively connected capital gain distributions (from box 2a of Form(s) 1099-DIV) on line 14 and check the box on that line. If you received capital gain distributions as a nominee (that is, they were paid to you but actually belong to someone else), report on line 14 only the amount that belongs to you. Include a statement showing the full amount you received and the amount you received as a nominee.

See chapter 1 of Pub. 550 for filing requirements for Forms 1099-DIV and 1096.



*If you do not have to file Schedule D (Form 1040), use the Qualified Dividends and Capital Gain Tax Worksheet on page 21 to figure your tax.*

**Line 15—Other gains or (losses).** If you sold or exchanged assets used in a U.S. trade or business, see the Instructions for Form 4797.

**Lines 16a and 16b—IRA**

**distributions.** You should receive a Form 1099-R showing the total amount of any distribution from your individual retirement arrangement (IRA) before income tax or other deductions were withheld. This amount should be shown in box 1 of Form 1099-R. Unless otherwise noted in the line 16a and 16b instructions, an IRA includes a traditional IRA, Roth IRA, simplified employee pension (SEP) IRA, and a savings incentive match plan for employees (SIMPLE) IRA. Except as provided in the following exceptions, leave line 16a blank and enter the total distribution (from Form 1099-R, box 1) on line 16b.

**Exception 1.** Enter the total distribution on line 16a if you rolled over part or all of the distribution from one:

- IRA to another IRA of the same type (for example, from one traditional IRA to another traditional IRA),
- SEP or SIMPLE IRA to a traditional IRA, or
- IRA to a qualified plan other than an IRA.

Also, enter “Rollover” next to line 16b. If the total distribution was rolled over in a qualified rollover, enter -0- on line 16b. If the total distribution was not rolled over in a qualified rollover, enter

the part not rolled over on line 16b unless *Exception 2* applies to the part not rolled over. Generally, a qualified rollover must be made within 60 days after the day you received the distribution. For more details on rollovers, see Pub. 590, Individual Retirement Arrangements (IRAs).

If you rolled over the distribution into a qualified plan other than an IRA or you made the rollover in 2011, include a statement explaining what you did.

**Exception 2.** If any of the following apply, enter the total distribution on line 16a and see Form 8606 and its instructions to figure the amount to enter on line 16b.

1. You received a distribution from an IRA (other than a Roth IRA) and you made nondeductible contributions to any of your traditional or SEP IRAs for 2010 or an earlier year. If you made nondeductible contributions to these IRAs for 2010, also see Pub. 590.

2. You received a distribution from a Roth IRA. But if either (a) or (b) below applies, enter -0- on line 16b; you do not have to see Form 8606 or its instructions.

a. Distribution code T is shown in box 7 of Form 1099-R and you made a contribution (including a conversion) to a Roth IRA for 2005 or an earlier year.

b. Distribution code Q is shown in box 7 of Form 1099-R.

3. You converted part or all of a traditional, SEP, or SIMPLE IRA to a Roth IRA in 2010.

4. You had a 2009 or 2010 IRA contribution returned to you, with the related earnings or less any loss, by the due date (including extensions) of your tax return for that year.

5. You made excess contributions to your IRA for an earlier year and had them returned to you in 2010.

6. You recharacterized part or all of a contribution to a Roth IRA as a traditional IRA contribution, or vice versa.

**Exception 3.** If the distribution is a qualified charitable distribution (QCD), enter the total distribution on line 16a. If the total amount distributed is a QCD, enter -0- on line 16b. If only part of the distribution is a QCD, enter the part that is not a QCD on line 16b unless *Exception 2* applies to that part. Enter “QCD” next to line 16b.

A QCD is a distribution made directly by the trustee of your IRA (other than an ongoing SEP or SIMPLE IRA) to an organization eligible to receive tax-deductible contributions (with certain exceptions). You must have been at least age 70½ when the distribution was made. Your total QCDs for the year cannot be more than \$100,000. The amount of the QCD is limited to the amount that would

otherwise be included in your income. If your IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income. See Pub. 590 for details.



*You cannot claim a charitable contribution deduction for any QCD not included in your income.*



*If a QCD is made in January 2011, you can elect to treat it as made in 2010. See Pub. 590.*

**Exception 4.** If the distribution is a qualified health savings account (HSA) funding distribution (HFD), enter the total distribution on line 16a. If the total amount distributed is an HFD and you elect to exclude it from income, enter -0- on line 16b. If only part of the distribution is an HFD and you elect to exclude that part from income, enter the part that is not an HFD on line 16b unless *Exception 2* applies to that part. Enter “HFD” next to line 16b.

An HFD is a distribution made directly by the trustee of your IRA (other than an ongoing SEP or SIMPLE IRA) to your HSA. If eligible, you generally can elect to exclude an HFD from your income once in your lifetime. You cannot exclude more than the limit on HSA contributions or more than the amount that otherwise would be included in your income. If your IRA includes nondeductible contributions, the HFD is first considered to be paid out of otherwise taxable income.

See Pub. 969 for more details.



*The amount of an HFD reduces the amount you can contribute to your HSA for the year. If you fail to maintain eligibility for an HSA for the 12 months following the month of the HFD, you may have to report the HFD as income and pay an additional tax. See Form 8889, Part III.*

See Pub. 590 for details.

**More than one exception applies.**

If more than one exception applies, include a statement showing the amount of each exception, instead of making an entry next to line 16b. For example: “Line 16b—\$1,000 Rollover and \$500 HFD.”

**More than one distribution.** If you received more than one distribution, figure the taxable amount of each distribution and enter the total of the taxable amounts on line 16b. Enter the total amount of those distributions on line 16a.



*You may have to pay an additional tax if: (a) you received an early distribution from your IRA and the total was not rolled over, or (b) you were born before July 1, 1939, and received less than the minimum*

required distribution from your traditional, SEP, and SIMPLE IRAs. See the instructions for line 56 on page 26 for details.

**Lines 17a and 17b—Pensions and annuities.** Use line 17a to report certain pension distributions. Use line 17b to report the taxable portion of those pension distributions.

You should receive a Form 1042-S or 1099-R showing the total amount of your pension and annuity payments before income tax or other deductions

were withheld. This amount should be shown in box 1 of Form 1099-R or in box 2 of Form 1042-S. Pension and annuity payments include distributions from 401(k), 403(b), and governmental 457(b) plans. For details on rollovers and lump-sum distributions, see page 15.

Report the part of any distribution that is effectively connected with the conduct of a trade or business in the United States on lines 17a and 17b. In general, the gross amount of any

distribution that is not effectively connected income is subject to 30% withholding (unless reduced or eliminated by treaty). Report this income on Schedule NEC, line 7.

Do not include the following payments on lines 17a and 17b. Instead, report them on line 8.

- Disability pensions received before you reach the minimum retirement age set by your employer.
- Corrective distributions (including any earnings) of excess salary deferrals or

**Simplified Method Worksheet—Lines 17a and 17b**

Keep for Your Records



**Before you begin:** If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.

**Note.** If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040NR, line 17b. Enter the total pension or annuity payments received in 2010 on Form 1040NR, line 17a.

1. Enter the total pension or annuity payments received in 2010. Also, enter this amount on Form 1040NR, line 17a . . . 1. \_\_\_\_\_
2. Enter your cost in the plan at the annuity starting date . . . . . 2. \_\_\_\_\_
- Note.** If you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.
3. Enter the appropriate number from **Table 1** below. **But** if your annuity starting date was **after** 1997 **and** the payments are for your life and that of your beneficiary, enter the appropriate number from **Table 2** below. 3. \_\_\_\_\_
4. Divide line 2 by the number on line 3 . . . . . 4. \_\_\_\_\_
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was **before** 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6 . . . . . 5. \_\_\_\_\_
6. Enter the amount, if any, recovered tax free in years after 1986. If you completed this worksheet last year, enter the amount from line 10 of last year's worksheet . . . . . 6. \_\_\_\_\_
7. Subtract line 6 from line 2 . . . . . 7. \_\_\_\_\_
8. Enter the **smaller** of line 5 or line 7 . . . . . 8. \_\_\_\_\_
9. **Taxable amount.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040NR, line 17b. If your Form 1042-S or Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1042-S or Form 1099-R . . . . . 9. \_\_\_\_\_
10. Was your annuity starting date before 1987?  
 **Yes.** Leave line 10 blank.  
 **No.** Add lines 6 and 8. This is the **amount you have recovered tax free** through 2010. You will need this number when you fill out this worksheet next year. . . . . 10. \_\_\_\_\_

**Table 1 for Line 3 Above**

IF the age at annuity starting date (see page 15) was—	AND your annuity starting date was—	
	before November 19, 1996, enter on line 3.....	after November 18, 1996, enter on line 3.....
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

**Table 2 for Line 3 Above**

IF the combined ages at annuity starting date (see page 15) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

excess contributions to retirement plans. The plan must advise you of the year(s) the distributions are includible in income.



**TIP** If you received a Form 1042-S or 1099-R that shows federal income tax withheld, attach it to Form 1040NR.

**Effectively connected pension distributions.** If you performed services in the United States while you were a nonresident alien, your income generally is 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 17a. Include 70% of each payment in the appropriate column on Schedule NEC, line 7.

In most cases, the effectively connected pension distribution will be fully taxable in the United States, so you must enter it on line 17b. However, in some situations, you can report a lower amount on line 17b. The most common situations are where:

- All or a portion of your pension payment is exempt from U.S. tax,
- A portion 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 3 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.** Your payments are fully taxable if (a) you did not contribute to the cost (defined on this page) of your pension or annuity, or (b) you got your entire cost back tax free before 2010. If your pension or annuity is fully taxable, enter the total pension or annuity payments on line 17b; do not make an entry on line 17a.

If you received a Form RRB-1099-R, see Pub. 575 to find out how to report your benefits.

**Partially taxable pensions and annuities.** Enter the total pension or annuity payments on line 17a. If your Form 1042-S or Form 1099-R does not show the taxable amount, you must use the General Rule explained in Pub. 939 to figure the taxable part to enter on line 17b. But if your annuity starting date (defined below) was after July 1, 1986, see *Simplified method* below to find out if you must use that method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for a \$1,000 fee. For details, see Pub. 939.

If your Form 1099-R shows a taxable amount, you can report that amount on line 17b. 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.** You must use the Simplified Method if (a) your annuity starting date (defined below) was after July 1, 1986, and you used this method last year to figure the taxable part, or (b) your annuity starting date was after November 18, 1996, and both of the following apply.

- The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.
- On your annuity starting date, either you were under age 75 or the number of years of guaranteed payments was fewer than five. See Pub. 575 for the definition of guaranteed payments. If you must use the Simplified Method, complete the worksheet on page 14 to figure the taxable part of your pension or annuity.

See Pub. 575 for more details on the Simplified Method.

**Annuity starting date.** Your annuity starting date is the later of the first day of the first period for which you received a payment or the date the plan's obligations became fixed.

**Age (or combined ages) at annuity starting date.** If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, use your combined ages on the annuity starting date.

If you are the beneficiary of an employee who died, see Pub. 575. If there is more than one beneficiary, see Pub. 575 to figure each beneficiary's taxable amount.

**Cost.** Your cost is generally your net investment in the plan as of the annuity starting date. It does not include pre-tax contributions. Your net investment should be shown in box 9b

of Form 1099-R for the first year you received payments from the plan. You must figure your net investment if you received Form 1042-S.

**Rollovers.** Generally, a qualified rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan within 60 days of receiving the distribution. However, a qualified rollover to a Roth IRA or a designated Roth account generally is not a tax-free distribution. Use lines 17a and 17b to report a qualified rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 17a the distribution from box 1 of Form 1099-R or box 2 of Form 1042-S. From this amount, subtract any contributions (usually shown in box 5 of Form 1099-R or figured by you if you received Form 1042-S) that were taxable to you when made. From that result, subtract the amount of the qualified rollover. Enter the remaining amount on line 17b. If the remaining amount is zero and you have no other distribution to report on line 17b, enter zero on line 17b. Also, enter "Rollover" next to line 17b.

See Pub. 575 for more details on rollovers, including special rules that apply to rollovers from designated Roth accounts, partial rollovers of property, and distributions under qualified domestic relations orders.

**Rollovers to a Roth IRA or a designated Roth account ( other than from a designated Roth account).** Enter on line 17a the distribution from box 1 of Form 1099-R or box 2 of Form 1042-S. See Form 8606 and its instructions to figure the amount to enter on line 17b.

**Lump-sum distributions.** If you received a lump-sum distribution from a profit-sharing or retirement plan, your Form 1099-R should have the "Total distribution" box in box 2b checked. You need to figure this on your own if you received Form 1042-S. You may owe an additional tax if you received an early distribution from a qualified retirement plan and the total amount was not rolled over in a qualified rollover. For details, see the instructions for line 56 on page 26.


Enter the total distribution on line 17a and the taxable part on line 17b. For details, see Pub. 575.



**TIP** You may be able to pay less tax on the distribution if you were born before January 2, 1936, or you are the beneficiary of a deceased employee who was born before January 2, 1936. For details, see Form 4972.

**Line 18—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 line 18. Use Schedule E (Form 1040) to figure the amount to enter on line 18 and attach Schedule E (Form 1040) to your return. For more detailed instructions for completing Schedule E, see the Instructions for Schedule E (Form 1040).

 **TIP** *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, see Income You Can Elect To Treat as Effectively Connected With a U.S. Trade or Business on page 7 for more details on the election statement you must attach. If you do not make the election, report rental income on Schedule NEC, line 6. See Income from Real Property in chapter 4 of Pub. 519 for more details.*

**Line 19—Farm income or (loss).**

Report farm income and expenses on line 19. 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 detailed instructions for completing Schedule F, see the Instructions for Schedule F (Form 1040). Also see Pub. 225, Farmer's Tax Guide, for samples of filled-in forms and schedules and a list of important dates that apply to farmers.

**Line 20—Unemployment**

**compensation.** You should receive a Form 1099-G showing in box 1 the total unemployment compensation paid to you in 2010. Report this amount on line 20. However, if you made contributions to a governmental unemployment compensation program and you are not itemizing deductions, reduce the amount you report on line 20 by those contributions.

If you received an overpayment of unemployment compensation in 2010 and you repaid any of it in 2010, subtract the amount you repaid from the total amount you received. Enter the result on line 20. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 20. If, in 2010, you repaid unemployment compensation that you included in gross income in an earlier year, you can deduct the amount repaid on Schedule A (Form 1040NR), line 11. But if you repaid more than \$3,000, see *Repayments* in Pub. 525 for details on how to report the repayment.

**Line 21—Other income.** Use line 21 to report any other income effectively connected with your U.S. business that is not reported elsewhere on your

return or other schedules. List the type and amount of income. If necessary, include a statement showing the required information. For more details, see *Miscellaneous Income* in Pub. 525. Examples of income to report on line 21 include the following.

**Taxable distributions from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).**

Distributions from these accounts may be taxable if (a) they are more than the qualified higher education expenses of the designated beneficiary in 2010, and (b) they were not included in a qualified rollover. See Pub. 970.

Nontaxable distributions from these accounts, including rollovers, do not have to be reported on Form 1040NR.



**CAUTION** *You may have to pay an additional tax if you received a taxable distribution from a Coverdell ESA or a QTP. See the Instructions for Form 5329.*

**Taxable distributions from a health savings account (HSA) or an Archer MSA.** Distributions from these accounts may be taxable if (a) they are more than the unreimbursed qualified medical expenses of the account beneficiary or account holder in 2010, and (b) they were not included in a qualified rollover. See Pub. 969.



**CAUTION** *You may have to pay an additional tax if you received a taxable distribution from an HSA or an Archer MSA. See the Instructions for Form 8889 for HSAs or the Instructions for Form 8853 for Archer MSAs.*

**Amounts deemed to be income from an HSA because you did not remain an eligible individual during the testing period.** See Form 8889, Part III.

**Alternative trade adjustment assistance (ATAA) or reemployment trade adjustment assistance (RTAA) payments.** These payments should be shown in box 5 of Form 1099-G.

**Recapture of a charitable contribution deduction relating to the contribution of a fractional interest in tangible personal property.** See *Fractional Interest in Tangible Personal Property* in Pub. 526, Charitable Contributions. Interest and an additional 10% tax apply to the amount of the recapture. See the instructions for line 59 on page 27.

**Recapture of a charitable contribution deduction if the charitable organization disposes of the donated property within 3 years of the contribution.** See *Recapture if no exempt use* in Pub. 526.

**Canceled debts.** These amounts may be shown in box 2 of Form 1099-C

or Form 1042-S. However, part or all of your income from the cancellation of debt may be nontaxable. See Pub. 4681 or go to [IRS.gov](http://IRS.gov) and enter "canceled debt" or "foreclosure" in the search box.

**Income that is not effectively connected.** Report other income on Schedule NEC if it is not effectively connected with a U.S. trade or business.

**Line 22—Treaty-exempt income.**

Report on line 22 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 23. You must complete item L of Schedule OI on page 5 of Form 1040NR to report income that is exempt from U.S. tax.

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## Adjusted Gross Income

**Line 24—Educator expenses.** If you were an eligible educator in 2010, you can deduct on line 24 up to \$250 of qualified expenses you paid in 2010. You may be able to deduct expenses that are more than the \$250 limit on Schedule A (Form 1040NR), line 9. An eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide who worked in a school for at least 900 hours during a school year.

Qualified expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. An ordinary expense is one that is common and accepted in your educational field. A necessary expense is one that is helpful and appropriate for your profession as an educator. An expense does not have to be required to be considered necessary.

Qualified expenses do not include expenses for home schooling or for nonathletic supplies for courses in health or physical education.

You must reduce your qualified expenses by the following amounts.

- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Nontaxable qualified tuition program earnings or distributions.
- Any nontaxable distribution of Coverdell education savings account earnings.
- Any reimbursements you received for these expenses that were not reported to you in box 1 of your Form W-2.

For more details, see Pub. 529.

**Line 25—Health savings account (HSA) deduction.** You may be able to take this deduction if contributions



(other than employer contributions, rollovers, and qualified HSA funding distributions from an IRA) were made to your HSA for 2010. See Form 8889.

**Line 26—Moving expenses.**

Employees and self-employed persons (including partners) can deduct certain moving expenses. The move must be in connection with employment that generates effectively connected income.

If you moved in connection with your job or business or started a new job, you may be able to take this deduction. But your new workplace must be at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home. The deduction generally is limited to moves to or within the United States or its possessions. If you meet these requirements, see Pub. 521. Use Form 3903 to figure the amount to enter on this line.

**Line 27—One-half of self-employment tax.** If you were self-employed and owe self-employment tax, fill in Schedule SE (Form 1040) to figure the amount of your deduction. See the instructions for Schedule SE (Form 1040) for more information.

**Line 28—Self-employed SEP, SIMPLE, and qualified plans.** If you were self-employed or a partner, you may be able to take this deduction. See Pub. 560, Retirement Plans for Small Business; or, if you were a minister, Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Line 29—Self-employed health insurance deduction.** You may be able to deduct the amount you paid for health insurance for yourself, your spouse, and your dependents. Effective March 30, 2010, the insurance also can cover your child (defined on this page) who was under age 27 at the end of

2010, even if the child was not your dependent.

One of the following statements must be true.

- You were self-employed and had a net profit for the year.
- You used one of the optional methods to figure your net earnings from self-employment on Schedule SE (Form 1040).

A child includes your son, daughter, stepchild, adopted child, or foster child (defined on page 8).

The insurance plan must be established under your business. Your personal services must have been a material income-producing factor in the business.

But if you were also eligible to participate in any subsidized health plan maintained by your or your spouse's employer for any month or part of a month in 2010, amounts paid for health insurance coverage for that month cannot be used to figure the deduction. In addition, effective March 30, 2010, if you were eligible for any month or part of a month, to participate in any subsidized health plan maintained by the employer of either your dependent or your child who was under age 27 at the end of 2010, do not use amounts paid for coverage for that month to figure the deduction.

**Example** If you were eligible to participate in a subsidized health plan maintained by your spouse's employer from September 30 through December 31, you cannot use amounts paid for health insurance coverage for September through December to figure your deduction.

**Note.** If, during 2010, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment trade adjustment assistance (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBGC) pension recipient, you must complete Form 8885 before completing the worksheet on this page. When figuring the amount to enter on line 1 of the worksheet on this page, do not include:

- Any amounts you included on Form 8885, line 4,
- Any qualified health insurance premiums you paid to "U.S. Treasury-HCTC," or
- Any health coverage tax credit advance payments shown in box 1 of Form 1099-H.

If you qualify to take the deduction, use the worksheet on this page to figure the amount you can deduct.

**Exception.** Use Pub. 535 instead of the worksheet on this page to figure your deduction if either of the following applies.

**Self-Employed Health Insurance Deduction Worksheet—Line 29**

Keep for Your Records



**Before you begin:**

- ✓ If, during 2010, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment trade adjustment assistance (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBGC) pension recipient, see the *Note* on this page.
- ✓ Be sure you have read the *Exception* on this page to see if you can use this worksheet instead of Pub. 535, Business Expenses, to figure your deduction.

1. Enter the total amount paid in 2010 for health insurance coverage established under your business for 2010 for you, your spouse, and your dependents. Effective March 30, 2010, your insurance can also cover your child who was under age 27 at the end of 2010, even if the child was not your dependent. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan (explained on this page) . . . . . **1.** \_\_\_\_\_
- 2a. Enter your net profit\* and any other earned income\*\* from the business under which the insurance plan is established (excluding the self-employed health insurance deduction), minus any deduction on Form 1040NR, line 28. Do not include Conservation Reserve Program payments exempt from self-employment tax . . . **2a.** \_\_\_\_\_
- 2b. If you pay self-employment tax, complete Schedule SE (Form 1040) as a worksheet for purposes of this line. When completing Section A, line 3, or Section B, line 3, of the worksheet Schedule SE, treat the amount from Form 1040NR, line 29, as zero. Enter on this line the amount shown on that worksheet Schedule SE, Section A, line 6, or Section B, line 13 . . . . . **2b.** \_\_\_\_\_
- 2c. Subtract line 2b from line 2a . . . . . **2c.** \_\_\_\_\_
3. **Self-employed health insurance deduction.** Enter the **smaller** of line 1 or line 2c here and on Form 1040NR, line 29 . . . . . **3.** \_\_\_\_\_

\*If you used either optional method to figure your net earnings from self-employment, do not enter your net profit. Instead, enter the amount from Schedule SE (Form 1040), Section B, line 4b.


\*\***Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. However, it does not include capital gain income.

- You had more than one source of income subject to self-employment tax.
- You are using amounts paid for qualified long-term care insurance to figure the deduction.

**Line 30—Penalty on early withdrawal of savings.** The Form 1099-INT or Form 1099-OID you received will show the amount of any penalty you were charged.

**Line 31—Scholarship and fellowship grants excluded.** 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

**IRA Deduction Worksheet—Line 32**

Keep for Your Records 



If you were age 70½ or older at the end of 2010, you cannot deduct any contributions made to your traditional IRA or treat them as nondeductible contributions. **Do not** complete this worksheet for anyone age 70½ or older at the end of 2010.

**Before you begin:**

- ✓ Be sure you have read the list on page 19. You may not be able to use this worksheet.
- ✓ Figure any write-in adjustments to be entered on the dotted line next to line 35 (see the instructions for line 35 on page 21).
- ✓ If you checked filing status box 3, 4, or 5, and you lived apart from your spouse for all of 2010, enter “D” on the dotted line next to Form 1040NR, line 32. If you do not, you may get a math error notice from the IRS.

1. Were you covered by a retirement plan (see page 20)? .....  Yes  No

**Next.** If you checked “No” on line 1, skip lines 2 through 6, enter the applicable amount below on line 7, and go to line 8.

- \$5,000, if under age 50 at the end of 2010.
  - \$6,000, if age 50 or older but under age 70½ at the end of 2010.
- Otherwise, go to line 2.

2. Enter the amount shown below that applies to you.

- Single or you checked filing status box 3, 4, or 5 and you **lived apart** from your spouse for all of 2010, enter \$66,000
- Qualifying widow(er), enter \$109,000
- You checked filing status box 3, 4, or 5 and you lived with your spouse at any time in 2010, enter \$10,000


2.

3. Enter the amount from Form 1040NR, line 23 ..... 3.

4. Enter the total of the amounts from Form 1040NR, lines 24 through 31, plus any write-in adjustments you entered on the dotted line next to line 35 ..... 4.

5. Subtract line 4 from line 3. .... 5.

6. Is the amount on line 5 less than the amount on line 2?

**No.**  None of your IRA contributions are deductible. For details on nondeductible IRA contributions, see Form 8606.

**Yes.** Subtract line 5 from line 2. Follow the instruction below that applies to you.

- If single, or you checked filing status box 3, 4, or 5, and the result is \$10,000 or more, enter the applicable amount below on line 7 and go to line 8.
  - i. \$5,000, if under age 50 at the end of 2010.
  - ii. \$6,000, if age 50 or older but under age 70½ at the end of 2010.

Otherwise, go to line 7.

- If qualifying widow(er), and the result is \$20,000 or more, enter the applicable amount below on line 7 and go to line 8.
  - i. \$5,000, if under age 50 at the end of 2010.
  - ii. \$6,000 if age 50 or older but under age 70½ at the end of 2010.

Otherwise, go to line 7.

6.

## IRA Deduction Worksheet—Line 32 (continued)

<p>7. Multiply line 6 by the percentage below that applies to you. If the result is not a multiple of \$10, increase it to the next multiple of \$10 (for example, increase \$490.30 to \$500). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200.</p> <ul style="list-style-type: none"> <li>• Single or you checked filing status box 3, 4, or 5, multiply by 50% (.50) (or by 60% (.60) if you are age 50 or older at the end of 2010)</li> <li>• Qualifying widow(er), multiply by 25% (.25) (or by 30% (.30) if you are age 50 or older at the end of 2010). But if you checked "No" on line 1, then multiply by 50% (.50) (or by 60% (.60) if age 50 or older at the end of 2010)</li> </ul>	}	7. <input style="width: 100px; height: 20px;" type="text"/>
<p>8. Enter the total of your wages, salaries, tips, etc. Generally, this is the amount reported in box 1 of Form W-2. See below for exceptions. . . . .</p>	8. <input style="width: 100px; height: 20px;" type="text"/>	
<p>9. Enter the earned income you received as a self-employed individual or a partner. Generally, this is your net earnings from self-employment if your personal services were a material income-producing factor, minus any deductions on Form 1040NR, lines 27 and 28. If zero or less, enter -0-. For more details, see Pub. 590 . . . . .</p>	9. <input style="width: 100px; height: 20px;" type="text"/>	
<p>10. Add lines 8 and 9 . . . . .</p>	10. <input style="width: 100px; height: 20px;" type="text"/>	
<p>11. Enter traditional IRA contributions made, or that will be made by April 18, 2011, for 2010 to your IRA . . . . .</p>	11. <input style="width: 100px; height: 20px;" type="text"/>	
<p>12. Enter the <b>smallest</b> of line 7, 10, or 11. This is the most you can deduct. Enter this amount on Form 1040NR, line 32. Or, if you want, you can deduct a smaller amount and treat the rest as a nondeductible contribution (see Form 8606) . . . . .</p>	12. <input style="width: 100px; height: 20px;" type="text"/>	

the extent the amounts are included on line 12. See the examples in the instructions for line 12 on page 12.

**Line 32—IRA deduction.** If you made contributions to a traditional individual retirement arrangement (IRA) for 2010, you may be able to take an IRA deduction. But you must have had earned income to do so. If you were self-employed, earned income is generally your net earnings from self-employment if your personal services were a material income-producing factor. See Pub. 590 for more details.

A statement should be sent to you by May 31, 2011, that shows all contributions to your traditional IRA for 2010.

**TIP** *If you made any nondeductible contributions to a traditional IRA for 2010, you must report them on Form 8606.*

Use the worksheet on page 18 and this page to figure the amount, if any, of your IRA deduction. But read the following list before you fill in the worksheet.

1. If you were age 70½ or older at the end of 2010, you cannot deduct any

contributions made to your traditional IRA for 2010 or treat them as nondeductible contributions.

2. You cannot deduct contributions to a Roth IRA. But you may be able to take the retirement savings contributions credit (saver's credit). See the instructions for line 47 on page 23.

3. You cannot deduct elective deferrals to a 401(k) plan, 403(b) plan, section 457 plan, SIMPLE plan, or the federal Thrift Savings Plan. These amounts are not included as income in box 1 of your Form W-2. But you may be able to take the retirement savings contributions credit. See the instructions for line 47 on page 23.

4. If you made contributions to your IRA in 2010 that you deducted for 2009, do not include them in the worksheet.

5. If you received income from a nonqualified deferred compensation plan or nongovernmental section 457 plan that is included in box 1 of your Form W-2, or in box 7 of Form 1099-MISC, do not include that income on line 8 of the worksheet. The income should be shown in (a) box 11 of your Form W-2, (b) box 12 of your Form W-2 with code Z, or (c) box 15b of Form

1099-MISC. If it is not, contact your employer or the payer for the amount of the income.

6. You cannot deduct contributions to your spouse's IRA.

7. Do not include qualified rollover contributions in figuring your deduction. Instead, see the instructions for lines 16a and 16b on page 13.

8. Do not include trustees' fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.

9. If the total of your IRA deduction on line 32 plus any nondeductible contribution to your traditional IRAs shown on Form 8606 is less than your total traditional IRA contributions for 2010, see Pub. 590 for special rules.

**TIP** *By April 1 of the year after the year in which you turn age 70½, you must start taking minimum required distributions from your traditional IRA. If you do not, you may have to pay a 50% additional tax on the amount that should have been distributed. For details, including how to figure the minimum required distribution, see Pub. 590.*

**Were you covered by a retirement plan?** If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, SEP, SIMPLE, etc.) at work or through self-employment, your IRA deduction may be reduced or eliminated. But you still can make contributions to an IRA even if you cannot deduct them. In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The "Retirement plan" box in box 13 of Form W-2 should be checked if you were covered by a plan at work even if you were not vested in the plan. You also are covered by a plan if you were self-employed and had a SEP, SIMPLE, or qualified retirement plan.

If you were covered by a retirement plan and you file Form 8815 or you exclude employer-provided adoption benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.

**Special rule for married individuals.** If you checked filing status box 3, 4, or 5, and you were not covered by a retirement plan but your spouse was, you are considered covered by a plan unless you lived apart from your spouse for all of 2010.

See Pub. 590 for more details.

**TIP** You may be able to take the retirement savings contributions credit. See the line 47 instructions on page 23.

**Line 33—Student loan interest deduction.** You can take this deduction only if all of the following apply.

- You paid interest in 2010 on a qualified student loan (explained below).
- You checked filing status box 1, 2, or 6.
- Your modified AGI is less than \$75,000. Use lines 2 through 4 of the worksheet below to figure your modified AGI.
- You are not claimed as a dependent on someone else's (such as your parent's) 2010 tax return.

Use the worksheet below to figure your student loan interest deduction.

**Qualified student loan.** A qualified student loan is any loan you took out to pay the qualified higher education expenses for any of the following individuals.

1. Yourself or your spouse.
2. Any person who was your dependent when the loan was taken out.
3. Any person you could have claimed as a dependent for the year the loan was taken out except that:
  - a. The person filed a joint return,
  - b. The person had gross income that was equal to or more than the exemption amount for that year (\$3,650 for 2010), or
  - c. You could be claimed as a dependent on someone else's return.

The person for whom the expenses were paid must have been an eligible student (see below). However, a loan is not a qualified student loan if (a) any of the proceeds were used for other purposes, or (b) the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see Pub. 970.

**Qualified higher education expenses.** Qualified higher education expenses generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institution. An eligible educational institution includes most colleges, universities, and certain vocational schools. You must reduce the expenses by the following benefits.

- Employer-provided educational assistance benefits that are not included in box 1 of Form(s) W-2.
- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Any nontaxable distribution of qualified tuition program earnings.
- Any nontaxable distribution of Coverdell education savings account earnings.
- Any scholarship, educational assistance allowance, or other payment (but not gifts, inheritances, etc.) excluded from income.

For more details on these expenses, see Pub. 970.

**Eligible student.** An eligible student is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the student was enrolled) leading to a recognized educational credential at an eligible educational institution, and
- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

**Line 34—Domestic production activities deduction.** You may be able to deduct up to 9% of your qualified production activities income from the following activities.

1. Construction of real property performed in the United States.
2. Engineering or architectural services performed in the United States for construction of real property in the United States.
3. Any lease, rental, license, sale, exchange, or other disposition of:
  - a. Tangible personal property, computer software, and sound recordings that you manufactured, produced, grew, or extracted in whole

**Student Loan Interest Deduction Worksheet—Line 33**

Keep for Your Records



**Before you begin:** ✓ Figure any write-in adjustments to be entered on the dotted line next to line 35 (see the instructions for line 35 on page 21).  
 ✓ See the instructions for line 33 on this page.

1. Enter the total interest you paid in 2010 on qualified student loans (see above). **Do not** enter more than \$2,500 . . . . . 1. \_\_\_\_\_
2. Enter the amount from Form 1040NR, line 23 . . . . . 2. \_\_\_\_\_
3. Enter the total of the amounts from Form 1040NR, lines 24 through 32, plus any write-in adjustments you entered on the dotted line next to line 35 . . . . . 3. \_\_\_\_\_
4. Subtract line 3 from line 2 . . . . . 4. \_\_\_\_\_
5. Is line 4 more than \$60,000?  
 **No.** Skip lines 5 and 6, enter -0- on line 7, and go to line 8.  
 **Yes.** Subtract \$60,000 from line 4 . . . . . 5. \_\_\_\_\_
6. Divide line 5 by \$15,000. Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000 . . . . . 6. \_\_\_\_\_
7. Multiply line 1 by line 6 . . . . . 7. \_\_\_\_\_
8. **Student loan interest deduction.** Subtract line 7 from line 1. Enter the result here and on Form 1040NR, line 33. **Do not** include this amount in figuring any other deduction on your return (such as on Schedule A (Form 1040NR), Schedule C (Form 1040), Schedule E (Form 1040), etc.) . . . . . 8. \_\_\_\_\_

or in significant part in the United States;

b. Any qualified film you produced; or

c. Electricity, natural gas, or potable water you produced in the United States.

In certain cases, the references above to the United States include Puerto Rico.

Your deduction may be reduced if you had oil-related qualified production activities income.

The deduction does not apply to income derived from:

- The sale of food and beverages you prepared at a retail establishment;
- Property you leased, licensed, or rented for use by any related person;
- The transmission or distribution of electricity, natural gas, or potable water; or
- The lease, rental, license, sale, exchange, or other disposition of land.

For details, see Form 8903 and its instructions.

**Line 35.** Include in the total on line 35 any of the following write-in

adjustments that are related to your effectively-connected income. To find out if you can take the deduction, see the form or publication indicated. On the dotted line next to line 35, enter the amount of your deduction and identify it as indicated.

- Archer MSA deduction (see Form 8853). Identify as "MSA."
- Performing-arts-related expenses (see Form 2106 or 2106-EZ). Identify as "QPA."
- Reforestation amortization and expenses (see Pub. 535). Identify as "RFST."
- Repayment of supplemental unemployment benefits under the Trade Act of 1974 (see Pub. 525). Identify as "Sub-Pay TRA."
- Contributions to section 501(c)(18)(D) pension plans (see Pub. 525). Identify as "501(c)(18)(D)."
- Contributions by certain chaplains to section 403(b) plans (see Pub. 517). Identify as "403(b)."
- Attorney fees and court costs for actions involving certain unlawful discrimination claims, but only to the extent of effectively connected gross

income from such actions (see Pub. 525). Identify as "UDC."

- Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations, up to the amount of the award includible in your gross income. Identify as "WBF."

**Line 36—Adjusted gross income.** If line 36 is less than zero, you may have a net operating loss that you can carry to another tax year. See Form 1045 and its instructions for details.

## Tax Computation on Income Effectively Connected With a U.S. Trade or Business

**Line 38—Itemized deductions.** Enter the total itemized deductions from line 17 of Schedule A on page 3 of the form.

**Note.** Residents of India who were students or business apprentices may be able to take the standard deduction

### Qualified Dividends and Capital Gain Tax Worksheet—Line 42

Keep for Your Records



**Before you begin:** ✓ See the instructions for line 42 on page 22 to see if you can use this worksheet to figure your tax.  
✓ If you do not have to file Schedule D (Form 1040) and you received capital gain distributions, be sure you checked the box on line 14 of Form 1040NR.

1. Enter the amount from Form 1040NR, line 41 .....	1. _____
2. Enter the amount from Form 1040NR, line 10b .....	2. _____
3. Are you filing Schedule D (Form 1040)?	3. _____
<input type="checkbox"/> <b>Yes.</b> Enter the <b>smaller</b> of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-.	}
<input type="checkbox"/> <b>No.</b> Enter the amount from Form 1040NR, line 14.	
4. Add lines 2 and 3 .....	4. _____
5. Subtract line 4 from line 1. If zero or less, enter -0- .....	5. _____
6. Enter:	
• \$34,000 if you checked filing status box 1, 2, 3, 4, or 5	}
• \$68,000 if you checked filing status box 6	
7. Enter the smaller of line 1 or line 6 .....	6. _____
8. Enter the smaller of line 5 or line 7 .....	7. _____
9. Subtract line 8 from line 7. This amount is taxed at 0% .....	8. _____
10. Enter the smaller of line 1 or line 4 .....	9. _____
11. Enter the amount from line 9 .....	10. _____
12. Subtract line 11 from line 10 .....	11. _____
13. Multiply line 12 by 15% (.15) .....	12. _____
14. Figure the tax on the amount on line 5. If the amount on line 5 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 5 is \$100,000 or more, use the Tax Computation Worksheet* .....	13. _____
15. Add lines 13 and 14 .....	14. _____
16. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet* .....	15. _____
17. <b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 15 or line 16. Also include this amount on Form 1040NR, line 42 .....	16. _____
	17. _____

\*Estates and trusts must use the Tax Rate Schedules.

instead of their itemized deductions. See Pub. 519 for details.

**Line 40—Deduction for exemptions.**

You can claim exemptions only to the extent of your income that is effectively connected with a U.S. trade or business.

**Individuals.** If you are a nonresident alien individual, multiply \$3,650 by the total number of exemptions entered on line 7d. If you were a resident of South Korea, you must figure the exemptions for your spouse and children according to the proportion your U.S. effectively connected income bears to your total income.

See Pub. 519 for more details.

**Estates.** If you are filing for an estate, enter \$600 on line 40.

**Trusts.** If you are filing for a trust whose governing instrument requires it to distribute all of its income currently, enter \$300 on line 40. If you are filing for a qualified disability trust (defined in section 642(b)(2)(C)(ii)), enter \$3,650 on line 40. If you are filing for any other trust, enter \$100 on line 40.

**Line 42—Tax.** Include in the total on line 42 all of the following taxes that apply.

- Tax on your taxable income. Figure the tax using one of the methods described on this page.
- Tax from Form 8814 (relating to the election to report child's interest or dividends). Check the appropriate box.
- Tax from Form 4972 (relating to lump-sum distributions). Check the appropriate box.

**Tax Table or Tax Computation Worksheet.**

If you are filing for an estate or trust, use the Tax Rate Schedules on page 59.

**Individuals.** If your taxable income (line 41) is less than \$100,000, you must use the Tax Table that begins on page 46 to figure your tax. Be sure you use the correct column. If you checked filing status box 3, 4, or 5, you must use the *Married filing separately* column. If your taxable income is \$100,000 or more, use the Tax Computation Worksheet on page 58.

However, do not use the Tax Table, Tax Computation Worksheet, or Tax Rate Schedules to figure your tax if any of the following applies.

**Form 8615.** You generally must use Form 8615 to figure the tax for any child who had more than \$1,900 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions), that is effectively connected with a U.S. trade or business, and who:

1. Was under age 18 at the end of 2010,

2. Was age 18 at the end of 2010 and did not have earned income that was more than half of the child's support, or

3. Was a full-time student over age 18 and under age 24 at the end of 2010 and did not have earned income that was more than half of the child's support.

But if the child files a joint return for 2010 or if neither of the child's parents was alive at the end of 2010, do not use Form 8615 to figure the child's tax.

A child born on January 1, 1993, is considered to be age 18 at the end of 2010; a child born on January 1, 1992, is considered to be age 19 at the end of 2010; a child born on January 1, 1987, is considered to be age 24 at the end of 2010.

**Schedule D Tax Worksheet.** If you have to file Schedule D (Form 1040) and Schedule D, line 18 or line 19, is more than zero, use the Schedule D Tax Worksheet on page D-10 of the Instructions for Schedule D to figure the amount to enter on Form 1040NR, line 42.

**Qualified Dividends and Capital Gain Tax Worksheet.** If you do not have to use the Schedule D Tax Worksheet (see above), use the worksheet on page 21 to figure the amount to enter on Form 1040NR, line 42, if any of the following applies.

- You reported qualified dividends on Form 1040NR, line 10b.
- You do not have to file Schedule D (Form 1040) and you reported capital gain distributions on Form 1040NR, line 14.
- You are filing Schedule D (Form 1040) and Schedule D, lines 15 and 16, are both more than zero.

**Schedule J (Form 1040).** If you had income from farming or fishing (including certain amounts received in connection with the Exxon Valdez litigation), your tax may be less if you choose to figure it using income averaging on Schedule J.

**Line 43—Alternative minimum tax.**

The tax law gives special treatment to some kinds of income and allows special deductions and credits for some kinds of expenses. If you benefit from these provisions, you may have to pay a minimum amount of tax through the alternative minimum tax. This tax is figured on Form 6251 for individuals. If you are filing for an estate or trust, see Schedule I (Form 1041) and its instructions to find out if you owe this tax.

If you have any of the adjustments or preferences from the list on this page or you are claiming a net operating loss deduction, a general business credit, or the foreign tax credit, you must complete Form 6251. Otherwise, to see

if you should complete Form 6251, add the amount on line 39 of Form 1040NR to the amounts on lines 3 and 15 of Schedule A (Form 1040NR). If the total is more than the dollar amount shown below that applies to you, fill in Form 6251.

- \$47,450 if you checked filing status box 1 or 2.
- \$36,225 if you checked filing status box 3, 4, or 5.
- \$72,450 if you checked filing status box 6.

**Disposition of U.S. real property interests.** 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 page 1 of the Instructions for Form 6251.

**Adjustments and Preferences:**

- Accelerated depreciation.
- Stock received by exercising an incentive stock option and you did not dispose of the stock in the same year.
- Tax-exempt interest from private activity bonds.
- Intangible drilling, circulation, research, experimental, or mining costs.
- Amortization of pollution-control facilities or depletion.
- Income or (loss) from tax-shelter farm activities or passive activities.
- Income from long-term contracts not figured using the percentage-of-completion method.
- Net operating loss deduction.
- Alternative minimum tax adjustments from an estate, trust, electing large partnership, or cooperative.
- Section 1202 exclusion.
- Any general business credit in Part I of Form 3800.
- Empowerment zone and renewal community employment credit.
- Qualified electric vehicle credit.
- Alternative fuel vehicle refueling property credit.
- Credit for prior year minimum tax.



*Form 6251 should be filled in for a child if Form 8615 must be used to figure the child's tax and the child's AGI on Form 1040NR, line 37, exceeds the child's earned income by more than \$6,700. To find out when Form 8615 must be used, see this page.*

**Allowance of certain personal credits against the AMT.** The following personal credits can decrease the AMT due.

- Credit for child and dependent care expenses.
- Mortgage interest credit.
- Credit for nonbusiness energy property.
- District of Columbia first-time homebuyer credit.

## Credits

**Line 45—Foreign tax credit.** If you paid income tax to a foreign country, you may be able to take this credit, but only if you:

1. Report income from foreign sources (see *Foreign Income Taxed by the United States* on page 7), and
2. Have paid or owe foreign tax on that income.

Generally, you must complete and attach Form 1116 to take this credit.

**Exception.** You do not have to complete Form 1116 to take this credit if all of the following apply.

1. Form 1040NR is being filed for a nonresident alien individual and not an estate or trust.
2. All of your gross foreign source income was from the passive category (which includes most interest and dividend income).
3. All the income and any foreign taxes paid on it were reported to you on qualified payee statements, such as Form 1099-INT, Form 1099-DIV, or similar substitute statements.
4. If you had dividend income from shares of stock, you held those shares for at least 16 days.
5. The total of your foreign taxes was not more than \$300.
6. All of your foreign taxes were:
  - a. Legally owed and not eligible for a refund, and
  - b. Paid to countries that are recognized by the United States and do not support terrorism.

**Note.** If you need more information about these requirements, see the Instructions for Form 1116.

If you meet all requirements, see *Election To Claim the Foreign Tax Credit Without Filing Form 1116* in the Instructions for Form 1116 to figure the amount to enter on Form 1040NR, line 45. If you do not meet all six requirements, see Form 1116 to find out if you can take the credit.

For additional information, see Pub. 514, Foreign Tax Credit.

**Line 46—Credit for child and dependent care expenses.** You may be able to take this credit if you paid someone to care for your qualifying child under age 13 or your dependent or spouse who could not care for himself or herself. For details, see the Instructions for Form 2441.

**Line 47—Retirement savings contributions credit (saver's credit).** You may be able to take this credit if you made (a) contributions, other than rollover contributions, to a traditional or Roth IRA; (b) elective deferrals to a 401(k) or 403(b) plan (including designated Roth contributions) or to a

governmental 457, SEP, or SIMPLE plan; (c) voluntary employee contributions to a qualified retirement plan (including the federal Thrift Savings Plan); or (d) contributions to a 501(c)(18)(D) plan.

However, you cannot take the credit if either of the following applies.

- The amount on Form 1040NR, line 37, is more than \$27,750.
- You:
  1. Were born after January 1, 1993,
  2. Are claimed as a dependent on someone else's 2010 tax return, or
  3. Were a student (defined below).

You were a student if during any part of 5 calendar months of 2010 you:

- Were enrolled as a full-time student at a school, or
- Took a full-time, on-farm training course given by a school or a state, county, or local government agency.

A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet. For more details, see Form 8880.

**Line 48—Child tax credit.** This credit is for people who have a qualifying child as defined in the instructions for line 7c, column (4), on page 9. It is in addition to the credit for child and dependent care expenses on Form 1040NR, line 46. Follow the three steps below to see if you can take the child tax credit.

**Line 49—Residential energy credits.** You may be able to take either a nonbusiness energy property credit or a residential energy efficient property credit.

**Nonbusiness energy property credit.** You may be able to take this credit by completing and attaching Form 5695 for any of the following improvements to your main home located in the United States in 2010 if they are new and meet certain requirements for energy efficiency.

- Any insulation material or system primarily designed to reduce heat gain or loss in your home.
- Exterior windows (including skylights).
- Exterior doors.
- A metal roof or asphalt roof with pigmented coatings or cooling granules primarily designed to reduce the heat gain in your home.

You also may be able to take this credit for the cost of the following items if the items meet certain performance and quality standards.

- Certain electric heat pump water heaters, electric heat pumps, central air conditioners, and natural gas, propane, or oil water heaters.
- A qualified furnace or hot water boiler that uses natural gas, propane, or oil.
- A stove that burns biomass fuel to heat your home or to heat water for use in your home.
- An advanced main air circulating fan used in a natural gas, propane, or oil furnace.

If you are a member of a condominium management association for a condominium you own or a tenant-stockholder in a cooperative housing corporation, you are treated as having paid your proportionate share of any costs of such association or corporation for purposes of this credit.

For details, see Form 5695.


**Residential energy efficient property credit.** You may be able to take this credit by completing and

### Three Steps To Take the Child Tax Credit!

- Step 1. Make sure you have a qualifying child for the child tax credit. The child must be your dependent, be under age 17 at the end of 2010, and meet all the conditions in the instructions for line 7c, column (4), on page 9.
- Step 2. Make sure you checked the box on Form 1040NR, line 7c, column (4), for each qualifying child.
- Step 3. Answer the following question to see if you can use the worksheet on pages 24 and 25 to figure your credit or if you must use Pub. 972.

### Who Must Use Pub. 972

Are you claiming any of the following credits?

- Mortgage interest credit, Form 8396.
  - District of Columbia first-time homebuyer credit, Form 8859.
  - Residential energy efficient property credit, Form 5695, Part II.
- Yes.**  You must use Pub. 972 to figure your child tax credit. You also will need the form(s) listed above for any credit(s) you are claiming.
- No.** Use the worksheet on pages 24 and 25 to figure your credit.



- To be a qualifying child for the child tax credit, the child must be your dependent, be **under age 17** at the end of 2010, and meet all the conditions in the instructions for line 7c, column (4), on page 9.
- **Do not** use this worksheet if you answered “Yes” to the question in *Who Must Use Pub. 972* on page 23. Instead, use Pub. 972.

**PART 1**

1.	Number of qualifying children: _____ X \$1,000. Enter the result.	<b>1</b>	
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2.	Enter the amount from Form 1040NR, line 37.	<b>2</b>	
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3.	Enter the amount shown below for the filing status box you checked on page 1 of Form 1040NR.	<b>3</b>	
	<ul style="list-style-type: none"> <li>• Box 1, 2, or 6—\$75,000</li> <li>• Box 3, 4, or 5—\$55,000</li> </ul>		

4.	Is the amount on line 2 more than the amount on line 3? <input type="checkbox"/> <b>No.</b> Leave line 4 blank. Enter -0- on line 5, and go to line 6. <input type="checkbox"/> <b>Yes.</b> Subtract line 3 from line 2. If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000. For example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.	<b>4</b>	
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5.	Multiply the amount on line 4 by 5% (.05). Enter the result.	<b>5</b>	
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6.	Is the amount on line 1 more than the amount on line 5? <input type="checkbox"/> <b>No.</b> <p>You cannot take the child tax credit on Form 1040NR, line 48. You also cannot take the additional child tax credit on Form 1040NR, line 62. Complete the rest of your Form 1040NR.</p> <input type="checkbox"/> <b>Yes.</b> Subtract line 5 from line 1. Enter the result.	<b>6</b>	
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Go to Part 2 on the next page.





Before you begin Part 2: Figure the amount of any credits you are claiming on Form 5695 Part I; Form 8834, Part I; Form 8910; or Form 8936.

<b>PART 2</b>	7.	Enter the amount from Form 1040NR, line 44.	7	
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8. Add any amounts from:
- |                      |   |  |  |       |
|----------------------|---|--|--|-------|
| Form 1040NR, line 45 |   |  |  | _____ |
| Form 1040NR, line 46 | + |  |  | _____ |
| Form 1040NR, line 47 | + |  |  | _____ |
| Form 5695, line 11   | + |  |  | _____ |
| Form 8834, line 22   | + |  |  | _____ |
| Form 8910, line 21   | + |  |  | _____ |
| Form 8936, line 14   | + |  |  | _____ |

Enter the total.	8	
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9. Are the amounts on lines 7 and 8 the same?
- Yes.** You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit**. See the **TIP** below.

**No.** Subtract line 8 from line 7.

9	
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10. Is the amount on line 6 more than the amount on line 9?

**Yes.** Enter the amount from line 9. Also, you may be able to take the **additional child tax credit**. See the **TIP** below.

**No.** Enter the amount from line 6.

}

**This is your child tax credit.**

10	
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Enter this amount on Form 1040NR, line 48.



You may be able to take the **additional child tax credit** on Form 1040NR, line 62, if you answered "Yes" on line 9 or line 10 above.

- First, complete your Form 1040NR through line 61.
- Then, use Form 8812 to figure any additional child tax credit.

attaching Form 5695 if you paid for any of the following during 2010.

- Qualified solar electric property for use in your home located in the United States.
- Qualified solar water heating property for use in your home located in the United States.
- Qualified fuel cell property installed on or in connection with your main home located in the United States.
- Qualified small wind energy property for use in connection with your home located in the United States.
- Qualified geothermal heat pump property installed on or in connection with your home located in the United States.

If you are a member of a condominium management association for a condominium you own or a tenant-stockholder in a cooperative housing corporation, you are treated as having paid your proportionate share of any costs of such association or corporation for purposes of this credit.

For details, see Form 5695

**Line 50—Other credits.** Include the following credits on line 50 and check the appropriate box(es). If box c is checked, also enter the applicable form number. To find out if you can take the credit, see the form or publication indicated.

- General business credit. This credit consists of a number of credits that usually apply only to individuals who are partners, self-employed, or who have rental property. See Form 3800 or Pub. 334.
- Credit for prior year minimum tax. If you paid alternative minimum tax in a prior year, see Form 8801.
- Mortgage interest credit. If a state or local government gave you a mortgage credit certificate, see Form 8396.
- District of Columbia first-time homebuyer credit. See Form 8859.
- Qualified plug-in electric drive motor vehicle credit. See Form 8936.
- Qualified plug-in electric vehicle credit. See Form 8834, Part I.
- Qualified electric vehicle credit. You cannot claim this credit for a vehicle placed in service after 2006. You can claim this credit only if you have a passive activity electric vehicle credit carried forward from a prior year. See Form 8834, Part II.
- Alternative motor vehicle credit. See Form 8910 if you placed an alternative motor vehicle (such as certain qualified hybrid vehicles) in service during 2010 or converted a motor vehicle to a qualified plug-in electric drive motor vehicle in 2010.
- Alternative fuel vehicle refueling property credit. See Form 8911.
- Credit to holders of tax credit bonds. See Form 8912.

## Other Taxes

### Line 54—Self-employment tax.

Enter the amount of any taxes from Schedule SE (Form 1040), Section A, line 5, or Section B, line 12. See the instructions for Schedule SE (Form 1040) for more information.

**Line 55—Unreported social security and Medicare tax from Forms 4137 and 8919.** Enter the total of any taxes from Form 4137 and Form 8919. Check the appropriate box(es).

**Form 4137.** If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. You also must pay this tax if your Form(s) W-2 shows allocated tips that you are including in your income on Form 1040NR, line 8.

To figure the social security and Medicare tax, use Form 4137. If you owe RRTA tax, contact your employer. Your employer will figure and collect the RRTA tax.



*You may be charged a penalty equal to 50% of the social security and Medicare tax due on tips you received but did not report to your employer.*

**Form 8919.** If you are an employee who received wages from an employer who did not withhold social security and Medicare tax from your wages, use Form 8919 to figure your share of the unreported tax. Include on line 55 the amount from line 13 of Form 8919. Include the amount from line 6 of Form 8919 on Form 1040NR, line 8.

**Line 56—Additional tax on IRAs, other qualified retirement plans, etc.** If any of the following apply, see Form 5329 and its instructions to find out if you owe this tax and if you must file Form 5329.

1. You received an early distribution from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988, and the total distribution was not rolled over in a qualified rollover contribution.
2. Excess contributions were made to your IRAs, Coverdell education savings accounts (ESAs), Archer MSAs, or health savings accounts (HSAs).
3. You received taxable distributions from Coverdell ESAs or qualified tuition programs.
4. You were born before July 1, 1939, and did not take the minimum required distribution from your IRA or other qualified retirement plan.

**Exception.** If only item (1) applies and distribution code 1 is correctly shown in box 7 of Form 1099-R, you do not have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (.10) and enter the result on line 56. The taxable amount of the distribution is the part of the distribution you reported on Form 1040NR, line 16b or line 17b, or on Form 4972. Also, enter "No" under the heading *Other Taxes* to the left of line 56 to indicate that you do not have to file Form 5329. But if distribution code 1 is incorrectly shown in box 7 of Form 1099-R, you received a Form 1042-S for the distribution, or you qualify for an exception for qualified higher education expenses or qualified first-time homebuyer distributions, you must file Form 5329.

### Line 57—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 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 also may 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 on page 5 and include the amount on line 22 on page 1 of Form 1040NR. If you are exempt from the tax for any other reason, you must attach a statement to Form 1040NR 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.

**Line 58—Household employment taxes and repayment of first-time homebuyer credit.** Include the following amounts on line 58 and check the appropriate box(es).

**Schedule H (household employment taxes).** These are the employment taxes you owe for having a household employee. If any of the following apply, see Schedule H and its instructions to find out if you owe these taxes.

- You paid any one household employee (defined below) cash wages of \$1,700 or more in 2010. Cash wages include wages paid by check, money order, etc. But do not count amounts paid to an employee who was under age 18 at any time in 2010 and was a student.
- You withheld federal income tax during 2010 at the request of any household employee.
- You paid total cash wages of \$1,000 or more in any calendar quarter of 2009 or 2010 to household employees.

Any person who does household work is a household employee if you can control what will be done and how it will be done. Household work includes work done in or around your home by babysitters, nannies, health aides, maids, yard workers, and similar domestic workers.

**Form 5405, line 16 (repayment of first-time homebuyer credit).** This is the amount of first-time homebuyer credit you have to repay if you:

- Disposed of the home within 36 months after buying it,
- Stopped using the home as your main home within 36 months after buying it, or
- Bought the home in 2008.

See the Form 5405 instructions for exceptions to the repayment rule.

**Line 59—Total tax.** Include in the total on line 59 any of the following taxes. To find out if you owe the tax, see the form or publication indicated. On the dotted line next to line 59, enter the amount of the tax and identify it as indicated.

1. Additional tax on health savings account (HSA) distributions (see Form 8889, Part II). Identify as "HSA."
2. Additional tax on an HSA because you did not remain an eligible individual during the testing period (see Form 8889, Part III). Identify as "HDHP."
3. Additional tax on Archer MSA distributions (see Form 8853). Identify as "MSA."
4. Additional tax on Medicare Advantage MSA distributions (see Form 8853). Identify as "Med MSA."

5. Recapture of the following credits.

- a. Investment credit (see Form 4255). Identify as "ICR."
- b. Low-income housing credit (see Form 8611). Identify as "LIHCR."
- c. Qualified plug-in electric vehicle credit (see Form 8834, Part I). Identify as "8834."
- d. Indian employment credit (see Form 8845). Identify as "IECR."
- e. New markets credit (see Form 8874). Identify as "NMCR."
- f. Credit for employer-provided childcare facilities (see Form 8882). Identify as "ECCFR."
- g. Alternative motor vehicle credit (see Form 8910). Identify as "AMVCR."
- h. Alternative fuel vehicle refueling property credit (see Form 8911). Identify as "ARPCR."
- i. Qualified plug-in electric drive motor vehicle credit (see Form 8936). Identify as "8936."

6. Recapture of federal mortgage subsidy. If you sold your home in 2010 and it was financed (in whole or in part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, see Form 8828. Identify as "FMSR."

7. Recapture of COBRA premium assistance. If you received premium assistance under COBRA continuation coverage that covered you, your spouse, or any of your dependents, and your modified AGI is more than \$125,000, see Pub. 502. Identify as "COBRA."

8. Section 72(m)(5) excess benefits tax (see Pub. 560). Identify as "Sec. 72(m)(5)."

9. Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance. This tax should be shown in box 12 of Form W-2 with codes A and B or M and N. Identify as "UT."

10. Golden parachute payments. If you received an excess parachute payment (EPP), you must pay a 20% tax on it. This tax should be shown in box 12 of Form W-2 with code K. If you received a Form 1099-MISC, the tax is 20% of the EPP shown in box 13. Identify as "EPP."

11. Tax on accumulation distribution of trusts (see Form 4970). Identify as "ADT."

12. Excise tax on insider stock compensation from an expatriated corporation. You may owe a 15% excise tax on the value of nonstatutory stock options and certain other stock-based compensation held by you or a member of your family from an expatriated corporation or its expanded affiliated group in which you were an officer, director, or more-than-10% owner. See section 4985. Identify as "ISC."

13. Additional tax on income you received from a nonqualified deferred compensation plan that fails to meet certain requirements. This income should be shown in box 12 of Form W-2 with code Z or in box 15b of Form 1099-MISC. The tax is 20% of the amount required to be included in income plus an interest amount determined under section 409A(a)(1)(B)(ii). See section 409A(a)(1)(B) for details. Identify as "NQDC."

14. Interest on the tax due on installment income from the sale of certain residential lots and timeshares. Identify as "453(l)(3)."

15. Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000. Identify as "453A(c)."

16. Additional tax on recapture of a charitable contribution deduction relating to a fractional interest in tangible personal property. See Pub. 526. Identify as "FITPP."

17. Look-back interest under section 167(g) or 460(b). See Form 8697 or 8866. Identify as "From Form 8697" or "From Form 8866."

18. Any negative amount on Form 8885, line 5, because of advance payments of the health coverage tax credit you received for months you were not eligible. Enter this additional tax as a positive amount. Identify as "HCTC."

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## Payments

**Lines 60a through 60d—Federal income tax withheld.** Enter all federal income tax withheld.

**Line 60a.** Enter on line 60a the total of any federal income tax withheld and shown on Form(s) W-2 and 1099. The amount withheld should be shown in box 2 of Form W-2 and in box 4 of Form 1099. Attach Form(s) W-2 to the front of your return. Attach Form(s) 1099-R to the front of your return if federal income tax was withheld.

**Line 60b.** Enter on line 60b 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 60c.** Enter on line 60c any tax withheld on dispositions of U.S. real property interests and shown on Form(s) 8288-A. Attach a copy of all Form(s) 8288-A to the front of your return.

**Line 60d.** Enter on line 60d the total amount shown as federal income tax withheld on your Form(s) 1042-S. The amounts withheld should be shown in box 9 of your Form(s) 1042-S. Attach all Form(s) 1042-S to the front of your return.



Be sure to attach to the front of your return a copy of all 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 all Form(s) 8805.

**Line 61—2010 estimated tax payments.** Enter any estimated federal income tax payments you made for 2010. Include any overpayment that you applied to your 2010 estimated tax from:

- Your 2009 return, or
- An amended return (Form 1040X).

**Name change.** If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040NR. On the statement, explain all of the payments you made in 2010 and the name(s) and identifying number(s) under which you made them.

**Line 62—Additional child tax credit.** This credit is for certain people who have at least one qualifying child as defined in the instructions for line 7c, column (4), on page 9. The additional child tax credit may give you a refund even if you do not owe any tax. Follow these 2 steps to take the credit.

1. Be sure you figured the amount, if any, of your child tax credit. See the instructions for line 48 on page 23.

2. Read the TIP at the end of your Child Tax Credit Worksheet on page 25. Use Form 8812 to see if you can take the additional child tax credit, but only if you meet the condition given in that TIP.

**Line 63—Amount paid with request for extension to file.** If you filed Form 4868 to get an automatic extension of time to file Form 1040NR, enter any amount you paid with that form or by the electronic federal tax payment system or credit or debit card. If you paid by credit or debit card, do not

include on line 63 the convenience fee you were charged.



You may be able to deduct any credit or debit card convenience fees on your 2011 Schedule A.

**Line 64—Excess social security and tier 1 RRTA tax withheld.** If you had more than one employer for 2010 and total wages of more than \$106,800, too much social security or tier 1 railroad retirement (RRTA) tax may have been withheld. You can take a credit on this line for the amount withheld in excess of \$6,621.60. But if any one employer withheld more than \$6,621.60, you cannot claim the excess on your return. The employer should adjust the tax for you. If the employer does not adjust the overcollection, you can file a claim for refund using Form 843.

You cannot claim a refund for excess tier 2 RRTA tax on Form 1040NR. Instead, use Form 843.

See Pub. 505 for more details.

**Line 65—Credit for federal tax on fuels.** Enter any credit for federal excise taxes paid on fuels that are ultimately used for a nontaxable purpose (for example, an off-highway business use). Attach Form 4136.

**Line 66—Other payments.** Check the box(es) on line 66 to report any credit from Form 2439, 8839, 8801 (line 27), or 8885.

**Line 67—Credit for amount paid with Form 1040-C.** Enter any amount you paid with Form 1040-C for 2010.

new Form W-4. See Income Tax Withholding and Estimated Tax Payments for 2011 on page 39.

**Refund offset.** If you owe past-due federal tax, state income tax, child support, spousal support, or certain federal nontax debts, such as student loans, all or part of the overpayment on line 69 may be used (offset) to pay the past-due amount. Offsets for federal taxes are made by the IRS. All other offsets are made by the Treasury Department's Financial Management Service (FMS). For federal tax offsets, you will receive a notice from the IRS. For all other offsets, you will receive a notice from FMS. To find out if you may have an offset or if you have any questions about it, contact the agency to which you owe the debt.

**Lines 70a through 70e—Amount refunded to you.** If you want to check the status of your refund, see page 42. Before checking the status of your refund, please wait 3 to 4 weeks after you mail your return. But if you filed Form 8839 with your return, allow 14 weeks.

## DIRECT DEPOSIT

Simple. Safe. Secure.

**Fast Refunds!** Choose direct deposit—a fast, simple, safe, secure way to have your refund deposited automatically to your checking or savings account, including an individual retirement arrangement (IRA). See the information about IRAs on page 29.

If you want us to directly deposit the amount shown on line 70a to your checking or savings account, including an IRA, at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States:

- Complete lines 70b through 70d (if you want your refund deposited to only one account), or
- Check the box on line 70a and attach Form 8888 if you want to split the direct deposit of your refund into more than one account or use all or part of your refund to buy paper series I savings bonds.

If you do not want your refund directly deposited to your account, do not check the box on line 70a. Draw a line through the boxes on lines 70b and 70d. We will send you a check instead.

### Why Use Direct Deposit?

- You get your refund faster by direct deposit than you do by check.
- Payment is more secure. There is no check that can get lost or stolen.

## Refund

**Line 69—Amount overpaid.** If line 69 is under \$1, we will send a refund only on written request.



If the amount you overpaid is large, you may want to decrease the amount of income tax withheld from your pay by filing a

## Sample Check—Lines 70b Through 70d

The sample check is from RUFUS MAPLE and MARY MAPLE, 123 Main Street, Anyplace, LA 70000. It is payable to the order of \$1,234.00. The routing number is 250250025 and the account number is 20202088. A note indicates that the check number 1234 should not be included. The check is from ANYPLACE BANK, Anyplace, LA 70000.

Note: The routing and account numbers may appear in different places on your check.

- It is more convenient. You do not have to make a trip to the bank to deposit your check.
- It saves tax dollars. It costs the government less to refund by direct deposit.

**IRA.** You can have your refund (or part of it) directly deposited to a traditional IRA, Roth IRA, or SEP-IRA, but not a SIMPLE IRA. You must establish the IRA at a bank or other financial institution before you request direct deposit. Make sure your direct deposit will be accepted. You also must notify the trustee or custodian of your account of the year to which the deposit is to be applied (unless the trustee or custodian will not accept a deposit for 2010). If you do not, the trustee or custodian can assume the deposit is for the year during which you are filing the return. For example, if you file your 2010 return during 2011 and do not notify the trustee or custodian in advance, the trustee or custodian can assume the deposit to your IRA is for 2011. If you designate your deposit to be for 2010, you must verify that the deposit was actually made to the account by the due date of the return (without regard to extensions). If the deposit is not made by that date, the deposit is not an IRA contribution for 2010. In that case, you must file an amended 2010 return and reduce any IRA deduction and any retirement savings contributions credit you claimed.



*You may be able to contribute up to \$5,000 (\$6,000 if age 50 or older at the end of 2010) to a traditional IRA or Roth IRA for 2010. The limit for 2011 is also \$5,000 (\$6,000 if age 50 or older at the end of 2011). You may owe a penalty if your contributions exceed these limits.*

For more information on IRAs, see Pub. 590.

**TreasuryDirect®.** You can request a deposit of your refund (or part of it) to a TreasuryDirect® online account to buy U.S. Treasury marketable securities and savings bonds. For more information, go to [www.treasurydirect.gov](http://www.treasurydirect.gov).

**Form 8888.** You can have your refund directly deposited to more than one account or use it to buy up to \$5,000 in paper series I savings bonds. You do not need a TreasuryDirect® account to do this. For more information, see the Form 8888 instructions.

**Line 70b.** The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check on page 28, the routing number is 250250025. Rufus and Mary Maple would use that routing number unless their financial institution

instructed them to use a different routing number for direct deposits.

Ask your financial institution for the correct routing number to enter on line 70b if:

- The routing number on a deposit slip is different from the routing number on your checks,
- Your deposit is to a savings account that does not allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.

**Line 70c.** Check the appropriate box for the type of account. Do not check more than one box. If the deposit is to an account such as an IRA, health savings account, brokerage account, or other similar account, ask your financial institution whether you should check the "Checking" or "Savings" box. You must check the correct box to ensure your deposit is accepted. For a TreasuryDirect® online account, check the "Savings" box.

**Line 70d.** The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check on page 28, the account number is 20202086. Do not include the check number.

If the direct deposit to your account(s) is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

**Reasons your direct deposit request may be rejected.** If any of the following apply, your direct deposit request will be rejected and a check will be sent instead.

- Any numbers or letters on lines 70b through 70d are crossed out or whited out.
- You request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account).
- You file your 2010 return after December 31, 2011.



*The IRS is not responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the correct routing and account numbers and to make sure your direct deposit will be accepted.*

**Line 70e.** If you want your refund mailed to an address not listed on page 1 of Form 1040NR, enter that address here. See *Foreign address* on page 7 for information on entering a foreign address.

**Note.** If the address on page 1 of Form 1040NR is not in the United States, you can enter an address in the United States on line 70e. However, if the address on page 1 of Form 1040NR is in the United States, the IRS cannot mail a refund to a different address in the United States.

**Line 71—Applied to 2011 estimated tax.** Enter on line 71 the amount, if any, of the overpayment on line 69 you want applied to your 2011 estimated tax.



*This election to apply part or all of the amount overpaid to your 2011 estimated tax cannot be changed later.*

## Amount You Owe

**Line 72—Amount you owe.**



*To save interest and penalties, pay your taxes in full by the due date of your return (see When To File on page 5). You do not have to pay if line 72 is under \$1.*

Include any estimated tax penalty from line 73 in the amount you enter on line 72.

You can pay by check, money order, credit or debit card, or the electronic federal tax payment system. Do not include any estimated tax payment for 2011 in this payment. Instead, make the estimated tax payment separately.

**To pay by check or money order.** Make your check or money order payable to the "United States Treasury" for the full amount due. Do not send cash. Do not attach the payment to your return. Write "2010 Form 1040NR" and your name, address, daytime phone number, and identifying number (SSN, ITIN, or EIN) on your payment.

To help process your payment, enter the amount on the right side of the check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX—" or "\$ XXX  $\frac{XX}{100}$ ").

**To pay by credit or debit card.** For information on paying your taxes with a credit or debit card, go to [www.irs.gov/e-pay](http://www.irs.gov/e-pay).

**To pay by electronic federal tax payment system (EFTPS).** You also can pay using EFTPS, a free tax payment system that allows you to make payments online or by phone. For more information or details on enrolling, visit [www.irs.gov/e-pay](http://www.irs.gov/e-pay) or [www.eftps.gov](http://www.eftps.gov). Call EFTPS' Customer Service at 1-800-316-6541 if you are in the United States. TTY/TDD help is available by calling 1-800-733-4829.



*You may need to (a) increase the amount of income tax withheld from your pay by filing a new Form W-4, (b) increase the tax*

withheld from other income by filing Form W-4P or W-4V, or (c) make estimated tax payments for 2011. See Income Tax Withholding and Estimated Tax Payments for 2011 on page 39.

**What if you cannot pay?** If you cannot pay the full amount shown on line 72 when you file, you can ask for:

- An installment agreement, or
- An extension of time to pay.

**Installment agreement.** Under an installment agreement, you can pay all or part of the tax you owe in monthly installments. Generally, you can have up to 60 months to pay. However, even if your request to pay in installments is granted, you will be charged interest and may be charged a late payment penalty on the tax not paid by the due date. You also must pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment.

To ask for an installment agreement, you can apply online or use Form 9465. To apply online, go to IRS.gov, click on "I Need To" and select "Set Up a Payment Agreement." If you use Form 9465, you should receive a response to your request to make installment payments within 30 days. But if you file your return after March 31, it may take us longer to reply.

**Extension of time to pay.** If paying the tax when it is due would cause you an undue hardship, you can ask for an extension of time to pay by filing Form 1127 on or before the due date for filing your return, not including extensions. An extension generally will not be granted for more than 6 months. You will be charged interest on the tax not paid by the due date for filing your return, not including extensions. You must pay the tax before the extension runs out. If you do not, penalties may be imposed.

#### **Line 73—Estimated tax penalty.**

You may owe this penalty if:

- Line 72 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 2010 Form 1040NR, line 59, minus the total of any amounts shown on lines 62 and 65, and Forms 8828, 4137, 5329 (Parts III through VIII only), 8801 (line 27 only), 8839, 8885, and 8919.

Also, subtract from line 59 any tax on an excess parachute payment, any excise tax on insider stock compensation of an expatriated

corporation, any uncollected social security and Medicare or RRTA tax on tips or group-term life insurance, any look-back interest due under section 167(g) or 460(b), and any write-in tax included on line 59 from Form 8885.

When figuring the amount on line 59, include household employment taxes (line 58a) only if the total of lines 60a through 60d is more than zero or you would owe the penalty even if you did not include those taxes. But if you entered an amount on Schedule H (Form 1040), line 7, include the total of that amount plus the household employment taxes on Form 1040NR, line 58.

**Exception.** You will not owe the penalty if your 2009 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 2009 return and you were a U.S. citizen or resident for all of 2009.
2. The total of lines 60a through 60d, 61, 64, and 67 on your 2010 return is at least 100% of the tax shown on your 2009 return. (But see Caution below.) Your estimated tax payments for 2010 must have been made on time and for the required amount.



**CAUTION** If your 2009 AGI was over \$150,000 (over \$75,000 if you checked filing status box 3, 4, or 5 for 2010), item (2) applies only if the total of lines 60a through 60d, 61, 64, and 67 on your 2010 tax return is at least 110% of the tax shown on your 2009 return. This rule does not apply to farmers and fishermen.

For most people, the "tax shown on your 2009 return" is the amount on your 2009 Form 1040NR, line 57, minus the total of any amounts shown on lines 60 and 61, and Forms 8828, 4137, 4136, 5329 (Parts III through VIII only), 8801 (line 29 only), 8885, and 8919.

Also, subtract from line 57 any tax on an excess parachute payment, any excise tax on insider stock compensation of an expatriated corporation, any uncollected social security and Medicare or RRTA tax on tips or group-term life insurance, any look-back interest due under section 167(g) or 460(b), and write-in tax included on line 57 from Form 8885.

When figuring the amount on line 57, include household employment taxes only if the total of lines 58a through 58d is more than zero or you would have owed the estimated tax penalty for 2009 even if you did not include those taxes. But if you entered an amount on your 2009 Schedule H (Form 1040), line 7, include the total of that amount plus the household employment taxes on your 2009 Form 1040NR, line 56.

**Figuring the penalty.** If the *Exception* earlier does not apply and you choose to figure the penalty yourself, see Form 2210 (or Form 2210-F for farmers and fishermen) to find out if you owe the penalty. If you do, you can use the form to figure the amount.

Enter any penalty on line 73. Add the penalty to any tax due and enter the total on line 72.

However, if you have an overpayment on line 69, subtract the penalty from the amount you otherwise would enter on line 70a or 71. Lines 70a, 71, and 73 must equal line 69.

If the penalty is more than the overpayment on line 69, enter -0- on lines 70a and 71. Then subtract line 69 from line 73 and enter the result on line 72.

Do not 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 73 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. See the Instructions for Form 2210 for other situations in which you may be able to lower your penalty by filing Form 2210.

## **Third Party Designee**

If you want to allow your preparer, a friend, a family member, or any other person you choose to discuss your 2010 tax return with the IRS, check the "Yes" box in the "Third Party Designee" area of your return. Also, enter the designee's name, U.S. phone number, and any five digits the designee chooses as his or her personal identification number (PIN).

If you check the "Yes" box, you are authorizing the IRS to call the designee to answer any questions that may arise during the processing of your return. You also are authorizing the designee to:

- Give the IRS any information that is missing from your return,
- Call the IRS for information about the processing of your return or the status of your refund or payment(s),
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee's authorization, see Pub. 947.

The authorization will end automatically no later than the due date (without regard to extensions) for filing your 2011 tax return. If you wish to revoke the authorization before it ends, see Pub. 947.

## **Signature**

See *Sign Your Return* on page 39 after you complete pages 3, 4, and 5 of the form.

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## Instructions for Schedule A, Itemized Deductions



*Do not include on Schedule A (Form 1040NR) items deducted elsewhere, such as on Form 1040NR or Schedule C, C-EZ, E, or F (Form 1040).*

**Note.** Except as provided below, 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* below, and *Casualty and Theft Losses* on page 33.

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## State and Local Income Taxes

### Lines 1 Through 3

You can deduct state and local income taxes you paid or that were withheld from your salary during 2010 on income connected with a U.S. trade or business. If, during 2010, you received any refunds of, or credits for, income tax paid in earlier years, do not subtract them from the amount you deduct here. Instead, see the Instructions for Form 1040NR, line 11, on page 12.

### Gifts to U.S. Charities

#### Lines 4 Through 7

You can deduct contributions or gifts you gave to U.S. organizations that are religious, charitable, educational, scientific, or literary in purpose. You also can deduct what you gave to organizations that work to prevent cruelty to children or animals. See Pub. 526 for details.

To verify an organization's charitable status, you can:

- Check with the organization to which you made the donation. The organization should be able to provide you with verification of its charitable status.
- See Pub. 78 for a list of most qualified organizations. You can access Pub. 78 at [www.irs.gov/charities](http://www.irs.gov/charities) under *Search for Charities*.
- Call our Tax Exempt/Government Entities Customer Account Services at 1-877-829-5500 if you are in the United States.

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

- Churches, mosques, synagogues, temples, etc.
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, United Way, etc.
- Fraternal orders, if the gifts will be used for the purposes listed earlier.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

#### Contributions 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 generally can 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 statement from the charitable organization showing the information in (1) and (2) below.

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.



*You must get the statement by the date you file your return or the due date (including extensions) for filing your return, whichever is earlier. Do not attach the statement 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 1040NR, line 37.
2. Your gifts of capital gain property are more than 20% of the amount on Form 1040NR, line 37.
3. You gave gifts of property that increased in value or gave gifts of the use of property.

#### Contributions you cannot deduct.

- Travel expenses (including meals and lodging) while away from home, 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.
- Cost of tuition. But you may be able to deduct this expense on Schedule A, line 9. See page 34.
- 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, until the entire interest has been transferred).
- Gifts to individuals and groups that are run 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. See Pub. 526 for details.
- 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.

## Line 4—Gifts by Cash or Check



*If you contributed money for the relief of victims in areas affected by the January 12, 2010, earthquake in Haiti and chose to deduct those amounts on your 2009 return instead of your 2010 return, do not include those amounts again on line 4.*

Enter on line 4 the total gifts you made in cash or by check (including out-of-pocket expenses).

**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.

**Haiti relief contributions.** If you made a contribution by phone or text message for the relief of victims in areas affected by the January 12, 2010, earthquake in Haiti, you can satisfy the recordkeeping requirement if you have a telephone bill showing the name of the donee organization, the date of the contribution, and the amount of the contribution.

## Line 5—Other Than by Cash or Check

Enter your contributions of property. 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.

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. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you also must attach a statement from the charitable organization to your return. The organization may use Form 1098-C to provide the required information. If your total deduction is over \$5,000, you also may have to get appraisals of the values of the donated property. This amount is \$500 for certain contributions of clothing and household items (see

below). 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 also should keep reliable written records that include:

- 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 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 6—Carryover From Prior Year

Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your AGI limit. See Pub. 526 for details.

## Casualty and Theft Losses

### Line 8—Casualty or Theft Loss(es)

Complete and attach Form 4684 to figure the amount of your loss to enter on line 8.

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 also may be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You can deduct nonbusiness casualty or theft losses 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) above) is more than 10% of the amount shown on Form 1040NR, line 37.

**Disaster losses.** The special rules that were in effect in 2008 and 2009 for losses of personal use property attributable to federally declared disasters do not apply to losses after 2009. However, the special rules apply to a loss you are deducting in 2010 from a disaster that was declared a federal disaster in tax years beginning after 2007 and that occurred before 2010 but which you could not deduct in the year it occurred because you were not sure whether part of it would be reimbursed and you became reasonably certain in 2010 that it would not be reimbursed. See Form 4684 and its instructions for details.

Use Schedule A, line 11, to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

## Job Expenses and Certain Miscellaneous Deductions

**Note.** Miscellaneous deductions are allowed only if and to the extent they are directly related to your effectively connected income. You can deduct only the part of these expenses that exceeds 2% of the amount on Form 1040NR, line 37.

Pub. 529 discusses the types of expenses you can and cannot deduct.

### Examples of expenses you cannot deduct.

- Political contributions.
- Legal expenses for personal matters that do not produce taxable income.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Commuting expenses. See Pub. 529 for the definition of commuting.
- Travel expenses for employment away from home if that period of employment exceeds 1 year.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Club dues.
- Expenses of adopting a child. But you may be able to take a credit for adoption expenses. See Form 8839 for details.
- Fines and penalties.
- Expenses of producing tax-exempt income.

## Line 9—Unreimbursed Employee Expenses

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed. (Amounts your employer included in box 1 of your Form W-2 are not considered reimbursements.)

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.

But you must fill in and attach Form 2106 if either (1) or (2) below applies.

1. You claim any travel, transportation, meal, or entertainment expenses for your job.
2. Your employer paid you for any of your job expenses that you otherwise would report on line 9.



*If you used your own vehicle, are using the standard mileage rate, and (2) earlier does not apply, you may be able to file Form 2106-EZ instead.*

If you do not have to file Form 2106 or 2106-EZ, list the type and amount of each expense on the dotted lines next to line 9. If you need more space, attach a statement showing the type and amount of each expense. Enter the total of all these expenses on line 9.



*Do not include on line 9 any educator expenses you deducted on Form 1040NR, line 24.*

Examples of other expenses to include on line 9 are:

- Safety equipment, small tools, and supplies needed for your job.
- Uniforms required by your employer that are not suitable for ordinary wear.

- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations required by your employer.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Certain business use of part of your home. For details, including limits that apply, see Pub. 587.
- Certain educational expenses. For details, see Pub. 970.

## Line 10—Tax Preparation Fees

Enter the fees you paid for preparation of your tax return. If you paid your tax by credit or debit card, include the convenience fee you were charged on line 11 instead of this line.

## Line 11—Other Expenses

Enter the total amount you paid to produce or collect taxable income and manage or protect property held for earning income. But do not include any personal expenses. List the type and amount of each expense on the dotted lines next to line 11. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 11.

Examples of expenses to include on line 11 are:

- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (for example, trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For

details, including limits that apply, see Pub. 529.

- Casualty and theft losses of property used in performing services as an employee from Form 4684, lines 35 and 41b, or Form 4797, line 18a.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.
- Convenience fee charged by the card processor for paying your income tax (including estimated tax payments) by credit or debit card. The deduction is claimed for the year in which the fee was charged to your card.

## Other Miscellaneous Deductions

### Line 16—Other

Only the expenses listed next can be deducted on this line. List the type and amount of each expense on the dotted lines next to line 16. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 16. These expenses are:

- Casualty and theft losses of income-producing property from Form 4684, lines 35 and 41b, or Form 4797, line 18a.
  - Loss from other activities from Schedule K-1 (Form 1065-B), box 2.
  - 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 17

Enter the total of lines 3, 7, 8, 15, and 16 on line 17. Also enter this amount on Form 1040NR, line 38.

## Instructions for Schedule NEC, Tax on Income Not Effectively Connected With a U.S. Trade or Business

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 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 that 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. Table 1 in Pub. 901 summarizes which countries have such treaties and what the rates are.

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 (other than original issue discount), dividends, rents, salaries, wages, premiums, annuities, other compensation, or alimony received. Other items of income, such as royalties, also may be subject to the 30% tax.

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

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 2010. Include these gains only if you were in the United States at least 183 days during 2010.

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 *Line 10a and 10b—Gambling winnings-Residents of Canada* and *Line 11—Gambling winnings-Residents of countries other than Canada* on this page and page 36.

**Lines 1a and 1b—Dividends.** Except as provided below, include all dividends paid by U.S. corporations on line 1a. Include all U.S. source dividends paid by foreign corporations on line 1b. 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. Dividend equivalent payments include substitute dividends, payments made pursuant to a specified notional principal contract, and all similar payments that, directly or indirectly, are contingent on or determined by reference to, the payment of a dividend from U.S. sources.

**Exceptions.** The following items of dividend income that you received as a nonresident alien generally are 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 received 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 *Dividends* in 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 generally are 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.

For more information, including other exceptions to withholding, see *Interest* in Pub. 519 and *Interest* in 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 line 18 on Form 1040NR, page 1. For more information, see the instructions for line 18 on page 16.

**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 2010 and the amount of any benefits you repaid in 2010. 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 1040NR.

**Line 9—Capital gain.** Enter the amount from Schedule NEC, 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.** If you are a resident of any country other than Canada and 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.

**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.

**Example.** John Maple is a resident of Canada who purchased stock in XYZ, a U.S. corporation. In 2010, 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 below.

**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 2010. 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* on page 7.

Schedule NEC Example—John Maple

Form 1040NR (2010)

Page 4

**Schedule NEC—Tax on Income Not Effectively Connected With a U.S. Trade or Business** (see instructions)

Nature of income	Enter amount of income under the appropriate rate of tax (see instructions)					
	(a) 10%	(b) 15%	(c) 30%	(d) Other (specify)		
				%	%	
<b>1</b> Dividends paid by:						
<b>a</b> U.S. corporations . . . . .	<b>1a</b>	1,000				
<b>b</b> Foreign corporations . . . . .	<b>1b</b>					
<hr/>						
<b>10</b> Gambling—Residents of Canada only. Enter net income in column (c). If zero or less, enter -0-.						
<b>a</b> Winnings <u>5,000</u>						
<b>b</b> Losses <u>4,500</u>	<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 1040NR, line 53 . . . . . ▶	<b>15</b>					300

# Instructions for Schedule OI, Other Information

Answer all questions.

## Item A

List all countries of which you were a citizen or national during the tax year.

## Item B

List the country in which you claimed residence for tax purposes during the tax year.

## Item C

If you have completed immigration Form I-485 and submitted the form to the U.S. Citizenship and Immigration Services, 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 Pub. 519, chapter 4, 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 are 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 2009 on an F-1 visa as an academic student. During 2010 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 20, 2010."

## Item G

Enter the dates you entered and left the United States during 2010 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 Pub. 519, chapter 1.

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 actually were 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 Pub. 519, chapter 1. 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 portion 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.
- The trust received a **contribution** from a U.S. person during the tax year.

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 2010 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 without 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 without the United States* on page 10.

## 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 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. Technical explanations for many of those treaties are also available at that site. Also, see Pub. 901 for a quick reference guide to the provisions of U.S. tax treaties.

If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country on Form 1040NR, you must provide all the information requested in item L.

**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 line 1e and on Form 1040NR, page 1, line 22. Do not include this amount in the amounts entered on Form 1040NR, page 1, line 8 or 12.

If required, attach Form 8833. See *Treaty-based return position disclosure* on page 38.

**Line 2.** Check "Yes" if you are subject to tax in a foreign country on any of the income reported in line 1, column (d).

**Example.** Sara is a citizen of Italy and was a resident there until September 2009, when she moved to the United States to accept a position as a high school teacher at an accredited public school. Sara came to

## Item L—Tax Exempt Treaty Example

(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 1040NR, line 22. Do not enter it on line 8 or line 12 . . . . .			\$40,000

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 2009 and plans to continue teaching through May 2011. Sara's salary per school year is \$40,000. She plans to return to Italy in June 2011 and resume her Italian residence. For calendar year 2010, Sara earned \$40,000 from her teaching position. She completes the table in item L on her 2010 tax return as shown in the example above.



*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 otherwise would have been required on the withholding tax document (for example, all information required on Form W-8BEN 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 report certain information on Form 8833 and attach it to Form 1040NR.

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.

1. You claim a treaty reduces the withholding tax on interest, dividends, rents, royalties, or other fixed or determinable annual or periodical income ordinarily subject to the 30% rate.
2. You claim a treaty 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 and the partnership, estate, or trust reports the required information on its return.
5. The payments or items of income that otherwise are required to be disclosed total no more than \$10,000.

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## Sign Your Return

Form 1040NR is not considered a valid return unless you sign it. Be sure to date your return and enter your occupation(s) in the United States. If you have someone prepare your return, you are still responsible for the correctness of the return. If your return is signed by a representative for you, you must have a power of attorney attached that specifically authorizes the representative to sign your return. To do this, you can use Form 2848.

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.
- For other reasons that you explained in writing to the Department of the Treasury; Internal Revenue Service Center; Austin, TX 73301-0215 U.S.A. and that the IRS approved.

**Child's return.** If your child cannot sign the return, either parent can sign the child's name in the space provided. Then, enter "By (your signature), parent for minor child."

**Paid preparer must sign your return.** Generally, anyone you pay to prepare your return must sign it and fill in the Paid Preparer Use Only area in the space provided. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.

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## Assemble Your Return

Assemble any schedules and forms behind Form 1040NR in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. If you have supporting statements, arrange them in the same order as the schedules or forms they support and attach them last. Do not attach correspondence or other items unless required to do so.

Attach a copy of Forms W-2, 1042-S, SSA-1042S, RRB-1042S, 8288-A, and 2439 to the front of Form 1040NR. 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 1040NR if tax was withheld. Attach Form 8805 to the back of your return. Enclose, but do not attach, any payment.

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## General Information

### How To Avoid Common Mistakes

Mistakes can delay your refund or result in notices being sent to you.

- Make sure you entered the correct name and identifying number (SSN, ITIN, or ATIN) for each dependent you claim on line 7c. Check that each dependent's name and identifying number agree with his or her identification document. For each child under age 17 who is a qualifying child for the child tax credit, make sure you checked the box in line 7c, column (4).
- Check your math, especially for the child tax credit, total income, itemized deductions, deduction for exemptions, taxable income, total tax, federal income tax withheld, and refund or amount you owe.
- Be sure you used the correct method to figure your tax. See the instructions for line 42 on page 22.
- Be sure to enter your identifying number in the space provided on page 1 of Form 1040NR. If you are married and you checked filing status box 3 or 4 on page 1, also enter your spouse's information in the space provided on page 1. Check that your name and identifying number agree with your identification document, such as your social security card or the IRS notice assigning your ITIN.
- Make sure your name and address are correct.
- If you live in an apartment, be sure to include your apartment number in your address.
- If you received capital gain distributions but were not required to file Schedule D (Form 1040), make sure you checked the box on line 14.
- Remember to sign and date Form 1040NR and enter your occupation(s) in the United States.
- Attach your Form(s) W-2 and other required forms and schedules. Put all forms and schedules in the proper order. See *Assemble Your Return* on this page.
- If you owe tax and are paying by check or money order, be sure to include all the required information on your payment. See the instructions for line 72 beginning on page 29 for details.
- Do not file more than one original return for the same year, even if you have not gotten your refund or have not heard from the IRS since you filed. Filing more than one original return for

the same year, or sending in more than one copy of the same return (unless we ask you to do so), could delay your refund.

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## What Are Your Rights as a Taxpayer?


You have the right to be treated fairly, professionally, promptly, and courteously by IRS employees. Our goal at the IRS is to protect your rights so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. For details, see Pub. 1.

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## Income Tax Withholding and Estimated Tax Payments for 2011

If the amount you owe or the amount you overpaid is large, you may want to file a new Form W-4 with your employer to change the amount of income tax withheld from your 2011 pay. For details on how to complete Form W-4, see the Instructions for Form 8233 and Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens. If you have pension or annuity income, use Form W-4P. If you receive certain government payments (such as unemployment compensation or social security benefits), you can have tax withheld from those payments by giving the payer Form W-4V.

If you do not pay your tax through withholding, or do not pay enough tax that way, you might have to pay estimated tax. In general, you do not have to make estimated tax payments if you expect that your 2011 Form 1040NR will show a tax refund or a tax balance due of less than \$1,000. If your total estimated tax for 2011 is \$1,000 or more, see Form 1040-ES (NR). It has a worksheet you can use to see if you have to make estimated tax payments. However, if you expect to be a resident of Puerto Rico during all of 2011 and you must pay estimated tax, use Form 1040-ES. For more details, see Pub. 505.

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

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## Do Both the Name and Identifying Number on Your Tax Forms Agree With Your Identification Document?

If not, certain deductions and credits may be reduced or disallowed, your refund may be delayed, and you may not receive credit for your social security earnings. If your Form W-2 shows an incorrect SSN or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record.



If the name or SSN on your social security card is incorrect, call the Social Security Administration at 1-800-772-1213. If the name or ITIN in the IRS notice is incorrect, call the IRS at 1-800-829-1040.

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## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, etc., contact the IRS Identity Protection Specialized Unit at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 4535.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance.

You can reach TAS by calling the National Taxpayer Advocate helpline at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

### Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common form is the act of sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request detailed personal information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward the message to [phishing@irs.gov](mailto:phishing@irs.gov). You also may report misuse of the IRS name, logo, forms, or other IRS property to the Treasury Inspector General for Tax Administration toll-free at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) and enter "identity theft" in the search box to learn more about identity theft and how to reduce your risk.

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

If you wish to do so, make a check payable to "Bureau of the Public Debt." You can send it to: Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or you can enclose the check with your income tax return when you file. Do not add your gift to any tax you may owe. See pages 29 and 30 for details on how to pay any tax you owe.



*You can deduct this gift on your 2011 tax return.*

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## How Long Should Records Be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as Forms W-2, 1042-S, and 1099) until the statute of limitations runs out for that return. Usually, this is 3 years from the

date the return was due or filed or 2 years from the date the tax was paid, whichever is later. You should keep some records longer. For example, keep property records (including those on your home) as long as they are needed to figure the basis of the original or replacement property. For more details, see Pub. 552.

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## Amended Return

File Form 1040X to change a return you already filed. Also use Form 1040X if you filed Form 1040NR and you should have filed Form 1040, 1040A, or 1040EZ, or vice versa. Generally, Form 1040X must be filed within 3 years after the date the original return was filed or within 2 years after the date the tax was paid, whichever is later. But you may have more time to file Form 1040X if you live in a federally declared disaster area or you are physically or mentally unable to manage your financial affairs. See Pub. 519 and 556 for details.

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## Need a Copy of Your Tax Return?

If you need a copy of your tax return, use Form 4506. There is a \$57 fee (subject to change) for each return requested. If your main home, principal place of business, or tax records are located in a federally declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T or 4506T-EZ or call us. If you are in the United States call 1-800-908-9946.

If you are outside the United States, call 267-941-1000 (English-speaking only). This number is not toll-free.

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## Death of a Taxpayer

If a taxpayer died before filing a return for 2010, the taxpayer's personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return must enter "Deceased," the deceased taxpayer's name, and the date of death across the top of the return. If this information is not provided, it may delay the processing of the return.

The personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer's death. This will ensure the proper reporting of income earned by the taxpayer's estate or heirs. A



deceased taxpayer's SSN or ITIN should not be used for tax years after the year of death, except for estate tax return purposes.

## Claiming a Refund for a Deceased Taxpayer

If you are a court-appointed representative, file Form 1040NR for the decedent and include a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund, including the deceased taxpayer's spouse, must file the return and attach Form 1310.

For more details, see Pub. 559.

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## Past Due Returns

The integrity of our tax system and well-being of our country depend, to a large degree, on the timely filing and payment of taxes by each individual, family, and business in this country. Those choosing not to file and pay their fair share increase the burden on the rest of us to support our schools, maintain and repair roadways, and the many other ways our tax dollars help to make life easier for all citizens.

Some people don't know they should file a tax return; some don't file because they expect a refund; and some don't file because they owe taxes. Encourage your family, neighbors, friends, and coworkers to do their fair share by filing their federal tax returns and paying any tax due on time.

If you or someone you know needs to file past due tax returns, visit [IRS.gov](http://IRS.gov) and click on "Individuals" for help in filing those returns. Send the return to the address that applies to you in the latest Form 1040NR instructions. For example, if you are filing a 2007 return in 2011, use the address in *Where To File* on page 5. However, if you got an IRS notice, mail the return to the address in the notice.

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## Other Ways To Get Help

### Send Your Written Tax Questions to the IRS

You should get an answer in about 30 days. For the mailing address, call us at 1-800-829-1040 (hearing impaired customers with access to TTY/TDD equipment may call 1-800-829-4059). Do not send questions with your return.

### Research Your Tax Questions Online

You can find answers to many of your tax questions online in several ways by accessing the IRS website at [www.irs.gov/individuals](http://www.irs.gov/individuals). Click on the top of the page "International Taxpayers" and

then on "Help With Tax Questions - International Taxpayers." Here are some of the methods you may want to try.

- Frequently asked questions. This section contains an extensive list of questions and answers. You can select your question by category or keyword.
- Tax trails. This is an interactive section which asks questions you can answer by selecting "Yes" or "No."
- Tax topics.
- Sending Your Question. This is an interactive section where you select one of the categories available to submit your tax law question.

## Free Help With Your Return

Free help in preparing your return is available nationwide from IRS-sponsored volunteers. These volunteers are trained and certified to prepare federal income tax returns by passing an IRS test. The Volunteer Income Tax Assistance (VITA) program is designed to help low-income taxpayers. The Tax Counseling for the Elderly (TCE) program is designed to assist taxpayers age 60 or older with their tax return preparation. VITA/TCE tax preparation sites must adhere to strict quality standards necessary to prepare accurate returns. Volunteers will help you with claiming the credits and deductions you may be entitled to. For more information on these programs, go to [IRS.gov](http://IRS.gov) and enter keyword "VITA" in the upper right corner. Or, call us at 1-800-829-1040. To find the nearest AARP Tax-Aide site, visit AARP's website at [www.aarp.org/money/taxaide](http://www.aarp.org/money/taxaide) or call 1-888-227-7669.

When you go for help, take proof of identity and social security numbers (or individual taxpayer identification numbers) for your spouse, your dependents, and yourself. Take a copy of your 2009 tax return (if available), all your Forms W-2, 1042-S, and 1099 for 2010, and any other information about your 2010 income and expenses.

## Everyday Tax Solutions

### Taxpayer Assistance in the United States

In the United States you can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to [www.irs.gov/localcontacts](http://www.irs.gov/localcontacts), or look in the phone book under "United States Government, Internal Revenue Service." You also can call 1-800-829-1040. For TTY/TDD help, call 1-800-829-4059.

If you wish to write instead of call, please address your letter to:

Internal Revenue Service  
International Section  
Philadelphia, PA 19255-0725

Make sure you include your identifying number (defined on page 8) when you write.

If you are outside the United States, you can call 267-941-1000 (English-speaking only). This number is not toll-free.

## Taxpayer Assistance Outside the United States

Outside the United States, we will answer your tax questions and help with account problems at any of our overseas offices. You may phone or visit—just be sure to have last year's tax return, your wage and income statements, and your other tax records with you. If you wish to write instead of call, please contact the office to obtain the mailing address.

The offices are located in the following countries.

- Beijing, People's Republic of China

U.S. Embassy  
No. 55 An Jia Lou Road  
Beijing 100600  
People's Republic of China  
Tel. {86} (10) 8531-3870  
Email [irs.beijing@irs.gov](mailto:irs.beijing@irs.gov).

- Frankfurt, Germany

U.S. Consulate Frankfurt  
Giessener Str. 30  
60435 Frankfurt am Main  
Germany  
Tel. {49} (69) 7535-3834  
Fax {49} (69) 7535-3803

- London, England

U.S. Embassy  
24/31 Grosvenor Square  
London W1A 1AE  
United Kingdom  
Tel. {44} (20) 7894-0476  
Fax {44} (20) 7495-4224

- Paris, France

U.S. Embassy  
2 Avenue Gabriel  
75382 Paris Cedex 08  
France  
Tel. {33} (1) 4312-2555  
Fax {33} (1) 4312-2303

Traveling IRS customer service employees will visit foreign cities during the 2011 filing season. Call your local U.S. embassy or consulate, or one of our offices to find out more about the dates, times, and locations for assistance.

## IRS Videos

The IRS Video portal [www.irsvideos.gov](http://www.irsvideos.gov) contains video and audio presentations on topics of interest to small businesses, individuals, and tax professionals. You will find video clips of tax topics, archived versions of live panel discussions and Webinars, and audio archives of tax practitioner phone forums.

## Help for People With Disabilities

Telephone help is available using TTY/TDD equipment by calling 1-800-829-4059. Braille materials are available at libraries that have special services for people with disabilities.

## Tax Services in Other Languages

To better serve taxpayers whose native language is not English, we have products and services in various languages.

For Spanish speaking taxpayers, we have:

- Spanish Publication 17, El Impuesto Federal sobre los Ingresos, and
- [www.irs.gov/espanol](http://www.irs.gov/espanol).

The Multilingual Gateway at [www.irs.gov/languages](http://www.irs.gov/languages) offers basic tax filing information in the following languages.

- Chinese.
- Korean.
- Vietnamese.
- Russian.

We also offer a Basic Tax Responsibilities CD/DVD in the following languages.

- Spanish.
- Chinese.
- Vietnamese.
- Korean.
- Russian.

If you are in the United States and want to get a copy of this CD/DVD, call the National Distribution Center at 1-800-829-3676 and ask for Pub. 4580 in your language.



*The IRS Taxpayer Assistance Centers provide over-the-phone interpreter assistance in more than 170 different languages. To find the number, see Everyday Tax Solutions on page 41.*

## Interest and Penalties

You do not have to figure the amount of any interest or penalties you may owe. Because figuring these amounts can be complicated, we will do it for you if you want. We will send you a bill for any amount due.

If you include interest or penalties (other than the estimated tax penalty) with your payment, identify and enter

the amount in the bottom margin of Form 1040NR, page 2. Do not include interest or penalties (other than the estimated tax penalty) in the amount you owe on line 72.

## Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We also will charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatement of tax, and reportable transaction understatement. Interest is charged on the penalty from the due date of the return (including extensions).

## Penalties

**Late filing.** If you do not file your return by the due date (including extensions), the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, include it with your return. The penalty can be as much as 25% of the tax due. The penalty is 15% per month, up to a maximum of 75%, if the failure to file is fraudulent. If your return is more than 60 days late, the minimum penalty will be \$135 or the amount of any tax you owe, whichever is smaller.

**Late payment of tax.** If you pay your taxes late, the penalty is usually 1/2 of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty can be as much as 25% of the unpaid amount. It applies to any unpaid tax on the return. This penalty is in addition to interest charges on late payments.

**Frivolous return.** In addition to any other penalties, the law imposes a penalty of \$5,000 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the preprinted language above the space where you sign. For a list of positions identified as frivolous, see Notice 2010-33, 2010-17 I.R.B. 609, available at [www.irs.gov/irb/2010-17\\_IRB/ar13.html](http://www.irs.gov/irb/2010-17_IRB/ar13.html).

**Other.** Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatement, filing an erroneous refund claim, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See Pub. 17 for details on some of these penalties.

## Refund Information

You can go online to check the status of your refund 3 to 4 weeks after you file your return. But if you filed Form 8839 with your return, allow 14 weeks before checking your refund status.



Go to [IRS.gov](http://IRS.gov) and click on *Where's My Refund*. Have a copy of your tax return handy.

You will need to provide the following information from your return:

- Your social security number (or other identification number),
- Your filing status, and
- The exact whole dollar amount of your refund.



*Refunds are sent out weekly on Fridays. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.*

If you do not have Internet access and are in the United States, call:

- 1-800-829-1954 during the hours shown below, or
- 1-800-829-4477 24 hours a day, 7 days a week, for automated refund information.

Do not send in a copy of your return unless asked to do so.

To get a refund, you generally must file your return within 3 years from the date the return was due (including extensions).

Refund information also is available in Spanish at [www.irs.gov/espanol](http://www.irs.gov/espanol) and the phone numbers listed above.

## What Is TeleTax?

Recorded tax information is available 24 hours a day, 7 days a week.

TeleTax topics are available at [www.irs.gov/taxtopics](http://www.irs.gov/taxtopics). Click on the link for the number of the topic you want to read or select the number of the topic you want to hear and call 1-800-829-4477. Have paper and pencil handy to take notes.

## Calling the IRS

If you cannot find the answer to your question in these instructions or online, please call us for assistance. See *Making the Call* on page 43. If you are in the United States, you will not be charged for the call unless your phone company charges you for toll-free calls. Our normal hours of operation are Monday through Friday from 7:00 a.m. to 10:00 p.m. local time. Assistance provided to callers from Alaska and Hawaii will be based on the hours of operation in the Pacific time zone.



If you want to check the status of your 2010 refund, see Refund Information on page 42.

## Before You Call

IRS representatives care about the quality of the service provided to you, our customer. You can help us provide accurate, complete answers to your questions by having the following information available.

- The tax form, schedule, or notice to which question relates.
- The facts about your particular situation. The answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.
- The name of any IRS publication or other source of information that you used to look for the answer.

To maintain your account security, you may be asked for the following information, which you also should have available.

- Your social security number or individual taxpayer identification number.
- The amount of refund and filing status shown on your tax return.
- The "Caller ID Number" shown at the top of any notice you received.
- Your personal identification number (PIN) if you have one.
- Your date of birth.
- The numbers in your street address.
- Your ZIP code.

If you are asking for an installment agreement to pay your tax, you will be asked for the highest amount you can pay each month and the date on which you can pay it.

### Evaluation of services provided.

The IRS uses several methods to evaluate our telephone service. One method is to record telephone calls for quality purposes only. A random sample of recorded calls is selected for review through the quality assurance process. Other methods include listening to live calls in progress and random selection of customers for participation in a customer satisfaction survey.

## Making the Call

If you are in the United States, call 1-800-829-1040 (hearing impaired customers with TTY/TDD equipment may call 1-800-829-4059). Our menu allows you to speak your responses or use your keypad to select a menu option. After receiving your menu selection, the system will direct your call to the appropriate assistance.

If you are outside the United States call 267-941-1000 (English-speaking only). This number is not toll-free.

## Before You Hang Up

If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take additional time to be sure your question is answered fully.

By law, you are responsible for paying your share of federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty.

## Quick and Easy Access to Tax Help and Tax Products



If you live outside the United States, see Pub. 519 and Pub. 54 to find out how to get help and tax products.



You can access IRS.gov 24 hours a day, 7 days a week.

**Online services and help.** Go to IRS.gov to obtain information on:

- *Online Services*—Conduct business with the IRS electronically.
- *Taxpayer Advocate Service*—Helps taxpayers resolve problems with the IRS.
- *Where's My Refund*—Your refund status anytime from anywhere.
- *Free Tax Return Preparation*—Free tax assistance and preparation.
- *Recent Tax Changes*—Highlights on newly enacted tax law.
- *Disaster Tax Relief*—Tax relief provisions for disaster situations
- *Identity Theft and Your Tax Records*—Safeguard your identity and tax records.
- *Online Payment Agreement (OPA) Application*—Online agreements.
- *Applying for Offers in Compromise*—Information on offers in compromise.

**View and download products.** Click on "Forms and Publications" or go to [www.irs.gov/formspubs](http://www.irs.gov/formspubs) to:

- View or download current and previous year tax products.
- Order current year tax products online.

The Forms and Publications page provides links to access and acquire both electronic and print media. Additionally, the "Search" function provides basic and advanced search capabilities for published products available on IRS.gov.

**Online ordering of products.** To order tax products delivered by mail, go to [www.irs.gov/formspubs](http://www.irs.gov/formspubs).

- For current year products, click on "Forms and publications by U.S. mail."
- For tax products on a DVD, click on "Tax products on DVD (Pub. 1796)." See DVD below.



To get information, forms, and publications in Spanish, go to [www.irs.gov/espanol](http://www.irs.gov/espanol).



### Phone

**Tax forms and publications.** Call 1-800-TAX-FORM (1-800-829-3676) to order current and prior year forms, instructions, and publications. If you are in the United States you should receive your order within 10 working days.

**Tax help and questions.** Call 1-800-829-1040.

**Hearing Impaired TTY/TDD.** Call 1-800-829-4059.

**TeleTax information - 24 hour tax information.** Call 1-800-829-4477. See page 42.

**Refund hotline.** Call 1-800-829-1954.

**National Taxpayer Advocate helpline.** Call 1-877-777-4778.



**Walk-in.** If you are in the United States, you can pick up some of the most requested forms, instructions, and publications at many IRS offices, post offices, and libraries. Also, some grocery stores, copy centers, city and county government offices, and credit unions have reproducible tax products available to photocopy or print from a DVD. If you are outside the United States, many forms, instructions, and publications are available from U.S. embassies and consulates during the tax return filing period.



**Mail.** You can order forms, instructions, and publications by writing to the address below.

Internal Revenue Service  
1201 N. Mitsubishi Motorway  
Bloomington, IL 61705-6613.

If you are in the United States you should receive your order within 10 days after we receive your request.



**DVD.** Buy IRS Pub. 1796, IRS Tax Products DVD, from National Technical Information Service (NTIS) at [www.irs.gov/cdorders](http://www.irs.gov/cdorders) for \$30 (no handling fee) or call 1-877-233-6767 toll-free (in the United States) to buy the DVD for \$30 (plus a \$6 handling fee). Price and handling fee are subject to change. The first release will ship early January 2011 and the final release will ship early March 2011.

## Disclosure, Privacy Act, and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. Sections 6001, 6011, 6012(a) and their regulations require that you give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Section 6109 requires you to provide your identifying number on the return. 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 shown on the return; this could make the tax higher or delay any refund.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can 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 the tax laws, both civil and criminal, 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 the Comptroller General to review 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.** If you have comments or suggestions for making this form simpler, we would be happy to hear from you. You can email us at [\\*taxforms@irs.gov](mailto:taxforms@irs.gov). (The asterisk must be included in the address.) Please put "Forms Comment" on the subject line. Or you can write to Internal Revenue Service, Tax Products

Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send your return to this address. Instead, see *Where To File* on page 5.

### **Estimates of taxpayer burden.**

The table below shows burden estimates as of November 15, 2010, for taxpayers filing a 2010 Form 1040NR tax return. Time spent and out-of-pocket costs are presented separately. 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.

Reported time and cost burdens are national averages and do not necessarily reflect a "typical" case. For instance, the estimated average time burden for all taxpayers filing a Form 1040NR or 1040NR-EZ is 12 hours, with an average cost of \$200 per return. This average includes all associated forms and schedules, across all preparation methods and taxpayer activities. Taxpayers filing Form 1040NR are expected to have an average burden of about 13 hours, with an average cost of \$210 per return. Within each of these estimates there is significant variation in taxpayer activity. Similarly, tax preparation fees vary extensively 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 below, you can contact us at either one of the addresses shown under *We welcome comments on forms* on this page.

### **Estimated Average Taxpayer Burden**

The average time and costs required to complete and file Form 1040NR, its schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are:

Form	Average Time Burden (Hours)	Average Cost
1040NR	13	\$210

## The Taxpayer Advocate Service Is Here To Help

The Taxpayer Advocate Service (TAS) is your voice at the IRS. Our job is to ensure that every taxpayer is treated equally and fairly, and that you know and understand your rights. We offer free help to guide you through the often confusing process of resolving tax problems that you have not been able to solve on your own. The worst thing you can do is nothing at all!

First, try to resolve your problem on your own. But, if you cannot do so, then come to us. TAS can help if:

- Your problem with the IRS is causing financial difficulties or hardship for you or your family.
- You have tried repeatedly to contact the IRS, but no one has responded.
- The IRS has not responded to you by the date promised.

When you come to the TAS for help, you will be assigned to one advocate who will be with you at every turn. Your advocate will listen to you, help you understand what needs to be done, and stay with you until your problem is resolved. We have offices in every state, and our advocates are all experienced with the IRS, so we know how to cut through the red tape. TAS can help you work out an alternative payment plan. We'll make sure the right people hear your case, and that they act upon it.

As a taxpayer, you have rights that the IRS must abide by in its dealings with you. Our tax toolkit at [www.taxtoolkit.irs.gov](http://www.taxtoolkit.irs.gov) is a first step toward understanding what your rights are. You can get updates on hot tax topics by visiting our YouTube channel at [www.youtube.com/tasnta](http://www.youtube.com/tasnta) and our Facebook page at [www.facebook.com/YourVoiceAtIRS](http://www.facebook.com/YourVoiceAtIRS), or by following our tweets at [www.twitter.com/YourVoiceAtIRS](http://www.twitter.com/YourVoiceAtIRS).

If you think TAS might be able to help you, you can call your local advocate, whose number is in your phone book; in Pub. 1546, Taxpayer Advocate Service—Your Voice at the IRS; and on our website at [www.irs.gov/advocate](http://www.irs.gov/advocate). You can also call our toll-free number at 1-877-777-4778 or TTY/TDD 1-800-829-4059. To request Taxpayer Advocate Service help worldwide, call the Puerto Rico Taxpayer Advocate office at: 1-787-622-8930 (Spanish) or 1-787-622-8940 (English).

### Low Income Taxpayer Clinics (LITCs)

The Low Income Taxpayer Clinic program serves individuals who have a problem with the IRS and whose income is below a certain level. LITCs are independent from the IRS. Most LITCs can provide representation before the IRS or in court on audits, tax collection disputes, and other issues for free or for a small fee. If an individual's native language is not English, some clinics can provide information in certain other languages about taxpayer rights and responsibilities. For more information, see Pub. 4134, Low Income Taxpayer Clinic List. This publication is available at IRS.gov, by calling 1-800-TAX-FORM (1-800-829-3676), or at your local IRS office.

## 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 [www.improveirs.org](http://www.improveirs.org) or 1-888-912-1227 (toll-free).

# 2010 Tax Table



See the instructions for line 42 on page 22 to see if you must use the Tax Table below to figure your tax.

**Example.** Mr. Green is filing as a qualifying widower. His taxable income on line 41 of Form 1040NR is \$25,300. First, he finds the \$25,300 - 25,350 taxable income line. Next he finds the column for qualifying widower and reads down the column. The amount shown where the taxable income line and filing status column meet is \$2,961. This is the tax amount he must enter on line 42 of his Form 1040NR.

## Sample Table

At least		But less than		Single	Qualifying Widow(er)	Married filing separately
				<b>Your tax is—</b>		
25,200	25,250	3,365	2,946	3,365		
25,250	25,300	3,373	2,954	3,373		
25,300	25,350	3,380	<u>2,961</u>	3,380		
25,350	25,400	3,388	2,969	3,388		

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
0	5	0	0	0
5	15	1	1	1
15	25	2	2	2
25	50	4	4	4
50	75	6	6	6
75	100	9	9	9
100	125	11	11	11
125	150	14	14	14
150	175	16	16	16
175	200	19	19	19
200	225	21	21	21
225	250	24	24	24
250	275	26	26	26
275	300	29	29	29
300	325	31	31	31
325	350	34	34	34
350	375	36	36	36
375	400	39	39	39
400	425	41	41	41
425	450	44	44	44
450	475	46	46	46
475	500	49	49	49
500	525	51	51	51
525	550	54	54	54
550	575	56	56	56
575	600	59	59	59
600	625	61	61	61
625	650	64	64	64
650	675	66	66	66
675	700	69	69	69
700	725	71	71	71
725	750	74	74	74
750	775	76	76	76
775	800	79	79	79
800	825	81	81	81
825	850	84	84	84
850	875	86	86	86
875	900	89	89	89
900	925	91	91	91
925	950	94	94	94
950	975	96	96	96
975	1,000	99	99	99
<b>1,000</b>				
1,000	1,025	101	101	101
1,025	1,050	104	104	104
1,050	1,075	106	106	106
1,075	1,100	109	109	109
1,100	1,125	111	111	111
1,125	1,150	114	114	114
1,150	1,175	116	116	116
1,175	1,200	119	119	119
1,200	1,225	121	121	121
1,225	1,250	124	124	124
1,250	1,275	126	126	126
1,275	1,300	129	129	129

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
1,300	1,325	131	131	131
1,325	1,350	134	134	134
1,350	1,375	136	136	136
1,375	1,400	139	139	139
1,400	1,425	141	141	141
1,425	1,450	144	144	144
1,450	1,475	146	146	146
1,475	1,500	149	149	149
1,500	1,525	151	151	151
1,525	1,550	154	154	154
1,550	1,575	156	156	156
1,575	1,600	159	159	159
1,600	1,625	161	161	161
1,625	1,650	164	164	164
1,650	1,675	166	166	166
1,675	1,700	169	169	169
1,700	1,725	171	171	171
1,725	1,750	174	174	174
1,750	1,775	176	176	176
1,775	1,800	179	179	179
1,800	1,825	181	181	181
1,825	1,850	184	184	184
1,850	1,875	186	186	186
1,875	1,900	189	189	189
1,900	1,925	191	191	191
1,925	1,950	194	194	194
1,950	1,975	196	196	196
1,975	2,000	199	199	199
<b>2,000</b>				
2,000	2,025	201	201	201
2,025	2,050	204	204	204
2,050	2,075	206	206	206
2,075	2,100	209	209	209
2,100	2,125	211	211	211
2,125	2,150	214	214	214
2,150	2,175	216	216	216
2,175	2,200	219	219	219
2,200	2,225	221	221	221
2,225	2,250	224	224	224
2,250	2,275	226	226	226
2,275	2,300	229	229	229
2,300	2,325	231	231	231
2,325	2,350	234	234	234
2,350	2,375	236	236	236
2,375	2,400	239	239	239
2,400	2,425	241	241	241
2,425	2,450	244	244	244
2,450	2,475	246	246	246
2,475	2,500	249	249	249
2,500	2,525	251	251	251
2,525	2,550	254	254	254
2,550	2,575	256	256	256
2,575	2,600	259	259	259
2,600	2,625	261	261	261
2,625	2,650	264	264	264
2,650	2,675	266	266	266
2,675	2,700	269	269	269

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
2,700	2,725	271	271	271
2,725	2,750	274	274	274
2,750	2,775	276	276	276
2,775	2,800	279	279	279
2,800	2,825	281	281	281
2,825	2,850	284	284	284
2,850	2,875	286	286	286
2,875	2,900	289	289	289
2,900	2,925	291	291	291
2,925	2,950	294	294	294
2,950	2,975	296	296	296
2,975	3,000	299	299	299
<b>3,000</b>				
3,000	3,050	303	303	303
3,050	3,100	308	308	308
3,100	3,150	313	313	313
3,150	3,200	318	318	318
3,200	3,250	323	323	323
3,250	3,300	328	328	328
3,300	3,350	333	333	333
3,350	3,400	338	338	338
3,400	3,450	343	343	343
3,450	3,500	348	348	348
3,500	3,550	353	353	353
3,550	3,600	358	358	358
3,600	3,650	363	363	363
3,650	3,700	368	368	368
3,700	3,750	373	373	373
3,750	3,800	378	378	378
3,800	3,850	383	383	383
3,850	3,900	388	388	388
3,900	3,950	393	393	393
3,950	4,000	398	398	398
<b>4,000</b>				
4,000	4,050	403	403	403
4,050	4,100	408	408	408
4,100	4,150	413	413	413
4,150	4,200	418	418	418
4,200	4,250	423	423	423
4,250	4,300	428	428	428
4,300	4,350	433	433	433
4,350	4,400	438	438	438
4,400	4,450	443	443	443
4,450	4,500	448	448	448
4,500	4,550	453	453	453
4,550	4,600	458	458	458
4,600	4,650	463	463	463
4,650	4,700	468	468	468
4,700	4,750	473	473	473
4,750	4,800	478	478	478
4,800	4,850	483	483	483
4,850	4,900	488	488	488
4,900	4,950	493	493	493
4,950	5,000	498	498	498

(Continued on page 47)







If Form 1040NR, line 41, is—		And you are—		
		Single	Qualifying widow(er)	Married filing separately
At least	But less than	Your tax is—		
<b>23,000</b>				
23,000	23,050	3,035	2,616	3,035
23,050	23,100	3,043	2,624	3,043
23,100	23,150	3,050	2,631	3,050
23,150	23,200	3,058	2,639	3,058
23,200	23,250	3,065	2,646	3,065
23,250	23,300	3,073	2,654	3,073
23,300	23,350	3,080	2,661	3,080
23,350	23,400	3,088	2,669	3,088
23,400	23,450	3,095	2,676	3,095
23,450	23,500	3,103	2,684	3,103
23,500	23,550	3,110	2,691	3,110
23,550	23,600	3,118	2,699	3,118
23,600	23,650	3,125	2,706	3,125
23,650	23,700	3,133	2,714	3,133
23,700	23,750	3,140	2,721	3,140
23,750	23,800	3,148	2,729	3,148
23,800	23,850	3,155	2,736	3,155
23,850	23,900	3,163	2,744	3,163
23,900	23,950	3,170	2,751	3,170
23,950	24,000	3,178	2,759	3,178
<b>24,000</b>				
24,000	24,050	3,185	2,766	3,185
24,050	24,100	3,193	2,774	3,193
24,100	24,150	3,200	2,781	3,200
24,150	24,200	3,208	2,789	3,208
24,200	24,250	3,215	2,796	3,215
24,250	24,300	3,223	2,804	3,223
24,300	24,350	3,230	2,811	3,230
24,350	24,400	3,238	2,819	3,238
24,400	24,450	3,245	2,826	3,245
24,450	24,500	3,253	2,834	3,253
24,500	24,550	3,260	2,841	3,260
24,550	24,600	3,268	2,849	3,268
24,600	24,650	3,275	2,856	3,275
24,650	24,700	3,283	2,864	3,283
24,700	24,750	3,290	2,871	3,290
24,750	24,800	3,298	2,879	3,298
24,800	24,850	3,305	2,886	3,305
24,850	24,900	3,313	2,894	3,313
24,900	24,950	3,320	2,901	3,320
24,950	25,000	3,328	2,909	3,328
<b>25,000</b>				
25,000	25,050	3,335	2,916	3,335
25,050	25,100	3,343	2,924	3,343
25,100	25,150	3,350	2,931	3,350
25,150	25,200	3,358	2,939	3,358
25,200	25,250	3,365	2,946	3,365
25,250	25,300	3,373	2,954	3,373
25,300	25,350	3,380	2,961	3,380
25,350	25,400	3,388	2,969	3,388
25,400	25,450	3,395	2,976	3,395
25,450	25,500	3,403	2,984	3,403
25,500	25,550	3,410	2,991	3,410
25,550	25,600	3,418	2,999	3,418
25,600	25,650	3,425	3,006	3,425
25,650	25,700	3,433	3,014	3,433
25,700	25,750	3,440	3,021	3,440
25,750	25,800	3,448	3,029	3,448
25,800	25,850	3,455	3,036	3,455
25,850	25,900	3,463	3,044	3,463
25,900	25,950	3,470	3,051	3,470
25,950	26,000	3,478	3,059	3,478

If Form 1040NR, line 41, is—		And you are—		
		Single	Qualifying widow(er)	Married filing separately
At least	But less than	Your tax is—		
<b>26,000</b>				
26,000	26,050	3,485	3,066	3,485
26,050	26,100	3,493	3,074	3,493
26,100	26,150	3,500	3,081	3,500
26,150	26,200	3,508	3,089	3,508
26,200	26,250	3,515	3,096	3,515
26,250	26,300	3,523	3,104	3,523
26,300	26,350	3,530	3,111	3,530
26,350	26,400	3,538	3,119	3,538
26,400	26,450	3,545	3,126	3,545
26,450	26,500	3,553	3,134	3,553
26,500	26,550	3,560	3,141	3,560
26,550	26,600	3,568	3,149	3,568
26,600	26,650	3,575	3,156	3,575
26,650	26,700	3,583	3,164	3,583
26,700	26,750	3,590	3,171	3,590
26,750	26,800	3,598	3,179	3,598
26,800	26,850	3,605	3,186	3,605
26,850	26,900	3,613	3,194	3,613
26,900	26,950	3,620	3,201	3,620
26,950	27,000	3,628	3,209	3,628
<b>27,000</b>				
27,000	27,050	3,635	3,216	3,635
27,050	27,100	3,643	3,224	3,643
27,100	27,150	3,650	3,231	3,650
27,150	27,200	3,658	3,239	3,658
27,200	27,250	3,665	3,246	3,665
27,250	27,300	3,673	3,254	3,673
27,300	27,350	3,680	3,261	3,680
27,350	27,400	3,688	3,269	3,688
27,400	27,450	3,695	3,276	3,695
27,450	27,500	3,703	3,284	3,703
27,500	27,550	3,710	3,291	3,710
27,550	27,600	3,718	3,299	3,718
27,600	27,650	3,725	3,306	3,725
27,650	27,700	3,733	3,314	3,733
27,700	27,750	3,740	3,321	3,740
27,750	27,800	3,748	3,329	3,748
27,800	27,850	3,755	3,336	3,755
27,850	27,900	3,763	3,344	3,763
27,900	27,950	3,770	3,351	3,770
27,950	28,000	3,778	3,359	3,778
<b>28,000</b>				
28,000	28,050	3,785	3,366	3,785
28,050	28,100	3,793	3,374	3,793
28,100	28,150	3,800	3,381	3,800
28,150	28,200	3,808	3,389	3,808
28,200	28,250	3,815	3,396	3,815
28,250	28,300	3,823	3,404	3,823
28,300	28,350	3,830	3,411	3,830
28,350	28,400	3,838	3,419	3,838
28,400	28,450	3,845	3,426	3,845
28,450	28,500	3,853	3,434	3,853
28,500	28,550	3,860	3,441	3,860
28,550	28,600	3,868	3,449	3,868
28,600	28,650	3,875	3,456	3,875
28,650	28,700	3,883	3,464	3,883
28,700	28,750	3,890	3,471	3,890
28,750	28,800	3,898	3,479	3,898
28,800	28,850	3,905	3,486	3,905
28,850	28,900	3,913	3,494	3,913
28,900	28,950	3,920	3,501	3,920
28,950	29,000	3,928	3,509	3,928

If Form 1040NR, line 41, is—		And you are—		
		Single	Qualifying widow(er)	Married filing separately
At least	But less than	Your tax is—		
<b>29,000</b>				
29,000	29,050	3,935	3,516	3,935
29,050	29,100	3,943	3,524	3,943
29,100	29,150	3,950	3,531	3,950
29,150	29,200	3,958	3,539	3,958
29,200	29,250	3,965	3,546	3,965
29,250	29,300	3,973	3,554	3,973
29,300	29,350	3,980	3,561	3,980
29,350	29,400	3,988	3,569	3,988
29,400	29,450	3,995	3,576	3,995
29,450	29,500	4,003	3,584	4,003
29,500	29,550	4,010	3,591	4,010
29,550	29,600	4,018	3,599	4,018
29,600	29,650	4,025	3,606	4,025
29,650	29,700	4,033	3,614	4,033
29,700	29,750	4,040	3,621	4,040
29,750	29,800	4,048	3,629	4,048
29,800	29,850	4,055	3,636	4,055
29,850	29,900	4,063	3,644	4,063
29,900	29,950	4,070	3,651	4,070
29,950	30,000	4,078	3,659	4,078
<b>30,000</b>				
30,000	30,050	4,085	3,666	4,085
30,050	30,100	4,093	3,674	4,093
30,100	30,150	4,100	3,681	4,100
30,150	30,200	4,108	3,689	4,108
30,200	30,250	4,115	3,696	4,115
30,250	30,300	4,123	3,704	4,123
30,300	30,350	4,130	3,711	4,130
30,350	30,400	4,138	3,719	4,138
30,400	30,450	4,145	3,726	4,145
30,450	30,500	4,153	3,734	4,153
30,500	30,550	4,160	3,741	4,160
30,550	30,600	4,168	3,749	4,168
30,600	30,650	4,175	3,756	4,175
30,650	30,700	4,183	3,764	4,183
30,700	30,750	4,190	3,771	4,190
30,750	30,800	4,198	3,779	4,198
30,800	30,850	4,205	3,786	4,205
30,850	30,900	4,213	3,794	4,213
30,900	30,950	4,220	3,801	4,220
30,950	31,000	4,228	3,809	4,228
<b>31,000</b>				
31,000	31,050	4,235	3,816	4,235
31,050	31,100	4,243	3,824	4,243
31,100	31,150	4,250	3,831	4,250
31,150	31,200	4,258	3,839	4,258
31,200	31,250	4,265	3,846	4,265
31,250	31,300	4,273	3,854	4,273
31,300	31,350	4,280	3,861	4,280
31,350	31,400	4,288	3,869	4,288
31,400	31,450	4,295	3,876	4,295
31,450	31,500	4,303	3,884	4,303
31,500	31,550	4,310	3,891	4,310
31,550	31,600	4,318	3,899	4,318
31,600	31,650	4,325	3,906	4,325
31,650	31,700	4,333	3,914	4,333
31,700	31,750	4,340	3,921	4,340
31,750	31,800	4,348	3,929	4,348
31,800	31,850	4,355	3,936	4,355
31,850	31,900	4,363	3,944	4,363
31,900	31,950	4,370	3,951	4,370
31,950	32,000	4,378	3,959	4,378

(Continued on page 50)

2010 Tax Table—Continued

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
<b>32,000</b>				
32,000	32,050	4,385	3,966	4,385
32,050	32,100	4,393	3,974	4,393
32,100	32,150	4,400	3,981	4,400
32,150	32,200	4,408	3,989	4,408
32,200	32,250	4,415	3,996	4,415
32,250	32,300	4,423	4,004	4,423
32,300	32,350	4,430	4,011	4,430
32,350	32,400	4,438	4,019	4,438
32,400	32,450	4,445	4,026	4,445
32,450	32,500	4,453	4,034	4,453
32,500	32,550	4,460	4,041	4,460
32,550	32,600	4,468	4,049	4,468
32,600	32,650	4,475	4,056	4,475
32,650	32,700	4,483	4,064	4,483
32,700	32,750	4,490	4,071	4,490
32,750	32,800	4,498	4,079	4,498
32,800	32,850	4,505	4,086	4,505
32,850	32,900	4,513	4,094	4,513
32,900	32,950	4,520	4,101	4,520
32,950	33,000	4,528	4,109	4,528
<b>33,000</b>				
33,000	33,050	4,535	4,116	4,535
33,050	33,100	4,543	4,124	4,543
33,100	33,150	4,550	4,131	4,550
33,150	33,200	4,558	4,139	4,558
33,200	33,250	4,565	4,146	4,565
33,250	33,300	4,573	4,154	4,573
33,300	33,350	4,580	4,161	4,580
33,350	33,400	4,588	4,169	4,588
33,400	33,450	4,595	4,176	4,595
33,450	33,500	4,603	4,184	4,603
33,500	33,550	4,610	4,191	4,610
33,550	33,600	4,618	4,199	4,618
33,600	33,650	4,625	4,206	4,625
33,650	33,700	4,633	4,214	4,633
33,700	33,750	4,640	4,221	4,640
33,750	33,800	4,648	4,229	4,648
33,800	33,850	4,655	4,236	4,655
33,850	33,900	4,663	4,244	4,663
33,900	33,950	4,670	4,251	4,670
33,950	34,000	4,678	4,259	4,678
<b>34,000</b>				
34,000	34,050	4,688	4,266	4,688
34,050	34,100	4,700	4,274	4,700
34,100	34,150	4,713	4,281	4,713
34,150	34,200	4,725	4,289	4,725
34,200	34,250	4,738	4,296	4,738
34,250	34,300	4,750	4,304	4,750
34,300	34,350	4,763	4,311	4,763
34,350	34,400	4,775	4,319	4,775
34,400	34,450	4,788	4,326	4,788
34,450	34,500	4,800	4,334	4,800
34,500	34,550	4,813	4,341	4,813
34,550	34,600	4,825	4,349	4,825
34,600	34,650	4,838	4,356	4,838
34,650	34,700	4,850	4,364	4,850
34,700	34,750	4,863	4,371	4,863
34,750	34,800	4,875	4,379	4,875
34,800	34,850	4,888	4,386	4,888
34,850	34,900	4,900	4,394	4,900
34,900	34,950	4,913	4,401	4,913
34,950	35,000	4,925	4,409	4,925

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
<b>35,000</b>				
35,000	35,050	4,938	4,416	4,938
35,050	35,100	4,950	4,424	4,950
35,100	35,150	4,963	4,431	4,963
35,150	35,200	4,975	4,439	4,975
35,200	35,250	4,988	4,446	4,988
35,250	35,300	5,000	4,454	5,000
35,300	35,350	5,013	4,461	5,013
35,350	35,400	5,025	4,469	5,025
35,400	35,450	5,038	4,476	5,038
35,450	35,500	5,050	4,484	5,050
35,500	35,550	5,063	4,491	5,063
35,550	35,600	5,075	4,499	5,075
35,600	35,650	5,088	4,506	5,088
35,650	35,700	5,100	4,514	5,100
35,700	35,750	5,113	4,521	5,113
35,750	35,800	5,125	4,529	5,125
35,800	35,850	5,138	4,536	5,138
35,850	35,900	5,150	4,544	5,150
35,900	35,950	5,163	4,551	5,163
35,950	36,000	5,175	4,559	5,175
<b>36,000</b>				
36,000	36,050	5,188	4,566	5,188
36,050	36,100	5,200	4,574	5,200
36,100	36,150	5,213	4,581	5,213
36,150	36,200	5,225	4,589	5,225
36,200	36,250	5,238	4,596	5,238
36,250	36,300	5,250	4,604	5,250
36,300	36,350	5,263	4,611	5,263
36,350	36,400	5,275	4,619	5,275
36,400	36,450	5,288	4,626	5,288
36,450	36,500	5,300	4,634	5,300
36,500	36,550	5,313	4,641	5,313
36,550	36,600	5,325	4,649	5,325
36,600	36,650	5,338	4,656	5,338
36,650	36,700	5,350	4,664	5,350
36,700	36,750	5,363	4,671	5,363
36,750	36,800	5,375	4,679	5,375
36,800	36,850	5,388	4,686	5,388
36,850	36,900	5,400	4,694	5,400
36,900	36,950	5,413	4,701	5,413
36,950	37,000	5,425	4,709	5,425
<b>37,000</b>				
37,000	37,050	5,438	4,716	5,438
37,050	37,100	5,450	4,724	5,450
37,100	37,150	5,463	4,731	5,463
37,150	37,200	5,475	4,739	5,475
37,200	37,250	5,488	4,746	5,488
37,250	37,300	5,500	4,754	5,500
37,300	37,350	5,513	4,761	5,513
37,350	37,400	5,525	4,769	5,525
37,400	37,450	5,538	4,776	5,538
37,450	37,500	5,550	4,784	5,550
37,500	37,550	5,563	4,791	5,563
37,550	37,600	5,575	4,799	5,575
37,600	37,650	5,588	4,806	5,588
37,650	37,700	5,600	4,814	5,600
37,700	37,750	5,613	4,821	5,613
37,750	37,800	5,625	4,829	5,625
37,800	37,850	5,638	4,836	5,638
37,850	37,900	5,650	4,844	5,650
37,900	37,950	5,663	4,851	5,663
37,950	38,000	5,675	4,859	5,675

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
<b>38,000</b>				
38,000	38,050	5,688	4,866	5,688
38,050	38,100	5,700	4,874	5,700
38,100	38,150	5,713	4,881	5,713
38,150	38,200	5,725	4,889	5,725
38,200	38,250	5,738	4,896	5,738
38,250	38,300	5,750	4,904	5,750
38,300	38,350	5,763	4,911	5,763
38,350	38,400	5,775	4,919	5,775
38,400	38,450	5,788	4,926	5,788
38,450	38,500	5,800	4,934	5,800
38,500	38,550	5,813	4,941	5,813
38,550	38,600	5,825	4,949	5,825
38,600	38,650	5,838	4,956	5,838
38,650	38,700	5,850	4,964	5,850
38,700	38,750	5,863	4,971	5,863
38,750	38,800	5,875	4,979	5,875
38,800	38,850	5,888	4,986	5,888
38,850	38,900	5,900	4,994	5,900
38,900	38,950	5,913	5,001	5,913
38,950	39,000	5,925	5,009	5,925
<b>39,000</b>				
39,000	39,050	5,938	5,016	5,938
39,050	39,100	5,950	5,024	5,950
39,100	39,150	5,963	5,031	5,963
39,150	39,200	5,975	5,039	5,975
39,200	39,250	5,988	5,046	5,988
39,250	39,300	6,000	5,054	6,000
39,300	39,350	6,013	5,061	6,013
39,350	39,400	6,025	5,069	6,025
39,400	39,450	6,038	5,076	6,038
39,450	39,500	6,050	5,084	6,050
39,500	39,550	6,063	5,091	6,063
39,550	39,600	6,075	5,099	6,075
39,600	39,650	6,088	5,106	6,088
39,650	39,700	6,100	5,114	6,100
39,700	39,750	6,113	5,121	6,113
39,750	39,800	6,125	5,129	6,125
39,800	39,850	6,138	5,136	6,138
39,850	39,900	6,150	5,144	6,150
39,900	39,950	6,163	5,151	6,163
39,950	40,000	6,175	5,159	6,175
<b>40,000</b>				
40,000	40,050	6,188	5,166	6,188
40,050	40,100	6,200	5,174	6,200
40,100	40,150	6,213	5,181	6,213
40,150	40,200	6,225	5,189	6,225
40,200	40,250	6,238	5,196	6,238
40,250	40,300	6,250	5,204	6,250
40,300	40,350	6,263	5,211	6,263
40,350	40,400	6,275	5,219	6,275
40,400	40,450	6,288	5,226	6,288
40,450	40,500	6,300	5,234	6,300
40,500	40,550	6,313	5,241	6,313
40,550	40,600	6,325	5,249	6,325
40,600	40,650	6,338	5,256	6,338
40,650	40,700	6,350	5,264	6,350
40,700	40,750	6,363	5,271	6,363
40,750	40,800	6,375	5,279	6,375
40,800	40,850	6,388	5,286	6,388
40,850	40,900	6,400	5,294	6,400
40,900	40,950	6,413	5,301	6,413
40,950	41,000	6,425	5,309	6,425

(Continued on page 51)

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
<b>41,000</b>				
41,000	41,050	6,438	5,316	6,438
41,050	41,100	6,450	5,324	6,450
41,100	41,150	6,463	5,331	6,463
41,150	41,200	6,475	5,339	6,475
41,200	41,250	6,488	5,346	6,488
41,250	41,300	6,500	5,354	6,500
41,300	41,350	6,513	5,361	6,513
41,350	41,400	6,525	5,369	6,525
41,400	41,450	6,538	5,376	6,538
41,450	41,500	6,550	5,384	6,550
41,500	41,550	6,563	5,391	6,563
41,550	41,600	6,575	5,399	6,575
41,600	41,650	6,588	5,406	6,588
41,650	41,700	6,600	5,414	6,600
41,700	41,750	6,613	5,421	6,613
41,750	41,800	6,625	5,429	6,625
41,800	41,850	6,638	5,436	6,638
41,850	41,900	6,650	5,444	6,650
41,900	41,950	6,663	5,451	6,663
41,950	42,000	6,675	5,459	6,675
<b>42,000</b>				
42,000	42,050	6,688	5,466	6,688
42,050	42,100	6,700	5,474	6,700
42,100	42,150	6,713	5,481	6,713
42,150	42,200	6,725	5,489	6,725
42,200	42,250	6,738	5,496	6,738
42,250	42,300	6,750	5,504	6,750
42,300	42,350	6,763	5,511	6,763
42,350	42,400	6,775	5,519	6,775
42,400	42,450	6,788	5,526	6,788
42,450	42,500	6,800	5,534	6,800
42,500	42,550	6,813	5,541	6,813
42,550	42,600	6,825	5,549	6,825
42,600	42,650	6,838	5,556	6,838
42,650	42,700	6,850	5,564	6,850
42,700	42,750	6,863	5,571	6,863
42,750	42,800	6,875	5,579	6,875
42,800	42,850	6,888	5,586	6,888
42,850	42,900	6,900	5,594	6,900
42,900	42,950	6,913	5,601	6,913
42,950	43,000	6,925	5,609	6,925
<b>43,000</b>				
43,000	43,050	6,938	5,616	6,938
43,050	43,100	6,950	5,624	6,950
43,100	43,150	6,963	5,631	6,963
43,150	43,200	6,975	5,639	6,975
43,200	43,250	6,988	5,646	6,988
43,250	43,300	7,000	5,654	7,000
43,300	43,350	7,013	5,661	7,013
43,350	43,400	7,025	5,669	7,025
43,400	43,450	7,038	5,676	7,038
43,450	43,500	7,050	5,684	7,050
43,500	43,550	7,063	5,691	7,063
43,550	43,600	7,075	5,699	7,075
43,600	43,650	7,088	5,706	7,088
43,650	43,700	7,100	5,714	7,100
43,700	43,750	7,113	5,721	7,113
43,750	43,800	7,125	5,729	7,125
43,800	43,850	7,138	5,736	7,138
43,850	43,900	7,150	5,744	7,150
43,900	43,950	7,163	5,751	7,163
43,950	44,000	7,175	5,759	7,175

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
<b>44,000</b>				
44,000	44,050	7,188	5,766	7,188
44,050	44,100	7,200	5,774	7,200
44,100	44,150	7,213	5,781	7,213
44,150	44,200	7,225	5,789	7,225
44,200	44,250	7,238	5,796	7,238
44,250	44,300	7,250	5,804	7,250
44,300	44,350	7,263	5,811	7,263
44,350	44,400	7,275	5,819	7,275
44,400	44,450	7,288	5,826	7,288
44,450	44,500	7,300	5,834	7,300
44,500	44,550	7,313	5,841	7,313
44,550	44,600	7,325	5,849	7,325
44,600	44,650	7,338	5,856	7,338
44,650	44,700	7,350	5,864	7,350
44,700	44,750	7,363	5,871	7,363
44,750	44,800	7,375	5,879	7,375
44,800	44,850	7,388	5,886	7,388
44,850	44,900	7,400	5,894	7,400
44,900	44,950	7,413	5,901	7,413
44,950	45,000	7,425	5,909	7,425
<b>45,000</b>				
45,000	45,050	7,438	5,916	7,438
45,050	45,100	7,450	5,924	7,450
45,100	45,150	7,463	5,931	7,463
45,150	45,200	7,475	5,939	7,475
45,200	45,250	7,488	5,946	7,488
45,250	45,300	7,500	5,954	7,500
45,300	45,350	7,513	5,961	7,513
45,350	45,400	7,525	5,969	7,525
45,400	45,450	7,538	5,976	7,538
45,450	45,500	7,550	5,984	7,550
45,500	45,550	7,563	5,991	7,563
45,550	45,600	7,575	5,999	7,575
45,600	45,650	7,588	6,006	7,588
45,650	45,700	7,600	6,014	7,600
45,700	45,750	7,613	6,021	7,613
45,750	45,800	7,625	6,029	7,625
45,800	45,850	7,638	6,036	7,638
45,850	45,900	7,650	6,044	7,650
45,900	45,950	7,663	6,051	7,663
45,950	46,000	7,675	6,059	7,675
<b>46,000</b>				
46,000	46,050	7,688	6,066	7,688
46,050	46,100	7,700	6,074	7,700
46,100	46,150	7,713	6,081	7,713
46,150	46,200	7,725	6,089	7,725
46,200	46,250	7,738	6,096	7,738
46,250	46,300	7,750	6,104	7,750
46,300	46,350	7,763	6,111	7,763
46,350	46,400	7,775	6,119	7,775
46,400	46,450	7,788	6,126	7,788
46,450	46,500	7,800	6,134	7,800
46,500	46,550	7,813	6,141	7,813
46,550	46,600	7,825	6,149	7,825
46,600	46,650	7,838	6,156	7,838
46,650	46,700	7,850	6,164	7,850
46,700	46,750	7,863	6,171	7,863
46,750	46,800	7,875	6,179	7,875
46,800	46,850	7,888	6,186	7,888
46,850	46,900	7,900	6,194	7,900
46,900	46,950	7,913	6,201	7,913
46,950	47,000	7,925	6,209	7,925

If Form 1040NR, line 41, is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—		
<b>47,000</b>				
47,000	47,050	7,938	6,216	7,938
47,050	47,100	7,950	6,224	7,950
47,100	47,150	7,963	6,231	7,963
47,150	47,200	7,975	6,239	7,975
47,200	47,250	7,988	6,246	7,988
47,250	47,300	8,000	6,254	8,000
47,300	47,350	8,013	6,261	8,013
47,350	47,400	8,025	6,269	8,025
47,400	47,450	8,038	6,276	8,038
47,450	47,500	8,050	6,284	8,050
47,500	47,550	8,063	6,291	8,063
47,550	47,600	8,075	6,299	8,075
47,600	47,650	8,088	6,306	8,088
47,650	47,700	8,100	6,314	8,100
47,700	47,750	8,113	6,321	8,113
47,750	47,800	8,125	6,329	8,125
47,800	47,850	8,138	6,336	8,138
47,850	47,900	8,150	6,344	8,150
47,900	47,950	8,163	6,351	8,163
47,950	48,000	8,175	6,359	8,175
<b>48,000</b>				
48,000	48,050	8,188	6,366	8,188
48,050	48,100	8,200	6,374	8,200
48,100	48,150	8,213	6,381	8,213
48,150	48,200	8,225	6,389	8,225
48,200	48,250	8,238	6,396	8,238
48,250	48,300	8,250	6,404	8,250
48,300	48,350	8,263	6,411	8,263
48,350	48,400	8,275	6,419	8,275
48,400	48,450	8,288	6,426	8,288
48,450	48,500	8,300	6,434	8,300
48,500	48,550	8,313	6,441	8,313
48,550	48,600	8,325	6,449	8,325
48,600	48,650	8,338	6,456	8,338
48,650	48,700	8,350	6,464	8,350
48,700	48,750	8,363	6,471	8,363
48,750	48,800	8,375	6,479	8,375
48,800	48,850	8,388	6,486	8,388
48,850	48,900	8,400	6,494	8,400
48,900	48,950	8,413	6,501	8,413
48,950	49,000	8,425	6,509	8,425
<b>49,000</b>				
49,000	49,050	8,438	6,516	8,438
49,050	49,100	8,450	6,524	8,450
49,100	49,150	8,463	6,531	8,463
49,150	49,200	8,475	6,539	8,475
49,200	49,250	8,488	6,546	8,488
49,250	49,300	8,500	6,554	8,500
49,300	49,350	8,513	6,561	8,513
49,350	49,400	8,525	6,569	8,525
49,400	49,450	8,538	6,576	8,538
49,450	49,500	8,550	6,584	8,550
49,500	49,550	8,563	6,591	8,563
49,550	49,600	8,575	6,599	8,575
49,600	49,650	8,588	6,606	8,588
49,650	49,700	8,600	6,614	8,600
49,700	49,750	8,613	6,621	8,613
49,750	49,800	8,625	6,629	8,625
49,800	49,850	8,638	6,636	8,638
49,850	49,900	8,650	6,644	8,650
49,900	49,950	8,663	6,651	8,663
49,950	50,000	8,675	6,659	8,675













If Form 1040NR, line 41, is—		And you are—		
		Single	Qualifying widow(er)	Married filing separately
At least	But less than	Your tax is—		
<b>95,000</b>				
95,000	95,050	20,316	16,119	20,729
95,050	95,100	20,330	16,131	20,743
95,100	95,150	20,344	16,144	20,757
95,150	95,200	20,358	16,156	20,771
95,200	95,250	20,372	16,169	20,785
95,250	95,300	20,386	16,181	20,799
95,300	95,350	20,400	16,194	20,813
95,350	95,400	20,414	16,206	20,827
95,400	95,450	20,428	16,219	20,841
95,450	95,500	20,442	16,231	20,855
95,500	95,550	20,456	16,244	20,869
95,550	95,600	20,470	16,256	20,883
95,600	95,650	20,484	16,269	20,897
95,650	95,700	20,498	16,281	20,911
95,700	95,750	20,512	16,294	20,925
95,750	95,800	20,526	16,306	20,939
95,800	95,850	20,540	16,319	20,953
95,850	95,900	20,554	16,331	20,967
95,900	95,950	20,568	16,344	20,981
95,950	96,000	20,582	16,356	20,995
<b>96,000</b>				
96,000	96,050	20,596	16,369	21,009
96,050	96,100	20,610	16,381	21,023
96,100	96,150	20,624	16,394	21,037
96,150	96,200	20,638	16,406	21,051
96,200	96,250	20,652	16,419	21,065
96,250	96,300	20,666	16,431	21,079
96,300	96,350	20,680	16,444	21,093
96,350	96,400	20,694	16,456	21,107
96,400	96,450	20,708	16,469	21,121
96,450	96,500	20,722	16,481	21,135
96,500	96,550	20,736	16,494	21,149
96,550	96,600	20,750	16,506	21,163
96,600	96,650	20,764	16,519	21,177
96,650	96,700	20,778	16,531	21,191
96,700	96,750	20,792	16,544	21,205
96,750	96,800	20,806	16,556	21,219
96,800	96,850	20,820	16,569	21,233
96,850	96,900	20,834	16,581	21,247
96,900	96,950	20,848	16,594	21,261
96,950	97,000	20,862	16,606	21,275
<b>97,000</b>				
97,000	97,050	20,876	16,619	21,289
97,050	97,100	20,890	16,631	21,303
97,100	97,150	20,904	16,644	21,317
97,150	97,200	20,918	16,656	21,331
97,200	97,250	20,932	16,669	21,345
97,250	97,300	20,946	16,681	21,359
97,300	97,350	20,960	16,694	21,373
97,350	97,400	20,974	16,706	21,387
97,400	97,450	20,988	16,719	21,401
97,450	97,500	21,002	16,731	21,415
97,500	97,550	21,016	16,744	21,429
97,550	97,600	21,030	16,756	21,443
97,600	97,650	21,044	16,769	21,457
97,650	97,700	21,058	16,781	21,471
97,700	97,750	21,072	16,794	21,485
97,750	97,800	21,086	16,806	21,499
97,800	97,850	21,100	16,819	21,513
97,850	97,900	21,114	16,831	21,527
97,900	97,950	21,128	16,844	21,541
97,950	98,000	21,142	16,856	21,555

If Form 1040NR, line 41, is—		And you are—		
		Single	Qualifying widow(er)	Married filing separately
At least	But less than	Your tax is—		
<b>98,000</b>				
98,000	98,050	21,156	16,869	21,569
98,050	98,100	21,170	16,881	21,583
98,100	98,150	21,184	16,894	21,597
98,150	98,200	21,198	16,906	21,611
98,200	98,250	21,212	16,919	21,625
98,250	98,300	21,226	16,931	21,639
98,300	98,350	21,240	16,944	21,653
98,350	98,400	21,254	16,956	21,667
98,400	98,450	21,268	16,969	21,681
98,450	98,500	21,282	16,981	21,695
98,500	98,550	21,296	16,994	21,709
98,550	98,600	21,310	17,006	21,723
98,600	98,650	21,324	17,019	21,737
98,650	98,700	21,338	17,031	21,751
98,700	98,750	21,352	17,044	21,765
98,750	98,800	21,366	17,056	21,779
98,800	98,850	21,380	17,069	21,793
98,850	98,900	21,394	17,081	21,807
98,900	98,950	21,408	17,094	21,821
98,950	99,000	21,422	17,106	21,835
<b>99,000</b>				
99,000	99,050	21,436	17,119	21,849
99,050	99,100	21,450	17,131	21,863
99,100	99,150	21,464	17,144	21,877
99,150	99,200	21,478	17,156	21,891
99,200	99,250	21,492	17,169	21,905
99,250	99,300	21,506	17,181	21,919
99,300	99,350	21,520	17,194	21,933
99,350	99,400	21,534	17,206	21,947
99,400	99,450	21,548	17,219	21,961
99,450	99,500	21,562	17,231	21,975
99,500	99,550	21,576	17,244	21,989
99,550	99,600	21,590	17,256	22,003
99,600	99,650	21,604	17,269	22,017
99,650	99,700	21,618	17,281	22,031
99,700	99,750	21,632	17,294	22,045
99,750	99,800	21,646	17,306	22,059
99,800	99,850	21,660	17,319	22,073
99,850	99,900	21,674	17,331	22,087
99,900	99,950	21,688	17,344	22,101
99,950	100,000	21,702	17,356	22,115
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p><b>\$100,000 or over —</b> use the Tax Computation Worksheet on page 58</p> </div>				

## 2010 Tax Computation Worksheet—Line 42



See the instructions for line 42 on page 22 to see if you must use the worksheet below to figure your tax.

**Note.** If you are required to use this worksheet to figure the tax on an amount from another form or worksheet, such as the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, Schedule J, or Form 8615, enter the amount from that form or worksheet in column (a) of the row that applies to the amount you are looking up. Enter the result on the appropriate line of the form or worksheet that you are completing.

**Section A**—Use if you checked filing status box 1 or 2 for **Single**. Complete the row below that applies to you.

Taxable income. If line 41 is:	(a) Enter the amount from line 41	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040NR, line 42
At least \$100,000 but not over \$171,850	\$	× 28% (.28)	\$	\$ 6,290.75	\$
Over \$171,850 but not over \$373,650	\$	× 33% (.33)	\$	\$14,883.25	\$
Over \$373,650	\$	× 35% (.35)	\$	\$22,356.25	\$

**Section B**—Use if you checked filing status box 6 for **Qualifying widow(er)**. Complete the row below that applies to you.

Taxable income. If line 41 is:	(a) Enter the amount from line 41	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040NR, line 42
At least \$100,000 but not over \$137,300	\$	× 25% (.25)	\$	\$ 7,637.50	\$
Over \$137,300 but not over \$209,250	\$	× 28% (.28)	\$	\$11,756.50	\$
Over \$209,250 but not over \$373,650	\$	× 33% (.33)	\$	\$22,219.00	\$
Over \$373,650	\$	× 35% (.35)	\$	\$29,692.00	\$

**Section C**—Use if you checked filing status box 3, 4, or 5 for **Married filing separately**. Complete the row below that applies to you.

Taxable income If line 41 is:	(a) Enter the amount from line 41	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040NR, line 42
At least \$100,000 but not over \$104,625	\$	× 28% (.28)	\$	\$ 5,878.25	\$
At least \$104,625 but not over \$186,825	\$	× 33% (.33)	\$	\$11,109.50	\$
Over \$186,825	\$	× 35% (.35)	\$	\$14,846.00	\$

# 2010 Tax Rate Schedules

Estates or Trusts. Use Schedule W below to compute your tax.



**Individuals.** If your taxable income is \$100,000 or more, use the Tax Computation Worksheet on page 58 to compute your tax. The Tax Rate Schedules are shown so you can see that tax rate that applies to all levels of taxable income but should not be used to figure your tax.

Schedule W				Schedule X			
Estates or Trusts—Use this schedule for a nonresident alien estate or trust				Single Taxpayers—If you checked <b>Filing Status Box 1 or 2</b> on Form 1040NR			
If the amount of Form 1040NR, line 41, is:		Enter on Form 1040NR, line 42		If taxable income is:		The tax is:	
<i>Over—</i>	<i>But not over—</i>		<i>of the amount over—</i>	<i>Over—</i>	<i>But not over—</i>		<i>of the amount over—</i>
\$0	\$2,300	..... 15%	\$0	\$0	\$8,375	..... 10%	\$0
2,300	5,350	\$345.00 + 25%	2,300	8,375	34,000	\$837.50 + 15%	8,375
5,350	8,200	1,107.50 + 28%	5,350	34,000	82,400	4,681.25 + 25%	34,000
8,200	11,200	1,905.50 + 33%	8,200	82,400	171,850	16,781.25 + 28%	82,400
11,200	.....	2,895.50 + 35%	11,200	171,850	373,650	41,827.25 + 33%	171,850
				373,650	.....	108,421.25 + 35%	373,650

Schedule Y				Schedule Z			
Married Filing Separate Returns—If you checked <b>Filing Status Box 3, 4, or 5</b> on Form 1040NR				Qualifying Widows and Widowers—If you checked <b>Filing Status Box 6</b> on Form 1040NR			
If taxable income is:		The tax is:		If taxable income is:		The tax is:	
<i>Over—</i>	<i>But not over—</i>		<i>of the amount over—</i>	<i>Over—</i>	<i>But not over—</i>		<i>of the amount over—</i>
\$0	\$8,375	..... 10%	\$0	\$0	\$16,750	..... 10%	\$0
8,375	34,000	\$837.50 + 15%	8,375	16,750	68,000	\$1,675.00 + 15%	16,750
34,000	68,650	4,681.25 + 25%	34,000	68,000	137,300	9,362.50 + 25%	68,000
68,650	104,625	13,343.75 + 28%	68,650	137,300	209,250	26,687.50 + 28%	137,300
104,625	186,825	23,416.75 + 33%	104,625	209,250	373,650	46,833.50 + 33%	209,250
186,825	.....	50,542.75 + 35%	186,825	373,650	.....	101,085.50 + 35%	373,650

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