

**1040-NR ATS Test Scenario 3**  
**Taxpayer: Lisa Cranberry**  
**SSN: 123-00-3333**

Test Scenario 3 includes the following forms:

- Form 1040-NR
- Form 1040 Schedule E
- Form 8805
- Form 8854
- Form SSA-1042S
- Form W-2

**Form SSA-1042S**

NameLine1Txt	Lisa Cranberry
PrimarySSN	123-00-3333
ForeignAddress	7613 Beatle Way London, UK NW61JD
SocSecBnftAmt	1,600.00
NetSocSecBnftAmt	1,600.00
TaxRt	.30
FederalIncomeTaxWithheldAmt	480.00
RefundAmt	88.00
NetTaxWithheldAmt	392.00

**Additional information:**

- The taxpayer expatriated in 2011. She has been a resident of the UK since January 1, 2012.
- The taxpayer received eligible deferred compensation in 2019 for services rendered to a US employer in previous years.
- The taxpayer received a distributive share of earnings in 2019 from the US partnership.
- The taxpayer received US social security benefits on which tax was withheld, but are exempt from income under the provisions of the US-UK tax treaty.

beginning , 2019, and ending , 20

Please print or type

Identifying number (see instructions)
Present home address (number and street or rural route). If you have a P.O. box, see instructions. Apt. no. Check if: Individual Estate or Trust
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below. See instructions.
Foreign country name Foreign province/state/county Foreign postal code

Filing Status

Check only one box.

1 Reserved 2 Single nonresident alien 3 Reserved 4 Reserved 5 Married nonresident alien 6 Qualifying widow(er) (see instructions)
Child's name

Dependents

If more than four dependents, see instructions and check here.

7 Dependents: (see instructions) (1) First name Last name (2) Dependent's identifying number (3) Dependent's relationship to you (4) if qualifies for (see instr.): Child tax credit Credit for other dependents

Income Effectively Connected With U.S. Trade/Business

Attach Form(s) W-2, 1042-S, SSA-1042S, RRB-1042S, and 8288-A here. Also attach Form(s) 1099-R if tax was withheld.

8 Wages, salaries, tips, etc. Attach Form(s) W-2 8
9a Taxable interest 9a
9b Tax-exempt interest. Do not include on line 9a 9b
10a Ordinary dividends 10a
10b Qualified dividends (see instructions) 10b
11 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 11
12 Scholarship and fellowship grants. Attach Form(s) 1042-S or required statement (see instructions) 12
13 Business income or (loss). Attach Schedule C (Form 1040 or 1040-SR) 13
14 Capital gain or (loss). Attach Schedule D (Form 1040 or 1040-SR) if required. If not required, check here 14
15 Other gains or (losses). Attach Form 4797 15
16a IRA distributions 16a 16b Taxable amount (see instr.) 16b
17a Pensions and annuities 17a 17b Taxable amount (see instr.) 17b
18 Rental real estate, royalties, partnerships, trusts, etc. Attach Schedule E (Form 1040 or 1040-SR) 18
19 Farm income or (loss). Attach Schedule F (Form 1040 or 1040-SR) 19
20 Unemployment compensation 20
21 Other income. List type and amount (see instructions) 21
22 Total income exempt by a treaty from page 5, Schedule OI, Item L (1)(e) 22
23 Combine the amounts in the far right column for lines 8 through 21. This is your total effectively connected income 23

Adjusted Gross Income

24 Educator expenses (see instructions) 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses for members of the Armed Forces. Attach Form 3903 26
27 Deductible part of self-employment tax. Attach Schedule SE (Form 1040 or 1040-SR) 27
28 Self-employed SEP, SIMPLE, and qualified plans 28
29 Self-employed health insurance deduction (see instructions) 29
30 Penalty on early withdrawal of savings 30
31 Scholarship and fellowship grants excluded 31
32 IRA deduction (see instructions) 32
33 Student loan interest deduction (see instructions) 33
34 Add lines 24 through 33 34
35 Adjusted Gross Income. Subtract line 34 from line 23 35

Tax and Credits

36 Reserved for future use 36
37 Itemized deductions from page 3, Schedule A, line 8 37
38 Qualified business income deduction. Attach Form 8995 or Form 8995-A 38
39 Exemptions for estates and trusts only (see instructions) 39

Tax and Credits (continued)

Table with 3 columns: Description, Amount, and Line Number. Rows include Taxable income (41), Tax (42), Alternative minimum tax (43), Excess advance premium tax credit repayment (44), Foreign tax credit (46), Credit for child and dependent care expenses (47), Retirement savings contributions credit (48), Child tax credit and credit for other dependents (49), Residential energy credit (50), Other credits from Form (51), and Total credits (52).

Other Taxes

Table with 3 columns: Description, Amount, and Line Number. Rows include Tax on income not effectively connected with a U.S. trade or business (54), Self-employment tax (55), Unreported social security and Medicare tax (56), Additional tax on IRAs (57), Transportation tax (58), Household employment taxes (59a, 59b), Taxes from (60), and Total tax (61).

Payments

Table with 3 columns: Description, Amount, and Line Number. Rows include Federal income tax withheld (62a-d), 2019 estimated tax payments (63), Additional child tax credit (64), Net premium tax credit (65), Amount paid with request for extension (66), Excess social security and tier 1 RRTA tax withheld (67), Credit for federal tax on fuels (68), Credits from Form (69), Credit for amount paid with Form 1040-C (70), and Total payments (71).

Refund

Direct deposit? See instructions.

Table with 3 columns: Description, Amount, and Line Number. Rows include Amount you overpaid (72), Amount of line 72 you want refunded to you (73a), and Amount of line 72 you want applied to your 2020 estimated tax (74).

Amount You Owe

Table with 3 columns: Description, Amount, and Line Number. Rows include Amount you owe (75) and Estimated tax penalty (76).

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions. Yes. Complete below. No

Sign Here

Keep a copy of this return for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Your signature: Lisa Cranberry, Date: 3-15-2020, Your occupation in the United States, If the IRS sent you an Identity Protection PIN, enter it here (see instr.)

Paid Preparer Use Only

Table with 4 columns: Print/Type preparer's name, Preparer's signature (Tim Fields), Date (3-12-2020), Check if self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone no.

**Schedule A—Itemized Deductions** (see instructions)

07

<b>Taxes You Paid</b>	<b>1</b>	State and local income taxes		
	<b>a</b>	State and local income taxes . . . . .	<b>1a</b>	
	<b>b</b>	Enter the smaller of line 1a and \$10,000 (\$5,000 if box 5 is checked) . . . . .		<b>1b</b>
<b>Gifts to U.S. Charities</b>	<b>2</b>	Gifts by cash or check. If you made any gift of \$250 or more, see instructions . . . . .	<b>2</b>	
	<b>3</b>	Other than by cash or check. If you made any gift of \$250 or more, see instructions. Individuals <b>must</b> attach Form 8283 if line 3 is over \$500 . . . . .	<b>3</b>	
<b>Caution:</b> If you made a gift and received a benefit in return, see instructions.	<b>4</b>	Carryover from prior year . . . . .	<b>4</b>	
	<b>5</b>	Add lines 2 through 4 . . . . .		<b>5</b>
<b>Casualty and Theft Losses</b>	<b>6</b>	Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions . . . . .		<b>6</b>
<b>Other Itemized Deductions</b>	<b>7</b>	Other—from list in instructions. List type and amount ▶ ----- ----- ----- ----- -----		<b>7</b>
<b>Total Itemized Deductions</b>	<b>8</b>	Add the amounts in the far right column for lines 1b through 7. Also, enter this amount on Form 1040-NR, line 37 . . . . .		<b>8</b>

DRAFT AS OF  
July 11, 2019  
DO NOT FILE

**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 and dividend equivalents:					
<b>a</b> Dividends paid by U.S. corporations	<b>1a</b>				
<b>b</b> Dividends paid by foreign corporations	<b>1b</b>				
<b>c</b> Dividend equivalent payments received with respect to section 871(m) transactions	<b>1c</b>				
<b>2</b> Interest:					
<b>a</b> Mortgage	<b>2a</b>				
<b>b</b> Paid by foreign corporations	<b>2b</b>				
<b>c</b> Other	<b>2c</b>				
<b>3</b> Industrial royalties (patents, trademarks, etc.)	<b>3</b>				
<b>4</b> Motion picture or T.V. copyright royalties	<b>4</b>				
<b>5</b> Other royalties (copyrights, recording, publishing, etc.)	<b>5</b>				
<b>6</b> Real property income and natural resources royalties	<b>6</b>				
<b>7</b> Pensions and annuities	<b>7</b>				
<b>8</b> Social security benefits	<b>8</b>				1,360
<b>9</b> Capital gain from line 18 below	<b>9</b>				
<b>10</b> Gambling—Residents of Canada only. Enter net income in column (c). <b>If zero or less, enter -0-.</b>					
<b>a</b> Winnings					
<b>b</b> Losses	<b>10c</b>				
<b>11</b> Gambling winnings—Residents of countries other than Canada. <b>Note:</b> 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>				
<b>14</b> Multiply line 13 by rate of tax at top of each column	<b>14</b>				
<b>15</b> Tax on income not effectively connected with a U.S. trade or business. Add columns (a) through (d) of line 14. Enter the total here and on Form 1040-NR, line 54					<b>15</b>

**Capital Gains and Losses From Sales or Exchanges of Property**

Enter only the capital gains and losses from property sales or exchanges that are from sources within the United States and not effectively connected with a U.S. business. Do not include a gain or loss on disposing of a U.S. real property interest; report these gains and losses on Schedule D (Form 1040 or 1040-SR).  Report property sales or exchanges that are effectively connected with a U.S. business on Schedule D (Form 1040 or 1040-SR), Form 4797, or both.	<b>16</b>	(a) Kind of property and description (if necessary, attach statement of descriptive details not shown below)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) LOSS	(g) GAIN	
							If (e) is more than (d), subtract (d) from (e)	If (d) is more than (e), subtract (e) from (d)	
	<b>17</b>	Add columns (f) and (g) of line 16					<b>17</b>	( )	
	<b>18</b>	<b>Capital gain.</b> Combine columns (f) and (g) of line 17. Enter the net gain here and on line 9 above (if a loss, enter -0-)					<b>18</b>		

Schedule OI—Other Information (see instructions)

Answer all questions

- A Of what country or countries were you a citizen or national during the tax year? .....
- B In what country did you claim residence for tax purposes during the tax year? .....
- C Have you ever applied to be a green card holder (lawful permanent resident) of the United States? . . . . .  Yes  No

- D Were you ever:
  - 1. A U.S. citizen? . . . . .  Yes  No
  - 2. A green card holder (lawful permanent resident) of the United States? . . . . .  Yes  No

If you answer "Yes" to (1) or (2), see Pub. 519, chapter 4, for expatriation rules that apply to you.

- E If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year. ....
- F Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? . . . . .  Yes  No

If you answered "Yes," indicate the date and nature of the change. ▶ .....

- G List all dates you entered and left the United States during 2019. See instructions.  
**Note:** If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, check the box for Canada or Mexico and skip to item H . . . . .  Canada  Mexico

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

- H Give number of days (including vacation, nonworkdays, and partial days) you were present in the United States during: 2017 ....., 2018 ....., and 2019 .....

- I Did you file a U.S. income tax return for any prior year? . . . . .  Yes  No

If "Yes," give the latest year and form number you filed . . . . . ▶ .....

- J Are you filing a return for a trust? . . . . .  Yes  No

If "Yes," did the trust have a U.S. or foreign owner under the grantor trust rules, make a distribution or loan to a U.S. person, or receive a contribution from a U.S. person? . . . . .  Yes  No

- K Did you receive total compensation of \$250,000 or more during the tax year? . . . . .  Yes  No

If "Yes," did you use an alternative method to determine the source of this compensation? . . . . .  Yes  No

- L Income Exempt from Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.

- 1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required. See instructions.

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

(e) Total. Enter this amount on Form 1040-NR, line 22. Do not enter it on line 8 or line 12 . . . ▶

- 2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? . . . . .  Yes  No
- 3. Are you claiming treaty benefits pursuant to a Competent Authority determination? . . . . .  Yes  No

If "Yes," attach a copy of the Competent Authority determination letter to your return.

- M Check the applicable box if:
  - 1. This is the first year you are making an election to treat income from real property located in the United States as effectively connected with a U.S. trade or business under section 871(d). See instructions . . . . . ▶
  - 2. You have made an election in a previous year that has not been revoked, to treat income from real property located in the United States as effectively connected with a U.S. trade or business under section 871(d). See instructions . . . . . ▶

**SCHEDULE E**  
**(Form 1040 or 1040-SR)**

**Supplemental Income and Loss**

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

**2019**  
Attachment  
Sequence No. **13**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

▶ Go to [www.irs.gov/ScheduleE](http://www.irs.gov/ScheduleE) for instructions and the latest information.

Name(s) shown on return

Lisa Cranberry

Your social security number

123-00-3333

**Part I Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use **Schedule C** (see instructions). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

**A** Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions)  Yes  No

**B** If "Yes," did you or will you file required Forms 1099?  Yes  No

<b>1a</b>	Physical address of each property (street, city, state, ZIP code)				
<b>A</b>					
<b>B</b>					
<b>C</b>					
<b>1b</b>	Type of Property (from list below)	<b>2</b> For each rental real estate property listed above, report the number of fair rental and personal use days. Check the <b>QJV</b> box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
<b>A</b>			<b>A</b>		<input type="checkbox"/>
<b>B</b>			<b>B</b>		<input type="checkbox"/>
<b>C</b>			<b>C</b>		<input type="checkbox"/>

**Type of Property:**

- 1 Single Family Residence
- 2 Multi-Family Residence
- 3 Vacation/Short-Term Rental
- 4 Commercial
- 5 Land
- 6 Royalties
- 7 Self-Rental
- 8 Other (describe)

<b>Income:</b>	<b>Properties:</b>	<b>A</b>	<b>B</b>	<b>C</b>
<b>3</b> Rents received	<b>3</b>			
<b>4</b> Royalties received	<b>4</b>			

**Expenses:**

<b>5</b> Advertising	<b>5</b>			
<b>6</b> Auto and travel (see instructions)	<b>6</b>			
<b>7</b> Cleaning and maintenance	<b>7</b>			
<b>8</b> Commissions	<b>8</b>			
<b>9</b> Insurance	<b>9</b>			
<b>10</b> Legal and other professional fees	<b>10</b>			
<b>11</b> Management fees	<b>11</b>			
<b>12</b> Mortgage interest paid to banks, etc. (see instructions)	<b>12</b>			
<b>13</b> Other interest	<b>13</b>			
<b>14</b> Repairs	<b>14</b>			
<b>15</b> Supplies	<b>15</b>			
<b>16</b> Taxes	<b>16</b>			
<b>17</b> Utilities	<b>17</b>			
<b>18</b> Depreciation expense or depletion	<b>18</b>			
<b>19</b> Other (list) ▶	<b>19</b>			
<b>20</b> Total expenses. Add lines 5 through 19	<b>20</b>			

**21** Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file **Form 6198**

**22** Deductible rental real estate loss after limitation, if any, on **Form 8582** (see instructions)

<b>23a</b> Total of all amounts reported on line 3 for all rental properties	<b>23a</b>	
<b>b</b> Total of all amounts reported on line 4 for all royalty properties	<b>23b</b>	
<b>c</b> Total of all amounts reported on line 12 for all properties	<b>23c</b>	
<b>d</b> Total of all amounts reported on line 18 for all properties	<b>23d</b>	
<b>e</b> Total of all amounts reported on line 20 for all properties	<b>23e</b>	

**24** **Income.** Add positive amounts shown on line 21. **Do not** include any losses

**25** **Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here

**26** **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040 or 1040-SR), line 5, or Form 1040-NR, line 18. Otherwise, include this amount in the total on line 41 on page 2

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations - Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you must check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (f) on line 28 and attach Form 6198 (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. Yes No

Table with 6 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if basis computation is required, (f) Check if any amount is not at risk. Rows A, B, C, D.

Table with 5 columns: (g) Passive loss allowed, (h) Passive income from Schedule K-1, (i) Nonpassive loss allowed, (j) Section 179 expense deduction from Form 4562, (k) Nonpassive income from Schedule K-1. Rows A, B, C, D, 29a Totals, 29b Totals, 30, 31, 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A, B.

Table with 4 columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Rows A, B, 34a Totals, 34b Totals, 35, 36, 37.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Rows 38, 39.

Part V Summary

Table with 2 columns: Description, Amount. Rows 40, 41, 42, 43.

**Foreign Partner's Information Statement  
 of Section 1446 Withholding Tax**

OMB No. 1545-0123

▶ Go to [www.irs.gov/Form8805](http://www.irs.gov/Form8805) for instructions and the latest information.

Copy A for Internal Revenue Service  
 Attach to Form 8804.

For partnership's calendar year \_\_\_\_\_, or tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_

<b>1a</b> Foreign partner's name	<b>b</b> U.S. identifying number	<b>5a</b> Name of partnership	<b>b</b> U.S. Employer Identification Number (EIN)
<b>c</b> Address (if a foreign address, see instructions)		<b>c</b> Address (if a foreign address, see instructions)	
<b>2</b> Account number assigned by partnership (if any)	<b>6</b> Withholding agent's name. If partnership is also the withholding agent, enter "SAME" and do not complete line 7.		
<b>3</b> Type of partner (specify—see instructions) ▶	<b>7</b> Withholding agent's U.S. EIN		
<b>4</b> Country code of partner (enter two-letter code; see instructions)			
<b>8a</b> Check if the partnership identified on line 5a owns an interest in one or more partnerships . . . . . <input type="checkbox"/>			
<b>b</b> Check if any of the partnership's effectively connected taxable income (ECTI) is exempt from U.S. tax for the partner identified on line 1a <input type="checkbox"/>			
<b>9</b> Partnership's ECTI allocable to partner for the tax year (see instructions) . . . . .	<b>9</b>		
<b>10</b> Total tax credit allowed to partner under section 1446 (see instructions). <b>Individual and corporate partners:</b> Claim this amount as a credit against your U.S. income tax on Form 1040NR, 1120-F, etc. . . . .	<b>10</b>		
<b>Schedule T—Beneficiary Information (see instructions)</b>			
<b>11a</b> Name of beneficiary		<b>c</b> Address (if a foreign address, see instructions)	
<b>b</b> U.S. identifying number of beneficiary			
<b>12</b> Amount of ECTI on line 9 to be included in the beneficiary's gross income (see instructions) . . . . .		<b>12</b>	
<b>13</b> Amount of tax credit on line 10 that the beneficiary is entitled to claim on its return (see instructions) . . . . .		<b>13</b>	

**Initial and Annual Expatriation Statement**

Department of the Treasury  
Internal Revenue Service

For calendar year 2019 or other tax year beginning \_\_\_\_\_, 2019, and ending \_\_\_\_\_, 20

▶ Go to [www.irs.gov/Form8854](http://www.irs.gov/Form8854) for instructions and the latest information.  
▶ Please print or type.

**2019**  
Attachment  
Sequence No. **112**

Name \_\_\_\_\_ Identifying number (see instructions) \_\_\_\_\_

**Part I General Information.** For all filers.

- 1 Mailing address and telephone number where you can be reached after expatriation \_\_\_\_\_
- 2 Address of principal foreign residence (if different from line 1) \_\_\_\_\_
- 3 Country of tax residence (if different from line 2) \_\_\_\_\_

4 Check the box that applies. See instructions.

- Initial expatriation statement for persons who expatriated in 2019. Complete Part II.
- Annual expatriation statement for persons who expatriated before 2019. Complete Part III.

5 Date of expatriation under section 877A(g)(3) for expatriating citizens and long-term residents. See instructions.

- Citizen \_\_\_\_\_
- Long-term resident \_\_\_\_\_
- Long-term resident with dual residency in a treaty country. Date commencing to be treated, for tax purposes, as a resident of the treaty country \_\_\_\_\_

6 List all countries (other than the United States) of which you are a citizen.

a Name of country \_\_\_\_\_

b Date you became a citizen of each country listed in line 6a 2-1-1964

7 How you became a U.S. citizen  By birth  By naturalization

8 Date you became a U.S. lawful permanent resident \_\_\_\_\_

**Part II Initial Expatriation Statement for Persons Who Expatriated in 2019**

**Section A Expatriation Information**

1 Enter your U.S. income tax liability (after foreign tax credits) for the 5 tax years ending before the date of expatriation.

1st Year	2nd Year	3rd Year	4th Year	5th Year
Before Expatriation				
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

2 Enter your net worth on the date of your expatriation for tax purposes . . . . . \$ \_\_\_\_\_

3 Did you become at birth a U.S. citizen and a citizen of another country, and do you continue to be a citizen of, and taxed as a resident of, that other country? . . . . .  Yes  No

4 If you answered "Yes" to question 3, have you been a resident of the United States for not more than 10 of the last 15 tax years? . . . . .  Yes  No

5 Were you under age 18½ on the date you expatriated and have you been a U.S. resident for not more than 10 years? . . . . .  Yes  No

6 Do you certify under penalties of perjury that you have complied with all of your tax obligations for the 5 preceding tax years? See instructions . . . . .  Yes  No

**Section B**      **Balance Sheet**

List in U.S. dollars the fair market value and the U.S. adjusted basis of your assets and liabilities as of your expatriation date. For more details, see the separate instructions.

<b>Assets</b>	<b>(a) Fair market value (FMV)</b>	<b>(b) U.S. adjusted basis</b>
<b>1</b> Cash, including bank deposits . . . . .		
<b>2</b> Marketable stock and securities issued by U.S. companies . . . . .		
<b>3</b> Marketable stock and securities issued by foreign companies . . . . .		
<b>4</b> Nonmarketable stock and securities issued by U.S. companies . . . . .		
<b>5</b> Nonmarketable stock and securities issued by foreign companies . . . . .		
<b>a</b> Separately state stock issued by foreign companies that would be controlled foreign corporations if you were still a U.S. citizen or permanent resident. See instructions . . . . .		
<b>b</b> Provide the name, address, and EIN, if any, of any such company . . . . .		
<b>6</b> Pensions from services performed in the United States . . . . .		
<b>7</b> Pensions from services performed outside the United States . . . . .		
<b>8</b> Partnership interests. See instructions . . . . .		
<b>9</b> Assets held in trust. See instructions . . . . .		
<b>10</b> Beneficial interests in trusts not included in line 9. See instructions . . . . .		
<b>11</b> Intangibles used in the United States . . . . .		
<b>12</b> Intangibles used outside the United States . . . . .		
<b>13</b> Loans to U.S. persons . . . . .		
<b>14</b> Loans to foreign persons . . . . .		
<b>15</b> Real property located in the United States . . . . .		
<b>16</b> Real property located outside the United States . . . . .		
<b>17</b> Business property located in the United States. . . . .		
<b>18</b> Business property located outside the United States. . . . .		
<b>19</b> Other assets. See instructions . . . . .		
<b>20</b> Total assets. Add lines 1 through 5 and lines 6 through 19. Don't include amounts on line 5a in this total . . . . .		
<b>Liabilities</b>	<b>Amount</b>	
<b>21</b> Installment obligations. . . . .		
<b>22</b> Mortgages, etc. . . . .		
<b>23</b> Other liabilities. See instructions . . . . .		
<b>24</b> Total liabilities. Add lines 21 through 23 . . . . .		
<b>25</b> <b>Net worth.</b> Subtract line 24 from line 20, column (a) . . . . .		

**Section C** | **Property Owned on Date of Expatriation**

**Don't** complete Section C if:

- Your average net income tax liability for the 5 tax years immediately before expatriation (see line 1 in Section A) wasn't more than \$168,000, your net worth (see line 2 in Section A) was under \$2 million, and you checked "Yes" on line 6 in Section A;
- In Section A, you checked "Yes" on lines 3, 4, and 6; or
- In Section A, you checked "Yes" on lines 5 and 6.

**1a** Do you have any **eligible deferred compensation items**? Checking the "Yes" box is an irrevocable waiver of any right to claim any reduction in withholding for such eligible deferred compensation item under any treaty with the United States . . . . .  **Yes**  **No**

**b** Do you have any **ineligible deferred compensation items**? If "Yes," you must include in income the present value of your account on the day before your expatriation date . . . . .  **Yes**  **No**

**c** Do you have any **specified tax deferred accounts**? If "Yes," you must include in income the entire account balance on the day before your expatriation date . . . . .  **Yes**  **No**

**d** Do you have an interest in a **nongrantor trust**? Checking the "Yes" box is a waiver of any right to claim any reduction in withholding on any distribution from such trust under any treaty with the United States unless you make the election below . . . . .  **Yes**  **No**

Check this box to elect under section 877A(f)(4)(B) to be treated as having received the value of your entire interest in the trust (as determined for purposes of section 877A) as of the day before your expatriation date. Attach a copy of your valuation letter ruling issued by the IRS. See instructions.

**2** Recognition of gain or loss on the deemed sale of mark-to-market property. **Caution: Don't include in column (a) any property described on line 1a, 1b, 1c, or 1d.**

Complete column (g) only if you are deferring tax on gain from any property listed in column (a).

(a) Description of property	(b) Fair market value on day before date of expatriation	(c) Cost or other basis*	(d) <b>Gain or (loss).</b> Subtract (c) from (b)	(e) Gain after allocation of the exclusion amount (see instructions)	(f) Form or Schedule on which gain or loss is reported	(g) Amount of tax deferred (attach computations)
<b>3 Total.</b> Add the amounts in column (d) and column (e) . . . . .						
<b>4 Total tax deferred.</b> Add the amounts in column (g). Enter here and on Part II, Section D, line 5 . . . . .						

\* You must identify as "(h)(2)" any property for which you are making the special basis election under section 877A(h)(2). This election is irrevocable. See the instructions for Part II, Section C, line 2, column (c).

**Section D Deferral of Tax**

**Election to defer tax.** You can defer tax only if you have provided adequate security. Adequate security is described in the instructions.

**1** Are you electing to defer tax under section 877A(b)?

Checking the "Yes" box is an irrevocable waiver of any right under any treaty of the United States that would prevent assessment or collection of any tax imposed because of section 877A . . . . .  **Yes**  **No**

If you checked the "Yes" box, continue to line 2. Otherwise, don't complete lines 2 through 5.

<b>2</b> Enter the total tax you would have reported, absent the deferral election, on Form 1040 or 1040-SR, line 15, for the part of the year including the day before the expatriation date absent the deferral election . . . . .	<b>2</b>	
<b>3</b> Enter the total tax for the same part of the tax year determined without regard to the amounts attributable to section 877A(a). Attach computation . . . . .	<b>3</b>	
<b>4</b> Subtract line 3 from line 2. <b>This is the amount of tax eligible for deferral</b> . . . . .	<b>4</b>	
<b>5</b> Enter the total tax deferred from Part II, Section C, line 4, column (g) . . . . .	<b>5</b>	
<ul style="list-style-type: none"> <li>• If you are filing Form 1040 or 1040-SR, enter this amount in brackets to the left of the entry space for line 15. Identify as "EXP."</li> <li>• If you are filing Form 1040-NR, enter this amount in brackets to the left of the entry space for line 61. Identify as "EXP."</li> </ul>		

**Part III Annual Expatriation Statement for Persons Who Expatriated Before 2019**

- If you made an election to defer the payment of tax, complete line 1.
- If you have an item of eligible deferred compensation, complete line 2.
- If you have an interest in a nongrantor trust, complete line 3.

**1** Complete columns (a), (b), and (c) for all property on which you deferred tax on a prior year Form 8854. Complete column (d) for any property you disposed of in 2019 and see the instructions for Part III.

(a) Description of property	(b) Amount of mark-to-market gain or (loss) reported on prior year Form 8854	(c) Amount of tax deferred on prior year Form 8854	(d) Date of disposition (if any)

**Part III Annual Expatriation Statement for Persons Who Expatriated Before 2019** *(continued)*

**2** Did you receive any distributions of eligible deferred compensation items for 2019?  **Yes**  **No**  
 If "Yes," enter the amount of distribution(s) and amount withheld at source, if any, below.

	Amount of distribution	Amount withheld at source, if any
<b>1</b>	2,500,428	921,000
<b>2</b>		
<b>3</b>		

**3** Did you receive any distributions from a nongrantor trust for 2019?  **Yes**  **No**  
 If "Yes," enter the amount of distribution(s) and amount withheld at source, if any, below.

	Amount of distribution	Amount withheld at source, if any
<b>1</b>		
<b>2</b>		
<b>3</b>		

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than filer) is based on all information of which preparer has any knowledge.

**Sign Here**

Your signature

Date

**Paid  
Preparer  
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶			
Firm's address ▶	Phone no.			

<b>a</b> Employee's social security number 123-00-3333		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
<b>b</b> Employer identification number (EIN) 00-5559991				<b>1</b> Wages, tips, other compensation 2,500,428		<b>2</b> Federal income tax withheld 921,000			
<b>c</b> Employer's name, address, and ZIP code  Cross Athletics 5215 Wembley Place London, UK NW61JD				<b>3</b> Social security wages		<b>4</b> Social security tax withheld			
				<b>5</b> Medicare wages and tips		<b>6</b> Medicare tax withheld			
				<b>7</b> Social security tips		<b>8</b> Allocated tips			
<b>d</b> Control number				<b>9</b>		<b>10</b> Dependent care benefits			
<b>e</b> Employee's first name and initial		Last name		Suff.		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12	
Lisa Cranberry 7613 Beatle Way London, UK NW61JD						<b>13</b> Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		<b>12b</b>	
						<b>14</b> Other		<b>12c</b>	
								<b>12d</b>	
<b>f</b> Employee's address and ZIP code									
<b>15</b> State	Employer's state ID number	<b>16</b> State wages, tips, etc.	<b>17</b> State income tax	<b>18</b> Local wages, tips, etc.	<b>19</b> Local income tax	<b>20</b> Locality name			

Form **W-2** Wage and Tax Statement

2019

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.