

# 1992



Department of the Treasury  
Internal Revenue Service

## Instructions for Form 1040NR

### U.S. Nonresident Alien Income Tax Return

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

**Paperwork Reduction Act Notice.**—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to 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.

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

Recordkeeping . . . . .	6 hr., 33 min.
Learning about the law or the form . . . . .	2 hr.
Preparing the form . . . . .	4 hr., 8 min.
Copying, assembling, and sending the form to the IRS . . . . .	1 hr., 37 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0089), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see **Where To File** on page 2.

## General Instructions

### What's New for 1992?

**Earned Income Credit.**—You may be able to take this credit for 1992 if you earned less than \$22,370 and a qualifying child lived with you in the United States for more than 6 months. But you must file **Schedule EIC (Form 1040A or Form 1040)** to do so. See the instructions for line 53 on page 13.

**Deduction for Exemptions.**—The deduction for each exemption has increased to \$2,300. But your deduction may be reduced or eliminated if your adjusted gross income is more than \$78,950. Read the instructions for line 34 on page 10.

**Itemized Deductions.**—If your adjusted gross income is more than \$52,625 (more than \$105,250 if your filing status is single or qualifying widow(er) with dependent child), you may not be able to deduct all of your itemized deductions. Read the **Schedule A** instructions for line 10 on page 16.

**Expanded Form 1040NR Tax Table.**—The ceiling for this tax table has been raised to \$100,000.

**Note:** If you want more information about tax law changes for 1992, get **Pub. 553, Highlights of 1992 Tax Changes**.

**New Reporting Requirements.**—If you meet the closer connection to a foreign country exception to the substantial presence test or exclude days of presence in the United States for purposes of that test, you must file a statement containing certain information. This rule does not apply to foreign government-related individuals who exclude days of presence in the United States. Certain dual resident taxpayers who claim tax treaty benefits must also file a statement containing certain information. A dual resident taxpayer is one who is a resident of both the United States and another country under each country's tax laws. For more details, including the penalty for not filing a required statement, get **Pub. 519, U.S. Tax Guide for Aliens**.

### Purpose of Form

Form 1040NR is used by all nonresident alien individuals, whether or not engaged in a trade or business within the United States, who file a U.S. tax return. It is also used for filing nonresident alien fiduciary (estate and trust) returns.

### Additional Information

If you need more information, our free publications may help you. **Pub. 519, U.S. Tax Guide for Aliens**, will be the most important, but these instructions refer to others you may find useful. The following publications may also help:

- 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**, Guide to Free Tax Services (includes a list of all publications)

These free publications and the forms and schedules you will need are available on request from the Internal Revenue Service. If you have a foreign address, send your order to either: Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107, U.S.A.; or Western Area Distribution Center, Rancho Cordova, CA 95743-0001, U.S.A., whichever is closer.

## 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. Generally, you are considered a resident alien if you meet either the **green card test** or the **substantial presence test** for 1992. If you do not meet either of these tests for 1992 but you meet the substantial presence test for 1993, you may be able to choose to be treated as a resident alien for part of 1992. But you must have been physically present in the United States for at least 31 days in a row during 1992 to do so. This choice does not apply if you met either the green card test or the substantial presence test for 1991. For more details, see Pub. 519.

You are considered a nonresident alien for the year if you are not a U.S. resident under either of these tests. You are considered a nonresident alien if you otherwise meet the substantial presence test but you come under either of two exceptions to that test—the “exempt individual” exception or the “closer connection to foreign country” exception.

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 are a lawful permanent resident (immigrant) of the United States at any time during 1992.

**Substantial Presence Test.**—You are considered a U.S. resident if you meet the substantial presence test for 1992. You meet this test if you were physically present in the United States for at least:

- a. 31 days during 1992, and
- b. 183 days during the period 1992, 1991, and 1990, counting all the days of physical presence in 1992 but only  $\frac{1}{3}$  the number of days of presence in 1991 and only  $\frac{1}{6}$  the number of days in 1990.

Generally, you are treated as present in the United States on any day that you are physically present in the country at any time during the day.

The following are exceptions to the substantial presence test:

**1. Exempt individual.** You do not count days for which you are an exempt individual. In general, an exempt individual is an individual who is a:

- a. foreign government-related individual,
- b. teacher or trainee,
- c. student, or
- d. professional athlete who is temporarily in the United States to compete in a charitable sports event.

**2. Closer connection to foreign country.** Even though you would otherwise meet the substantial presence test, you are not treated as having met that test for 1992 if you:

- a. were present in the United States for fewer than 183 days during 1992,
- b. establish that during 1992 you had a tax home in a foreign country, and

c. establish that during 1992 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.

**Tax Obligations of Legalized Aliens.**—As an alien having income from the United States, you must pay U.S. taxes. This applies whether you are a legal U.S. resident or an alien undergoing legalization.

If you have not filed required tax returns for each of the years since you first came to the United States, you should do so as soon as possible. Get the Form 1040 instructions to see if you must file a return.

## Who Must File

Use Form 1040NR if any of the following four conditions applies to you:

1. You were a nonresident alien engaged, or considered to be engaged, in a trade or business in the United States during 1992. You must file Form 1040NR even if:

a. none of your income came from a trade or business conducted in the United States,

b. you have no income from U.S. sources, or

c. your income is exempt from U.S. tax.

In any of the above three cases, do not complete the schedules for Form 1040NR. Instead, attach a list of the kinds of exclusions you claim and the amount of each.

**Note:** *If you were a nonresident alien student or trainee who was temporarily present in the United States under an "F," "J," or "M" visa, you are considered engaged in a trade or business in the United States. Therefore, condition 1 applies to you.*

2. You were a nonresident alien not engaged in a trade or business in the United States during 1992 with income on which not all U.S. tax that you owe was withheld.

3. You represent a deceased person who would have had to file Form 1040NR.

4. You represent an estate or trust that would have had to file Form 1040NR.

**Exception for Children Under Age 14.**—If your child was under age 14 on January 1, 1993, had income **only** from interest and dividends that are effectively connected with a U.S. trade or business, and that income totaled more than \$500 but less than \$5,000, you may be able to elect to report your child's income on your return. But you must use **Form 8814**, Parents' Election To Report Child's Interest and Dividends, to do so. If you make this election, your child does not have to file a return. For more details, see Form 8814.

**Filing a Deceased Person's Return.**—The spouse or personal representative must file the return for a deceased person who was required to file a return for 1992. 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 as the fiduciary of 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**, U.S. Fiduciary Income Tax Return, and its instructions.

## When To File

**Period Covered.**—Form 1040NR covers calendar year 1992 and fiscal years that began in 1992.

**Individuals.**—If you were an employee and received wages subject to withholding, file Form 1040NR by the 15th day of the 4th month after your tax year ends. A return for the 1992 calendar year is due by April 15, 1993.

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 1992 calendar year is due by June 15, 1993.

**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 regular due date for filing falls on a Saturday, Sunday, or legal holiday, file by the next regular workday.*

If you know that you cannot file your return by the due date, you should file **Form 4868**, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return. You must file Form 4868 by the regular due date of the return.

**Note:** *Form 4868 does not extend the time to pay your income tax. The tax is due by the regular due date of the return.*

## Where To File

File Form 1040NR with the Internal Revenue Service Center, Philadelphia, PA 19255, U.S.A.

## Election To Be Taxed as a Resident Alien

You can elect to be taxed as a U.S. resident for the whole year if either of the following applies to you:

• You were a nonresident alien on the last day of the tax year, and your spouse was a U.S. citizen or resident alien on the last day of the tax year.

• You were a nonresident alien at the beginning of the tax year, but you were a resident alien on the last day of the tax year and your spouse was a U.S. citizen or resident alien on the last day of the tax year. This also applies if both you and your spouse were nonresident aliens at the beginning of the tax year and both were resident aliens at the end of the tax year.

If you elect in 1992 to be taxed as a U.S. resident, you and your spouse must file a joint return on Form 1040 or 1040A for 1992. Your worldwide income for the whole year 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 may file a joint return or separate return on Form 1040 or 1040A for 1992. Your worldwide income for the whole year must be included whether you file a joint or separate return.

To make this election, you must file Form 1040 or 1040A as your income tax return and attach the statement described in Pub. 519. Do not use Form 1040NR.

## Dual-Status Taxpayers

**Note:** *If you elect to be taxed as a resident alien (discussed above), the special instructions and restrictions discussed here do not apply. Instead, you must file Form 1040 or Form 1040A, not Form 1040NR.*

## 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, 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, and, 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.

## What 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**, U.S. Individual Income Tax Return. Write "Dual-Status Return" across the top and attach a statement showing your income for the part of the year you were a nonresident. You may use Form 1040NR as the statement; write "Dual-Status Statement" across the top.

If you were a **nonresident** on the last day of the tax year, file Form 1040NR. Write "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 may use Form 1040 as the statement; write "Dual-Status Statement" across the top.

**Statements.** Any statement you file with your return must show your name, address, and social security number (taxpayer identification number). You do not have to sign the statement. Your

signature on a return also applies to supporting statements and schedules.

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

If you were a nonresident alien on the last day of the tax year, file your Form 1040NR and statement according to the instructions under **When To File** and **Where To File**. If you were a resident alien on the last day of the tax year, file your Form 1040 and statement with the Internal Revenue Service Center, Philadelphia, PA 19255, U.S.A.

## 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

The following rules apply to dual-status taxpayers.

**Standard Deduction.**—You may not take the standard deduction.

**Head of Household.**—You may not use the *Head of Household* Tax Table column or Tax Rate Schedule.

**Joint Return.**—You may not file a joint return. However, see **Election To Be Taxed as a Resident Alien** on page 2.

**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 2, you must use the Tax Table column or Tax Rate Schedule for *Married Filing Separately* to figure your tax on income effectively connected with a U.S. trade or business. You may not use the *Single* Tax Table column or Tax Rate Schedule.

**Personal 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 may 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 may not 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 tax year a dual-status taxpayer is a nonresident alien if the taxpayer is a resident of Canada, Mexico, Japan, or the Republic of Korea, or is a U.S. national. (See Pub. 519.)

## How To Figure Tax for Dual-Status Tax 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 added and taxed at the same rates that apply to U.S. citizens and residents. 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, add to the tax from the Tax Table, Tax Rate Schedules, Schedule D (Form 1040), or Form 8615 the tax on the noneffectively connected income. Enter the total tax on Form 1040, line 38. To the left of line 38 show the two amounts. If you are filing Form 1040NR, enter the tax from the Tax Table, Tax Rate Schedules, Schedule D (Form 1040), or Form 8615 on line 36 and the tax on the noneffectively connected income on line 46.

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

1. The credit for tax withheld from wages earned in the United States and the credit for 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 54. Enter amounts from the attached statement (Form 1040NR, lines 51, 58a, 58b, 59a, and 59b) to the left of line 54 and identify and include in the amount on line 54.

**When filing Form 1040NR**, show the total tax withheld on lines 51, 58a, 58b, 59a, and 59b. Enter the amount from the attached statement (Form 1040, line 54) to the left of line 51 and identify and include in the amount on line 51.

2. The credit for tax paid with **Form 1040-ES**, Estimated Tax for Individuals, or **Form 1040-ES (NR)**, U.S. Estimated Tax for Nonresident Alien Individuals.

3. The credit for tax paid with **Form 1040C**, U.S. Departing Alien Income Tax Return, at the time of departure from the United States. When filing Form 1040, include the tax paid with the total payments on line 60. Identify the payment in the area to the left of the entry.

As a dual-status taxpayer, you generally may claim tax credits using the same rules that apply to resident aliens. Certain restrictions that may apply are discussed here, along with a brief explanation of credits often claimed by individuals.

● **Credit for the elderly or the disabled.** You must be a U.S. citizen or resident to claim this credit. You may not claim the credit if you were a nonresident alien at any time during the tax year.

● **Foreign tax credit.** If you paid or are liable for the payment of income tax to a foreign country on income from foreign sources, you may be able to claim this credit. Get **Pub. 514**, Foreign Tax Credit for Individuals.

● **Credit for child and dependent care expenses.** If you paid someone to care for your dependent who was **under age 13**, or your disabled dependent or disabled spouse so you could work or look for work, you may be able to take this credit. But you must have had effectively connected income to do so. For details, get **Pub. 503**, Child and Dependent Care Expenses.

## 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 as provided by the applicable community property laws except as follows:

● Earned income of a spouse, other than trade or business or partnership distributive share income. Treat this income as received by the spouse whose services produced it and report it on that spouse's separate return.

● Trade or business income, other than partnership income. Treat this income as received by the husband unless the wife exercises substantially all of the management over the trade or business.

● Partnership income (or loss) received from a trade or business carried on by the partnership. 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. Treat this income as received by the spouse with the separate property and report it on that spouse's separate return.

Get **Pub. 555**, Federal Tax Information on 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. Report it on lines 8 through 22. 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 page 4 of Form 1040NR and figure the tax on it. Then, report the tax on line 46. Pub. 519 describes this income more fully.

**Note:** Use line 49 to report the 4% tax on U.S. sourced gross transportation income.

3. Income exempt from U.S. tax. Complete items K and L on page 5 of Form 1040NR.

## Dispositions of U.S. Real Property Interests

Gain or loss on the disposition of a U.S. real property interest by a nonresident alien individual is treated as if the alien individual were engaged in a trade or business in the United States and as if the gain or loss were effectively connected with the conduct of that trade or business in the United States. Losses of individuals shall be taken into account under section 897 only to the extent such losses would be taken into account under section 165(c). See section 897 and its regulations.

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 are subject to an alternative minimum tax. See the instructions for line 44.

The nonrecognition rules (not recognizing gain or loss) apply only when a U.S. real property interest is exchanged for an interest the sale of which would be subject to U.S. tax.

Money and the fair market value of property received in exchange for an interest in a partnership, trust, or estate, will, to the extent attributable to a U.S. real property interest held by the partnership, trust, or estate, be considered as received from the sale or exchange of the U.S. real property interest.

Gains or losses from the disposition of a U.S. real property interest by a partnership, trust, or estate generally are passed through and must be reported on the income tax return of each partner or beneficiary.

**U.S. Real Property Interests.**—A U.S. real property interest is any interest (other than an interest solely as a creditor) in real property located in the United States or the Virgin Islands, or any interest in a domestic corporation that is a U.S. real

property holding corporation. Generally, real property includes:

- **Land and unsevered natural products of the land**, such as growing crops and timber, and mines, wells, and other natural deposits.

- **Improvements on land**, including buildings, other inherently permanent structures, and structural components of these.

- **Personal property associated with the use of real property**, such as farming, forestry, mining, or construction equipment, or property used in lodging facilities or rented office space. See Regulations section 1.897-1(b)(4).

A corporation is a U.S. real property holding corporation if the fair market value of its U.S. real property interests equals or exceeds 50% of the fair market value of its U.S. real property interests, interests in foreign real property, plus any other of its assets that are used or held for use in a trade or business.

For special rules that apply only for purposes of determining whether a corporation is a U.S. real property holding corporation, see sections 897(c)(4) and (5).

An interest in a foreign corporation is a U.S. real property interest only if the foreign corporation has elected under section 897(i) to be treated as a domestic corporation.

However, an interest in a domestic corporation is not a U.S. real property interest if at the date of disposition of the interest in the corporation: **(a)** the corporation did not hold any U.S. real property interests, and **(b)** all the U.S. real property interests held by the corporation during the shorter of the periods described in section 897(c)(1)(A)(ii):

1. were disposed of in a transaction in which all gain realized was recognized; or

2. ceased to be U.S. real property interests because of the application of section 897(c)(1)(B) to one or more other corporations.

**Stock Regularly Traded.**—If any class of stock of a domestic corporation is regularly traded on an established securities market, stock of this class is a U.S. real property interest only for a person who held more than 5% of that class of stock at any time during the shorter of the periods described in section 897(c)(1)(A)(ii).

Section 897(h) provides special rules for a real estate investment trust.

**Virgin Islands Real Estate.**—Gain or loss on dispositions of real property interests located in the U.S. Virgin Islands will be reported on returns filed with the Virgin Islands tax authorities. Tax on these dispositions will also be paid to the Virgin Islands tax authorities.

**Tax Withholding—U.S. Real Property.**—If you dispose of a U.S. real property interest, the buyer may be required to withhold tax. Include any tax withheld on

line 59a or 59b of Form 1040NR. For more information, see Pub. 519.

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

You may 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, or an interest in real property, located in the United States and held for the production of income. Income from real property includes:

- Rental income from real property.
- Profit from disposing of U.S. timber, coal, or iron ore while keeping a share in it.
- 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 on this page.

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

- a. That you are making the election.
- b. A complete list of all 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.
- c. The extent of your interest in the real property.
- d. A description of any substantial improvements on such real property.
- e. Your income from the property.
- f. The dates you owned it.
- g. Whether the election is under section 871(d) or treaty.
- h. Details of any previous elections and revocations of the real property elections.

## 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 a fixed place of business in the United States. The income, gain, or loss must result directly from the usual business activities of your U.S. office. The kinds of foreign income that may be taxed at the graduated rates are:

- Interest or dividends from the U.S. business.
- Income from foreign sales made by your U.S. office.
- Rents or royalties you received for the use of intangible property located outside the United States or the privilege of using it. Such property includes patents, copyrights, trademarks, and franchises.

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## Line Instructions for Form 1040NR

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### Name, Address, and Identifying Number

**Name.**—If you are filing Form 1040NR as a fiduciary, enter the name of the estate or trust, and your name, title, and address. Also, give the name and address of any U.S. grantors and beneficiaries.

**P.O. Box.**—If your post office does not deliver mail to your home and you have a P.O. box, enter your box number instead of your present home address.

**Identifying Number.**—If you are filing Form 1040NR as a fiduciary, enter the employer identification number of the estate or trust.

If you are a nonresident alien engaged in a trade or business in the United States, you must get a taxpayer identification number. Generally, this number is your social security number. Apply for your number using **Form SS-5**, which you can get at Social Security Administration offices. If you applied for a number but do not have it by the time your return is due, write "Applied for" on your return.

If you do not have a social security number and are not otherwise required to get one, you can use the identification number the IRS assigned to you. This number is similar to a social security number but begins with the number 9. If 1992 is the first year you are filing a tax return and you are not otherwise required to get a social security number, do not make an entry in the space labeled "Identifying or social security number." When the IRS receives your return, you will be assigned an identification number. You must use this number when you file tax returns in the future or until you receive a social security number.

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### Filing Status and Exemptions for Individuals

#### Lines 1 through 7e

Exemptions for estates and trusts are described in the instructions for line 34.

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?**—If you were married on December 31, consider yourself married for the whole year. If you were single, divorced, or legally separated under a decree of divorce or separate maintenance on December 31, consider yourself single for the whole year. If you meet the tests described under **Married Persons Who Live Apart** on this page, you may consider yourself single for the whole year.

If your spouse died in 1992, consider yourself married to that spouse for the

whole year, unless you remarried before the end of 1992.

**Lines 1 and 2—Single Residents of Canada or Mexico, Single U.S. Nationals (American Samoans), or Other Single Nonresident Aliens.**—If you check the box on line 1, you can claim exemptions for your children and other dependents on the same terms as U.S. citizens. Get **Pub. 501**, Exemptions, Standard Deduction, and Filing Information, for more details.

If you were a resident of Japan or the Republic of Korea, you may claim one exemption each for yourself and for any of your children who lived with you in the United States at any time during 1992.

**Married Persons Who Live Apart.**—Some married persons who have a child and who do not live with their spouse may file as single. If you meet **all five** tests below and you are a married resident of Canada or Mexico, or a U.S. national, check the box on line 1. If you meet the tests and you are a married resident of Japan or the Republic of Korea, check the box on line 2.

1. You file a separate return from your spouse.

2. You paid more than half the cost to keep up your home in 1992.

3. You lived apart from your spouse during the last 6 months of 1992.

4. Your home was the principal home of your child, stepchild, adopted child, or foster child for more than 6 months in 1992.

5. You claim this child as your dependent or the child's other parent claims him or her as a dependent under the rules explained on page 6 for **Children of Divorced or Separated Parents**.

**Lines 3 and 4—Married Residents of Canada, Mexico, Japan, or the Republic of Korea, and Married U.S. Nationals.**—If your spouse died in 1992, you can still file as married and claim an exemption for your spouse.

If you were a married resident of Canada or Mexico, or a married U.S. national (line 3), you can take an exemption for yourself, plus another one for your spouse if your spouse had no gross income for U.S. tax purposes and was not another U.S. taxpayer's dependent.

You can claim exemptions for your children and other dependents on the same terms as U.S. citizens. See **Pub. 501** for more details.

If you were a married resident of Japan or the Republic of Korea (line 4), you may claim one exemption each for yourself, and for your spouse and any of your children who lived with you in the United States at any time during 1992. You may claim your spouse's exemption only if your spouse had no income from U.S. sources and is not another taxpayer's dependent.

**Line 6—Qualifying Widow(er) With Dependent Child.**—You may check the box on line 6 and use joint return tax rates for 1992 if **all seven** of the following apply:

1. You were a resident of Mexico, Canada, Japan, or the Republic of Korea, or a U.S. national.

2. Your spouse died in 1990 or 1991 and you did not remarry in 1992.

3. You have a child, stepchild, adopted child, or foster child whom you can claim as a dependent.

4. This child lived in your home for all of 1992. Temporary absences, such as for vacation or school, count as time lived in the home.

5. You paid over half the cost of keeping up your home for this child.

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 didn't actually do so.

**Do not** claim an exemption for your spouse.

**Exemptions.**—Exemptions are amounts you can deduct from income connected with a U.S. trade or business. Generally, you can always take an exemption for yourself. However, if you can be claimed as a dependent on another person's U.S. tax return (such as your parent's return), you cannot take an exemption for yourself even if that person chose not to claim you. If you were a resident of Mexico, Canada, Japan, or the Republic of Korea, or a U.S. national (American Samoan), you may be able to take other exemptions as well. See **Pub. 519** for details.

**Line 7c—Dependents.**—Only residents of Canada, Mexico, Japan, the Republic of Korea, and U.S. nationals may claim exemptions for their dependents.

You can take an exemption for each of your dependents who was alive during some part of 1992. This includes a baby **born** in 1992 or a person who **died** in 1992.

After you have figured out who you can claim as a dependent, fill in the columns on line 7c. If you have more than five dependents, show the information requested in columns (1) through (5) for each of those dependents on an attached statement.

**Column (1).** Enter the name of each dependent.

**Column (2).** If your dependent was under age 1 on December 31, 1992, put a checkmark in column (2).

**Column (3).** If your dependent was age 1 or older on December 31, 1992, you must enter his or her social security number. If there is no entry in column (3) or if the number entered is incorrect, you may have to pay a \$50 penalty.

If your dependent does not have a social security number, a number may be obtained by filing **Form SS-5** with a Social Security Administration office. If your dependent lives in Canada or Mexico, see **Pub. 501** for details on how to get a social security number. If your dependent does not have a number by the time you are

ready to file your return, apply for one and enter "Applied for" in column (3).

**Column (4).** Enter your dependent's relationship to you. For example, if the dependent is your child, enter "son" or "daughter."

**Column (5).** Enter the number of months your dependent lived with you in 1992. Do not enter more than 12. Count temporary absences such as school or vacation as time lived in your home. If your dependent was born or died in 1992, enter "12" in this column.

**Children Who Didn't Live With You Due to Divorce or Separation.** If you are claiming a child who didn't live with you under the rules for **Children of Divorced or Separated Parents** below, enter the total number of such children on the line to the right of line 7c labeled "No. of your children on 7c who: didn't live with you due to divorce or separation." If you put a number on this line, you **must** do one of the following:

- **Check the box on line 7d** if your divorce decree or written separation agreement went into effect before 1985 and it states that you can claim the child as your dependent.
- Attach **Form 8332**, Release of Claim to Exemption for Child of Divorced or Separated Parents, or similar statement. If your divorce decree or separation agreement went into effect after 1984 and it unconditionally states that you can claim the child as your dependent, you may attach a copy of certain pages from the decree or agreement instead of Form 8332. Get **Pub. 504**, Divorced or Separated Individuals, for details.

**Other Dependent Children.** Enter the total number of dependent children who did not live with you for reasons other than divorce or separation on the line labeled "No. of other dependents on 7c."

**Children of Divorced or Separated Parents.** The parent who had custody of a child for most of the year (**the custodial parent**) can generally take the exemption for that child if both parents together paid over half of the child's support. This general rule also applies to parents who did not live together at any time during the last 6 months of the year. But the parent who did not have custody, or who had the child for the shorter time (**the noncustodial parent**), may take the exemption if both parents together paid over half of the child's support and **either a or b** below applies:

- The custodial parent signs Form 8332, or similar statement, agreeing not to claim an exemption for the child in 1992, or
- A decree of divorce or separate maintenance (or a written agreement) that was in effect before 1985 states that the noncustodial parent can take the exemption and he or she gave at least \$600 for the child's support in 1992. This rule does not apply if the decree or agreement was changed after 1984 to say that the noncustodial parent cannot claim the exemption.

## Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your forms and schedules. This will make it easier to complete your return. To do so, 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 do round off, do so for all amounts. But if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round off the total. **Example.** You received two W-2 forms, one showing wages of \$5,000.55 and one showing wages of \$18,500.73. On Form 1040NR, line 8, you would enter \$23,501 (\$5,000.55 + \$18,500.73 = \$23,501.28).

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

### Lines 8 through 22

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.—

Show the total of all effectively connected wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out.

Include in this total:

- The amount that should be shown in box 10 on **Form W-2**. Report all wages, salaries, and tips you received, even if you do not have a Form W-2.
- Tips received that you did not report to your employer. You must report as income the amount of allocated tips shown on your W-2 form(s) unless you can prove a smaller amount with adequate records. Allocated tips should be shown in box 7 of your W-2 form(s). They are not included in box 10 of your W-2 form(s). For details on allocated tips, get **Pub. 531**, Reporting Income From Tips.

Use **Form 4137**, Social Security and Medicare Tax on Unreported Tip Income, to figure any social security and Medicare tax on unreported or allocated tips. See the instructions for line 47 on page 12.

- Corrective distributions of excess salary deferrals.

- Corrective distributions of excess contributions and excess aggregate contributions to a retirement plan.

- Disability pensions if you have not reached the minimum retirement age set by your employer.

**Note:** Disability pensions received after you reach your employer's minimum retirement age and other pensions shown on **Form 1099-R** (other than payments from an IRA) are reported on lines 18a and 18b of Form 1040NR. However, you must report this income on line 72 if it is not effectively connected with a U.S. trade or business. Payments from an IRA are reported on lines 17a and 17b.

- Payments by insurance companies, etc., not included on Form W-2. Generally, these payments are not effectively connected income. However, if you received sick pay or a disability payment that is effectively connected with your U.S. trade or business from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 8. Attach a statement showing the name and address of the payer and amount of sick pay or disability income.

- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. Don't report the value of meals given to you at work if they were provided for your employer's convenience. Also, don't report the value of living quarters you had to accept on your employer's business premises as a condition of employment.

- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were gifts.

- Any amount your employer paid for your moving expenses, including the value of services furnished in kind, that is not included in box 10 on Form W-2.

**Note:** You must report on line 8 all wages, salaries, etc., paid for your personal services, even if the income was signed over to a trust (including an IRA), another person, a corporation, or a tax-exempt organization.

For more details on reporting income received in the form of goods, property, meals, stock options, etc., get **Pub. 525**, Taxable and Nontaxable Income.

**Employer-Provided Vehicle.** If you used an employer-provided vehicle for both personal and business purposes and 100% of the annual lease value of the vehicle was included in the wages box (box 10) of your W-2 form, you may be able to deduct the business use of the vehicle on Schedule A. But you must use **Form 2106**, Employee Business Expenses, to do so. The total annual lease value of the vehicle should be shown in either box 23 or 18 of your W-2 form or on a separate statement. For more details, get **Pub. 917**, Business Use of a Car.

**Excess Salary Deferrals.** If you chose to have your employer contribute part of

your pay to certain retirement plans (such as a 401(k) plan or the Federal Thrift Savings Plan) instead of having it paid to you, the "Deferred compensation" box in box 6 of your W-2 form should be checked. The amount deferred should be shown in box 17. The total amount that may be deferred for 1992 under all plans is generally limited to \$8,728. But a different limit may apply if amounts were deferred under a tax-sheltered annuity plan or an eligible plan of a state or local government or tax-exempt organization. Get **Pub. 575**, Pension and Annuity Income (Including Simplified General Rule), for details. Any amount deferred in excess of these limits must be reported on Form 1040NR, line 8.

**Employer-Provided Dependent Care Benefits (DCB).** If you received benefits for 1992 under your employer's dependent care plan, you may be able to exclude part or all of them from your income. But you must use **Form 2441**, Child and Dependent Care Expenses, to do so. The benefits should be shown in box 22 of your W-2 form(s).

First, go to Form 2441 and fill in Parts I and III. Include any taxable benefits from line 26 of that form on Form 1040NR, line 8. On the dotted line next to line 8, enter "DCB."

**Caution:** *If you have a child who was born in 1992 and you earned less than \$22,370, read A Change To Note in the Instructions for Form 2441 before filling in Part III.*

**Line 9a—Taxable Interest Income.—**

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 page 4, unless it is tax exempt under a treaty. Get **Pub. 901**, U.S. Tax Treaties. In addition, interest from a U.S. bank, savings and loan association, or similar institution, and from certain deposits with U.S. insurance companies, is tax exempt if it is not effectively connected with a U.S. trade or business.

Report any interest you received or that was credited to your account so you could withdraw it, even if it wasn't entered in your passbook. Interest credited in 1992 on deposits you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1992 income. For details, get **Pub. 550**, Investment Income and Expenses.

For information on reporting Original Issue Discount (OID), get **Pub. 1212**, List of Original Issue Discount Instruments.

**Note:** *Portfolio interest you received as a nonresident alien on obligations issued after July 18, 1984, is exempt from the 30% tax. For more details, see Pub. 519.*

**Line 9b—Tax-Exempt Interest Income.—**

If you received any tax-exempt interest, such as from municipal bonds, report it on line 9b. Include any exempt-interest dividends from a mutual fund or other regulated investment company. **Do not** report interest earned on your IRA on line 9b.

**Line 10—Dividend Income.—**Enter your total ordinary dividends from assets effectively connected with a U.S. trade or business. Dividends include:

**Ordinary dividends.** These are paid out of earnings and profits and are ordinary income. Any dividend you received is an ordinary dividend unless the paying corporation indicates otherwise.

**Capital gain distributions.** If you have other capital gains or losses, enter your capital gain distributions on **Schedule D (Form 1040)**. If you don't need Schedule D to report any other gains or losses, see the instructions for line 15.

**Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. 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.

**Note:** *Generally, payments from a money market fund are dividends.*

**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 1992 that you paid and deducted before 1992, you may have to report part or all of this amount as income if your itemized deduction (on Form 1040NR **OR Schedule A (Form 1040)**) for state and local income taxes in the year you paid the taxes resulted in a tax benefit. You may receive **Form 1099-G**, or similar statement, showing the refund.

**Do not** report the refund as income if, in the year the tax was paid, you **did not** itemize deductions on Form 1040NR or Schedule A (Form 1040), or you filed Form 1040A or Form 1040EZ.

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

If, on Schedule A (Form 1040NR), you deduct state or local income taxes you paid in 1992, do not reduce that deduction by any tax refund for an earlier year. However, if the refund is for 1991 and you made a 1991 estimated state income tax payment in 1992, see Pub. 525.

**Line 12—Scholarship and Fellowship Grants.—**If you received a scholarship or fellowship that was granted **after** August 16, 1986, part or all of it may be taxable even if you didn't receive a W-2 form.

If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses 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 as a scholarship or fellowship that are payment for teaching, research, or other services are taxable even if the services were required to get the grant.

Report the total amount of the grant on line 12 and show any nontaxable part on line 28. If the grant was reported on Form 1042S, enter the gross amount from column (b) on line 12. Attach a statement that shows: the amount of your grant, the dates it covers, the grantor's name, expenses the grant covers, and the conditions under which it was given to you. Explain how much was taxable, how much was tax exempt, and why.

Attach any **Form 1042S** or **Form W-2** you received from the college or institution. If you did not receive a 1042S or W-2 form, attach a statement from the college or institution (on their letterhead) showing the details of the grant.

**Line 13—Business Income or (Loss).—**If you operated your own business or practiced your profession as a sole proprietor, report your income and expenses on **Schedule C** or **Schedule C-EZ (Form 1040)**. Enter on line 13 your net profit or (loss) from Schedule C or your net profit from Schedule C-EZ.

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. For general information on business income or loss, see the Instructions for **Schedule C (Form 1040)** and get **Pub. 334**, Tax Guide for Small Business.

**Line 14—Capital Gain or (Loss).—**See the Instructions for **Schedule D (Form 1040)**. Enter the effectively connected gain or (loss) from Schedule D. You may need **Pub. 544**, Sales and Other Dispositions of Assets.

Gains and losses from disposing of U.S. real property interests are taxed as if you were engaged in a U.S. trade or business and are treated as effectively connected with that trade or business. See **Dispositions of U.S. Real Property Interests** on page 4.

**Line 15—Capital Gain Distributions.—**If you do not need **Schedule D (Form 1040)** for other capital transactions, enter your capital gain distributions on line 15.

**Caution:** *It will be to your advantage to report your capital gain distributions on Schedule D (Form 1040) and use Part IV of Schedule D to figure your tax if your taxable income (Form 1040NR, line 35) is **more than:** \$86,500 if filing as a qualifying widow(er), \$51,900 if single, or \$43,250 if married filing separately.*

**Line 16—Other Gains or (Losses).—**If you sold or exchanged assets used in a U.S. trade or business, see the Instructions for **Form 4797**. Enter on line 16 the ordinary gain or (loss) from Part II of Form 4797. You may also need Pub. 544.

**Lines 17a and 17b—IRA Distributions.—**Use lines 17a and 17b to report effectively connected payments (distributions) you received from your individual retirement arrangement (IRA). These include regular distributions, early distributions, rollovers,

and any other money or property you received from your IRA account or annuity. But if this income is not effectively connected with your U.S. trade or business, report it on line 72 of Form 1040NR. Generally, you will receive a **Form 1099-R** showing the amount of your distribution.

If you made any nondeductible contributions to your IRA for 1992 or an earlier year, see below. If you rolled your IRA distribution over into another IRA, see below. **Do not** use lines 17a and 17b to report a rollover from a qualified employer's plan to an IRA. Instead, see the instructions for lines 18a and 18b.

IRA distributions that you must include in income are taxed at the same rate as other income. You may not use the special averaging rule for lump-sum distributions from qualified employer plans.

If your IRA distribution is fully taxable, enter it on line 17b; **do not** make an entry on line 17a. If only part is taxable, enter the total amount on line 17a and the taxable part on line 17b.

**Caution:** *If you received an early distribution and the total distribution was not rolled over or you received an excess distribution, you may have to pay additional tax. Get **Form 5329** for details.*

**Nondeductible Contributions.** If you made nondeductible contributions for any year, part of your IRA distribution may be nontaxable.

If you made any nondeductible contributions for 1992, get **Pub. 590**, Individual Retirement Arrangements (IRAs), and **Form 8606** to figure the taxable part of your IRA distribution. Enter the total distribution on line 17a and the taxable part on line 17b.

If all of your nondeductible contributions were made for years before 1992, use **Form 8606** to figure the taxable part of your distribution by following the instructions for line 11 of that form. Enter the total distribution on line 17a and the taxable part on line 17b.

**Rollovers.** A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 17a and 17b to report a rollover from one IRA to another IRA. Enter the total distribution on line 17a. If the total on line 17a was rolled over, enter zero on line 17b. If the total was not rolled over, enter the part not rolled over on line 17b. But if you ever make nondeductible contributions to any of your IRAs, use **Form 8606** to figure the taxable part to enter on line 17b. For more details, see **Pub. 590**.

**Lines 18a and 18b—Pensions and Annuities.**—Use lines 18a and 18b to report effectively connected pension and annuity income you received, including disability pensions received after you reach the minimum retirement age set by your employer. Also, use these lines to report payments (distributions) from profit-sharing plans, retirement plans, and employee-savings plans. See page 9 for information on rollovers and lump-sum distributions. But if this income is not effectively

connected with your U.S. trade or business, report it on line 72 of Form 1040NR.

Some annuities are tax-exempt. See section 871(f).

**Note:** *If you perform services in the United States, your income is effectively connected with the conduct of a U.S. trade or business. When you receive a pension in a later year as a result of these services, the pension is also considered effectively connected with the conduct of a U.S. trade or business.*

In general, you should receive a **Form 1099-R** showing the amount of your pension or annuity. Attach **Form 1099-R** to **Form 1040NR** if any Federal income tax was withheld from your pension or annuity. **Do not** use lines 18a and 18b to report corrective distributions of excess salary deferrals, excess contributions, or excess aggregate contributions from retirement plans. Instead, see the instructions for line 8. Also, **do not** use lines 18a and 18b to report social security or railroad retirement benefits shown on **Forms SSA-1042S** and **RRB-1042S**. Instead, see the instructions on page 17.

**Caution:** *Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may also be subject to additional taxes. For details, get **Pub. 575**, Pension and Annuity Income (Including Simplified General Rule).*

**Fully Taxable Pensions and Annuities.** If your pension or annuity is fully taxable, enter it on line 18b; **do not** make an entry on line 18a. Your pension or annuity payments are fully taxable if:

- You did not contribute to the cost of your pension or annuity, or
- You used the 3-Year Rule and you got your entire cost back tax free before 1992.

Fully taxable pensions and annuities also include military retirement pay shown on **Form 1099-R**. For details on military disability pensions, get **Pub. 525**, Taxable and Nontaxable Income. If you received a **Form RRB-1099-R**, the amount shown in box 7 is usually fully taxable. For more details, see **Pub. 575**. If an amount is shown in box 8 of your **Form RRB-1099-R**, see **Pub. 575** to find out how to report your benefits.

**Partially Taxable Pensions and Annuities.** If your pension or annuity is partially taxable and your **Form 1099-R** does not show the taxable part, you must use the General Rule to figure the taxable part. The General Rule is explained in **Pub. 939**, Pension General Rule (Nonsimplified Method). But if your annuity starting date (defined below) was **after** July 1, 1986, you may be able to use the Simplified General Rule explained below to figure the taxable part of your pension or annuity.

If you choose to, you may submit a ruling request to the IRS before the due date of your return (including extensions), and the IRS will figure the taxable part for you for a \$50 fee. For details on how to do this, see **Pub. 939**.

If your **Form 1099-R** shows a taxable amount, you may report that amount on line 18b. But you may use the General Rule or, if you qualify, the Simplified General Rule to see if you can report a lower taxable amount.

Once you have figured the taxable part of your pension or annuity, enter that amount on line 18b and the total on line 18a.

**Annuity Starting Date.** Your annuity starting date is the later of the first day of the first period for which you received a payment from the plan, or the date on which the plan's obligation became fixed.

**Simplified General Rule.** Using this method will usually result in at least as much of the pension or annuity being tax free each year as under the General Rule or as figured by the IRS. You qualify to use this simpler method if **all four** of the following apply:

1. Your annuity starting date was **after** July 1, 1986.
2. The pension or annuity payments are for (a) your life or (b) your life and that of your beneficiary.
3. The pension or annuity payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.
4. At the time the pension or annuity payments began, either you were under age 75 or, if you were 75 or older, the number of years of guaranteed payments was fewer than 5.

If you qualify, use the worksheet on page 9 to figure the taxable part of your pension or annuity. But if you received U.S. Civil Service retirement benefits and you chose the lump-sum credit option, use the worksheet in **Pub. 721**, Tax Guide to U.S. Civil Service Retirement Benefits, instead of the one on page 9. If you are a beneficiary entitled to a death benefit exclusion, add the exclusion to the amount you enter on line 2 of the worksheet even if you received a **Form 1099-R** showing a taxable amount. The payer of the annuity cannot add the death benefit exclusion to your cost when figuring the taxable amount. Attach a signed statement to your return stating that you are entitled to a death benefit exclusion. For more details on the Simplified General Rule, see **Pub. 575** or **Pub. 721**.

**Age 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. If you are the beneficiary of an employee who died, see **Pub. 575**. If there is more than one beneficiary, see **Pub. 575** or **Pub. 721** to figure each beneficiary's taxable amount.

**Changing Methods.** If your annuity starting date was **after** July 1, 1986, you may be able to change the way you figure the taxable part of your pension. For details, see **Pub. 575** or **Pub. 721**.

**Death Benefit Exclusion.** If you are the beneficiary of a deceased employee or deceased former employee, amounts paid to you by, or on behalf of, an employer



**Simplified General Rule Worksheet—Lines 18a and 18b** (keep for your records)

1. Enter the total pension or annuity payments received this year. Also, enter this amount on Form 1040NR, line 18a . . . . . **1.** \_\_\_\_\_
2. Enter your cost in the plan at the annuity starting date plus any death benefit exclusion . . . . . **2.** \_\_\_\_\_
3. Age at annuity starting date (see instructions on page 8): Enter:
 

55 and under	300	}	. . . . . <b>3.</b> _____
56–60	260		
61–65	240		
66–70	170		
71 and older	120		
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, also enter this amount on line 8; skip lines 6 and 7. Otherwise, go to line 6 . . . . . **5.** \_\_\_\_\_
6. Enter the amount, if any, recovered tax free in years after 1986 . . . . . **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 18b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R . . . . . **9.** \_\_\_\_\_

**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 18b. Enter the total pension or annuity payments received in 1992 on Form 1040NR, line 18a.

because of the death of the employee may qualify for a death benefit exclusion of up to \$5,000. If you are entitled to this exclusion, add it to the cost of the pension or annuity.

Special rules apply if you are the survivor under a joint and survivor's annuity. For details, see Pub. 575.

**Rollovers.** A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 18a and 18b to report a rollover from one qualified employer's plan to another, or to an IRA.

Distributions that may be rolled over are generally reported to you on **Form 1099-R**. Enter the total distribution on line 18a. If the total on line 18a (minus any contributions that were taxable to you when made) was rolled over, enter zero on line 18b. Otherwise, enter the taxable part of the distribution that was not rolled over on line 18b. Special rules apply to partial rollovers of property.

For more details on rollovers, including distributions under qualified domestic relations orders, see Pub. 575.

**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. If you received an early distribution from a qualified retirement plan and the total amount was not rolled over, you may owe an additional tax. You may also owe additional tax if you received an excess distribution from a qualified

retirement plan. For details, get **Form 5329**.

Enter the total distribution on line 18a and the taxable part on line 18b. But you may pay less tax on the distribution if you were born before 1936, you meet certain other conditions, and you chose to use **Form 4972**, Tax on Lump-Sum Distributions, to figure the tax on any part of the distribution. You may also be able to use Form 4972 if you are the beneficiary of a deceased employee who was born before 1936 and was age 50 or older on the date of death. For details, get Form 4972.

If you use Form 4972 to figure the tax on any part of your distribution, do not include that part of the distribution on line 18a or 18b of Form 1040NR.

**Line 19—Rents, Royalties, Partnerships, Estates, Trusts, etc.—**Use **Schedule E (Form 1040)** to report income or losses from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs. Enter on line 19 the income or (loss) from Schedule E that is effectively connected with your U.S. business.

**Line 20—Farm Income or (Loss).**—Use **Schedule F (Form 1040)** to report farm income and expenses. Enter on line 20 your net profit or (loss) from Schedule F.

**Line 21—Unemployment Compensation.**—Enter on line 21 any unemployment compensation (insurance) you received. By February 1, 1993, you should receive a **Form 1099-G** showing the total amount paid to you during 1992. This amount should be shown in box 1.

If you received an overpayment of unemployment compensation in 1992 and you repaid any of it in 1992, subtract the amount you repaid from the total amount you received. Enter the result on line 21. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 21.

Do not include on line 20 any supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund. Instead, report these benefits on line 8.

**Line 22—Other Income.**—Use line 22 to report any other income effectively connected with your U.S. business that is not reported on your return or other schedules. List the type and amount of income. If necessary, show the required information on an attached statement. The following are examples of income to report on line 22:

- Amounts recovered on bad debts that you deducted in an earlier year.
- Repayments of expenses that you deducted in an earlier year if they reduced your tax.
- Fees received as a nonprofessional fiduciary, such as an executor or administrator of the estate of a deceased friend or relative.

For more details, see **Miscellaneous Taxable Income** in **Pub. 525**, Taxable and Nontaxable Income.

Report other income on page 4 of Form 1040NR if not effectively connected with a U.S. trade or business.

**Net Operating Loss.** If you had a net operating loss in an earlier year to carry forward to 1992, include it as a negative amount in parentheses on line 22. Attach a statement showing how you figured the amount. Get **Pub. 536**, Net Operating Losses, for more details.

**Adjustments**

**Lines 24 through 29**

Adjustments are amounts you can subtract from your income effectively connected with a U.S. trade or business.

**Line 24—IRA Deduction.**—Use line 24 to deduct contributions to your individual retirement arrangement (IRA).

**Caution:** If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, Keogh, SEP, etc.) at work or through self-employment in 1992, your IRA deduction may be reduced or eliminated. Earnings on contributions to your IRA are not taxed until they are distributed to you.

**Special Rule for Married Individuals.** If you are married filing a separate return and you were not covered by a retirement plan but your spouse was, you are considered covered by a plan if you lived with your spouse at any time in 1992.

**Not Covered by a Retirement Plan.** If you were not covered by a retirement plan during 1992, you can take a full IRA deduction.

**Covered by a Retirement Plan.** Your Form W-2 should have the "Pension Plan" box in box 6 checked if you were covered by your employer's plan. This box should be checked even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a Keogh or SEP retirement plan.

Get **Pub. 590**, Individual Retirement Arrangements (IRAs), for more details.

**Line 25—Self-Employed Health Insurance Deduction.**—If you were self-employed and had a net profit for the year, or if you received wages in 1992 from an S corporation in which you were a more than 2% shareholder, you may be able to deduct part of the amount paid for health insurance on behalf of yourself, your spouse, and dependents. But you may not take the deduction if you were eligible to participate in any subsidized health plan maintained by your employer or your spouse's employer. For more details, get **Pub. 535**, Business Expenses.

If you qualify to take the deduction, use the worksheet below to figure the amount you can deduct. But if your 1992 tax year ended on a date other than December 31, 1992, **do not** use the worksheet below. Instead, see Pub. 535 to find out how to figure your deduction.

**Caution:** *If you can file Schedule EIC (Form 1040A or Form 1040), Earned Income Credit, you may also be able to claim the health insurance credit on that schedule. If you do claim that credit, do not use the worksheet below. Instead, get Pub. 596, Earned Income Credit, to figure your self-employed health insurance deduction.*

**Self-Employed Health Insurance Deduction**

**Worksheet—Line 25**  
(keep for your records)

See the instructions for line 25 above.

- |  |                                     |
|--|-------------------------------------|
| 1. Enter total payments made before July 1, 1992, for health insurance coverage for periods before July 1, 1992, for you, your spouse, and dependents . . . . .                        | 1. _____                            |
| 2. Percentage used to figure the deduction . . . . .   | 2. $\frac{\quad}{\quad} \times .25$ |
| 3. Multiply line 1 by line 2 . . . . .   | 3. _____                            |
| 4. Enter your net profit and any other earned income* from the business under which the insurance plan is established, minus any deduction you claim on Form 1040NR, line 26 . . . . . | 4. _____                            |
| 5. Multiply line 4 by 50% (.50) . . . . .  | 5. _____                            |
| 6. <b>Self-employed health insurance deduction.</b> Enter the <b>smaller</b> of line 3 or line 5 here and on Form 1040NR, line 25 . . . . .  | 6. _____                            |

\***Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were a more than 2% shareholder in an S corporation, earned income is your wages from that corporation.

**Line 26—Keogh Retirement Plan and Self-Employed SEP Deduction.**—If you are self-employed or a partner, deduct payments to your Keogh (HR 10) plan or Simplified Employee Pension (SEP) on line 26. Deduct payments for your

employees on **Schedule C or F (Form 1040)**.

**Caution:** *You must be self-employed to claim the Keogh deduction. There are two types of Keogh plans:*

- A **defined-contribution plan** has a separate account for each person. Benefits are based on the amount paid to each account.
- Payments to a **defined-benefit plan** are determined by the funds needed to give a specific benefit at retirement. If you deduct payments to this kind of plan, enter "DB" next to line 26.

For more details, including limits on the amount you can deduct, get **Pub. 560**, Retirement Plans for the Self-Employed.

**Line 27—Penalty on Early Withdrawal of Savings.**—The **Form 1099-INT** or, if applicable, **Form 1099-OID** given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 27. Be sure to include the interest income on Form 1040NR, line 9a.

**Line 28—Scholarship and Fellowship Grants Excluded.**—See the line 12 instructions and Pub. 519.

**Line 29—Total Adjustments.**—Add lines 24 through 28 and enter the total on line 29. Also, include in the total on line 29 any of the following adjustments that are related to your effectively connected income.

**Qualified Performing Artists.** If you are a qualified performing artist, include in the total on line 29 your performing arts-related expenses from line 11 of **Form 2106**, Employee Business Expenses. Enter the amount and "QPA" next to line 29.

**Forestation or Reforestation Amortization.** If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file **Schedule C, C-EZ, or F (Form 1040)** for this activity, include your deduction in the total on line 29. Enter the amount and "Reforestation" next to line 29.

**Repayment of Sub-Pay Under the Trade Act of 1974.** If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, include in the total on line 29 the amount you repaid in 1992. Enter the amount and "Sub-pay TRA" next to line 29. Or, you may be able to claim a credit against your tax instead. Get **Pub. 525** for more details.

**Contributions to Section 501(c)(18) Pension Plans.** If you chose to have your employer contribute part of your pay to a pension plan exempt from tax under section 501(c)(18), the amount contributed should be identified with code **H** in box 17 of your W-2 form. You may deduct the amount contributed subject to the limits explained under **Excess Salary Deferrals** on page 6. Include your deduction in the total on line 29. Enter the amount and "501(c)(18)" next to line 29.

**Adjusted Gross Income**

**Line 30**

If line 30 is less than zero, you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see **Form 1045**, Application for Tentative Refund. If you do not wish to carry back a net operating loss, you may elect to carry the loss over to future years. You must attach the election to your return. For more details, get **Pub. 536**, Net Operating Losses.

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

**Lines 32 through 37**

**Line 32—Itemized Deductions.**—Enter total itemized deductions from Schedule A. The instructions for Schedule A begin on page 14.

**Line 34—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.

If you file as an **individual**, multiply \$2,300 by the total number of exemptions entered on line 7e. (However, if you were a resident of Japan or the Republic of Korea, you must figure the exemptions for your spouse and children according to the proportion your U.S. income bears to your total income. For details, see **Pub. 519**.) But if your adjusted gross income from line 31 is more than the dollar amount shown below for your filing status, use the worksheet on page 11 to figure the amount, if any, to enter on line 34.

- \$78,950 if married filing separately.
- \$105,250 if single.
- \$157,900 if filing as a qualifying widow(er) with dependent child.

If you are filing for an **estate**, enter \$600 on line 34. If you are filing for a **trust** whose governing instrument requires it to distribute all its income currently, enter \$300 on line 34. Any other trust is allowed an exemption of \$100.

**Line 36—Tax.**—To figure your tax, use one of the following methods.

**Tax Table.** If your taxable income (line 35) is less than \$100,000, you **MUST** use the Tax Table to find your tax, unless you are required to use **Form 8615** or you use **Schedule D (Form 1040)**, as explained on page 11. Be sure you use the correct column in the Tax Table. If you checked Filing Status Box 3, 4, or 5, you must use the Married filing separately column. When you find the correct tax, enter that amount on line 36.

**Tax Rate Schedules.** You must use the Tax Rate Schedules to figure your tax if your taxable income (line 35) is \$100,000 or more, OR you are filing for an estate or trust, unless you are required to use **Form 8615** or you use **Schedule D** (see page 11).

**Deduction for Exemptions Worksheet—Line 34** (keep for your records)

See the instructions for line 34 on page 10.

Use this worksheet **only** if the amount on Form 1040NR, line 31, is more than the dollar amount shown on line 3 below for your filing status.

1. Multiply \$2,300 by the total number of exemptions claimed on Form 1040NR, line 7e . . . . . **1.** \_\_\_\_\_
  2. Enter the amount from Form 1040NR, line 31 . . . . . **2.** \_\_\_\_\_
  3. Enter on line 3 the amount shown below for your filing status:
    - Married filing separately, enter \$78,950
    - Single, enter \$105,250
    - Qualifying widow(er) with dependent child, enter \$157,900
 } **3.** \_\_\_\_\_
  4. Subtract line 3 from line 2. If zero or less, **stop here**; enter the amount from line 1 above on Form 1040NR, line 34 . . . . . **4.** \_\_\_\_\_
- Note:** If line 4 is more than \$122,500 (more than \$61,250 if married filing separately), **stop here**; you **cannot** take a deduction for exemptions. Enter -0- on Form 1040NR, line 34.
5. Divide line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, round it up to the next higher whole number . . . . . **5.** \_\_\_\_\_
  6. Multiply line 5 by 2% (.02) and enter the result as a decimal amount . . . . . **6.** \_\_\_\_\_
  7. Multiply line 1 by line 6 . . . . . **7.** \_\_\_\_\_
  8. **Deduction for exemptions.** Subtract line 7 from line 1. Enter the result here and on Form 1040NR, line 34 . . . . . **8.** \_\_\_\_\_

**Schedule D.** If you had a net capital gain, your tax may be less if you figure it using Schedule D, Part IV, Tax Computation Using Maximum Capital Gains Rate.

**Form 8615.** Form 8615 must generally be used to figure the tax for any child who was under age 14 on January 1, 1993, and who had more than \$1,200 of investment income, such as taxable interest or dividends, that is effectively connected with a U.S. trade or business. But if neither of the child's parents was alive on December 31, 1992, do not use Form 8615 to figure the child's tax.

**Note:** If you are filing **Form 8814, Parents' Election To Report Child's Interest and Dividends**, include in your total for line 36 the tax from **Form 8814, line 8**. Also, enter that tax in the space provided next to line 36.

If you are a married resident of Canada, get **Pub. 597**, Information on the United States-Canada Income Tax Treaty.

**Line 37—Additional Taxes.**—Check the box(es) on line 37 to report any additional taxes from:

**Form 4970**, Tax on Accumulation Distribution of Trusts, or

**Form 4972**, Tax on Lump-Sum Distributions.

**Credits**

**Lines 39 through 42**

**Line 39—Credit for Child and Dependent Care Expenses.**—You may be able to take

this credit if you paid someone to care for your child or other qualifying person while you worked or looked for work. But you must have had effectively connected income from a job or through self-employment to do so.

The credit is allowed if you kept up a home that included a child **under age 13** or your dependent who could not care for himself or herself. Use **Form 2441** to figure the credit. To take the credit, you must show on Form 2441 the name, address, and identifying number of the person or organization who provided the care. You may use **Form W-10** to get the correct information from the care provider.

For more details, including special rules for divorced or separated parents, see the Instructions for Form 2441 and **Pub. 503**, Child and Dependent Care Expenses.

**Line 40—Foreign Tax Credit.**—**Form 1116** explains when you can take this credit for payment of income tax to a foreign country. To take it, you must report income from foreign sources (see **Foreign Income Taxed by the United States** on page 4). You also must have paid or owe foreign tax on that income. Also, get **Pub. 514**, Foreign Tax Credit for Individuals.

**Line 41—Other Credits.**—Complete line 41 if you can take any of the following credits.

**General Business Credit.** If you have two or more of the following general business credits, a general business credit carryforward, or a general business credit (other than the low-income housing credit) from a passive activity, you must also complete **Form 3800** to figure the total

credit. Include on line 41 the amount from Form 3800. Also, be sure to check the box on line 41 for Form 3800. If you have only one general business credit, include on line 41 the amount of the credit from the form. Also, check the "Form (specify)" box on line 41 and enter the form number for that credit.

• **Form 3468, Investment Credit.** This credit was generally repealed for property placed in service after 1985. For exceptions, see Form 3468.

• **Form 5884, Jobs Credit.** If you are a business employer who hires people who are members of special targeted groups, you may be able to take this credit. Use Form 5884 to figure the credit.

• **Form 6478, Credit for Alcohol Used as Fuel.** If you sold straight alcohol (or an alcohol mixture) at retail or used it as fuel in your trade or business, you may be able to take this credit. Use Form 6478 to figure the credit.

• **Form 6765, Credit for Increasing Research Activities.** You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business. Use Form 6765 to figure the credit.

• **Form 8586, Low-Income Housing Credit and Schedule A (Form 8609), Annual Statement.** If you owned a building that was part of a low-income housing project, you may be able to take this credit. Use Form 8586 and Schedule A (Form 8609) to figure the credit. Also, complete and attach **Form 8609**, Low-Income Housing Credit Allocation Certification.

• **Form 8826, Disabled Access Credit.** If you paid or incurred expenses to make your business accessible to or usable by individuals with disabilities, you may be able to take this credit. Get Form 8826 for details.

• **Form 8830, Enhanced Oil Recovery Credit.** You may be able to take a credit of 15% of your enhanced oil recovery costs. Use Form 8830 to figure the credit.

**Mortgage Interest Credit.** If you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or improve your main home, you may be able to take this credit. You must complete and attach **Form 8396**, Mortgage Interest Credit, to figure the amount of the credit to include in your total for line 41. Also, check the box for Form 8396 on line 41.

**Credit for Prior Year Minimum Tax.** If you paid alternative minimum tax in an earlier year, you may be able to take this credit. Get **Form 8801**, Credit for Prior Year Minimum Tax—Individuals, to see if you can take this credit. If you can, check the box for Form 8801 on line 41.

**Line 42—Add lines 39 through 41 and enter the total on line 42.** Also, include in the total on line 42 any credit for Fuel From a Nonconventional Source.

**Credit for Fuel From a Nonconventional Source.** A credit is allowed for the sale of qualified fuels

produced from a nonconventional source. See section 29 for a definition of qualified fuels, details on figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Include the credit in the total for line 42. Write the amount and "FNS" next to line 42.

## Other Taxes

### Lines 44 through 50

**Line 44—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 at least a minimum amount of tax through the alternative minimum tax. This tax is figured on **Form 6251** for individuals; **Schedule H, Form 1041** for fiduciaries.

Generally, to see if you should complete Form 6251, add the amounts on Form 1040NR, lines 32 and 34, plus the total of all adjustments and tax preference items that apply to you (see the list below). If the total is more than the dollar amount shown below for your filing status, fill in Form 6251. You should also fill in Form 6251 if you are claiming the foreign tax credit.

- \$40,000 if qualifying widow(er) with dependent child.
- \$30,000 if single.
- \$20,000 if married filing separately.

#### Adjustments and Tax Preference Items:

1. Accelerated depreciation.
2. Income from the exercise of incentive stock options in excess of the amount actually reported on your return.
3. Tax-exempt interest from private activity bonds (including exempt-interest dividends from a regulated investment company to the extent derived from private activity bonds).
4. Intangible drilling costs.
5. Depletion.
6. Circulation and research and experimental expenditures.
7. Mining exploration and development costs.
8. Amortization of certified pollution-control facilities.
9. Tax shelter farm losses.
10. Passive activity losses.
11. Income from long-term contracts figured under the percentage of completion method in excess of the amount actually reported on your return.
12. Installment sales of certain property.

**Note:** Form 6251 should be filled in for a child under age 14 if the total of the child's adjusted gross income from line 31 plus the above items is more than the sum of \$1,000 plus the child's earned income.

Fiduciaries, get **Schedule H, Form 1041** and its instructions to see if you are liable for this tax.

A net gain on disposing of U.S. real property interests may be subject to the alternative minimum tax. Use Form 6251 and the following worksheet to figure the tax.

#### Worksheet (keep for your records)

First complete Form 6251 through line 17, and enter a tentative amount on line 18. Then make the following computation:

- |   |   |
|---|---|
| <p><b>A</b> Enter the amount from Form 6251, line 11 . . . . .</p> <p><b>B</b> Enter your net U.S. real property gain for the tax year . . . . .</p> <p><b>C</b> Enter the <b>smaller</b> of line A or line B . . . . .</p> <p><b>D</b> Enter 21% of line C . . . . .</p> | <p><b>A.</b> _____</p> <p><b>B.</b> _____</p> <p><b>C.</b> _____</p> <p><b>D.</b> _____</p> |
|---|---|

If the amount on line D is **more than** the amount you entered on Form 6251, line 18, use the line D amount instead for line 18. Then complete the rest of Form 6251 using the amount on line 18. Enter the amount (if any) from Form 6251, line 22, on Form 1040NR, line 44. If the alternative minimum tax applies, attach Form 6251 and a copy of this page to your return.

**Line 45—Recapture Taxes.**—If you owe any of the following taxes, check the box(es) and include the tax on line 45.

**Recapture of Investment Credit.** If you disposed of investment credit property or changed its use before the end of its useful life or recovery period, you may owe the tax figured on **Form 4255**. See Form 4255 for details.

**Recapture of Low-Income Housing Credit.** If you disposed of property (or there was a reduction in the qualified basis of the property) on which you took the low-income housing credit, you may owe the tax figured on **Form 8611**. See Form 8611 for details.

**Recapture of Federal Mortgage Subsidy.** If you sold your home in 1992 and it was financed (in whole or part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, you may owe the tax figured on **Form 8828**. See Form 8828 for details.

**Line 47—Social Security and Medicare Tax on Tip Income Not Reported to Employer.**—If you received tips of \$20 or more in any month and you did not report the full amount to your employer, or your W-2 form(s) shows allocated tips that you must report in income, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. If you reported the full amount to your employer but the social security and Medicare or RRTA tax was not withheld, you must pay it unless the rules discussed under **Uncollected Employee Social Security and Medicare or RRTA Tax on Tips** (line 50) apply.

To figure the amount of social security and Medicare tax on the tips, complete **Form 4137**, Social Security and Medicare Tax on Unreported Tip Income, and attach it to your Form 1040NR. Enter the tax on line 47.

To pay the RRTA tax on the tips, contact your employer. Your employer will collect the tax.

Be sure all your tips are reported as income on Form 1040NR, line 8.

**Caution:** 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.

**Line 48—Tax on Qualified Retirement Plans, Including IRAs.**—You may owe this tax if any of the following applies:

1. You received any early distributions from a qualified pension plan (such as your IRA), qualified annuity plan, or tax-sheltered annuity plan.
2. You received any excess distributions from a plan mentioned in 1 above.
3. You made excess contributions to your IRA.
4. You had excess accumulations in a qualified pension plan (including an IRA).
5. You received any amount under a modified endowment contract entered into after June 20, 1988.

If any of the above applies, get **Form 5329** and its instructions to see if you owe this tax. Enter the tax from Form 5329 on Form 1040NR, line 48.

**Caution:** Be sure to include in income on line 17 or line 18, whichever applies, any early distributions you received from qualified retirement plans.

**Line 49—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 not be treated as 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. Substantially all 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, was attributable to a fixed place of business in the United States). See sections 887 and 863 for rules, definitions, and exceptions.

You may be exempt from this tax because of a treaty or an exchange of notes between the United States and the country of which you are a resident. If the country of which you are a resident does not impose tax on the shipping or aircraft income of U.S. persons, you may also be exempt from this tax. If you are exempt from the tax for this reason, you must attach a statement to Form 1040NR identifying your country of residence and the treaty, note, or 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 50—Total Tax.**—Add lines 43 through 49 and enter the total on line 50. Also, include in the total on line 50 any of the following that applies.

**Section 72(m)(5) Excess Benefits Tax.** If you are or were a 5% owner of a business and you received a distribution of excess benefits from a qualified pension or annuity plan, you may have to pay a penalty tax of 10% of the distribution. Get **Pub. 560**, Retirement Plans for the Self-Employed, for more details. Include this penalty tax in your total for line 50. Enter the amount of this tax and the words "Section 72(m)(5)" on the dotted line next to line 50.

**Advance Earned Income Credit (AEIC) Payments.** If you received AEIC payments, include them in the total on line 50. Enter the amount and "AEIC" on the dotted line next to line 50. These payments should be shown in box 8 of your W-2 forms.

**Note:** Use Schedule EIC to figure the earned income credit you can actually take.

**Uncollected Employee Social Security and Medicare or RRTA Tax on Tips.** If you did not have enough wages to cover the social security and Medicare tax or railroad retirement (RRTA) tax due on tips you reported to your employer, the amount of tax due should be identified with codes **A** and **B** in box 17 of your Form W-2. Include this tax in the total for line 50. Enter the amount of this tax and the words "Uncollected Tax" on the dotted line next to line 50.

**Uncollected Employee Social Security and Medicare or RRTA Tax on Group-Term Life Insurance.** If you had group-term life insurance through a former employer, you may have to pay social security and Medicare tax or RRTA tax on part of the cost of the life insurance. The amount of tax due should be identified with codes **M** and **N** in box 17 of your Form W-2. Include this tax in the total for line 50. Enter the amount of this tax and the words "Uncollected Tax" on the dotted line next to line 50.

**Golden Parachute Payments.** Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment. Enter the amount and "EPP" on the dotted line next to line 50.

If you received a **Form W-2** that includes a parachute payment, the amount of tax on any excess payment should be identified with code **K** in box 17 of Form W-2. Include this tax in the total for line 50.

If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 50.

## Payments

### Lines 51 through 59b

**Line 51—Federal Income Tax Withheld.**—Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, and 1099-R**. Enter the total on line 51. The amount of Federal income tax withheld should be shown in box 9 of Form W-2, box 2 of Form W-2G, and box 4 of Form 1099-R. If line 51 includes amounts withheld as shown on Form 1099-R, check the box on line 51. Be sure to attach the Form 1099-R. Also, include in the total for line 51 any tax withheld on scholarship or fellowship grants from Form 1042S.

**Backup Withholding.** If you received a 1992 Form 1099 showing income tax withheld (backup withholding) on dividends, interest income, or other income you received, include the amount withheld in the total on line 51. This should be shown in box 2 of Form 1099-DIV and in box 4 of the other 1099 forms. Be sure to check the box on line 51.

**Line 52—1992 Estimated Tax Payments.**—Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES (NR)**) for 1992. Include any overpayment from your 1991 return that you applied to your 1992 estimated tax.

**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 explaining all the payments you made in 1992, the service center where you made the payments, and the name and social security number under which you made the payments.

**Line 53—Earned Income Credit.**—If the amount on line 31 is less than \$22,370 and all of the following apply, you may be able to take this credit.

- Your filing status is single or qualifying widow(er) with dependent child, and
- You had earned income of at least \$1 but less than \$22,370, and
- You had a child living with you in your main home in the United States for more than 6 months, and
- The child was under age 19 or a full-time student under age 24 at the end of 1992, or was permanently and totally disabled.

If you believe you can take this credit, get **Schedule EIC (Form 1040A or Form 1040)** to figure the amount to enter on line 53.

**Line 54—Amount Paid With Form 4868 (Extension of Time To File).**—If you filed Form 4868 to get an automatic extension of time to file Form 1040NR, enter the amount you paid with that form. Also, include any amounts paid with **Form 2688**.

**Line 55—Excess Social Security, Medicare, and RRTA Tax Withheld—More Than One Employer.**

**Excess Social Security and Medicare Tax Withheld.** If you had more than one employer for 1992 and your total wages were over \$55,500, your employers may have withheld too much social security tax. If your total wages were over \$130,200, your employers may have withheld too much Medicare tax. If so, you can take a credit for the excess amount on line 55. Use the worksheet below to figure the excess amount.

If any one employer withheld more than \$3,441.00 in social security tax, or more than \$1,887.90 of Medicare tax, you must ask your employer to refund the excess to you. You cannot claim it on your return.

**Excess Railroad Retirement (RRTA) Tax Withheld.** If you had more than one railroad employer for 1992 and your total compensation was over \$55,500, your employers may have withheld too much tier 1 tax. If your total compensation was over \$41,400, your employers may have withheld too much tier 2 tax. If so, you can take a credit for the excess amount on line 55. Get **Pub. 505**, Tax Withholding and Estimated Tax, to figure the excess amount. **Do not** use the worksheet on this page.

If any one employer withheld more than \$3,441.00 of tier 1 RRTA tax, more than \$1,887.90 of tier 1 Medicare tax, or more than \$2,028.60 of tier 2 tax, you must ask your employer to refund the excess to you. You cannot claim it on your return.

### Excess Social Security and Medicare Tax Withheld Worksheet—Line 55 (keep for your records)

**Caution: Do not use this worksheet if any RRTA tax was withheld from your pay. Instead, get Pub. 505 to figure the excess amount.**

- |  |             |
|--|-------------|
| 1. Add all social security tax withheld but not more than \$3,441.00 for each employer. This tax should be shown in box 11 of your W-2 forms. Enter the total here . . . | 1. _____    |
| 2. Enter any uncollected social security tax on tips or group-term life insurance included in the total on Form 1040NR, line 50 . . .                                    | 2. _____    |
| 3. Add lines 1 and 2. If \$3,441.00 or less, enter -0- on line 5 and go to line 6. . . . .   | 3. _____    |
| 4. Social security tax limit . . .   | 4. 3,441.00 |
| 5. Subtract line 4 from line 3 . . .   | 5. _____    |
| 6. Add all Medicare tax withheld but not more than \$1,887.90 for each employer. This tax should be shown in box 15 of your W-2 forms. Enter the total here . . .        | 6. _____    |
| 7. Enter any uncollected Medicare tax on tips or group-term life insurance included in the total on Form 1040NR, line 50 . . .   | 7. _____    |
| 8. Add lines 6 and 7. If \$1,887.90 or less, enter -0- on line 10 and go to line 11 . . . . .  | 8. _____    |
| 9. Medicare tax limit . . . . .  | 9. 1,887.90 |
| 10. Subtract line 9 from line 8 . . .  | 10. _____   |
| 11. Excess social security and Medicare tax withheld. Add lines 5 and 10. Enter the total here and on Form 1040NR, line 55 . . .   | 11. _____   |

## Line 56—Other Payments.

**Regulated Investment Company Credit.** Include on this line the total amount of the credit from **Form 2439**, Notice to Shareholder of Undistributed Long-Term Capital Gains. Be sure to attach Copy B of Form 2439 and check the box for Form 2439.

**Credit for Federal Tax Paid on Fuels.** If you can take a credit for tax on gasoline, diesel fuel, and other fuels used in your business, or for certain diesel-powered cars, vans, and light trucks, attach **Form 4136**. Include the credit on line 56 and check the box for Form 4136. For more information, get **Pub. 225**, Farmer's Tax Guide, or **Pub. 378**, Fuel Tax Credits and Refunds.

**Line 57—Credit for Amount Paid With Form 1040C.**—Enter any amount you paid with Form 1040C for 1992.

**Lines 58a and 58b—U.S. Tax Withheld at Source.**—Enter on line 58a the amount you show on line 76, page 4. Enter on line 58b any tax withheld by a partnership under section 1446. Be sure to attach a copy of **Form(s) 1042S, SSA-1042S, RRB-1042S, 8805**, or similar form.

**Lines 59a and 59b—U.S. Tax Withheld on Dispositions of U.S. Real Property Interests.**—Enter on line 59a any tax withheld on dispositions of U.S. real property interests from **Form(s) 8288-A**. Enter on line 59b any tax withheld on dispositions of U.S. real property interests from **Form(s) 1042S**.

## Refund or Amount You Owe

### Lines 61 through 65

**Line 61—Amount Overpaid (if line 60 is more than line 50).**—Subtract line 50 from line 60 and enter the result on line 61. If line 61 is under \$1, we will send a refund only on written request.

If the amount you overpaid is large, get a copy of **Form W-4**, Employee's Withholding Allowance Certificate, from your employer to see if you are entitled to additional allowances. If you are, file a new Form W-4 with your employer to change the amount of income tax to be withheld from your 1993 wages.

If you go back to work after a period of unemployment, you may be able to reduce your withholding. For more details, see your employer or get Pub. 515.

**Line 62—Refund.**—Enter the amount from line 61 that you want refunded to you.

**Line 63—Applied to 1993 Estimated Tax.**—Enter on this line the amount of overpayment you want applied to your estimated tax for 1993.

**Line 64—Amount You Owe (if line 50 is more than line 60).**—Subtract line 60 from line 50 and enter the result on line 64. This is the amount you owe. Attach your check or money order payable to the Internal Revenue Service for the full amount when you file. **Do not** include any estimated tax payment in your check or money order. If

line 64 is under \$1, you do not have to pay.

**Line 65—Estimated Tax Penalty.**—If line 64 is at least \$500 and it is more than 10% of the tax shown on your return, or you underpaid your 1992 estimated tax liability for any payment period, you may owe a penalty. Get **Form 2210** (or **Form 2210F** for farmers and fishermen) to see if you owe a penalty and to figure the amount. If you want, the IRS will figure the penalty for you and send you a bill. But see **Lowering Your Penalty** below.

**Figuring the Penalty.** If you choose to figure the penalty yourself on Form 2210 (or 2210F), enter the penalty amount on Form 1040NR, line 65. Add the penalty amount to any tax due and enter the total on line 64. If you are due a refund, subtract the penalty amount from the overpayment you show on line 61.

If you leave line 65 blank, the IRS will figure the penalty and send you a bill. We will not begin to charge you interest on the penalty until 10 days after the notice date.

**Lowering Your Penalty.** If any of the conditions below applies to you, you may be able to lower the amount of your penalty. But you must complete and attach Form 2210 (or 2210F) to your return to do so.

- You claim a waiver.
- Your income varied during the year and you use the annualized income installment method to figure your required installment payments.
- You had Federal income tax withheld from your wages and you treat it as being paid when it was actually withheld (instead of in four equal amounts).

For more details, see the Instructions for Form 2210 (or 2210F) or Pub. 505.

## Income Tax Withholding for 1993

If you do owe tax for 1992, you may want to increase the amount of income tax withheld from your pay for 1993. For more details, see Pub. 505 or Pub. 515.

## Signature

See **Reminders** on page 17 after you complete pages 3, 4, and 5 of the form.

## Schedule A

### Itemized Deductions

#### State and Local Income Taxes

##### Lines 1a through 2

You can deduct state and local income taxes you paid or that were withheld from your salary during 1992 on income connected with a U.S. trade or business. If, during 1992, 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.

#### Gifts to U.S. Charities

##### Lines 3a through 4

You may deduct what you actually gave to U.S. organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals.

If you do not know whether you can deduct what you gave to an organization, check with that organization or with the IRS.

**Caution:** *If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit you received. For more details, get **Pub. 526**, Charitable Contributions.*

##### Contributions You MAY Deduct.—

Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), 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 may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. But don't deduct any amounts that were repaid to you.

##### Limit on the Amount You May Deduct.

If any of the following applies, see Pub. 526 to figure the amount of your deduction:

- Your cash contributions or contributions of ordinary income property are more than 30% of the amount shown on Form 1040NR, line 31,
- Your gifts of capital gain property to certain organizations are more than 20% of the amount shown on Form 1040NR, line 31, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

##### You MAY NOT Deduct as Contributions:

- 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.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

**Example.** You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible charitable contribution, subtract the value of the dinner from the total amount you paid. If the value of the dinner was \$40, your deductible contribution is \$60.

- Cost of raffle, bingo, or lottery tickets.

- Cost of tuition.
- 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, foreign organizations, and groups that are run for personal profit.
- 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.

**Line 3a.**—Enter the total contributions you made in cash or by check (including out-of-pocket expenses).

**Line 3b.**—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. If the amount of your deduction is more than \$500, you must complete and attach **Form 8283**, Noncash Charitable Contributions. 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 your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. See Form 8283 and its instructions for details.

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

- How you figured the property’s value at the time you gave it. If the value was determined by an appraisal, you should also 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.

**Note:** If your total deduction for gifts of property is over \$500, or if you gave less than your entire interest in the property, or you made a qualified conservation contribution under section 170(h), your records should contain additional information. See Pub. 526 for details.

**Line 3c.**—Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details on how to figure a carryover.

## Casualty and Theft Losses

### Line 5

Use line 5 to report any casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach **Form 4684**, Casualties and Thefts, to figure the amount of your loss to enter on line 5.

**Losses You MAY Deduct.**—You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, or similar causes, and car, boat, and other accidents. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution. You may 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 is more than 10% of the amount shown on Form 1040NR, line 31.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. See Form 4684 for details.

**Additional Information.** For more details, get **Pub. 547**, Nonbusiness Disasters, Casualties, and Thefts. It also has information about Federal disaster area losses.

### Losses You MAY NOT Deduct:

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 7b of Schedule A 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.

## Moving Expenses

### Line 6

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.

You can take this deduction if you moved in connection with your job or business and your new workplace is at least 35 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 35 miles from your old home. The deduction is generally limited to moves to or within the United States or its possessions. If you meet these requirements, get **Pub. 521**, Moving Expenses. Complete and attach **Form 3903** to figure the amount of moving expenses to enter on line 6.

## Miscellaneous Deductions

### Lines 7a through 9

**Note:** *Miscellaneous deductions are allowed only if and to the extent they are connected with your effectively connected income.*

Most miscellaneous deductions cannot be deducted in full. Instead, you must subtract 2% of your adjusted gross income from the total. You figure the 2% limit on line 7e.

The 2% limit generally applies to job expenses you paid for which you were not reimbursed. These expenses are reported on line 7a. The limit also applies to certain expenses you paid to produce or collect taxable income. These expenses are reported on line 7b.

Miscellaneous deductions that are not subject to the 2% limit are reported on line 9. See the instructions for line 9.

**Additional Information.**—For more details, get **Pub. 529**, Miscellaneous Deductions.

### Examples of Expenses You May Not Deduct:

- Political contributions.
- Personal legal expenses.
- Lost or misplaced cash or property. But see **Casualty and Theft Losses** on this page.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from your regular workplace.
- Education you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Expenses of adopting a child, including a child with special needs.
- Fines and penalties.
- Expenses of producing tax-exempt income.

**Line 7a.**—Enter the total job expenses you paid for which you were not reimbursed. But you **MUST** fill in and attach **Form 2106**, Employee Business Expenses, if **either** of the following applies:

1. You claim any travel, transportation, meal, or entertainment expenses for your job, OR
2. Your employer paid you for any of your job expenses reportable on line 7a.

If either **1** or **2** above applies to you, fill in Form 2106 for **all** your job expenses. Then, enter on line 7a the amount from Form 2106, line 11.

If you don’t have to fill in Form 2106, list the type and amount of each expense on the dotted lines next to line 7a. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 7a.

Examples of expenses to include on line 7a are:

- Travel, transportation, meal or entertainment expenses. **Note:** *If you have any of these expenses, you must use Form 2106 for all your job expenses.*
- Union dues.
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employers said you must have, and which you may not usually wear away from work.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, including limits that apply, get **Pub. 587**, Business Use of Your Home.
- Educational expenses you paid for education required by your employer, or by law or regulations, to keep your salary or job. In general, you may also include the cost of keeping or improving skills you must have in your job. For more details, get **Pub. 508**, Educational Expenses. Some educational expenses are not deductible. See **Examples of Expenses You May Not Deduct** on page 15.

**Line 7b.**—Enter the total amount you paid to produce or collect taxable income, manage or protect property held for earning income, or determine your tax. But **do not** include any expenses deducted elsewhere such as on **Schedule C, C-EZ, E, or F (Form 1040)**. List the type and amount of each expense on the dotted lines next to line 7b. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 7b.

Examples of expenses to include on line 7b are:

- Tax return preparation fees, including fees paid for magnetic media filing of your return.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g., 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 on the amount you may deduct, see **Pub. 529**.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.

**Line 9.**—Enter your total miscellaneous deductions that are not subject to the 2% AGI limit. List the type and amount of each expense on the dotted lines next to line 9. Enter one total on line 9. Examples of these expenses are:

- Certain adjustments when you restore amounts held under a claim of right.
  - Impairment-related work expenses of a disabled person.
- For more details on these and other expenses not subject to the 2% AGI limit, see **Pub. 529**.

## Total Itemized Deductions

### Line 10

People with higher incomes may not be able to deduct all of their itemized deductions. If the amount on Form 1040NR, line 31, is more than \$105,250 (more than \$52,625 if you checked box 3, 4, or 5 on page 1 of Form 1040NR), use the worksheet on this page to figure the amount you may deduct.

### Itemized Deductions Worksheet—Line 10 (keep for your records)

1. Add the amounts on Schedule A, lines 2, 4, 5, 6, 8, and 9. . . .	1. _____
2. Enter the amount on Schedule A, line 5. . . . .	2. _____
3. Subtract line 2 from line 1. If the result is zero, <b>stop here</b> ; enter the amount from line 1 above on Schedule A, line 10 . . . .	3. _____
4. Multiply line 3 above by 80% (.80) . . . . .	4. _____
5. Enter the amount from Form 1040NR, line 31 . . . . .	5. _____
6. Enter \$105,250 (\$52,625 if you checked filing status box 3, 4, or 5) . . . . .	6. _____
7. Subtract line 6 from line 5. If the result is zero or less, <b>stop here</b> ; enter the amount from line 1 above on Schedule A, line 10 . . . . .	7. _____
8. Multiply line 7 above by 3% (.03) . . . . .	8. _____
9. Enter the <b>smaller</b> of line 4 or line 8 . . . . .	9. _____
10. <b>Total itemized deductions.</b> Subtract line 9 from line 1. Enter the result here and on Schedule A, line 10 . . . . .	10. _____

## Tax on Income Not Effectively Connected With a U.S. Trade or Business (Page 4)

For more information, see **Pub. 519**, U.S. Tax Guide for Aliens.

The items below are generally taxed at 30% if they are not effectively connected with your U.S. trade or business. The rate may be lower for you if your country 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.

The list below gives only a general idea of what income to report on page 4, but only to the extent the amount received is not effectively connected with the conduct of a trade or business in the United States.

1. Income that is fixed or periodic, such as interest, 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.

**Note:** *Portfolio interest that you received as a nonresident alien on obligations issued after July 18, 1984, is exempt from the 30% tax. For more information, see Pub. 519.*

Interest from a U.S. bank, savings and loan association, or similar institution, and from certain deposits with U.S. insurance companies is tax exempt if it is not effectively connected with a U.S. trade or business. For more information, see **Pub. 519**.

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

3. Gain from a sale or exchange of an original issue discount obligation, not in excess of the original issue discount accruing while such obligation was held by you and not previously included in income. See section 871(a)(1)(C)(i).

4. Lump-sum distributions from employees' tax-exempt trusts; payments to beneficiaries under qualified annuity plans; and timber, coal, and iron ore royalties.

5. Capital gains in excess of capital losses from U.S. sources during 1992. Include these gains only if you were in the United States at least 183 days during 1992. 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.

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 4.

6. Prizes, awards, and certain gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings (see section 871(j) for exceptions). You must report the full amount of your winnings. You cannot offset losses against winnings and report the difference.

**Social Security Benefits (and Tier I Railroad Retirement Benefits Treated as Social Security).**—One-half 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 and 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 I railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments.

By February 1, 1993, you should receive a **Form SSA-1042S** showing the total social security benefits paid to you in 1992, and the amount of any social security benefits you repaid in 1992. If you received railroad retirement benefits treated as social security, you should receive a **Form RRB-1042S**.

Enter 50% of the total amount from box 5 of **ALL** your Forms SSA-1042S and Forms RRB-1042S on line 73, page 4, of Form 1040NR. Attach a copy of all Forms SSA-1042S and RRB-1042S to Form 1040NR.

**Withholding of Tax at the Source.**—A tax must be withheld at the source on certain income from U.S. sources paid to nonresident aliens. The withholding is generally at the 30% rate. There are exceptions to the general rule, and tax treaties with various countries may provide a lower rate or exempt certain income from withholding. The tax must be withheld by the person who pays fixed or determinable annual or periodic income to nonresident aliens. The income subject to this withholding should be reported on page 4 of Form 1040NR. For details, see Pub. 519, Pub. 515, and section 1441 and its regulations.

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## Other Information (Page 5)

You must complete all items. If an item does not apply to you, write "N/A" (Not Applicable).

## Reporting of Treaty Benefits Claimed

If you take the position that a treaty of the United States overrides or modifies any provision of the Internal Revenue Code and that position reduces (or potentially reduces) your tax, you must report certain information on a statement attached to your tax return. But see **Exceptions** later. You can be charged a \$1,000 penalty for each failure to report the required information. For more details, including the information that must be reported, see Pub. 519 and Regulations section 301.6114-1.

**Exceptions.** Reporting is not required for the following positions taken:

1. A treaty reduces the rate of withholding tax otherwise applicable to a particular type of fixed or determinable annual or periodic income subject to withholding under section 1441, such as dividends, interest, rents, or royalties.

**Note:** *This exception does not apply to certain interest or dividends paid by foreign corporations, to income received from certain U.S. persons, or to certain income from independent personal services. For details, see Regulations sections 301.6114-1(b)(4)(i) and (ii) and 301.6114-1(b)(5).*

2. An individual's country of residence is determined under a treaty apart from the Code.

**Note:** *This exception does not affect any reporting requirements contained in section 7701(b) and the regulations under that section. For purposes of section 7701(b), you must attach a statement to your tax return indicating any item of income you are claiming a treaty benefit for as a nonresident of the United States. For details, see Regulations section 301.7701(b)-7(b).*

3. 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.

4. An individual's income is resourced (for purposes of applying the foreign tax credit limitation) under a treaty provision relating to elimination of double taxation.

5. A Social Security Totalization Agreement or a Diplomatic or Consular Agreement reduces or modifies the taxation of the taxpayer's income.

In addition, reporting is not required: (a) for payments or income items the treatment of which is mandated by the terms of a closing agreement with the Service, and that would otherwise be subject to reporting under section 6114; (b) for a partner in a partnership or a beneficiary of an estate or trust if the partnership, estate, or trust reports the required information on its return; and (c) for payments or income items received by the individual during the course of the taxable year that do not exceed \$10,000 in the aggregate that would otherwise be subject to reporting under section 6114.

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## Reminders

### Sign and Date Your Return

**Form 1040NR is not considered a valid return unless you sign it.** If an agent (including your spouse) signs for you, your authorization of the signature must be filed with the return. You may have an agent in the United States prepare and sign your return if you 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 Internal Revenue Service Center, Philadelphia, PA 19255, U.S.A., and that the IRS approved.

Be sure to date your return and show your occupation in the United States in the space provided. If you have someone prepare your return for you, you are still responsible for the correctness of the return.

**Child's Return.**—If your child cannot sign his or her return, sign your child's name in the space provided. Then, add "By (your signature), parent for minor child."

**Paid Preparers Must Sign Your Return.**—Generally, anyone you pay to prepare your tax return must sign it and fill in the other blanks in the Paid Preparer's Use Only area of your return. A preparer who is required to sign your return must sign it by hand in the space provided (signature stamps or labels cannot be used) and give you a copy of the return for your records. Someone who prepares your return but **does not charge you should not sign.**

## Address Change

If you move after you file, always notify in writing the IRS Service Center where you filed your last return. You can use **Form 8822**, Change of Address, to notify us of your new address.

If you are expecting a refund, also notify the post office serving your old address. You will receive your check faster this way. Please be sure to write your identifying or social security number on any letters to the IRS.

## Estimated Tax for Individuals

In general, you do not have to make estimated tax payments if you expect that your 1993 Form 1040NR will show a tax refund or a tax balance due the IRS of less than \$500. If your total estimated tax for 1993 is \$500 or more, get **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 1993 and you must pay estimated tax, use **Form 1040-ES**.

## Tax Shelter Registration Number

A person who sells (or otherwise transfers) to you an interest in a tax shelter must maintain a list of investors and give you the tax shelter registration number assigned to the tax shelter. You must attach to your tax return **Form 8271**, Investor Reporting of Tax Shelter Registration Number, to report this number. You may owe a penalty if you fail to report this number on your tax return.

## Records You Should Keep

Keep your records as long as they may be needed to carry out any Internal Revenue law. Records of income, deductions, or credits shown on your return, as well as any worksheets you used, should be kept 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. Keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. Also, keep copies of your filed tax returns and any Forms W-2, 1099, 1042S you received as part of your records. For more details, get **Pub. 552**, Recordkeeping for Individuals.

## Requesting a Copy of Your Tax Return

If you need a copy of your tax return, use **Form 4506**, Request for Copy of Tax Form. The charge for a copy of a return is \$4.25.

## Penalties and Interest

**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 will also charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation overstatements, and substantial understatements of tax. Interest is charged on the penalty from the due date of the return (including extensions).

**Late Filing of Return.**—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, attach it to your return. The penalty cannot usually be more than 25% of the tax due. If your return is more than 60 days late, the minimum penalty will be \$100 or the amount of any tax you owe, whichever is smaller.

**Note:** *The penalty for fraudulent failure to file is 15% per month, not to exceed 75%.*

**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 cannot be more than 25% of the unpaid amount. It applies to any unpaid tax on the return. It also applies to any additional tax shown on a bill not paid within 10 days of the date of the bill. This penalty is in addition to interest charges on late payments.

**Note:** *If you include interest or either of these penalties with your payment, identify*

*and enter these amounts in the bottom margin of Form 1040NR, page 2. Do not include the interest or penalty amounts in the Amount You Owe on line 64.*

**Penalty for Frivolous Return.**—In addition to any other penalties, the law imposes a penalty of \$500 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.

**Other Penalties.**—Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement.

## Gift To Reduce the Public Debt

You may make a gift to reduce the public debt. If you wish to do so, enclose a separate check with your income tax return. Make it payable to "Bureau of the Public Debt." You may be able to deduct this gift on your 1993 tax return. Do not add your gift to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

## Taxpayer Assistance

IRS assistance is available to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax.

In the United States, call the local city number listed in your telephone directory if it is not a long-distance call for you.

Otherwise, call 1-800-829-1040, a toll-free number.

If you find it necessary to write instead of calling, please address your letter to your IRS District Director for a prompt reply. Make sure you include your social security number or taxpayer identification number when you write.

Assistance in answering tax questions and filling out tax returns is also available in person from Internal Revenue offices in: Bonn, Germany; Caracas, Venezuela; Riyadh, Saudi Arabia; London, England; Mexico City, Mexico; Nassau, the Bahamas; Ottawa, Canada; Paris, France; Rome, Italy; Sao Paulo, Brazil; Singapore; Sydney, Australia; and Tokyo, Japan. The offices generally are located in the U.S. embassies or consulates. During every tax return filing period, income tax forms and publications may be obtained from U.S. embassies and consulates abroad.

The Internal Revenue Service conducts an overseas taxpayer assistance program during filing season (January to mid-June). To find out if Internal Revenue Service personnel will be in your area, please contact the consular office at the nearest U.S. embassy.

## Unresolved Tax Problems

The **Problem Resolution Program** is for taxpayers who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. (You may also contact one of the overseas IRS offices listed on this page under **Taxpayer Assistance**.) This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts.

# 1992 Tax Table

## Based on Taxable Income

For persons with taxable incomes of less than \$100,000. If \$100,000 or more, use the Tax Rate Schedules.

**Example.** Mr. Green is filing as a qualifying widower. His taxable income on line 35 of Form 1040NR is \$25,300. First, he finds the \$25,300–25,350 income line. Next, he finds the column for qualifying widower and reads down the column. The amount shown where the income line and filing status column meet is \$3,799. This is the tax amount he must enter on line 36 of his Form 1040NR.

At least	But less than	Single	Qualifying widow(er)	Married filing separately
		<b>Your tax is—</b>		
25,200	25,250	4,275	3,784	4,736
25,250	25,300	4,289	3,791	4,750
25,300	25,350	4,303	<b>(3,799)</b>	4,764
25,350	25,400	4,317	3,806	4,778

If line 35 (taxable income) is—		And you are—			If line 35 (taxable income) is—		And you are—			If line 35 (taxable income) is—		And you are—			
At least	But less than	Single	Qualifying widow(er)	Married filing separately	At least	But less than	Single	Qualifying widow(er)	Married filing separately	At least	But less than	Single	Qualifying widow(er)	Married filing separately	
		<b>Your tax is—</b>					<b>Your tax is—</b>					<b>Your tax is—</b>			
\$0	\$5	\$0	\$0	\$0	1,300	1,325	197	197	197	2,700	2,725	407	407	407	
5	15	2	2	2	1,325	1,350	201	201	201	2,725	2,750	411	411	411	
15	25	3	3	3	1,350	1,375	204	204	204	2,750	2,775	414	414	414	
25	50	6	6	6	1,375	1,400	208	208	208	2,775	2,800	418	418	418	
50	75	9	9	9	1,400	1,425	212	212	212	2,800	2,825	422	422	422	
75	100	13	13	13	1,425	1,450	216	216	216	2,825	2,850	426	426	426	
100	125	17	17	17	1,450	1,475	219	219	219	2,850	2,875	429	429	429	
125	150	21	21	21	1,475	1,500	223	223	223	2,875	2,900	433	433	433	
150	175	24	24	24	1,500	1,525	227	227	227	2,900	2,925	437	437	437	
175	200	28	28	28	1,525	1,550	231	231	231	2,925	2,950	441	441	441	
200	225	32	32	32	1,550	1,575	234	234	234	2,950	2,975	444	444	444	
225	250	36	36	36	1,575	1,600	238	238	238	2,975	3,000	448	448	448	
250	275	39	39	39	1,600	1,625	242	242	242	<b>3,000</b>					
275	300	43	43	43	1,625	1,650	246	246	246	3,000	3,050	454	454	454	
300	325	47	47	47	1,650	1,675	249	249	249	3,050	3,100	461	461	461	
325	350	51	51	51	1,675	1,700	253	253	253	3,100	3,150	469	469	469	
350	375	54	54	54	1,700	1,725	257	257	257	3,150	3,200	476	476	476	
375	400	58	58	58	1,725	1,750	261	261	261	3,200	3,250	484	484	484	
400	425	62	62	62	1,750	1,775	264	264	264	3,250	3,300	491	491	491	
425	450	66	66	66	1,775	1,800	268	268	268	3,300	3,350	499	499	499	
450	475	69	69	69	1,800	1,825	272	272	272	3,350	3,400	506	506	506	
475	500	73	73	73	1,825	1,850	276	276	276	3,400	3,450	514	514	514	
500	525	77	77	77	1,850	1,875	279	279	279	3,450	3,500	521	521	521	
525	550	81	81	81	1,875	1,900	283	283	283	3,500	3,550	529	529	529	
550	575	84	84	84	1,900	1,925	287	287	287	3,550	3,600	536	536	536	
575	600	88	88	88	1,925	1,950	291	291	291	3,600	3,650	544	544	544	
600	625	92	92	92	1,950	1,975	294	294	294	3,650	3,700	551	551	551	
625	650	96	96	96	1,975	2,000	298	298	298	3,700	3,750	559	559	559	
650	675	99	99	99	<b>2,000</b>						3,750	3,800	566	566	566
675	700	103	103	103	2,000	2,025	302	302	302	3,800	3,850	574	574	574	
700	725	107	107	107	2,025	2,050	306	306	306	3,850	3,900	581	581	581	
725	750	111	111	111	2,050	2,075	309	309	309	3,900	3,950	589	589	589	
750	775	114	114	114	2,075	2,100	313	313	313	3,950	4,000	596	596	596	
775	800	118	118	118	2,100	2,125	317	317	317	<b>4,000</b>					
800	825	122	122	122	2,125	2,150	321	321	321	4,000	4,050	604	604	604	
825	850	126	126	126	2,150	2,175	324	324	324	4,050	4,100	611	611	611	
850	875	129	129	129	2,175	2,200	328	328	328	4,100	4,150	619	619	619	
875	900	133	133	133	2,200	2,225	332	332	332	4,150	4,200	626	626	626	
900	925	137	137	137	2,225	2,250	336	336	336	4,200	4,250	634	634	634	
925	950	141	141	141	2,250	2,275	339	339	339	4,250	4,300	641	641	641	
950	975	144	144	144	2,275	2,300	343	343	343	4,300	4,350	649	649	649	
975	1,000	148	148	148	2,300	2,325	347	347	347	4,350	4,400	656	656	656	
<b>1,000</b>					2,325	2,350	351	351	351	4,400	4,450	664	664	664	
1,000	1,025	152	152	152	2,350	2,375	354	354	354	4,450	4,500	671	671	671	
1,025	1,050	156	156	156	2,375	2,400	358	358	358	4,500	4,550	679	679	679	
1,050	1,075	159	159	159	2,400	2,425	362	362	362	4,550	4,600	686	686	686	
1,075	1,100	163	163	163	2,425	2,450	366	366	366	4,600	4,650	694	694	694	
1,100	1,125	167	167	167	2,450	2,475	369	369	369	4,650	4,700	701	701	701	
1,125	1,150	171	171	171	2,475	2,500	373	373	373	4,700	4,750	709	709	709	
1,150	1,175	174	174	174	2,500	2,525	377	377	377	4,750	4,800	716	716	716	
1,175	1,200	178	178	178	2,525	2,550	381	381	381	4,800	4,850	724	724	724	
1,200	1,225	182	182	182	2,550	2,575	384	384	384	4,850	4,900	731	731	731	
1,225	1,250	186	186	186	2,575	2,600	388	388	388	4,900	4,950	739	739	739	
1,250	1,275	189	189	189	2,600	2,625	392	392	392	4,950	5,000	746	746	746	
1,275	1,300	193	193	193	2,625	2,650	396	396	396						
					2,650	2,675	399	399	399						
					2,675	2,700	403	403	403						

Continued on next page























1992 Tax Table—Continued

If line 35 (taxable income) is—		And you are—			If line 35 (taxable income) is—		And you are—			If line 35 (taxable income) is—		And you are—		
At least	But less than	Single	Qualifying widow(er)	Married filing separately	At least	But less than	Single	Qualifying widow(er)	Married filing separately	At least	But less than	Single	Qualifying widow(er)	Married filing separately
		Your tax is—					Your tax is—					Your tax is—		
<b>95,000</b>					<b>97,000</b>					<b>99,000</b>				
<b>95,000</b>	<b>95,050</b>	25,112	22,209	25,833	<b>97,000</b>	<b>97,050</b>	25,732	22,829	26,453	<b>99,000</b>	<b>99,050</b>	26,352	23,449	27,073
<b>95,050</b>	<b>95,100</b>	25,128	22,224	25,849	<b>97,050</b>	<b>97,100</b>	25,748	22,844	26,469	<b>99,050</b>	<b>99,100</b>	26,368	23,464	27,089
<b>95,100</b>	<b>95,150</b>	25,143	22,240	25,864	<b>97,100</b>	<b>97,150</b>	25,763	22,860	26,484	<b>99,100</b>	<b>99,150</b>	26,383	23,480	27,104
<b>95,150</b>	<b>95,200</b>	25,159	22,255	25,880	<b>97,150</b>	<b>97,200</b>	25,779	22,875	26,500	<b>99,150</b>	<b>99,200</b>	26,399	23,495	27,120
<b>95,200</b>	<b>95,250</b>	25,174	22,271	25,895	<b>97,200</b>	<b>97,250</b>	25,794	22,891	26,515	<b>99,200</b>	<b>99,250</b>	26,414	23,511	27,135
<b>95,250</b>	<b>95,300</b>	25,190	22,286	25,911	<b>97,250</b>	<b>97,300</b>	25,810	22,906	26,531	<b>99,250</b>	<b>99,300</b>	26,430	23,526	27,151
<b>95,300</b>	<b>95,350</b>	25,205	22,302	25,926	<b>97,300</b>	<b>97,350</b>	25,825	22,922	26,546	<b>99,300</b>	<b>99,350</b>	26,445	23,542	27,166
<b>95,350</b>	<b>95,400</b>	25,221	22,317	25,942	<b>97,350</b>	<b>97,400</b>	25,841	22,937	26,562	<b>99,350</b>	<b>99,400</b>	26,461	23,557	27,182
<b>95,400</b>	<b>95,450</b>	25,236	22,333	25,957	<b>97,400</b>	<b>97,450</b>	25,856	22,953	26,577	<b>99,400</b>	<b>99,450</b>	26,476	23,573	27,197
<b>95,450</b>	<b>95,500</b>	25,252	22,348	25,973	<b>97,450</b>	<b>97,500</b>	25,872	22,968	26,593	<b>99,450</b>	<b>99,500</b>	26,492	23,588	27,213
<b>95,500</b>	<b>95,550</b>	25,267	22,364	25,988	<b>97,500</b>	<b>97,550</b>	25,887	22,984	26,608	<b>99,500</b>	<b>99,550</b>	26,507	23,604	27,228
<b>95,550</b>	<b>95,600</b>	25,283	22,379	26,004	<b>97,550</b>	<b>97,600</b>	25,903	22,999	26,624	<b>99,550</b>	<b>99,600</b>	26,523	23,619	27,244
<b>95,600</b>	<b>95,650</b>	25,298	22,395	26,019	<b>97,600</b>	<b>97,650</b>	25,918	23,015	26,639	<b>99,600</b>	<b>99,650</b>	26,538	23,635	27,259
<b>95,650</b>	<b>95,700</b>	25,314	22,410	26,035	<b>97,650</b>	<b>97,700</b>	25,934	23,030	26,655	<b>99,650</b>	<b>99,700</b>	26,554	23,650	27,275
<b>95,700</b>	<b>95,750</b>	25,329	22,426	26,050	<b>97,700</b>	<b>97,750</b>	25,949	23,046	26,670	<b>99,700</b>	<b>99,750</b>	26,569	23,666	27,290
<b>95,750</b>	<b>95,800</b>	25,345	22,441	26,066	<b>97,750</b>	<b>97,800</b>	25,965	23,061	26,686	<b>99,750</b>	<b>99,800</b>	26,585	23,681	27,306
<b>95,800</b>	<b>95,850</b>	25,360	22,457	26,081	<b>97,800</b>	<b>97,850</b>	25,980	23,077	26,701	<b>99,800</b>	<b>99,850</b>	26,600	23,697	27,321
<b>95,850</b>	<b>95,900</b>	25,376	22,472	26,097	<b>97,850</b>	<b>97,900</b>	25,996	23,092	26,717	<b>99,850</b>	<b>99,900</b>	26,616	23,712	27,337
<b>95,900</b>	<b>95,950</b>	25,391	22,488	26,112	<b>97,900</b>	<b>97,950</b>	26,011	23,108	26,732	<b>99,900</b>	<b>99,950</b>	26,631	23,728	27,352
<b>95,950</b>	<b>96,000</b>	25,407	22,503	26,128	<b>97,950</b>	<b>98,000</b>	26,027	23,123	26,748	<b>99,950</b>	<b>100,000</b>	26,647	23,743	27,368
<b>96,000</b>					<b>98,000</b>					<b>100,000 or over — use tax rate schedules</b>				
<b>96,000</b>	<b>96,050</b>	25,422	22,519	26,143	<b>98,000</b>	<b>98,050</b>	26,042	23,139	26,763					
<b>96,050</b>	<b>96,100</b>	25,438	22,534	26,159	<b>98,050</b>	<b>98,100</b>	26,058	23,154	26,779					
<b>96,100</b>	<b>96,150</b>	25,453	22,550	26,174	<b>98,100</b>	<b>98,150</b>	26,073	23,170	26,794					
<b>96,150</b>	<b>96,200</b>	25,469	22,565	26,190	<b>98,150</b>	<b>98,200</b>	26,089	23,185	26,810					
<b>96,200</b>	<b>96,250</b>	25,484	22,581	26,205	<b>98,200</b>	<b>98,250</b>	26,104	23,201	26,825					
<b>96,250</b>	<b>96,300</b>	25,500	22,596	26,221	<b>98,250</b>	<b>98,300</b>	26,120	23,216	26,841					
<b>96,300</b>	<b>96,350</b>	25,515	22,612	26,236	<b>98,300</b>	<b>98,350</b>	26,135	23,232	26,856					
<b>96,350</b>	<b>96,400</b>	25,531	22,627	26,252	<b>98,350</b>	<b>98,400</b>	26,151	23,247	26,872					
<b>96,400</b>	<b>96,450</b>	25,546	22,643	26,267	<b>98,400</b>	<b>98,450</b>	26,166	23,263	26,887					
<b>96,450</b>	<b>96,500</b>	25,562	22,658	26,283	<b>98,450</b>	<b>98,500</b>	26,182	23,278	26,903					
<b>96,500</b>	<b>96,550</b>	25,577	22,674	26,298	<b>98,500</b>	<b>98,550</b>	26,197	23,294	26,918					
<b>96,550</b>	<b>96,600</b>	25,593	22,689	26,314	<b>98,550</b>	<b>98,600</b>	26,213	23,309	26,934					
<b>96,600</b>	<b>96,650</b>	25,608	22,705	26,329	<b>98,600</b>	<b>98,650</b>	26,228	23,325	26,949					
<b>96,650</b>	<b>96,700</b>	25,624	22,720	26,345	<b>98,650</b>	<b>98,700</b>	26,244	23,340	26,965					
<b>96,700</b>	<b>96,750</b>	25,639	22,736	26,360	<b>98,700</b>	<b>98,750</b>	26,259	23,356	26,980					
<b>96,750</b>	<b>96,800</b>	25,655	22,751	26,376	<b>98,750</b>	<b>98,800</b>	26,275	23,371	26,996					
<b>96,800</b>	<b>96,850</b>	25,670	22,767	26,391	<b>98,800</b>	<b>98,850</b>	26,290	23,387	27,011					
<b>96,850</b>	<b>96,900</b>	25,686	22,782	26,407	<b>98,850</b>	<b>98,900</b>	26,306	23,402	27,027					
<b>96,900</b>	<b>96,950</b>	25,701	22,798	26,422	<b>98,900</b>	<b>98,950</b>	26,321	23,418	27,042					
<b>96,950</b>	<b>97,000</b>	25,717	22,813	26,438	<b>98,950</b>	<b>99,000</b>	26,337	23,433	27,058					

# 1992 Tax Rate Schedules

If you cannot use the Tax Table because your taxable income is \$100,000 or more, or if you are filing for an estate or trust, figure your tax on the amount on Form 1040NR, line 35, by using the appropriate Tax Rate Schedule on this page. Enter the tax on Form 1040NR, line 36. Even though Form 1040NR filers cannot use the Tax Rate Schedules below if their taxable incomes are less than \$100,000, all levels of taxable income are shown so filers can see the tax rate that applies to each level.

**Schedule W**  
**Estates or Trusts**  
Use this schedule for a nonresident alien estate or trust—

If the amount on Form 1040NR, line 35, is:		Enter on Form 1040NR, line 36	of the amount over—
Over—	But not over—		
\$0	\$3,600	.....15%	\$0
3,600	10,900	<b>\$540.00 + 28%</b>	<b>3,600</b>
10,900	.....	<b>2,584.00 + 31%</b>	<b>10,900</b>

**Schedule X**  
**Single Taxpayers**  
Use this schedule if you checked **Filing Status Box 1 or 2** on Form 1040NR—

If the amount on Form 1040NR, line 35, is:		Enter on Form 1040NR, line 36	of the amount over—
Over—	But not over—		
\$0	\$21,450	.....15%	\$0
21,450	51,900	<b>\$3,217.50 + 28%</b>	<b>21,450</b>
51,900	.....	<b>11,743.50 + 31%</b>	<b>51,900</b>

**Schedule Y**  
**Married Filing Separate Returns**  
Use this schedule if you checked **Filing Status Box 3, 4, or 5** on Form 1040NR—

If the amount on Form 1040NR, line 35, is:		Enter on Form 1040NR, line 36	of the amount over—
Over—	But not over—		
\$0	\$17,900	.....15%	\$0
17,900	43,250	<b>\$2,685.00 + 28%</b>	<b>17,900</b>
43,250	.....	<b>9,783.00 + 31%</b>	<b>43,250</b>

**Schedule Z**  
**Qualifying Widows and Widowers**  
Use this schedule if you checked **Filing Status Box 6** on Form 1040NR—

If the amount on Form 1040NR, line 35, is:		Enter on Form 1040NR, line 36	of the amount over—
Over—	But not over—		
\$0	\$35,800	.....15%	\$0
35,800	86,500	<b>\$5,370.00 + 28%</b>	<b>35,800</b>
86,500	.....	<b>19,566.00 + 31%</b>	<b>86,500</b>

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