

# Closer Connection Exception Statement

(Under Section 7701(b) of the Internal Revenue Code)

For the year January 1—December 31, 1993, or other tax year beginning \_\_\_\_\_, 1993, and ending \_\_\_\_\_, 19\_\_\_\_.

Your first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Your U.S. taxpayer identification number, if any \_\_\_\_\_

<b>Fill in your addresses only if you are filing this form by itself and not with your tax return</b>	Address in country of residence	Address in the United States

## Part I General Information

- 1 Enter your U.S. visa number, if any ▶ .....
- 2 Of what country or countries were you a citizen during the tax year? .....
- 3 What country or countries issued you a passport? .....
- 4 Enter your passport number(s) ▶ .....
- 5 Enter the number of days you were present in the United States during:  
1993 \_\_\_\_\_ 1992 \_\_\_\_\_ 1991 \_\_\_\_\_
- 6 During 1993, did you apply for, or take other affirmative steps to apply for, lawful permanent resident status in the United States or have an application pending to change your status to that of a lawful permanent resident of the United States (see instructions)?  Yes  No

## Part II Closer Connection to One Foreign Country

- 7 Where was your tax home during 1993? .....
  - 8 Enter the name of the foreign country to which you had a closer connection than to the United States during 1993 ▶ .....
- To determine whether you maintained more significant contacts with the foreign country listed on line 8 than with the United States, complete lines 14–18 below and lines 19–32 on the back.

## Part III Closer Connection to Two Foreign Countries

- 9 Where was your tax home on January 1, 1993? .....
- 10 After changing your tax home from its location on January 1, 1993, where was your tax home for the remainder of 1993? .....
- 11 Did you have a closer connection to each foreign country listed on lines 9 and 10 than to the United States for the period during which you maintained a tax home in that foreign country?  Yes  No  
If "No," attach an explanation.
- 12 Were you subject to tax as a resident under the internal laws of (a) either of the countries listed on lines 9 and 10 during all of 1993 or (b) both of the countries listed on lines 9 and 10 for the period during which you maintained a tax home in each country?  Yes  No
- 13 Have you filed or will you file tax returns for 1993 in the countries listed on lines 9 and 10?  Yes  No  
If "Yes" to either line 12 or line 13, attach verification.  
If "No" to either line 12 or line 13, please explain ▶ .....

To determine whether you maintained more significant contacts with each foreign country listed on lines 9 and 10 above than with the United States, complete lines 14–18 below and lines 19–32 on the back.

## Part IV Significant Contacts With Foreign Country or Countries in 1993

- 14 Where was your regular or principal permanent home located during 1993 (see instructions)? .....
- 15 If you had more than one permanent home available to you at all times during 1993, list the location of each and explain ▶ .....
- 16 Where was your family located? .....
- 17 Where was your automobile(s) located? .....
- 18 Where was your automobile(s) registered? .....

19 Where were your personal belongings, furniture, etc., located? .....

20 List social, cultural, religious, and political organizations you currently participate in and the location of each:

- a \_\_\_\_\_ Location \_\_\_\_\_
- b \_\_\_\_\_ Location \_\_\_\_\_
- c \_\_\_\_\_ Location \_\_\_\_\_
- d \_\_\_\_\_ Location \_\_\_\_\_
- e \_\_\_\_\_ Location \_\_\_\_\_

21 Where was the bank(s) with which you conducted your routine personal banking activities located?

- a \_\_\_\_\_ b \_\_\_\_\_
- c \_\_\_\_\_ d \_\_\_\_\_

22 Did you conduct business activities in a location other than your tax home? . . . . .  Yes  No  
If "Yes," where? .....

23a Where was your driver's license issued? .....

b If you hold a second driver's license, where was it issued? .....

24 Where were you registered to vote? .....

25 When completing official documents, forms, etc., what country do you list as your residence? .....

26 Have you ever completed —

- a Form W-8, Certificate of Foreign Status? . . . . .  Yes  No
- b Form W-9, Request for Taxpayer Identification Number and Certification? . . . . .  Yes  No
- c Form 1078, Certificate of Alien Claiming Residence in the United States? . . . . .  Yes  No
- d Any other U.S. official forms? If "Yes," indicate the form(s) ► .....

27 In what country/countries did you keep your personal, financial, and legal documents? .....

28 From what country/countries did you derive the majority of your 1993 income? .....

29 Did you have any income from U.S. sources? . . . . .  Yes  No  
If "Yes," what type? .....

30 In what country/countries were your investments located? (see instructions) .....

31 List any charitable organizations to which you made contributions and their locations:

- a \_\_\_\_\_ Location \_\_\_\_\_
- b \_\_\_\_\_ Location \_\_\_\_\_
- c \_\_\_\_\_ Location \_\_\_\_\_
- d \_\_\_\_\_ Location \_\_\_\_\_

32 Did you qualify for any type of government sponsored "national" health plan? . . . . .  Yes  No  
If "Yes," in what country? .....

If "No," why not? .....

If you have any other information to substantiate your closer connection to a country other than the United States or you wish to explain in more detail your response to lines 14 through 32, please attach a statement to this form.

**Sign here only if you are filing this form by itself and not with your tax return**

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

► \_\_\_\_\_  
Your Signature

► \_\_\_\_\_  
Date

## 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:

<b>Recordkeeping</b> . . . . .	<b>13 min.</b>
<b>Learning about the law or the form</b> . . . . .	<b>7 min.</b>
<b>Preparing the form</b> . . . . .	<b>1 hr., 14 min.</b>
<b>Copying, assembling, and sending the form to the IRS</b> . . . . .	<b>35 min.</b>

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**, Attention: Reports Clearance Officer, PC:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-1410), Washington, DC 20503. **DO NOT** send this form to either of these offices. Instead, see **How To File** on page 4.

## General Instructions

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

### Purpose of Form

Use Form 8840 to claim the closer connection to a foreign country or countries exception to the substantial presence test. The exception is described in Regulations section 301.7701(b)-2.

**Note:** You are not eligible for the closer connection exception if (1) you are present in the United States 183 days or more in calendar year 1993 or (2) you are a lawful permanent resident of the United States (i.e., green card holder).

### Who Must File

If you, as an alien individual, meet the closer connection exception to the substantial presence test, you must file Form 8840 or a similar statement with the IRS to establish your claim that you are a

nonresident of the United States by reason of that exception.

For more details on the substantial presence test and the closer connection exception, get **Pub. 519**, U.S. Tax Guide for Aliens.

### Substantial Presence Test

You are considered a U.S. resident if you meet the substantial presence test for 1993. You meet this test if you were physically present in the United States for at least:

- 31 days during 1993, and
- 183 days during the period 1993, 1992, and 1991, counting all the days of physical presence in 1993 but only 1/3 the number of days of presence in 1992 and only 1/6 the number of days in 1991.

### Days of Presence in the United States.—

Generally, you are treated as being present in the United States on any day that you are physically present in the country at any time during the day. However, you do not count the following days of presence in the United States for purposes of the substantial presence test:

1. Days you regularly commuted to work in the United States from a residence in Canada or Mexico.
2. Days you were in the United States for less than 24 hours when you were in transit between two places outside the United States.
3. Days you were unable to leave the United States because of a medical condition or medical problem that developed while you were in the United States.
4. Days you were an exempt individual.

In general, an **exempt individual** is a (a) foreign government-related individual, (b) teacher or trainee, (c) student, or (d) professional athlete competing in a charitable sports event. For more details, see Pub. 519.

**Note:** If you qualify to exclude days of presence in the United States because you were an exempt individual (other than a foreign-government related individual) or because of a medical condition or medical problem (see item 3 above), you must file **Form 8843**, *Statement for Exempt Individuals and Individuals With a Medical Condition*, or a similar statement.

## Closer Connection Exception

Even though you would otherwise meet the substantial presence test, you will not be treated as a U.S. resident for 1993 if:

- You were present in the United States for fewer than 183 days during 1993.
- You establish that during 1993 you had a tax home in a foreign country, and
- You establish that during 1993 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.

### Closer Connection To Two Foreign Countries

You may demonstrate that you have a closer connection to two foreign countries (but not more than two) if **all five** of the following apply:

1. You maintained a tax home as of January 1, 1993, in one foreign country.
2. You changed your tax home during 1993 to a second foreign country.
3. You continued to maintain your tax home in the second foreign country for the rest of 1993.
4. You had a closer connection to each foreign country than to the United States for the period during which you maintained a tax home in that foreign country.
5. You are subject to tax as a resident under the tax laws of either foreign country for all of 1993 or subject to tax as a resident in both foreign countries for the period during which you maintained a tax home in each foreign country.

### Tax Home

Your tax home is your main place of business, employment, or post of duty regardless of where you maintain your family home. If you do not have a regular or main place of business because of the nature of your work, then your tax home is the place where you regularly live. If you do not fit either of these categories, you are considered an itinerant and your tax home is wherever you work.

### Establishing A Closer Connection

You will be considered to have a closer connection to a foreign country than to the United States if

you or the IRS establishes that you have maintained more significant contacts with the foreign country than with the United States.

### How To File

Attach Form 8840 to your 1993 income tax return. If you do not have to file a return, send the form to the Internal Revenue Service Center, Philadelphia, PA 19255 by the due date (including extensions) for filing Form 1040NR. See the Instructions for Form 1040NR.

### Penalty for Not Filing Form 8840 or a Similar Statement

If you do not timely file Form 8840 or a similar statement, you will not be eligible to claim the closer connection exception and may be treated as a U.S. resident.

You will not be penalized if you can show by clear and convincing evidence that you took reasonable actions to become aware of the filing requirements and significant steps to comply with those requirements.

### Specific Instructions

**Line 6.**—If you answered "Yes" on line 6, do not complete this form. You are not eligible for the closer connection exception. However, you may qualify for nonresident status by reason of a treaty. See Pub. 519 for details. If so, file **Form 8833**, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), or a similar statement, with your Form 1040NR.

If you do not qualify for nonresident status by reason of a treaty, file your U.S. income tax return using Form 1040.

**Line 14.**—A "permanent home" is a dwelling unit (whether a house owned or rented, an apartment, or a furnished room) that is available at all times, continuously and not solely for short stays.

**Line 30.**—For intangible assets, such as stocks and bonds, indicate the country of origin of the stock company or debtor. For example, if you own shares of a U.S. publicly traded corporation, the investment would be considered located in the United States, even though the shares of stock are stored in a safe deposit box in a foreign country.

