



# Instructions for Form 1040NR-EZ

## U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents

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

### Can I Use Form 1040NR-EZ?

You can use Form 1040NR-EZ instead of Form 1040NR if all 11 of the following apply.

1. You do not claim any dependents.
2. You cannot be claimed as a dependent on another person's U.S. tax return (such as your parent's return).
3. Your only U.S. source income was from wages, salaries, tips, taxable refunds of state and local income taxes, and scholarship or fellowship grants.

**Note.** If you had taxable interest or dividend income, you cannot use this form.

4. Your taxable income (line 14 of Form 1040NR-EZ) is less than \$100,000.
5. The only adjustments to income you can claim are the exclusion for scholarship and fellowship grants or the student loan interest deduction.
6. You do not claim any tax credits.
7. If you were married, you do not claim an exemption for your spouse.
8. The only itemized deduction you can claim is for state and local income taxes.

**Note.** Residents of India who were students or business apprentices may be able to take the standard deduction instead of the itemized deduction for state and local income taxes. See the instructions for line 11 on page 6.

9. This is not an "expatriation return." See the Instructions for Form 1040NR for more information.
10. The only taxes you owe are:
  - a. The tax from the Tax Table on pages 12 through 20.
  - b. The social security and Medicare tax on tip income not reported to your employer.
11. You do not claim a credit for excess social security and tier 1 RRTA tax withheld.

## General Instructions

### What's New for 2006

**New exception from the filing requirement for nonresident alien**

**Individuals.** Generally, the requirement to file a return has been eliminated for nonresident aliens who earn wages effectively connected with a U.S. trade or business that are less than the amount of one personal exemption (\$3,300 for 2006). For more information, see *Who Must File* on page 2.

**Credit for federal telephone excise tax paid.** If you paid the federal excise tax on your long distance or bundled telephone service, you may be able to request a credit. See the instructions for line 21 on page 7.

**Personal exemption and itemized deduction phaseouts reduced.** Taxpayers with adjusted gross income above a certain amount may lose part of their deduction for the personal exemption and itemized deductions. The amount by which these deductions are reduced in 2006 is only  $\frac{2}{3}$  of the amount of the reduction that otherwise would have applied.

**Direct deposit of refunds.** If you choose direct deposit of your refund, you may be able to split the refund into two or three accounts. See the instructions for line 24a on page 8.

### Other Reporting Requirements

If you meet the closer connection to a foreign country exception to the substantial presence test, you must file Form 8840. If you exclude days of presence in the United States for purposes of the substantial presence test, you must file Form 8843. 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 file Form 8833. A dual-resident taxpayer is one who is a resident of both the United States and another country under each country's tax laws.

### 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 the following publications may also help.

- 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. You may download them from the IRS website at [www.irs.gov](http://www.irs.gov). Also see *Taxpayer Assistance* that begins on page 10 for other ways to get them (as well as information on receiving IRS assistance in completing the forms).

### Resident Alien or Nonresident Alien

If you are not a citizen of the United States, specific rules apply to determine if you are a resident alien or a nonresident alien for tax purposes. Generally, you are considered a resident alien if you meet either the green card test or the substantial presence test for 2006. (These tests are explained later, beginning on this page.) Even if you do not meet either of these tests, you may be able to choose to be treated as a U.S. resident for part of 2006. See *First-Year Choice* in Pub. 519 for details.

You are generally considered a nonresident alien for the year if you are not a U.S. resident under either of these tests. However, even if you are a U.S. resident under one of these tests, you may still be considered a nonresident alien if you qualify as a resident of a treaty country within the meaning of the tax treaty between the United States and that country. You can download the complete text of most U.S. treaties at [www.irs.gov](http://www.irs.gov). Technical explanations for many of those treaties are also available at that site.

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

### Green Card Test

You are a resident for tax purposes if you were a lawful permanent resident (immigrant) of the United States at any time during 2006.

### Substantial Presence Test

You are considered a U.S. resident if you meet the substantial presence test

for 2006. You meet this test if you were physically present in the United States for at least:

1. 31 days during 2006, and
2. 183 days during the period 2006, 2005, and 2004, counting all the days of physical presence in 2006, but only  $\frac{1}{3}$  the number of days of presence in 2005 and only  $\frac{1}{6}$  the number of days in 2004.

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

- Days you commute to work in the United States from a residence in Canada or Mexico if you regularly commute from Canada or Mexico.
- Days you are in the United States for less than 24 hours when you are in transit between two places outside the United States.
- Days you are in the United States as a crew member of a foreign vessel.
- Days you intend, but are unable, to leave the United States because of a medical condition that arose while you were in the United States.
- Days you are an exempt individual (defined below).

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

- Foreign government-related individual,
- Teacher or trainee,
- Student, or
- Professional athlete who is temporarily in the United States to compete in a charitable sports event.

**Note.** Alien individuals with "Q" visas are treated as either students, teachers, or trainees and, as such, are exempt individuals for purposes of the substantial presence test if they otherwise qualify. "Q" visas are issued to aliens participating in certain international cultural exchange programs.

See Pub. 519 for more details regarding days of presence in the United States for the substantial presence test.

### Closer Connection to Foreign Country

Even though you otherwise would meet the substantial presence test, you can be treated as a nonresident alien if you:

- Were present in the United States for fewer than 183 days during 2006,
- Establish that during 2006 you had a tax home in a foreign country, and
- Establish that during 2006 you had a closer connection to one foreign country in which you had a tax home than to the United States unless you had a closer connection to two foreign

countries. See Pub. 519 for more information.

### Who Must File

File Form 1040NR-EZ (or Form 1040NR) if you were a nonresident alien engaged in a trade or business in the United States during 2006. You must file even if:

- You have no income from a trade or business conducted in the United States,
- You have no income from U.S. sources, or
- Your income is exempt from U.S. tax under a tax treaty or any section of the Internal Revenue Code.

**Exceptions.** You are not required to file Form 1040NR-EZ (or Form 1040NR) if:

1. Your only U.S. trade or business is the performance of personal services, and
  - a. Your wages are less than \$3,300, and
  - b. You have no other need to file a return to claim a refund of overwithheld taxes, to satisfy additional withholding at source, or to claim income exempt or partly exempt by treaty, or
2. You were a nonresident alien student, teacher, or trainee who was temporarily present in the United States under an "F," "J," "M," or "Q" visa, and you have no income (such as wages, salaries, tips, etc. or scholarship or fellowship grants) that is subject to tax under section 871.

### When To File

If you were an employee and received wages subject to U.S. income tax withholding, file Form 1040NR-EZ by April 16, 2007.

If you did not receive wages as an employee subject to U.S. income tax withholding, file Form 1040NR-EZ by June 15, 2007.

**Extension of time to file.** If you cannot file your return by the due date, you should file Form 4868. 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-EZ with the Internal Revenue Service Center, Austin, TX 73301-0215, U.S.A.

### Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. The list includes only the following:

- DHL Express (DHL): DHL Same Day Service, DHL Next Day 10:30 am, DHL Next Day 12:00 pm, DHL Next Day 3:00 pm, and DHL 2nd Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard

Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.

- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

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



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

### Election To Be Taxed as a Resident Alien

You can elect to be taxed as a U.S. resident for the whole year if all of the following apply.

- You were married.
- Your spouse was a U.S. citizen or resident alien on the last day of the tax year.
- You file a joint return for the year of the election using Form 1040, 1040A, or 1040EZ.

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

Your worldwide income for the whole year must be included and will be taxed under U.S. tax laws. You must agree to keep the records, books, and other information needed to figure the tax. If you made the election in an earlier year, you can file a joint return or separate return for 2006. If you file a separate return, use Form 1040 or Form 1040A. Your worldwide income for the whole year must be included whether you file a joint or separate return.



*Nonresident aliens who make this election may forfeit the right to claim benefits otherwise available under a U.S. tax treaty. For more details, see the specific treaty.*

### 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.

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

If you were a U.S. resident on the last day of the tax year, file Form 1040. Enter "Dual-Status Return" across the top and attach a statement showing your income for the part of the year you were a nonresident. You can use Form 1040NR-EZ as the statement; enter "Dual-Status Statement" across the top. File your return and statement with the Internal Revenue Service Center, Austin, TX 73301-0215, U.S.A.

If you were a nonresident on the last day of the tax year, file Form 1040NR-EZ. Enter "Dual-Status Return" across the top and attach a statement showing your income for the part of the year you were a U.S. resident. You can use Form 1040 as the statement; enter "Dual-Status Statement" across the top. File your return and statement with the Internal Revenue Service Center, Austin, TX 73301-0215, U.S.A.

**Statements.** Any statement you file with your return must show your name, address, and identifying number (see page 4).

## 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 that is considered to be effectively connected with the conduct of a trade or business in the United States is taxable.

Income you received as a dual-status taxpayer from sources outside the United States while a resident alien is taxable even if you became a nonresident alien after receiving it and before the close of the

tax year. Conversely, income you received from sources outside the United States while a nonresident alien is not taxable in most cases even if you became a resident alien after receiving it and before the close of the tax year. Income from U.S. sources is taxable whether you received it while a nonresident alien or a resident alien.

## Restrictions for Dual-Status Taxpayers

**Standard deduction.** You cannot take the standard deduction even for the part of the year you were a resident alien.

**Head of household.** You cannot use the Head of Household Tax Table column or Section D of the Tax Computation Worksheet.

**Joint return.** You cannot file a joint return unless you elect to be taxed as a resident alien (see *Election To Be Taxed as a Resident Alien* on page 2) in lieu of these dual-status taxpayer rules.

**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 this page, you must use the Married filing separately column in the Tax Table to figure your tax on income that is considered to be effectively connected with a U.S. trade or business. If married, you cannot use the Single Tax Table column.

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

**Tax credits.** You cannot take the earned income credit, the credit for the elderly or disabled, or an education credit unless you elect to be taxed as a

resident alien (see *Election To Be Taxed as a Resident Alien* on page 2) in lieu of these dual-status taxpayer rules. For information on other credits, see chapter 6 of 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 considered to be effectively connected with a trade or business in the United States for the period of nonresidence, after allowable deductions, is combined and taxed at the same rates that apply to U.S. citizens and residents.

**Credit for taxes paid.** 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. Tax withheld from wages earned in the United States and taxes withheld at the source from scholarship income from U.S. sources.

When filing Form 1040, show the total tax withheld on line 64. Enter amounts from the attached statement (Form 1040NR-EZ, line 18) to the right of line 64 and identify and include in the amount on line 64.

When filing Form 1040NR-EZ, show the total tax withheld on line 18. Enter the amount from the attached statement (Form 1040, line 64) to the right of line 18 and identify and include in the amount on line 18.

2. Estimated tax paid with Form 1040-ES or Form 1040-ES (NR).
3. Tax paid with Form 1040-C at the time of departure from the United States. When filing Form 1040, include the tax paid with Form 1040-C with the total payments on line 72. Identify the payment in the area to the left of the entry.

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# Line Instructions for Form 1040NR-EZ

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## Identifying Number and Address

**Identifying number.** You are generally required to enter your social security number (SSN). To apply for this number, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration (SSA) office or call the SSA at 1-800-772-1213. You can also download Form SS-5 from the SSA's website at [www.socialsecurity.gov/online/ss-5.html](http://www.socialsecurity.gov/online/ss-5.html). You must visit an SSA office in person and submit your Form SS-5 along with original documentation showing your age, identity, immigration status, and authority to work in the United States. If you are an F-1 or M-1 student, you must also show your Form I-20. If you are a J-1 exchange visitor, you will also need to show your Form DS-2019. Generally, you will receive your card about 2 weeks after the SSA has all the evidence and information it needs.

If you do not have an SSN and are not eligible to get one, you must apply for an individual taxpayer identification number (ITIN). For details on how to do so, see Form W-7 and its instructions. It usually takes about 4-6 weeks to get an ITIN. If you already have an ITIN, enter it wherever your SSN is requested on your tax return.

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

An incorrect or missing identifying number may increase your tax or reduce your refund.

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

**Foreign address.** Enter the information in the following order: City, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

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## Filing Status

**Lines 1 and 2.** The amount of your tax depends on your filing status. Before you decide which box to check, read the following explanation.

**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*, you may consider yourself single for the whole year.

If your spouse died in 2006, consider yourself married to that spouse for the whole year, unless you remarried before the end of 2006.

**U.S. national.** A U.S. national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

**Married persons who live apart.** Some married persons who have a child and who do not live with their spouse can file as single. If you meet all five of the following tests and you are a married resident of Canada, Mexico, the Republic of Korea (South Korea), or you are a married U.S. national, check the box on line 1.

1. You file a return separate from your spouse.
2. You paid more than half of the cost to keep up your home in 2006.
3. You lived apart from your spouse during the last 6 months of 2006.
4. Your home was the main home of your child, stepchild, or foster child for more than half of 2006. Temporary absences, such as for school, vacation, or medical care, count as time lived in the home.
5. You are able to claim a dependency exemption for the child (on Form 1040NR) or the child's other parent claims him or her as a dependent under the rules for children of divorced or separated parents. See Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents.

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

**Foster child.** A foster child is any child placed with you by an authorized placement agency, or by judgment, decree, or other order of any court of competent jurisdiction.

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## Rounding Off to Whole Dollars

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

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

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## Taxable Income

**Line 3—Wages, salaries, tips, etc.** Enter the total of your effectively connected wages, salaries, tips, etc. For most people, the amount to enter

on this line should be shown in their Form(s) W-2, box 1. However, do not include on line 3 amounts exempted under a tax treaty. Instead, include these amounts on line 6 and complete item J on page 2 of Form 1040NR-EZ.

- Also include on line 3:
- Wages received as a household employee for which you did not receive a Form W-2 because your employer paid you less than \$1,500 in 2006. Also, enter "HSH" and the amount not reported on a Form W-2 on the dotted line next to line 3.
  - Tip income you did not report to your employer. Also include allocated tips shown on your Form(s) W-2 unless you can prove that you received less. Allocated tips should be shown in your Form(s) W-2, box 8. They are not included as income in box 1. See Pub. 531 for more details.



*You may owe social security and Medicare tax on unreported or allocated tips. See the instructions for line 16.*

- Disability pensions shown on Form 1042-S or Form 1099-R if you have not reached the minimum retirement age set by your employer.

**Note.** You must use Form 1040NR to report disability pensions received after you reach your employer's minimum retirement age and other payments shown on Form 1042-S or Form 1099-R.

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

Your employer is required to provide or send Form W-2 to you no later than January 31, 2007. If you do not receive it by early February, ask your employer for it. Even if you do not get a Form W-2, you must still report your earnings on line 3. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

**Dependent care benefits.** If you received benefits for 2006 under your employer's dependent care plan, you must use Form 1040NR. The benefits should be shown in your Form(s) W-2, box 10.

**Adoption benefits.** If you received employer-provided adoption benefits for 2006, you must use Form 1040NR. The benefits should be shown in your Form(s) W-2, box 12, with code T.

**Tax-exempt interest.** Certain types of interest income from investments in state and municipal bonds and similar instruments are not taxed by the United States. If you received such tax-exempt interest income, enter "TEI" and the amount of your tax-exempt interest on the dotted line next to line 3. Include any exempt-interest dividends from a mutual fund or other regulated investment company. But do not include interest earned on your IRA or Coverdell education savings account, or interest from a U.S. bank, savings and loan association, credit union, or similar institution (or from certain deposits with U.S. insurance companies) that is exempt from tax under a tax treaty or under

section 871(i) because the interest is not effectively connected with a U.S. trade or business. Do not add any tax-exempt interest to your line 3 total.

**Line 4—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 2006, you may receive a Form 1099-G. If you chose to apply part or all of the refund to your 2006 estimated state or local income tax, the amount applied is treated as received in 2006.

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

**Line 5—Scholarship and fellowship grants.** If you received a scholarship or fellowship, part or all of it may be taxable.

If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses (fees, books, supplies, and equipment) are generally taxable. For example, amounts used for room, board, and travel are generally taxable.

If you were not a degree candidate, the full amount of the scholarship or fellowship is generally taxable. Also, amounts received in the form of a scholarship or fellowship that are payment for teaching, research, or other services are generally taxable as wages even if the services were required to get the grant.

If the grant was reported on Form(s) 1042-S, you must generally include the amount shown in Form(s) 1042-S, box 2, on line 5. However, if any or all of that amount is exempt by treaty, do not include the treaty-exempt amount on line 5. Instead, include the treaty-exempt amount on line 6 and complete item J on page 2 of Form 1040NR-EZ.

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

For more information about scholarships and fellowships in general, see Pub. 970.

**Example 1.** You are a citizen of a country that has not negotiated a tax treaty with the United States. You are a candidate for a degree at ABC University (located in the United States). You are receiving a full scholarship from ABC University. The total amounts you received from ABC University during 2006 are as follows:

Tuition and fees	\$25,000
Books, supplies, and equipment	1,000
Room and board	9,000
	<u>\$35,000</u>

The Form 1042-S you received from ABC University for 2006 shows \$9,000

in box 2 and \$1,260 (14% of \$9,000) in box 7.

**Note.** Box 2 shows only \$9,000 because withholding agents (such as ABC University) are not required to report section 117 amounts (tuition, fees, books, supplies, and equipment) on Form 1042-S.

When completing Form 1040NR-EZ:

- Enter on line 5 the \$9,000 shown in box 2 of Form 1042-S.
- Enter \$0 on line 8. Because section 117 amounts (tuition, fees, books, supplies, and equipment) were not included in box 2 of your Form 1042-S (and are not included on line 5 of Form 1040NR-EZ), you cannot exclude any of the section 117 amounts on line 8.
- Include on line 18 the \$1,260 shown in box 7 of Form 1042-S.

**Example 2.** The facts are the same as in *Example 1* except that you are a citizen of a country that has negotiated a tax treaty with the United States and you were a resident of that country immediately before leaving for the United States to attend ABC University. Also, assume that, under the terms of the tax treaty, all of your scholarship income is exempt from tax because ABC University is a nonprofit educational organization.

**Note.** Many tax treaties do not permit an exemption from tax on scholarship or fellowship grant income unless the income is from sources outside the United States. If you are a resident of a treaty country, you must know the terms of the tax treaty between the United States and the treaty country to claim treaty benefits on Form 1040NR-EZ. See the instructions for item J, on page 9, for details.

- When completing Form 1040NR-EZ:
- Enter \$0 on line 5. The \$9,000 reported to you in box 2 of Form 1042-S is reported on line 6 (not line 5).
  - Enter \$9,000 on line 6.

- Enter \$0 on line 8. Because none of the \$9,000 reported to you in box 2 of Form 1042-S is included in your income, you cannot exclude it on line 8.
- Include on line 18 any withholding shown in box 7 of Form 1042-S.
- Provide all the required information in item J on page 2.

**Line 6.** Use line 6 to report your total effectively connected income that is exempt from tax by a tax treaty. Do not include this exempt income on line 7. Also, you must complete item J on page 2 of Form 1040NR-EZ.

**Line 8—Scholarship and fellowship grants excluded.** If you received a scholarship or fellowship grant and were a degree candidate, enter amounts used for tuition and course-related expenses (fees, books, supplies, and equipment), but only to the extent the amounts are included on line 5. See the examples in the instructions for line 5 on this page.

**Line 9—Student loan interest deduction.** You can take this deduction only if all of the following apply.

1. You paid interest in 2006 on a qualified student loan (see below).
2. Your filing status is single.
3. Your modified adjusted gross income (AGI) is less than \$65,000. Use lines 2 through 4 of the worksheet on this page to figure your modified AGI.

Use the worksheet on this page to figure your student loan interest deduction.

**Qualified student loan.** This is any loan you took out to pay the qualified higher education expenses for:

1. Yourself and your spouse.
2. Any person who was your dependent when the loan was taken out.
3. Any person you could have claimed as a dependent for the year the loan was taken out except that:
  - a. The person filed a joint return.

### Student Loan Interest Deduction Worksheet—Line 9

Keep for Your Records



See the instructions for line 9 before you begin.

1. Enter the total interest you paid in 2006 on qualified student loans (defined on this page). **Do not** enter more than \$2,500 . . . 1. \_\_\_\_\_
2. Enter the amount from Form 1040NR-EZ, line 7 2. \_\_\_\_\_
3. Enter the amount from Form 1040NR-EZ, line 8 3. \_\_\_\_\_
4. Subtract line 3 from line 2 . . . . . 4. \_\_\_\_\_
5. Is line 4 more than \$50,000?
  - No.** Skip lines 5 and 6, enter -0- on line 7, and go to line 8.
  - Yes.** Subtract \$50,000 from line 4 . . . . . 5. \_\_\_\_\_
6. Divide line 5 by \$15,000. Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000 . . . . . 6. \_\_\_\_\_
7. Multiply line 1 by line 6 . . . . . 7. \_\_\_\_\_
8. **Student loan interest deduction.** Subtract line 7 from line 1. Enter the result here and on Form 1040NR-EZ, line 9 . . . . . 8. \_\_\_\_\_

b. The person had gross income that was equal to or more than the exemption amount for that year (\$3,300 for 2006), or

c. You could be claimed as a dependent on someone else's return.

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

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

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

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

An eligible student is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the

student was enrolled) leading to a recognized educational credential at an eligible educational institution, and

- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

**Line 11—Itemized deductions.** Enter the total state and local income taxes you paid or that were withheld from your salary in 2006. But use the worksheet on this page to figure the amount to enter on line 11 if your adjusted gross income from line 10 is more than \$150,500 if you checked filing status box 1, or more than \$75,250 if you checked filing status box 2. If, during 2006, 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-EZ, line 4, on page 5.

**Note.** Residents of India who were students or business apprentices may be able to take the standard deduction instead of their itemized deductions. See Pub. 519 for details.

**Line 13—Exemption deduction.** Generally, you can take an exemption of \$3,300 for yourself. But use the worksheet on page 7 to figure the amount, if any, to enter on line 13 if your adjusted gross income from line 10 is more than \$150,500 if you checked filing status box 1, or more than \$112,875 if you checked filing status box 2.

**Note.** Residents of Canada, Mexico, the Republic of Korea (South Korea), and U.S. nationals may be able to claim exemptions for their dependents and, if married, their spouse. Residents of India who were students or business apprentices may also be able to take exemptions for their spouse and dependents. However, Form 1040NR must be used to claim the additional exemptions.

**Line 16—Social security and Medicare tax on tip income not reported to employer.** If you are subject to social security and Medicare tax, you received tips of \$20 or more in any month, and you did not report the full amount to your employer, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. You must also pay this tax if your Form(s) W-2 show allocated tips that you are including in your income on Form 1040NR-EZ, line 3.

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



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

## Payments

**Line 18—Federal income tax withheld.** Add the amounts shown as federal income tax withheld on your Form(s) W-2, 1042-S, and 1099-R. Enter the total on line 18. The amount(s) withheld should be shown in your Form(s) W-2, box 2, Form(s) 1042-S, box 7, and Form(s) 1099-R, box 4.

**Line 19—2006 Estimated tax payments.** Enter any estimated federal income tax payments you made using Form 1040-ES (NR) for 2006. Include any overpayment from your 2005 return that you applied to your 2006 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-EZ. On the statement, list all of the payments you made in

## Itemized Deductions Worksheet—Line 11

Keep for Your Records



- |   |           |
|---|-----------|
| 1. Enter the amount of state and local income taxes you paid or that were withheld from your salary in 2006 . . .   | 1. _____  |
| 2. Multiply line 1 by 80% (.80) . . . . .   | 2. _____  |
| 3. Enter the amount from Form 1040NR-EZ, line 10 . . . . .  | 3. _____  |
| 4. Enter: \$150,500 (\$75,250 if you checked filing status box 2) . . . . .   | 4. _____  |
| 5. Is the amount on line 4 less than the amount on line 3? . . . . .  |           |
| <input type="checkbox"/> <b>No. Stop.</b> Your deduction is not limited. Enter the amount from line 1 above on Form 1040NR-EZ, line 11.   |           |
| <input type="checkbox"/> <b>Yes.</b> Subtract line 4 from line 3 . . . . .  |           |
| 6. Multiply line 5 by 3% (.03) . . . . .  | 5. _____  |
| 7. Enter the <b>smaller</b> of line 2 or line 6 . . . . .   | 6. _____  |
| 8. Divide line 7 by 3.0 . . . . .   | 7. _____  |
| 9. Subtract line 8 from line 7 . . . . .  | 8. _____  |
| 10. <b>Total itemized deductions.</b> Subtract line 9 from line 1. Enter the result here and on Form 1040NR-EZ, line 11. Then, on the dotted line to the left of the line 12 entry space, enter "IDW" . . . . . | 9. _____  |
|   | 10. _____ |

2006 and show the name(s) and identifying number(s) under which you made them.

**Line 20—Credit for amount paid with Form 1040-C.** Enter any amount you paid with Form 1040-C for 2006.

**Line 21—Credit for federal telephone excise tax paid.** If you were billed after February 28, 2003, and before August 1, 2006, for the federal telephone excise tax on long distance or bundled service, you may be able to request a credit for the tax paid. You had bundled service if your local and long distance service was provided under a plan that does not separately state the charge for local service.

You cannot request the credit if you already have received a credit or refund from your service provider. If you request the credit, you cannot ask your service provider for a credit or refund and must withdraw any request previously submitted to your provider.

You can request the standard amount or the actual amount you paid. If you believe you paid more than the standard amount, it can be to your benefit to request the actual amount. If you request the actual amount paid, you must attach Form 8913 showing the amount paid and keep records to substantiate the amount. See Form 8913 for details.

**Standard amount.** The standard amount you can request is \$30. Enter

\$30 on line 21 if you are requesting the standard amount. The standard amount includes both the tax paid and interest owed on that tax.

If you request the standard amount and you later want to change it to the actual amount, you must file an amended return.

If you request the standard amount, you do not have to include the credit in income for any tax year.

**Line 22—Total payments.** Add lines 18 through 21. Enter the total on line 22.

**Amount paid with request for extension of time to file.** If you filed Form 4868 to get an automatic extension of time to file Form 1040NR-EZ, include in the total on line 22 the amount you paid with that form, or by electronic funds withdrawal, or credit card. If you paid by credit card, do not include on line 22 the convenience fee you were charged. On the dotted line next to line 22, enter "Form 4868" and show the amount paid.

## Refund

**Line 23—Amount overpaid.** If line 23 is under \$1, we will send a refund only on written request.



**TIP** If the amount you overpaid is large, you may be able to decrease the amount of income tax withheld from your pay by filing a new Form W-4. See Income Tax Withholding and Estimated Tax Payments for 2007 on page 10.

**Refund offset.** If you owe past-due federal tax, state income tax, child support, spousal support, or certain federal nontax debts, such as student loans, all or part of the overpayment on line 23 may be used (offset) to pay the past-due amount. Offsets for federal taxes are made by the IRS. All other offsets are made by the Treasury Department's Financial Management Service (FMS). For federal tax offsets, you will receive a notice from the IRS. For all other offsets, you will receive a notice from FMS. To find out if you may have an offset or if you have any questions about it, contact the agency(ies) you owe the debt to.

**Lines 24a through 24d—Direct deposit of refund.**


**DIRECT DEPOSIT**



Simple. Safe. Secure.

### Why Use Direct Deposit?

- You get your refund fast.
- Payment is more secure—there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.

## Exemption Deduction Worksheet—Line 13

Keep for Your Records 

1. Is the amount on Form 1040NR-EZ, line 10, more than the amount shown on line 4 below for your filing status?		
<input type="checkbox"/> No.	 Enter \$3,300 on Form 1040NR-EZ, line 13.	
<input type="checkbox"/> Yes.	Go to line 3.	
2. Exemption amount	.....	2. <u>    \$3,300    </u>
3. Enter the amount from Form 1040NR-EZ, line 10	.....	3. _____
4. Enter the amount shown below for the filing status box you checked on page 1 of Form 1040NR-EZ.		
• Box 1—\$150,500 } • Box 2—\$112,875 }	.....	4. _____
5. Subtract line 4 from line 3.	.....	5. _____
6. Is line 5 more than \$122,500 (\$61,250 if you checked filing status box 2)?		
<input type="checkbox"/> Yes.	 Enter \$1,100 on Form 1040NR-EZ, line 13. Do not complete the rest of this worksheet.	
<input type="checkbox"/> No.	Divide line 5 by \$2,500 (\$1,250 if you checked filing status box 2). If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1) . . . .	6. _____
7. Multiply line 6 by 2% (.02) and enter the result as a decimal	.....	7. _____
8. Multiply line 2 by the decimal on line 7	.....	8. _____
9. Divide line 8 by 1.5	.....	9. _____
10. Exemption deduction. Subtract line 9 from line 2. Enter the result here and on Form 1040NR-EZ, line 13	.....	10. _____

## Sample Check—Lines 24b Through 24d

**RUFUS MAPLE**  
**MARY MAPLE**  
123 Main Street  
Anyplace, LA 70000

PAY TO THE ORDER OF \_\_\_\_\_ \$  DOLLARS

**ANYPLACE BANK**  
Anyplace, LA 70000

For \_\_\_\_\_

① (250250025) ② 20202086 ③ 1234

Do not include the check number

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

**To pay by credit card.** You can use your American Express® Card, Discover® Card, MasterCard® card, or Visa® card. To pay by credit card, call toll-free or visit the website of either service provider listed on this page and follow the instructions. You will be asked to provide your social security number (SSN). If you do not have and are not eligible to get an SSN, use your IRS issued individual taxpayer identification number (ITIN) instead.

A convenience fee will be charged by the service provider based on the amount you are paying. Fees may vary between the providers. You will be told what the fee is during the transaction and you will have the option to either continue or cancel the transaction. You can also find out what the fee will be by calling the provider's toll-free automated customer service number or visiting the provider's website listed on this page.

If you pay by credit card before filing your return, please enter on page 1 of Form 1040NR-EZ in the upper left corner the confirmation number you were given at the end of the transaction and the amount you were charged (not including the convenience fee).

Official Payments Corporation  
1-800-2PAY-TAX<sup>SM</sup> (1-800-272-9829)  
1-877-754-4413 (Customer Service)  
[www.officialpayments.com](http://www.officialpayments.com)

Link2Gov Corporation  
1-888-PAY-1040<sup>SM</sup> (1-888-729-1040)  
1-888-658-5465 (Customer Service)  
[www.PAY1040.com](http://www.PAY1040.com)

**TIP** You may need to (a) increase the amount of income tax withheld from your pay by filing a new Form W-4, or (b) make estimated tax payments for 2007. See Income Tax Withholding and Estimated Tax Payments for 2007 on page 10.

**What if you cannot pay?** If you cannot pay the full amount shown on line 26 when you file, you can ask to make monthly installment payments for the full or a partial amount. You may have up to 60 months to pay. However, even if your request to pay in installments is granted, you will be charged interest and may be charged a late payment penalty on the tax not paid by the due date. You also must pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment.

To ask for an installment agreement, you can apply online or use Form 9465. To apply online, go to [www.irs.gov](http://www.irs.gov), use the pull-down menu under "I need to..." and select "Set Up a Payment Plan." If you use Form 9465, you should receive a response to your request for installments within 30 days. But if you file your return after March 31, it may take you longer to reply.

- Saves tax dollars. A refund by direct deposit costs less than a check.

If you want us to directly deposit the amount shown on line 24a to your checking or savings account, including an IRA, at a U.S. bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States:

- Check the box on line 24a and attach Form 8888 if you want to split the direct deposit of your refund among two or three accounts, or
- Complete lines 24b through 24d if you want your refund deposited to only one account.

Otherwise, we will send you a check.

**Note.** If you do not want your refund directly deposited to your account, do not check the box on line 24a. Draw a line through the boxes on lines 24b and 24d.

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

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

**Line 24a.** If you want to split the direct deposit of your refund among two or three accounts, check the box on line 24a and attach Form 8888. If you want your refund deposited to only one account, do not check the box on line 24a, but instead complete lines 24b through 24d.

**Line 24b.** The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check on page 8, the routing number is 250250025.

Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, do not use the routing number on that

check. Instead, contact your financial institution for the correct routing number to enter on line 24b.

**Line 24c.** Check the appropriate box for the type of account. Do not check more than one box. If the deposit is to an IRA, check the "Savings" box.

**Line 24d.** The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check above, the account number is 20202086. Do not include the check number.

**Line 25—Applied to 2007 estimated tax.** Enter on line 25 the amount, if any, of the overpayment on line 23 you want applied to your 2007 estimated tax. This election cannot be changed later.

## Amount You Owe

**Line 26—Amount you owe.**

**TIP** Pay your taxes in full to save interest and penalties. You do not have to pay if line 26 is under \$1.

Include any estimated tax penalty from line 27 in the amount you enter on line 26.

You can pay by check, money order, or credit card. Do not include any estimated tax payment for 2007 in your check, money order, or amount you charge. Instead, make the estimated tax payment separately.

**To pay by check or money order.** Make your check or money order payable to the "United States Treasury" for the full amount due. Do not send cash. Do not attach the payment to your return. Write "2006 Form 1040NR-EZ" and your name, address, daytime phone number, and SSN or ITIN on your payment.

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



**Line 27—Estimated tax penalty.** You may owe this penalty if:

- Line 26 is at least \$1,000 and it is more than 10% of the tax shown on your return, or
- You did not pay enough estimated tax by any of the due dates. This is true even if you are due a refund.

The “tax shown on your return” is the amount on line 17 minus any tax shown on Form 4137.

**Exception.** You will not owe the penalty if your 2005 tax return was for a tax year of 12 full months and either of the following applies.

1. You had no tax shown on your 2005 return and you were a U.S. citizen or resident for all of 2005, or

2. The total of lines 18, 19, and 20 on your 2006 return is at least as much as the tax shown on your 2005 return. Your estimated tax payments for 2006 must have been made on time and for the required amount.



*If your 2005 adjusted gross income was over \$150,000 (over \$75,000 if you checked filing status box 2 for 2006), item (2) applies only if the total of lines 18, 19, and 20 on your 2006 return is at least 110% of the tax shown on your 2005 return.*

**Figuring the penalty.** If the Exception above does not apply and you choose to figure the penalty yourself, see Form 2210 to find out if you owe the penalty. If you do, you can use the form to figure the amount.

Enter the penalty on Form 1040NR-EZ, line 27. Add the penalty to any tax due and enter the total on line 26. If you are due a refund, subtract the penalty from the overpayment you show on line 23. Do not file Form 2210 with your return unless Form 2210 indicates that you must do so. Instead, keep it for your records.



*Because Form 2210 is complicated, you can leave line 27 blank and the IRS will figure the penalty and send you a bill. We will not charge you interest on the penalty if you pay by the date specified on the bill. If your income varied during the year, the annualized income installment method may reduce the amount of your penalty. But you must file Form 2210 because the IRS cannot figure your penalty under this method. See the Instructions for Form 2210 for other situations in which you may be able to lower your penalty by filing Form 2210.*

## Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your 2006 tax return with the IRS, check the “Yes” box in the “Third Party Designee” area of your return. Also, enter the designee’s name, U.S. phone number, and any five numbers the designee chooses as his or her personal identification number (PIN). But if you want to allow

the paid preparer who signed your return to discuss it with the IRS, just enter “Preparer” in the space for the designee’s name. You do not have to provide the other information requested.

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

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

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

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2007 tax return (see *When To File* on page 2). If you wish to revoke the authorization before it ends, see Pub. 947.

## Other Information (Page 2)

### Item D

Enter the type of U.S. visa (for example, F, J, M, etc.) you used to enter the United States. Also enter your current nonimmigrant status. For example, enter your current nonimmigrant status shown on your current U.S. Citizenship and Immigration Services (USCIS) Form I-94, Arrival-Departure Record. If your status has changed while in the United States, enter the date of change. If your status has not changed, enter “N/A.”

### Item E

You are generally required to enter your date of entry into the United States that pertains to your current nonimmigrant status (for example, the date of arrival shown on your most recent USCIS Form I-94).

**Exception.** If you are claiming a tax treaty benefit that is determined by reference to more than one date of arrival, enter the earlier date of arrival. For example, you are currently claiming treaty benefits (as a teacher) under article 20 of the tax treaty between the United States and the Republic of Korea (South Korea). You previously claimed treaty benefits (as a student) under article 21 of that treaty. Under article 21, paragraph 4, of that treaty, the combination of consecutive

exemptions under articles 20 and 21 may not extend beyond 5 tax years from the date you entered the United States as a student. If article 21, paragraph 4, of that treaty applies, enter in item E the date you entered the United States as a student.

### Item J

If you are a resident of a treaty country (that is, you qualify as a resident of that country within the meaning of the tax treaty between the United States and that country), you must know the terms of the tax treaty between the United States and the treaty country to properly complete item J. You may download the complete text of most U.S. tax treaties at [www.irs.gov](http://www.irs.gov). Technical explanations for many of those treaties are also available at that site. Also, see Pub. 901 for a quick reference guide to the provisions of U.S. tax treaties.

If you are claiming treaty benefits on Form 1040NR-EZ, you must provide all of the information requested in item J.



*If you are claiming tax treaty benefits and you failed to submit adequate documentation to a withholding agent, you must attach all information that would have otherwise been required on the withholding document (for example, all information required on Form W-8BEN or Form 8233).*

## Reminders

### Sign and Date Your Return

Form 1040NR-EZ is not considered a valid return unless you sign it. You can have an agent in the United States prepare and sign your return if you could not do so for one of the following reasons:

- You were ill.
- You were not in the United States at any time during the 60 days before the return was due.
- For other reasons that you explained in writing to the Internal Revenue Service Center, Austin, TX 73301-0215, U.S.A., and that the IRS approved.

A return prepared by an agent must be accompanied by a power of attorney. Form 2848 may be used for this purpose.

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, you are still responsible for the correctness of the return.

**Child’s return.** If your child cannot sign the return, you can sign the child’s name in the space provided. Then, add “By (your signature), parent for minor child.”

**Paid preparer must sign your return.** Generally, anyone you pay to prepare your return must sign it in the space provided. The preparer must give you a copy of the return for your records. Someone who prepares your return but

does not charge you should not sign your return.

## Address Change

If you move after filing your return, always notify the IRS in writing of your new address. To do this, use Form 8822.

## Income Tax Withholding and Estimated Tax Payments for 2007

If the amount you owe or the amount you overpaid is large, you may be able to file a new Form W-4 with your employer to change the amount of income tax withheld from your 2007 pay. For details on how to complete Form W-4, see the Instructions for Form 8233.

In general, you do not have to make estimated tax payments if you expect that your 2007 Form 1040NR-EZ will show a tax refund or a tax balance due the IRS of less than \$1,000. If your total estimated tax for 2007 is \$1,000 or more, see Form 1040-ES (NR). It has a worksheet you can use to see if you have to make estimated tax payments. However, if you expect to be a resident of Puerto Rico during all of 2007 and you must pay estimated tax, use Form 1040-ES.

## How Long Should Records Be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as Forms W-2, 1099, and 1042-S) until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. You should keep some records longer. For example, keep property records (including those on your home) as long as they are needed to figure the basis of the original or replacement property. For more details, see Pub. 552.

## Requesting a Copy of Your Tax Return

If you need a copy of your tax return, use Form 4506. There is a \$39 fee for each return requested. If your main home, principal place of business, or tax records are located in a Presidentially declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T or call us at 1-800-829-1040.

## Amended Return

File Form 1040X to change a return you already filed. Also, use Form 1040X if you filed Form 1040NR-EZ and you should have filed a Form 1040, 1040A, or 1040EZ, or vice versa. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. But you may have more time to file Form 1040X if

you are physically or mentally unable to manage your financial affairs. See Pub. 556 for details.

## Interest and Penalties

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

If you include interest or penalties (other than the estimated tax penalty) with your payment, identify and enter the amount in the bottom margin of Form 1040NR-EZ, page 1. Do not include interest or penalties (other than the estimated tax penalty) in the amount you owe on line 26.

**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 misstatements, substantial understatements of tax, and reportable transaction understatements. Interest is charged on the penalty from the due date of the return (including extensions).

**Penalty for late filing.** If you do not file your return by the due date (including extensions), the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty can be as much as 25% of the tax due. The penalty is 15% per month, up to a maximum of 75%, if the failure to file is fraudulent. If your return is more than 60 days late, the minimum penalty will be \$100 or the amount of any tax you owe, whichever is smaller.

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

**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, reportable transaction understatements, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See Pub. 519 for details on some of these penalties.

## Gift To Reduce Debt Held By the Public

If you wish to make such a gift, make a check payable to "Bureau of the Public Debt." You can send it to: Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or you can enclose the check with your income tax return when you file. Do not add your gift to any tax you may owe. See *Amount You Owe* beginning on page 8 for details on how to pay any tax you owe.



*You may be able to deduct this gift on your 2007 tax return as a charitable contribution. But you must file Form 1040NR to do so.*

## 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, you may call 1-800-829-1040. For TTY/TDD help, call 1-800-829-4059. If overseas, you may call 215-516-2000 (English-speaking only). This number is not toll free. The hours of operation are from 6:00 a.m. to 11:00 p.m. Eastern time. These hours are subject to change.

If you wish to write instead of call, please address your letter to: Internal Revenue Service, International Section, P.O. Box 920, Bensalem, PA 19020-8518. Make sure you include your identifying number (defined on page 4) when you write.

Assistance in answering tax questions and filling out tax returns is also available in person from IRS offices in London, Paris, and Frankfurt. The offices generally are located in the U.S. embassies or consulates.

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

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

## How can you get IRS tax forms and publications?

- You can download them from the IRS website at [www.irs.gov](http://www.irs.gov).
- In the United States, you can call 1-800-TAX-FORM (1-800-829-3676).
- You can send your order to the National Distribution Center, P. O. Box 8903, Bloomington, IL 61702-8903, U.S.A.

- You can pick them up in person from our U.S. embassies and consulates abroad (but only during the tax return filing period).

## Help With Unresolved Tax Issues

The Taxpayer Advocate Service is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.

You can contact the Taxpayer Advocate Service by calling their toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059 to see if you are eligible for assistance. If overseas, call 01-787-622-8940 (English-speaking only) or 01-787-622-8930 (Spanish-speaking only). These numbers are not toll-free. You also can call or write to your local taxpayer advocate, whose phone number and address are listed in your local telephone directory and in Publication 1546, The Taxpayer Advocate Service of the IRS - How to Get Help With Unresolved Tax Problems. You can file Form 911, Application for Taxpayer Assistance Order, or ask an IRS employee to complete it on your behalf. For more information, go to [www.irs.gov/advocate](http://www.irs.gov/advocate).

### Disclosure, Privacy Act, and Paperwork Reduction Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. Sections 6001, 6011, 6012(a) and their regulations require that you give us information. We need the information to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Section 6109 requires paid return preparers to provide their identifying number.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

You are not required to provide the information requested on a form that is

subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information you write on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information that we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may disclose your tax information to Committees of Congress; federal, state, and local child support agencies; and to other federal agencies for purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

Keep this notice with your records. It may help you if we ask you for other information. If you have any questions about the rules for filing and giving information, call or visit any Internal Revenue Service office.

### We welcome comments on forms.

If you have comments or suggestions for making this form simpler, we would be happy to hear from you. You can email us at [\\*taxforms@irs.gov](mailto:taxforms@irs.gov). (The

asterisk must be included in the address.) Please put "Forms Comment" on the subject line. Or you can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send your return to this address. Instead, see *Where To File* on page 2.

**Estimates of taxpayer burden.** The table below shows average burden estimates for taxpayers filing a Form 1040NR-EZ. Time spent and out-of-pocket costs are estimated separately. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples of out-of-pocket costs include tax return preparation and submission fees, postage, tax preparation software costs, photocopying costs, and phone calls (if not toll-free).

Both time and cost burdens are national averages and do not necessarily reflect a "typical" case. The averages include all associated forms and schedules, across all preparation methods and all taxpayer activities. Within each of these estimates, there is significant variation in taxpayer activity. Similarly, tax preparation fees vary extensively depending on the taxpayer's tax situation and issues, the type of professional preparer, and the geographic area.

The data shown are the best estimates available as of September 25, 2006, from tax returns filed for 2005. The method used to estimate taxpayer burden incorporates results from a taxpayer burden survey conducted in 2000 and 2001. The estimates are subject to change as new forms and data become available. The estimates do not include burden associated with post-filing activities. However, operational IRS data indicate that electronically prepared returns have fewer errors, implying a lower overall post-filing burden.

If you have comments concerning the time and cost estimates below, you can contact us at either one of the addresses shown under *We welcome comments on forms* on this page.

## Estimated Average Taxpayer Burden

The average time and costs required to complete and file Form 1040NR-EZ, its schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are:

Average Time Burden (Hours)	Average Cost (Dollars)
10.6	\$8

# 2006 Tax Table

**Example.** Mr. Brown is single. His taxable income on line 14 of Form 1040NR-EZ is \$23,250. First, he finds the \$23,250-23,300 income line. Next, he finds the "Single" column and reads down the column. The amount shown where the income line and filing status column meet is \$3,114. This is the tax amount he should enter on line 15 of Form 1040NR-EZ.

At least	But less than	Single	Married filing separately
23,200	23,250	3,106	3,106
23,250	23,300	<b>3,114</b>	3,114
23,300	23,350	3,121	3,121
23,350	23,400	3,129	3,129

If Form 1040NR-EZ, line 14, is—		And you are—		If Form 1040NR-EZ, line 14, is—		And you are—		If Form 1040NR-EZ, line 14, is—		And you are—					
At least	But less than	Single	Married filing separately	At least	But less than	Single	Married filing separately	At least	But less than	Single	Married filing separately				
0	5	0	0	1,500	1,525	151	151	3,000				6,000			
5	15	1	1	1,525	1,550	154	154	3,050	3,100	308	308	6,050	6,100	608	608
15	25	2	2	1,550	1,575	156	156	3,100	3,150	313	313	6,100	6,150	613	613
25	50	4	4	1,575	1,600	159	159	3,150	3,200	318	318	6,150	6,200	618	618
50	75	6	6	1,600	1,625	161	161	3,200	3,250	323	323	6,200	6,250	623	623
75	100	9	9	1,625	1,650	164	164	3,250	3,300	328	328	6,250	6,300	628	628
100	125	11	11	1,650	1,675	166	166	3,300	3,350	333	333	6,300	6,350	633	633
125	150	14	14	1,675	1,700	169	169	3,350	3,400	338	338	6,350	6,400	638	638
150	175	16	16	1,700	1,725	171	171	3,400	3,450	343	343	6,400	6,450	643	643
175	200	19	19	1,725	1,750	174	174	3,450	3,500	348	348	6,450	6,500	648	648
200	225	21	21	1,750	1,775	176	176	3,500	3,550	353	353	6,500	6,550	653	653
225	250	24	24	1,775	1,800	179	179	3,550	3,600	358	358	6,550	6,600	658	658
250	275	26	26	1,800	1,825	181	181	3,600	3,650	363	363	6,600	6,650	663	663
275	300	29	29	1,825	1,850	184	184	3,650	3,700	368	368	6,650	6,700	668	668
300	325	31	31	1,850	1,875	186	186	3,700	3,750	373	373	6,700	6,750	673	673
325	350	34	34	1,875	1,900	189	189	3,750	3,800	378	378	6,750	6,800	678	678
350	375	36	36	1,900	1,925	191	191	3,800	3,850	383	383	6,800	6,850	683	683
375	400	39	39	1,925	1,950	194	194	3,850	3,900	388	388	6,850	6,900	688	688
400	425	41	41	1,950	1,975	196	196	3,900	3,950	393	393	6,900	6,950	693	693
425	450	44	44	1,975	2,000	199	199	3,950	4,000	398	398	6,950	7,000	698	698
450	475	46	46												
475	500	49	49												
500	525	51	51	<b>2,000</b>				<b>4,000</b>				<b>7,000</b>			
525	550	54	54	2,000	2,025	201	201	4,000	4,050	403	403	7,000	7,050	703	703
550	575	56	56	2,025	2,050	204	204	4,050	4,100	408	408	7,050	7,100	708	708
575	600	59	59	2,050	2,075	206	206	4,100	4,150	413	413	7,100	7,150	713	713
600	625	61	61	2,075	2,100	209	209	4,150	4,200	418	418	7,150	7,200	718	718
625	650	64	64	2,100	2,125	211	211	4,200	4,250	423	423	7,200	7,250	723	723
650	675	66	66	2,125	2,150	214	214	4,250	4,300	428	428	7,250	7,300	728	728
675	700	69	69	2,150	2,175	216	216	4,300	4,350	433	433	7,300	7,350	733	733
700	725	71	71	2,175	2,200	219	219	4,350	4,400	438	438	7,350	7,400	738	738
725	750	74	74	2,200	2,225	221	221	4,400	4,450	443	443	7,400	7,450	743	743
750	775	76	76	2,225	2,250	224	224	4,450	4,500	448	448	7,450	7,500	748	748
775	800	79	79	2,250	2,275	226	226	4,500	4,550	453	453	7,500	7,550	753	753
800	825	81	81	2,275	2,300	229	229	4,550	4,600	458	458	7,550	7,600	759	759
825	850	84	84	2,300	2,325	231	231	4,600	4,650	463	463	7,600	7,650	766	766
850	875	86	86	2,325	2,350	234	234	4,650	4,700	468	468	7,650	7,700	774	774
875	900	89	89	2,350	2,375	236	236	4,700	4,750	473	473	7,700	7,750	781	781
900	925	91	91	2,375	2,400	239	239	4,750	4,800	478	478	7,750	7,800	789	789
925	950	94	94	2,400	2,425	241	241	4,800	4,850	483	483	7,800	7,850	796	796
950	975	96	96	2,425	2,450	244	244	4,850	4,900	488	488	7,850	7,900	804	804
975	1,000	99	99	2,450	2,475	246	246	4,900	4,950	493	493	7,900	7,950	811	811
				2,475	2,500	249	249	4,950	5,000	498	498	7,950	8,000	819	819
				2,500	2,525	251	251								
<b>1,000</b>				2,525	2,550	254	254	<b>5,000</b>				<b>8,000</b>			
1,000	1,025	101	101	2,550	2,575	256	256	5,000	5,050	503	503	8,000	8,050	826	826
1,025	1,050	104	104	2,575	2,600	259	259	5,050	5,100	508	508	8,050	8,100	834	834
1,050	1,075	106	106	2,600	2,625	261	261	5,100	5,150	513	513	8,100	8,150	841	841
1,075	1,100	109	109	2,625	2,650	264	264	5,150	5,200	518	518	8,150	8,200	849	849
1,100	1,125	111	111	2,650	2,675	266	266	5,200	5,250	523	523	8,200	8,250	856	856
1,125	1,150	114	114	2,675	2,700	269	269	5,250	5,300	528	528	8,250	8,300	864	864
1,150	1,175	116	116	2,700	2,725	271	271	5,300	5,350	533	533	8,300	8,350	871	871
1,175	1,200	119	119	2,725	2,750	274	274	5,350	5,400	538	538	8,350	8,400	879	879
1,200	1,225	121	121	2,750	2,775	276	276	5,400	5,450	543	543	8,400	8,450	886	886
1,225	1,250	124	124	2,775	2,800	279	279	5,450	5,500	548	548	8,450	8,500	894	894
1,250	1,275	126	126	2,800	2,825	281	281	5,500	5,550	553	553	8,500	8,550	901	901
1,275	1,300	129	129	2,825	2,850	284	284	5,550	5,600	558	558	8,550	8,600	909	909
1,300	1,325	131	131	2,850	2,875	286	286	5,600	5,650	563	563	8,600	8,650	916	916
1,325	1,350	134	134	2,875	2,900	289	289	5,650	5,700	568	568	8,650	8,700	924	924
1,350	1,375	136	136	2,900	2,925	291	291	5,700	5,750	573	573	8,700	8,750	931	931
1,375	1,400	139	139	2,925	2,950	294	294	5,750	5,800	578	578	8,750	8,800	939	939
1,400	1,425	141	141	2,950	2,975	296	296	5,800	5,850	583	583	8,800	8,850	946	946
1,425	1,450	144	144	2,975	3,000	299	299	5,850	5,900	588	588	8,850	8,900	954	954
1,450	1,475	146	146					5,900	5,950	593	593	8,900	8,950	961	961
1,475	1,500	149	149					5,950	6,000	598	598	8,950	9,000	969	969

(Continued on page 13)











Table with 12 columns: 2 for 'If Form 1040NR-EZ, line 14, is-' (At least, But less than), 2 for 'And you are-' (Single, Married filing separately), 2 for 'Your tax is-' (57,000-59,950), 2 for 'If Form 1040NR-EZ, line 14, is-' (60,000-62,950), 2 for 'And you are-', 2 for 'Your tax is-' (63,000-65,000), 2 for 'If Form 1040NR-EZ, line 14, is-' (66,000-68,950), 2 for 'And you are-', 2 for 'Your tax is-' (67,000-69,000).

(Continued on page 18)





2006 Tax Table—Continued

If Form 1040NR-EZ, line 14, is—		And you are—		If Form 1040NR-EZ, line 14, is—		And you are—		If Form 1040NR-EZ, line 14, is—		And you are—	
At least	But less than	Single	Married filing separately	At least	But less than	Single	Married filing separately	At least	But less than	Single	Married filing separately
Your tax is—		Your tax is—		Your tax is—		Your tax is—		Your tax is—		Your tax is—	
<b>93,000</b>				<b>96,000</b>				<b>99,000</b>			
93,000	93,050	20,379	20,749	96,000	96,050	21,219	21,679	99,000	99,050	22,059	22,669
93,050	93,100	20,393	20,763	96,050	96,100	21,233	21,696	99,050	99,100	22,073	22,686
93,100	93,150	20,407	20,777	96,100	96,150	21,247	21,712	99,100	99,150	22,087	22,702
93,150	93,200	20,421	20,791	96,150	96,200	21,261	21,729	99,150	99,200	22,101	22,719
93,200	93,250	20,435	20,805	96,200	96,250	21,275	21,745	99,200	99,250	22,115	22,735
93,250	93,300	20,449	20,819	96,250	96,300	21,289	21,762	99,250	99,300	22,129	22,752
93,300	93,350	20,463	20,833	96,300	96,350	21,303	21,778	99,300	99,350	22,143	22,768
93,350	93,400	20,477	20,847	96,350	96,400	21,317	21,795	99,350	99,400	22,157	22,785
93,400	93,450	20,491	20,861	96,400	96,450	21,331	21,811	99,400	99,450	22,171	22,801
93,450	93,500	20,505	20,875	96,450	96,500	21,345	21,828	99,450	99,500	22,185	22,818
93,500	93,550	20,519	20,889	96,500	96,550	21,359	21,844	99,500	99,550	22,199	22,834
93,550	93,600	20,533	20,903	96,550	96,600	21,373	21,861	99,550	99,600	22,213	22,851
93,600	93,650	20,547	20,917	96,600	96,650	21,387	21,877	99,600	99,650	22,227	22,867
93,650	93,700	20,561	20,931	96,650	96,700	21,401	21,894	99,650	99,700	22,241	22,884
93,700	93,750	20,575	20,945	96,700	96,750	21,415	21,910	99,700	99,750	22,255	22,900
93,750	93,800	20,589	20,959	96,750	96,800	21,429	21,927	99,750	99,800	22,269	22,917
93,800	93,850	20,603	20,973	96,800	96,850	21,443	21,943	99,800	99,850	22,283	22,933
93,850	93,900	20,617	20,987	96,850	96,900	21,457	21,960	99,850	99,900	22,297	22,950
93,900	93,950	20,631	21,001	96,900	96,950	21,471	21,976	99,900	99,950	22,311	22,966
93,950	94,000	20,645	21,015	96,950	97,000	21,485	21,993	99,950	100,000	22,325	22,983
<b>94,000</b>				<b>97,000</b>				<b>\$100,000 or over — use Form 1040NR</b>			
94,000	94,050	20,659	21,029	97,000	97,050	21,499	22,009				
94,050	94,100	20,673	21,043	97,050	97,100	21,513	22,026				
94,100	94,150	20,687	21,057	97,100	97,150	21,527	22,042				
94,150	94,200	20,701	21,071	97,150	97,200	21,541	22,059				
94,200	94,250	20,715	21,085	97,200	97,250	21,555	22,075				
94,250	94,300	20,729	21,102	97,250	97,300	21,569	22,092				
94,300	94,350	20,743	21,118	97,300	97,350	21,583	22,108				
94,350	94,400	20,757	21,135	97,350	97,400	21,597	22,125				
94,400	94,450	20,771	21,151	97,400	97,450	21,611	22,141				
94,450	94,500	20,785	21,168	97,450	97,500	21,625	22,158				
94,500	94,550	20,799	21,184	97,500	97,550	21,639	22,174				
94,550	94,600	20,813	21,201	97,550	97,600	21,653	22,191				
94,600	94,650	20,827	21,217	97,600	97,650	21,667	22,207				
94,650	94,700	20,841	21,234	97,650	97,700	21,681	22,224				
94,700	94,750	20,855	21,250	97,700	97,750	21,695	22,240				
94,750	94,800	20,869	21,267	97,750	97,800	21,709	22,257				
94,800	94,850	20,883	21,283	97,800	97,850	21,723	22,273				
94,850	94,900	20,897	21,300	97,850	97,900	21,737	22,290				
94,900	94,950	20,911	21,316	97,900	97,950	21,751	22,306				
94,950	95,000	20,925	21,333	97,950	98,000	21,765	22,323				
<b>95,000</b>				<b>98,000</b>							
95,000	95,050	20,939	21,349	98,000	98,050	21,779	22,339				
95,050	95,100	20,953	21,366	98,050	98,100	21,793	22,356				
95,100	95,150	20,967	21,382	98,100	98,150	21,807	22,372				
95,150	95,200	20,981	21,399	98,150	98,200	21,821	22,389				
95,200	95,250	20,995	21,415	98,200	98,250	21,835	22,405				
95,250	95,300	21,009	21,432	98,250	98,300	21,849	22,422				
95,300	95,350	21,023	21,448	98,300	98,350	21,863	22,438				
95,350	95,400	21,037	21,465	98,350	98,400	21,877	22,455				
95,400	95,450	21,051	21,481	98,400	98,450	21,891	22,471				
95,450	95,500	21,065	21,498	98,450	98,500	21,905	22,488				
95,500	95,550	21,079	21,514	98,500	98,550	21,919	22,504				
95,550	95,600	21,093	21,531	98,550	98,600	21,933	22,521				
95,600	95,650	21,107	21,547	98,600	98,650	21,947	22,537				
95,650	95,700	21,121	21,564	98,650	98,700	21,961	22,554				
95,700	95,750	21,135	21,580	98,700	98,750	21,975	22,570				
95,750	95,800	21,149	21,597	98,750	98,800	21,989	22,587				
95,800	95,850	21,163	21,613	98,800	98,850	22,003	22,603				
95,850	95,900	21,177	21,630	98,850	98,900	22,017	22,620				
95,900	95,950	21,191	21,646	98,900	98,950	22,031	22,636				
95,950	96,000	21,205	21,663	98,950	99,000	22,045	22,653				