

FORM 1040-NR

U.S. NONRESIDENT ALIEN INCOME TAX RETURN ANNOTATED

NOTES

1. The IRS requires Form 1040-NR to be filed when a nonresident alien is engaged in a trade or business within the United States, if an entity represents a deceased person who would need to file Form 1040-NR, or if an entity represents an estate or trust that would need to file Form 1040-NR.
2. For the purposes of the form, “nonresident alien” is defined by the IRS as any individual who is not a U.S. citizen or U.S. national, and has not passed the green card test or the substantial presence test. If a spouse may be classified as a resident alien, they may treat the nonresident alien spouse as a U.S. resident alien for tax purposes and file Form 1040 under the status “Married Filing Jointly.”
3. Nonresident aliens are taxed under the U.S. Tax Code on their effectively connected income (ECI) at the same rate as U.S. citizens and residents, and fixed, determinable, annual, or periodical (FDAP) income is taxed at thirty percent (30%) or lower, IF an applicable tax treaty applies.