

FORM 1040NR -FOREIGN NATIONAL CHECKLIST

Client Name and Number: _____

Prepared by: _____ Date: _____ Reviewed by: _____ Date: _____

	<u>DONE</u>	<u>N/A</u>	<u>COMMENTS OR EXPLANATION</u>
100) GENERAL INFORMATION			
101) Have you considered requesting a Consent to Disclose Taxpayer Information statement under Section 7216?	_____	_____	_____
102) Has the client completed the foreign national questionnaire?	_____	_____	_____
103) See Foreign National filing flow chart (see attached).			
.1) Consider Section 6013(g) and 6013(h) elections.	_____	_____	_____
.2) Consider Section 7701(b) election to become a resident if in the U.S. less than 183 days. Consider filing extension to meet the filing requirements of the election.	_____	_____	_____
.3) Consider 10 day rule under Section 7701(b)(2).	_____	_____	_____
.4) Consider combined Section 7701(b) election with Section 6013(g) or 6013(h) election.	_____	_____	_____
.5) Consider use of Closer Connection exception. (Form 8840) IRC 7701(b)(3)(B) and (C), Reg 1.7701(b)-2(a), Reg 301.7701(b)-2(f)	_____	_____	_____
.6) Consider use of Section 911 exclusion with full year resident election. Consider state applicability.	_____	_____	_____
.7) Has the substantial presence test (counting days last year and two years ago) been properly applied?	_____	_____	_____
.8) Consider Form 8843 - Filing for exempt individual. Specific visa, medical condition, professional athlete. (Remember 5 year rule).	_____	_____	_____
104) Treaty issues: (see Pub. 901 for a list of treaty countries) See Form 8833 instructions for complete list of disclosure exceptions.			
.1) Residency tie breaker.	_____	_____	_____
.2) Dependent personal services clause.	_____	_____	_____
.3) State conformity.	_____	_____	_____
.4) Non qualified retirement plan.	_____	_____	_____
.5) Determine requirement to file Form 8833.	_____	_____	_____
105) Residency Start Date:			
.1) For substantial presence test, consider 10 de minimis presence exception per 7701(b)(2)(c).	_____	_____	_____
.2) Green Card Test.	_____	_____	_____
.3) Start date for purposes of 7701(b) election.	_____	_____	_____

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106) Residency Termination issues:			
.1) Section 7701(b)(10) No lapse rule.	_____	_____	_____
.2) Consider 10 day rule under Section 7701(b)(2).	_____	_____	_____
107) Consider U.S. and Mexican/Canadian citizens who commute to the U.S. daily as U.S. employees. Commuting days are not counted in determining whether the NRA meets the 183 day test.	_____	_____	_____
108) Consider type of visa and special reporting requirements.	_____	_____	_____
 200) INCOME			
201) Request worldwide income information.			
.1) Consider sourcing rule for wages. Reg 1.861-4(b)	_____	_____	_____
.2) Consider sourcing rule for stock options.	_____	_____	_____
.3) Consider "Away from home" status per Rev Rul 93-86.	_____	_____	_____
202) Consider Bona Fide Residence or Physical Presence Test qualifications for Section 911 Earned Income Exclusion.	_____	_____	_____
203) Determine housing costs for Section 911 exclusion.	_____	_____	_____
204) Determine if overseas taxpayer qualifies for the automatic two-month filing extension, the foreign earned income exclusion, the housing exclusion or the housing deduction.	_____	_____	_____
205) Inquire if taxpayer had investment income from foreign sources and if tax was withheld at the source.	_____	_____	_____
206) Personal residence:			
.1) Is taxpayer renting a personal residence?	_____	_____	_____
.2) Foreign currency mortgage gains.	_____	_____	_____
.3) Gains properly computed on personal residence vs. rental property.	_____	_____	_____
.4) Exchange rates/Qualified Business Unit (QBU) status.	_____	_____	_____
.5) Correct depreciation methods (exchange rates as well as depreciation methods).	_____	_____	_____
.6) Section 469(j)(7) mortgage interest (and proper place to claim).	_____	_____	_____
207) Consider foreign tax credit:			
.1) Foreign tax credit. (Form 1116)	_____	_____	_____
.2) Consider foreign tax credit reduction if claiming Section 911 exclusion(s).	_____	_____	_____

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300) OTHER REQUIREMENTS			
301) Determine if Form TDF 90-22.1 is needed to report foreign financial accounts. (\$10,000 de minimus rule). Filing deadline is June 30.	_____	_____	_____
302) For gifts received by a U.S. person from foreign donors under § 6039F, consider requirement to file information return. (Form 3520 and 3520-A)	_____	_____	_____
303) Do family members need Individual Taxpayer Identification Numbers (ITINs)? (Form W-7)	_____	_____	_____
304) Did the taxpayer(s) bring a household employee or nanny with them in to the U. S.?			
.1) Was proper visa and employment paperwork obtained?	_____	_____	_____
.2) Apply for a social security number.	_____	_____	_____
305) Has filing requirement for Form 5471 been considered?			
.1) Officer or director of foreign company.	_____	_____	_____
.2) Shareholder of controlled foreign corporation, directly or indirectly.	_____	_____	_____
306) Other filings to consider:			
.1) Form 926-Return by a U.S. Transferor of Property to a Foreign Corporation	_____	_____	_____
.2) Form 8621-Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund	_____	_____	_____
.3) Form 8840-Closer Connection Exception Statement for Aliens	_____	_____	_____
.4) Form 8858-Information Return of U.S. Persons With Respect To Foreign Disregarded Entities	_____	_____	_____
.5) Form 8865-Return of U.S. Persons With Respect to Certain Foreign Partnerships	_____	_____	_____
307) Registered Retirement Savings Plan (RSP)/Deferred compensation plan, general income. (Form 8891)			
.1) Deferred taxation for Federal purposes, not state.	_____	_____	_____
.2) Potential treaty utilization.	_____	_____	_____
.3) Consider state conformity.	_____	_____	_____

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400) OFFSHORE NONRESIDENT TAX IMPLICATIONS			
401) Any U.S. based income generating property (rent, royalty, div, SS, retirement, IRA, pension)? See Treaty for exceptions.	_____	_____	_____
402) Filing of Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding.	_____	_____	_____
403) Filing Form W-7.	_____	_____	_____
500) OTHER CONSIDERATIONS			
501) Consider state filing options.			
.1) Consider treaty applicability for state purposes.	_____	_____	_____
.2) Residency status in state may not coincide with status for federal purposes.	_____	_____	_____
502) Review Federal position for state applicability.	_____	_____	_____
503) Consider application of foreign community property rules.	_____	_____	_____
504) Consider application of state registered domestic partners rules.	_____	_____	_____
505) Consider potential for State tax credit for foreign taxes paid.	_____	_____	_____
600) EXPATRIATE OR TERMINATION OF RESIDENCY			
601) Does IRC Section 877 or 877A apply? (Form 8854)	_____	_____	_____
602) Consider if Lawful Permanent Resident of the U.S. was so for 8 of the last 15 years. Section 7701(b)(6).	_____	_____	_____
603) Covered Expatriate with deferred compensation, specified tax deferred account, and grantor trust? (Form W8-CE)	_____	_____	_____
604) Departing Aliens and the Sailing Permit (foreign citizens, regardless of their resident status)	_____	_____	_____
.1) The permit is obtained by filing either Form 2063 (Departing Alien Income Tax Statement) before leaving the United States, OR	_____	_____	_____
.2) Form 1040-C is required for departing aliens who do not qualify to file Form 2063 (Departing Alien Income Tax Return) before leaving the United States.	_____	_____	_____
.3) Potential exemption from obtaining sailing permits, including diplomats, alien students, industrial trainees, exchange visitors, and others who generally have no income subject to U.S. tax.	_____	_____	_____

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700) ESTATE AND GIFT IMPLICATIONS			
IRC 2001(a), 2031, 2501(a), 2503(a)			
701) Were any gifts made in excess of \$13,000?	_____	_____	_____
702) Were there any transfers between spouses?	_____	_____	_____
703) Does gift tax treaty apply?	_____	_____	_____
704) Does foreign estate tax credit apply?	_____	_____	_____
705) Consider location and type of assets within estate.	_____	_____	_____
706) Does death tax treaty apply?	_____	_____	_____
707) Are there any State implications relative to the gift?	_____	_____	_____
800) Regarding reporting related to foreign trusts (§ 6048), determine if U.S. person (Forms 3520 & 3520-A):			
801) Created a foreign trust.	_____	_____	_____
802) Transferred property to a foreign trust.	_____	_____	_____
803) Received distributions, directly or indirectly, from a foreign trust.	_____	_____	_____
804) Received loans, unless with arm's-length terms, from a foreign trust.	_____	_____	_____
805) Is a beneficiary of a foreign trust?	_____	_____	_____
806) Transferred property to a foreign grantor of the trust?	_____	_____	_____

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