

Did you become a Tax Resident in 2016?
How should you file your taxes?
(Dual Status Return)

If you became a Permanent Resident or a Tax Resident of the U.S. in 2016 (after (not on) Jan. 1), then you may have to file taxes as a "Dual Status Alien" for 2016. You probably may not file as a Resident for the entire year unless you were already a Tax Resident in the first part of the year. (Married persons may be able to file as resident for the entire year)

Note: For Permanent Residents, the first date of your Tax Residence status may be the day you were granted Permanent Resident status. However, if you were a Tax Resident before you became a Permanent Resident, then you probably file as a tax resident for the entire year. For persons who are not Permanent Residents, the first day of your tax residency status probably begins on the day you began counting days of substantial presence, if you count more than 183 days in 2016. (Example: the date USCIS approved a change of status from F-1 to H-1B)

First calculate if you would have been considered a Resident for Tax Purposes in the beginning of 2016

Example: If you have been continuously in the U.S. (except for short absences) as an F-1 or J-1 **student** (or F-2/J-2 dependent) from any date in 2011, then you would be a Resident for Tax Purposes during the entire year of 2016.

Example: If you were a J-1 Scholar (not student) for more than 183 days in 2016 and were "exempt from the substantial presence test" as an F-1 or J-1 student or scholar during any two years from 2010 to 2015, then you may be a Tax Resident for all of 2016

Note: If you were outside of the U.S. in the first part of 2016, and 2016 is your first year of Tax Residency, then you are probably a Dual Resident for 2016.

If you were a Resident for Tax Purposes at the beginning of 2016 and remained in the U.S. to the end of 2016, then you must probably file as a Resident for the entire year, unless you changed immigration status to F or J.

If you were a Tax Nonresident at the beginning of the year, then the following instructions apply to you:

If you are married and your spouse was a Permanent Resident or a Tax Resident of the U.S. on December 31, 2016, then you may choose either to file as a Resident for the entire year or to file as a Dual Status Alien. This is true even if your spouse became a Permanent Resident or Tax Resident in 2016. To file as a Tax Resident, you must file a joint return with your spouse.

If you are single or if your spouse was not a Permanent Resident, a U.S. Citizen or a Tax Resident on December 31, 2016, then you must file as a Dual Status Alien.

Example: You are not married and first entered the U.S. with an F-1 visa in 2012. DHS approved a change of status to H-1B effective April 1, 2016. You are then a Nonresident until March 31, 2016, and a Tax Resident after April 1, 2016 (as you had H-1B status more than 183 days in 2016). You must file as a Dual Status Alien.

How do you file as a Dual Resident?

You should complete a Form 1040. Include your U.S. salary and other income for the entire year. Also include **all** income received during the period you were a Tax Resident, including non-U.S. income and bank interest received during that period. If you were eligible for tax treaty benefits while a Tax Nonresident, you may subtract the tax exempt part of your income, following instructions on a different handout (Claiming Treaty Benefits as a Resident"). If you changed immigration status during the year you probably may not claim treaty benefits after the change. You may not claim the "standard deduction" (except for students from India), but may itemize allowable deductions. You may not file a joint return with your [Nonresident] spouse and may not use "Head of Household" tax table column. [But remember, if your spouse is also a Tax Resident, you may both file jointly as Tax Residents for the entire year.] You may claim exemptions for spouse and dependents (if they are tax residents), but the total amount deducted for exemptions may not exceed the total amount of income for the period you were a Resident. Write "Dual-Status Return" across the top of the form.

Then prepare a statement on a separate piece of paper, giving details of your income during the period of time you were a Nonresident. Print across the top "Dual-Status Statement"

Send the 1040 and the statement to the IRS office **for Tax Nonresidents** in Austin, Texas. (Use Charlotte address if you are enclosing a payment). (See the back of the 1040 Instructions.)

See more information in Chapter 6 of IRS Publication 519.