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## When Do Foreign Nationals Become Subject To U.S. Income Tax?

- Taxation of "U.S. Persons" vs. "Nonresidents"
- What difference does it make?
- U.S. Persons are taxable on their "Worldwide Income" and are subject to information reporting

## Who is a U.S. Person?

- Who is a U.S. Person?
  - U.S. citizens
  - Resident Alien Visa holders
  - Those who meet the Internal Revenue Code ("IRC") Section 7701(b)(3) "183 Day Rule test"
- Aliens electing under IRC Section 7701(b)(4)
  - Nonresident aliens electing under IRC Section 6013(g)
    - Note both the NRA and resident alien or citizen spouse must elect in accordance with Treasury Regulation ("Reg.") Section 1.6013-6(a)(4).



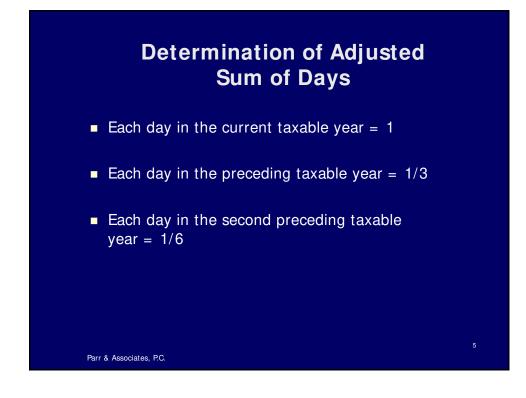
 Must be present at least 31 days in the current calendar year

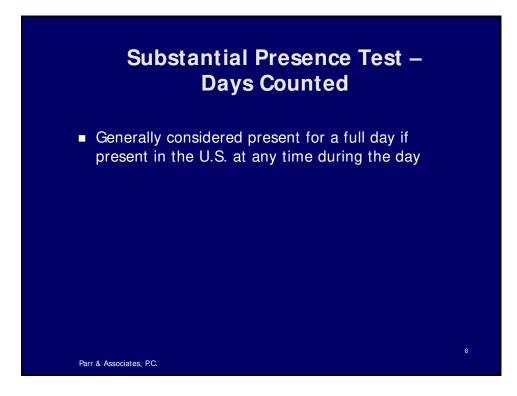
and

 The adjusted sum of days present in the U.S. during the current year and preceding two years equals or exceeds 183 days

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## Title search: Welcome to America... Now What? U.S. Income Taxation and Other Reporting Requirements

Also available as part of the eCourse <u>Welcome to America... Now What? U.S. Income Taxation and Other Reporting</u> <u>Requirements</u>

First appeared as part of the conference materials for the 64<sup>th</sup> Annual Taxation Conference session "Welcome to America... Now What? U.S. Income Taxation and Other Reporting Requirements"