



Taxation of Dual-Status Aliens



You are a dual status alien when you have been both a U.S. resident alien and a [nonresident alien](#) in the same tax year. Dual status does not refer to your citizenship, only to your resident status for tax purposes in the United States. In determining your U.S. income tax liability for a dual-status tax year, different rules apply for the part of the year you are a resident of the United States and the part of the year you are a nonresident. The most common dual-status tax years are the years of arrival and departure.

For The Part of the Year You are a U.S. Resident Alien

For the part of the year you are a U.S. resident alien, you are taxed on income from all sources. Income from sources outside the United States is taxable if you receive it while you are a resident alien.

For The Part of The Year You are a Nonresident Alien

For the part of the year you are a nonresident alien, you are taxed on income from U.S. sources only.

Not Effectively Connected Income

Income from sources outside the United States that is not effectively connected with a trade or business in the United States is not taxable if you receive it while you are a nonresident alien.

Income From U.S. Sources

Income from U.S. sources is taxable whether you receive it while a nonresident alien or a resident alien unless specifically exempt under the Internal Revenue Code or a tax treaty provision. Generally, tax treaty provisions apply only to the part of the year you were a nonresident. However, an exception to this rule exists. Refer to "Students, Apprentices, Trainees, Teachers, Professors, and Researchers Who Became Resident Aliens" found in Chapter 9 of [Publication 519, U.S. Tax Guide for Aliens](#).

When determining what income is taxed in the United States, you must consider exemptions under U.S. tax law as well as the reduced tax rates and exemptions provided by tax treaties between the United States and certain foreign countries.

Restrictions for Filing Dual-Status Tax Returns

The following restrictions apply if you are filing a tax return for a dual-status tax year:

- You cannot use the standard deduction allowed on [Form 1040, U.S. Individual Income Tax Return](#). However, you can itemize certain allowable deductions.

- Special rules apply for exemptions for the part of the tax year when a dual status taxpayer is a nonresident alien if the taxpayer is a resident of Canada, Mexico, The Republic of Korea (South Korea), a U.S. national, or a student or business apprentice from India. Refer to [Aliens - How Many Exemptions Can Be Claimed](#).

- Subject to the general rules for qualification, you are allowed exemptions for your spouse and dependents in figuring taxable income for the part of the year you were a resident alien.

- Your total deduction for the exemptions for your spouse and allowable dependents cannot be more than your taxable income (determined without deducting personal exemptions) for the period you are a resident alien.

- You cannot use the head of household Tax Table column or Tax Rate Schedule.

- You cannot file a joint return (However, a dual status alien who is married to a U.S. citizen or a resident alien may elect to file a joint return with his or her spouse. Refer to [Nonresident Spouse Treated as a Resident](#) for more information).

- If you are a nonresident alien and married to a U.S. citizen or resident alien for all or part of the tax year, and you do not choose to file jointly with your spouse, you must use the Tax Table column or Tax Rate Schedule for "married filing separately" to figure your tax. You cannot use the Tax Table column or Tax Rate Schedules for married filing jointly or single.

- If you are a nonresident alien and married to a U.S. citizen or resident alien, you may not 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 jointly with your spouse in lieu of these dual-status taxpayer rules.

Different Rules

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 are a resident and the part of the year you are a nonresident.

Effectively and Not Effectively Connected Income

All worldwide income for your period of residence and all income that is effectively connected with a trade or business in the United States for your period of nonresidence, after allowable deductions, is combined and taxed at the rates that apply to U.S. citizens and residents. Income that is not connected with a trade or business in the United States for your period of nonresidence is subject to the flat 30% rate or lower treaty rate. You cannot take any deductions against this not effectively connected income. Refer to [Taxation of Nonresident Aliens](#) or [Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities](#), for more information.

Resident Alien vs. Nonresident Alien Filing Procedures

The U.S. income tax return you must file as a dual-status alien depends on whether you are a resident alien or a nonresident alien at the end of the tax year.

Resident Alien at End of Year

You must file [Form 1040, U.S. Individual Income Tax Return](#), if you are a dual-status taxpayer who becomes a resident during the year and who is a U.S. resident on the last day of the tax year. Write "Dual-Status Return" across the top of the return. Attach a statement to your return to show the income for the part of the year you are a nonresident. You can use [Form 1040NR, U.S. Nonresident Alien Income Tax Return](#) or [Form 1040NR-EZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents](#) as the statement, but be sure to mark "Dual-Status Statement" across the top.

Nonresident at End of Year

You must file [Form 1040NR, U.S. Nonresident Alien Income Tax Return](#) or [Form 1040NR-EZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents](#) if you are a dual-status taxpayer who gives up residence in the United States during the year and who is not a U.S. resident on the last day of the tax year. Write "Dual-Status Return" across the top of the return. Attach a statement to your return to show the income for the part of the year you are a resident. You can use Form 1040, U.S. Individual Income Tax Return as the statement, but be sure to mark "Dual-Status Statement" across the top.

Statement

Any statement must have your name, address, and taxpayer identification number on it. You do not need to sign a separate statement or schedule accompanying your return, since your signature on the return also applies to the supporting statements and schedules.

When and Where To File

If you are a resident alien on the last day of your tax year and report your income on a calendar year basis, you generally must file no later than April 15 of the year following the close of your tax year. For additional information, refer to the Instructions for [Form 1040, U.S. Individual Income Tax Return](#).

If you are a nonresident alien on the last day of your tax year and you report your income on a calendar year basis, you generally must file no later than April 15 of the year following the close of your tax year if you receive wages subject to withholding. If you did not receive wages subject to withholding and you report your income on a calendar year basis, you must file no later than June 15 of the year following the close of your tax year. For additional information, refer to the Instructions for [Form 1040NR, U.S. Nonresident Alien Income Tax Return](#).

References/Related Topics

[Publication 519, U.S. Tax Guide for Aliens](#)