

## Alien Tax Home Representation Form

I have reviewed the attached tax home information for aliens and/or have consulted with my tax advisor and make the following good faith representation (*please check  the most appropriate box below*):

A.  I am a **RESIDENT ALIEN** with a permanent tax home in the US based upon the results of completing the US Tax Home Status Worksheet, and the address of that tax home (consistent with Form W-4, not P.O. Box) is:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I understand that I will be required to make this representation annually. If my permanent tax home or alien status changes in the interim, I must notify the Company immediately. I also understand that as a **resident alien** my worldwide income is subject to US income tax on Form 1040 and that my compensation will be subject to full withholding taxes including Social Security and Medicare taxes. Further, as generally required by state tax law; state income taxes will be withheld from my compensation based upon the state of my assignment. In some cases partial withholding will also be required for my tax home state and for a few states, both state taxes must be fully withheld.

B.  I qualify as a **NONRESIDENT ALIEN** with a temporary visa and have not had a substantial presence in the US as defined below. My permanent tax home in my country of origin (consistent with Form W-4, not P.O. Box) is:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I understand that I will only be taxed on my US sourced income on Form 1040NR, the Federal and state tax will be consistent with that described above as a resident alien with a tax home, and additional federal withholding will be required. I will advise the Company in advance of a change in my visa status or when I no longer qualify as a **nonresident alien** because I will meet the substantial presence test in the US. As of this date, the days I have been present in the US is less than the specially calculated 183-day limit calculated as follows:

	<u>Days in US</u>		<u>Multiple</u>		<u>Total</u>
Current calendar year	X		100%	=	
Last year	X		33 1/3%	=	
Two years ago	X		16 2/3%	=	
			Grand Total		

C.  I am electing **NONRESIDENT ALIEN** tax treatment even though I meet the substantial presence or the green card test (see definitions). I meet the requirements for this election either because of the “closer connection” rules or because of US Tax Treaty provisions with my home country. I will complete this election on either IRS Form 8840 or Form 8833 with my year end filing of IRS Form 1040NR. My permanent tax home in my country of origin (consistent with Form W-4, not P.O. Box) is:

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I understand that I will only be taxed on my US sourced income on Form 1040NR, the Federal and state tax will be consistent with that described in B. above. I will advise the Company in advance of a change in this status.

D.  I am a **RESIDENT ALIEN** without a permanent tax home in the US.

I understand that without a permanent tax home in the US (regardless of the tax home status of my country of origin), that my temporary lodging at the worksite location will be treated as my tax home for US income tax purposes. In addition to the US taxation discussed above, **all travel related expenses** paid to me or provided on my behalf including, but not limited to housing, meals, and transportation costs **will be treated as taxable compensation subject to applicable withholding taxes**. The only state income tax withholding from my compensation will be that of the worksite state, if any. I understand I may need to complete and provide the Company a new W-4 with each new assignment.

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Print Name

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Social Security Number

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Signature

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Date

## Resident Alien US Tax Home Status Worksheet

This worksheet is provided to assist you in determining whether you have a permanent US tax home as defined by the IRS in Revenue Ruling 73-529, and therefore determine the tax status of the travel costs and/or allowances provided you or paid on your behalf while on assignment. Because of the critical nature of this determination, we encourage you to consult with a tax advisor. This worksheet is for your personal use and should not be returned to the Company.

Please check  appropriate boxes below:

YES <input type="checkbox"/> <input type="checkbox"/> NO	1. Do you perform a portion of your business or work in the vicinity of your permanent tax home? <i>Many travelers will not meet this requirement, as they do not have regular work or business in the tax home area.</i>
YES <input type="checkbox"/> <input type="checkbox"/> NO	2. Are you duplicating living expenses (mortgage, rent, utilities, etc.) to maintain the permanent tax home while away from home on assignment? <i>Limited IRS guidance provided, but as a minimum the duplicate expenses to maintain the tax home should exceed \$250 per month.</i>
YES <input type="checkbox"/> <input type="checkbox"/> NO	3. Do you meet one or more of the following criteria regarding your permanent tax home? <ul style="list-style-type: none"> <li>a. A member of your family (spouse, child, or parent) resides with you in the permanent tax home? <span style="float: right;">YES <input type="checkbox"/> <input type="checkbox"/> NO</span></li> <li>b. Use the permanent tax home frequently for lodging? <i>Limited IRS guidance provided, but the return home trips should be more than a few times a year and one or more of the trips should be much longer than a long weekend.</i> <span style="float: right;">YES <input type="checkbox"/> <input type="checkbox"/> NO</span></li> <li>c. The permanent tax home represents a historical place of lodging? <i>This means the tax home vicinity is where you grew up, went to college, or have recent and long-term ties to the community.</i> <span style="float: right;">YES <input type="checkbox"/> <input type="checkbox"/> NO</span></li> </ul>

**IF** you responded YES to all three questions above, then you have a permanent tax home and should check **Box A** on the Alien Tax Home Representation Form.

**IF** you responded NO to two or more of the three questions above, then you do not have a permanent tax home and must check **Box D** on the Alien Tax Home Representation Form.

**IF** you responded YES to two of the three questions, then you must consider the following potential “facts and circumstances” attributes to determine whether you have a permanent tax home. All questions do not necessarily require a YES answer to secure a favorable result, but certainly the majority should have a YES response, and the first four questions are of particular importance.

YES <input type="checkbox"/> <input type="checkbox"/> NO	• Is the tax home address your address of record and for your income tax returns?
YES <input type="checkbox"/> <input type="checkbox"/> NO	• Do you have telephone service at the tax home or is it your primary mailing address?
YES <input type="checkbox"/> <input type="checkbox"/> NO	• Are your auto license plates and driver’s license registered with your tax home city?
YES <input type="checkbox"/> <input type="checkbox"/> NO	• Is the tax home address the address of record for your professional license(s)?
YES <input type="checkbox"/> <input type="checkbox"/> NO	• Is your banking relationship with a bank in your tax home vicinity?
YES <input type="checkbox"/> <input type="checkbox"/> NO	• Are you registered to vote (and actually vote) at your tax home precinct?
YES <input type="checkbox"/> <input type="checkbox"/> NO	• Do you have church, club, or other associations in your tax home vicinity?

## TAX HOME STATUS ADDENDUM FOR RESIDENT AND NONRESIDENT ALIENS

### Tax Home Requirements

A resident alien must have a US permanent tax home at other than the work site location to obtain tax-free treatment on their traveling expenses.

A nonresident alien may have their tax home in their home country qualify as their permanent tax home for determining the US tax treatment of traveling expenses. However, once they have been in the US for more than the specially calculated 183 days (as defined below), they will become, by definition, a resident alien and will lose this favorable travel expense treatment unless they have established a US permanent tax home at other than the worksite.

### Definitions

#### RESIDENT ALIEN:

An individual that is not a US citizen or US national who meets either the green card test *or* the substantial presence test for the calendar year.

##### Green Card Test

An alien is a US resident if the individual is a lawful permanent resident as provided for in their visa.

##### Substantial Presence Test

An alien is considered a resident in the calendar year if they are physically present in the US at least 31 days in the current calendar year and physically present in at least 183 days in a special counting of days in the current and preceding two calendar years. For the special counting, all days of the current year are counted, 1/3 of the immediately preceding year days are counted and 1/6 of the second preceding year days are counted.

#### NONRESIDENT ALIEN:

An individual that is *not* a US citizen or resident alien.

#### US NATIONAL:

An individual that owes allegiance to the United States, such as a native of American Samoa.

**DISCLAIMER:** *This general information has been condensed from various sources generally available to the public and is subject to change. Tax information contained in this document is not intended to be used, and cannot be used, by any person as a basis for avoiding tax penalties that may be imposed by the IRS or any state. We recommend each taxpayer seek advice based on their circumstances from an independent tax advisor.*

## **RESIDENT AND NONRESIDENT ALIENS BASIC US FEDERAL AND STATE TAX TREATMENT**

### **RESIDENT ALIENS**

1. Resident aliens are treated similar to US citizens regarding withholding tax and return compliance.
2. The biweekly pay withholding tax should approximate the final return liability depending upon the proper completion of Form W-4, Employee's Withholding Allowance Certificate.
3. Residents must file annual income tax return on the Form 1040 series (1040, 1040A or 1040EZ) due April 15.
4. Residents are subject to US tax on worldwide income. They will receive credit against the US tax for taxes paid to other national jurisdictions to partially or fully eliminate a double tax.
5. Residents are subject to the 7.65% FICA (Social Security and Medicare) tax. Canadians will receive service time and credit towards their Canadian Social Security.
6. Residents are subject to state income tax (if applicable) in the state of the assignment worksite on the taxable compensation earned on that assignment. Annual state returns are generally due April 15.
7. If the resident has a permanent US tax home, then all taxable income is subject to tax in the tax home state and tax credits are generally available for taxes paid to other state jurisdictions (worksite states) to partially or fully offset a double state tax.
8. If the resident has no permanent US tax home, then the provided temporary assignment lodging becomes the tax home and all income earned during the assignment stay is taxable to that state.

### **NONRESIDENT ALIENS**

1. Nonresidents are only subject to Federal and state tax on income sourced in the US (taxable compensation from the Company and other employers for work performed in the US).
2. Generally, nonresidents will be taxed on their worldwide income in their tax home country and US Federal taxes paid can be claimed as credits against the tax of their home country.
3. Annual returns filed on Form 1040NR are due April 15.
4. The payroll withholding tax should approximate the final return liability depending upon the proper completion of Form W-4, Employee's Withholding Allowance Certificate.
5. Special W-4 instructions dictate that nonresident aliens and US Nationals must claim "Single" on line #3. Foreigners other than Canadians, Mexicans, South Koreans, and US Nationals may only claim one exemption on line #5. These limitations serve to increase the US Federal tax withholding to be consistent with the Form 1040NR tax liability.
6. Nonresidents are subject to the 7.65% FICA (Social Security and Medicare) withholding tax. Canadians will receive service time and credit towards their Canadian Social Security.
7. Nonresidents are subject to state income tax (if applicable) in the state of the assignment worksite on the taxable compensation earned on that assignment. Annual state income returns are generally due April 15.
8. If married and certain other conditions are met, nonresident aliens may elect resident status and file Federal Form 1040.
9. Aliens may qualify as nonresidents part of the year and residents the remainder. See the instructions to Form 1040NR to determine the income tax filings in this event.

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## RESIDENT AND NONRESIDENT ALIEN USEFUL TAX FORMS AND PUBLICATIONS

- Form W-7**      *Application for IRS Individual Taxpayer Identification Number*  
Form to secure a US taxpayer identification number for resident and nonresident aliens in the US on temporary visas. Not appropriate if lawfully admitted as a permanent resident. Then should secure social security number on Form SS-5.
- Form SS-5**      *Application for a Social Security Card*  
Form to secure a social security number for all US citizens, US nationals or residents in the US on a permanent visa.
- Form 1040NR**      *U.S. Nonresident Alien Income Tax Return*  
Annual income tax return due April 15. Required to be filed by all nonresident aliens. The return due date may be automatically extended until October 15 by timely filing Form 4868.
- Form 1040**      *U.S. Individual Income Tax Return*  
Annual income tax return due April 15. Required to be filed by all US citizens, US nationals, and resident aliens. The return due date may be automatically extended until October 15 by timely filing Form 4868.
- Form 8840**      *Closer Connection Exception Statement for Aliens*  
Form required to be attached to Form 1040NR to claim exception to the substantial presence test in determining your residency
- Form 8833**      *Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)*  
Form required to be attached to tax return when claiming a treaty-based return position
- Publication 515**      *Withholding of Tax on Nonresident Aliens and Foreign Entities*  
Information on US tax withholding on foreigners, primarily for withholding agents (59 pages).
- Publication 519**      *U.S. Tax Guide for Aliens*  
Basic information for aliens with income from U.S. sources (73 Pages)
- Publication 597**      *Information on the United States – Canada Income Tax Treaty*  
Basic information on the tax treaty provisions. Publication is written for US citizens working in Canada, but similar rules apply for Canadians working in the US (4 pages).

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