

**U.S. Estimated Tax for  
Nonresident Alien Individuals****2006****Purpose of This Package**

If you are a nonresident alien, use this package to figure and pay your estimated tax. Estimated tax is the method used to pay tax on income that is not subject to withholding. See the 2005 instructions for 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, for details on income that is taxable. The estimated tax worksheet on page 3 will help you figure the correct amount to pay.

**Estimated tax for an estate or trust.** If you are using this package to figure and pay estimated tax for a nonresident alien estate or trust, use the 2005 Form 1040NR as a guide in figuring the estate's or trust's 2006 estimated tax. You may also find it helpful to refer to the 2006 Form 1041-ES.

**Paying by check or money order.** The payment vouchers in this package are for crediting your estimated tax payments to your account correctly. See *Pay by Check or Money Order Using the Estimated Tax Payment Voucher* on page 4.

Do not use the vouchers in this package to notify the IRS of a change of address. If you have a new address, file Form 8822, Change of Address. The IRS will update your record and next year you will receive new preprinted payment vouchers.

**Consider paying your estimated taxes electronically.** Paying electronically helps to ensure timely receipt of your estimated tax payment. You can pay electronically using the following convenient, safe, and secure electronic payment options.

- Electronic Federal Tax Payment System (EFTPS).
- Credit card.

When you pay taxes electronically, there is no check to write and no voucher to mail. Payments can be made 24 hours a day, 7 days a week. You will receive a confirmation number or electronic acknowledgement of the payment. See page 7 for details.

**Who Must Make Estimated Tax Payments**

Generally, you must make estimated tax payments if you expect to owe at least \$1,000 in tax for 2006 (after subtracting your withholding and credits) and you expect your withholding and credits to be less than the smaller of:

1. 90% of the tax shown on your 2006 tax return, or
2. The tax shown on your 2005 tax return (110% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2006, more than \$75,000).

However, if you did not file a 2005 tax return or that return did not cover all 12 months, item (2) above does not apply.

For this purpose, include household employment taxes (before subtracting advance EIC payments made to your employee(s)) when figuring the tax shown on your tax return if either of the following applies.

- You will have federal income tax withheld from wages, pensions, annuities, or other income effectively connected with a U.S. trade or business, or
- You would be required to make estimated tax payments to avoid a penalty even if you did not include household employment taxes when figuring your estimated tax.

**What's New for 2006**

Use your 2005 tax return as a guide in figuring your 2006 estimated tax, but be sure to consider the following changes. For more information on these and other changes that may affect your 2006 estimated tax, see Pub. 553, Highlights of 2005 Tax Changes.

**New exception from the filing requirement for nonresident alien individuals.** Generally, the requirement to file a return has been eliminated for nonresident aliens who earn wages effectively connected with a U.S. trade or business that are less than the amount of one personal exemption (\$3,300 for 2006). For more information, see Notice 2005-77, 2005-46 I.R.B. 951. You can find Notice 2005-77 on page 951 of Internal Revenue Bulletin 2005-46 at [www.irs.gov/pub/irs-irbs/irb05-46.pdf](http://www.irs.gov/pub/irs-irbs/irb05-46.pdf).

**Personal exemption and itemized deduction phaseouts reduced.** The phaseouts of the limitations on personal exemptions and itemized deductions are reduced by 33⅓%. For details, see Publication 505.

**Residential energy credits.** You may be able to take a residential energy credit for expenses paid in 2006 to have qualified energy saving items installed in your home located in the United States. The residential energy credit is made up of two separate credits, the nonbusiness energy property credit and the residential energy efficient property credit.

**Nonbusiness energy property credit.** The nonbusiness energy property credit may allow you to take a credit for the installation of any insulation material or system designed to reduce heat loss or gain, exterior windows (including skylights), or doors, or metal roofs with appropriate pigmented coating designed to reduce heat gain. You may also qualify to take a credit for residential energy property expenses related to the installation of certain qualified energy property. This would include items such as certain water heaters, heat pumps, and air conditioners.

**Residential energy efficient property credit.** The residential energy efficient property credit may allow you to take a

credit for the purchase of qualified photovoltaic property, solar water heating property, and fuel cell property. This includes expenses for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property and for piping or wiring to interconnect such property to the home.

For details, see Pub. 553.

**IRA deduction expanded.** You may be able to deduct up to \$5,000 if age 50 or older at the end of 2006. If you were covered by a retirement plan, you may be able to take an IRA deduction if your 2006 modified AGI is less than \$85,000 if qualified widow(er).

**Standard mileage rates.** The 2006 rate for business use of your vehicle is 44½ cents a mile. The 2006 rate for use of your vehicle to get medical care or move is 18 cents a mile. The 2006 rate for charitable use of your vehicle to provide relief related to Hurricane Katrina is 32 cents a mile. The 2006 rate of 14 cents a mile for other charitable use is unchanged.

**Alternative motor vehicles and refueling property.** You may be able to take a credit if you place an energy efficient motor vehicle or alternative fuel vehicle refueling property in service in 2006. You can no longer take a deduction for clean-fuel vehicles or refueling property. For details, see Form 8910 (Form 8911 for alternative fuel vehicle refueling property).

**Clean renewable energy bond credit.** You may be able to take a credit based on the face amount of any clean renewable energy bond you hold during 2006. The amount of any credit claimed must be included as interest income. For details, see Form 8912.

**Nonconventional source fuel credit.** You may be able to claim the nonconventional source fuel credit for facilities producing coke or coke gas. Also, the nonconventional source fuel credit is now a general business credit subject to the general business credit tax liability limits. In general, any 2006 unused credits can be carried forward 20 years. For details, see Form 8907.

**Qualified contributions expired.** You can no longer elect to treat gifts by cash or check as qualified contributions on Schedule A. Qualified contributions for which you made this election were not subject to the 50% of adjusted gross income limit or the overall limit on itemized deductions.



*Pending legislation may eliminate one or more of the following changes.*

**Certain credits no longer allowed against alternative minimum tax (AMT).**

The credit for child and dependent care expenses, mortgage interest credit, and carryforwards of the District of Columbia first-time homebuyer credit are no longer allowed against AMT and a new tax liability limit applies. For most people, this limit is your regular tax minus any tentative minimum tax.

**AMT exemption amount decreased.** The AMT exemption amount will decrease to \$33,750 (\$45,000 if a qualifying widow(er); \$22,500 if married filing separately).

**Expired tax benefits.** The following tax benefits have expired and will not apply for 2006.

- Deduction from adjusted gross income for educator expenses.
- District of Columbia first-time homebuyer credit (for homes purchased after 2005).

**To Figure Your Estimated Tax, Use:**

- The 2006 Estimated Tax Worksheet on page 3.
- The *Instructions for the 2006 Estimated Tax Worksheet* on this page.
- The 2006 Tax Rate Schedules on page 4 for your filing status.\*
- Your 2005 tax return and instructions, as a guide to figuring your income, deductions, and credits (but be sure to consider the changes listed under *What's New for 2006* that begin on page 1).

If you receive your income unevenly throughout the year (for example, because you operate your business on a seasonal basis), you may be able to lower or eliminate the amount of your required estimated tax payment for one or more periods by using the annualized income installment method. See Pub. 505, Tax Withholding and Estimated Tax, for details.

To amend or correct your estimated tax, see *Amending Estimated Tax Payments* on page 4.

\* If you are married, you must generally use Tax Rate Schedule Y. For exceptions, see Pub. 519, U.S. Tax Guide for Aliens.

**Payment Due Dates**

If you have wages subject to U.S. income tax withholding, you can pay all of your estimated tax by April 17, 2006, or in four equal amounts by the dates shown below.

1st payment . . .	April 17, 2006
2nd payment . . .	June 15, 2006
3rd payment . . .	Sept. 15, 2006
4th payment . . .	Jan. 16, 2007*

If you do not have wages subject to U.S. income tax withholding, you can pay all of your estimated tax by June 15, 2006, or you can pay it in three installments. If you pay the tax in three installments,  $\frac{1}{2}$  is due by June 15, 2006,  $\frac{1}{4}$  is due by September 15, 2006, and  $\frac{1}{4}$  by January 16, 2007.\*

\* You do not have to make the payment due January 16, 2007, if you file your 2006 Form 1040NR or 1040NR-EZ by January 31, 2007, and pay the entire balance due with your return.



*We do not send notices reminding you to make your estimated tax payments. You must make each payment by the due date.*

Even if you are not required to make an estimated tax payment by the first payment due date, you can meet the requirements to make estimated tax payments later. In this case, you should figure the amount of your estimated tax payments by using the annualized income installment method, explained in Pub. 505. Although your payment due dates will be the same as shown above, the payment amounts will vary based on your income,

deductions, additional taxes, and credits for the months ending before each payment due date. As a result, this method may allow you to skip or lower the amount due for one or more payments. If you use the annualized income installment method, be sure to file Form 2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, with your 2006 tax return, even if no penalty is owed.

**Farmers and fishermen.** If at least two-thirds of your gross income for 2005 or 2006 is from farming or fishing, you can do one of the following.

- Pay all of your estimated tax by January 16, 2007, or
- File your 2006 Form 1040NR by March 1, 2007, and pay the total tax due. In this case, 2006 estimated tax payments are not required to avoid a penalty.

**Fiscal year taxpayers.** You are on a fiscal year if your 12-month tax period ends on any day except December 31. Due dates for fiscal year taxpayers are the 15th day of the 4th (if applicable), 6th, and 9th months of your current fiscal year, and the 1st month of the following fiscal year. If any payment date falls on a Saturday, Sunday, or legal holiday, use the next business day.

**Name Change**

If you changed your name because of marriage, divorce, etc. and you made estimated tax payments using your former name, attach a statement to the front of your 2006 income tax return. On the statement, explain all of the estimated tax payments you made for 2006, and the name and identifying number under which you made the payments.

(continued on page 4)

**Instructions for the 2006 Estimated Tax Worksheet**

**Line 1. Adjusted Gross Income.** Use your 2005 tax return (Form 1040NR or 1040NR-EZ) and instructions as a guide to figuring the adjusted gross income you expect in 2006 (but be sure to consider the changes listed that begin on page 1 under *What's New for 2006*).

**Line 8.** Include on this line the additional taxes from Form 4972, Tax on Lump-Sum Distributions, or Form 8814, Parents' Election To Report Child's Interest and Dividends.

**Line 9. Credits.** See the instructions for the 2005 Form 1040NR, lines 44 through 50. Also include any of the following credits in the total on line 9.

- Residential energy credit. See *Residential energy credits* on page 1.
- Alternative motor vehicle credit. See Form 8910.

- Alternative fuel vehicle refueling property credit. See Form 8911.
- Clean renewable energy bond credit. See Form 8912.

**Line 11. Other Taxes.** Except as noted below, enter any other taxes, such as the taxes on distributions from a Coverdell education savings account or a qualified tuition program, and early distributions from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988.

Include household employment taxes (before subtracting advance EIC payments made to your employee(s)) on line 11 if:

- You will have federal income tax withheld from wages, pensions, annuities, or other income effectively connected with a U.S. trade or business, or

- You would be required to make estimated tax payments (to avoid a penalty) even if you did not include household employment taxes when figuring your estimated tax.

Do not include tax on recapture of a federal mortgage subsidy, social security and Medicare tax on unreported tip income, uncollected employee social security and Medicare or RRTA tax on tips or group-term life insurance, tax on golden parachute payments, or excise tax on insider stock compensation from an expatriated corporation. These taxes are not required to be paid until the due date of your income tax return (not including extensions).



2006 Estimated Tax Worksheet—For Nonresident Alien Individuals

Keep for Your Records

Worksheet with 19 numbered rows for tax calculations, including instructions for exemptions, deductions, and estimated tax payments.

Tear off here

Form 1040-ES (NR) Department of the Treasury Internal Revenue Service

2006 Payment Voucher 4

OMB No. 1545-0074

File only if you are making a payment of estimated tax by check or money order. Return this voucher with your check or money order payable to the "United States Treasury."

Calendar year—Due Jan. 16, 2007. Amount of estimated tax you are paying by check or money order. Dollars Cents

Print or type: Your identifying number (SSN or ITIN), Your first name and initial, Your last name, Address, City, state, and ZIP code.

For Disclosure and Paperwork Reduction Act Notice, see instructions on page 7.

(continued from page 2)

## Amending Estimated Tax Payments

To change or amend your estimated tax payments, refigure your total estimated tax payments due (see line 18 of the worksheet on page 3). Then, use the worksheets for amended estimated tax under *Regular Installment Method* in chapter 2 of Pub. 505 to figure the payment due for each remaining payment period. If an estimated tax payment for a previous period is less than  $\frac{1}{4}$  of your amended estimated tax, you may owe a penalty when you file your return.

### When a Penalty Is Applied

In some cases, you may owe a penalty when you file your return. The penalty is imposed on each underpayment for the number of days it remains unpaid. A penalty may be applied if you did not pay enough estimated tax for the year or you did not make the payments on time or in the required amount. A penalty may apply even if you have an overpayment on your tax return.

The penalty may be waived under certain conditions. See Pub. 505 for details.

### Pay by Check or Money Order Using the Estimated Tax Payment Voucher

There is a separate estimated tax payment voucher for each due date. The due date is shown in the upper right corner. Be sure you use the voucher with the correct due date for each payment you make. Complete and send in the voucher only if you are making a payment by check or money order. To complete the voucher:

- Print or type your name, address, and social security number (SSN) in the space provided on the estimated tax payment voucher. If you do not have, and are not eligible to obtain, an SSN, enter your IRS-issued individual taxpayer identification number (ITIN). To apply for an ITIN, get Form W-7, Application for IRS Individual Taxpayer Identification Number.

(continued on page 7)

## 2006 Tax Rate Schedules

**Caution:** Do not use these Tax Rate Schedules to figure your 2005 taxes. Use only to figure your 2006 estimated taxes.

### Schedule X—Use if your 2006 filing status is Single

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—	Over—		
\$0	\$7,550	----- 10%	\$0
7,550	30,650	\$755.00 + 15%	7,550
30,650	74,200	4,220.00 + 25%	30,650
74,200	154,800	15,107.50 + 28%	74,200
154,800	336,550	37,675.50 + 33%	154,800
336,550	-----	97,653.00 + 35%	336,550

### Schedule Y—Use if your 2006 filing status is Married filing separately

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—	Over—		
\$0	\$7,550	----- 10%	\$0
7,550	30,650	\$755.00 + 15%	7,550
30,650	61,850	4,220.00 + 25%	30,650
61,850	94,225	12,020.00 + 28%	61,850
94,225	168,275	21,085.00 + 33%	94,225
168,275	-----	45,521.50 + 35%	168,275

### Schedule Z—Use if your 2006 filing status is Qualifying Widow or Widower

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—	Over—		
\$0	\$15,100	----- 10%	\$0
15,100	61,300	\$1,510.00 + 15%	15,100
61,300	123,700	8,440.00 + 25%	61,300
123,700	188,450	24,040.00 + 28%	123,700
188,450	336,550	42,170.00 + 33%	188,450
336,550	-----	91,043.00 + 35%	336,550

### Schedule W—Use if your 2006 filing status is for an Estate or Trust

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—	Over—		
\$0	\$2,050	----- 15%	\$0
2,050	4,850	\$307.50 + 25%	2,050
4,850	7,400	1007.50 + 28%	4,850
7,400	10,050	1721.50 + 33%	7,400
10,050	-----	2,596.00 + 35%	10,050

**2006 Payment Voucher 3**

File only if you are making a payment of estimated tax by check or money order. Return this voucher with your check or money order payable to the **"United States Treasury."** Write your identifying number and "2006 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

<b>Calendar year—Due Sept. 15, 2006</b>			
Amount of estimated tax you are			
paying by check or money order.	<table border="1"> <tr> <td>Dollars</td> <td>Cents</td> </tr> </table>	Dollars	Cents
Dollars	Cents		

<b>Print or type</b>	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
	Your first name and initial	Your last name
	Address (number, street, and apt. no.)	
	City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Disclosure and Paperwork Reduction Act Notice, see instructions on page 7.

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**2006 Payment Voucher 2**

File only if you are making a payment of estimated tax by check or money order. Return this voucher with your check or money order payable to the **"United States Treasury."** Write your identifying number and "2006 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

<b>Calendar year—Due June 15, 2006</b>			
Amount of estimated tax you are			
paying by check or money order.	<table border="1"> <tr> <td>Dollars</td> <td>Cents</td> </tr> </table>	Dollars	Cents
Dollars	Cents		

<b>Print or type</b>	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
	Your first name and initial	Your last name
	Address (number, street, and apt. no.)	
	City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Disclosure and Paperwork Reduction Act Notice, see instructions on page 7.

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**2006 Payment Voucher 1**

File only if you are making a payment of estimated tax by check or money order. Return this voucher with your check or money order payable to the **"United States Treasury."** Write your identifying number and "2006 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

<b>Calendar year—Due April 17, 2006</b>			
Amount of estimated tax you are			
paying by check or money order.	<table border="1"> <tr> <td>Dollars</td> <td>Cents</td> </tr> </table>	Dollars	Cents
Dollars	Cents		

<b>Print or type</b>	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
	Your first name and initial	Your last name
	Address (number, street, and apt. no.)	
	City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Disclosure and Paperwork Reduction Act Notice, see instructions on page 7.

**Record of Estimated Tax Payments** (Farmers, fishermen, and fiscal year taxpayers, see page 2 for payment due dates.)

Payment number	Payment due date	(a) Date paid	(b) Check or money order number or credit card confirmation number	(c) Amount paid (do not include any credit card convenience fee)	(d) 2005 overpayment credit applied	(e) Total amount paid and credited (add (c) and (d))
1	4/17/2006					
2	6/15/2006					
3	9/15/2006					
4	1/16/2007*					
<b>Total</b>						

\*You do not have to make this payment if you file your 2006 tax return by January 31, 2007, and pay the entire balance due with your return.

(continued from page 4)

- Enter in the box provided on the estimated tax payment voucher only the amount you are sending in by check or money order. When making payments of estimated tax, be sure to take into account any 2005 overpayment that you choose to credit against your 2006 tax, but do not include the overpayment amount in this box.
- Make your check or money order payable to the "United States Treasury." Do not send cash. To help process your payment, enter the amount on the right side of the check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX-" or "\$ XXX  $\frac{XX}{100}$ ").
- Write your identifying number (SSN or ITIN) and "2006 Form 1040-ES (NR)" on your check or money order.
- Enclose, but do not staple or attach, your payment with the estimated tax payment voucher.
- Mail your payment voucher to the Internal Revenue Service, P.O. Box 80102, Cincinnati, OH 45280-0002.
- Fill in the *Record of Estimated Tax Payments* above for your files.

**Pay by Electronic Federal Tax Payment System (EFTPS)**

EFTPS is a tax payment system provided free by the U.S. Department of the Treasury, designed with all taxpayers in mind. Online or by phone, you input your tax payment information electronically and you are done. EFTPS offers you convenience. Through EFTPS, you can schedule one-time or recurring payments for withdrawal from your checking or savings account up to 365 days in advance. You can also modify or cancel payments up to 2 business days before the scheduled withdrawal date. To use EFTPS, you must enroll. Enroll online at [www.eftps.gov](http://www.eftps.gov) or call 1-800-555-4477 to receive an enrollment form and instructions by mail. TTY/TDD help is available by calling 1-800-733-4829.

**Pay by Credit Card**

You can use your American Express® Card, Discover® Card, MasterCard® card, or Visa® card to make estimated tax payments. Call toll free or visit the website of either service provider listed below and follow the instructions. A convenience fee will be charged by the service provider

based on the amount you are paying. Fees may vary between providers. You will be told what the fee is during the transaction and you will have the option to either continue or cancel the transaction. You can also find out what the fee will be by calling the provider's toll-free automated customer service number or visiting the provider's website shown below.

Link2Gov Corporation  
 1-888-PAY-1040<sup>SM</sup> (1-888-729-1040)  
 1-888-658-5465 (Customer Service)  
[www.PAY1040.com](http://www.PAY1040.com)

Official Payments Corporation  
 1-800-2PAY-TAX<sup>SM</sup> (1-800-272-9829)  
 1-877-754-4413 (Customer Service)  
[www.officialpayments.com](http://www.officialpayments.com)

You will be given a confirmation number at the end of the transaction. Fill in the Record of Estimated Tax Payments above. Enter the confirmation number in column (b), but do not include the amount of the convenience fee in column (c).

**Disclosure and Paperwork Reduction Act Notice.**

The IRS Restructuring and Reform Act of 1998 requires that we tell you the conditions under which return information may be disclosed to any party outside the Internal Revenue Service. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need the information to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

This notice applies to all papers you file with us. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information you write on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information that we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may disclose your tax information to Committees of Congress; federal, state, and local child support agencies; and to other federal agencies for purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

Keep this notice with your records. It may help you if we ask you for other information. If you have any questions about the rules for filing and giving information, call or visit any Internal Revenue Service office.

The average time and expenses required to complete and file this form will vary depending on individual circumstance. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this package simpler, we would be happy to hear from you. See the instructions for your income tax return.