# The Masaryk Twins – 2020 Tax Year

#### Case Study II (CWM) and Case Study III (JWM)

**Common Elements:** The Masaryk twins are both physician trainees, in the U.S. on J1 visas. They share the same date of birth, U.S. address, phone number, sponsor, employer, and financials. Both qualify for a treaty income exclusion.

**Individual Elements:** The twins have different first names. They entered the U.S. a year apart. One has not yet met the Substantial Presence Test (SPT) and will file on Form 1040-NR. One has met the SPT and will file on Form 1040. For 2020, he qualifies for the Recovery Rebate Credit. The RRC calculation is not shown.

#### **Common Information**

Neither twin is blind nor disabled

Taxpayer DOB	November 12, 1991
Address Living Arrangement	603 Berwyn Road, Berwyn Heights, MD, 20784 Shares rented apartment
Taxpayer Occupation	Physician trainee

Each twin is a physician trainee at Berwyn Hospital in Prince George's County, MD. Each resided in the Czech Republic immediately before entering the U.S. Each contract began May 1 of the twin's first year in the U.S. It is renewable in two-year increments.

#### Income

Each twin received a compensation form and an interest form. No other income.

Wages were paid by Berwyn Hospital.

On 1042-S, Box 1 code is 19. Box 2 shows \$ 42,400. Box 3 is checked. 3b is 14%. Box 7 is \$ 5,418. Each had \$32 interest on his account in the BH FCU.

#### Case Study II – Individual Information

Taxpayer Name	Carlos Wenceslaus Masaryk
Taxpayer SSN	XXX-XX-X201
Cell phone, work phone	XXX-555-5201, XXX-555-5202
Email	Masaryk.c.w.@net.net
Passport	Czech Republic X2345678
Visa	J1 issued April 15, 2019
First date in U.S.	Entered U.S. April 24, 2019; no prior visits

#### Case Study III Individual Information

Taxpayer Name	Josef Wenceslaus Masaryk
Taxpayer SSN	xxx-xx-x301
Cell phone	xxx-555-5301
Work phone	xxx-555-5303
Email	Masaryk.j.w.@net.net
Passport	Czech Republic X3456789
Visa	J1 issued April 15, 2018
First date in U.S.	Entered U.S. April 24, 2018; no prior visits

## Common Information

## Tax Treaty Benefits

Table 2 of Tax Treaty Tables shows the following for Czech Republic:

Code <sup>1</sup> (2)	Purpose <sup>22</sup> (3)	Maximum Presence in U.S (4)	Required Employer or Payer (5)	Maximum Amount of Compensation (6)	Treaty Article Citation (7)
16	Scholarship or fellowship grant 4, 15	5 years	Any U.S. or foreign resident <sup>5</sup>	No limit	21(1)
17	Independent personal services7	183 days	Any contractor	No limit	14
18	Dependent personal services8, 17, 57	183 days	Any foreign resident	No limit	15
42	Public entertainment	No limit	Any U.S. or foreign resident	\$20,000 p.a.30	18
19	Teaching <sup>4, 35</sup>	2 years	Any U.S. educational or research institution	No limit	21(5)
20	Studying and training:4				
	Remittances and allowances	5 years	Any foreign resident	No limit	21(1)
	Compensation during training	5 years	Any U.S. or foreign resident	\$5,000 p.a.	21(1)
Compensation while gaining experience <sup>2</sup>		12 consec. mos.	Czech resident	\$8,000	21(2)
	Compensation under U.S. Government program	1 year	U.S. Government	\$10,000	21(3)
	16 17 18 42 19	16       Scholarship or fellowship grant <sup>4, 15</sup> 17       Independent personal services <sup>7</sup> 18       Dependent personal services <sup>8, 17, 57</sup> 42       Public entertainment         19       Teaching <sup>4, 35</sup> 20       Studying and training: <sup>4</sup> Remittances and allowances       Compensation during training         Compensation while gaining experience <sup>2</sup> Compensation under U.S.	(4)       16     Scholarship or fellowship grant <sup>4, 15</sup> 5 years       17     Independent personal services <sup>7</sup> 183 days       18     Dependent personal services <sup>8, 17, 57</sup> 183 days       42     Public entertainment     No limit       19     Teaching <sup>4, 35</sup> 2 years       20     Studying and training. <sup>4</sup>	(4)     (4)       16     Scholarship or fellowship grant <sup>4, 15</sup> 5 years     Any U.S. or foreign resident <sup>5</sup> 17     Independent personal services <sup>7</sup> 183 days     Any contractor       18     Dependent personal services <sup>8, 17, 57</sup> 183 days     Any foreign resident       42     Public entertainment     No limit     Any U.S. or foreign resident       19     Teaching <sup>4, 35</sup> 2 years     Any U.S. educational or research institution       20     Studying and training: <sup>4</sup>	(4)(4)(6)16Scholarship or fellowship grant 4.155 yearsAny U.S. or foreign resident5No limit17Independent personal services7183 daysAny contractorNo limit18Dependent personal services <sup>8, 17, 57</sup> 183 daysAny foreign residentNo limit42Public entertainmentNo limitAny U.S. or foreign resident\$20,000 p.a. <sup>30</sup> 19Teaching <sup>4, 35</sup> 2 yearsAny U.S. educational or research institutionNo limit20Studying and training.4Remittances and allowances5 yearsAny foreign residentNo limitCompensation during training5 yearsAny foreign resident\$5,000 p.a.Compensation under U.S.1 yearU.S. Government\$10,000

Other 1042-S and Form 8843 info: Enter generic information, as, 'name', 'address'.

## Expenses

Stethoscope Medical reference materials Professional dues	\$280 \$475 \$330
Quarterly ES payments to MD	\$3,000 total, four timely payments of \$ 750 (Same amount paid each quarter in prior year.)
Tax preparation for prior year	\$150

Each twin would like the most advantageous tax return possible. He would like to claim treaty benefits available in the U.S.-Czech Republic income tax treaty.

## Consider:

- What forms must each Masaryk twin submit?
- Should any Return Notes be submitted with the return? Required or helpful?
- Would it be helpful to prepare or update a Preparer Client History Note?
- Which expenses listed may be claimed?

## Case Study II: Carlos W. Masaryk

This tax return is for his second calendar year in the U.S. on a J1 visa.

Prepare a Federal tax return. Prepare any required or useful statements or notes.

# Tax Prep Tips:

<u>Compensation</u>: Only <u>taxable compensation</u> is entered on Form 1040-NR Line 1a or 1b. Treaty-excluded income is noted on Line 1c.

<u>*Treaty income exclusion*</u>, if any, is entered with its history and justification on Line 22, Schedule OI (Form 1040-NR).

If an information document reports the full income amount, the treaty exclusion listed on Line 22 plus the taxable income on Line 1a or 1b will equal the information document amount. Not all taxpayers or employers utilize Form 8283 to have correct withholding. Different employers have different systems (maybe no system at all!) for how to report the pay of J1 visa holders.

<u>Treaties differ</u>: Treaty income exclusions vary from treaty to treaty. There are variations in the article provisions, such as type or source of income, amount of income, period that income may be excluded. And of course the start and end dates of the exclusion vary according to the individual's arrival date in the U.S.

On Form 1040-NR, generally the information included in Schedule OI, Item L, is sufficient to explain the circumstances and amount of the exclusion. The first and last year that a treaty exclusion applies, it likely does not last 12 months. Exclusion periods less than 12 months warrant an exclusion calculation note, such as is shown in the statement for Form 1040 for Case Study III.

<u>State and local tax payments:</u> Enter as a deduction on Schedule A (Form 1040-NR) and as a payment on the state tax form.

Non-taxable bank deposit interest: IRC 871(i)(1, 2. 3) declares interest on deposit accounts not connected to a U.S. trade or business and held in certain federally chartered institutions to be non-taxable. Various IRS presentations (IRS tax forums, webinars) simply omit this interest. However the instructions for Form 1040-NR state in Table A, Who Must File Form 1040-NR, that a nonresident alien engaged in a trade or business in the U.S. (that's just about everybody, per code) must file Form 1040-NR EVEN IF their income is exempt from U.S. tax under a tax treaty or any section of the Internal Revenue Code. I prefer to enter this non-taxable interest on Schedule NEC, Line 2c, in a column that I label for 0%.

**Required Form:** Form 8843 is required to show the number of days eXempt from being considered **present** days for the Substantial Presence Test (SPT). Carlos must submit this form attached to his income tax return. It is not illustrated here. Case Study 1 does illustrate a Form 8843.

<b>1040</b>	-NR Department of the Treasury-I	nternal Revenue Service Alien Income Tax	(99) Return	2020	OMB No. 15		Jse Only — Do not write staple in this space.	
Filing Status Check only one box.	Single Married filing sepa If you checked the QW box, enter the qualifying person is a child but not yo		ried) 🗌 Qu	alifying wic	low(er) (QW)			
	and middle initial	Last name				(see instruc	1	
Carlos W.	1	Masaryk	x x x x x x x					
603 Berwyn Ro	number and street or rural route). If you ad	i have a P.O. box, see inst	ructions.		Apt. no.	Check if:	✓ Individual Estate or Trust	
	st office. If you have a foreign address, als	so complete spaces below.	State	ZIP co	de			
Berwyn Heights	s		MD		20784			
Foreign country	name	Foreign province/state/co	Foreign province/state/county Foreig					
At any time durin	ng 2020, did you receive, sell, send, ex	change, or otherwise acqu	uire any financia	al interest ir	n any virtual cu	Irrency?	🗌 Yes 🗹 No	

Dependents	\$			100721 01 100	1.000223/3/5		' if qualifie	es for (see instr.):
(see instructions	6	(1) First name Last	name	(2) Dependent's identifying number	(3) Depend relationship		ax credit	Credit for other dependents
If more than fou								
dependents, see								
instructions and						[		
check here ►						[		
Income	1a	Wages, salaries, tips, etc. Atta	ch Form(s) W-	-2			1a	
Effectively	b	Scholarship and fellowship gra	ants. Attach Fo	orm(s) 1042-S or required	d statement. Se	e instructions .	1b	37,400
Connected	С	Total income exempt by a tre	aty from Sche	edule OI (Form 1040-NR	), Item			
With U.S.		L, line 1(e)		1	<b>1</b> C	5,00	0	
Trade or	2a	Tax-exempt interest	2a	b Tax	able interest .		2b	
Business	3a	Qualified dividends	3a	b Orc	linary dividends	Fri vi vi vi vi	3b	
	4a	IRA distributions	4a	b Tax	able amount .		4b	
	5a	Pensions and annuities	5a	b Tax	5b			
	6	Reserved for future use	6					
	7	Capital gain or (loss). Attach S	7					
	8	Other income from Schedule 1	8					
	9	Add lines 1a, 1b, 2b, 3b, 4b, 5	b, 7, and 8. Th	nis is your total effective	ly connected i	ncome . 📪 🕨	9	37,400
	10	Adjustments to income:						
	а	From Schedule 1 (Form 1040),	line 22		10a			
	b	Charitable contributions for ce	rtain residents	s of India. See instructior	ns. 10b			
	С	Scholarship and fellowship gra	ints excluded		<b>10</b> c			
	d	Add lines 10a through 10c. The	ese are your t	otal adjustments to inc	ome	F	10d	
	11	Subtract line 10d from line 9. 7	his is your ad	ljusted gross income		<b>F</b>	11	37,400
	12	Itemized deductions (from Second	chedule A (Fo	orm 1040-NR)) or, for cer	tain residents o	of India, standard		
		deduction. See instructions .					12	3,000
	13a	Qualified business income dec	luction. Attach	h Form 8995 or Form 899	95-A <b>13</b> a			
	b	Exemptions for estates and tru	ists only. See	instructions	<b>13b</b>			
	С	Add lines 13a and 13b					13c	
	14	Add lines 12 and 13c					14	3,000
	15	Taxable income. Subtract line	14 from line	11. If zero or less, enter	-0		15	34,400
For Disclosure	Priva	cy Act, and Paperwork Reduction	on Act Notice,	see separate instruction	<b>s.</b> C	at. No. 11364D	Fo	rm 1040-NR (2020)

Form 1040-NR (2	2020)								Page 2
	16	Tax (see instructions). Check if	any from Form	(s): 1 🗌 8	814 2 🗌 49	72 3 🗌		16	3,934
	17	Amount from Schedule 2 (For	m 1040), line 3					17	
	18	Add lines 16 and 17						18	3,934
	19	Child tax credit or credit for of	her dependent	ts				19	
	20	Amount from Schedule 3 (For	n 1040), line 7					20	
	21	Add lines 19 and 20						21	
	22	Subtract line 21 from line 18.						22	3,934
	23a	Tax on income not effectivel from Schedule NEC (Form 104	y connected v	with a U.S. tr	ade or business	23a			0,00
	b	Other taxes, including self-err				200		-	
	D					23b			
	•					230		-	
	C	Transportation tax (see instruct	<i>.</i>						
	d	Add lines 23a through 23c						23d	
	24	Add lines 22 and 23d. This is					a a 🏲	24	3,934
	25	Federal income tax withheld fi	om:						
	а	Form(s) W-2	a (a (a (a)			25a		_	
	b	Form(s) 1099				25b			
	С	Other forms (see instructions)				25c			
	d	Add lines 25a through 25c						25d	
	е	Form(s) 8805						25e	
	f	Form(s) 8288-A						25f	
	g	Form(s) 1042-S						25g	5 419
		2020 estimated tax payments							5,41
	26					1		26	5,41
	27	Reserved for future use				27			
	28	Additional child tax credit. Att		•		28		_	
	29	Credit for amount paid with Fe	orm 1040-C			29		_	
	30	Reserved for future use				30			
	31	Amount from Schedule 3 (For	m 1040), line 1	3		31			
	32	Add lines 28 through 31. Thes	e are your tota	al other paym	ents and refunda	able credits .	🕨	32	
	33	Add lines 25d, 25e, 25f, 25g, 3	26, and 32. The	ese are your te	otal payments		🕨	33	5,418
Refund	34	If line 33 is more than line 24,	subtract line 24	4 from line 33	. This is the amou	nt you overpaid		34	1,484
	35a	Amount of line 34 you want re						35a	1,484
Direct deposit?	►b	Routing number x x x	1 1 1 1	1 1 1	A CONTRACTOR OF A CONTRACTOR O		Savings	oou	1,10
See instructions.	►d	Account number x x x	1 1 1 1	1 1 1	1 1 1 1 1		outingo		
	►e	If you want your refund check	mailed to an a	address outsid	the United Sta	tes not snown o	n page 1,		
		enter it here.				1 1			
-	36	Amount of line 34 you want a		personal construction and sea	140	36			5
Amount	37	Amount you owe. Subtract lin				1	<b>F</b>	37	
You Owe	38	Estimated tax penalty (see ins	tructions) .	* * * *	🕨	38			
Third Party Designee	Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions								✓ No
(Other than	Desig	nee's	ication						
paid preparer)	name		•						
Sign		penalties of perjury, I declare that I							
Here	belief,	they are true, correct, and complete	e. Declaration of	preparer (other	than taxpayer) is bas	sed on all informati	on of which	n prepare	er has any knowledge.
nere									ent you an Identity
									PIN, enter it here
	physician trainee (see							inst.)►	
	Phone	e no. 301-555-555	5	Email addres	s masaryk.c.w@				
Paid	Prepa	irer's name	Preparer's sig			Date	PTIN		Check if:
ым									Self-employed
Dronever						-	Phone no.		
Preparer Use Only	Firm's	s name 🕨					Phone r	no.	

Go to www.irs.gov/Form1040NR for instructions and the latest information.

Form **1040-NR** (2020)

SCHEDULE A (Form 1040-NF) Department of the Tre Internal Revenue Serv Name shown on For Carlos W. Masar	<b>i)</b> easury rice (99 m 104	Attach to Form 1040-NR. Caution: If you are claiming a net qualified disaster loss on Form 4684,			<ul> <li>Go to www.irs.gov/Form1040NR for instructions and the latest information.</li> <li>Attach to Form 1040-NR.</li> <li>Caution: If you are claiming a net qualified disaster loss on Form 4684, see instructions for line 7.</li> </ul>							
Taxes You Paid	1a	State and local income taxes	1a		3,000		×x-xxxx					
	b	Enter the smaller of line 1a or \$10,000 (\$5,000 if you checked Married <i>Filing Status</i> on page 1 of Form 1040-NR)				1b	3.000					
Gifts to U.S. Charities	2	Gifts by cash or check. If you made any gift of \$250 or more, see instructions	2									
<b>Caution:</b> If you made a gift and received	3	Other than by cash or check. If you made any gift of \$250 or more, see instructions. Individuals <b>must</b> attach Form 8283 if line 3 is over \$500.	3									
a benefit in return, see	4	Carryover from prior year	4									
instructions.	5	Add lines 2 through 4				5						
Casualty and Theft Losses	6	Casualty and theft loss(es) from a federally declared disaster (ot disaster losses). Attach Form 4684 and enter the amount from line instructions	18 0	of that fo	rm. See	6						
Other Itemized Deductions	7	Other – from list in instructions. List type and amount ►										
<b>T</b> . 4 . 1						7						
Total Itemized Deductions	8	Add the amounts in the far right column for lines 1b through 7. Also Form 1040-NR, line 12		• •		8	3,000					

SCHEDULE NEC (Form 1040-NR) Department of the Treasury Internal Revenue Service (99)	Tax on Income Not Effect ► Go to www.irs.govi		OMB No. 1545-0074           2020           Attachment           Sequence No. 7B					
Name shown on Form 1040-NR							Your identifying	
Carlos W. Masaryk							XXX	-xx-xxxx
Enter amount of income und	ler the appropriate rate of tax. See instructions.							
	Nature of Income			(a) 10%	(b) 15%	(c) 30%	(d) Other	(specify)
	Nature of income			(4) 1070	(6) 1070	(0) 00 /0	0 %	%
1 Dividends and divide	end equivalents:							
<ul> <li>Dividends paid by U</li> </ul>	S. corporations		1a					
b Dividends paid by for	preign corporations		1b					
c Dividend equivalent p	payments received with respect to section 871(m) to	ransactions	1c					
2 Interest:								
a Mortgage			2a					
	orations		2b					
c Other			2c				32	
3 Industrial royalties (p	oatents, trademarks, etc.)		3				-210	
4 Motion picture or TV	copyright royalties		4					
5 Other royalties (cop)	rights, recording, publishing, etc.)		5					
6 Real property incom	e and natural resources royalties		6					
	ties		7					
	fits		8					
	e 18 below		9					
	ts of Canada only. Enter net income in column (c							
a Winnings								
b Losses			10c					
11 Gambling winnings- Note: Losses not all	<ul> <li>Residents of countries other than Canada.</li> <li>lowed</li> </ul>		11					
12 Other (specify) ►			10.000					
			12					
	h 12 in columns (a) through (d)		13				32	
	rate of tax at top of each column		14				0	
15 Tax on income not e	ffectively connected with a U.S. trade or business						NR, line 23a ► 15	
	Capital Gains and	a Losses F	rom	sales or Excha	anges of Propert	у		
Enter only the capital gains and losses from property sales or exchanges that are from sources within the United States and not effectively connected with a U.S. business. Do not include a gain	16 (a) Kind of property and description (if necessary, attach statement of descriptive details not shown below)	( <b>b)</b> Date acqu mm/dd/yy		(c) Date sold mm/dd/yyyy	(d) Sales price	(e) Cost or other basis	(f) LOSS If (e) is more than (d), subtract (d) from (e).	(g) GAIN If (d) is more than (e), subtract (e) from (d).
or loss on disposing of a U.S. real property interest; report these								
gains and losses on Schedule D								
(Form 1040). Report property sales or								
exchanges that are effectively								
connected with a U.S. business on Schedule D (Form 1040),	17 Add columns (f) and (g) of line 16						/ ()	

Form 4797, or both. 18 Capital gain. Combine columns (f) and (g) For Paperwork Reduction Act Notice, see the Instructions for Form 1040-NR.

Cat. No. 72752B

Schedule NEC (Form 1040-NR) 2020

SCHE			Othe	r Information		I	OMB No. 154	45-0074
(Form	1040-NR)	►Go	to www.irs.gov/Form1040		the latest information	n. 🗌	202	20
	ent of the Treasury Revenue Service (99)			ch to Form 1040-NR. swer all questions.			Attachment Sequence N	o. 7C
Name st	nown on Form 1040	-NR				Your identifyin		
Carlos	W. Masaryk					хх	x-xx-xxxx	
Α	Of what country	/ or countries v	vere you a citizen or nation	al during the tax year?	Czech Republic			
в	-		residence for tax purpose	~ .				
С	The second	applied to be a	green card holder (lawful p	permanent resident) of	the United States? .		Yes	✓ No
D	Were you ever:							
								✓ No
2.			rmanent resident) of the U				Ves	✓ No
-	170	A 1 4	), see Pub. 519, chapter 4,			tor your LLC		
E	immigration stat	tus on the last o	lay of the tax year, enter y day of the tax year. <mark>J1</mark>					
F			risa type (nonimmigrant sta		n status?		Yes	✓ No
			e the date and nature of th					
G			left the United States durin					
			Canada or Mexico AND co Mexico and skip to item I			ient intervals,		
	Date entered		Date departed United Stat		te entered United State		arted Unite	d States
	mm/c		mm/dd/yy	les Da	mm/dd/yy	and the second sec	arted United mm/dd/yy	Jolales
	01-0	1-20						
	-							
	Ohur munch an of	al av en dies a boating er						
Н	2018	0	vacation, nonworkdays, an , 20190	, and 202	20 <b>0</b>			
1	Did you file a U.	.S. income tax	return for any prior year?. nd form number you filed ▶				✓ Yes	No
J			st?				Yes	✓ No
-	If "Yes," did the	e trust have a l	J.S. or foreign owner unde	er the grantor trust rule	s, make a distribution	n or loan to a		
K			ribution from a U.S. persor				Ves	✓ No ✓ No
ĸ	•	and the second se	ation of \$250,000 or more ative method to determine				Ves Yes	✓ NO
L	Income Exemp	t From Tax—If	you are claiming exempt	tion from income tax u	under a U.S. income			
		• • •	v. See Pub. 901 for more in					
1.	Enter the name	of the country,	the applicable tax treaty ar e columns below. Attach Fo	ticle, the number of mo	nths in prior years you	claimed the ti	reaty benefi	t, and the
		(a) Cou		(b) Tax treaty article	(c) Number of month	ns (d) Ar	nount of exe	empt
		(4) 004	nay	(b) Tax fically afficie	claimed in prior tax ye	States	in current ta	
	2							
	Czech Republic	:		21(1)	8			5,000
	(a) Tatal Cate	this one wet -	n Form 1040-NR, line 1c. [	) Do not ontor it on line 1	o or line 1h	<b>N</b>		F 005
0			n Form 1040-NR, line 1c. I preign country on any of th			► <u> </u>	Yes	5,000
			s pursuant to a Competen				☐ Yes	✓ No
0.		• •	Competent Authority deter					
м	Check the appli		,					
	This is the first	year you are m	aking an election to treat in					
2.			under section 871(d). See i n a previous year that has					. ► L ne United
			d with a U.S. trade or busi	er e wordt wie i die er wei weie e weier er die bestelle weiter.		and the second		

# Case Study III: Josef W. Masaryk

This tax return is for his third calendar year in the U.S. on a J1 visa.

Prepare both a federal and a state tax return. Prepare any required or useful statements or notes.

Josef has been in the U.S. on a J1 visa for some part of two calendar years prior to the tax year. His eXemption from counting days spent in the U.S. towards the substantial presence test (SPT) ended before the tax year began. Assume he properly informed Berwyn Hospital that he expected to become a tax resident and so they should begin withholding for social security and Medicare taxes with the first pay period beginning after January 1 of the tax year.

For 2020, he is a tax resident of the U.S. and qualifies for the Recovery Rebate Credit. This is not illustrated in the solution. Most foreign nationals with Social Security numbers who file as tax residents also filed as tax residents in 2019. They would have received an 'advance' stimulus or economic impact payment. If it was the correct amount for their actual 2020 income, they need do nothing. First-time tax residents in 2020 and those who did not receive the correct amount of stimulus payment will complete the Recovery Rebate Credit worksheet to claim their due on this 2020 Form 1040 tax return.

# Tax Prep Tip:

On Form 1040, even when there is a treaty income exclusion, the full amount of employer compensation is reported on Line 1. On 2020 returns, the amount eXcluded by treaty is entered on Schedule 1, Part I, Line 8, additional income, as a negative number. The reason for this subtraction is entered as a literal on the dotted line beside *'List type and amount"* as 'treaty offset' followed by the amount, treaty name, and article number. The paper form has room to enter all the information. The tax software may not. This carries to Page 1, Line 7a.

The full qualifying information and exclusion calculation is entered in a note attached to the tax return. The history of prior use of the exclusion is also detailed, as it would be on Schedule OI (Form 1040-NR), Item L.

# Solution Case Study III – JWM

(For JMW's third J1 year in the U.S. on Form 1040)

## Return Note for Form 1040

## Tax-excluded portion of physician-trainee compensation from Form 1042-S

The U.S.-Czech Income Tax Treaty applies to this income. Taxpayer was a resident of the Czech Republic immediately before entering the U.S. on a J1 visa as a physician-trainee on April 24, 2018.

Taxpayer is claiming the 5-year exclusion of \$ 5,000 from taxable compensation provided in Article 21(1) of the U.S.-Czech Republic income tax treaty.

For his 2018 Form 1040-NR, taxpayer was in the U.S. for 8 months and excluded \$ 5,000.

For his 2019 Form 1040-NR, taxpayer was in the U.S. for 12 months and excluded \$ 5,000.

For this 2020 Forrn1040, taxpayer was in the U.S. 12 months and may exclude \$ 5,000.

## 2020 Exclusion

Amount shown on Form 1042-S \$ 42,400Annual exclusion amount\$ 5,000Taxable compensation after exclusion \$ 37,400

## Potential Need for Withholding Return Note on Form 1040

Compensation information for F, J, M, and Q visa holders may be reported on the wrong form. It may be on Form 1042-S long after it should have been on a W-2. FICA may have been treated incorrectly.

Enter withholding shown on a Form 1042-S on Form 1040, page 2, line 25 c and attach the 1042-S to the return.

If FICA was withheld when it should not have been, or was not withheld when it should have been, the employer should be asked to correct the situation. And a return note may be appropriate.

See book and index for how to address the situation if the employer does not correct the situation.

## Return Note – State (MD) Quarterly Estimated Payments

Taxpayer pays timely quarterly estimated payments of \$ 750 per quarter, \$ 3,000 per year.

FYI: On the form, taxpayer deducts the 4<sup>th</sup> quarter payment for the prior year MD return, paid in January of this tax year, plus the first three quarters for this tax return year and paid during this tax year.

\$ 750 paid Jan 15, 2020, for 2019, and April, June, and September 15, 2020 for 2020.

On the MD state return, taxpayer enters all 4 quarterly payments made in and for 2020.

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Filing Status       Single       Married filing jointly       Married filing separately (MFS)       Head of household (HOH)       Coulifying widow(er) (Q         Check only       if you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualify one box.       Your firstame and middle initial       Last name         Your firstame and middle initial       Last name       Your social security number       Your social security number         Here address (number and stree). If you have a P.O. box, see instructions.       Apt. no.       Presidential Election Campa         G33 Bervyn Reights       No.       Presidential Election Campa       Spouse's social security number         Foreign country name       Foreign province/state/county       Foreign post difce. If you have a foreign address, also complete spaces below.       State       2078d         Standard       Someone can claim:       You as a dependent       Your spouse as a dependent       Your spouse as a dependent         Dependents:       (Breingn posta code)       You is a dependent       Your spouse as a dependent       Your spouse as a dependent         Age/Blindness You:       Ware born before January 2, 1956       Are blind       Spouse:       You       Spo         At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?       Yes:       No	<b>104</b> 0		rtment of the Treasury—Internal Revenue Servi 5. Individual Income Tax		(99) t <b>urn</b>	202	20	OMB No. 1545	5-0074	IRS Use Only-	– Do not wr	rite or staple i	in this space.
Check only person is a child but not your dependent ► Your fist name and middle initial Let name Jose W Your fist name and middle initial Let name Jose W H Hom address (number and street), If you have a P.O. box, see instructions. Gold Bervyn Heights Foreign country name Foreign province/state/county Foreign post office. If you have a foreign address, also complete spaces below. State Foreign country name Foreign province/state/county Foreign post office. If you have a foreign address, also complete spaces below. State Foreign country name Foreign province/state/county Foreign post office. If you have a foreign address, also complete spaces below. State Foreign province/state/county Foreign post office. If you have a foreign address, also complete spaces below. State Foreign province/state/county Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a foreign address, also complete spaces below. State Foreign post office. If you have a space below. State Foreign post office. If you have a space below. State Foreign post office. If you have a space below. State Foreign post office. If you have a space b	Filing Status			_		separately	(MFS	) Head of	house				
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If joint return, spouse's first name and middle initial       Last name       Spouse's social security num         Home address (number and street), If you have a P.O. box, see instructions.       Apt. no.       Presidential Election Campa         603 Benzym, Road       Check here if you, or your       Check here if you, or your       Check here if you, or your         City, torm, or post office. If you have a foreign address, also complete spaces below.       State       ZIP add       Check here if you, or your         Early in Heights       MD       20784       Double will not change       your tox or refund.       You is you or your         Foreign position       Someone can claim:       You as a dependent       Your spouse as a dependent       Your your your       You is you         Standard       Someone can claim:       You as a dependent       Your spouse as a dependent       Your your child tax credit       Credit for other dependents         If more than four dependents;       Ges instructions);       (1) First name       Last name       Imber       Child tax credit       Credit for other dependents;         If more than four dependents;       Sa       Dependents       See instructions;       Imber       Imber <t< td=""><td>Your first name</td><td>and mi</td><td>ddle initial</td><td>Last n</td><td>ame</td><td></td><td></td><td></td><td></td><td></td><td>Your so</td><td>cial securit</td><td>y number</td></t<>	Your first name	and mi	ddle initial	Last n	ame						Your so	cial securit	y number
If joint return, spouse's first name and middle initial       Last name       Spouse's social security num         Home address (number and street). If you have a P.O. box, see instructions.       Apt. no.       Presidential Election Campa         603 Benrym Road       Check here if you, or your       Check here if you, or your       Check here if you, or your         Gity, town, or post office. If you have a foreign address, also complete spaces below.       State       ZIP code:       Check here if you, or your         Gotty, town, or post office. If you have a foreign address, also complete spaces below.       MD       20784       Doce this find. Checking         Foreign country name       Foreign province/state/county       Foreign post/a code       your tax or refund.       You @ Spo         At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?       Yes ?       No         Standard       Someone can claim:       You a a dependent       Your spouse as a dependent       Your code       Yes ?       No         Age/Blindness       You:       Was born before January 2, 1956       Are blind       Spouse:       Yes ?       No         Dependents       (See instructions):       (I) First name       Last name       I doyou       Child tax credit       Credit for other dependents;       Spousei:       Spouse:       Do Calait fo	Josef W			Masar	vk						xxx	xxx	ххх
B03 Benuyn Road       Check here if you, or your         City, town, or post office. If you have a foreign address, also complete spaces below.       State       ZIP code       to post office. If you have a foreign address, also complete spaces below.       MD       ZIP code       to post office. If you have a foreign address, also complete spaces below.       MD       ZIP code       to post office. If you have a foreign address, also complete spaces below.       MD       ZIP code       to post office. If you are collevely.       You       Space address, also complete spaces below.       MD       To post office. If you below with or change       you are collevely.       You       Space address, also complete spaces below.       If you below with or change       you are collevely.       You       Space address, also complete spaces below.       If you below with or change       You are collevely.       You       Space address, also complete spaces below.       If you below with or change       You       You       Space         Standard       Someone can claim:       You as a dependent       Your spouse as a dependent       You       You       No         Standard       Someone can claim:       You as a dependent       If you       Claik for address, also complete spaces adependent       If you       If	570/0 10 m	oouse's	first name and middle initial	1							17 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	100 CT	
Sold Derry In robust       State       ZP code       spouse if filing jointly, wart         Berwyn Heights       MD       20784       by the spouse if filing jointly, wart         Foreign country name       Foreign province/state/county       Foreign post difce. If you have a foreign address, also complete spaces below.       MD       20784       by the spouse if filing jointly, wart         At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?       Yes       No         Standard Deduction       Spouse itemizes on a separate return or you were a dual-status alien       Age/Blindness       You:       Spouse       Yes       No         Age/Blindness       You:       Ware born before January 2, 1956       Are blind       Spouse:       Was born before January 2, 1956       Is blind         Dependents       (see instructions):       (P) First name       Last name       Immore       Immor		-	r and street). If you have a P.O. box, see	instruct	tions.				1	Apt. no.			
Berwyn Heights     MD     20784     to go to this fund. Checking box befow uill not change your tax or refund.       Foreign country name     Foreign province/state/county     Foreign postal code     You     Spee       At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?     Yes     No       Standard     Someone can claim:     You as a dependent     Your spouse as a dependent     Yes     No       Deputction     Spouse itemizes on a separate return or you were a dual-status alien     Spouse itemizes on a separate return or you were a dual-status alien     Isoland     Isoland       Age/Blindness     You:     Ware born before January 2, 1956     Are blind     Spouse:     Was born before January 2, 1956     Is blind       Dependents, see instructions):     (1) First name     Last name     (2) Social security     (3) Relationship     (4) V' rt qualifies for (see instructions):     (1) V' rt qualifies for (see instructions):       If more than four     (1) First name     Last name     Immore     Immore     Immore     Immore       Attach     2a     Data tax able interest     2b     Social security benefits     Social security b		a second second	a lf you have a foreign address, also as	molata	opagon by	alou	Ct/	to	7ID o	ada			
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Sch. B if required.       3a       3a       b Ordinary dividends       3b         required.       4a       IRA distributions       4a       b Taxable amount       4b         5a       Pensions and annuities       5a       b Taxable amount       4b         5a       Pensions and annuities       5a       b Taxable amount       5b         Standard       6a       Social security benefits       6a       b Taxable amount       6b         Single or       7       Capital gain or (loss). Attach Schedule D if required. If not required, check here       7       7         * Married filing separately.       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       9       37,4         • Married filing jointly or Qualifying widow(eft), S24.800       D       Add lines 10a and 10b. These are your total adjustments to income       9       37,4         • Head of household, 11       Subtract line 10c from line 9. This is your adjusted gross income       11       37,4         • If you checked ary box under Standard       12       12,4       12,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13       14         14       12,4       12,4       14       12,4		2a	Tax-exempt interest	2a			b T	axable interes	t.		2b		
4a       IRA distributions       4a       b       Taxable amount       4b         5a       Pensions and annuities       5a       b       Taxable amount       5b         Standard       6a       Social security benefits       6a       b       Taxable amount       6b         Standard       6a       Social security benefits       6a       b       Taxable amount       6b         Single or       Named filing       6a       Other income from Schedule 1, line 9       7       8       (5,0)         Standard filing       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       9       37,4         • Married filing       10       Adjustments to income:       9       37,4         • Married filing       0       Add lines 10a and 10b. These are your total adjustments to income       9       37,4         • Maried of       Capital and 10b. These are your total adjustments to income       10a       10a       10a         • Head of       Capital and 10b. These are your total adjustments to income       11       37,4         • Head of       Not enclosed       12       12,4       12,4         • If you checked       12       Standard deduction or itemized deductions (from Schedule A)       12       12,4		3a	Qualified dividends	3a							3b		
Standard Deduction for-       6a       Social security benefits       6a       b Taxable amount       6b         • Single or Married filing separately, \$12,400       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       >       7         • Married filing separately, \$12,400       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       >       9       37,4         • Married filing your widew(en, \$24,800       •       From Schedule 1, line 22       10a       10a       10b       10c         • Head of household, \$11       Subtract line 10c from line 9. This is your adjusted gross income       11       37,4         • If you checked arry box under standard deduction or itemized deduction. Attach Form 8995 or Form 8995-A       12       12       12,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13       14       12,2,4	required.	4a	IRA distributions	4a				the second se			4b		
Standard Deduction for-       6a       Social security benefits       6a       b Taxable amount       6b         • Single or Married filing separately, \$12,400       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       >       7         • Married filing separately, \$12,400       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       >       9       37,4         • Married filing your widew(en, \$24,800       •       From Schedule 1, line 22       10a       10a       10b       10c         • Head of household, \$11       Subtract line 10c from line 9. This is your adjusted gross income       11       37,4         • If you checked arry box under standard deduction or itemized deduction. Attach Form 8995 or Form 8995-A       12       12       12,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13       14       12,2,4		5a	Pensions and annuities	5a			bТ	axable amour	nt.		5b		
Deduction for- Single or Married filing separately, \$12,400       7       Capital gain or (loss). Attach Schedule D if required. If not required, check here       >       7         • Single or Married filing separately, \$12,400       8       Other income from Schedule 1, line 9       8       (5,0)         • Married filing othly or Qualifying widow(er), \$24,800       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       9       37,4         • Head of household, \$18,650       10       Add lines 10a and 10b. These are your total adjustments to income       10a       10b         • If you checked arry box under standard       11       37,4       11       37,4         • If you checked arry box under standard       12       12,4       12       12,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13       14       12,4         14       12,4       12,4       12,4       12,4       14       12,4	Standard		and the second										
Single or Married filing separately, \$12,400     Shade filing separately, \$12,400     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income     Add lines 10 and 10b. These are your total adjustments to income     Add lines 10a and 10b. These are your total adjustments to income     Add lines 10a and 10b. These are your total adjustments to income	Deduction for-	7	THE STREET STREET IN TRACTICE OF ALL D	dule D	if require	d. If not re				► [	7		
separately, \$12,400       9       Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income       9       37,4         Married ling jointly or Qualifying widow(ef), \$24,800       10       Adjustments to income:       10a       10a         Widow(ef), \$24,800       b       Charitable contributions if you take the standard deduction. See instructions       10b       10c         Head of household, \$18,660       11       Subtract line 10c from line 9. This is your adjusted gross income       11       37,4         If you checked any box under standard deduction or itemized deduction. Attach Form 8995 or Form 8995-A       12       12       12,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13       14       12,2,4         15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       15       25,0		8								· · · · · · · · · ·	8		(5,000)
S12,400       Adjustments to income:       10       Adjustments to income:       10a         Warried filing jointly or outalifying widow(er), \$24,800       b       Adjustments to income:       10a         Head of household, \$18,660       c       Add lines 10a and 10b. These are your total adjustments to income       10b       10c         • Head of household, \$18,660       11       Subtract line 10c from line 9. This is your adjusted gross income       11       37,4         • If you checked any box under standard       12       Standard deduction or itemized deduction. Attach Form 8995 or Form 8995-A       13       12       12,4         14       Add lines 12 and 13       14       12,2,4       14       12,2	separately,										-		37,400
initial constructions       a       From Schedule 1, line 22       10a         initial constructions       b       Charitable contributions if you take the standard deduction. See instructions       10b         stack and of household, stacked and box under as instructions       c       Add lines 10a and 10b. These are your total adjustments to income       10c         11       Subtract line 10c from line 9. This is your adjusted gross income       11       37,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13         14       12,4       14         15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       15				ana o.		oui totui iii					-		07,100
add any box under any box under see instructions       10b       10b         11       37,4         12       11       37,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       11         14       12,4         15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       15	jointly or		and a second					10					
S24,800       • Head of household, 11       C       Add lines 10a and 10b. These are your total adjustments to income household, 11       10c         • Head of household, 11       Subtract line 10c from line 9. This is your adjusted gross income       • 11       37,4         • If you checked any box under Standard deduction or itemized deductions (from Schedule A)       • 12       12       12,4         • If you checked any box under Standard       13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13         • Add lines 12 and 13       • 14       12,4         • 15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       • 15       25,0			A second s				 inet						
household, \$18,650       11       Subtract line 10c from line 9. This is your adjusted gross income       11       37,4         I you checked any box under Standard Deduction, see instructions       12       Standard deduction or itemized deductions (from Schedule A)       12       12,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13       14       12,4         14       12,4       14       12,4       14       12,4         15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       15       25,0			and the second					and the second s			100		0
11 you checked any box under Standard       12       12       12,4         13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13         14       Add lines 12 and 13       14       14         15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       15       25,0	household,			••••••••••••••••••••	1999-1997-1997-1997-1997-1997-1997-1997				• •				37,400
any box under Standard Decluction, see instructions       13       Qualified business income deduction. Attach Form 8995 or Form 8995-A       13         14       12,4         15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       15       25,0	and the second										-		an ann a Markaus
Mail and Deduction, see instructions.       14       Add lines 12 and 13       14       12,4         15       Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-       15       25,0	any box under							 2005 A				-	12,400
see instructions     14     Add lifes 12 and 13       15     Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-     15				ION. AU	acri Forr	11 0990 01 1	onne	1990-A	• •			+	40.000
			where the second second second second second second second second	· ·	 no.11 4	· · · ·			9 <b>1</b> 01 - 1				12,400
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2)			The Manager and Annual and Annual			and the second date		er-U			15		25,000

	))					Pag
	16	Tax (see instructions). Check if any from Form(s): 1 🗌 8814 2 🗌 4972 3 📃		a a	16	2,8
	17	Amount from Schedule 2, line 3	a a a	а н	17	
	18	Add lines 16 and 17			18	2,8
	19	Child tax credit or credit for other dependents			19	
	20	Amount from Schedule 3, line 7			20	
	21	Add lines 19 and 20			21	1
	22	Subtract line 21 from line 18. If zero or less, enter -0			22	2,8
	23	Other taxes, including self-employment tax, from Schedule 2, line 10			23	
	24	Add lines 22 and 23. This is your total tax		. 🕨	24	2,8
	25	Federal income tax withheld from:				
	а	Form(s) W-2		5,418		
	b	Form(s) 1099				
	с	Other forms (see instructions)				
	d	Add lines 25a through 25c			25d	5,4
	26	2020 estimated tax payments and amount applied from 2019 return			26	
lf you have a l qualifying child,	27	Earned income credit (EIC)				
attach Sch. EIC.† If vou have	28	Additional child tax credit. Attach Schedule 8812				
nontaxable	29	American opportunity credit from Form 8863, line 8				
combat pay, see instructions.	30	Recovery rebate credit. See instructions				
)	31	Amount from Schedule 3, line 13				
	32	Add lines 27 through 31. These are your total other payments and refundable cred	dits	. 🕨	32	
	33	Add lines 25d, 26, and 32. These are your total payments			33	5,4
	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you or	verpaid		34	2,6
Refund	35a	Amount of line 34 you want refunded to you. If Form 8888 is attached, check here			35a	2,6
Direct deposit?	►b	Routing number x x x x x x x x x x x x C Deckir		vings		-/-
See instructions.	►d		ing Sa	wings		
See instructions.	►d 36	Account number x x x x x x x x x x x x x x x		wings		
	36	Account number       x		-	37	
Amount		Account number       x		. ►	37	
Amount You Owe For details on	36	Account number x x x x x x x x x x x x x x x x x x x		. ►	37	
Amount You Owe For details on how to pay, see	36 37	Account number       x		. ►	37	
See instructions. Amount You Owe For details on how to pay, see nstructions. Third Party	36 37 38	Account number       x		. ►	37	
Amount You Owe For details on how to pay, see instructions. Third Party	36 37 38 Do	Account number       x		. ► ve for		✓ No
Amount You Owe for details on now to pay, see nstructions. Third Party	36 37 38 Do ins	Account number       x	 xes you ov	. ► ve for	elow.	✓ No
Amount You Owe for details on now to pay, see nstructions. Third Party	36 37 38 Do ins Des	Account number       x	xes you ov	. ► ve for	elow.	✓ No
Amount You Owe For details on now to pay, see nstructions. Third Party Designee	36 37 38 Do ins De nar Un	Account number       x	Yes. Corr Person number	ve for nplete be al identifie (PIN)	elow. cation the bes	t of my knowledge a
Amount You Owe For details on now to pay, see nstructions. Third Party Designee Sign	36 37 38 Do ins De nar Un bel	Account number       x	Yes. Corr Person number	ve for al identific (PIN) > s, and to to of which	elow. cation the bes prepare	t of my knowledge a r has any knowledg
Amount You Owe For details on now to pay, see nstructions. Third Party Designee Sign	36 37 38 Do ins De nar Un bel	Account number       x	Yes. Corr Person number	ve for al identific (PIN) >	elow. cation the bes prepare	t of my knowledge a er has any knowledg nt you an Identity
Amount You Owe For details on now to pay, see nstructions. Third Party Designee Sign Here	36 37 38 Do ins De nar Un bel	Account number       x	Yes. Corr Person number	ve for al identific (PIN) >	elow. cation the bes prepare IRS ser ction Pl	t of my knowledge a r has any knowledg
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Amount You Owe or details on now to pay, see nstructions. Third Party Designee Sign Here Joint return? See instructions. Geep a copy for roour records.	36 37 38 Doc ins Dec nar Uni bel You Spi	Account number       x	Xes you ov Yes. Corr Person number Information	we for al identific (PIN) ► a, and to to of which If the Protec (see in If the Identifi (see in	elow. cation the bes prepare tron Pl nst.) ► IRS ser ty Prote	t of my knowledge a r has any knowledg nt you an Identity N, enter it here it your spouse an ection PIN, enter it h
Amount You Owe For details on how to pay, see	36 37 38 Decins Decins Decins Notel You Spectra Phree	Account number       x	Xes you ov Yes. Corr Person number Information	we for al identific (PIN) ► a, and to to of which If the Protec (see in If the Identifi (see in	elow. the besc prepare trion PI IRS ser PI IRS ser ty Prote st.) ►	t of my knowledge a r has any knowledg nt you an Identity N, enter it here it your spouse an action PIN, enter it h check if:

	Additional Income and Adjustments to Income		OMB No. 1545-0074
•	1040)     ► Attach to Form 1040, 1040-SR, or 1040-NR.		2020
Internal	Revenue Service Go to www.irs.gov/Form1040 for instructions and the latest information.		Attachment Sequence No. <b>01</b>
Name	(s) shown on Form 1040, 1040-SR, or 1040-NR Your	social	security number
Par	t I Additional Income		
1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ►		
З	Business income or (loss). Attach Schedule C	3	
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income. List type and amount > treaty offset -\$ 5,000 Czech Republic Article 21(1)		
		8	(-5,000)
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR line 8	9	( 5.000)
Par		v	(-5,000)
10		10	
11	Certain business expenses of reservists, performing artists, and fee-basis government		
	officials. Attach Form 2106	11	
12	Health savings account deduction. Attach Form 8889	12	
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13	
14	Deductible part of self-employment tax. Attach Schedule SE	14	
15	Self-employed SEP, SIMPLE, and qualified plans	15	
16	Self-employed health insurance deduction	16	
17	Penalty on early withdrawal of savings	17	
18a	Alimony paid	18a	I
b	Recipient's SSN		
С	Date of original divorce or separation agreement (see instructions) ►	_	
19	IRA deduction	19	
20	Student loan interest deduction	20	
21	Tuition and fees deduction. Attach Form 8917	21	
22	Add lines 10 through 21. These are your adjustments to income. Enter here and		
For Pa	on Form 1040, 1040-SR, or 1040-NR, line 10a	22 Sched	lule 1 (Form 1040) 2020

- 50 50	LAND RM <b>)2</b>	RESIDENT INCOME TAX RETURN		205020050		20 \$
OR FISCAL YEAR BI	EGINNING	2020, ENDING_		:		
XXXXXXXXXX Your Social Security N Josef Your First Name Masaryk Your Last Name Spouse's First Name Spouse's Last Name	umber Spo	MI       Does your name match the name on your social security card? If not, to ensure you get credit for your personal exemptions, contact SSA at 1-800-772-1213 or visit         MI       www.ssa.gov.				
603 Berwyn 1		t No. and Street Name or PO Box) Berफ	vyn Heights	MD	20784	
REQUIRED: N		vsical address of taxing area as of <b>n 6. Part-year residents see I</b>		or last day of the	taxable year for fisc	cal year
1701 4 Digit Political Su 603 Berwy	n Road	See Instruction 6) Maryland Political S	erwyn Heights Subdivision (See Instructio	16)		
Maryland Physica Maryland Physical		(Street No. and Street Name) (No PO Box) (Apt No., Suite No., Floor No.) (No PO Box)				
Maryland Physical Maryland Physical Berwyn He City	Address Line 2	(Apt No., Suite No., Floor No.) (No PO Box)	1DZ <b>20784</b> ateZIP Code + 4	PG Maryland County		
Maryland Physical Maryland Physical Berwyn He City FILING STATUS CHECK ONE BOX ► See Instruction 1 if you are required to file.	Address Line 2 sights 1. X S 2. T 3. T 4. H 5. 0	(Apt No., Suite No., Floor No.) (No PO Box)	ate ZIP Code + 4 another person's tax i se had no income SSN ► ent child	Maryland County	tatus 6.)	
i ir you are	Address Line 2 hights 1. X 5 2. F 3. F 4. F 5. C 6. F Dates of F	(Apt No., Suite No., Floor No.) (No PO Box)  (Apt No., Suite No., Floor No.) (No PO Box)  Single (If you can be claimed on a Married filing joint return or spous Married filing separately, Spouse S Head of household Qualifying widow(er) with depende Dependent taxpayer (Enter 0 in E) Maryland Residence (MM DD Y	ate ZIP Code + 4 another person's tax i se had no income SSN ▶ ent child xemption Box (A) - 3	Maryland County return, use Filing S 	tatus 6.)	
PART-YEAR	Address Line 2         sights         1.       X         2.       r         3.       r         4.       r         5.       0         6.       r         Dates of I       Other state         If you bega       MILITARY	(Apt No., Suite No., Floor No.) (No PO Box)  (Apt No., Suite No., Floor No.) (No PO Box)  Single (If you can be claimed on a Married filing joint return or spous Married filing separately, Spouse S Head of household Qualifying widow(er) with depende Dependent taxpayer (Enter 0 in Ex	ate ZIP Code + 4 another person's tax is se had no income SSN ▶ ent child xemption Box (A) - S YYY) FROM ryland in 2020 place	Maryland County return, use Filing S 		
Maryland Physical Berwyn He City FILING STATUS CHECK ONE BOX ► See Instruction 1 if you are required to file. PART-YEAR RESIDENT See Instruction	Address Line 2 ights 1. $\times$ 5 2. $\cap$ 7 3. $\cap$ 7 4. $\cap$ 8 5. $\cap$ 0 Dates of 1 Other state If you bega MILITARY Enter Milit A. $\triangleright$ $\times$ Y B. $\triangleright$ $\cap$ 6 $\flat$ $\square$ B	(Apt No., Suite No., Floor No.) (No PO Box)         No.         Single (If you can be claimed on a darried filing joint return or spous darried filing separately, Spouse Stead of household Qualifying widow(er) with depended Dependent taxpayer (Enter 0 in Extended taxpayer (Enter 0	ate ZIP Code + 4 another person's tax is se had no income SSN ▶ ent child xemption Box (A) - S YYY) FROM ryland in 2020 place Maryland military in er number checked 1 ter number checked 1	Maryland County Teturn, use Filing S Teturn, use Fi	in the box	3200

COM/RAD-009

FOI	RM TAX RETURN	20 Pa
AME	SSN	
IARYLAND	Check here ►	
OVERAGE ee Instruction 3.	Check here  If your spouse does not have health care coverage DOB (mm/dd/yyyy)	
	Check here ► I authorize the Comptroller of Maryland to share information from this tax return with Health Benefit Exchange for the purpose of determining pre-eligibility for no-cost or low-cost health care of	
	E-mail address 🕨	
	1. Adjusted gross income from your federal return▶ 1.	37400
NCOME	1a. Wages, salaries and/or tips         1a.         42400	
ee Instruction 11.	1b. Earned income	
	<b>1c.</b> Capital Gain or (loss)	
	1d. Taxable Pensions, IRAs, Annuities (Attach Form 502R.) ▶ 1d	1
	1e. Place a "Y" in this box if the amount of your investment income is more than \$3,650	
DDITIONS	2. Tax-exempt interest on state and local obligations (bonds) other than Maryland > 2.	
O INCOME	3. State retirement pickup	
ee Instruction 12.	<b>4.</b> Lump sum distributions (from worksheet in Instruction 12.) ▶ 4.	
	5. Other additions (Enter code letter(s) from Instruction 12.) ► <u>G</u> 5	
	6. Total additions to Maryland income (Add lines 2 through 5.) 6.	5000
	7. Total federal adjusted gross income and Maryland additions (Add lines 1 and 6.)7.	42400
UBTRACTIONS	8. Taxable refunds, credits or offsets of state and local income taxes included in line 1 8.	
ROM INCOME	9. Child and dependent care expenses 9	
ee Instruction 13.	10a. Pension exclusion from worksheet (13A) Yourself ► Spouse ► ► 10a	
	<b>10b.</b> Pension exclusion from worksheet (13E) Yourself $\blacktriangleright$ Spouse $\triangleright$ $\triangleright$ 10b.	
	<b>11.</b> Taxable Social Security and RR benefits (Tier I, II and supplemental) included in line 1 ▶ 11	
	<b>12.</b> Income received during period of nonresidence (See Instruction 26.) ► 12.	
	<b>13.</b> Subtractions from attached Form 502SU	6.
	14. Two-income subtraction from worksheet in Instruction 13 ▶ 14	
	<ol> <li>Total subtractions from Maryland income (Add lines 8 through 14.)</li></ol>	10100
		42400
	All taxpayers must select one method and check the appropriate box.	
DEDUCTION	STANDARD DEDUCTION METHOD (Enter amount on line 17.)	
IETHOD ee Instruction 16.	<b>ITEMIZED DEDUCTION METHOD</b> (Complete lines 17a and 17b.)	
ce instruction io.	<b>17a.</b> Total federal itemized deductions (from line 17, federal Schedule A) . ► 17a.	
	<b>17b.</b> State and local income taxes (See Instruction 14.)	<u> </u>
	Subtract line 17b from line 17a and enter amount on line 17.	2300
	17. Deduction amount (Part-year residents see Instruction 26 (I and m).) ▶ 17.	
	18. Net income (Subtract line 17 from line 16.)	3200
	19. Exemption amount from Exemptions area (See Instruction 10.)	
	20. Taxable net income (Subtract line 19 from line 18.)	36900
	21. Maryland tax (from Tax Table or Computation Worksheet Schedules I or II) 21.	1701
ARYLAND	22. Earned income credit (EIC)(See Instruction 18.) ▶ 22.	
AX COMPUTATION	Check this box if you are claiming the Maryland Earned Income Credit, but do not qualify for the federal Earned Income Credit.	
	23. Poverty level credit (See Instruction 18.)	
	24. Other income tax credits for individuals from Part AA, line 13 of Form 502CR (Attach Form 502CR.) 24.	
	25. Business tax credits	
	26. Total credits (Add lines 22 through 25.)	
	27. Maryland tax after credits (Subtract line 26 from line 21.) If less than 0, enter 0	1701



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maryland form 502

RESIDENT INCOME TAX RETURN



2020 Page 3

	SSN		0
	. Local tax (See Instruction 19 for tax rates and worksheet.) Multiply line 20 by	28.	
1181	your local tax rate .0 320 or use the Local Tax Worksheet	AA	AL TAX
	Local earned income credit (from Local Earned Income Credit Worksheet in Instruction 19.) 29.	N 29.	PUTATION
	. Local poverty level credit (from Local Poverty Level Credit Worksheet in Instruction 19.) 30.	30.	
	. Local tax credit from Part BB, line 1 of Form 502CR (Attach Form 502CR.)	31.	
	. Total credits (Add lines 29 through 31.) 32.	32.	
1181	Local tax after credits (Subtract line 32 from line 28.) If less than 0, enter 0	33.	
2882	. Total Maryland and local tax (Add lines 27 and 33.)	34.	
	Contribution to Chesapeake Bay and Endangered Species Fund ▶ 35.	35.	
	Contribution to Developmental Disabilities Services and Support Fund ▶ 36	IS 36.	TRIBUTIONS
	. Contribution to Maryland Cancer Fund		struction 20.
	. Contribution to Fair Campaign Financing Fund	38.	
	. Total Maryland income tax, local income tax and contributions (Add lines 34 through 38.). 39.		
	. Total Maryland and local tax withheld (Enter total from your W-2 and 1099 forms	40.	
	and attach if MD tax is withheld.)		
	. 2020 estimated tax payments, amount applied from 2019 return, payment made	41.	
3000	with an extension request, and Form MW506NRS		
	. Refundable earned income credit (from worksheet in Instruction 21) ▶ 42.	42.	
	<ul> <li>Refundable income tax credits from Part CC, line 8 of Form 502CR</li> </ul>	43.	
	(Attach Form 502CR. See Instruction 21.)		
3000	Total payments and credits (Add lines 40 through 43.)	44.	
	Balance due (If line 39 is more than line 44, subtract line 44 from line 39.	45.	
	See Instruction 22.)		
118	• Overpayment (If line 39 is less than line 44, subtract line 39 from line 44.) • 46.	46.	
	. Amount of overpayment TO BE APPLIED TO 2020 ESTIMATED TAX		
	. Amount of overpayment TO BE REFUNDED TO YOU	48.	
118	(Subtract line 47 from line 46.) See line 51		JND
	Check here if you are attaching Form 502UP. Enter interest charges from line 18	49.	
	of Form 502UP or for late filing		
64 C		1.000	
	. TOTAL AMOUNT DUE (Add lines 45 and 49.)	50.	UNT DUE



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