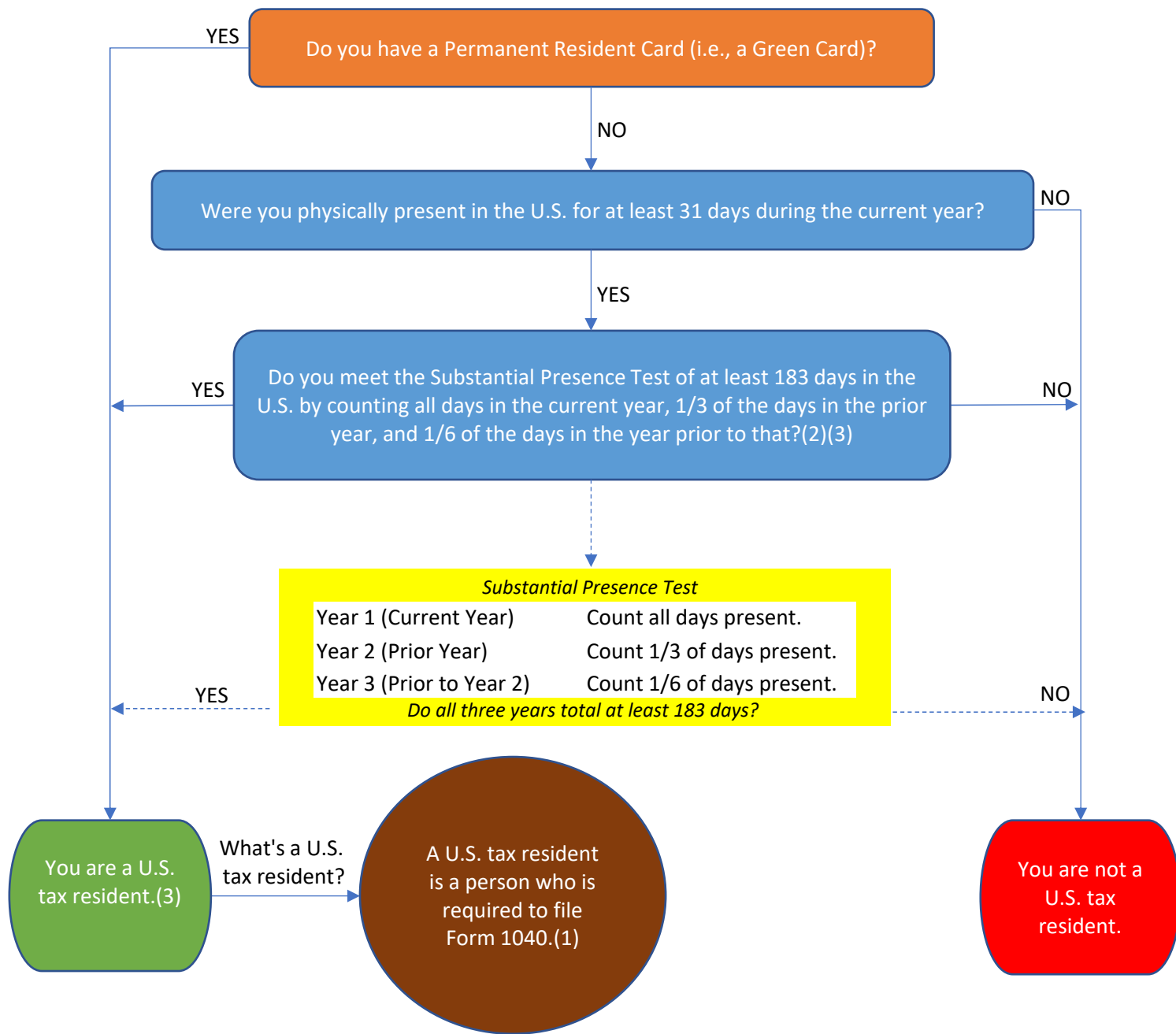


DECISION TREE

AM I A U.S. TAX RESIDENT?



Certain persons are exempt from the Substantial Presence Test. For example, teachers or trainees with a J or Q visa (two year exemption), students with a F, J, M, or Q visa (five year exemption), or a person with a medical condition that arose in the U.S. that prevents him or her from leaving the U.S.

- (1) A person may be treated as a dual-status resident the first year he/she enters the U.S. and will generally be taxed as a non U.S. tax resident during the nonresidency period and a U.S. tax resident during the residency period.
- (2) Do not count days a person regularly commutes to work in the U.S. from their Canadian or Mexican home.
- (3) If a person was physically present in the U.S. for less than 183 during the current year, he or she may avoid U.S. tax residency by proving a closer connection to a tax home in a foreign country.