

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.

Do not use the payment vouchers in this package to notify the IRS of a **change of address**. Instead, use **Form 8822**, Change of Address.

You can order Form 8822 and other forms and publications by writing to the Eastern Area Distribution Center, P.O. Box 85074, Richmond, VA 23261-5074, USA. Or, if you have a computer and modem, you can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov.

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 2003 Form 1040NR as a guide in figuring the estate's or trust's 2004 estimated tax. You may also find it helpful to refer to the 2004 Form 1041-ES.

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 2004 (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 2004 tax return or
2. The tax shown on your 2003 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 2004, more than \$75,000).

However, if you did not file a 2003 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:

- 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.

Changes Effective for 2004

Use your 2003 tax return as a guide in figuring your 2004 estimated tax, but be sure to consider the following changes. For more information on these changes and other changes that may affect your 2004 estimated tax, see **Pub. 553**, Highlights of 2003 Tax Changes.

IRA deduction allowed to more people covered by retirement plans. You may be able to take an IRA deduction if you were covered by a retirement plan and your 2004 modified adjusted gross income (AGI) is less than \$55,000 (\$75,000 if qualifying widow(er)).

Standard mileage rates. The 2004 rate for business use of your vehicle is 37½ cents a mile. The 2004 rate for use of your vehicle to move is 14 cents a mile.

Deduction for clean-fuel vehicles. If you placed a qualified clean-fuel vehicle in service in 2004, the maximum amount you can deduct is:

- \$1,500.
- \$3,750 for a truck or van with a gross vehicle rating over 10,000 pounds but not more than 26,000 pounds.
- \$37,500 for a truck or van with a gross vehicle rating over 26,000 pounds or a bus with a seating capacity of at least 20 adults (not including the driver).

Certain credits no longer allowed against alternative minimum tax (AMT). The credit for child and dependent care

expenses, mortgage interest credit, and District of Columbia first-time homebuyer credit will no longer be allowed against AMT. However, the child tax credit, adoption credit, and credit for qualified retirement savings contributions will still be allowed against your AMT.

Health savings accounts. Beginning in 2004, eligible individuals covered by a high-deductible health insurance plan may be able to open a health savings account (HSA). Within limits, contributions to an HSA are deductible and are excludable if made by the employer of an eligible individual. Earnings from an HSA are tax deferred. Distributions from an HSA for medical expenses are not taxable.

Expired tax benefits. At the time this form went to print, the following benefits were scheduled to expire.

- Deduction for educator expenses paid or incurred after 2003.
- District of Columbia first-time homebuyer credit for homes purchased after 2003.
- Credit for increasing research activities (applies to amounts paid or incurred after June 30, 2004).

To Figure Your Estimated Tax, Use:

- The **2004 Estimated Tax Worksheet** on page 3.
- The instructions below for the worksheet on page 3.
- The **2004 Tax Rate Schedules** on page 4 for your filing status.*
- Your 2003 tax return and instructions, as a guide to figuring your income, deductions, and credits (but be sure to consider the changes noted earlier).

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 2.

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

Instructions for Worksheet on Page 3

Line 1. Adjusted gross income. Use your 2003 tax return (Form 1040NR or 1040NR-EZ) and instructions as a guide to figuring the adjusted gross income you expect in 2004 (but be sure to consider the changes noted earlier).

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 2003 Form 1040NR, lines 42 through 48. However, be sure to see **Certain credits no longer allowed against alternative minimum tax (AMT)** on this page.

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, or uncollected employee social security and Medicare or RRTA tax on tips or group-term life insurance. These taxes are not required to be paid until the due date of your income tax return (not including extensions).

Payment Due Dates

If you have wages subject to U.S. income tax withholding, you may pay all of your estimated tax by April 15, 2004, or in four equal amounts by the dates shown below.

- 1st payment April 15, 2004
- 2nd payment June 15, 2004
- 3rd payment Sept. 15, 2004
- 4th payment Jan. 18, 2005*

If you **do not** have wages subject to U.S. income tax withholding, you may pay all of your estimated tax by June 15, 2004, or you may pay it in three installments. If you pay the tax in three installments, 1/2 is due by June 15, 2004, 1/4 is due by September 15, 2004, and 1/4 by January 18, 2005.*

*You do not have to make the payment due January 18, 2005, if you file your 2004 Form 1040NR or 1040NR-EZ by January 31, 2005, 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 may 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, 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 2004 tax return, even if no penalty is owed.

Farmers and Fishermen. If at least two-thirds of your gross income for 2003 or 2004 is from farming or fishing, you may do one of the following.

- Pay all of your estimated tax by January 18, 2005.
- File your 2004 Form 1040NR by March 1, 2005, and pay the total tax due. In this case, 2004 estimated payments are not required to avoid a penalty.

Fiscal Year Taxpayers. 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 2004 income tax return. On the statement, explain all of the estimated tax payments you made for 2004, and the name and identifying number under which you made the payments.

Amending Estimated Tax Payments

To change or amend your estimated tax payments, refigure your total estimated tax payments due (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 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.

Paying by Check or Money Order Using the Payment Voucher

There is a separate 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:

- Type or print your name, address, and social security number (SSN) in the space provided on the 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.
- Enter in the box provided on the 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 2003 overpayment that you choose to credit against your 2004 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 ^{XX}/₁₀₀ ").
- Write your identifying number (SSN or ITIN) and "2004 Form 1040-ES (NR)" on your check or money order.
- Enclose, but do not staple or attach, your payment with the 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** on this page for your files.

Record of Estimated Tax Payments

(see above for payment due dates)

Payment number	(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) 2003 overpayment credit applied	(e) Total amount paid and credited (add (c) and (d))
1					
2					
3					
4					
Total					

2004 Estimated Tax Worksheet—For Nonresident Alien Individuals (keep for your records)

<p>1 Enter amount of adjusted gross income you expect in 2004 (see instructions). Caution: <i>If this amount is over \$142,700 (\$71,350 if married filing separately), your itemized deductions and your deduction for exemptions may be limited. See Pub. 505 for details</i></p>	1	
<p>2 Enter estimated itemized deductions (use the 2003 Form 1040NR or 1040NR-EZ instructions as a guide)</p>	2	
<p>3 Subtract line 2 from line 1</p>	3	
<p>4 Exemptions. Multiply \$3,100 by the number of personal exemptions (see the 2003 Form 1040NR or 1040NR-EZ instructions)</p>	4	
<p>5 Subtract line 4 from line 3</p>	5	
<p>6 Tax. Figure your tax on the amount on line 5 by using the 2004 Tax Rate Schedules on page 4. Caution: <i>If you have qualified dividends or a net capital gain, see Pub. 505 to figure the tax</i></p>	6	
<p>7 Alternative minimum tax from Form 6251</p>	7	
<p>8 Add lines 6 and 7. Also include any tax from Forms 4972 and 8814 (see instructions)</p>	8	
<p>9 Credits (see instructions). Do not include any income tax withholding on this line.</p>	9	
<p>10 Subtract line 9 from line 8. If zero or less, enter -0-</p>	10	
<p>11 Other taxes (see instructions)</p>	11	
<p>12 Estimated 2004 tax on income effectively connected with a U.S. trade or business (add lines 10 and 11)</p>	12	
<p>13 Total expected 2004 income not effectively connected with a U.S. trade or business . 13</p>	13	
<p>14 Multiply line 13 by 30% or lower treaty rate (see the 2003 Form 1040NR instructions)</p>	14	
<p>15a Add lines 12 and 14</p>	15a	
<p>b Credits from Form 4136 and Form 8885 and additional child tax credit.</p>	15b	
<p>c Total 2004 Estimated Tax. Subtract line 15b from line 15a ▶</p>	15c	
<p>16a Multiply line 15c by 90% (66⅔% for farmers and fishermen) 16a</p>	16a	
<p>b Enter the tax shown on your 2003 tax return (110% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on line 34 of that return is more than \$150,000 (\$75,000 if married filing separately for 2004)) . . . 16b</p>	16b	
<p>c Required Annual Payment To Avoid a Penalty. Enter the smaller of line 16a or 16b . . ▶ Caution: <i>Generally, if you do not prepay (through income tax withholding and estimated tax payments) at least the amount on line 16c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 15c is as accurate as possible. Even if you pay the required annual payment, you may still owe tax when you file your return. If you prefer, you may pay the amount shown on line 15c. For more details, see Pub. 505.</i></p>	16c	
<p>17 Income tax withheld and estimated to be withheld during 2004 plus any amount paid with Form 1040-C</p>	17	
<p>18 Subtract line 17 from line 16c. (Note: <i>If zero or less or line 15c minus line 17 is less than \$1,000, stop here. You are not required to make estimated tax payments.</i>)</p>	18	
<p>19 • If your first payment is due April 15, 2004, enter ¼ of line 18 (minus any 2003 overpayment you are applying to this installment) here and on your payment voucher(s). • If you do not have wages subject to U.S. income tax withholding and your first payment is due June 15, 2004, enter ½ of line 16c on your first voucher and ¼ of line 16c on your second and third vouchers. Reduce each installment by ⅓ of line 17 and any 2003 overpayment you are applying to the installment. Do not enter an amount on line 19.</p>	19	

Tear off here

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

2004 Payment Voucher 4

OMB No. 1545-0087

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 "2004 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.

Calendar year—Due Jan. 18, 2005

Amount of estimated tax you are paying by check or money order.	Dollars	Cents
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Type or print	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 Notices, see instructions on page 4.

Paying by Electronic Federal Tax Payment System (EFTPS)

You can use EFTPS to submit your estimated payment electronically using the Internet, computer software, or phone. You can schedule payments for withdrawal up to 365 days in advance. You can make payments weekly, monthly, or quarterly. You will be asked to provide your social security number (SSN). If you do not have and are not eligible to get an SSN, use your IRS-issued individual taxpayer identification number (ITIN) instead. For more information, call 1-800-555-4477 or 1-800-945-8400, or visit the EFTPS website at www.eftps.gov.

Paying by Credit Card

You may 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. You will be asked to provide your social security number (SSN). If you do not have and are not eligible to get an SSN, use your IRS-issued individual taxpayer identification number (ITIN) instead. A convenience fee will be charged by the service provider based on the amount you are paying. Fees may vary between the 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-1040SM (1-888-729-1040)
1-888-658-5465 (Customer Service)
www.PAY1040.com

Official Payments Corporation
1-800-2PAY-TAXSM (1-800-272-9829)
1-877-754-4413 (Customer Service)
www.officialpayments.com

If you pay by credit card, you will be given a confirmation number at the end of the call. Fill in the **Record of Estimated Tax Payments** on page 2. Enter the confirmation number in column (b), but **do not** include the amount of the convenience fee in column (c). There is nothing to send in when you pay by credit card.

2004 Tax Rate Schedules

Caution: Do not use these Tax Rate Schedules to figure your 2003 taxes. Use only to figure your 2004 estimated taxes.

Schedule X—Single

If line 5 is:		The tax is:		of the amount over—
Over—	But not over—			
\$0	\$7,150	-----	10%	\$0
7,150	29,050	\$715.00	+ 15%	7,150
29,050	70,350	4,000.00	+ 25%	29,050
70,350	146,750	14,325.00	+ 28%	70,350
146,750	319,100	35,717.00	+ 33%	146,750
319,100	-----	92,592.50	+ 35%	319,100

Schedule Y—Married filing separately

If line 5 is:		The tax is:		of the amount over—
Over—	But not over—			
\$0	\$7,150	-----	10%	\$0
7,150	29,050	\$715.00	+ 15%	7,150
29,050	58,625	4,000.00	+ 25%	29,050
58,625	89,325	11,393.75	+ 28%	58,625
89,325	159,550	19,989.75	+ 33%	89,325
159,550	-----	43,164.00	+ 35%	159,550

Schedule Z—Qualifying widows and widowers

If line 5 is:		The tax is:		of the amount over—
Over—	But not over—			
\$0	\$14,300	-----	10%	\$0
14,300	58,100	\$1,430.00	+ 15%	14,300
58,100	117,250	8,000.00	+ 25%	58,100
117,250	178,650	22,787.50	+ 28%	117,250
178,650	319,100	39,979.50	+ 33%	178,650
319,100	-----	86,328.00	+ 35%	319,100

Schedule W—Estates and Trusts

If line 5 is:		The tax is:		of the amount over—
Over—	But not over—			
\$0	\$1,950	-----	15%	\$0
1,950	4,600	\$292.50	+ 25%	1,950
4,600	7,000	955.00	+ 28%	4,600
7,000	9,550	1,627.00	+ 33%	7,000
9,550	-----	2,468.50	+ 35%	9,550

Disclosure and Paperwork Reduction Act Notices. 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 and 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 time needed to complete the worksheets and prepare and file the payment vouchers will vary depending on individual circumstances. The estimated average time is: **Recordkeeping, 39 min.; Learning about the law, 18 min.; Preparing the worksheets and payment vouchers, 49 min.; Copying, assembling, and sending the payment voucher to the IRS, 10 min.**

We welcome comments on forms. If you have comments concerning the accuracy of these time estimates or suggestions for making this package simpler, we would be happy to hear from you. You can email us at [*taxforms@irs.gov](mailto:taxforms@irs.gov). Please put "Forms Comment" on the subject line. Or you can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. Do not send the payment vouchers to this address. Instead, see **Paying by Check or Money Order Using the Payment Voucher** on page 2.

2004 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 "2004 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.

Calendar year—Due Sept. 15, 2004

Amount of estimated tax you are paying by check or money order.	
Dollars	Cents

Type or print	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 Notices, see instructions on page 4.

 Tear off here

2004 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 "2004 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.

Calendar year—Due June 15, 2004

Amount of estimated tax you are paying by check or money order.	
Dollars	Cents

Type or print	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 Notices, see instructions on page 4.

 Tear off here

2004 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 "2004 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.

Calendar year—Due April 15, 2004

Amount of estimated tax you are paying by check or money order.	
Dollars	Cents

Type or print	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 Notices, see instructions on page 4.

