

1040-NR ATS Test Scenario 3
Taxpayer: Karen Brown
SSN: 123-00-3333

Test Scenario 3 includes the following forms:

- Form 1040-NR
- Form W-2
- Form 1040-NR Schedule NEC
- Form 1040-NR Schedule OI
- Form 1040 Schedule 1
- Form 1040 Schedule E

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20 _____ See separate instructions.

Your first name and middle initial: **Karen** Last name: **Brown** Your identifying number (see instructions): **123 00 3333**

Home address (number and street). If you have a P.O. box, see instructions. **4 Haddington Road** Apt. no. _____

City, town, or post office. If you have a foreign address, also complete spaces below. **Dublin** State _____ ZIP code _____

Foreign country name: **Ireland** Foreign province/state/county _____ Foreign postal code: **D02 H525**

Filing Status
 Single Married filing separately (MFS) Qualifying surviving spouse (QSS) Estate Trust
 If you checked the QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____
 Check only one box.

Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) Yes No

(1) First name	Last name	(2) Dependent's identifying number	(3) Relationship to you	(4) Check the box if qualifies for (see inst.):	
				Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Income Effectively Connected With U.S. Trade or Business	1a Total amount from Form(s) W-2, box 1 (see instructions)	1a	
	b Household employee wages not reported on Form(s) W-2	1b	
	c Tip income not reported on line 1a (see instructions)	1c	
	d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d	
	e Taxable dependent care benefits from Form 2441, line 26	1e	
	f Employer-provided adoption benefits from Form 8839, line 29	1f	
	g Wages from Form 8919, line 6	1g	
	h Other earned income (see instructions)	1h	
	i Reserved for future use	1i	
	j Reserved for future use	1j	
	k Total income exempt by a treaty from Schedule OI (Form 1040-NR), item L, line 1(e)	1k	
	z Add lines 1a through 1h	1z	
	2a Tax-exempt interest	2a	2b Taxable interest
	3a Qualified dividends	3a	3b Ordinary dividends
	4a IRA distributions	4a	4b Taxable amount
	5a Pensions and annuities	5a	5b Taxable amount
	6 Reserved for future use	6	7
	7 Capital gain or (loss). Attach Schedule D (Form 1040) if required. If not required, check here <input type="checkbox"/>	7	8
	8 Additional income from Schedule 1 (Form 1040), line 10	8	9
	9 Add lines 1z, 2b, 3b, 4b, 5b, 7, and 8. This is your total effectively connected income	9	10
	10 Adjustments to income from Schedule 1 (Form 1040), line 26. These are your total adjustments to income	10	11
	11 Subtract line 10 from line 9. This is your adjusted gross income	11	12
	12 Itemized deductions (from Schedule A (Form 1040-NR)) or, for certain residents of India, standard deduction (see instructions)	12	13a
	13a Qualified business income deduction from Form 8995 or Form 8995-A	13a	13b
	b Exemptions for estates and trusts only (see instructions)	13b	13c
	c Add lines 13a and 13b	13c	14
	14 Add lines 12 and 13c	14	15
	15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16
	17	Amount from Schedule 2 (Form 1040), line 3	17
	18	Add lines 16 and 17	18
	19	Child tax credit or credit for other dependents from Schedule 8812 (Form 1040)	19
	20	Amount from Schedule 3 (Form 1040), line 8	20
	21	Add lines 19 and 20	21
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22
	23a	Tax on income not effectively connected with a U.S. trade or business from Schedule NEC (Form 1040-NR), line 15	23a
	b	Other taxes, including self-employment tax, from Schedule 2 (Form 1040), line 21	23b
	c	Transportation tax (see instructions)	23c
	d	Add lines 23a through 23c	23d
24	Add lines 22 and 23d. This is your total tax	24	

Payments	25	Federal income tax withheld from:		
	a	Form(s) W-2	25a	
	b	Form(s) 1099	25b	
	c	Other forms (see instructions)	25c	
	d	Add lines 25a through 25c		25d
	e	Form(s) 8805		25e
	f	Form(s) 8288-A		25f
	g	Form(s) 1042-S		25g
	26	2024 estimated tax payments and amount applied from 2023 return		26
	27	Reserved for future use	27	
28	Additional child tax credit from Schedule 8812 (Form 1040)	28		
29	Credit for amount paid with Form 1040-C	29		
30	Reserved for future use	30		
31	Amount from Schedule 3 (Form 1040), line 15	31		
32	Add lines 28, 29, and 31. These are your total other payments and refundable credits		32	
33	Add lines 25d, 25e, 25f, 25g, 26, and 32. These are your total payments		33	


Refund	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
	35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a
	b	Routing number 0 2 4 5 6 7 8 9 1 c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings	
	d	Account number 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
	e	If you want your refund check mailed to an address outside the United States not shown on page 1, enter it here.	
36	Amount of line 34 you want applied to your 2025 estimated tax	36	

Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37
	38	Estimated tax penalty (see instructions)	38

Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions. <input type="checkbox"/> Yes . Complete below. <input type="checkbox"/> No		
	Designee's name	Phone no.	Personal identification number (PIN)

Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
	<i>Karen Brown</i>	04/01/2025		
	Phone no.	Email address		

Paid Preparer Use Only	Preparer's name	Preparer's signature	Date	PTIN	Check if:
	Heather Wells	<i>Heather Wells</i>	04/01/2025		<input type="checkbox"/> Self-employed
	Firm's name	Firm's address		Phone no.	Firm's EIN
	Wells and Associates	16 Main Street Fredrick, MD 21705		571-232-4155	00-5556664

a Employee's social security number 123-00-3333		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile .	
b Employer identification number (EIN) 00-5559991			1 Wages, tips, other compensation 27,678		2 Federal income tax withheld 3,134		
c Employer's name, address, and ZIP code Cilantro Bistro 5 Market Street Atlanta, GA 30332			3 Social security wages		4 Social security tax withheld		
			5 Medicare wages and tips		6 Medicare tax withheld		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial Last name Suff. Karen Brown 4 Haddington Road Dublin, Ireland D02 H525			11 Nonqualified plans		12a See instructions for box 12		
			13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b		
			14 Other		12c		
					12d		
f Employee's address and ZIP code							
15 State Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement

2024

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

**SCHEDULE NEC
(Form 1040-NR)**

Department of the Treasury
Internal Revenue Service

Tax on Income Not Effectively Connected With a U.S. Trade or Business

Attach to Form 1040-NR.

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

OMB No. 1545-0074

2024
Attachment
Sequence No. **7B**

Name shown on Form 1040-NR

Karen Brown

Your identifying number

123-00-3333

Enter **amount of income** under the appropriate rate of tax. See instructions.

Nature of Income		(a) 10%	(b) 15%	(c) 30%	(d) Other (specify)	
					%	%
1 Dividends and dividend equivalents:						
a Dividends paid by U.S. corporations	1a					
b Dividends paid by foreign corporations	1b					
c Dividend equivalent payments received with respect to section 871(m) transactions	1c					
2 Interest:						
a Mortgage	2a					
b Paid by foreign corporations	2b					
c Other	2c					
3 Industrial royalties (patents, trademarks, etc.)	3					
4 Motion picture or TV copyright royalties	4					
5 Other royalties (copyrights, recording, publishing, etc.)	5					
6 Real property income and natural resources royalties	6					
7 Pensions and annuities	7					
8 Social security benefits	8					
9 Capital gain from line 18 below	9					
10 Gambling—Residents of Canada only. Enter net income in column (c). If zero or less, enter -0-.						
a Winnings						
b Losses	10c					
11 Gambling—Residents of countries other than Canada. Note: Enter winnings only. Losses aren't allowed	11					
12 Other (specify): <u>LTC</u>	12			1,300		
13 Add lines 1a through 12 in columns (a) through (d)	13					
14 Multiply line 13 by rate of tax at top of each column	14					
15 Tax on income not effectively connected with a U.S. trade or business. Add columns (a) through (d) of line 14. Enter the total here and on Form 1040-NR, line 23a	15					

Capital Gains and Losses From Sales or Exchanges of Property

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 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), Form 4797, or both.	16	(a) Kind of property and description (if necessary, attach statement of descriptive details not shown below)	(b) Date acquired mm/dd/yyyy	(c) Date sold mm/dd/yyyy	(d) Sales price	(e) Cost or other basis	(f) LOSS	(g) GAIN
							If (e) is more than (d), subtract (d) from (e).	If (d) is more than (e), subtract (e) from (d).
	17	Add columns (f) and (g) of line 16					()	
	18	Capital gain. Combine columns (f) and (g) of line 17. Enter the net gain here and on line 9 above. If a loss, enter -0-						18

SCHEDULE OI (Form 1040-NR)

Department of the Treasury Internal Revenue Service

Other Information

Attach to Form 1040-NR.

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

Answer all questions.

OMB No. 1545-0074

2024 Attachment Sequence No. 7C

Name shown on Form 1040-NR

Your identifying number

Karen Brown

123-00-3333

- A Of what country or countries were you a citizen or national during the tax year? Ireland
B In what country did you claim residence for tax purposes during the tax year? Ireland
C Have you ever applied to be a green card holder (lawful permanent resident) of the United States? Yes No
D Were you ever: 1. A U.S. citizen? Yes No 2. A green card holder (lawful permanent resident) of the United States? Yes No
E If you had a visa on the last day of the tax year, enter your visa type. If you didn't have a visa, enter your U.S. immigration status on the last day of the tax year. Visa Waiver
F Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? Yes No

- G List all dates you entered and left the United States during 2024. See instructions. Note: If you're a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, check the box for Canada or Mexico and skip to item H. Canada Mexico

Table with 2 columns: Date entered United States (mm/dd/yy), Date departed United States (mm/dd/yy). Rows: 01/03/2024 to 05/01/2024.

Table with 2 columns: Date entered United States (mm/dd/yy), Date departed United States (mm/dd/yy). Rows: 06/01/2024 to 10/16/2024.

- H Give number of days (including vacation, nonworkdays, and partial days) you were present in the United States during: 2022 20, 2023 22, and 2024 47.
I Did you file a U.S. income tax return for any prior year? Yes No. If "Yes," give the latest year and form number you filed: 2023 1040-NR.
J Are you filing a return for a trust? Yes No. If "Yes," did the trust have a U.S. or foreign owner under the grantor trust rules, make a distribution or loan to a U.S. person, or receive a contribution from a U.S. person? Yes No.
K Did you receive total compensation of \$250,000 or more during the tax year? Yes No. If "Yes," did you use an alternative method to determine the source of this compensation? Yes No.

- L Income Exempt From Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.
1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required. See instructions.

Table with 4 columns: (a) Country, (b) Tax treaty article, (c) Number of months claimed in prior tax years, (d) Amount of exempt income in current tax year.

- (e) Total. Enter this amount on Form 1040-NR, line 1k. Do not enter it anywhere else on line 1.
2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? Yes No
3. Are you claiming treaty benefits pursuant to a Competent Authority determination? Yes No. If "Yes," attach a copy of the Competent Authority determination letter to your return.

- M Check the applicable box if:
1. This is the first year you are making an election to treat income from real property located in the United States as effectively connected with a U.S. trade or business under section 871(d). See instructions.
2. You have made an election in a previous year that has not been revoked, to treat income from real property located in the United States as effectively connected with a U.S. trade or business under section 871(d). See instructions.

**SCHEDULE 1
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2024
Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Karen Brown

Your social security number

123-00-3333

For 2024, enter the amount reported to you on Form(s) 1099-K that was included in error or for personal items sold at a loss.

Note: The remaining amounts reported to you on Form(s) 1099-K should be reported elsewhere on your return depending on the nature of the transaction. See www.irs.gov/1099k.

Part 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):			
3	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	1,100
6	Farm income or (loss). Attach Schedule F		6	
7	Unemployment compensation		7	
8	Other income:			
a	Net operating loss	8a ()		
b	Gambling	8b		
c	Cancellation of debt	8c		
d	Foreign earned income exclusion from Form 2555	8d ()		
e	Income from Form 8853	8e		
f	Income from Form 8889	8f		
g	Alaska Permanent Fund dividends	8g		
h	Jury duty pay	8h		
i	Prizes and awards	8i		
j	Activity not engaged in for profit income	8j		
k	Stock options	8k		
l	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8l		
m	Olympic and Paralympic medals and USOC prize money (see instructions)	8m		
n	Section 951(a) inclusion (see instructions)	8n		
o	Section 951A(a) inclusion (see instructions)	8o		
p	Section 461(l) excess business loss adjustment	8p		
q	Taxable distributions from an ABLÉ account (see instructions)	8q		
r	Scholarship and fellowship grants not reported on Form W-2	8r		
s	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s ()		
t	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8t		
u	Wages earned while incarcerated	8u		
v	Digital assets received as ordinary income not reported elsewhere. See instructions	8v		
z	Other income. List type and amount:	8z		
9	Total other income. Add lines 8a through 8z		9	
10	Combine lines 1 through 7 and 9. This is your additional income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8		10	

Part II Adjustments to Income

11	Educator expenses		11
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		12
13	Health savings account deduction. Attach Form 8889		13
14	Moving expenses for members of the Armed Forces. Attach Form 3903		14
15	Deductible part of self-employment tax. Attach Schedule SE		15
16	Self-employed SEP, SIMPLE, and qualified plans		16
17	Self-employed health insurance deduction		17
18	Penalty on early withdrawal of savings		18
19a	Alimony paid		19a
b	Recipient's SSN		
c	Date of original divorce or separation agreement (see instructions):		
20	IRA deduction		20
21	Student loan interest deduction		21
22	Reserved for future use		22
23	Archer MSA deduction		23
24	Other adjustments:		
a	Jury duty pay (see instructions)	24a	
b	Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit	24b	
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m	24c	
d	Reforestation amortization and expenses	24d	
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e	
f	Contributions to section 501(c)(18)(D) pension plans	24f	
g	Contributions by certain chaplains to section 403(b) plans	24g	
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h	
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i	
j	Housing deduction from Form 2555	24j	
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k	
z	Other adjustments. List type and amount:	24z	
25	Total other adjustments. Add lines 24a through 24z		25
26	Add lines 11 through 23 and 25. These are your adjustments to income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10		26

SCHEDULE E (Form 1040)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2024 Attachment Sequence No. 13

Department of the Treasury Internal Revenue Service

Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

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

Name(s) shown on return

Karen Brown

Your social security number

123-00-3333

Part I Income or Loss From Rental Real Estate and Royalties

Note: If you are in the business of renting personal property, use Schedule C. See instructions. If you are an individual, report form rental income or loss from Form 4835 on page 2, line 40.

- A Did you make any payments in 2024 that would require you to file Form(s) 1099? See instructions. B If "Yes," did you or will you file required Form(s) 1099?

1a Physical address of each property (street, city, state, ZIP code)

Table with columns for Type of Property, Fair Rental Days, Personal Use Days, and QJV. Includes sub-sections A, B, and C for each category.

Type of Property:

- 1 Single Family Residence 2 Multi-Family Residence 3 Vacation/Short-Term Rental 4 Commercial 5 Land 6 Royalties 7 Self-Rental 8 Other (describe)

Main table for income and expenses with columns for Properties A, B, and C. Rows include Income (3, 4), Expenses (5-20), Total expenses (20), Subtract line 20 (21), Deductible loss (22), and Total income/loss (24, 25, 26).

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

Karen Brown

123-00-3333

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations

Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you must check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (f) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. Yes No

Table with 6 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if basis computation is required, (f) Check if any amount is not at risk. Row A: Cat Cafe, P, 00-1234567.

Summary table for Part II with columns: (g) Passive loss allowed, (h) Passive income from Schedule K-1, (i) Nonpassive loss allowed, (j) Section 179 expense deduction from Form 4562, (k) Nonpassive income from Schedule K-1. Totals: 1,100.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A and B.

Summary table for Part III with columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Totals and calculation rows 34a-37.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Row 39: Combine columns (d) and (e) only.

Part V Summary

Summary table for Part V with 2 columns: Description, Amount. Rows 40-43: Net farm rental income, Total income or (loss), Reconciliation of farming and fishing income, Reconciliation for real estate professionals.