

U.S. INCOME TAX **Foreign Nationals**

A foreign national is taxed in the United States on world- wide income if they are classified as a U.S. income tax resident, under one of two tests:

(1) Lawful Permanent Resident Test

A “Green-Card Holder” is automatically treated as a U.S. income tax resident and is taxed on world-wide income (IRC § 7701 (b)(1)(A) (i)).

(2) Substantial Presence Test

A non-green card holder will be classified as a U.S. income tax resident if they meet the substantial presence test found in IRC § 7701 (b)(3) (IRC § 7701 (b)(1)(A)(ii)):

- (a) Resident in the U.S. for 183 days or more in any one tax year (IRC § 7701 (b)(3)(A)).
- (b) Resident in the U.S. for at least 31 days during the current tax year and 122 days per year over 3 tax years (current year and prior 2 years).
See Treas. Reg. § 301.7701(b)-1(b)-1(c)(1).