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Shagufta Ahmed
Office of Management and Budget
New Executive Office Building, Room 10235
Washington, DC 20503
And
Yvette Lawrence
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Ms. Ahmed and Ms. Lawrence:

COMMENTS ON FORM 1040NR AS REQUESTED IN NOTICE 2011ARD 072-2

Who am I?

I have been a CPA for over 35 years working with non-U.S. citizens and form 1040NR. I have retired from public accounting and am now lecturing California CPA's on the preparation of form 1040NR. I'm trying to tell CPA's how to fill the form out in an 8 hour lecture. Over 100 CPA's attended last year. It is a daunting task, to say the least! I also wrote a book "US Taxes for Non-US Citizens, Made Easy!" (See www.NRTaxGuide.com for details). I also counsel F&J visa holders on their filing responsibilities as a Director of TaxCounselor.Org. I have lectured to the University of California Berkeley students (a total population of about 2,500) and responded to emails regarding specific situations they have. Finally, I am active with the American Institute of CPA's International Tax Committee involved with creating practice aids (questionnaires and organizers and withholding guides) for the practitioner community. I write to you today as a private citizen.

The form 1040NR has been in dire need of a total change for years and would best be replaced by a few forms more pointed to each taxpayer's situation (and simpler instructions focused on that particular taxpayer). If you want detailed discussions of my comments, I would be pleased to provide them to you. Good tax administration and compliance comes from clear instructions of a taxpayer's responsibilities. That requirement is lacking with form 1040NR.

- v. Work visas (H, L, O, etc.)
- c. A full year NRA
 - i. For F visas
 - ii. For J visas
 - iii. For A visas
 - iv. For M&Q visas
 - v. Work visas (H, L, O, etc.)

The GAO reported that in 2007 over 9.5 million people visited the U.S. and only 675,000 forms 1040NR were filed. That indicates to me that there is mass non-compliance by visiting foreign executives. There are about 500,000 F&J visa holders in the U.S. and they most likely account for the majority of the 675,000 returns filed. So the non-compliance of visiting executives is huge – up to 9 million a year. The GAO never mentioned in their report that US Social Security Taxes and Medicare were also being ignored on the US sourced wages (treaties don't exclude wages from those taxes and there are only about 20 Totalization Agreements).

Making the form easier to file is the first step in drawing these people into compliance. Let me know if I can be of further help.

Yours very truly,



THOMAS J SPOTT