



Message from the President of the USA Chapter of the IAML

Do Not Miss the USA Chapter Meeting in San Diego



Mark your calendars - San Diego, March 28-31, 2007.

If you only attend one meeting this year... this should be it.

Hopefully, by now, you have already received by e-mail your invitation with the details of this big event, but, just in case you did not, the appropriate registration forms are attached to this newsletter.

This extravaganza will begin on Wednesday night, March 28, 2007, with a "Which Country Makes The Best Wine?" Welcome Reception. The reception will feature fine wines from the private collections of our Fellows. These wines from France, Italy, Australia, New Zealand, Canada, and, of course, California, will be paired with enough food that dinner will not be necessary.

On Thursday, we will start with a great program to which both Fellows and their guests are invited on "Why Terrorists Do What They Do." The presentation will be by a former philosophy instructor at the United States War College. Having heard him speak before, I think you will find the presentation fascinating. His presentation will be followed by a VIP tour of Camp Pendleton--home of the United States Marines. Here, you will have a once-in-a-lifetime opportunity to see some things that members of the public never get to see.

For our Fellows, Friday will begin with more great continuing education programs. However, for the guests and significant others, the day will begin with "Breakfast at Tiffany's." The world's foremost provider of high-end diamonds will give the participants breakfast, a small amount of education, and a chance to see its best stuff. Fellows should not feel bad about missing this because we will all get together for lunch and for a very special up-close and personal tour (not available to the public) of the

Upcoming Events

Canadian Chapter Meeting 2007

Dates: 03/28/2007 to 03/31/2007
Location: San Diego, California

USA Chapter Meeting 2007

Dates: 03/28/2007 to 03/31/2007
Location: San Diego, California
Description: Be the special guest of both the City of San Diego and the United States Marines and have an opportunity to do some things that you would never be able to do on your own....
Accommodation: US Grant Hotel

European Chapter Meeting 2007

Dates: 04/25/2007 to 04/28/2007
Location: Krakow, Poland
Description: The city of Chopin, Copernicus and Pope John Paul II and royal capital of Poland for 500 years, Krakow is without doubt one of the most beautiful cities, ranking with Prague and Vienna as one of the architectural gems of central Europe. Centered on its magnificent medieval square, the second largest in Europe and spared any significant war damage, there is a multitude of stunningly decorated historic buildings and churches to visit.
Accommodation: SHERATON HOTEL: KRAKOW'S LEADING 5* HOTEL

AGM 2007

Dates: 09/04/2007 to 09/09/2007
Location: St. Petersburg, Russia - often referred to as the "Venice of the North"
After the conference, guests will have the opportunity to extend their visit with a first class train trip to Moscow, staying at the Baltshug Kempinski overlooking Red Square.
Accommodation: Kempinski Hotel, Moika
One of the newest Kempinskis, it faces Palace Square, home of the renowned State Hermitage Museum. The hotel is on the embankment of the Moika, one of the numerous river canals within the "Golden Triangle" of St. Petersburg.

[Go to the IAML website for registration details](#)



Taxation of Resident and Non Resident Aliens

compiled by Peter M. Walzer from www.irs.gov

Taxation of Nonresident Aliens

How Income Is Categorized and Taxed

A nonresident alien's income that is subject to U.S. income tax must be divided into two categories:

- Income that is effectively connected with a trade or business in the United States
- Income that is not effectively connected with a trade or business in the United States

The Difference Between Effectively Connected and Not Effectively Connected Income

If you were a nonresident alien student, teacher, or trainee who was temporarily present in the United States on an "F," "J," "M," or "Q" visa, you are considered engaged in a trade or business in the United States.

The difference between these two categories is that Effectively Connected Income, after allowable deductions, is taxed at graduated rates. These are the same rates that apply to U.S. citizens and residents. Income that is not effectively connected is taxed at a flat 30% (or lower treaty rate) and no deductions are allowed against such income. Income that is not effectively connected is also known

world-famous San Diego Zoo. Late afternoon and evening will be free for you to enjoy San Diego and to have dinner with your new and old IAML friends.

Our big finish will be on Saturday, March 31, 2007. In the morning, there will be more continuing education programs for the Fellows, and "Saks in the City" for our guests and significant others. Saks Fifth Avenue, one of the most exclusive retailers in the world, will be providing breakfast and a fashion show.

For lunch on Saturday, Admiral Richard Lyon (the first Navy Seal to become an Admiral) has invited us to be his special guests on a United States Aircraft Carrier, the USS Midway, where those interested will receive both a VIP tour of the ship and a chance to use the flight simulators used to train Navy and Marine fighter pilots. And, the grand finale will be that evening at the President's Dinner, which will end with what I have modestly called "The Best Magic Show You Will Ever See."

A final bit of advice on San Diego: The newly remodeled U.S. Grant Hotel (which is a wonderful facility) has given us a great room rate (by San Diego standards). However, our guaranteed rooms are almost gone. Get your room at our guaranteed rates while the rooms are still available. I hope to see you all in San Diego.

Edward J. Thomas
IAML President
USA Chapter

Web Links Useful to International Family Lawyers

[Hague Conference on Private International Law, Convention on the Law Applicable to Matrimonial Property Regimes](#)

[National Center for Missing and Exploited Children](#)

Many useful links and information relating to finding kidnapped children.

[Child Quest International](#)

Another site with information on finding kidnapped children.

[William M. Hilton, CFLS, Attorney at Law](#)

A comprehensive study of case law interpreting the UCCJEA, UCCJA, and the Hague Convention on the Abduction of Children

[Hague Conventions](#)

International Treaties, including the Convention on the Abduction of Children

[International Family Law: A Selective Resource Guide](#)

as Fixed, Determinable, Annual, or Periodical (FDAP).

Foreign Source Income

Generally foreign source income received by a nonresident alien is not subject to U.S. taxation.

If three conditions exist, income for personal services performed in the United States as a nonresident alien is not considered to be from U.S. sources and is not subject to U.S. taxation. If you do not meet all three conditions, your income from personal services performed in the United States is U.S. source income and is taxed.

The three conditions are:

You perform personal services as an employee of or under a contract with a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in a trade or business in the United States; or you work for an office or place of business maintained in a foreign country or possession of the United States by a U.S. corporation, a U.S. partnership, or a U.S. citizen or resident

You perform these services while you are a nonresident alien temporarily present in the United States for a period or periods of not more than a total of 90 days during the tax year. Your pay for these services is not more than \$3,000.

NOTE: If your pay for these services is more than \$3,000, the entire amount is income from a trade or business within the United States.

Students and Exchange Visitors

Nonresident alien students and exchange visitors present in the United States on "F," "J," "M" or "Q" visas can exclude from gross income, pay received from a foreign employer. A foreign employer is:

A nonresident alien individual, foreign partnership, or foreign corporation. An office or place of business maintained in a foreign country or in a U.S. possession by a domestic corporation, a domestic partnership, or an individual who is a citizen or resident of the United States. Note: The term "foreign employer" does not include a foreign government.

This group includes bona fide students, scholars, trainees, teachers, professors, researchers, specialists, or leaders in a field of specialized knowledge or skill or persons of similar description. It also includes the alien's spouse and minor children if they come with the alien or come later to join him or her.

Income Affected by Treaties

Income of any kind that is exempt from U.S. tax under a treaty to which the United States is a party may be excluded from your gross income. Income on which the tax is limited or reduced by treaty is included in gross income but taxed at a lower rate. Tax treaty provisions are not automatic and must be elected by the taxpayer. Refer to Tax Treaties for additional information.

Taxation of Resident Aliens

Taxable Income

A resident alien's income is generally subject to tax in the same manner as a U.S. citizen. If you are a resident alien, you must report all interest, dividends, wages, or other compensation for services, income from rental property or royalties, and other types of income on your U.S. tax return. You must report these amounts whether from sources within or outside the United States.

Tax Rates

Resident aliens are generally taxed in the same way as U.S. citizens. This means that their worldwide income is subject to U.S. tax and must be reported on their U.S. tax return. Income of resident aliens is subject to the graduated tax rates that apply to U.S. citizens. Resident aliens use the Tax Table and Tax Rate Schedules which apply to U.S. citizens found in the instructions for Forms 1040, 1040A, or 1040EZ.

Filing Status

Resident aliens can use the same filing statuses available to U.S. citizens. You can claim the same deductions allowed to U.S. citizens if you are a resident alien for the entire tax year. You should get Form 1040 and its instructions for more information on how to claim your allowable deductions.

By Marilyn J. Raisch
Ms. Raisch is the Librarian for International and Foreign Law at the Bora Laskin Law Library of the University of Toronto Faculty of Law.
The purpose of this guide is to provide researchers with a selective quick guide to basic and significant materials, both print and electronic, in the area of international family law.

[National Center for State Courts](#)

This site has a list for almost every court (State, Federal, and Administrative) in the United States, including addresses, telephone numbers, and websites of each court. It has the name of each judge in each court. It has a list of many bar associations, law schools, law libraries, and law firms.

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Editor

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Board of Managers of the USA Chapter of the International Academy of Matrimonial Lawyers.

Claiming Exemptions

You can claim personal exemptions and exemptions for dependents according to the dependency rules for U.S. citizens. You can claim an exemption for your spouse on a separate return if your spouse had no gross income for U.S. tax purposes and was not the dependent of another taxpayer. You can claim this exemption even if your spouse has not been a resident alien for a full tax year or is an alien who has not come to the United States. You can claim an exemption for each person who qualifies as a dependent according to the rules for U.S. citizens. The dependent must be a citizen or national of the United States or be a resident of the United States, Canada, or Mexico for some part of the calendar year in which your tax year begins. Get Publication 501, Exemptions, Standard Deduction, and Filing Information for more information.

CAUTION: Your spouse and each dependent must have either a Social Security Number or an Individual Tax Identification Number in order to be claimed as an exemption or a dependent..

Deductions

Resident aliens can claim the same itemized deductions as U.S. citizens, using Schedule A of Form 1040. These deductions include certain medical and dental expenses, state and local income taxes, real estate taxes, interest you paid on a home mortgage, charitable contributions, casualty and theft losses, and miscellaneous deductions.

If you do not itemize your deductions, you can claim the standard deduction for your particular filing status. For further information, see Form 1040 and its instructions.

Tax Credits

Resident aliens generally claim tax credits and report tax payments, including withholding, using the same rules that apply to U.S. citizens. The following items are some of the credits you may be able to claim: child and dependent care credit, credit for the elderly and disabled, child tax credit, education credits, foreign tax credit, earned income credit, and adoption credit.

Application to Family Lawyers

The following Internal Revenue sections do not apply to non-resident aliens:

IRS section 1041

Implications:

Premarital agreements that call for transfers during marriage may be taxable.
US Judgments dividing proper may result in a taxable event.

IRS section 121 (Exclusion of gain from sale of principal residence) does not apply between non resident aliens and citizens.

Implications:

There may be a taxable event on the sale of the residence to one or both parties.

IRS section 2056 (Unlimited marital deduction) except as provided in §2056A (qualified domestic trust): §2523 (Gifts to spouse, gifts limited to \$110,000 outright each year do not apply).

Implications:

Transfers during marriage may have a tax consequence and should be taken into account in settlement or trial of the case.
In drafting premarital agreements that require transfer to the spouse in a will or trust, consider the tax consequences of a transfer to a non resident alien.

About IAML

Membership of the IAML is by invitation only. Lawyers who are interested in joining the Academy are asked to submit information about their legal practice, and must satisfy established criteria for membership to obtain the approval of both the US Board of Admissions, and the main Board of Admissions. The process is a rigorous one, designed to ensure that the very high level of expertise within the Academy is maintained.

Existing fellows are encouraged to apply for judicial fellowship on appointment to the bench, or for non-practicing fellowship on retirement. The experience and authority which these fellows bring to the Academy is highly valued, and they make a significant contribution to Academy meetings.