



**Note:** *The draft you are looking for begins on the next page.*

## **Caution: DRAFT—NOT FOR FILING**

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

## TREASURY/IRS AND OMB USE ONLY DRAFT

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

Name shown on Form 1040-NR

OMB No. 1545-0074

**2025**Attachment  
Sequence No. 7B**Tax on Income Not Effectively Connected With a U.S. Trade or Business**

Attach to Form 1040-NR.

Go to [www.irs.gov/Form1040NR](http://www.irs.gov/Form1040NR) for instructions and the latest information.

Your identifying number

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

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

**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.