

Tax Information

Overview: Taxes and the IRS

The Internal Revenue Service (IRS) is the U.S. government agency that collects taxes. As a nonresident F-1 or J-1 student, you may need to file forms each year with the IRS, even if you earned no income. It is your individual responsibility to understand and meet your tax obligations. Generally, tax returns are due every April 15th based on earnings from the previous year, though there are exceptions to this deadline. This year the deadline is **April 15, 2013**.

While employers do deduct money from your paycheck throughout the year and send it to the IRS, it may not equal the exact amount owed at the end of the year. If too much was deducted, you may be eligible for a refund. Or, perhaps not enough was deducted, and you will owe more. Salary from a job is not the only kind of earning taxed; many types of income are taxable. Even if you did not work and do not owe any taxes, you may need to submit an informational form (form 8843) to the IRS <http://www.irs.gov/pub/irs-pdf/f8843.pdf>.

U.S. tax laws can be complex and confusing--we all get headaches during tax season--and the laws that apply to internationals are not the same as those that apply to U.S. citizens. These resources should help you to better understand your tax obligation, to learn what and where to research, and to successfully submit your tax forms. This page is meant to be a general introduction. Student services department personnel are not tax professionals, so this cannot be considered legal tax advice. You are advised to review the information from the IRS specifically addressed to foreign students <http://www.irs.gov/Individuals/International-Taxpayers/Foreign-Students-and-Scholars>.

Please note: Student Services is not able to give tax advice about individual cases as we are not tax professionals

How to File

- You may download forms from the IRS website <http://www.irs.gov/> and file by mail.
- Tax professionals and certified tax accountants, who charge for their services, can assist you with your taxes.

Before You File: Documents to Save

Before you begin the filing process, be sure you have all the necessary information with you.

- Form W-2 Wage and Tax Statement: W-2 forms are mailed to current and former employees. This form shows how much you earned last year and how much was taken out for taxes. You will only receive this form if you have been employed.
- Form 1099: (if applicable) The 1099 form documents miscellaneous income. For example, if you had CPT authorization to work as an independent contractor, rather than as an employee of an organization, you might receive Form 1099 instead of Form W-2 to document your earnings.

- Passport
- I-20 (F-1 status)
- DS-2019 (J-1 or J-2 status)
- Social Security number or Individual Tax Identification number (generally not required if you will file only Form 8843)
- Address information (current U.S. address and foreign address)
- U.S. entry and exit dates for current and past visits to U.S.
- Academic institution or host sponsor information (name, address, phone)
- Scholarship/fellowship grant letter (if any)
- A copy of last year's federal income tax return, if filed

Resident or Nonresident for Tax Purposes

In legal terms, noncitizens of the U.S. are called "aliens." There are three types of aliens for tax purposes: (1) nonresident; (2) dual-status; and (3) resident. These categories are for tax purposes only and are not related to your immigration status. You may be in F-1 or J-1 nonimmigrant status and considered a resident for tax purposes.

Substantial Presence

Nonresident aliens generally meet the substantial presence test <http://www.irs.gov/Individuals/International-Taxpayers/Substantial-Presence-Test> if they have spent more than 183 days in the U.S. within the last three years. Having substantial presence in the U.S. generally means you will be considered a resident alien for tax purposes.

Exempt Individual

Any person who is temporarily exempt from the substantial presence test. Time spent in this category does not count toward the 183 days in the U.S. that normally will convert a nonresident alien into resident alien for tax purposes. **F-1 and J-1 students maintaining status are exempt from the substantial presence test for 5 years. J-1 scholars are exempt from the substantial presence test only if they have been in the U.S. no more than 2 out of the last 6 years.**

Which Form to Use

Your individual situation determines which form(s) to file. Forms come with instructions.

- If you received no U.S. source income in 2012 and you are a nonresident alien for tax purposes, you must file **Form 8843** by **June 15, 2013**.
- If you received wages or taxable scholarships from U.S. sources and you are a nonresident alien for tax purposes, you must file **Form 8843** AND **1040NR-EZ** or **1040NR** by **April 15, 2013**. Form 1040NR-EZ is shorter and limited to specific situations, while the Form 1040NR accommodates all types of income. You must determine whether <http://www.irs.gov/publications/p519/ch07.html#d0e7781> Form 1040NR-EZ or 1040NR better fits your tax situation. You can use the 1040NR-EZ if all the following conditions are met:

- You do not claim any dependents.
- You cannot be claimed as a dependent on someone else's U.S. tax return.
- If you were married, you do not claim an exemption for your spouse.
- Your taxable income is less than \$100,000.
- You are not claiming any itemized deductions (other than for state and local income taxes).
- Your only U.S. source income is from wages, salaries, tips, taxable refunds of state and local income taxes, and scholarship or fellowship grants. (If you had taxable interest or dividend income, you must use Form 1040NR instead of 1040NR-EZ.)
- The only adjustments to income you can claim are the exclusion for scholarship and fellowship grants or the student loan interest deduction.
- You are not claiming any credits.
- The only taxes you owe are the income tax from the Tax Table and/or unreported Social Security and Medicare tax from Forms 4137 or 8919.
- You are not claiming a credit for excess Social Security and tier 1 RRTA tax withheld.
- This is not an "expatriation return." See instructions for Form 1040NR for more information.
- If you do not meet all of the above conditions, you must file Form 1040NR.
- If you are considered a resident for tax purposes, you will be taxed like a U.S. citizen and will file a 1040EZ or 1040 instead of the 1040NR.

Important Concepts

Tax Treaties

The U.S. has income tax treaties with many different countries. Residents of these countries may be taxed at a reduced rate or be exempt from U.S. income tax withholding on specific kinds of U.S.-source income. Treaties vary among countries. If the treaty does not cover a particular kind of income, or if there is no treaty between your country and the U.S., you must pay tax on the income in the same way and at the same rates shown in the instructions for Form 1040NR.

Taxable Income

Some kinds of income are taxed while others are not. For students and scholars who are considered nonresidents for tax purposes, interest income is not taxed if it comes from a U.S. bank, a U.S. savings and loan institution, a U.S. credit union, or a U.S. insurance company. Generally income from foreign sources is not taxed. Wages that appear on form W-2 are taxable. Scholarship or fellowship income that requires services (i.e. teaching assistant) will be treated as wages (like employment). Scholarships, fellowships, and grants may be partially taxed. For degree-seeking students, portions used for tuition, fees, books, supplies, and required equipment are not taxed; portions used for other expenses, like room, board, and travel, are taxable.

Social Security and Medicare

Nonresident students and scholars on F-1 and J-1 visas, who are also considered nonresidents for tax purposes, should not have Social Security or Medicare taxes withheld from pay. If these taxes have been withheld, contact your employer for reimbursement. If you cannot get a refund from your employer, use Form 843, Claim for Refund and Request for Abatement, to request a refund from IRS <http://www.irs.gov/faqs/faq/0,,id=199674,00.html>.

Resident for Tax Purposes

If you have determined, based on the substantial presence test or marriage to a U.S. citizen or resident alien, that you are considered a resident for tax purposes, then you will generally have the same federal income tax requirements as a U.S. citizen. Please note that in this context, the term “resident” applies only to your tax requirements and is not related to your immigration status.

Individual Taxpayer Identification Number

If you are filing a tax return and are not eligible to apply for a Social Security number, you may obtain an Individual Taxpayer Identification Number (ITIN). A Social Security number or ITIN is necessary only if you are filing a tax return. If you earned no U.S.-source income and are only submitting form 8843, you do not need to apply for the Social Security number or ITIN.

Filing Tips

- Make photocopies of your documents for your records.
- Be careful to complete the correct form; it is easy to mix up 1040NR with the 1040, for instance.
- Sign and date all forms, and be sure to mail them before the stated deadline.

Identity Theft

Please be careful of fraudulent scams and internet "phishing" that use the IRS name or other tax-related references to gain access to your personal information in order to commit identity theft.

Some Past Examples

- Suspicious e-mails which claim to be from the IRS and offer a tax refund. The email requests your Social Security number and other personal information in order to process the refund.
- Fake IRS correspondence and an altered Form W-8BEN, "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" are sent to nonresident aliens who have invested in U.S. property and have U.S.-source income. The false form asks for personal and financial information which is not normally collected on the W-8BEN.

These are just two examples of many possible types of scams. Do not respond to such emails or contacts. The IRS does not send unsolicited emails or request personal information by email. It also does not request PIN numbers, passwords, or similar secret access information to

individuals' credit cards, banks or other financial accounts. You can learn more about scans on the IRS website and report phishing scams to the IRS.

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