

## TAX INFORMATION

All international students (and accompanying dependents) are required to complete an income tax return annually. For most students, this will mean completing the form 1040NR-EZ (U.S. Nonresident Alien Income Tax Return) and a form 8843. They are required to file an income tax return even if they have no income from U.S. sources, or if the income is exempt from U.S. taxes due to treaties between the U.S. and their home country. While funds from a scholarship are tax exempt, it is still considered income and must be included on a tax return and schools who have issued scholarships should issue form 1042S to their students.

The U.S. tax system encompasses many different types of taxes (e.g. income tax, Social Security tax, sales tax, personal property tax) and three layers of taxation (local, state, and federal). International students have obligations at several levels.

Sources of U.S. income may include on-campus employment, scholarships, fellowships, graduate assistantships, practical or academic training, and any compensation received for labor. International students do not have to pay taxes on interest paid to them by U.S. banks.

Note that "income" is not limited to wages paid in cash, but also includes that portion of scholarships, fellowships, or assistantships that is applied to housing and meal expenses. The portion applied to tuition, fees, books, and supplies is not counted as income. Be sure to inquire about the applicability of any tax treaty that might exist between a students' home country and the United States. IRS publication 901 lists all tax treaties.

### Important Dates, Documents, and Forms

**April 17, 2018:** The last day on which residents and nonresidents who have earned wages from U.S. Sources may file their U.S. federal income tax returns for 2017.

**June 15, 2018:** The last day on which nonresident students and their dependents who have no wage income from U.S. sources may file their income taxes returns for 2017.

**519:** "U.S. Tax Guide for Aliens," an IRS publication. This is essential for individuals from nations having tax treaties with the United States.

**8843:** "Statement for Exempt Individuals and Individuals with a Medical Condition." This one-page document must be completed and returned with the 1040NR and 1040NR-EZ filed by residents for tax purposes. It is not interchangeable with those forms. The IRS publishes an instruction booklet to accompany the form.

**1040NR-EZ:** "The U.S. Income Tax Return for Certain Nonresident Aliens with No Dependents." This is a simplified version of the 1040NR. Most F-1 students may file the 1040NR-EZ. The IRS publishes an instruction booklet for this form.

**W-2:** "Wage and Tax Statement." A form issued annually by employers (normally during the month of January). Copies of the W-2 must be filed with federal, state, and local tax returns.

**W-4:** "Employee's Withholding Allowance Certificate." A form issued annually by employers at the time of hire to indicate how much tax is to be withheld from the paycheck.

**1042S:** "Foreign Persons U.S. Source Income Subject to Withholding" A form used to report total scholarship/fellowship payments, income tax withheld, and other information relating to grant payments. It is also used to show treaty benefits claimed and honored on payments made by an employer.

**W-8BEN:** "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding." A form used to certify an individual's foreign status for tax purposes. Typically used by universities for students who have received "unqualified" scholarships.

The IRS provides information through free publications and a telephone information line. The phone number for general tax information is 1-800-829-1040 (ask for the Technical Division). The IRS publishes forms online at: <https://www.irs.gov/forms-pubs>.