

## General Tax Information for International Students and Scholars

The following tax information has been prepared to assist FSW F- 1 (F-2) visa holders understand general tax filing obligations and to answer some of the most common questions international students and scholars generally have about taxation in the U.S. This tax information is provided as a guide only. International students and scholars should seek professional guidance from a qualified accountant or attorney in order to understand and meet specific tax obligations.

U.S. income tax is collected by the Internal Revenue Service (IRS). The IRS has a special set of rules (and special tax forms and publications) for most international students and scholars in the U.S. A copy of these regulations is listed in IRS publication 519, [U.S. Tax Guide for Aliens](#).

Individuals on F-1 visas who have lived in the U.S. for 5 years or less are most likely considered a non-resident taxpayer. As a nonresident taxpayer you pay federal income tax only on the income you receive from U.S. sources, but you must file an annual income tax return even if you had no income from U.S. sources during the year. You will need to file the appropriate tax forms no later than April 15 each year.

### Determining Your Federal Tax Status

Your first task is to consider whether you were a **resident** or **nonresident** for federal tax purposes during the tax year for which you are now filing your return. Do not confuse the immigration designations of "nonimmigrant" and "immigrant" with the tax designations of "nonresident" and "resident." In many cases, they are not the same; all F-1s hold nonimmigrant status, yet many are residents for federal tax purposes!

A nonresident is taxed on income from U.S. sources only, whereas a resident is taxed on worldwide income. Nonresidents may also be exempt from certain types of taxes (such as Social Security tax) whereas residents are not. Nonresidents are more restricted than residents as to the types of tax "exemptions" they can claim. (A "tax exemption" is like a tax credit. Each tax exemption that a taxpayer is eligible to claim reduces the amount of his or her total tax for the year.)

For F-1 students, the following general guidelines apply: F-1 students are normally considered nonresidents for federal tax purposes only during the first five calendar years of study.

### Determining Which Forms You Must File

Links to each of the nonresident tax forms referred to below, as well as to other IRS forms and publications that you may find useful, are provided at the end of this section.

**If you were a resident for federal tax purposes during the tax year for which you are currently filing your tax return**, file form 1040 or 1040EZ, and any attachments as appropriate for your situation.

***If you were a nonresident for federal tax purposes during the tax year for which you are currently filing your tax return AND***

Visit the following link for more up to date information directly from the IRS website:  
<http://www.irs.gov/Individuals/International-Taxpayers/Aliens---Which-Form-to-File>

### **Taxpayer Identification Numbers (TIN's) for Foreign Students and Scholars**

Generally, aliens who enter the United States in an immigration status which allows them to be employed in the United States under specific circumstances under U.S. immigration law are eligible to apply for a [Social Security Number](#) (SSN) from the Social Security Administration. Most foreign students and scholars in F-1, J-1, M-1, Q-1, and Q-2 nonimmigrant status are eligible to be employed in the United States, and are therefore eligible to apply for an SSN if they are actually employed in the United States. Aliens who are not eligible to apply for a U.S. social security number, or who do not meet the Social Security Administration's evidence requirements for an SSN, may apply for an [Individual Taxpayer Identification Number](#) (ITIN) from the Internal Revenue Service if they have a valid tax reason for needing an ITIN, as explained in the Form W-7 instructions. Use [Form W-7](#) (PDF) (in English) or [Form W-7sp](#) (PDF) (in Spanish) to apply for an ITIN. Please refer to IRS [Publication 1915](#) (PDF) for a more detailed explanation of ITINs.

**NOTE: Failure to comply with IRS regulations can produce serious consequences. Even if no taxes are owed, it is required by law to comply with filing procedures. Penalties range from additional costs plus interest for any tax not paid to incarceration if convicted of tax fraud or evasion.**

### **Quick Tips**

#### **What is considered U.S. income?**

These are some of the items that should be considered income for nonresident taxpayers.

- A scholarship or grant from a U.S. source that exceeded the amount of your tuition and mandatory fees at the university. Mandatory fees do not include room and board. Scholarships or grants that cover only tuition and fees are not taxable; stipends for assistantships or scholarships that cover room and board must be counted as income.
- Wages from any U.S. job, on or off-campus, including a teaching assistantship or a graduate assistantship.
- Consulting fees from work done in the U.S.
- Dividends or capital gains from ownership of U.S. mutual funds, individual stocks, bonds or other investments. Current federal regulations state the interest that you have earned on a savings account or certificate of deposit in a U.S. bank is considered to be a foreign source, not a U.S. source, therefore it is nontaxable.
- Any other income, such as rent, royalties, copyright earning from U.S.

#### **What to file if you have no income?**

U.S. tax regulations require all nonresident F-1 students and scholars, without exception, to file a federal income tax return, even if you have earned no U.S. income. If you fall into this category, you must file [form 8843](#). Please see the [IRS website](#) for more information.

#### **What to file if you have income?**

If you were a nonresident who had any U.S. income, you must file [form 1040-NR](#) or [form 1040-NR-EZ](#). You must also complete [form 8843](#) and mail it with your 1040. Please see the [IRS website](#) for more information.

### **Tax Treaties**

If you are a nonresident from a country with which the U.S. has an income tax treaty, you may qualify for certain benefits and/or exemptions. For more information, you can review the [IRS Publication 901 U.S. Tax Treaties](#).

Due to these treaties, if you are employed in the U.S., you should file [form 8233](#) in order to be exempt from income tax withholding.

Please review [IRS Publication 519](#) pages 45 & 55 (Appendix A) for more specific information regarding tax withholding.

A list of countries with which the U.S. has tax treaties can be found in the [IRS Publication 519](#) page 48-49.

### **Filing for US Income Taxes**

All international students present in the U.S. must file an income tax form each year regardless if they were employed in the U.S. or not.

### **General Tax Information:**

For a general introduction to taxes in the U.S. and tax form filing requirements, please attend one of the workshops International Services organizes every spring semester.

**All international students in F status must file Internal Revenue Service (IRS) [Form 8843](#).** If there was income from a U.S. source (including scholarships, fellowships, salaries, income on investments and other types of income), you must file [Form 8843](#) and a tax return on IRS Form [1040NR](#) or [1040NR-EZ](#) along with any corresponding schedules no later than April 15.

To file Form [1040NR](#) or [1040NR-EZ](#), a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) is required. Those who are ineligible for the SSN may request an ITIN by completing Form W-7 and mailing as instructed on the form (Note: To file Form 8843 only, an SSN or ITIN is not needed). See [Instructions for Form W-7](#) for further information.

### ***Reporting Requirements for Dependents***

F-2, M-2, and J-2 dependents, regardless of age, are expected to file tax returns annually in the United States, whether or not they have income from a U.S. source.

### **U.S. Social Security Tax**

"Social Security tax" or "FICA": This is a taxation system that provides benefits to retired workers. Most international students do not have to pay this tax.

**Information you will need for your taxes to be done:**

1. Passport
2. Visa
3. I-94 Arrival/Departure Card
4. I-20 (for F1 students)
5. Social Security Number OR Individual taxpayer identification number
6. W-2s
7. Form 1042-S
8. If you have OPT or CPT (and get paid) and you have Form I-766 or Form I-688B, bring to your scheduled time
9. Any other tax documents you may have received
10. Know the actual number of days you were in the U.S. for 3 previous years (if you have a tax return from last year, you can find the necessary numbers there)

**Information: Addresses, Phone Numbers, Websites and Resources**

Windstar Technologies, Inc. (a commercial site) has useful articles and guidance for student and scholar tax responsibilities and tax filing. The articles on the linked page are freely available. Access to other resources on the website requires a subscription.

Link: [www.windstar-tech.com/public/articles.html](http://www.windstar-tech.com/public/articles.html)

Tax publications and forms are available at Internal Revenue Service (Federal taxes): [www.irs.gov](http://www.irs.gov)

**Mailing address for tax returns:** IRS Center, Florida  
<http://www.irs.gov/uac/Contact-My-Local-Office-in-Florida>

*Toll-free IRS number:* 1-800-829-1040 (live telephone assistance)  
or 1-800-829-4477 (recording).

This is a general number. Be sure to mention that you will be filing as foreign national.

*Problem Resolution Program:* 1-877-777-4778.

See Publication 1546: How to Get Help with Unresolved Tax Problems.

<http://www.irs.gov/pub/irs-pdf/p1546.pdf>

**Contact the IRS:** <http://www.irs.gov/contact/index.html>

*To order IRS forms:* 1-800-TAX-FORM (1-800-829-3676)

Fax number for obtaining forms: (703) 368-9694. Please note that the call must be made from a telephone that is connected to a fax machine and forms must be copied onto plain paper.

Download IRS forms from <http://www.irs.gov/uac/Other-Items-Related-To-Form-1040NR>  
or <http://www.irs.gov/Forms-&Pubs>.

We recommend you order/download [Publication 519: U.S. Tax Guide for Aliens](#), and [Publication 901:](#)

[U.S. Tax Treaties](http://www.irs.gov/uac/Other-Items-Related-To-Form-1040NR) which are available at <http://www.irs.gov/uac/Other-Items-Related-To-Form-1040NR>, and instructions for [Forms 1040NR](#) and [1040NR-EZ](#).

If you will be claiming business expenses, child care expenses, or charitable contributions, ask for the appropriate forms which are also available at the IRS website.

**Automated Refund Information:** 1-800-829-4477

Call if 8 weeks have passed since you mailed your return and you expect a refund. Have a copy of your tax return available. You will be asked to supply your SSN, filing status, as well as the exact amount of refund.

**Tax Treaties** <http://www.irs.gov/Individuals/International-Taxpayers/Tax-Treaties>

**Helpful Websites:** Guide for preparing Federal Tax Return for International Students, Scholars and Researchers.

<http://www.irs.ustreas.gov/faqs/index.html> (scroll to the Aliens link listed at category 13)

<http://www.windstar-tech.com>

<http://www.irs.gov/Individuals/International-Taxpayers/Foreign-Students-and-Scholars>

<http://www.irs.gov/Help-&-Resources>