

TAX Information for International Students with F-1 and J-1 Visas

Edgewood College employees, including Center for Global Education staff, DO NOT provide individual assistance or advice to students about their tax returns.

This handout is only a guide and is not meant to provide detailed information about all income tax regulations. It should not be construed as legal advice. You should read carefully the Wisconsin State Department of Revenue and U.S. Internal Revenue Service's instructions on filing tax forms. You are responsible for properly filing of income tax forms and should seek assistance from the resources listed in this handout as you see fit.

All international students must submit ("file" is the term commonly used) tax information to the U.S. government concerning themselves and their dependents each and every year that they reside in the United States.

Determine Your Residency Status for Tax Purposes

Students with F-1 and J-1 visas will have one of three statuses for tax purposes:

- Resident alien
- Nonresident alien or
- Dual-status alien.

Read "Determining Alien Tax Status" published by the U.S. Internal Revenue Service (IRS) to determine which tax status you have. <http://www.irs.gov/Individuals/International-Taxpayers/Determining-Alien-Tax-Status>

Each status listed above has different filing requirements. **This handout focuses on filing requirements for nonresident aliens.**

Note: If you are a nonresident alien for federal tax purposes for the entire taxable year, you are also considered a nonresident of Wisconsin for state tax purposes.

If you DID NOT EARN U.S. income or you earned less than \$3,950.00 USD in 2014

You *may* only need to file Federal IRS **Form 8843** by **June 15, 2015**:

Form 8843: www.irs.gov/pub/irs-pdf/f8843.pdf (instructions included in the form)

If your employer withheld money from your paycheck for taxes, you can file IRS Form 1040NR or Form 1040NR-EZ in addition to Form 8843 if you want to receive a refund.

If you EARNED U.S. income in the amount of \$3,950.00 USD or more or if you received any amount of U.S. sourced scholarships, fellowships, prizes, awards, or dividends in 2014...

1. Federal Government (IRS)

You are required to file the federal **Form 1040NR-EZ** or **Form 1040NR** (additional information below) if you received a salary or wages in the amount of \$3,950 or more, or any amount of scholarships, fellowships, prizes, awards or dividends. You are also required to attach **Form 8843** with your 1040NR or 1040-EZ by **April 15, 2015**. (See the link above to access Form 8843.)

Use **Form 1040NR-EZ** *instead of* **Form 1040NR** if ALL of the following statements are true:

- No dependents are claimed
- The taxpayer cannot be claimed as a dependent on another U.S. tax return
- No exemption is claimed for a spouse
- Taxable income is under \$100,000

- The only itemized deduction is state and local income tax. Residents of India who were students may have an exception.
- The only sources of income were wages, salaries, tips, taxable refunds of state and local income taxes, scholarships or fellowship grants, and nontaxable interest or dividends. (If you had taxable interest or dividend income, you cannot use this form).
- The only adjustment to income is the student loan interest deduction or scholarship exclusion
- No tax credits are claimed
- This is not an “expatriation return.”
- The only taxes owed are income tax, social security and Medicare tax from Form 4137 or Form 8919.
- You are not claiming a credit for excess social security and tier 1 RRTA tax with-held.

Links to **Form 1040NR-EZ** and **Form 1040NR** and their instructions are included on the next page.

2. State of Wisconsin

You are also required to file the Wisconsin **Form 1NPR** if your Wisconsin gross income (or the combined gross income of you and your spouse) for 2014 is \$2000 or more. Even if you made less than \$2000, it is possible that Wisconsin income tax was withheld from your wages or you paid an estimated tax. The only way to get a refund on that money is to file the Wisconsin return. (See link below to access Form 1NPR.)

Social Security and Medicare Taxes for Nonresident Alien Students (F-1 students who have resided in the U.S. for less than 5 years, and J-1 Exchange Visitors who have resided within the U.S. less than two calendar years):

Nonresident Alien students, scholars, professors, researchers, and other aliens temporarily present in the United States in F-1 and J-1 status are exempt from Social Security and Medicare taxes on wages paid to them for services performed within the U.S. as long as such services are allowed by USCIS for these nonimmigrant statuses, and such services are performed to carry out the purposes for which such visas were issued to them.

- Exempt Employment includes:
 - On-campus student employment up to 20 hours a week (40 hours during summer vacations).
 - Off-campus student employment allowed by USCIS.
 - Practical Training student employment on or off campus.
 - Employment as professor, teacher or researcher.
- Limitations on exemption:
 - The exemption does not apply to spouses and children in F-2 or J-2 status.
 - The exemption does not apply to employment not allowed by USCIS or to employment not closely connected to the purpose for which the visa was issued.
 - The exemption does not apply to F-1 and J-1 nonimmigrants who change to an immigration status which is not exempt or to a special protected status.
 - The exemption does not apply to F-1 or J-1 nonimmigrants who become resident aliens.

Individual Taxpayer Identification Numbers

You may need an Individual Taxpayer Identification Number known as an ITIN if you had U.S. source income in 2014 but are not eligible for a social security number.

Your spouse and/or dependents may need ITIN(s) if you had U.S. source income in 2014 and your country has a tax treaty that allows you to include your spouse and/or dependents on your tax form.

If you or one of your dependents needs to apply for an ITIN, contact Sara Friar for assistance. For more information about ITINs: <http://studyinthestates.dhs.gov/schools/itin>

U.S. Tax Treaties with Other Countries

The U.S. has income tax treaties with some countries. These treaties might mean that citizens of a particular country have reduced tax rates or possibly complete exemption from U.S. income tax. See link below for a list of countries who have income tax treaties with the U.S. and for more information on this topic.

U.S. Income Tax Treaties: <http://www.irs.gov/Businesses/International-Businesses/United-States-Income-Tax-Treaties---A-to-Z>

*Note: Income that is exempt under a tax treaty for federal income tax purposes is also exempt for Wisconsin tax purposes.

Links to Resources and Forms

IRS – Federal Forms and Instructions:

Form 1040NR-EZ: www.irs.gov/pub/irs-pdf/f1040nre.pdf

Form 1040NR-EZ—Instructions: www.irs.gov/pub/irs-pdf/i1040nre.pdf

Form 1040NR: www.irs.gov/pub/irs-pdf/f1040nr.pdf

Form 1040NR—Instructions: www.irs.gov/pub/irs-pdf/i1040nr.pdf

Form 8843: www.irs.gov/pub/irs-pdf/f8843.pdf (instructions included in the form)

IRS – Federal Publications:

Pub 515 – Withholding of Tax on Non-Resident Aliens: <http://www.irs.gov/pub/irs-pdf/p515.pdf>

Pub 519 – US Tax Guide for Aliens: www.irs.gov/pub/irs-pdf/p519.pdf

Pub 901 – US Tax Treaties: <http://www.irs.gov/pub/irs-pdf/p901.pdf>

IRS – Federal Website: www.irs.gov

IRS –Foreign Students & Scholars page:

www.irs.gov/businesses/small/international/article/0,,id=96431,00.html

IRS – Foreign Student Tax Course: www.irs.gov/app/vita/foreign_student.jsp

Wisconsin Forms and Instructions:

Form 1NPR: <http://www.revenue.wi.gov/forms/2014/Form1NPR.pdf>

Form 1NPR—Instructions: http://www.revenue.wi.gov/forms/2014/Form1NPR_inst.pdf

Wisconsin State Department of Revenue Website: www.revenue.wi.gov

Wisconsin Publication 122: Tax Information for Part-Year Residents and Non-Residents of Wisconsin for 2014: <http://www.revenue.wi.gov/pubs/pb122.pdf>

Local IRS and WI Department of Revenue Offices:

IRS –Madison office: - for assistance on Federal filing requirements

1242 Fourier Drive, Madison, WI 53717
 Open for tax payer assistance from 8:30am-12:00pm and 1:00-4:30pm, Monday – Friday.
 Phone: 608-829-5827
 IRS - Assistance (toll free) 1-800-829-1040
 IRS - Forms (toll free) 1-800-829-3676

IRS –Milwaukee office: - for assistance on Federal filing requirements

211 W. Wisconsin Ave. Milwaukee, WI 53203
 Open for tax payer assistance from 8:30am - 4:30pm, Monday – Friday.
 Phone: 414-231-2100
 Services can be found at: <http://www.irs.gov/uac/Services-Provided-ONE>

Wisconsin State Department of Revenue - for assistance on State of WI filing requirements

2135 Rimrock Rd., Madison, WI 53713
 **Offer a walk-in service to assist in completing the WI State tax return. Walk in the building and go left to the customer service desk. *Please bring your completed federal tax return forms with you.*
 Hours: 8:00am-4:30pm Monday through Friday
 Phone: 608-266-6466
 Services Contact: <http://www.revenue.wi.gov/contactus/customerservice.html>
 Email: <https://ww2.revenue.wi.gov/Internet/dorhelp.html?subject=income>

Volunteer Income Tax Assistance Program (VITA)—Sites in Madison:

**This is a free service intended to provide income tax assistance to low-income individuals, handicapped or elderly. Volunteers trained by the Internal Revenue Service and the Wisconsin Department of Revenue prepare basic income tax returns for free. Most VITA sites offer free electronic filing. Volunteers at these sites may or may not have experience filing forms 1040NR or 1NPR. Please call ahead to ensure an appointment with a qualified volunteer. VITA sites are listed below and additional resources can be found online at: <http://www.madisonpubliclibrary.org/special-series/tax-assistance> .

<p>The Villager Mall Financial Education Center <i>Richard Dilley Tax Center</i> 2300 S. Park St., Lower Level Madison, WI (608) 261-5077</p>	<p>Open January 28-April 15, 2015 <i>No appointment required</i> Monday, Wednesday 12:00-6:00 p.m. Saturday: 9:00-3:00 p.m.</p>
<p>Central Library 201 Mifflin St. Madison, WI 53701 (608) 266-6350 <i>Edgewood Business students volunteer at this location</i> <i>Saturday mornings.</i></p>	<p>Open February 7, 14, 28. March 14, 28. April 4, 2015 <i>Appointment required. from 9:00 a.m. to 1:00 p.m.</i></p>
<p>MATC-Downtown (Student Center) 700 W. State St. , Milwaukee, WI (414) 297-8417</p>	<p>Open January 31-April 15, 2015 <i>First come, first served</i> Tuesdays from 6:00-7:30 p.m. Saturdays from 10:00 a.m.-1:30 p.m.</p>

Frequently Asked Questions:

Question 1: I received documents in the mail marked “IMPORTANT TAX INFORMATION.” What should I do with these documents?

Answer: When you receive such documents, do NOT throw them away. Keep them! You will need these documents to file your annual income tax return. The following are some of the forms you may receive (this is not an exhaustive list):

- **W-2:** If you had income earned in the U.S. last year, you should receive a W-2 from each employer. (Edgewood will have your W-2 form available in the middle of January for pick-up in the Business Office. If you don't pick it up, they will mail it at the end of January to your permanent address on file at Edgewood.)
- **1099-MISC:** If you had income earned in the U.S. last year, you may receive a 1099-MISC from your employer instead of a W-2.
- **1098T:** If you are filing as a Non-Resident you can IGNORE the 1098-T Form since you are not eligible for any of the educational tax credits. For more information, review IRS Publication 970: <http://www.irs.gov/pub/irs-pdf/p970.pdf>.
- **1042-S:** If you received U.S. income last year and you are from a country that has a tax treaty with the U.S. and you filed for tax treaty benefits, or you received compensation classified as Income Code 15, you should receive a 1042-S statement.
- **1099-INT:** If you have an interest bearing checking or savings account and your banking institution did not know you were a non-resident last year, you should receive Form 1099-INT showing total interest earned on your account last year.

Question 2: I had investment income (stocks, mutual funds, bonds or real estate) last year. How can I find out my tax liability?

Answer: You may want to seek help from a professional tax preparer. A comprehensive list of paid tax preparers can be found in the Madison phone directory Yellow Pages under “Tax Return Preparation.” Example: www.yellowbook.com and search “Tax Preparation.” You can also learn more about “Income of Foreign Students and Scholars” online at <http://www.irs.gov/Individuals/International-Taxpayers/Foreign-Students-and-Scholars>

NOTE: It is important that you make photocopies of all completed forms before you file them!

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