

Tax Filing Information for International Students

26-February-2015

University of Scranton

Introduction

- All international students and their dependents are required to file at least one tax form for every year they are in the US. Tax forms for 2014 are due April 15, 2015. The following topics are covered in this presentation:

Introduction (cont'd)

- Federal tax obligation: who must file
- Tax forms that you receive
- Federal tax obligation
- State tax information
- Local (Scranton) tax information
- Other important Information
 - Tax treaties
 - W-2 and/or 1042-S forms from UofS, employer(s)
 - Social security and FICA withholding
 - Where to file
 - Visa Number for Federal Form 8843
 - Hiring a Tax Preparer/Accountant

Federal tax obligation: who must file

- All international students and their dependents are required to file at least one tax form for every year they are present in the US regardless of whether or not they earned any money.
- This does NOT NECESSARILY mean you have to pay taxes. However, you DO need to complete and submit the forms.
- NON-RESIDENT tax forms and instructions can be downloaded from the federal, state and local websites.

Tax forms that you receive

- In January 2015, you received important tax forms in the mail from the University, your employer, your bank, etc. You will need to use these forms in order to complete your tax filings.
- Common forms you may receive are:
- W-2 (Wage and Tax Statement) from your employer (if any) which summarizes your earnings in 2014 and taxes which were withheld from your pay.
- 1099 Forms:
 - 1099-INT (Interest Income) form from your bank outlines earned interest (if any.)
 - 1099-DIV outlines dividend interest on investments (if any.)
 - 1099-MISC outlines miscellaneous income and is used for reporting income earned as an independent contractor (not an employee), as well as other earnings such as fees, commissions, rents, or royalties.
- 1042-S (received in March) shows wages received which are covered by a tax treaty, or amounts received for a non-qualified scholarship.

Federal tax obligation: Resident vs non-resident

- To know which federal tax forms to use, you must first determine whether you are a resident or non-resident for tax purposes. While this information can assist you, you also NEED to read the 1040NR (1040NR-EZ) instruction booklets.
- Also, it is important to understand that the tax definitions of "resident" and "non-resident" are not the same as the immigration definition of this term.
 - If 2014 was the 6th calendar year (or 7th, 8th...) that you were present in the US (i.e., you are a student and you entered the US **before** 12/31/2009), you are probably a "resident for tax purposes" and will need to complete a 1040 or 1040EZ RESIDENT tax form.
 - If you have been present in the US for fewer than 5 calendar years (i.e., you entered the US on or after 1/1/2010) you are probably a "NON-RESIDENT" FOR TAX PURPOSES in which case you MUST FILE AT LEAST THE 8843 FORM.
- If you are considered a RESIDENT for tax purposes, you may be eligible for claiming the American Opportunity or Lifetime Learning Credit.

Federal tax obligation: Resident vs non-resident

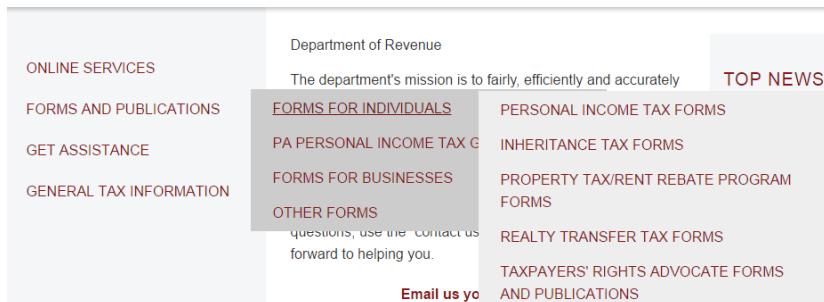
- IF YOU ARE A "NON-RESIDENT FOR TAX PURPOSES," COMPLETE FORMS:
- 8843 (you and your dependents)
 - Your visa number is requested on Form 8843 – your visa is found in your passport on the page with the US entry visa stamp from the US Consulate abroad.
- Students who DID NOT earn any US source income or those whose only income was bank interest only need to file form 8843. All F-2 and J-2 dependents MUST ALSO file this form.
- 1040NR-EZ or 1040NR (for non-resident students with US income)
- Students with US source income (stipends, fellowships or salary) MUST have W-2 or 1042-S forms from Payroll before you can complete the tax forms.

Federal tax obligation: Resident vs non-resident

- The following federal tax forms can be downloaded from
www.irs.gov
- Form 8843
- Form 1040NR-EZ - US Income Tax Return for Nonresidents with no Dependents
- Instructions for form 1040NR-EZ
- Form 1040NR - US Nonresident Alien Income Tax Return
- Instructions for Form 1040NR
 - Helpful section “Line 12—Scholarship and fellowship grants” @
<http://www.irs.gov/instructions/i1040nr/ch02.html>
- Publication 901 - US Tax Treaties
- Publication 519 - US Tax Guide for Aliens

State tax Information

- PA State tax forms may be downloaded from
<http://www.revenue.state.pa.us>
- Click on “Forms and Publications”, then “Forms for Individuals”, then “Personal Income Tax” PA-40 (2014) and PA-40 Tax Return Instructions (2014)



The screenshot shows the official website of the Pennsylvania Department of Revenue. The header includes the department's name and mission statement: "The department's mission is to fairly, efficiently and accurately administer the Commonwealth's taxation laws and regulations." On the left, there are links for "ONLINE SERVICES", "FORMS AND PUBLICATIONS", "GET ASSISTANCE", and "GENERAL TAX INFORMATION". The right side features a "TOP NEWS" section with links to "PERSONAL INCOME TAX FORMS", "INHERITANCE TAX FORMS", "PROPERTY TAX/RENT REBATE PROGRAM FORMS", "REALTY TRANSFER TAX FORMS", and "TAXPAYERS' RIGHTS ADVOCATE FORMS AND PUBLICATIONS". A central column contains links for "FORMS FOR INDIVIDUALS", "PA PERSONAL INCOME TAX GUIDE", "FORMS FOR BUSINESSES", and "OTHER FORMS". Below these is a note: "questions, use the contact us form forward to helping you." At the bottom of the page, there is an "Email us yo" button.

 [PA-40 -- 2014 Pennsylvania Income Tax Return](#)

 [PA-40IN -- 2014 Pennsylvania Personal Income Tax Return Instructions](#)

- You may be able to file PA tax forms online. Information about online filing can be found at <https://padirectfile.state.pa.us/authentication.asp>
- There is only one Pennsylvania State tax form. Read the instructions to determine if you need to file. Generally, you will need to file if:
 - You received total PA gross taxable income in excess of \$33 during 2014, even if no tax is due with your PA return; and/or
 - You incurred a loss from any transaction as an individual, sole proprietor, partner in a partnership or PA S corporation shareholder.

State tax Information

- Also, if state tax was withheld from your pay, you file these forms. If you have earned income, you will probably need to file state and city tax forms.
- For PA state tax information, you may call (888) 728-2937 to order a form or listen to automated responses to common questions, or visit www.revenue.state.pa.us.
- For more information, read PA publications, such as:
- REV-611 “Determining Residency for PA Personal Income Tax Purposes”
- REV-758 “Personal Income Taxes For College Students”
- If you worked in another state in 2014, you will probably have to file a tax return for that state also. Check for forms and information from that state’s revenue department. Here is a website that can help you: www.taxadmin.org/fta/link/

Local (Scranton) tax Information

- Obtain the Individual Earned Income Tax form.
- From the Berkheimer website, <http://www.hab-inc.com> , choose “Tax Forms” -> “Forms for Individuals” - > “TAXPAYER ANNUAL LOCAL EARNED INCOME TAX RETURN” (download as a .PDF file).
- Read the instructions to determine if you need to file.
 - Those with no US income generally do not need to file this form.
 - If city (local) tax was withheld from your pay, you will file this form.
 - If you have earned income (other than a stipend), you will probably need to file state and city tax forms.
- If you worked in another city in 2014, you may have to file a tax return for that city as well.

Other Important Information

- Tax Treaties. There are tax treaties between the US and some foreign countries. This may mean that you can earn a certain amount of money without having to pay tax if your country has a treaty with the US. For more information about these treaties, read IRS Publication 901 (www.irs.gov).
 - When you look at Publication 901, be SURE to go to the relevant section for “Students and apprentices.” You need to complete an 8233 form at Payroll in order to benefit from these treaties in advance (i.e., keep the money from being withheld from your pay), and you must complete a new form each year in order to continue to benefit.

Other Important Information (cont'd)

- W-2 forms from employer(s) and 1042-S from UofS.
 - If you earned money in the US each employer must send you a W-2 form (or in the case of scholarships or treaty-exempted income a 1042-S.) When you complete your tax returns/forms, you must attach the correct section of these original documents to your tax forms (for both federal and state tax returns). Maintain a copy for your records. **DO NOT SEND IN YOUR TAX RETURNS WITHOUT ATTACHING THESE ORIGINAL DOCUMENTS!!**
 - If you e-file you will not need to send your original documents.

Other Important Information (cont'd)

- Social Security and FICA Withholding.
 - If you are a international student in F-1 or J-1 status and you are a non-resident for tax purposes, you are exempt from social security taxes (including Medicare tax.)
 - If your employer has withheld social security taxes from you (check on your pay stub and the W-2 form), you should ask the employer to refund the taxes to you. If the employer can not, you can apply for a refund from the Internal Revenue Service (IRS.) This process, which is separate from the annual tax filing requirement, can take up to 6 months through the IRS

Other Important Information (cont'd)

- Where to File? You will mail your federal, state and local tax returns to different US addresses. All tax forms (completed returns, W-2s and one or more 1042-S forms) are to be mailed together to the addresses listed in the instruction booklets. The correct address for each filing is listed under the section entitled "Where to File" in the instruction booklets.
- <https://padirectfile.state.pa.us/>

Other Important Information (cont'd)

- Hiring a Tax Preparer/Accountant.
 - If you want to hire a tax preparer, you can contact one of the commercial tax accounting firms listed online or in a local telephone directory
 - If you are a non-resident (for tax purposes) make sure you hire a preparer or accountant who has experience with foreign taxes

Other Important Information (cont'd)

- Use FreeFile on the IRS website or purchase commercial tax preparation software (TurboTax, TaxACT).
- Call the IRS Taxpayer assistance number with specific questions
 - 1-800-829-1040 or 215-516-2000 or visit their website at www.irs.gov.
 - IRS Taxpayer Assistance Centers (TACs) are your source for personal tax help when you believe your tax issue cannot be handled online or by phone.

Scranton	409 Lackawanna Ave. Scranton, PA 18503	Monday-Friday - 8:30 a.m.- 4:30 p.m. Services Provided	(570) 961-2493
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Questions and Notes

- Please let me know if you have any questions
- The University Finance/Payroll departments cannot offer tax advice
- Announcement for VITA tax service:
<http://www.scranton.edu/news/royalnews/releases/2015/01/28/vita-program.shtml>
- Source used/excerpted in this presentation:
 - [Tax Filing Information for International Students](#), Office of International Education, Carnegie Mellon University.