

Income Taxes for International Student Office Advisors: Key Concepts & Facts

PRESENTED BY

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Why File an Income Tax Return?

It is the law.

Compliance with US Visa requirements

If you earned more than a minimum amount of Income

To report certain foreign assets if you are a Resident tax payer.

Get a refund of withheld taxes

Pay additional taxes if they are owed.

WHICH US TAX FORM DO I FILE?

- RESIDENT:
 - US CITIZEN
 - GREEN CARD,
 - Resident under Substantial Presence Test (Generally)
 - J-1 HERE IN 3 OR MORE CALENDAR YEARS (IN LAST 6 YEARS).
 - F-1 HERE MORE THAN 5 YEARS.
 - FILES FORM 1040, 1040A (NO GOOD FOR TREATY EXEMPTIONS) OR 1040EZ (ONLY WAGES, NO TREATY)

- NONRESIDENT:
 - Teacher of Trainee in US 2 or Less Calendar years (in the past 6)
 - Student here in 5 or less calendar Years.
 - FILES 1040 NR-EZ (ONLY WAGES & SCHOLARSHIP INCOME) OR 1040NR (ALL TYPES OF INCOME)

Department of the Treasury
Internal Revenue Service

Information about Form 1040NR-EZ and its instructions is at www.irs.gov/form1040nrez.

Please print or type. See separate instructions.

Your first name and initial _____ Last name _____ Identifying number (see instructions) _____

Present home address (number, street, and apt. no., or rural route). If you have a P.O. box, see instructions. _____

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). _____

Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____

Filing Status
Check only one box.

1 Single nonresident alien **2** Married nonresident alien

Attach Form(s) W-2 or 1042-S here. Also attach Form(s) 1099-R if tax was withheld.

3	Wages, salaries, tips, etc. Attach Form(s) W-2	3	
4	Taxable refunds, credits, or offsets of state and local income taxes	4	
5	Scholarship and fellowship grants. Attach Form(s) 1042-S or required statement.	5	
6	Total income exempt by a treaty from page 2, item J(1)(e)	6	
7	Add lines 3, 4, and 5	7	
8	Scholarship and fellowship grants excluded	8	
9	Student loan interest deduction	9	
10	Subtract the sum of line 8 and line 9 from line 7. This is your adjusted gross income	10	
11	Itemized deductions (see instructions)	11	
12	Subtract line 11 from line 10	12	
13	Exemption (see instructions)	13	
14	Taxable income. Subtract line 13 from line 12. If line 13 is more than line 12, enter -0-	14	
15	Tax. Find your tax in the tax table in the instructions	15	
16	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	16	
17	Add lines 15 and 16. This is your total tax	17	
18a	Federal income tax withheld from Form(s) W-2 and 1099-R	18a	
18b	Federal income tax withheld from Form(s) 1042-S	18b	
19	2014 estimated tax payments and amount applied from 2013 return	19	
20	Credit for amount paid with Form 1040-C	20	
21	Add lines 18a through 20. These are your total payments	21	

Refund

22 If line 21 is more than line 17, subtract line 17 from line 21. This is the amount you **overpaid** **22**

23a Amount of line 22 you want **refunded to you**. If Form 8888 is attached, check here **23a**

b Routing number _____ **c** Type: Checking Savings

d Account number _____

e If you want your refund check mailed to an address outside the United States not shown above, enter that address here: _____

24 Amount of line 22 you want **applied to your 2013 estimated tax** **24**

Amount You Owe

25 **Amount you owe.** Subtract line 21 from line 17. For details on how to pay, see instructions **25**

26 Estimated tax penalty (see instructions) **26**

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. No

Designee's name _____ Phone no. _____ Personal identification number (PIN) _____

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of U.S. source income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation in the United States _____

If the IRS sent you an Identity Protection PIN, enter it here (see inst.) _____

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed

Firm's name _____ Firm's EIN _____

Firm's address _____ Phone no. _____

Schedule OI- Other Information (see instructions)
Answer all questions

A Of what country or countries were you a citizen or national during the tax year?

B In what country did you claim residence for tax purposes during the tax year?

C Have you ever applied to be a green card holder (lawful permanent resident) of the United States? **Yes** **No**

D Were you ever:
1. A U.S. citizen? **Yes** **No**
2. A green card holder (lawful permanent resident) of the United States? **Yes** **No**
 If you answer "Yes" to (1) or (2), see Pub. 519, chapter 4, for expatriation rules that may apply to you.

E If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year.

F Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? **Yes** **No**
 If you answered "Yes," indicate the date and nature of the change. ▶

G List all dates you entered and left the United States during 2014 (see instructions).
Note. If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, **check the box for Canada or Mexico** and skip to item H **Canada** **Mexico**

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

H Give number of days (including vacation, nonworkdays, and partial days) you were present in the United States during:
 2012, 2013, and 2014

I Did you file a U.S. income tax return for any prior year? **Yes** **No**
 If "Yes," give the latest year and form number you filed ▶

J Income Exempt from Tax—if you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) and (2) below. See Pub. 901 for more information on tax treaties.

1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required (see instructions).

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

(e) Total. Enter this amount on Form 1040NR-EZ, line 6. Do not enter it on line 3 or line 5

2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? **Yes** **No**

FILING THRESHOLDS – 2014 tax year

- RESIDENT = \$10,150 (Generally) Composed of
 - Personal exemption of \$3,950 +
 - Standard Deduction of \$6,200
- NONRESIDENT =
 - \$3,950 (Generally) for effectively connected income. (No Standard Deduction)
 - \$1 for not effectively connected income. (passive US source income)
 - Unless correct withholding already paid
- Note: If taxpayer is eligible for tax treaty, a tax return must be filed to claim the benefits of the treaty.
- **DEPENDENTS**
 - RESIDENT: CAN CLAIM DEPENDENTS ON TAX RETURN
 - NONRESIDENTS : CANNOT CLAIM DEPENDENTS ON TAX RETURN EXCEPT FOR RESIDENTS OF
 - *CANADA,
 - *MEXICO
 - *REPUBLIC OF KOREA, AND
 - *INDIA, and then,
 - SPECIFIC CONDITIONS MUST BE MET. EACH DEPENDENT MUST HAVE EITHER A SOCIAL SECURITY NUMBER OR AN ITIN.

Residents For Tax Purposes

- Foreigners reporting income like US Citizens
- Benefit of Standard Deduction
- Benefit from Education Credits
- Benefit from Earned Income Credit
- Report to IRS all Worldwide Income
- Report Foreign Bank Accounts if >\$10000
- Report Foreign Financial Assets over higher thresholds.

Common Misconceptions

- Eligibility for Treaty Benefits exempts one from Filing a Tax Return
- Nonresident aliens are eligible for Education Credits
- Nonresident aliens are eligible for the Earned Income Credit
- Nonresident aliens can use Turbo Tax, H & R Block online, Taxslayer, etc
- It is ok not to file the 8843.
- Definition of word “Resident”
 - Immigration definition
 - US Income Tax Definition
 - Tuition purposes definition
 - English language definition
 - States often use “domicile” definition

State Income Tax Filing Concepts

- Are you a Resident or nonresident for State Tax purposes?
 - Define resident
- Does State Allow US Treaty Benefits
 - No – California, Pennsylvania
 - Yes – New York, Oklahoma, Oregon, S. Carolina
 - No State Income Taxes – Texas, Washington
- Other tax differences between US & State
 - State tax refund from last year – is this taxable income?
 - May be taxed by US
 - Generally not taxed by issuing state
- Filing threshold: How much do you need to earn to have a filing requirement? (Subject to many variations – i.e. filing status, resident vs nonresident of state, type of income, age, blind)
 - What income is included in the threshold?
 - May want to file anyway to get a refund of withheld state income tax.
- Filing Status
 - Follows Federal, or,
 - Does not follow Federal
- Does your state even have an Income Tax?
 - TX, WA, and a few others – no.

Form **1042-S**Department of the Treasury
Internal Revenue Service**Foreign Person's U.S. Source Income Subject to Withholding**▶ Information about Form 1042-S and its separate instructions is at www.irs.gov/form1042.**2014**

OMB No. 1545-0096

Copy C for Recipient

Attach to any Federal tax return you file

 AMENDED **PRO-RATA BASIS REPORTING**

1 Income code	2 Gross income	3 Chap. 3: <input type="checkbox"/>	4 Chap. 4: <input type="checkbox"/>	5 Withholding allowance		
		3a Exemption code	4a Exemption code	6 Net income		Check if tax not deposited under escrow procedure <input type="checkbox"/>
		3b Tax rate	4b Tax rate	7 Federal tax withheld		
8 Tax withheld by other agents				9 Tax assumed by withholding agent		
10 Total withholding credit				11 Amount repaid to recipient		
12a Withholding agent's EIN		12b Ch. 3 status code	12c Ch. 4 status code	14e Primary Withholding Agent's Name (if applicable)		
13a Withholding agent's name				14f Primary Withholding Agent's EIN		
13b Withholding agent's Global Intermediary Identification Number (GIIN)				15a Intermediary or flow-through entity's EIN, if any	15b Ch. 3 status code	15c Ch. 4 status code
13c Country code				13d Foreign taxpayer identification number, if any		
13e Address (number and street)				16a Intermediary or flow-through entity's name		
13f City or town, state or province, country, ZIP or foreign postal code				16b Intermediary or flow-through entity's GIIN		
13g Recipient's U.S. TIN, if any				16c Country code	16d Foreign tax identification number, if any	
13h Ch. 3 status code				16e Address (number and street)		
13i Ch. 4 status code				16f City or town, state or province, country, ZIP or foreign postal code		
14a Recipient's name				14b Recipient's country code		17 Recipient's GIIN
14c Address (number and street)				19 Recipient's account number		18 Recipient's foreign tax identification number, if any
14d City or town, state or province, country, ZIP or foreign postal code				20 Recipient's date of birth		
21 Payer's name				22 Payer's TIN		23 Payer's GIIN
24 State income tax withheld				25 Payer's state tax no.		26 Name of state

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11386R

Form **1042-S** (2014)

Explanation of Codes

Box 1. Income code.

Code	Types of Income
01	Interest paid by U.S. obligors—general
02	Interest paid on real property mortgages
03	Interest paid to controlling foreign corporations
04	Interest paid by foreign corporations
05	Interest on tax-free covenant bonds
29	Deposit interest
30	Original issue discount (OID)
31	Short-term OID
33	Substitute payment—interest
06	Dividends paid by U.S. corporations—general
07	Dividends qualifying for direct dividend rate
08	Dividends paid by foreign corporations
34	Substitute payment—dividends
40	Other U.S. source dividend equivalents under IRC section 871(m) (formerly 871(l))
09	Capital gains
10	Industrial royalties
11	Motion picture or television copyright royalties
12	Other royalties (for example, copyright, recording, publishing)
13	Real property income and natural resources royalties
14	Pensions, annuities, alimony, and/or insurance premiums
15	Scholarship or fellowship grants
16	Compensation for independent personal services ¹
17	Compensation for dependent personal services ¹
18	Compensation for teaching ¹
19	Compensation during studying and training ¹
24	Real estate investment trust (REIT) distributions of capital gains
25	Trust distributions subject to IRC section 1445
26	Unsevered growing crops and timber distributions by a trust subject to IRC section 1445
27	Publicly traded partnership distributions subject to IRC section 1446
28	Gambling winnings ²
32	Notional principal contract income ³
35	Substitute payment—other
36	Capital gains distributions
37	Return of capital
38	Eligible deferred compensation items subject to IRC section 877A(d)(1)
39	Distributions from a nongrantor trust subject to IRC section 877A(f)(1)
41	Guarantee of indebtedness
42	Earnings as an artist or athlete—no central withholding agreement ⁴
43	Earnings as an artist or athlete—central withholding agreement ⁴
50	Other income

See back of Copy D for additional codes

¹ If compensation that otherwise would be covered under Income Codes 16 through 19 is directly attributable to the recipient's occupation as an artist or athlete, use Income Code 42 or 43 instead.

² Subject to 30% withholding rate unless the recipient is from one of the treaty countries listed under *Gambling winnings* (Income Code 28) in Pub. 515.

³ Use appropriate Interest Income Code for embedded interest in a notional principal contract.

⁴ If Income Code 42 or 43 is used, Recipient Code 09 (artist or athlete) should be used instead of Recipient Code 01 (individual), 02 (corporation), or 03 (partnership other than withholding foreign partnership).

Treaty Benefits

- Exempt income for foreigners
- 65+ Countries with the USA
- Scholarship and Fellowship Grants
- Teachers & Researchers
- Studying & Training
- India
- China
- Canada

Table 1 Countries With Treaty Benefits for Scholarship or Fellowship Grants (Income Code 15)

<i>Country</i>	<i>Maximum years in U.S.</i>	<i>Maximum Dollar Amounts</i>	<i>Treaty article</i>
Bangladesh	2	No Limit	21(2)
China, People's Republic of	No limit	No Limit	20(b)
Commonwealth of Independent States*	5	Limited†	VI(1)
Cyprus	5	No Limit	21(1)
Czech Republic	5	No Limit	21(1)
Egypt	5	No Limit	23(1)
Estonia	5	No Limit	20(1)
France	5	No Limit	21(1)
Germany	No limit	No Limit	20(3)
Iceland	5	No Limit	19(1)
Indonesia	5	No Limit	19(1)
Israel	5	No Limit	24(1)
Kazakhstan	5	No Limit	19
Korea, South	5	No Limit	21(1)
Latvia	5	No Limit	20(1)
Lithuania	5	No Limit	20(1)
Morocco	5	No Limit	18
Netherlands	3	No Limit	22(2)
Norway	5	No Limit	16(1)
Pakistan	No limit	No Limit	XIII(1)
Philippines	5	No Limit	22(1)
Poland	5	No Limit	18(1)
Portugal	5	No Limit	23(1)
Romania	5	No Limit	20(1)
Russia	5	No Limit	18
Slovak Republic	5	No Limit	21(1)
Slovenia	5	No Limit	20(1)
Spain	5	No Limit	22(1)
Thailand	5	No Limit	22(1)
Trinidad and Tobago	5	No Limit	19(1)
Tunisia	5	No Limit	20
Ukraine	5	No Limit	20
Venezuela	5	No Limit	21(1)

* Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan)

† The annual income limit under the tax treaty with the C.I.S. is less than \$10,000 if that amount is spent for the purposes for which the person is in the United States.

Table 2 Countries With Treaty Benefits for Teaching or Research (Income Code 18)

<i>Country</i>	<i>Maximum years in U.S.</i>	<i>Maximum Dollar Amounts</i>	<i>Treaty article</i>
Bangladesh	2	No Limit	21(1)
Belgium	2	No Limit	19(2)
Bulgaria	2	No Limit	19(2)
China, People's Republic of	3	No Limit	19
Commonwealth of Independent States*	2	No Limit	VI(1)
Czech Republic	2	No Limit	21(5)
Egypt	2	No Limit	22
France	2	No Limit	20
Germany	2	No Limit	20(1)
Greece	3	No Limit	XII
Hungary	2	No Limit	17
India	2	No Limit	22
Indonesia	2	No Limit	20
Israel	2	No Limit	23
Italy	2	No Limit	20
Jamaica	2	No Limit	22
Japan	2	No Limit	20
Korea, South	2	No Limit	20
Luxembourg	2	No Limit	21(2)
Netherlands	2	No Limit	21(1)
Norway	2	No Limit	15
Pakistan	2	No Limit	XII
Philippines	2	No Limit	21
Poland	2	No Limit	17
Portugal	2	No Limit	22
Romania	2	No Limit	19
Slovak Republic	2	No Limit	21(5)
Slovenia	2	No Limit	20(3)
Thailand	2	No Limit	23
Trinidad and Tobago	2	No Limit	18
Turkey	2	No Limit	20(2)
United Kingdom	2	No Limit	20(A)
Venezuela	2	No Limit	21(3)

* Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan)

Table 3 Countries With Treaty Benefits for Studying and Training (Income Code 19)

<i>Country</i>	<i>Maximum years in U.S.</i>	<i>Maximum Dollar Amounts</i>	<i>Treaty article</i>
Bangladesh	2	\$8,000	21(2)
Belgium	No limit	\$9,000	19(1)(b)
Bulgaria	No limit	\$9,000	19(1)(b)
China, People's Republic of	No limit	\$5,000	20 (c)
Cyprus	5	\$2,000	21(1)
Czech Republic	5	\$5,000	21(1)
Egypt	5	\$3,000	23(1)
Estonia	5	\$5,000	20(1)
France	5	\$5,000	21(1)
Germany	4	\$9,000	20(4)
Iceland	5	\$9,000	19(1)
Indonesia	5	\$2,000	19(1)
Israel	5	\$3,000	24(1)
Korea, South	5	\$2,000	21(1)
Latvia	5	\$5,000	20(1)
Lithuania	5	\$5,000	20(1)
Malta	No limit	\$9,000	20(2)
Morocco	5	\$2,000	18
Netherlands	No limit	\$2,000	22(1)
Norway	5	\$2,000	16(1)
Pakistan	No limit	\$5,000	XIII(1)
Philippines	5	\$3,000	22(1)
Poland	5	\$2,000	18(1)
Portugal	5	\$5,000	23(1)
Romania	5	\$2,000	20(1)
Slovak Republic	5	\$5,000	21(1)
Slovenia	5	\$5,000	20(1)
Spain	5	\$5,000	22(1)
Thailand	5	\$3,000	22(1)
Trinidad and Tobago	5	\$2,000	19(1)
Tunisia	5	\$4,000	20
Venezuela	5	\$5,000	21(1)

India Treaty

Article 21(2)

An Indian **student** may take a standard **deduction** equal to the amount allowable on Form 1040 and may be able to claim the personal exemptions for a nonworking spouse and U.S. born-children.

Treaty benefits for a **scholar** from India are very different from those for a **student**. The **scholar** benefit for income code 18 is lost retroactively if the visit exceeds 2 years.

The standard deduction for single taxpayers in 2014 is \$6,200. The deduction for married filing separately is \$6,200.

Nonresident aliens can't file a joint return. Even though a student from India may be able to take an exemption for a nonworking spouse, this is not considered a joint return. Thus, the standard deduction for married filing separately must be used. In determining their tax liability, they must use the tax tables or tax rate schedules for married filing separately.

China Treaty

Article 19, 20(c)

Almost all U.S. tax treaties are limited to a specific number of years and may not be available for residents for tax purposes.

The U.S. treaty with China provides that a scholar is exempt from tax on earned income for 3 years. After 2 years, a scholar will become a resident alien for tax purposes but is still entitled to 1 more year of tax benefits under the treaty. The treaty also provides that students have an exemption of up to \$5,000 per year for income earned while they are studying or training. In most cases, the student will become a resident for federal tax purposes in their sixth calendar year. Students from China can continue to claim the treaty benefits on their resident alien tax return (if they still meet the definition of a student).

Canada Treaty

Article 15

The students and scholars are permitted to use Article 15 of the tax treaty, which applies to dependent personal services.

The tax treaty with Canada is different from all other tax treaties because it (1) exempts all earned income if the nonresident earned not more than \$10,000 in the tax year, but (2) taxes all income if the nonresident earned more than \$10,000. This treaty benefit is lost if the nonresident becomes a resident for tax purposes.

Income Tax Preparation Options for Nonresident Alien Tax Returns

- Software
 - Windstar (Foreign National Tax Resource) w/ or without Live Webinar
 - Glacier
- Online software – does not support NRA tax forms
 - H & R Block at Home
 - TurboTax
 - Taxslayer
- Other options
 - VITA sites
 - Store fronts (H&R Block, Jackson Hewitt)
 - CPA (yours truly) via secure server
 - Self-prepared

Withheld Social Security and Medicare – How to get it back

- Contact Employer first (by email/mail better than verbal)
- Form 843
- Supplemental form 8316
- Publication 519 - Page 43 “Refund of Taxes Withheld in Error”

ITIN's – What do we do now?

- Discussion
- ITIN Policy Changes Summary for 2013 at <http://www.irs.gov/Individuals/ITIN-Policy-Change-Summary-for-2013>.
- Educational institutions follow SEVP approved process issued 10/2/2012
 - Sample of Certification Letter <http://www.irs.gov/uac/Newsroom/Sample-of-Certification-Letter>
 - Special Instructions for Student and Exchange Visitor Program (SEVP) Institutions [http://www.irs.gov/uac/Newsroom/Special-Instructions-for-Student-and-Exchange-Visitor-Program-\(SEVP\)-Institutions](http://www.irs.gov/uac/Newsroom/Special-Instructions-for-Student-and-Exchange-Visitor-Program-(SEVP)-Institutions)
 - IRS Clarifies Temporary ITIN Application Requirements for...and Many Foreign Students <http://www.irs.gov/uac/Newsroom/IRS-Clarifies-Temporary-ITIN-Application-Requirements-for-Noncitizens-with-Tax-Extensions-and-Many-Foreign-Students>
 - Nafsa Summary of Itin Procedures as of November 13, 2014. [http://www.nafsa.org/Find Resources/Supporting International Students And Scholars/ISS Issues/ITIN Procedures For Scholarship, Fellowship, and Grant Recipients/](http://www.nafsa.org/Find_Resources/Supporting_International_Students_And_Scholars/ISS_Issues/ITIN_Procedures_For_Scholarship,_Fellowship,_and_Grant_Recipients/)

**Application for IRS Individual
Taxpayer Identification Number**

► For use by individuals who are not U.S. citizens or permanent residents.
► See instructions.

OMB No. 1545-0074

An IRS individual taxpayer identification number (ITIN) is for federal tax purposes only.

Before you begin:

- Do not submit this form if you have, or are eligible to get, a U.S. social security number (SSN).
- Getting an ITIN does not change your immigration status or your right to work in the United States and does not make you eligible for the earned income credit.

FOR IRS USE ONLY				

Reason you are submitting Form W-7. Read the instructions for the box you check. **Caution:** If you check box **b, c, d, e, f, or g, you must file a tax return with Form W-7 unless you meet one of the exceptions** (see instructions).

- a** Nonresident alien required to get ITIN to claim tax treaty benefit
- b** Nonresident alien filing a U.S. tax return
- c** U.S. resident alien (based on days present in the United States) filing a U.S. tax return
- d** Dependent of U.S. citizen/resident alien } Enter name and SSN/ITIN of U.S. citizen/resident alien (see instructions) ►
- e** Spouse of U.S. citizen/resident alien }
- f** Nonresident alien student, professor, or researcher filing a U.S. tax return or claiming an exception
- g** Dependent/spouse of a nonresident alien holding a U.S. visa
- h** Other (see instructions) ►

Additional information for **a** and **f**: Enter treaty country ► and treaty article number ►

Name (see instructions) Name at birth if different . . . ►	1a First name	Middle name	Last name
	1b First name	Middle name	Last name

Applicant's mailing address

2 Street address, apartment number, or rural route number. If you have a P.O. box, see separate instructions.

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

Foreign (non-U.S.) address
(if different from above)
(see instructions)

3 Street address, apartment number, or rural route number. Do not use a P.O. box number.

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

Birth information

4 Date of birth (month / day / year) Country of birth City and state or province (optional) Male Female

Other information

6a Country(ies) of citizenship **6b** Foreign tax I.D. number (if any) **6c** Type of U.S. visa (if any), number, and expiration date

6d Identification document(s) submitted (see instructions) Passport Driver's license/State I.D.
 USCIS documentation Other

Issued by: No.: Exp. date: / / Date of entry into the United States (MM/DD/YYYY) / /

6e Have you previously received a Internal Revenue Service Number (IRSIN) or employer identification number (EIN)?
 No/Do not know. Skip line 6f.
 Yes. Complete line 6f. If more than one, list on a sheet and attach to this form (see instructions).

6f Enter: IRSIN or EIN ► and Name under which it was issued ►

6g Name of college/university or company (see instructions) City and state Length of stay

Sign Here

Under penalties of perjury, I (applicant/delegate/acceptance agent) declare that I have examined this application, including accompanying documentation and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I authorize the IRS to disclose to my acceptance agent returns or return information necessary to resolve matters regarding the assignment of my IRS individual taxpayer identification number (ITIN), including any previously assigned taxpayer identifying number.

Keep a copy for your records.	Signature of applicant (if delegate, see instructions)	Date (month / day / year)	Phone number
	Name of delegate, if applicable (type or print)	Delegate's relationship to applicant <input type="checkbox"/> Parent <input type="checkbox"/> Court-appointed guardian <input type="checkbox"/> Power of Attorney	
Acceptance Agent's Use ONLY	Signature	Date (month / day / year)	Phone Fax
	Name and title (type or print)	Name of company	EIN PTIN
			Office Code

HELP WITH ITIN APPLICATIONS

- For problems: contact Nancy Lanier at IRS Nancy.G.Lanier@irs.gov. Nancy is the Senior Program Analyst for the Taxpayer Advocate Service at the Austin Service Center. She is a “Subject Matter Expert” regarding ITINS.
- If ITIN not used on Federal Income tax return for five consecutive years, the ITIN will expire.
- Top twelve most common errors in SEVP-approved colleges submitted ITIN applications:
 - Tax return attached to ITIN application. If tax return attached, the application treated as though student applied themselves, in which case original docs need to be submitted.
 - All questions on W-7 not answered.
 - Student name on W-7 doesn't match passport exactly.
 - Not wording the Sevis Letter as per published “Sample of Certification Letter.”
 - Giving the Sevis letter to students to send in with application themselves.
 - Expired ID docs or passport copies with no signature.
 - Attaching notarized copies of documents to applications.
 - Not checking both boxes f & h for spouses and dependents of students
 - Putting a PO Box or In Care of Address in the foreign address field.
 - Not attaching a copy of the I-20 or DS-2019 for each student.
 - Telling students to go to a TAC office or CAA office
 - Not telling students to notify school when they receive a notice from the IRS.
- Options for verification of key documents at <http://www.irs.gov/Individuals/ITIN-Policy-Change-Summary-for-2013>
 - Taxpayer assistance centers
 - Tax Attaches
 - Low-Income Taxpayer Clinics
 - Vita Centers
 - Certifying Acceptance Agents

**Statement of Exempt Individuals and Individuals
With a Medical Condition****2014**For use by alien individuals only.
▶ Information about Form 8843 and its instructions is at www.irs.gov/form8843.Attachment
Sequence No. **102**Department of the Treasury
Internal Revenue ServiceFor the year January 1—December 31, 2014, or other tax year
beginning _____, 2014, and ending _____, 20_____.

Your first name and initial

Last name

Your U.S. taxpayer identification number, if any

**Fill in your
addresses only if
you are filing this
form by itself and
not with your tax
return**

Address in country of residence

Address in the United States

Part I General Information

- 1a** Type of U.S. visa (for example, F, J, M, Q, etc.) and date you entered the United States ▶ _____
- b** Current nonimmigrant status and date of change (see instructions) ▶ _____
- 2** Of what country were you a citizen during the tax year? _____
- 3a** What country issued you a passport? _____
- b** Enter your passport number ▶ _____
- 4a** Enter the actual number of days you were present in the United States during:
2014 _____ 2013 _____ 2012 _____
- b** Enter the number of days in 2014 you claim you can exclude for purposes of the substantial presence test ▶ _____

Part II Teachers and Trainees

- 5** For teachers, enter the name, address, and telephone number of the academic institution where you taught in 2014 ▶ _____
- 6** For trainees, enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2014 ▶ _____
- 7** Enter the type of U.S. visa (J or Q) you held during: ▶ 2008 _____ 2009 _____
2010 _____ 2011 _____ 2012 _____ 2013 _____. If the type of visa you held during any
of these years changed, attach a statement showing the new visa type and the date it was acquired.
- 8** Were you present in the United States as a teacher, trainee, or student for any part of 2 of the 6 prior
calendar years (2008 through 2013)? Yes No
If you checked the "Yes" box on line 8, you cannot exclude days of presence as a teacher or trainee unless
you meet the Exception explained in the instructions.

Part III Students

- 9** Enter the name, address, and telephone number of the academic institution you attended during 2014 ▶ _____
- 10** Enter the name, address, and telephone number of the director of the academic or other specialized program you participated
in during 2014 ▶ _____
- 11** Enter the type of U.S. visa (F, J, M, or Q) you held during: ▶ 2008 _____ 2009 _____
2010 _____ 2011 _____ 2012 _____ 2013 _____. If the type of visa you held during any
of these years changed, attach a statement showing the new visa type and the date it was acquired.
- 12** Were you present in the United States as a teacher, trainee, or student for any part of more than 5 calendar
years? Yes No
If you checked the "Yes" box on line 12, you must provide sufficient facts on an attached statement to
establish that you do not intend to reside permanently in the United States.
- 13** During 2014, did you apply for, or take other affirmative steps to apply for, lawful permanent resident status
in the United States or have an application pending to change your status to that of a lawful permanent
resident of the United States? Yes No
- 14** If you checked the "Yes" box on line 13, explain ▶ _____

Form 8843 - Statement for Exempt Individuals – Do we really have to file this form?

- No monetary penalty for not filing this form.
- When required:
 - If filing 1040nr or 1040nrez
 - If not filing 1040nr or 1040nrez
 - If exempting days to count towards the substantial presence test
- Visa says comply with all US laws
 - Tax laws are US laws
- Failure to file does not make one a Resident.
- How to show proof of tax compliance if later choose to apply for Green Card?



Nonresident Aliens - Source of Income

A nonresident alien (NRA) usually is subject to U.S. income tax only on U.S. source income. The general rules for determining U.S. source income that apply to most nonresident aliens are shown below:

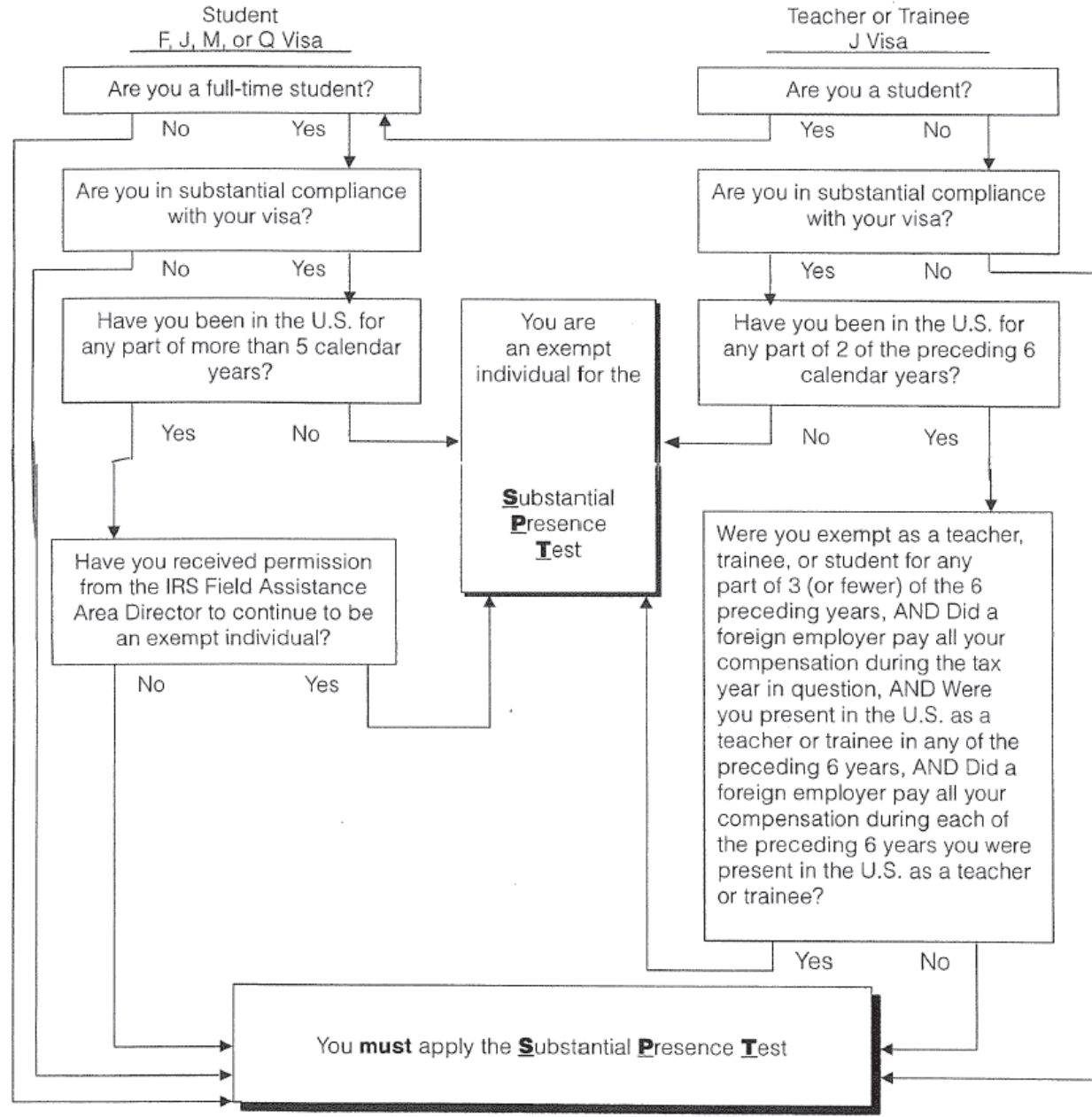
A detailed discussion of the general rules is provided in Chapter Two of [Publication 519, U.S. Tax Guide for Aliens](#).

Summary of Source Rules for Income of Nonresident Aliens

Item of Income	Factor Determining Source
Salaries, wages, other compensation	Where services performed
Business income: Personal services	Where services performed
Business income: Sale of inventory - purchased	Where sold
Business income: Sale of inventory - produced	Where produced (Allocation may be necessary)
Interest	Residence of payer
Dividends	Whether a U.S. or foreign corporation*
Rents	Location of property
Royalties: Natural resources	Location of property
Royalties: Patents, copyrights, etc.	Where property is used
Sale of real property	Location of property
Sale of personal property	Seller's tax home (but see <i>Personal Property</i> , in Chapter 2 of Publication 519, for exceptions)
Pensions	Where services were performed that earned the pension
Scholarships - Fellowships	Generally, the residence of the payer
Sale of natural resources	Allocation based on fair market value of product at export terminal. For more information, see IRC section 1.863-1(b) of the regulations.
*Exceptions include: a) Dividends paid by a U.S. corporation are foreign source if the corporation elects the Puerto Rico economic activity credit or possessions tax credit. b) Part of a dividend paid by a foreign corporation is U.S. source if at least 25% of the corporation's gross income is effectively connected with a U.S. trade or business for the 3 tax years before the year in which the dividends are declared.	

Are you an exempt individual?—Decision Tree

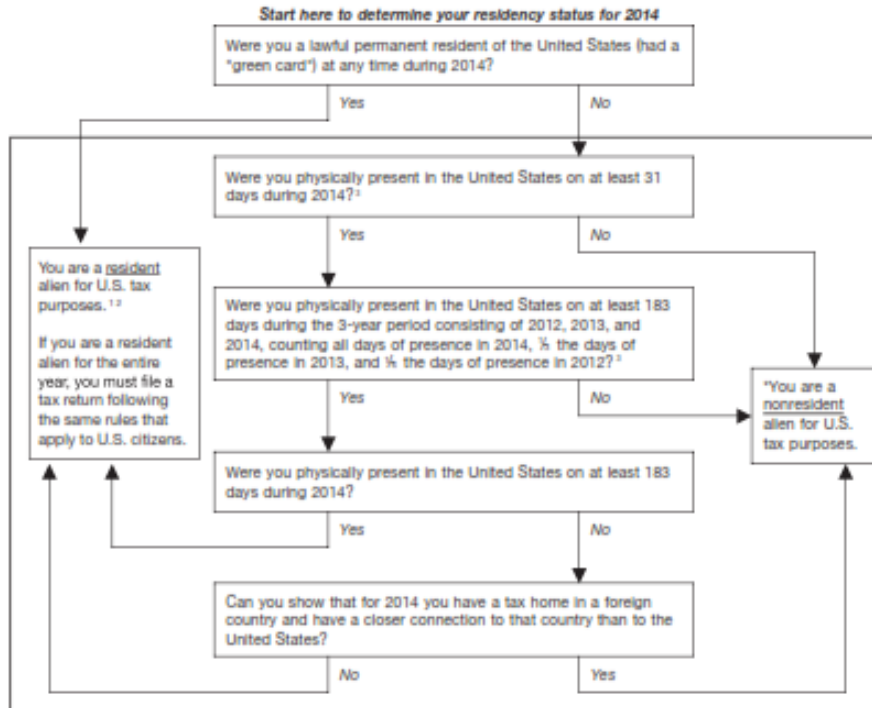
If you are temporarily present in the United States on an F, J, M, or Q visa, use this chart to determine if you are an exempt individual for purposes of the **Substantial Presence Test (SPT)**.



Determining Residency Status – Decision Tree

Resident Alien or Nonresident Alien?

Nonresident aliens are taxed differently from resident aliens, which is why it is important to determine their residency status. Use the following chart to determine if the taxpayer is a resident alien or a nonresident alien.



¹ If this is the first or last year of their residency, taxpayers may have a dual status for the year. Refer dual status aliens to a professional tax preparer.

² In some circumstances taxpayers may still be considered nonresident aliens under an income tax treaty between the United States and the foreign country. Check the provisions of the treaty carefully or refer to a professional tax preparer.

³ Do not count days a person regularly commutes to work in the United States from their home in Canada or Mexico, or days the person is an exempt individual. **Such individuals may not choose residency status.**

Exempt individuals include:

- Foreign government-related individual
- Teacher or trainee who is temporarily present under a J or Q visa (1st two calendar years)
- Student who is temporarily present under an F, J, M, or Q visa (1st five calendar years)
- Professional athlete who is temporarily in the United States to compete in a charitable sports event
- A non-resident alien with a medical condition that prevents him or her from leaving the country

There is generally a time limit to the number of years a teacher, trainee or student can be exempt. Check Pub. 519 for details.

See *Days of Presence in the United States* in Publication 519 for additional information and Publication 901 for specific information on how the taxpayer's visa status and country of origin affect how to count days of presence.

* Volunteers with foreign student certification may prepare tax forms and returns (Forms 8843, 1040NR, or 1040NR-EZ) for nonresident aliens within the scope of their training. Otherwise, refer taxpayers who are considered nonresident aliens to a professional tax preparer. If a non-resident alien is married to a U.S. resident or citizen and elects to be treated as a resident alien, a certified volunteer may prepare the return. See Publication 519 for additional information about this election.

USEFUL LINKS

IRS PAGE FOR FOREIGN STUDENTS & SCHOLARS

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

IRS PAGE SUBSTANTIAL PRESENCE TEST <http://www.irs.gov/Individuals/International-Taxpayers/Substantial-Presence-Test>

HOW DOES A NONRESIDENT ALIEN COMPLETE A FORM W-4?

<http://www.irs.gov/pub/irs-pdf/n1392.pdf>

US TAX GUIDE FOR ALIENS (2013) <http://www.irs.gov/publications/p519/>

Gary Engler CPA Services Offered

- Low Priced, Web Based, CPA prepared, US & State Income Tax Returns
- [Webinars & Seminars for both Advisors and Int'l Students/Scholars](#)
 - US FORM 1040NR INCOME TAX PREPARATION WORKSHOP FOR STUDENTS
 - INCOME TAX INFORMATION FOR ADVISORS
 - INCOME TAX INFORMATION FOR STUDENTS
 - CALIFORNIA FORM 540NR INCOME TAX PREPARATION WORKSHOP FOR STUDENTS
- Prepare Forms 1042 & 1042-s – US source income & withholding
- Advise Institutions regarding Compliance with US Income tax Regs
- Website Info/Resources for Advisors & Students/Scholars at www.englercpa.com