

International Students and Scholars

Tax Year 2019



Non-resident or resident for tax purposes?

If resident:

- UAF School of Management (SOM) Voluntary Income Tax Assistance (VITA) program
- Tax preparation software (for example, TurboTax, H&R Block)

If non-resident:

Let's find out!

Discussion will include:

How to determine residency status

Which U.S. tax forms must be filed to the U.S. Internal Revenue Service (IRS) and how to complete them

Tax treaties

Sprintax (a tax preparation software)

Determination of Residency Status

Do not confuse tax residency with:

- Immigration residency
- Residency requirements for in-state tuition
- Residency requirements for hunting/fishing
- Permanent Fund Dividend (PFD)
- Or any other residency requirements

Resident or non-resident for tax purposes?

Green card test
Residency through marriage
Substantial presence test

Bottom line:
Use Glacier and/or Sprintax to determine your tax status.

Note: Make sure you understand the difference between
Glacier and Sprintax!

Who must file taxes?

Everybody who was in the U.S. during tax year 2019 in F, J, H-1B, TN, O-1A, E-3 status.

It is YOUR responsibility to know what taxes must be filed with the U.S. government.

It is also YOUR responsibility to know what taxes must be filed in your home country.

What to file?

Those in F or J immigration status must file Form 8843.

Form 1040NR-EZ or 1040NR should be filed if you received any U.S. income.

Important things to know:

- You file federal tax return.
- There is no state tax for Alaska (Note: If you lived in another state in 2019 you may have to file taxes in that state).
- Pay tax only on U.S. income.
- Even if you are married, you must file separately.
- Most tax credits apply to residents only.
- Standard deduction NOT allowed (except for students from India).

Standard deduction (also called personal exemption):

Beginning in 2018, non-residents for tax purposes cannot take a deduction for a personal exemption for yourself, your spouse, or your dependents (unless you are a student from India).

This is a result of changes in Federal tax laws.

Example:

	2017	2018
Income	\$15,000	\$15,000
Personal exemption	(\$4,050)	
Taxable income	\$10,950	\$15,000
Tax per IRS table	\$1,180	\$1,613

Tax Treaties

- U.S. has tax treaties with some countries.
- Treaty benefits vary and are based on immigration status and nationality.
- Treaties can exempt certain income from taxes while in the U.S.

To see if you qualify for a tax treaty benefit, you must log into your Glacier account.

Note: No income, no tax treaty benefits.

Canada

- \$10,000 dependent personal services (but cannot exceed \$10,000).
- If income is greater than \$10,000, Canadian resident must be in the U.S. less than 183 days AND income must not be paid by a U.S. resident or employer with a fixed base in the U.S.
- May be able to claim dependents.

Germany

- Studying: 4 years, \$9,000/year personal services BUT if student's visit exceeds 4 years the exemption is lost for the entire visit.
- Scholarship and fellowship grants exempt from tax, whether paid by U.S. or foreign resident.

China

- Teaching: 3 years, no limit on income from teaching.
- Studying: no limit in time, exempt up to \$5,000/year of personal services.
- Scholarships from U.S. or foreign payer exempt, no limit in time.
- Treaty exemptions still available when student or scholar become U.S. resident for tax purposes.

India

- Teaching: no income limit as long as visit does not exceed 2 years BUT the exemption is lost for the entire visit if stay is longer.
- Studying: Standard deduction and exemptions for spouse and dependents, U.S. source income is not exempted, “reasonable” amount of time to complete training.

Tax documents needed before you prepare your taxes:

W-2

Issued by your employer. W-2 shows the amount paid by your employer during 2019, through payroll. W-2 shows the total amount of compensation and the total amount of taxes withheld. If you were employed you should have received your W-2.

1042-S

Shows the amount of money that you received in qualified, U.S. tax reportable scholarships (such as room and board) or tax treaty benefits. The university is required to mail Form 1042-S to you NO LATER than March 15. You may also receive this electronically through your Glacier account if you selected that option.

1042-S (continued)

Income from:

Scholarship or Fellowship grants - Code 16

Compensation for teaching and research - Code 19

Compensation during study and training - Code 20

1095-B or C

Shows you are covered with health insurance meeting the requirements of the Affordable Care Act (ACA) and you are not subject to a tax penalty for not having health insurance. This is only applicable for people who are U.S. residents for tax purposes. If you are a non-resident for tax purposes, disregard the form. However, if you receive the form, you should keep it in your tax documentation file.

1098-T

Shows the tuition and fees paid during 2019. If you registered for spring 2020 semester before December 31, 2019, you may have 2020 tuition and fees showing on the 1098-T. This has no relevance for international students who are non-residents for U.S. tax purposes. It is referred to as the "useless" form. However, you should keep it in your tax documentation file.

1099 or 1099-Misc

Shows rental income, interest income, dividends, etc.

Preparing your taxes using Sprintax:

- Create a Sprintax account at <https://www.sprintax.com>. If you created an account last year you can continue to use it.
- Sprintax fee \$37.95 (federal return 1040NR or 1040NR-EZ). Additional fees may apply.
- Have your passport, I-20 or DS-2019, bank account information, and social security (SSN) or individual tax identification (ITIN) number nearby.
- Start preparing your tax forms!
- After printing out your tax forms, sign and mail them to IRS with your tax documents.

IMPORTANT:

Make copies of documents you mail to IRS!
Keep your documents FOREVER!

Sprintax prepares the following tax forms for you based on the answers and information you submitted:

1040NR-EZ or 1040NR
8843

Please verify the information on the forms comparing against your immigration and tax documents!

Preparing your documents for mail:

If Form 8843 only, remember to sign it.

If Form 1040NR-EZ or 1040NR and 8843, only sign the Form 1040NR-EZ or 1040NR.

Attach W-2, 1042-S, and 1099 or 1099-Misc.

If you owe money, attach check, payable to U.S. Treasury; write SSN/ITIN and tax year on check. Or pay online.

KEEP COPIES FOREVER!

When to file?

15 April 2020 (postmarked on or before this date)

Where to file?

Mail Form 1040NR-EZ and/or Form 8843 to:

Department of the Treasury
Internal Revenue Service
Austin, TX 73301-0215 U.S.A.

If enclosing a payment, mail Form 1040NR-EZ and check to:

Internal Revenue Service
P.O. Box 1303
Charlotte, NC 28201-1303 U.S.A.

YOU are responsible to purchasing an envelope and postage for mailing your tax forms and documents to IRS.

Nearest United States Postal Service (USPS):

755 Fairbanks St (off Geist Rd)
Hours: Mon-Fri 10am-5:30pm
Sat 11am-3:00pm

For additional information and publications:

Internal Revenue Service (IRS)

Website: www.irs.gov

Telephone: 1-800-829-1040

Questions?

IPI Office hours:
Monday, Thursday, and Friday 9:00am-3:00pm

Starting Thursday, 5 March, we welcome you to stop by with your questions and to begin your tax form preparation using our computer station available for students or your own laptop.

Note: We will be closed on Friday, 13 March