



tempe financial stability initiative

ASU International Students Subject to United States Taxation for 2016 Tax Returns

Presenters

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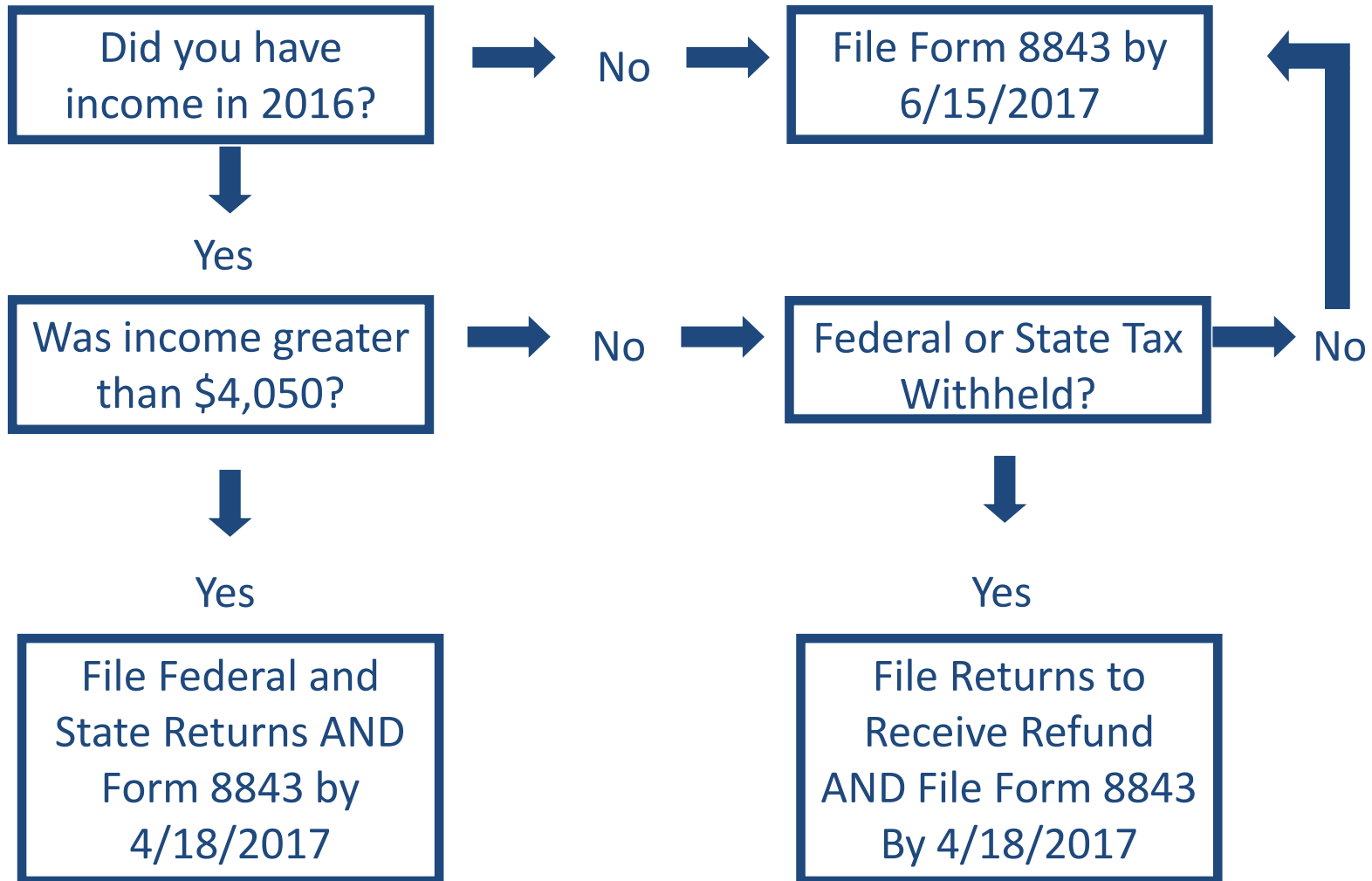
Already filed with Turbo-Tax?

- Must file an Amended Return – Instructions will be posted on the International Student website
- Attend the session on how to prepare an Amendment on Wednesday, 2/22/2017, 2-4 pm in CP COM 213

International Students Required to File a US Tax Return?

- If you have earnings of ANY amount on a form W-2 AND withholding tax has been deducted from your earnings
- If you have earnings of more than **\$4,050** regardless of whether any withholding tax was deducted
- If you have taxable income on Form 1042-S, Box 2

Required to File Tax Returns?



International Students

General Rules for Taxation of Income

- Some part of Wages earned may be exempt from Tax
 - This varies among countries depending on the Tax Treaty between each country and the US
- Glacier software will automatically determine the amount of income exempt from tax based on the information you enter about your home country

International Students

Tax Treaty

- A tax treaty is an agreement between two countries to avoid double taxation of the same income
- Defines who and how a resident of one country will be taxed when earning income in the other country
- Encourages the exchange of ideas, research, education and capital investment
- Special treatment for students, scholars, teachers and researchers in US

International Students Tax Treaty Benefits

I. Exemptions

- Under US tax law, an international student is allowed one exemption of \$4,050
- However, certain treaties permit additional exemptions to be claimed

International Students from Canada, India, Mexico & South Korea

➤ Special Rules for Claiming Exemptions Due to Tax Treaty Rules

- If married, may claim an additional Exemption of \$4,050 for spouse and an Exemption of \$4,050 for each child

Note: To claim the above Exemptions, each spouse or child must have a Social Security Number or ITIN (International Taxpayer Identification Number)

International Students

Tax Treaty Benefits

II. Deductions

- The rules for claiming the Standard or Itemized Deduction will vary depending on your home country treaty with the US
- Glacier will automatically enter the proper deduction amount
- Deduction reduces taxable income
- ❖ These benefits do not apply to Professors, Teachers and Research Scholars

International Students

What Tax Form to File

- File Form 1040NR or Form 1040NR-EZ
- Glacier software will select the correct form
 - File Form 1040NR if you have a spouse or children
 - File Form 1040NR-EZ if no spouse or children; no itemized deductions; your only US income is from wages, salaries and taxable scholarships

International Students

Filing Status

- If unmarried, file as a **Single** person
- If married, file as **Married Filing Separately**
- Cannot file as Head of Household
- A joint return, i.e., husband and wife filing one tax return together is not permitted for non-resident aliens
- But refer to special rules when may claim spouse as a dependent

Documents Needed to Complete US and AZ Tax Returns

- ▶ Form W-2 and/or Form 1042S
- ▶ Passport and Visa (J-1 or F-1) or US Immigration Status
- ▶ # of days in US in 2016 including entry and leave dates
- ▶ # of days in US during 2013, 2014, 2015 including entry and leave dates

Documents Needed to Complete US and AZ Tax Returns (Continued)

- ▶ Knowledge of Visa Status for last 6 years (or number of applicable years)
- ▶ Name & Address of director or dean of your program at ASU

Documents Needed to Complete US and AZ Tax Returns (Continued)

- ▶ All US tax forms and instructions are available at www.irs.gov and
- ▶ All AZ tax forms and instructions are available at www.azdor.gov
- ▶ Be sure to print 2016 tax forms

Form W-2

Earnings Statement

Box #	Description
Box 1	Your federal earnings
Box 2	Your federal withholding tax -What is withholding tax? -How to avoid in future years?
Boxes 3, 4, 5	Social Security and Medicare taxes
Box 16	Your Arizona earnings
Box 17	Your Arizona withholding tax

Form W-2 Earnings Statement

22222		Void <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld	
			5 Medicare wages and tips		6 Medicare tax withheld	
			7 Social security tips		8 Allocated tips	
d Control number			9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	11 Nonqualified plans	
f Employee's address and ZIP code				12a See instructions for box 12		12b 12c 12d
				13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		
				14 Other		
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
						20 Locality name

Form **W-2** Wage and Tax Statement

2016

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page

Form 1042-S

Scholarship Income

- Form 1042-S is issued only to Non-Resident Alien students who receive scholarships or fellowships that exceed tuition and related fees
- You will not receive a Form 1042-S if you have a tuition waiver and do not receive any checks

Form 1042-S

Scholarship Income (Continued)

- Scholarship income reported on Form 1042S is taxable under US tax law; enter income shown in **Box 2** of Form 1042-S in Glacier
- Some tax treaties will make this income non-taxable to students
- Glacier will automatically reduce the amount of taxable Scholarship based on the tax treaty when you enter your home country information

Form 1042-S Scholarship Income

Form 1042-S		Foreign Person's U.S. Source Income Subject to Withholding		2016		OMB No. 1545-0086	
Department of the Treasury Internal Revenue Service		▶ Information about Form 1042-S and its separate Instructions is at www.irs.gov/form1042s .				Copy A for Internal Revenue Service	
		<input type="checkbox"/> AMENDED		<input type="checkbox"/> PRO-RATA BASIS REPORTING			
1 Income code	2 Gross income	3 Chapter Indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any			
		3a Exemption code	4a Exemption code	13f Ch. 3 status code		13g Ch. 4 status code	
		3b Tax rate	4b Tax rate	13h Recipient's GIIN		13i Recipient's foreign tax identification number, if any	13j LOB code
5 Withholding allowance		7b Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>		13k Recipient's account number		13l Recipient's date of birth	
6 Net income				14a Primary Withholding Agent's Name (if applicable)			
7a Federal tax withheld				14b Primary Withholding Agent's EIN			
8 Tax withheld by other agents				15a Intermediary or flow-through entity's EIN, if any		15b Ch. 3 status code	15c Ch. 4 status code
9 Tax paid by withholding agent				15d Intermediary or flow-through entity's name			
10 Total withholding credit				15e Intermediary or flow-through entity's GIIN			
11 Amount repaid to recipient				15f Country code		15g Foreign tax identification number, if any	
12a Withholding agent's EIN	12b Ch. 3 status code	12c Ch. 4 status code		15h Address (number and street)			
12d Withholding agent's name				15i City or town, state or province, country, ZIP or foreign postal code			
12e Withholding agent's Global Intermediary identification Number (GIIN)				16a Payer's name			
12f Country code	12g Foreign taxpayer identification number, if any			16b Payer's TIN			
12h Address (number and street)				16c Payer's GIIN		16d Ch. 3 status code	16e Ch. 4 status code
12i City or town, state or province, country, ZIP or foreign postal code				16d Ch. 3 status code		16e Ch. 4 status code	
13a Recipient's name	13b Recipient's country code			17a State income tax withheld		17b Payer's state tax no.	17c Name of state
13c Address (number and street)							
13d City or town, state or province, country, ZIP or foreign postal code							

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

Cat. No. 11386R

Form **1042-S** (2016)

Form 8843

Statement for Non-Resident Aliens

- ▶ **Must be filed by all Non-Residents Aliens**
- ▶ Students complete Sections I and III
- ▶ Simple information form
- ▶ If you file a tax return, Form 8843 may be filed with the tax return

Form 8843

Statement for Non-Resident Aliens

- ▶ If not required to file a tax return, file Form 8843 by June 15, 2017 at:

Department of the Treasury
Internal Revenue Service
Austin, TX 73301-0215

Form 1098-T - Tuition Statement Education Tax Credits

- ▶ International Students are not eligible to claim any educational credits from info on Form 1098-T
- ▶ **Ignore any Form 1098-T** you may have received *if you are on a F-1 or J-1 Visa*
- ▶ Form 1098-T not required to be sent to International Students but University may have sent you a form in case your status changed during the year to a Resident Alien

International Students

Medical Insurance for Spouse & Children

- Does your spouse or your children have medical insurance coverage from “The Marketplace” under the Affordable Care Act?
- If so, special rules apply which may require your spouse to file a separate Federal tax return

International Students

Preparation of AZ Tax Return Form 140NR

- The AZ return is substantially similar to the federal tax return
- If all your income was from AZ sources, use Form AZ 140NR
- If your income was from both AZ sources and other states, special rules apply and you may have to file an Arizona return AND a return for another state
- You may want to file an AZ return to obtain a refund of withholding taxes even though you have no AZ tax liability

International Students

Preparation of AZ Tax Return Form 140NR

- The major difference between the federal tax return and the Arizona tax return is in the choice of filing status:
 - If married on 12/31/2016, you may choose married filing jointly as your filing status although your federal status may have been married filing separately
 - If married filing jointly, you may claim an exemption for yourself, your spouse and for any children

International Students

Preparation of AZ Tax Return Form 140NR

- ***You MUST include a copy of your federal tax return (1040NR or 1040NR-EZ) with your Arizona tax return!***

Resources for Tax Advice

- www.irs.gov (US Internal Revenue Service)
 - Publication 515 – Withholding of Tax on Non-Resident Aliens
 - Publication 519 – US Tax Guide for Aliens
 - Publication 901 – US Tax Treaties
 - Instructions for Form 1040 NR
- www.azdor.gov (AZ Department of Revenue)
 - Instructions for Form AZ 140 NR

your time to ask

Questions?