U.S. Taxes for International Students

Types of Income
- Compensation
- Scholarship

Income Tax Treaties
What are Income Tax Treaties?

Filing Federal Tax Return
Receive paperwork from IRS or Employer
- W-2 (Employee’s wages)
- 1099-R (IRC type income)
- 1099-INT (Interest income)
- 1099-DIV (Dividend income)
- 1099-MISC (Miscellaneous income)

Filing for an Income Tax Treaty through Glacier
- Earned income from U.S. sources

Conclusion

The U.S. Tax System
- How does it work?
- What are the consequences?
U.S. Taxes for International Students

**Conclusion**

**Filing Federal Tax Return**
- Receive pay stubs from W-2 of Employer
- W-2s for Federal Income Tax
- W-3s for Federal Withholding
- W-4 for Federal Exemptions
- W-2s for State Income Tax
- W-3s for State Withholding
- W-4 for State Exemptions
- Filing for EIC
- Process for Filing
  - April 15

**Income Tax Treaties**
- What are Income Tax Treaties?
- Benefits of Income Tax Treaties
- How to Determine the Amount of Treaty Exemption
- How to File for a Treaty Exemption

**The U.S. Tax System**
- Overview of U.S. Tax System
- Federal vs. State Taxes
- Income vs. Capital Gains
- Taxable vs. Non-Taxable Income

**Filing for an Income Tax Treaty Through Glacier**
- Step-by-Step Guide
- Required Documents
- Filing Deadlines

**Types of Income**
- Compensation
- Scholarship

**Conclusion**
- Summary of Key Points
- Additional Resources
- Questions and Answers
The U.S. Tax System

Common type of U.S. Taxes for Non-Residents
- Federal Income Tax
- State Income Tax
  - California State Tax
  - Different in each of the 50 states
- Sales Tax
  - Rates differ by city and county
  - No refund available
- Other city or county taxes
  - Healthy SF

But I'm not earning any income...
- All F-1 and J-1 international students must file some kind of tax form (Form 8843), even if no income was earned

When are income taxes filed?
- Generally, taxes are due each year on April 15
- We file for the previous calendar year
- So in 2015 we are filing taxes based on income earned between January 1 and December 31, 2014
Common type of U.S. Taxes for Non-Residents

- Federal Income Tax
- State Income Tax
  - California State Tax
  - Different in each of the 50 states
- Sales Tax
  - Rates differ by city and county
  - No refund available
- Other city or county taxes
  - Healthy SF
Tax System

But I'm not earning any income...

- All F-1 and J-1 international students must file some kind of tax form (Form 8843), even if no income was earned
When are income taxes filed?

- Generally, taxes are due each year on April 15
- We file for the previous calendar year
- So in 2015 we are filing taxes based on income earned between January 1 and December 31, 2014
Types of Income

- Wages
- Stipend
- Salary
- Scholarship
- Dividends
- Fellowship
- Interest

Compensation

- Tax forms you'll receive:
  - Treaty Exempt:
    - Form 1040-ES
    - Gross payments received
    - 1099-G will need to be filed
  - Non-Taxable:
    - 1099-G will need to be filed
    - No tax forms required

Scholarship

- Tax forms you'll receive:
  - Treaty Exempt:
    - Form 1040-ES
    - Gross payments received
    - 1099-G will need to be filed
    - 1042-B will need to be filed
  - Non-Taxable:
    - Form 1040-ES
    - Gross payments received
    - 1099-G will need to be filed
    - No tax forms required

Money or financial benefit for studies:
- Taxable Scholarship:
  - Room and Board
  - Tuition and Fees
- Non-Taxable Scholarship:
  - Room and Board
  - Tuition and Fees

What you'll need to do:
- Social Security Number (SSN)
- Foreign Taxpayer Identification Number (FTIN)
- Individual Taxpayer Identification Number (ITIN)

What you'll need to get if you have a taxable scholarship:
- Foreign Taxpayer Identification Number (FTIN)
- Individual Taxpayer Identification Number (ITIN)
Compensation

Payment for work that you do...
- On Campus Employment
- Internship with Curricular Practical Training (CPT)
- Work after graduation with Optional Practical Training (OPT)

What you’ll need to do...
Social Security Number (SSN)
- Employer letter from department, no department
- This letter is signed by ISSS
- Get to provide to Social Security Office with all required documents
- Social Security Number will arrive in the mail
- Report this number to USF (Student Employment)

Complete IRS Form W-4 and California Form DE-4
- These forms will determine the amount of money that the Federal Government and the State of California withhold from your paycheck
- This money will count towards any loans you may have when you file your taxes in the Spring

Tax forms You’ll receive...
Treaty Exempt
- Form 1042-S
- Some students might also get a W-2
- USF will contact you when the form is ready
- You can also access it through USF Connect in mid-March

Not Treaty Exempt
- W-2
- USF will mail you the form when it is ready
- You can also access it through USF Connect
Payment for work that you do...

- On Campus Employment
- Internship with Curricular Practical Training (CPT)
- Work after graduation with Optional Practical Training (OPT)
What you'll need to do...

Social Security Number (SSN)

- Employment letter from department, on letterhead
- This letter is signed by ISSS
- Go in person to Social Security Office with all required documents
- Social Security Number will arrive in the mail
- Report this number to USF (Student Employment)

Complete IRS Form W-4 and California Form DE-4

- These forms will determine the amount of money that the Federal Government and the State of California withhold from your paycheck
- This money will count towards any taxes you may owe when you file your taxes in the Spring
Tax forms you'll receive...

Treaty Exempt
- Form 1042-S
- Some students might also get a W-2
- USF will contact you when the form is ready
- You can also access it through USF Connect in mid-March

Not Treaty Exempt
- W-2
- USF will mail you the form when it is ready
- You can also access it through USF Connect
Money or financial benefit for studies...

**Taxable Scholarship**
- Room and Board
- Spending Money

**Non-Taxable Scholarship**
- Tuition and Fees

What you’ll need to get if you have a taxable scholarship...

**Individual Taxpayer Identification Number (ITIN)**
- Form W-7
- Read the ISSS ITIN Instructions
- If you are filing it PRIOR to your tax return (recommended)
  - Bring all of the required documents to ISSS
  - ISSS will make the copies, write the letter, and mail the form
- If you are filing it WITH your tax return
  - You will need to have a certified copy of your passport from your Embassy
  - Or you will need to apply in person at the Taxpayer Assistance Office

Scholarship

Tax forms you’ll receive...

**Taxable Scholarship**
- Form 1042-S
- USF will email you when the form is ready
- You can also access it through USF Connect

**California Tax Forms**
- CA Form 592-B

**Non-Taxable Scholarship**
None. It’s not taxable income!
Money or financial benefit for studies...

**Taxable Scholarship**
- Room and Board
- Spending Money

**Non-Taxable Scholarship**
- Tuition and Fees
What you'll need to get if you have a taxable scholarship...

**Individual Taxpayer Identification Number (ITIN)**

- Form W-7
- Read the ISSS ITIN Instructions
- If you are filing it PRIOR to your tax return (recommended)
  - Bring all of the required documents to ISSS
  - ISSS will make the copies, write the letter, and mail the form
- If you are filing it WITH your tax return
  - You will need to have a certified copy of your passport from your Embassy
  - Or you will need to apply in person at the Taxpayer Assistance Office
Tax forms you’ll receive...

**Taxable Scholarship**
- Form 1042-S
- USF will email you when the form is ready
- You can also access it through USF Connect

**Non-Taxable Scholarship**
None. It's not taxable income!

**California Tax Forms**
- CA Form 592-B
Income Tax Treaties

What are Income Tax Treaties?

- Agreements the U.S. has with some other countries so that some types of income are taxed differently in the United States
- Your country may have a treaty provision covers scholarships or student wages

How do I know if I’m eligible?

- Use Glacier to calculate your tax treaty benefit
- IRS Publication 901 lists the tax treaties

Filing for an Income Tax Treaty through Glacier

- You must have your ITIN or SSN in order to apply for a tax treaty benefit.
- Login in through Glacier and follow the directions.
- You’ll fill out form 8823 or W-8BEN depending on the reason for applying for the treaty benefit.
Filing Federal Tax Return

Receive paperwork from USF or Employer
- W-2
  - Employment Income
- 1042-S
  - Treaty exempt employment income
  - Non-qualified taxable scholarship income
  - Academic merit award
- 1099
  - Interest or dividends
  - Miscellaneous income

Filing the 1040-NR
- Form 1040 is the basic federal income tax form in the U.S.
- Most international students will file 1040-NR or 1040-NREZ, depending on the complexity of their tax situation
- The deadline for filing is April 15

Filing the 8843
- Even if you didn't have any income in the U.S. you still have to file an "information form"
- This is Form 8843
- The deadline for this form is June 15
Glacier Tax Prep

Yes, I have a GLACIER Account Already

- Log in to your Glacier Account
- Ensure all your tax and personal information is updated
- Access Glacier Tax Prep through Glacier
- Follow the instructions within Glacier Tax Prep

No, I don't have a GLACIER Account

- Log in to USF Connect
- Click on the Student or Employee tab
- Click on Tax Preparation for Foreign Nationals
- Log in with your USF credentials
- Follow the Glacier Tax Prep Instructions
Conclusion

Checklist
- Identity what kind of income you have, if any
- Apply for an ITIN or a SSN, if you need to
- Report this income to the IRS
- Determine if you are eligible for any tax credits or benefits
- Calculate and declare the tax documents (W-2 or 1099 from U.S.)
- Use a tax preparation service to file your federal taxes
- Make copies of anything you send to the IRS
- Receive a refund or pay the money you owe
- If applicable, file any open tax returns
- In California, visit the Franchise Tax Board

Where to go for help
- Navigating Federal Tax Prep
- Individual income tax filing
- Employer tax filing
- Foreign tax credits
- Tax Treaty Benefit information
- W-2s and 1099s

Questions?

- Have all necessary documents
- Get professional advice
- Use a tax preparation service

- File correctly
- Report all income
- Calculate correctly
- Meet all deadlines
Checklist

• Identify what kind of income you have, if any
• Apply for an ITIN or a SSN, if you need to
• Report this number to USF
• See if you are eligible for any tax treaty benefits
  • Apply for any applicable treaty benefits
• Receive and review the tax documents (1042-S or W-2) from USF
• Use Glacier Tax Prep to file your federal taxes
  • Make copies of anything you send to the IRS
• Receive a refund or pay the money you owe
• If applicable, file any state taxes
  • In California visit the Franchise Tax Form
Where to go for help

Accessing Glacier Tax Prep
- Information sheets from ISSS Office
- One is for accessing GTP via Glacier
- The other is accessing GTP through USF Connect

Tax Treaty Benefit Information
- Quyen Tu
- qtu@usfca.edu

1042-S Questions
- Quyen Tu
- qtu@usfca.edu

CA Form 592-B Questions
- Quyen Tu
- qtu@usfca.edu

W-2 Questions
- USF One Stop Office
- onestop@usfca.edu
W-2 Questions
- USF One Stop Office
- onestop@usfca.edu

Applying for an ITIN or SSN
- Information sheets from ISSS Office

State Taxes
- The tax page for that particular state
- Each state has its own state tax form and systems
- California Franchise Tax Board

Tax Questions
- A Tax Specialist
- ISSS and USF cannot advise on specific tax questions.

Something Else
- Make sure you've looked through all the ISSS Tax Information handouts
- Make an appointment with an ISSS staff member
Questions?