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International Student Taxes

Disclaimer! International Engagement staff are NOT TAX Professionals or Certified Public Accountants. Any advice in this presentation is intended for information purposes only.



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Tax Requirements for International Students

- All F-1 and J-1 students and their dependents must file a tax form if they were present in the U.S. in 2023.
- Tax period is January 1, 2023- December 31, 2023.
 - This is based on your arrival in the U.S.
- The type of form(s) you need to fill out is based on:
 - when you arrived and how long you have been in the U.S.
 - Type and source of income





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Resident or nonresident for tax purposes?

- *Independent of visa status*
 - F-1 and J-1 students are automatically considered non-residents for 5 calendar years of their time in U.S.
 - Beyond 5 years they become a resident for tax purposes and then can file as a U.S. citizen



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Nonresident Alien (NRA) Filing requirements

- *What to file*
 - **Form 8843**, Statement for Exempt Individuals and Individuals with a Medical Condition (mandatory for all nonresidents) and dependents should complete this form separately.
 - **Form 1040-NR** U.S. Nonresident Alien Income Tax Return



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Form 8843

- Form 8843 is not an income tax return, instead it is a statement file for the US government if you are a certain type of nonresident alien for tax purposes (including spouses and dependents).
- You must file a Form 8843 even if you earned no US income.
 - You were present in the US in the previous tax year.
 - You are a nonresident alien
 - You are in the US under F-1, J-1, F-2 or J-2 status.
- Form 8843 is typically attached to your 1040-NR income tax return, however, if you have no income and you are only filing Form 8843, you should print Form 8843 and mail it to the Department of Treasury.
- You do not need an SSN or ITIN to file a Form 8843 unless you have been already assigned one, in which case you will include it.
- If you have dependents, everyone must submit their own Form 8843 in a separate envelope. If you filed a 1040-NR, attach Form 8843 to it.

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Tax Form

- Tax forms **you must complete** and **submit to the IRS** during tax return filing process
 - You will not complete all of the forms
- **Nonresidents for Tax Purposes:**
 - [Form 1040NR](#), U.S. Nonresident Alien Income Tax Return
 - [Form 8843](#), Statement for Exempt individuals and individuals with a Medical Condition
 - Does not require an SSN or ITIN
 - If you are ONLY filing Form 8843 because you earned no taxable income, then technically you are filing a tax STATEMENT with the IRS and NOT a tax RETURN
- **Residents for Tax Purposes:**
 - [Form 1040](#) for U.S. Individual Income Tax Return

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Nonresident Alien (NRA) Filing requirements (con't.)

- *Where to file*

- **If you are not enclosing a payment:**

- Department of the Treasury

- Internal Revenue Service Center

- Austin, TX 73301-0215

- **If you are enclosing a payment:**

- Internal Revenue Service

- P.O. Box 1303

- Charlotte, NC 28201-1303

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Deadlines

- April 15, 2024, for Federal Tax Return
- June 15, 2024, for Federal Form 8843 only



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RESOURCES

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Filing options

- File by yourself www.irs.gov
 - <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
- Use a software company to assist you such as [Glacier](#) or [Sprintax](#)
- Go to a TAX consultant that specializes in Nonresident Alien Tax returns
- W-7 Information via the [IRS](#)

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What income is taxable?

- Employment
- Scholarship for room and board
- Stipend
- Capital gains from investment income
- Interest from a savings account is not taxable



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Tax documents

- W-2
- 1042-S
 - Taxable scholarship/stipends
 - Prize/award
- 1098 T (does not apply to nonresidents)
 - Tuition statement. Mostly used to claim education tax credit)

Tax Documents



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- **Tax Forms you may RECEIVE from employers/school/bank during the tax return filing season (January, February, March)**
 - You may receive some or all of these forms. These forms are not applicable for everyone?
 - If you receive a form, review it to make sure your information is accurate (i.e. name, SSN, etc.)
 - You do not have to complete anything on these forms but will use the information on them to complete your tax return.
 - Copies of these forms are submitted to the IRS as part of the tax return (if you receive them!).
- **Form W-2, Wage and Tax Statement:**
 - Summarizes total wages earned & amount of money withheld for any taxes during the tax year
 - Issued to you by your employer
 - Distributed no later than January 31st
- **Form 1042-S, Foreign Person's U.S. Source of Income Subject to Withholding:**
 - Documents taxable scholarship income or scholarship or employment income that is exempt from tax withholding due to a tax treaty.
 - Issued for you by your educational institution and/or employer.
 - Distributed no later than March 15th
- **Forms 1099, (1099-INT, 1099-DIV, 1099-MISC):**
 - Additional tax forms that may be issued to you by your bank and/or employer to show income from interest, dividends, or "independent contractor" income.
 - Bank account interest is not taxable for nonresidents for tax purposes
 - ***if you are employed in CPT, OPT and no income taxes were withheld from your paychecks, you will likely receive Form 1099- MISC AND you will likely have to pay the IRS money at the time you file your tax return!
- **Form 1098T, Tuition Statement:**
 - Issued by educational institutions (such as TAMU) to show the educational expenses for each tax year.
 - Nonresidents for tax purposes CANNOT use this form when filing your tax return but you should keep it for your records.

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How to File

- [GLACIER](#) serves the following purposes:
 - Confirm Nonresident Alien Tax Status
 - Review ALL income Tax Treaties for Exemptions
 - Review ALL eligible Deductions, Allowances, and Credits
 - Calculate TAX refund (or tax due)
 - Complete ALL Required Tax Documents, including ITIN Application
- Fee \$49.00
- Click on “*I NEED to Purchase an Access Code*”



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How to File

- [Sprintax](#)
 - Determines an individual's tax residency status
 - Determines an individual's eligibility for tax treaty benefits
 - Generates the tax forms (1040NR, 8843) that apply to nonresidents for tax purposes.
 - Print the documents generated by Sprintax and mail them to the IRS to meet your tax filing requirement.
 - You may contact Sprintax directly with any questions about the system.
- Fee \$51.95



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Assistance with Sprintax

- Sprintax Online Chat System
 - If you have a question at any time while you are using Sprintax, click on “Need help? Ask Stacy now” for online assistance with a tax professional.
- You may also call or email Sprintax directly:
 - +1-866-601-5695
 - hello@sprintax.com



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Individual Taxpayer Identification Numbers (ITINs)

- What is an ITIN?
 - A tax processing number issued by the IRS to nonresidents for tax purposes who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain, a Social Security Number (SSN).
 - An ITIN is NOT required for any individual who has an SSN
- Who needs an ITIN?
 - Nonresidents for tax purposes who are required to file a U.S. tax return but who do not have and are not eligible for an SSN.
- You can apply for an ITIN together with your tax return
 - Form W-7 is needed for the application



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Tax Treaties

- Many countries have tax treaties (i.e. agreements) with the U.S. government
- The terms of each treaty varies
- Treaty may grant tax benefits to foreign nationals residing in the U.S.
- GLACIER & Sprintax both determine eligibility for tax treaty benefits

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Tax Resources

IRS website (<http://www.irs.gov/>)

[Foreign Students, Scholars, Teachers,
Researchers and Exchange Visitors](#)

[Publication 519 U.S. Tax Guide for Aliens](#)

[SPRINTAX](#)

[GLACIER](#)

