

WELCOME!

- The PowerPoint Presentation used in this session is available online at:

<https://issc.asu.edu/student/resources/tax-information>

Already filed with Turbo-Tax?

- Must file an Amended Return – Instructions will be posted on the International Student website
- Attend the Zoom session on how to prepare an Amended Return on Wednesday, 3/24/21, from 6-8 pm
- Register on International Student Website



tempe financial stability initiative

ASU International Students Subject to United States Taxation for 2020 Tax Returns

Presenters

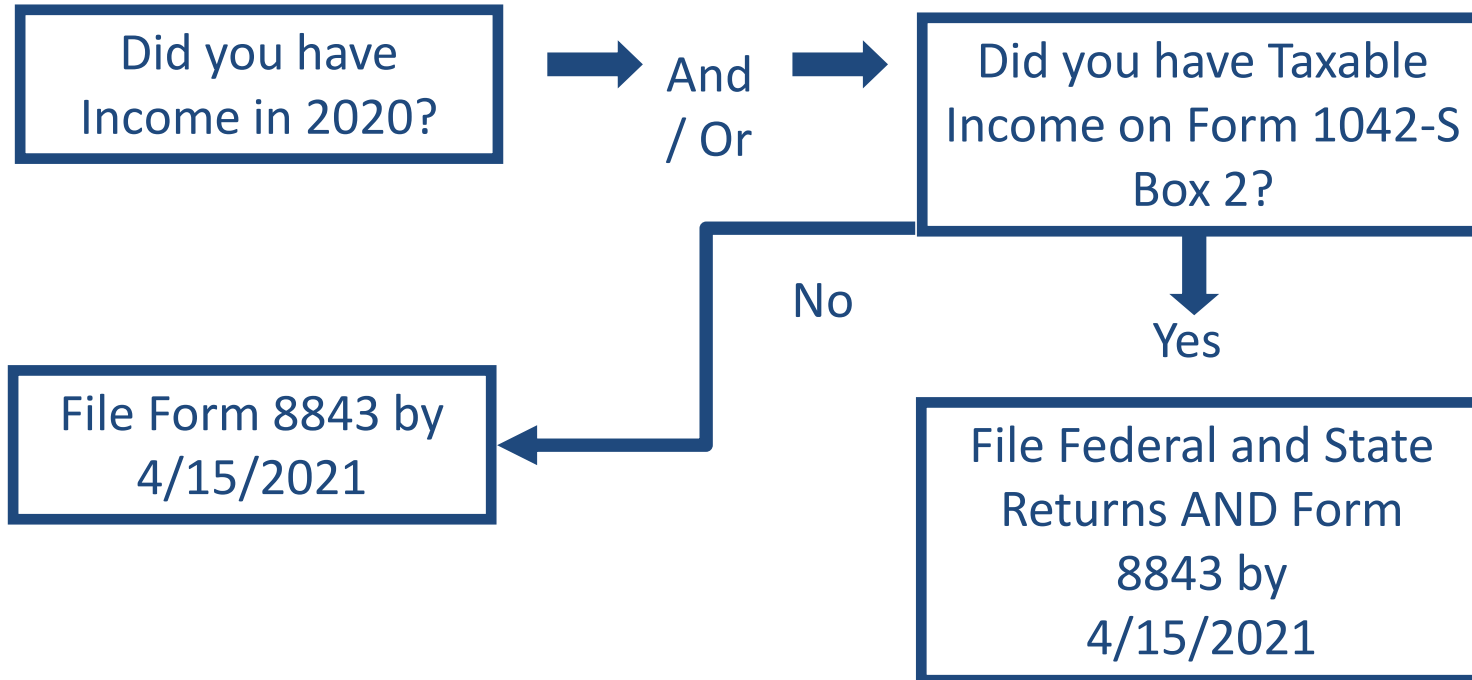
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International Students Required to File a US Tax Return?

THE TAX LAW CHANGED FOR 20

- If you have earnings of ANY amount on a form W-2
- If you received a 1099-NEC (formerly 1099-MISC)
- If you have taxable income on Form 1042-S, Box 2

Required to File Tax Returns?



Out of Scope

We are UNABLE to assist with the following:

- State Returns other than Arizona
- Schedule D activity (Loss/Gain) such as Cryptocurrencies or Stock Transactions
- Form 1095-A, Healthcare.gov

We suggest you reference online information and/or use a Paid Preparer

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

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
- Sprintax 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 Benefits

Deductions

- The rules for claiming the Standard or Itemized Deduction will vary depending on your home country treaty with the US
- Sprintax 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**
 - If your US income is from wages, salaries, Internships, OPT and/or 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

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 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 Sprintax
- Some tax treaties will make this income non-taxable to students
- Sprintax will automatically reduce the amount of taxable Scholarship based on the tax treaty when you enter your home country information

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

Form 8843

Statement for Non-Resident Aliens

- ▶ **Must be filed by all Non-Residents Aliens and family members**
- ▶ 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 April 15, 2020 at:

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

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 12/31/2019, you may choose married filing jointly as your filing status **ONLY** if **spouse or dependents have SSN OR ITIN.**

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!***

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 2020 tax forms

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
 - Instructions for Form 8843
- www.azdor.gov (AZ Department of Revenue)
 - Instructions for Form AZ 140 NR

your time to ask

Questions?

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