

WHAT YOU NEED TO KNOW: TAXES

Overview

This document provides a general overview of tax reporting requirements for international students and scholars on F or J visas. In the United States, the “tax season” begins in January and concludes in April. Taxes are collected by both federal and state tax authorities.

Federal Taxes

The Internal Revenue Service (IRS) requires all international students and scholars (and their dependents) file their federal tax forms on or before 15 April, the nationwide tax-filing deadline, regardless of whether or not income was earned during the tax year. The “tax year” aligns to the calendar year, beginning 01 January and ending 31 December.

For students and scholars who have worked or are working, federal and state taxes are usually withheld from each paycheck and these amounts are tracked and reported to the IRS by your employer. Every year, when completing your tax forms, the total tax owed is compared to the total tax you have already paid to determine if you have underpaid or overpaid. In the former scenario, you may need to pay the amount owed to IRS while in the latter scenario you may receive a tax refund from the IRS.

Tax Forms

To determine which forms are needed to submit your federal taxes two questions must be answered: (1) Are you a resident or non-resident for tax purposes, and (2) did you receive US-sourced income in the *preceding* calendar year.

Question 1: Are you a resident or non-resident for tax purposes?

Residence status for tax purposes is calculated by determining the number of days you have been in the US and determines which tax forms you need to file. To determine whether you are resident or non-resident for tax purposes, use the Substantial Presence Test found on the IRS web site (see <https://www.irs.gov/individuals/international-taxpayers/substantial-presence-test>). All individuals who have non-resident status for tax purposes must file Form 8843 to maintain non-resident status for tax purposes.

- F-1 and J-1 Students: If, in the previous calendar year (e.g., 2019), you were physically present in the US for fewer than five calendar years as a student you are likely a non-resident for tax purposes.
- J-1 Scholars: If, in the previous calendar year (e.g., 2019), you were physically present in the US for fewer than two calendar years as a scholar, you are likely a non-resident for tax purposes.

Question 2: Did you have US source income?

The IRS maintains a webpage to assist nonresidents identify if they have US source income (see <https://www.irs.gov/individuals/international-taxpayers/nonresident-aliens-source-of-income>). If you are a non-resident for tax purposes, you must complete Form 8843. And, if you have US source income, you must also complete Form 1040 NR or Form 1040 NR-EZ. IRS tax forms can be found online at <https://www.irs.gov/forms-instructions> or <https://apps.irs.gov/app/picklist/list/formsInstructions.html>, and some common forms are identified below.

Form 8843:	https://www.irs.gov/forms-pubs/about-form-8843
Form 1040 NR:	https://www.irs.gov/forms-pubs/about-form-1040-nr
Form 1040 NR-EZ:	https://www.irs.gov/forms-pubs/about-form-1040-nr-ez

If you received wages from University of the Pacific (Pacific) or had any US source income (e.g., on-campus employment or practical training), you should receive a Form W-2. If you do not receive this form by 31 January, please contact the employer directly.

- **Form W-2:** This form reflects a variety of information, including wages, tips, and compensation and various tax withholdings.
- **Form 1042-S:** This form is used only if you were exempt from federal taxes due to a tax treaty (see <https://www.irs.gov/individuals/international-taxpayers/tax-treaties> for additional information) and/or if you have received a scholarship for room and board or a fellowship.
- **Form 1099:** If you bank with a US financial institution, you will also receive a Form 1099 identifying the amount of interest income you earned in the previous calendar year (regardless of your status for tax purposes).

Please follow the mailing instructions for the tax form(s) you submit and keep copies of all your supporting documents and forms.

Tax Extension

Should you require additional time to complete and file your federal taxes, you may request an extension by completing and submitting Form 4868 (see <https://www.irs.gov/forms-pubs/extension-of-time-to-file-your-tax-return>). Note, in order to complete Form 4868, you will need to know if you owe taxes or expect a refund. Also, please know that while Form 4868 extends the deadline for filing taxes (by 6 months) it does not extend the time allowed to pay taxes owed, which must be paid 15 April.

Social Security Number (SSN) and Individual Taxpayer Information Number (ITIN)

If you have not earned US source income, neither an SSN nor an ITIN is required to complete Form 8843. If you have earned US source income, either an SSN or an ITIN is required to complete Form 1040 NR or Form 1040 NR EZ. The IRS returns tax forms if they are filed without one of these numbers.

If you need to file taxes but do not have an ITIN, complete the W-7 Application (see <https://www.irs.gov/forms-pubs/about-form-w-7>). IPS strongly recommends applying for an ITIN two to three months before you intend to file your tax forms. Alternatively, you can apply for an ITIN in conjunction with filing your tax return.

Social Security and Medicare Taxes

- Students and scholars who are not considered tax residents for tax purposes are exempt from paying Social Security and Medicare taxes.
- If you are a non-resident for tax purposes and your employer has withheld Social Security and Medicare taxes, you can claim these taxes back from the employer or through filing IRS Form 843 and 8316. If your employer is Pacific, please contact Payroll (payroll@pacific.edu).

State Taxes

International students and scholars may also be responsible for filing California State Taxes with the State of California Franchise Tax Board (see <https://www.ftb.ca.gov/>). Please note that the tax Board has different deadlines based upon whether or not you had US source income. If you had US source income the deadline is 15 April but if you did not have US source income the deadline is 15 June.

Vendors

Completing and filing federal and state tax forms can be a challenge, leading many Americans to work with a certified public accountant, tax preparation service, or a tax-filing software. To support Pacific's international student and scholar population, International Programs and Services has partnered with Sprintax to provide students and scholars with guidance on tax filing. The service can be used to determine your resident status for tax purposes and prepare – but not submit – your federal income tax forms. Sprintax also has information on tax treaties – that could exempt you from paying taxes – as well as tax experts available via email for individual tax questions.

Please know however that you are not obligated to use this service, and you can elect to complete your tax forms independently or with the assistance of your preferred tax professional. Regardless of how you choose to complete your tax forms, please retain all copies of your tax returns as they may be required to apply for future immigration benefits. (If you will be filing for taxes, please wait until you receive Form 1042 from your employer before using the software.)

Additional Resources

- IRS Free File Online: <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
- Franchise Tax Board File Online: https://www.ftb.ca.gov/file/ways-to-file/online/index.html?WT.mc_id=akEFileOptions

Pacific Practices

For international students receiving an award or international student athletes accepting a scholarship (for room and board), Pacific Payroll requests a Glacier profile be created. This process usually occurs at the beginning of each registration period or semester. Similarly, international students pursuing on-campus employment also create a Glacier profile as part of the new employee onboarding process. The Glacier profile allows Payroll to quickly and easily identify students who require tax in order to complete their tax forms.

If you received an award or scholarship, please expect to receive a Form 1042-S on or around 13 February. If you worked on campus, a Form W-2 will be sent to you by Payroll on or around 31 January. As awards and scholarships are considered US source income, you will need to complete and file either Form 1040 NR or Form 1040 NR-EZ as well as Form 8843 (see <https://www.irs.gov/forms-instructions> or <https://apps.irs.gov/app/picklist/list/formsInstructions.html>).

And remember, even if you did not earn US source income, as a non-resident, you must still complete Form 8843 (see <https://www.irs.gov/forms-pubs/about-form-8843>).

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