

INCOME TAX FAQ'S
for International Students and Scholars
(Frequently Asked Questions)
Updated February 2017
The University of Tennessee, Knoxville

CIE Staff do not have training in tax preparation and are therefore not able to answer individual tax questions. We hope this FAQ list will answer many of your general questions.

IMPORTANT: Please read **handouts** on the CIE website at <http://international.utk.edu/tax-information/> (Click on Tax Handouts)

GLACIER TAX PREP Information: The GLACIER TAX PREP or GTP Software for Non-resident Tax Returns is available for use by all Nonresident students and scholars at UTK or UTIA (or officially associated with UTK/UTIA) in 2016. There is one Access Code for all UTK students and scholars. It was sent by e-mail to all international students, scholars, and employees at UTK/UTIA. If you did not receive it, check your "Junk Mail". If you really did not receive it, contact international@utk.edu.

REMEMBER: The university offers two locations of VITA assistance in Spring 2017. In order to assure you visit the correct VITA site, see the tax residency handouts below or use the GTP software sent out by CIE. No appointment is necessary. Please bring all tax forms with you for efficient use of the volunteer's time.

Nonresident Alien VITA Site

Mondays: 5pm-7pm
Thursdays: 6pm-8pm
International House, 1623 Melrose Avenue
Feb 13 – Apr 14, except Spring Break

Resident VITA Site

Tuesdays: 6pm-8pm
Wednesdays: 5pm-7pm
UT College of Law, 1505 W. Cumberland Avenue
Feb 6 – Apr 14, except Spring Break

The Center for International Education will also hold a Tax Information Session at the International House on Tuesday, February 28 at 10:00 a.m. and again at 3:00 p.m. on Friday, March 3. If your question is not answered in these FAQ's, or if you just want an overview of the U.S. tax return, please come to one of these meetings.

REMEMBER: All IRS forms and publications can be downloaded from www.irs.gov.

FREQUENTLY ASKED QUESTIONS AND ANSWERS

I just got an e-mail from the IRS asking me to fill out another form. What does this mean?

WATCH OUT!!! The IRS will never contact you by e-mail. If you receive an e-mail that looks like it is from the IRS, IT IS NOT! Do not answer the e-mail and **DO NOT ever send your Social Security Number (SSN) to ANYONE by e-mail!** These e-mails, called “phishing” are from people trying to get your SSN so they can steal your money or your identity. The IRS would like you to report such fraud to them on their website.

I am still not sure if I am a Tax Resident or Nonresident.

See the handout labeled “Resident vs, Nonresident Tax Status”, the various worksheets, and the Residency Examples on the CIE website. If you use the GLACIER TAX PREP (GTP) software program, it should also calculate your residency for you before collecting all other income information from you.

My spouse is a Tax Nonresident and I am a Tax Resident. Can we file jointly? Does my spouse need Form 8843?

Yes! (to the first question) You can choose to file your return jointly as Tax Residents. See IRS Pub. 519 for instructions. It does not matter what immigration status you and your spouse have. If you both file as Residents, neither of you will file a Form 8843.

I changed from F-1 to H-1B in 2016. Am I a Tax Resident or Nonresident?

This depends on a) how many days you had H-1B status and b) whether you started the year as a Tax Resident. We suggest you read the handouts on the CIE website “Residency Examples” and “Dual Status Alien Tax Return”.

I got a letter from the IRS saying that I should have paid Social Security and Medicare Tax in 2016. I thought I was exempt from this tax.

Persons with F-1 and J-1 immigration status are exempt from these two taxes **as long as they are still Tax Nonresidents**. If the IRS thinks you owe these taxes, it is possible that 1) You were a Tax Resident in 2016 or 2) The IRS THINKS you were a Nonresident because you filed your 2016 Tax Return using a form for Residents. If you still think you should have been exempt from these taxes, make sure you used the correct form for your 2016 tax return.

If you used the wrong form, you will need to file a corrected tax return on the correct form , along with a Form 1040X. (We suggest that you ask for help at the VITA Center) If you believe you were still a Nonresident and that you filed the correct tax return, call the telephone number on your letter and remind them that you were a Tax Nonresident with F-1 or J-1 status.

When my Tax Residency is calculated (by me or by GTP), how do I count the time I was on Practical Training (OPT or CPT)?

You are still in F-1 status when you are on OPT or CPT. Just calculate it as F-1 time.

I tried to use GTP for my tax return, but it told me I was a Tax Resident in 2016 and cannot use this software. What do I do?

You will need to file different tax forms. Read other CIE handouts for information on what forms you need to file as a Tax Resident. (If you are still eligible to claim a tax treaty, see a separate handout which gives instructions - and see next question.) You may be eligible to use free software on the IRS website at www.irs.gov (Look for "FreeFile") But note that this software will probably not enter tax treaty information. You can start with the software, and then make changes on your tax return, yourself, based on the CIE handout.

How can I claim a tax treaty benefit if I am a tax resident?

Use the Form 1040. List all your income on Line 7 and subtract the tax-exempt portion on Line 21. Then complete a Form 8833 to explain why you did not list all of your income on the 1040. Complete Page 2 (only) of the 1040NR-EZ. Send all forms to the **IRS address used for Non-Residents** in Austin, Texas.

Note: IRS regulations do not normally require Form 8833 for students and scholars. However, we suggest Tax Residents complete it anyway to help clarify the tax treaty declaration.

See Handout on CIE website called "How does a Tax Resident claim treaty benefits?"

I heard that I might have a choice about filing as a Tax Resident or Non-resident. Is this true?

While some people can make this choice, most cannot. For example, if you are/were an F-1 or J-1 student, you must normally file as a Nonresident for the first five tax years. If you are/were a J-1 Scholar or Intern, you must normally file as a Non-Resident for the first two tax years.

The following people may be able to choose a different filing status:

1. A Tax Nonresident married to a Tax Resident may choose to file jointly with the spouse; both will file as Residents. (See IRS Publication 519)
2. A student who has been in the U.S. more than five years may ask IRS for permission to file as a Tax Non-resident. Write a letter to IRS requesting this permission, documenting closer connection with your home country and attach it to your tax return (1040NR or 1040NR-EZ). [Note: Most students pay *lower* taxes as Residents.]
3. A J-1 Scholar in the third year of J-1 status, *with no U.S. salary* may request to file as a Tax Non-resident. (See IRS Pub. 519)
4. If you were in the U.S. for less than 183 days in 2016, but still meet the substantial presence test, you may file a Form 8840 to request Non-resident status.
5. If you first entered the U.S. in 2016 (not in F or J status), and you become a Tax Resident in 2017, you may use the First Year Choice to file as a Resident for 2016. (See IRS publication 519). You must wait until you become a tax resident for 2017, which may require you to request an extension of time for your tax return.

I file the 1040NR, but it will not let me claim exemptions for my dependents. Can I file a Form 1040 or 1040EZ instead?

Probably not! If you are considered a Tax Nonresident, you must file a 1040NR or 1040NR-EZ. Most Nonresidents may not claim exemptions for dependents. Once you become a Tax Resident, you may claim exemptions for any dependents who are also Tax Residents.

I just found out that I was a Tax Resident in 2016, but UT Payroll had me coded as a Tax Nonresident by mistake. What should I do?

You might contact the UT Payroll Office so that they can correct their records. They will not make any adjustment to your federal income tax for 2016. But you can file your 2016 tax return now as a Resident and claim any refund due to you, if too much tax was withheld. It is possible that you will owe Social Security Tax for 2016. In this case, the Payroll Office will deduct the Social Security Tax from your paycheck now. (You might ask them if they can do this over several months and not in one single payment.) You will not enter any information about Social Security Tax on your federal income tax return. (It is the responsibility of the employer to collect Social Security Tax)

Note: If you are a regular, full-time employee at UT, then you are eligible for retirement income (at no cost to you) but only if you pay Social Security Tax. If you find out that you should have paid Social Security & Medicare tax in 2016, ask the UT Retirement Office about getting the retirement benefits for that time.

My employer withheld Social Security Tax (FICA and Medicare) from my salary. Was this correct? If not, how can I get it back?

If you were a Tax Resident, it was probably correct. If you were a **Tax Nonresident** with F-1 or J-1 status, it was not correct. [But persons with J-2 status must pay Social Security tax.] See IRS Publication 519 and a separate handout on the CIE Website for instructions for requesting a refund of Social Security tax withheld by mistake. (“SS Tax Handout” [First request the refund from the employer. If they refuse, file a Form 843] You may NOT request this refund on your regular tax return.

There is a tax treaty with my country, but I did not fill out a Form 8233 last year. Can I still claim the treaty benefits?

Yes. You can still claim treaty benefits on your tax return, even if all tax was withheld from your salary. **GTP** will do this for you. You may want to complete a Form 8233 now if you are still claiming a tax treaty for 2017.

All my income is exempt from tax, based on a tax treaty. Do I still need to file a tax return?

If your total salary for 2016 was more than \$4050, you will need to file a Tax Return. If your total salary was less than \$4050, and you have no other U.S. income, you only need to file a Tax Return if you think you will get a refund (and you want your refund). See the handout on the CIE Website, called “General Information About Filing Tax Return”. If you have any non-salary U.S. income, you must file a return.

(Remember: You may still need to file the Form 8843, even if you do not have to file a tax return)

Should I send Form 8833 to claim tax treaty benefits?

If you are a Tax Nonresident, you do not file a Form 8833. You will enter your treaty information on Form 1040NR or 1040NR-EZ. If you are a Tax Resident, we suggest you complete Form 8833 and send it with your Tax Return. (See question above).

I received Form W-2 from the UT Payroll Office but no 1042-S. What do I do?

Some people get a W-2, some get a 1042-S, and some get both. If the amount on the single form or the total of the two forms combined equals your total UT salary for 2016, then you do not need another form. You may enter the amount(s) into the **GTP** program, and it should calculate your entire treaty exemption. If your form(s) show(s) a total salary which is more or less than your actual 2016 salary, contact the Payroll Office in P115 Andy Holt Tower or call 865-974-5251 to ask about corrected forms. Also note that the 1042-S forms from UT are being mailed in February this year.

What is the 1098-T that I got from the Bursar's Office?

Tax Residents can usually take an "Education Credit" if they paid tuition or fees to the university. (Note that there is no credit for room and board charges or insurance.) Complete a Form 8863 and use Form 1040A (or 1040) for your tax return. Use the figure on the 1098-T to calculate your education credit, but do not mail the 1098-T to the IRS. If you have questions about this, we suggest the VITA site at the Law School for free assistance. Tax Non-residents do NOT get an education credit.

If you were a Tax Nonresident, in 2016, you will NOT use your 1098-T.

What is the Form 1095-C that I got from the Payroll Office?

This is a new form for the 2016 Tax Return. We understand it will be needed if you file a tax return as a Tax Resident. It will probably not be used if you are a Tax Nonresident. This form is only given to employees who were enrolled in the university's health insurance.

I had two employers in 2016, and received two W-2 forms. Do I need to file two tax returns? What should I do?

You file only one federal tax return for 2016. On the line for "wages, salaries, tips", add the TOTAL of both (or all) of your W-2's. If you did not receive a W-2 or 1042-S from each employer, contact the employers for these forms.

I had an internship last summer and received a salary. How do I claim this income on my tax return?

(We assume, first of all, that you had work authorization for the internship, such as OPT or CPT, or that you had J-1 intern status). Yes, you must claim any salary you received on your tax return. You should receive a W-2 and/or 1042-S from each employer. (Contact the employer if you did not receive this form.) Then list the total of all your salaries on Line 3 on the 1040NR-EZ.

Do I need to put my bank interest on the Tax Return?

If you were a Tax Nonresident, you do not need to enter your bank interest on the tax return. If you were a Tax Resident, then you do list the bank interest as income.

I got a paycheck in 2017 for work I did in 2016. Do I claim this on my 2016 tax return?

No. You claim the income on the tax return for the year that you received the money, not the year you earned it.

Are my tuition payments deductible on my tax return?

If you are a Tax Nonresident, tuition payments are not deductible. All deductible expenses are listed on Page 3 of the 1040NR. The **GTP** Software program will also tell you what is deductible.

If you are a Tax Resident, then you may be able to take a Tax Credit for tuition payments. (See question above about Form 1098-T). Other tax credits or deductible expenses for Tax Residents are listed in the Instruction books for the 1040 or 1040A.

I do not have a copy of my tax return from last year. What can I do?

You can get a transcript from the IRS for free. Go to <http://www.irs.gov/Individuals/Get-Transcript> To get an exact copy, file a Form 4506. There is a fee for this.

(This year please make and keep copies of your tax return!!!!)

If you used GTP last year, you should be able to get a copy from your GTP account.

I have never filed a Form 8843 in the past, but I just learned that I should have done that. What should I do?

We suggest you download copies of the 8843 for previous years from www.irs.gov . Or call the IRS at 800-829-3676 to request it. Complete and sign the forms now and mail to the IRS. You may also be able to access forms from previous years using **GLACIER TAX PREP**.

I have been in the US for many years but I never filed a tax return. I just learned that I was supposed to file one. What can I do?

Again, get copies of the tax returns from www.irs.gov or call 800-829-3676 to get the forms for the years you missed. Send the forms in now. You may be charged a penalty and/or interest due to the late return. You may want to hire a tax advisor who is familiar with Non-Resident tax laws.

I am a student from India, and I always claim the standard deduction. What should I write for the amount that was tax exempt for 2016 in Question J of the 1040NR-EZ?

We suggest you just write "Standard Deduction"

My bank wants me to fill out a form to report my Social Security Number (SSN). What do I do?

If you are a Tax Nonresident, you can probably complete a form W-8BEN and give it to the bank. This is a statement that you are Nonresident, and your bank interest is not taxable interest. If you are a Tax Resident, you can probably complete a Form W-9 to report your Social Security Number or ITIN. If you are a Tax Resident and still do not have a SSN or ITIN, tell the bank you have no number. If all these options fail, we suggest changing banks!

How can I print Form 8843 for my dependents?

If your dependents did not have any independent U.S. income, **GTP** should print the Form 8843 for them. If they had income of their own, they should use the UT Access Code to create their own **GLACIER TAX PREP** account. Note: 8843 is so simple, you can also fill it out by hand without using **GTP**. (Get the blank Form 8843 from www.irs.gov.)

I do not have a Social Security Number or ITIN. (Or my dependents do not.) What should I do?

Every person listed on the actual tax return (1040, 1040NR, etc.) must have a number. (If you file your tax return without a number, the IRS will send it back.) If you are eligible for a Social Security Number, apply for one immediately. If you or your dependents cannot get an SSN, complete the tax return without the number, but do not mail it. Also obtain and complete a Form W-7 from the IRS website (www.irs.gov). Then take your completed Tax Return and passport to the IRS Office in Knoxville and apply for the ITIN. The applicant must be present to apply! (Even children!) **See separate handout about the ITIN application.**

If you or your dependents are **ONLY** filing a Form 8843, you can send in the form with no number on it.

(Remember, most tax non-residents do not list dependents on the 1040NR. If you are a Tax Nonresident, and you are not from Canada, Mexico, Korea, or a student from India, you will probably not need a number for your dependents, unless they have U.S. income and are filing their own tax returns.)

The address on my W-2 is no longer correct. I have moved since then.

Don't worry about this. Enter your **CURRENT** address on the tax return form (1040NR-EZ, etc.), or in the **GTP** program. Any tax refund will be sent to this address (or deposited in your bank account if you request this). It does not have to match the address on your W-2. If you move **AFTER** you file your tax return, file an IRS form 8822 (available from www.irs.gov.)

I plan to go home soon and I will close my bank account. How do I get my refund?

We suggest that you have the money deposited in the bank account of a friend who will remain in the U.S., and then you figure out a way for your friend to pay you. You may also have the check mailed to you, but it will be in U.S. dollars and may cost you extra money to cash it in your home country.

How long will it take to get my tax refund?

We have heard that many Tax Nonresidents, or Residents claiming treaty benefits, have recently experienced long delays in getting tax refunds. If you have not received your refund or other communication from the IRS within six months, we suggest you contact the IRS.

Go to the IRS website (www.irs.gov or <http://www.irs.gov/Refunds>) to track your refund or send an electronic inquiry to the IRS. You can also call the Taxpayer Advocate at 615-250-5000 or toll-free at 1-877-777-4778.

What names and addresses should I list for my institution and advisor?

Form 8843 asks for your institution and the name/address of the director of your academic program. **GTP should enter this information automatically.** If you were a student or scholar at UT in 2015, we suggest you use the CIE address for the institution (1620 Melrose Avenue, Knoxville, TN 37996-3531; phone 865-974-3177). For the director of your academic program, you could use the name and address of your academic advisor, or any other person in your department who can verify your enrollment or presence on campus.

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