Nonresident Tax Orientation

Agenda
• General Overview of U.S. Tax and Tax Forms
• Items subject to tax
• NRA Documentation Requirements & Process
• Resources
• Income Tax Returns and FNTR
Nonresident Tax Orientation

Why is it important to provide/update your information with the Emory Tax Office?

• U.S. Government requires certain forms
• Avoid large tax payments, penalties, and interest
• Avoid reissuance and/or amending of tax forms
• Prevent immigration issues related to tax
General Overview of U.S. Tax and Tax Forms
Emory is home to over 2,700 international students and over 1,200 international scholars from over 100 countries

- Three leading nations of origin are China, South Korea, & India

VISA Types

- Students – generally F-1
- Scholars – generally J-1 or H1B
General Overview of U.S. Tax and Tax Forms

• Basic Definitions
  • Nonresident Alien for U.S. Tax Purposes ("NRA")
    • Not a U.S. citizen and does not meet either the "green card" test or the "substantial presence" test
    • Special rules for withholding on compensation income (regardless of marital status)
      • Single & 1 exemption for federal, special NRA withholding calculation
      • Single & 0 exemption for state
    • Generally must file separate return and cannot claim dependents even if married
General Overview of U.S. Tax and Tax Forms

• Basic Definitions
  • *Resident Alien for US Tax Purposes* ("RA")—
    • Not a U.S. citizen and meets either the "green card" test or the "substantial presence" test
    • Generally follows same U.S. tax rules as U.S. citizens
  • *Substantial Presence Test* ("SPT") – Complex rules. Test determines whether the foreign national (non U.S. citizen) has been in the U.S. a substantial amount of time (183 days) over the current and preceding two years
General Overview of U.S. Tax and Tax Forms

• Substantial Presence Test
  • F VISA
    • Generally exempt from counting days in the U.S. toward the substantial presence test for first 5 calendar years
    • Even if in the U.S. 1 day during calendar year it counts as 1 year toward the 5
  • J Visa
    • Generally exempt from counting days in the U.S. toward the substantial presence test for first 2 calendar years
    • Must begin counting days if present in U.S. any part of 2 of the prior 6 calendar years
General Overview of U.S. Tax and Tax Forms

U.S. tax law (Internal Revenue Code or “IRC”) contains specific rules regarding payments to non U.S. citizens. Rules vary based on VISA Type, country, payment type and length of stay in the U.S.

• Students & Faculty
• Emory Visitors
• Payments outside U.S.
• No two people are the same, even if from the same country
General Overview of U.S. Tax and Tax Forms

Types of Tax

• Income –
  • Tax on all types of income
  • Graduated tax rates

• Federal Insurance Contributions Act (FICA) –
  • Taxes on Wages paid in to Social Security (old age) and Medicare (insurance)
  • Social Security = 6.2% of wages, Medicare = 1.45% of wages
  • Exempt until January 1 of year become Resident Alien
  • RA students are exempt only in months enrolled in classes fulltime
General Overview of U.S. Tax and Tax Forms

Tax Forms

• Form 8843 – Statement for Exempt Individuals and Individuals With a Medical Condition
  • Filed annually either with tax return or separate if no return filed
  • All with F or J visas must complete (including F-2 or J-2)

• Form W-8BEN - Certificate of Foreign Status of Beneficial Owner
  • Completed by any non U.S. citizen before payment made

• Form 8233 - Exemption From Withholding on Compensation
  • Completed prior to receiving treaty benefits
  • New form must be completed for each calendar year
General Overview of U.S. Tax and Tax Forms

Tax Forms (Continued)

• Form 1040NR and 1040NR-EZ – Income Tax Return
  • Annual tax return to report income - filed by NRAs
  • Due by April 15th each year (Note: Cannot efile)

• Form 1042-S - Foreign Person’s U.S. Source Income Subject to Withholding
  • Form reflects payments subject to withholding tax and those exempt from tax under tax treaty
  • Must be provided to individuals by March 15th each year (Emory works to provide by January 31st)
General Overview of U.S. Tax and Tax Forms

Tax Forms (Continued)

• Form W-2 – Wage and Tax Statement
  • Provided by Employer to each Employee
  • Due to individual by January 31 each year

• Form W-4/G-4 – Employee’s Withholding Allowance Certificate
  • Provided by each Employee to Employer
  • Basis for computing withholding of income taxes from paychecks
  • For Nonresident Aliens must be:
    • Single & 1 exemption for federal, special NRA withholding calculation
    • Single & 0 exemption for state
Items Subject to Tax
Nonresident aliens ("NRA") are generally subject to tax on:

- Income earned in U.S. (Compensation)
  - Employee – taxes withheld based on IRS withholding tables
  - Nonemployee (Independent Contractor**) – taxes withheld at 30% rate
- Taxable scholarship income
  - Scholarships in excess of required fees (Required fees = tuition and books)
    - Taxed at a 14% rate
- Prizes/awards
  - Taxes withheld at 30% rate

**Note: Only certain VISA types are authorized to be paid as independent contractors with proper Employment Authorization Documents.
Items Subject to Tax

• Tax Treaties
  • Tax treaties can exempt certain types of income from taxes
  • Treaties may contain dollar limits as well as limitation on time in U.S.
    • For certain Treaties, exceeding these limits results in retroactive tax
  • Treaties are also specific by country, income type, Visa type, purpose in U.S. and length of time in U.S.
    • Two individuals from the same country may not receive the same benefits
Items Subject to Tax

• Tax Treaties
  • Treaty is based on the last country of Tax Residency which is not necessarily country of citizenship
    • Tax residency country is where you resided 1 year or more prior to entering U.S.
  • Tax treaty benefits are **not** officially claimed until the federal and state income tax returns are filed.
NRA Documentation Requirements & Process
NRA Documentation Requirements & Process

Procedures in order to begin working at Emory

• Obtain a social security number
• On-line Foreign National Information System (“FNIS”) Questionnaire
• Complete Tax Forms
• Tax Residency and FICA Taxes

Note: Not necessary to have face to face meeting with tax office
Social Security Number

• You must apply for a social security number (SSN) as soon as possible. Please follow the instructions provided by ISSS to receive your number
  • You can begin working at Emory without a SSN
  • You are NOT eligible for any tax treaty benefits without a SSN.
• When you receive your SSN, please bring a copy of the card to 1599 Clifton Rd, Controller’s Office. For security reasons it is best if you do NOT fax or email your card to us.
**Individual Taxpayer ID Number**

- If you are not working you are not eligible for a Social Security Number but may obtain an Individual Taxpayer ID Number ("ITIN") if you are required to file an income tax return
- ITINs are applied for as part of the income tax return filing
- Unused ITINs expire if not used on a tax return for 3 years
**Complete Foreign National Information System (“FNIS”) Questionnaire**

- Contact the NRA office (nonresident.tax@emory.edu) to obtain a User ID and password for FNIS
- Log on to the website - [https://fnis.thomsonreuters.com/emory](https://fnis.thomsonreuters.com/emory) with your userID and password
- Detailed instructions will be contained in the email as well as at [https://www.finance.emory.edu/home/accounting_svcs/accounting_services_forms/FNIS_employees.pdf](https://www.finance.emory.edu/home/accounting_svcs/accounting_services_forms/FNIS_employees.pdf)
Complete Foreign National Information System ("FNIS") Questionnaire

- Make sure to include required Visa activity, especially the current year
- Make sure to consent to receiving forms electronically
- Once you submit your data, please allow 3 business days for a response
- After your questionnaire has been approved, you will receive an email with instructions on printing, signing, and submitting your forms as well as submitting copies of other documents to the tax office.
**Complete Tax Forms** - The following Forms should be printed, signed and returned to the tax office (1599 Clifton Rd Attn: Mary Andrews)

Printed from the FNIS System:
1. Immigration Status Data Form
2. Form W-4
3. Form W-8BEN
4. Form 8233 Treaty (if applicable) – Note that if you do not have a SSN, this form will not be available. Once you receive your SSN, we can process this form if treaty benefits are available to you.

Print from your confirmation email (attachments):
1. Form G-4
2. NRA Exempt Memo

- Make sure to keep a copy of all documents for your records!!
NRA Documentation Requirements & Process

*Complete Tax Forms* – In addition, copies of the following documents must also be submitted to the tax office (1599 Clifton Rd Attn: Mary Andrews)

1. Most recent I-94
2. I-20 or DS-2019
3. Current Visa including copy of the Entry Stamp
4. Passport information page
**Complete Tax Forms**

- Most tax forms will be able to be processed without a face to face meeting with the tax office.
- If we do need to meet face to face, we will not be able to meet with you without a scheduled appointment, so please **do not** come to the office without a scheduled time!
**Tax Withholding and FICA**

- For income not subject to Tax Treaty Benefits, federal and state income tax **will** be withheld.

- Note that regardless of your marital status, Emory is required to withhold at a rate of single with 1 exemption for federal taxes and single with 0 exemptions for Georgia.
  - Please do not change as this could result in you owing additional taxes when you file your return.

- FICA taxes will begin to be withheld effective January 1 the year you are considered Resident Alien.
Resources
Resources

• Income Tax Returns and Tax Assistance
  • A tax return must be completed for all nonresident aliens in the U.S. who have U.S. source income including any wages and scholarship income received.
    • Tax return Forms 1040NR or 1040NR-EZ, and Georgia Form 500
    • May have Form W-2 or Form 1042-S or both forms.
  • Deadline to submit your tax return is April 15th
  • Do Not file using Turbotax or any other tax Software not provided by Emory
Resources

• Income Tax Returns and Tax Assistance
  • Emory provides Foreign National Tax Resource (“FNTR”) Software for federal tax return preparation (free to NRAs)
    • NRAs should NOT use Turbotax or similar software to complete their returns
    • NRAs cannot efile returns
  • Tax workshops are held in March and April each year to assist with completion of the Georgia Returns
    • ISSS includes schedule on their website
      http://isss.emory.edu/life_in_the_us/taxes/index.html
    • Generally one large group session and three individual help sessions
Resources

• Finance Division Website
  • Accounting/Nonresident Alien Tax Assistance
    https://www.finance.emory.edu/home/accounting_svcs/Non-Resident%20Alien%20Tax%20Assistance/index.html
  • International Student and Scholar Tax FAQs
    https://www.finance.emory.edu/home/accounting_svcs/Non-Resident%20Alien%20Tax%20Assistance/international_student_and_scholar_tax_faqs.pdf
Resources

• Email
  • Nonresident.tax@emory.edu
  • Please include your Emory ID number in communications as there are many common names
Income Tax Returns and Foreign National Tax Resource (FNTR)
Income Tax Returns

• US tax law requires ALL nonresidents file US federal and state income tax returns if they have any U.S. source income
• The terms of students’ and scholars’ visas require them to be in compliance with ALL laws of the US including income tax filing!
• The US Citizenship and Immigration Services (USCIS) will consult the US Internal Revenue Service (IRS) for permanent residence status filings: “Did this nonimmigrant always file his/her tax return/report?”
• Any tax treaty benefits are not officially claimed until the federal and state tax returns are filed!
• What is FNTR
  • Software specifically designed for federal tax return preparation for nonresident alien ("NRA") individuals
  • Provided by Emory free to NRAs
  • Produces all the forms needed for NRAs to file
    • 1040NR or 1040NR-EZ
    • 8843
    • W-7 if ITIN needed

Note: NRAs should NOT use Turbotax or similar software to complete their returns and NRAs cannot efile returns
Accessing FNTR

From the Finance Division website FNTR Gateway

- Note the access code near the top of page (changes every year)
- Click on the Windstar Technologies logo to go to the login page
  - New users (first year) – click registration to sign up
  - Returning users – click to reactivate your account and enter new access code
- Log in to the system

NOTE: You Must use Internet Explorer as your browser
FNTR Gateway

This page is your gateway to the Foreign National Tax Resource (FNTR).
The first time you enter the FNTR website for this tax year, you will need the following access code to register: ZLTьевгшомт

After you read the instructions on this page, click the following Windstar logo to enter the FNTR website.

Make sure you have the correct information

Before you begin the registration process, be sure you have the following documents and information with you:

- Visa/Immigration information/Passport
- Social Security Number or Individual Taxpayer Identification Number (if you have one)
- Addresses (current U.S. and foreign address)
- U.S. entry and exit dates for 2013 through 2015 visits to the U.S.
- Forms W-2, 1042-S, and/or 1099
- Your 2014 income tax returns (if you filed U.S. returns for 2014)
- Emory name, address, and telephone number (see Emory Academic Information below) for Form 8843
- Your Emory Network ID (if you do not know your NetID call the Help Desk at 7-7777)

How much time will registration take?

Set aside approximately 30 minutes to complete the registration process. It is much easier to register if you do everything at one time, rather than starting and stopping.

What is the registration process like?

- The first time you log on to FNTR you will be asked to register by creating your own user ID using the access code above.
- You must remember your user ID in order to be able to gain access to your information again after exiting FNTR.
- Your e-mail address is required solely to contact you if there is a problem while you are using the software.
- Follow the instructions for each page to complete your return. FNTR will provide instructions as you go and prepare Form 1040NR or 1040NR-EZ (whichever is appropriate for your circumstances). Form 8843 will be produced for all F and J visa holders and their dependents.

If you need help

- If you need assistance using FNTR, click the Getting Help tab at the top of the main screen.
- For specific information relating to the topic on each page or line, click the Explain link or the ? button.

Emory academic information

Emory University - ISS55 Office
Mail Stop: 1784-001-1AV
Atlanta, GA 30322
Shinn Ko, Director
We've updated our Privacy Statement. Before you continue, please read our new Privacy Statement and familiarize yourself with the terms.

Foreign National Tax Resource

Username: 
Password: 

I acknowledge that I have read and agree to the Terms of Use.

*** NEW USERS? CLICK REGISTRATION TO SIGN UP

*** DID YOUR ACCESS CODE CHANGE? CLICK HERE TO REACTIVATE YOUR ACCOUNT.

The information contained on this website has been gathered, written and organized by tax experts who have a combined 45 years of experience in preparing taxes for foreign nationals.

Log in to access comprehensive information for Foreign Students, Scholars, Workers, and Dependents.

** NOTE: If you require assistance logging in, please contact your institution or organization.

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• Accessing FNTR
  • Once logged in, Select “Prepare Tax Return 2017” on the right side

Note: 2017 is not yet available. When 2017 is available it should show on the top right.
Accessing FNTR

- Go through all the screens selecting “Next” on the bottom right to move on.
Accessing FNTR

Once finished, review and print your forms
Complete your Georgia state income tax forms
Mail Federal return to the IRS (Cannot efile)
  If no payment due:  Department of Treasury
  Internal Revenue Service
  Austin, TX 73301-0215
  If payment due:  Internal Revenue Service
  P.O. Box 1303
  Charlotte, NC 28201-1303

Include Form W-2 copy B and Form 1042-S copy C
Make sure to keep a copy of all forms for your records
Questions???