

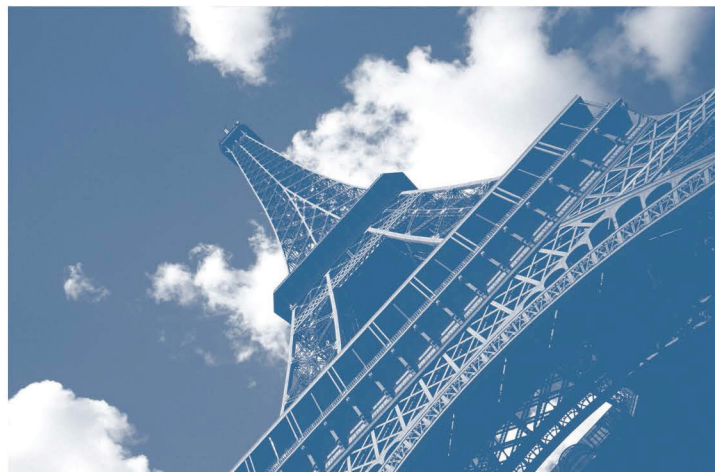
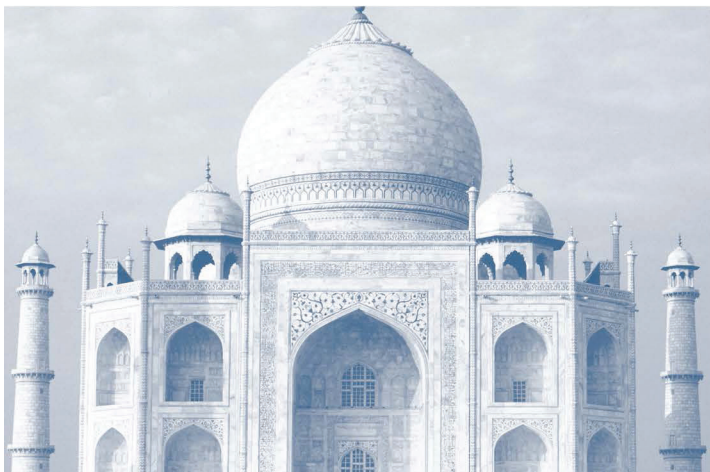
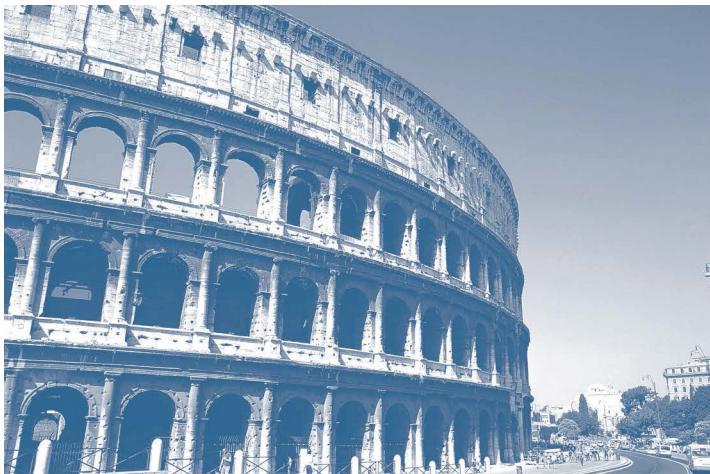


# 4011

**VITA/TCE** Foreign Student and Scholar Resource Guide  
Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)

**2018 RETURNS**

Foreign Student & Scholar Resource Guide



Take your VITA/TCE training online at [www.irs.gov](http://www.irs.gov) (key word: Link & Learn Taxes). Take the Foreign Student and Scholar and other certification tests



# CONTACTS

Common Phone Numbers/ Web Addresses/ etc.

IRS-SPEC Relationship Manager: \_\_\_\_\_

TaxSlayer : \_\_\_\_\_

Site Coordinator: \_\_\_\_\_

Site Leader(s): \_\_\_\_\_

IRS Forms/Pubs Online: <https://www.irs.gov/forms-pubs>

U.S. Income Tax Treaties: <https://www.irs.gov/businesses/international-businesses/united-states-income-tax-treaties-a-to-z>

Treaty Tables: <https://www.irs.gov/individuals/international-taxpayers/tax-treaty-tables>

State Tax Government Websites: <https://www.irs.gov/businesses/small-businesses-self-employed/state-links-1>

State Contact(s):  
\_\_\_\_\_  
\_\_\_\_\_

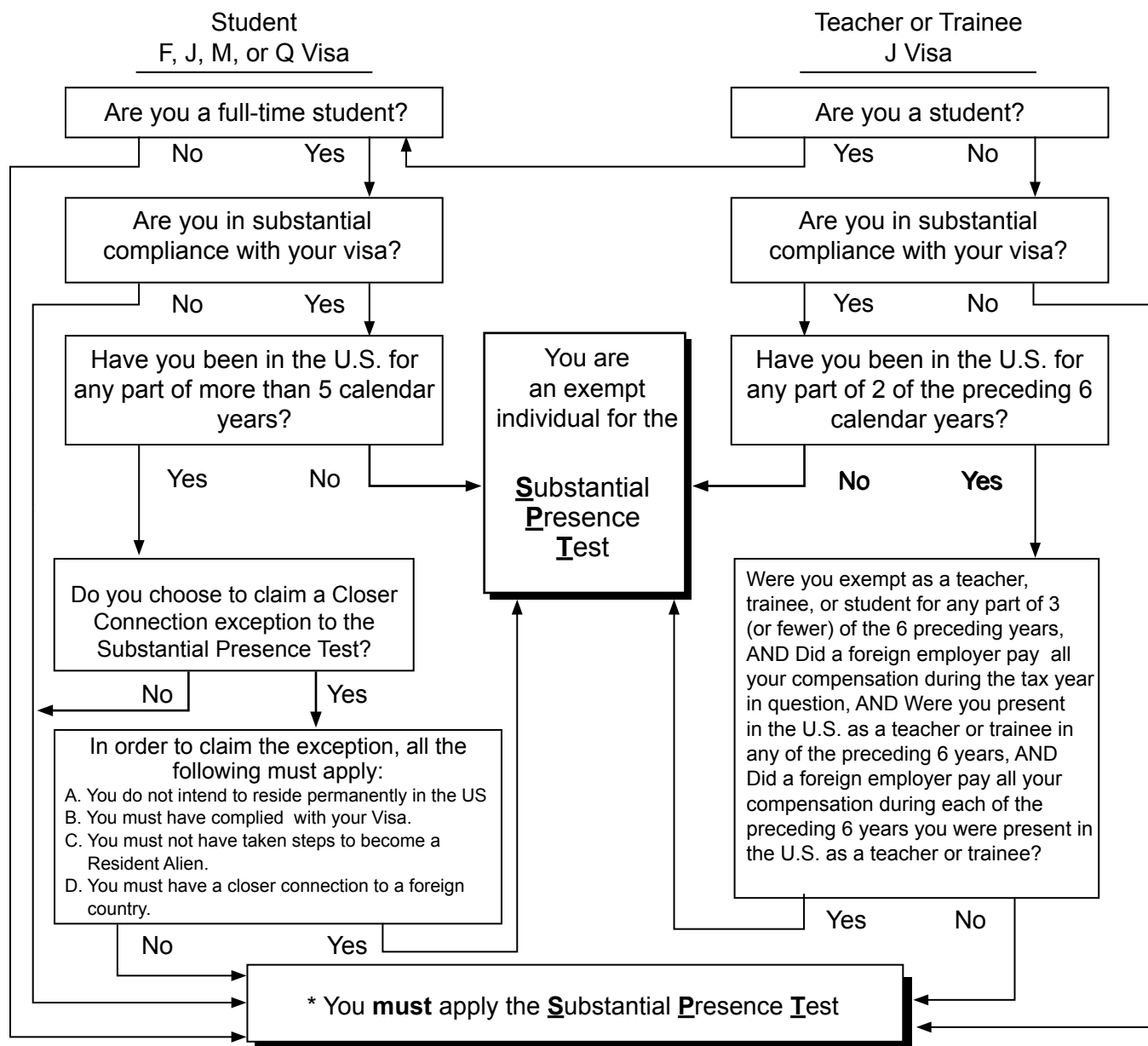
Other Contacts  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Efiling Form 1040NR through TaxSlayer -

The latest information on the preparation of Forms 1040NR through TaxSlayer can be found by going to the **VITA/TCE Springboard** at <https://vita.taxslayerpro.com> and accessing the **Pro Online Knowledgebase** or **Pro Desktop Knowledgebase** where you will find the applicable lesson for completing the Form 1040NR using either version. (Search using key word "1040NR".)

## Are you an exempt individual? – Decision Tree

If you are temporarily present in the United States on an F, J, M, or Q visa, use this chart to determine if you are an exempt individual for the **Substantial Presence Test (SPT).**

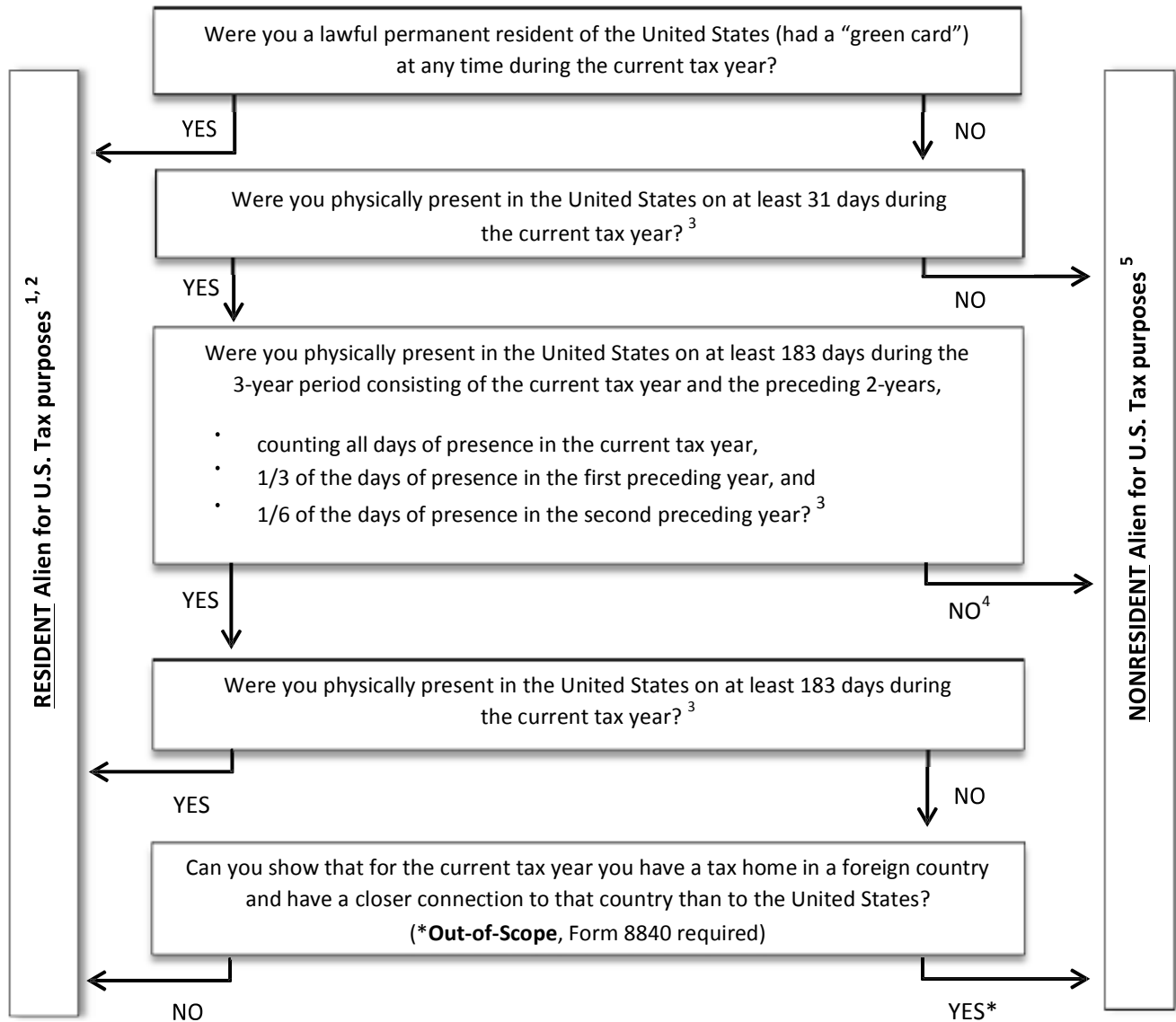


\* Substantial Presence Test (SPT) You will be considered a U.S. resident for tax purposes if you meet the substantial presence test for calendar year 2018. To meet this test, you must be physically present in the United States on at least:

1. 31 days during 2018 and
2. 183 days during the 3-year period that includes 2018, 2017, and 2016, counting:
  - a. all the days your were present in 2018 and
  - b. 1/3 of the days you were present in 2017, and
  - c. 1/6 of the days your were present in 2016.

# Nonresident Alien or Resident Alien? - Decision Tree

Start here to determine your residency status for federal income tax purposes



1. If this is your first year of residency, you may have a dual status for the year. See Dual-Status Aliens in Pub 519. **(Out-of-Scope)**
2. In some circumstances you may still be considered a nonresident alien and eligible for benefits under an income tax treaty between the U.S. and your country. Check the provision of the treaty carefully. **(Out-of-Scope)**
3. See *Days of Presence in the United States* in Pub 519 for days that do not count as days of presence in the U.S. (Exempt individuals such as students, scholars, and others temporarily in the U.S. under an F, J, M, or Q visa's immigration status do not count their days of presence in the U.S. for specified periods of time.)
4. If you meet the substantial presence test for the following year, you may be able to choose treatment as a U.S. resident alien for part of the current tax year. See *Substantial Presence Test* under *Resident Aliens and First-Year Choice* under *Dual Status Aliens* in Pub. 519. **(Out-of-Scope)**
5. Nonresident students from Barbados, Hungary, and Jamaica, as well as trainees from Jamaica, may qualify for an election to be treated as a U.S. Resident for tax purposes under their tax treaty provisions with the U.S. A formal, signed, election statement must be attached to the Form 1040 (preparation of the statement is **Out-of-Scope**). (It continues until formally revoked.)

## Countries with Treaty Benefits for Scholarship or Fellowship Grants (Income Code 16)

- If a nonresident alien receives a grant that is not from U.S. sources, it is not subject to U.S. tax.
- Scholarship or fellowship grants that cover tuition and fees (and books and supplies if required of all students) are not subject to U.S. tax. (Financial aid that is dependent on the performance of services, such as a teaching assistant, is treated as wages and subject to the code income 18, 19, or 20 provisions.)
- Scholarship or fellowship grants that cover room, board and other personal expenses are subject to U.S. tax unless a treaty benefit (as summarized below) exists.

<i>Country</i>	<i>Maximum Years in U.S</i>	<i>Maximum Dollar Amounts</i>	<i>Treaty Article</i>
Bangladesh	2	No Limit	21(2)
China, People's Republic of	No Limit	No Limit	20(b)
Commonwealth of Independent States*	5	Limited	VI(1)
Cyprus	5	No Limit	21(1)
Czech Republic	5	No Limit	21(1)
Egypt	5	No Limit	23(1)
Estonia	5	No Limit	20(1)
France	5	No Limit	21(1)
Germany	No Limit	No Limit	20(3)
Iceland	5	No Limit	19(1)
Indonesia	5	No Limit	19(1)
Israel	5	No Limit	24(1)
Kazakhstan	5	No Limit	19
Korea, South	5	No Limit	21(1)
Latvia	5	No Limit	20(1)
Lithuania	5	No Limit	20(1)
Morocco	5	No Limit	18
Netherlands	3	No Limit	22(2)
Norway	5	No Limit	16(1)
Pakistan	No Limit	No Limit	XIII(1)
Philippines	5	No Limit	22(1)
Poland	5	No Limit	18(1)
Portugal	5	No Limit	23(1)
Romania	5	No Limit	20(1)
Russia	5	No Limit	18
Slovak Republic	5	No Limit	21(1)
Slovenia	5	No Limit	20(1)
Spain	5	No Limit	22(1)
Thailand	5	No Limit	22(1)
Trinidad and Tobago	5	No Limit	19(1)
Tunisia	5	No Limit	20
Ukraine	5	No Limit	20
Venezuela	5	No Limit	21(1)

\* Commonwealth of Independent States(Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan.)

## Countries With Treaty Benefits for Teaching (Income Code 19)

**Caution:** The following is a quick-reference summary of treaty benefits. For more information about the application of these treaty benefits, see Publication 901, U.S. Tax Treaties.

<i>Country</i>	<i>Maximum Years in U.S</i>	<i>Maximum Dollar Amounts</i>	<i>Treaty Article</i>
Bangladesh	2	No Limit*	21(1)
Belgium	2	No Limit	19(2)
Bulgaria	2	No Limit	19(2)
China, People's Republic of	3	No Limit	19
Commonwealth of Independent States**	2	No Limit	VI(1)
Czech Republic	2	No Limit	21(5)
Egypt	2	No Limit	22
France	2	No Limit	20
Germany	2	No Limit	20(1)
Greece	3	No Limit	XII
Hungary	2	No Limit	17
India	2	No Limit	22
Indonesia	2 <sup>L</sup>	No Limit	20
Israel	2	No Limit	23
Italy	2	No Limit	20
Jamaica	2	No Limit	22
Japan	2	No Limit	20
Korea, South	2	No Limit	20
Luxembourg	2 <sup>L</sup>	No Limit	21(2)
Netherlands	2 <sup>L</sup>	No Limit	21(1)
Norway	2	No Limit	15
Pakistan	2	No Limit	XII
Philippines	2	No Limit	21
Poland	2	No Limit	17
Portugal	2	No Limit	22
Romania	2	No Limit	19
Slovak Republic	2	No Limit	21(5)
Slovenia	2	No Limit	20(3)
Thailand	2	No Limit	23
Trinidad and Tobago	2	No Limit	18
Turkey	2	No Limit	20(2)
United Kingdom	2	No Limit	20A
Venezuela	2	No Limit	21(3)

\* 2-year limit applies to business or technical apprentices.

\*\* Commonwealth of Independent States  
(Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan.)

<sup>L</sup> Treaty contains provisions that retroactively eliminates benefits if the allowable period in the U.S. or income amounts are exceeded as defined in the treaty.

## Countries With Treaty Benefits for Studying and Training (Income Code 20)

Caution: The following is a quick-reference summary of treaty benefits. For more information about the application of these treaty benefits, see Publication 901, *U.S. Tax Treaties*.

<i>Country</i>	<i>Maximum Years in U.S</i>	<i>Maximum Dollar Amounts</i>	<i>Treaty Article</i>
Bangladesh	No Limit*	\$8,000	21(2)
Belgium	No Limit	9,000	19(1)(b)
Bulgaria	No Limit	9,000	19(1)(b)
China, People's Republic of	No Limit	5,000	20(c)
Cyprus	5	2,000	21(1)
Czech Republic	5	5,000	21(1)
Egypt	5	3,000	23(1)
Estonia	5	5,000	20(1)
France	5	5,000	21(1)
Germany	4 <sup>L</sup>	9,000	20(4)
Iceland	5	9,000	19(1)
Indonesia	5	2,000	19(1)
Israel	5	3,000	24(1)
Korea, South	5	2,000	21(1)
Latvia	5	5,000	20(1)
Lithuania	5	5,000	20(1)
Malta	No Limit	9,000	20(2)
Morocco	5	2,000	18
Netherlands	No Limit	2,000	22(1)
Norway	5	2,000	16(1)
Pakistan	No Limit	5,000	XIII(1)
Philippines	5	3,000	22(1)
Poland	5	2,000	18(1)
Portugal	5	5,000	23(1)
Romania	5	2,000	20(1)
Slovak Republic	5	5,000	21(1)
Slovenia	5	5,000	20(1)
Spain	5	5,000	22(1)
Thailand	5	3,000	22(1)
Trinidad and Tobago	5	2,000	19(1)
Tunisia	5	4,000	20
Venezuela	5	5,000	21(1)

\* 2-year limit applies to business or technical apprentices.

<sup>L</sup> Treaty contains provisions that retroactively eliminates benefits if the allowable period in the U.S. or income amounts are exceeded as defined in the treaty.

**NOTE:** Tax Treaty provisions allowed federally may not be honored by some states. Contact your state to see if treaty provisions are honored on the state return.

# Unique Treaty Provisions

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## India Treaty Article 21(2)

An Indian **student** may take a standard **deduction** equal to the amount allowable on Form 1040 and may be able to claim the personal exemptions for a nonworking spouse and U.S. born-children.

Treaty benefits for a **scholar** from India are very different from those for a **student**. The **scholar** benefit for income code 19 is lost retroactively if the visit exceeds 2 years.

The standard deduction for Single taxpayers and Married Filing Separately taxpayers in 2018 is \$12,000.

Nonresident aliens can't file a joint return. Even though a student from India may be able to take an exemption for a nonworking spouse, this is not considered a joint return. Thus, the standard deduction for married filing separately must be used. In determining their tax liability, they must use the tax tables or tax rate schedules for married filing separately.

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## China Treaty Articles 19, 20(c)

Almost all U.S. tax treaties are limited to a specific number of years and may not be available for U.S. residents for tax purposes. An exception is the U.S.- China Treaty. Its provisions are not limited by year restrictions.

*Also:* This treaty is not applicable to Chinese citizens who are residents of Hong Kong or Macao.

The U.S. treaty with China provides that a scholar is exempt from tax on earned income for 3 years. After 2 years, a scholar will become a resident alien for tax purposes but is still entitled to 1 more year of tax benefits under the treaty. The treaty also provides that students have an exemption of up to \$5,000 per year for income earned while they are studying or training. In most cases, the student will become a resident for federal tax purposes in their sixth calendar year. Students from China can continue to claim the treaty benefits on their resident alien tax return (if they still meet the definition of a student).

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## Canada Treaty Article 15

The students and scholars are permitted to use Article 15 of the tax treaty, which applies to dependent personal services.

The tax treaty with Canada is different from most other tax treaties because it (1) exempts all earned income if the nonresident earned not more than \$10,000 in the tax year, but (2) taxes all income if the nonresident earned more than \$10,000. This treaty benefit is lost if the nonresident becomes a resident for tax purposes.



# How to Claim Treaty Benefits on Form 1040NR

Nonresident aliens may claim treaty benefits on Form 1040NR.

*If a taxpayer is a resident alien eligible to claim treaty benefits on Form 1040, the return is Out-of-Scope for our Foreign Student Scholar VITA program.*

The following shows how to claim treaty benefits listed on Form 1042-S:

First, enter the necessary information based on the F13614-NR entries and your interview with the taxpayer for the three sections of Schedule OI in TaxSlayer.

**Schedule OI**

General Information **BEGIN**

Dates Entered and Departed the U.S. in Current Year **BEGIN**

Income Exempt from Tax **BEGIN**

**CONTINUE**

For the Form 1040NR returns, the Schedule OI will automatically open.

Enter the information requested under each tab

**Schedule OI - General Information**

**CANCEL** **CONTINUE**

**General Information**

Type of 1040NR Entry \*  
Individual

Country of Citizenship \*  
France

Country of Residence \*  
France

U.S. Travel Information  
Other not listed

Select type of U.S. Visa \*  
Nonimmigrant Visa

**Schedule OI - Current Year Travel Dates**

Date Entered U.S. \*  
MM DD YYYY

Date Departed U.S.  
MM DD YYYY

**CANCEL** **CONTINUE**

## Schedule OI - Income Exempt from Tax

Name of the Country \*

Tax Treaty Article \*

Number of months claimed on prior tax returns

Amount of exempt income

CANCEL

CONTINUE

List the country from which the taxpayer is claiming treaty benefits. Once entered, another box will appear with a drop-down menu asking which treaty article is being applied.

If this treaty benefit has been used on PRIOR returns, list the total number of months the article has been used in prior years.

List the amount of income THIS year that is to be exempt from taxation due to the treaty article.

To enter the Form 1042-S, go to the "Payments & Estimates" . Then, select "Foreign Person's U.S. Source Income Subject to Withholding Form 1042-S".

<p>☰ Collapse Menu</p> <p>🔍 Enter the Form Number...</p> <p>📄 Basic Information</p> <p>🏠 Federal Section</p> <p>Income</p> <p>📄 W-2 Wage Statement</p> <p>Deductions</p> <p>Other Taxes</p> <p>Payments &amp; Estimates</p> <p>Miscellaneous Forms</p> <p>🏠 Health Insurance</p> <p>📄 State Section</p> <p>📄 Summary/Print</p> <p>📄 E-file</p> <p>📄 2017 Amended Return</p>	<p>Other State Withholdings <span style="float: right;">BEGIN</span></p> <hr/> <p>Underpayment of Estimated Tax <span style="float: right;">BEGIN</span></p> <hr/> <p>Apply Overpayment to Next Year's Taxes <span style="float: right;">BEGIN</span></p> <hr/> <p>Vouchers for Next Year's Estimated Payments <span style="float: right;">BEGIN</span></p> <hr/> <p>Amount Paid with Extension <span style="float: right;">BEGIN</span></p> <hr/> <p>Other Form 1040-NR Payments <span style="float: right;">BEGIN</span></p> <hr/> <p>Foreign Partner's Information Statement Form 8805 <span style="float: right;">BEGIN</span></p> <hr/> <p>Withholding on Dispositions by Foreign Persons on U.S. Real Property Interests Form 8288-A <span style="float: right;">BEGIN</span></p> <hr/> <p>Foreign Person's U.S. Source Income Subject to Withholding Form 1042-S <span style="float: right;">BEGIN</span></p> <hr/> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px 10px;">BACK</span> <span style="float: right; border: 1px solid black; padding: 2px 10px;">CONTINUE</span> </p>
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Next, you will enter the information from each box on the Form 1042-S into the software. Only enter information for completed boxes. Each entry has the same corresponding title as listed on the form.

# Form 1042-S Foreign Person's U.S. Income Subject to Withholding

## Corresponding Box from Form 1042-S

Select chapter \*

Please Select ▾



Box 3

Tax Rate



Box 3b or 4b rate, if listed

Unique Form Identifier \*



Listed above Box 3

Chapter 3 Code

- Please Select - ▾



Box 3

Is this an amended form?

Yes

No

Pro-rata basis reporting?

Yes

No

Have you deposited tax with the IRS pursuant to escrow procedure?

Yes

No



Generally, Out-of-Scope.  
*(Amended Returns are permitted for current year and special circumstances based on the site's established procedures.)*

Total Withholding Credit

\$



Box 10

Amount Repaid to Recipient

\$

### Withholding Agent Information

Agent's Name



Box 12d

Agent's EIN

- -



Box 12a

Chapter 3 Status Code

- Please Select - ▾



Box 12b

Chapter 4 Status Code

- Please Select - ▾



Box 12c

Agent's GIN



Box 12e

Agent's Foreign Tax ID Number



Box 12g

Agent's Address

Check here if foreign address

Address (Number and Street)



Box 12h

ZIP Code

- -



Box 12i

# Corresponding Box from Form 1042-S

City, Town, or Post Office

Box 12i

State

Box 12i

## Recipient Information

Chapter 3 Status Code

Box 13f

Chapter 4 Status Code

Box 13g

Recipient's GIN

Box 13h

Recipient's Foreign Tax ID Number

Box 13i

LOB Code

Box 13j

Account Number

Box 13k

## Primary Withholding Agent Information

Agent's Name

Box 14a

Agent's EIN

 - 

Box 14b

## Intermediary or Flow-through Entity Information

Intermediary Entity's Name

Box 15d

Intermediary Entity's EIN

 - 

Box 15a

Chapter 3 Status Code

Box 15b

Chapter 3 Status Code

Box 15c

Intermediary Entity's GIN

Box 15e

Intermediary Entity's Foreign Tax ID Number

Box 15g

Intermediary Entity's Address

Check here if foreign address

Address (Number and Street)

Box 15h



## Filing Status

Generally, nonresident aliens must select either the **Single** or one of the **Married Filing Separately** filing statuses.

**Head of household** filing status cannot be used if the taxpayer was a nonresident alien during any part of a year.

Nonresidents who are married to U.S. Citizens or resident aliens can make an election to file a joint return for tax purposes and file as **Married Filing Jointly**. (Preparation of the required attached statement outlined in Publication 519 is **Out-of-Scope**.) If both married taxpayers are nonresident aliens, they CANNOT file as Married Filing Jointly, they must file as Married Filing Separately.

**STATE RETURNS:** Check with the state income tax authorities regarding the correct filing status that applies to any state return being prepared.

## Exemption (personal/dependency) Issues

The personal and/or dependency exemption deduction for 2018 is \$0.

Nonresidents from the following countries may be able to claim their children as dependents. Everyone claimed on the return must have either a social security number (SSN) or a valid Individual Taxpayer Identification Number (ITIN).

**Canada**

**Mexico**

**India**

**South Korea**

The exemption amount for **2018** is **\$0**. For India and South Korea, refer to Pub.519 for additional information.

## Standard or Itemized Deduction

**Standard Deduction** - Nonresident aliens are generally not eligible for the standard deduction. For those eligible (India Treaty), they must use the amount for the single or married filing separately filing status being used.

The standard deduction amount for single and married filing separately for **2018** is **\$12,000**.

**Itemized Deductions** - The Tax Reform Act of 2017 limits the dollar amount of state and local income taxes that are allowable to \$10,000. Miscellaneous Itemized deductions for employee business expenses, tax preparation fees, etc. have been eliminated. Casualty Losses are now only permitted for Presidentially Declared Disaster areas (and remain Out-Of-Scope). You may now deduct up to 60% of your AGI for U.S. charitable contributions made. All other allowable itemized deductions on Form 1040NR remain unchanged.

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## Wage Calculation Worksheet

Since some employers do not issue the correct reporting documents to international students and scholars, the following formula will help you to accurately compute the amount of wages to be shown on the income tax return.

Wages from Form W-2, box 1 (if any)	_____
Add: Code 19 or 20 income from Form, 1042-S, box 2 (if any)	+ _____
Total W-2 and 1042-S	_____
Subtract: Code 19 or 20 treaty benefit (if any)	- _____
Equals: Wages to be reported on Form 1040NR-EZ, line 3 or Form 1040NR, line 8	= _____

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## Tax Credits and Nonresident Aliens

Tax credits are allowed to nonresident aliens only if they receive effectively connected income. Generally, nonresident alien students and scholars will **not** qualify for tax credits.

**NOTE: Non-resident aliens cannot elect to be treated as resident aliens in order to claim these credits. (See exception for Married Filing Jointly p.9, and certain treaty provisions for students from Barbados, Hungary, and Jamaica, as well as trainees from Jamaica. These exception elections and treaty provisions are both Out-of-Scope.)**

**Child Tax Credit** — Nonresident aliens may be able to claim the child tax credit if all of the following conditions are met:

- The child is a U.S. citizen, national, or resident alien who resides with the taxpayer, and
- The child is a son, daughter, adopted child, grandchild, stepchild, or foster child, and
- The child was under age 17 at the end of the year, and
- The child qualifies as their dependent.
- The child **MUST** have a valid social security number

**Other Dependents Credit** — If the taxpayer has a qualifying dependent who does not meet some of the requirements for the Child Tax Credit, they may qualify for the new Other Dependents Credit. The child must reside in the U.S. with the taxpayer and have a valid SSN or ITIN. (See Pub .17 for details.)

**Earned Income Credit** — If the taxpayer is a nonresident for any part of the year, the earned income credit is not available.

**Education Credits** — If the taxpayer is a nonresident alien for any part of the year, they generally can't claim the educational credits, such as the American Opportunity Credit and Lifetime Learning Credit.

**Foreign Tax Credit** — This credit will usually not be available to nonresident alien students and scholars. Their foreign-source income is usually not reported on their U.S. income tax return.

**Advanced Premium Tax Credit** - (As with many other credits, married taxpayers filing separately do NOT qualify for the Premium Tax Credit.) If the taxpayer obtained insurance through the Marketplace and received an Advanced Premium Tax Credit (listed on Form 1095-A), this must be reported. The following instructions should be followed to report the credit and, if necessary, repay it:

- 1.) In TaxSlayer's Health Insurance section, answer "Yes" to having received a Form 1095-A, and "Yes" to "Are you required to repay all of the APTC?" This will cause the software to add the repayment required into the tax liability.  
or
- 2.) Complete and attach Form 8962, to calculate the repayment amount.

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## **Social Security and Medicare Taxes**

Generally, a nonresident alien temporarily admitted in the United States as a student is not permitted to work for a wage or salary or to engage in business while in the United States. However, if a student is granted permission to work, social security and Medicare taxes are not withheld from their pay. This exclusion ONLY applies to the student, not their spouse or dependents under accompaniment statuses.

If social security or Medicare taxes are withheld from pay that is not subject to these taxes, contact the employer who withheld the taxes in error for a refund. The employer would also be eligible for a refund of their portion of the erroneously withheld taxes.

If that employer does not refund the withheld taxes, file Form 843, Claim for Refund and Request for Abatement and attach supporting documentation for reimbursement.

See Publication 519, Chapter 8 for a list of items to attach as supporting documentation. Mail Form 843 (with attachments, including Form 8316) to the following address:

**Department of the Treasury  
Internal Revenue Service Center  
Ogden, UT 84201-0038**



## What Form(s) to File

**Form 8843, Statement for Exempt Individuals and Individuals With a Medical Condition** if any of the following applies: If you are an alien individual, excluding days of presence in the United States for purposes of the substantial presence test because you:

- were an exempt individual (temporarily in the United States as a teacher or trainee on a “J” or “Q” visa; temporarily in the United States as a student in an “F”, “J”, “M”, or “Q” visa status; or you were a professional athlete competing in a charitable event, or
- were unable to leave the United States as planned because of a medical condition or problem.

Even if the student or scholar had no income, they still must file Form 8843 and file one for each family member who is in the United States excluding days of presence.

**Form 1040NREZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents**, if all of the following apply:

1. Taxpayer cannot be claimed as a dependent on another person’s return.
2. The only U.S. sources of income were from wages, salaries, tips, taxable state and local income tax refunds, and scholarships and grants.
3. Taxable income (line 14) is less than \$100,000.
4. The only exclusion is for scholarship and fellowship grants and the only adjustment to income is for the student loan interest deduction.
5. No tax credits claimed.
6. The only itemized deduction claimed is for state and local income taxes.  
*(Note: Residents of India who were students or business apprentices may be able to take the standard deduction in lieu of itemized deductions.)*
7. The only taxes owed are income tax.
8. No claim for excess social security and tier 1 RRTA tax withheld.
9. Not filing an “expatriation tax” return
10. (Applies to U.S. citizens who have lost their citizenship or long-term residents who have ended their residency status).

If all of the above conditions are not met, **Form 1040NR** must be filed.

**Form 1040NR, U.S. Nonresident Alien Income Tax Return**, if any of the following applies.

1. If the taxpayer wishes to electronically file the return.
2. Nonresident alien engaged in a trade or business in the United States.
3. Nonresident alien not engaged in a trade or business in the U.S., and you received income from U.S. Sources that is reportable on Sch. NEC, lines 1 through 12, and not all of the U.S. tax that you owe was withheld from that income.
4. You owe any special taxes (see Form 1040NR instructions for details).
5. HSA, Archer MSA, or Medicare Advantage MSA distributions were made.
6. Nonresident alien engaged in self-employment with net earnings of at least \$400, and is a resident of a country with an international social security agreement with the U.S.
7. Form 1095-A indicates advanced premium tax credits were received.

Or other circumstances, as indicated in the instructions for Form 1040NR.

## When to File

If you are an employee and you receive wages subject to U.S. income tax withholding, file your return and pay any taxes due by April 15, 2019 for the calendar year 2018.

If you are not an employee who receives wages subject to U.S. income tax withholding, file your return and pay any taxes due by June 17, 2019 for the calendar year 2018.

**Note:** *When the regular due date for filing falls on a Saturday, Sunday, or legal holiday, file by the next business day.*

**Extensions of time to file.** If you cannot file your return by the regular due date, file Form 4868, *Application for Automatic Extension of Time To File U.S. Individual Income Tax Return*.

For the 2018 calendar year, the due date is April 15, 2019 making any extension due October 15, 2019 (December 16, 2019 if the due date of your return is June 17, 2019).

You must file the extension by the regular due date of your tax return and pay any tax due with the request for extension.

**Amended Returns.** If you later have changes in your income, deductions, or credits after you mail in your return, file Form 1040X, *Amended U.S. Individual Income Tax Return*.

Also use Form 1040X if you should have filed Form 1040, 1040A, or 1040EZ instead of Form 1040NR or 1040NR-EZ, or vice versa.

If you amend Form 1040NR, Form 1040NR-EZ or filed a previous Form 1040X, attach the most recently filed form to the correct Form 1040X. Print "*Amended*" across the top of the attached corrected forms or schedules.

If you are claiming a refund, the amended return must be filed within 3 years from the date the return was filed or within 2 years from the time the tax was paid, whichever is later.

A tax return filed before the final due date is considered to have been filed on the due date.

## Where to File

**Forms 8843, 1040NR-EZ and 1040NR** must be mailed to:

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

For **Forms 1040NR-EZ and 1040NR**,  
if enclosing a payment, mail to:

Department of the Treasury  
Internal Revenue Service  
P.O. Box 1303  
Charlotte, NC 28201-1303  
USA

**Note:** For those returns that cannot be efiled, the returns must be mailed. Tax returns cannot be faxed or emailed to the Internal Revenue Service (IRS).

# Source Documents

You may see many types of income documents when you are assisting international students and scholars. The following list may help you in identifying the documents you may see.

## **Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding**

Many students and scholars will receive this form if they have income and/or a scholarship that is subject to treaty benefits. Link & Learn Taxes for Foreign Students and Scholars provide more information on how to record the entries from this form.

## **Form W-2, Wage and Tax Statement**

Most students and scholars are allowed to work. If they earn more than the amount exempted by their treaty, the excess should be reported on the W-2. When students and scholars work off campus, they often receive a W-2 for the full amount they earned. That is why it is important to use the wage calculation worksheet on page 15 of this guide.

## **Form 1098-T, Tuition Payments Statement**

Academic institutions issue Form 1098-T to students who paid tuition during the tax year. This form helps the students calculate the educational credits. Since nonresident aliens usually cannot claim the educational credits, the form is not part of their tax return.

## **Form 1099-INT, Interest Income**

Many banks and savings institutions issue the 1099-INT to nonresident alien and scholars. Since most nonresident student and scholars do not need to report their interest income, the form is not part of their tax return. To avoid receiving a Form 1099-INT, file Form W-8 BEN with the bank or financial institution.

## **Form 1099-MISC, Miscellaneous Income**

Sometimes a nonresident alien student or scholar will give you a 1099-MISC. There are several complicated issues involved when this happens. Refer the taxpayer to a tax professional.

## **Forms 1095-A/B/C - Regarding Health Insurance Coverage**

Non-Resident Aliens are not required to obtain coverage under ACA. For them, this is generally for informational purposes only. If the taxpayer has a F1095-A that indicates an Advanced Premium Tax Credit was allowed, the taxpayer will need to complete Form 8962, calculating the proper credit amount and repaying any excess advances, as necessary.

## **Additional Resources**

- Link & Learn Taxes for Foreign Student Course
- Forms 1040NR, *U.S. Nonresident Alien Income Tax Return*
- Form 1040NR-EZ, *U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*
- Form 843, *Claim for a Refund and Request for Abatement*
- Form 8233, *Exemption From Withholding on Compensation for Independent (and Certain Dependent) Services of a Nonresident*
- Form 8316, *Information Regarding Request for Refund of Social Security Tax*
- Form 8843, *Statement for Exempt Individuals and Individuals With a Medical Condition*
- Form 13614 NR, *Nonresident Alien Intake and Interview Sheet*
- Publication 519, *U.S. Tax Guide for Aliens*
- Publication 597, *Information on the United States-Canada Income Tax Treaty*
- Publication 901, *U.S. Tax Treaties*
- Publication 1915, *Understanding your IRS Individual Taxpayer Identification Number (ITIN)*
- Publication 972, *Child Tax Credit* Publication 970, *Tax Benefits for Education* Publication 972, *Child Tax Credit*
- Publication 4152, *Electronic Toolkit for Nonresident Alien VITA/TCE Sites*
- Publication 4657, *Individual Taxpayer Identification Number PowerPoint presentation*
- Publication 4756, *Foreign Student and Scholar PowerPoint presentation*
- Publication 5087, *Foreign Student and Scholar Forms Package*

# General Summary of U.S. Immigration Terms

**Alien** – An individual who is not a U.S. citizen or U.S. national. For Income tax purposes, aliens are classified as Residents or Nonresidents.

**Bona fide Resident** – A residence established in a foreign country or countries for an uninterrupted period which includes an entire year that extends into the current tax year.

**Dual Status** – Aliens who are both Residents and Nonresidents of the U.S. within the same tax year.

**Exempt Individual** – Aliens who, because of the terms of their immigration status, are not considered to be “present in the United States” for purposes of the Substantial Presence Test.

**Exempt Status** – A visa status that provides for a defined period of time in which the days an alien is physically present in the U.S. are not counted for purposes of the Substantial Presence Test.

**Expatriation Tax** – An additional tax that may apply to US citizens who have renounced their citizenship and long-term residents who have ended their US resident status for federal tax purposes. Different rules apply according to the date upon which you expatriated.

**Green Card** – An alien registration card issued by U.S. Citizenship and Immigration Services (USCIS) giving an individual the privilege, according to the immigration to the immigration laws, of residing permanently in the United States as an immigrant.

**Taxpayer Identification Number** – A unique number used by individuals and other tax entities to file tax forms with the IRS.

**Individual Taxpayer Identification Number (ITIN)** – A tax processing number issued by the Internal Revenue Service. It is a nine-digit number that always begins with the number 9. ITINs are for federal tax reporting only, and are not intended to serve any other purpose. IRS issues ITINs to help individuals comply with the U.S. tax laws, and to provide a means to efficiently process and account for tax returns and payments for those not eligible for Social Security Numbers (SSNs). An ITIN does not authorize work in the U.S. or provide eligibility for Social Security benefits or the Earned Income Tax Credit. **NOTE:** ITINs issued will expire if unused on a federal tax return for 3 consecutive years. If expired, you must reapply for a new number, if needed.

**Nonresident Alien** – An alien who is temporarily residing in the U.S., a resident alien who has abandoned permanent residence in the U.S. or an alien who has never been in the U.S.

**Resident Alien** – Aliens admitted to the U.S. under permanent immigration visas are generally resident aliens and meet the substantial presence test or lawful permanent residency test. (Green Card Test)

**Substantial Presence Test** – A rule applied in determining if an alien is a U.S. Resident for tax purposes. Generally, an individual meets the substantial presence test if the individual was in the United States for at least 31 days during the current calendar year and was present in the United States for at least 183 days during the current year and the two preceding calendar years. (Note: For purposes of the substantial presence test, an individual does not count days of temporary presence in the United States under certain visas.)

**Social Security Number (SSN)** – A nine-digit number issued by the Social Security Administration to U.S. Citizens and aliens permitted to work in the U.S.

**Treaty Benefits** – Provisions of a tax treaty that allow for various items of tax relief or responsibility not provided for under general tax laws.

**Nonimmigrant Visas** – Allows a nonimmigrant to enter the United States in one of several different categories, which correspond to the reason the nonimmigrant was allowed to enter the United States.

**Nonimmigrant** – An alien who has been granted the right to reside temporarily in the United States.

**Immigrant** – An alien who has been granted the right to reside permanently in the United States and work without restrictions. Also known as a Lawful Permanent Resident (LPR), they are eventually issued a “green card”.

**Passport** – An official government document that certifies one’s identity and citizenship and permits a citizen to travel abroad.

**U.S. National** – An individual who, although not a U.S. citizen, owes his/her allegiance to the United States. U.S. nationals include individuals born in American Samoa or the Commonwealth of Northern Mariana Islands.

**U.S. Citizen** – An individual born in the United States, Puerto Rico, Guam or the U.S. Virgin Islands, or an individual whose parent is a U.S. citizen, or a former alien who has been naturalized as a U.S. citizen.

**Job Aid- Filers without an Individual Taxpayer Identification Number (ITIN)  
or a Social Security Number (SSN)**

<b>If</b>	<b>Then</b>
Filers without an ITIN or a SSN that only need to file a Form 8843	Complete Form 8843 leaving the “Your U.S. taxpayer identification number” box blank
Filers without an ITIN (ineligible for SSN) and in addition to the Form 8843 needs to file a Form 1040-NR/EZ	<p>The following are the most common ways to apply for an ITIN using Form W-7:</p> <ul style="list-style-type: none"> <li>• In person at IRS Taxpayer Assistance Center, <a href="https://www.irs.gov">https://www.irs.gov</a> search box “Local IRS office” to see list of locations, services provided, and whether an appointment is required.</li> <li>• By mail, follow instructions for the W-7</li> <li>• Through an Acceptance Agent or Certifying Acceptance Agent (CAA), listing at <a href="https://www.irs.gov">https://www.irs.gov</a> search box “Acceptance Agent Program”</li> <li>• Through the Student and Exchange Visitor Program (SEVP) for more information <a href="https://www.irs.gov">https://www.irs.gov</a> search box “SEVP”</li> </ul>
Filers eligible for a SSN	<p>Must apply for SSN at <a href="http://www.ssa.gov">www.ssa.gov</a> or a local Social Security Office using Form SS-5</p> <ul style="list-style-type: none"> <li>• Cannot apply for an ITIN</li> </ul>
ITIN has expired	<p>ITINs, will be deactivated if not used on at least one federal income tax return for three consecutive years. The taxpayer will be notified of the deactivation.</p> <ul style="list-style-type: none"> <li>• Must re-apply for ITIN, if needed, see instructions above</li> </ul>

# FOREIGN STUDENT/SCHOLAR VITA-TCE SCOPE

The scope of the Foreign Student and Scholar Volunteer Income Tax Assistance Program is limited to only those areas of tax law specifically addressed in your *Link and Learn* training. This occurs for many reasons:

- (1) It is one of our Quality Site Requirements: standards proven to provide the most consistent quality services to the taxpayers.
- (2) As a volunteer you are only covered for liability while preparing returns within your IRS certification level.
- (3) Many areas of tax law, specifically treaty issues and nonresident alien issues, can be very time consuming and would prevent the program from assisting other taxpayers with less complex returns.
- (4) The VITA program should be consistent across the nation and around the globe. Services offered in one site generally should be the same as those offered at other sites which have volunteers of the same certification level.

If your site finds that a number of Foreign Students and/or Scholars have similar Out-of-Scope issues, you may want to refer them to other free services that can help them or advise them to seek the services of a paid preparer.

## Types and Sources of Income

Income type:	Source is determined by:	IN	OUT	FORM 1040NR	FORM 1040NR-EZ
Dividends	Where payer is incorporated	X		Sch. NEC, Line 1	
Interest - general business/investment	Payer's place of residence		X		
Interest - Not Effectively Connected to a U.S. Trade or Business	Payer's place of residence	X		Sch. NEC, Line 2	
Interest - Personal Account from a Banking Institution	Payee's place of residence	X*		not taxable in U.S.	
Gambling winnings	Payer's place of residence	X*		Sch. NEC, Line 8	
Non-Employee Compensation/ Self Employment (Form 1099-Misc, etc.)	Where services are performed		X		
Pension or Annuity payments attributable to:					
Contributions (employer or employee, pretax)	Where the services were performed	X*		Line 16a/16b	
Earnings of domestic (U.S.) trusts	The U.S. is the source	X*		Line 17a/17b	
Refunds of State & Local Income Taxes	The U.S. is the source	X*		Line 11	Line 4
Rents	Where property is located		X		
Royalties from natural resources	Where property is located		X		
Royalties from patents, copyrights, etc.	Where property is used		X		
Salaries, wages, and other compensation for personal services (Listed on Forms W-2 and 1042-S codes 18, 19, and 20)	Where services are performed	X*		Line 8	Line 3
Sale of inventory that was purchased	Where the inventory is sold (where title passes)		X		
Sale of personal property (except inventory)	Tax home of seller		X		
Sale of real property	Where the property is located		X		

# FOREIGN STUDENT/SCHOLAR VITA-TCE SCOPE

## Types and Sources of Income

Income type:	Source is determined by:	IN	OUT	FORM 1040NR	FORM 1040NR-EZ
Taxable Scholarships and fellowships	Residence of grantor	X *		Line 12	Line 5
Social Security Benefits (U.S.)	Where the services were performed	X *		Sch. NEC, Line 8	
Stock sales (Capital Gains/ Losses)	Where payer is incorporated	X *		Sch. NEC, Line 16 & 9	
Unemployment Compensation	Payer's place of residence	X		Line 20	
Student Loan Interest	Where services are performed	X		Line 33	Line 9
Educator Expenses, Health Savings Account, and IRA Deductions	<i>(Unless VITA Basic or Advanced certified<sup>1</sup>)</i>		X'	See Form	See Form
Self-Employment Tax, SEP, Penalty on Early Withdrawal of Savings, etc. not covered in Foreign Student Scholar Training	<i>(Due to the complexity of these issues for Nonresident Aliens and possible treaty provisions, etc.)</i>		X		
<b>Deductions:</b>					
State & Local Income Taxes	U.S. Only	X		Line 11	Line 4
Gifts to U.S. Charities	U.S. Only	X		Sch. A, Line 2	
Casualty & Theft Losses			X		
Job Expenses & Certain Misc. Deductions	<i>(Only to the extent included in the Training Materials.)</i>	X		Sch. A, Line 7	
Medical, Mortgage Interest, Property Taxes, etc. NOT listed on Form 1040NR, Sch. A			X		
<b>Other</b>					
Form 1095-A - Premium Tax Credits	Tax home of seller		X		
Dual Status Residency	Where the property is located		X		
Treaty Provisions claimed by a Resident Alien			X		
Refunds of Social Security Taxes erroneously withheld (Form 843)		X		See Form 843	
Election to be treated as a Resident to file MFJ with resident spouse**	<i>(Election Statement is Out-of-Scope)</i>		X		
Claim of "Closer Connection" or "Dual" Status			X		
Form W-7, ITIN Application***			X		
Any other issue not addressed in your Link & Learn Certification Training.			X		

\* U.S. Source Only is within scope

\*\* A paper return can be done by a VITA/TCE site, but the election/attachment is Out of Scope.

\*\*\* Only a qualified CAA site can prepare these to be sent with the return.





## QUALITY REVIEW CHECK LIST



After reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer, notate “*QR Complete*” with initials on the F13614NR.

A **100% Quality Review** is required on all tax returns using a completed Form 13614NR, source documents, and this Check List.

- Return was accurately determined to be within the scope of the VITA/TCE Foreign Student and Scholar program.
  - Volunteer return preparer and quality reviewer had proper certification levels for the return.
  - Residency status for tax purposes was properly determined
  - Taxpayer’s identity, address, and phone numbers were verified. (Govt. issued photo ID)
  - Names, SSN or ITINs and dates of birth of taxpayer (and spouse and dependents, if from Canada, Mexico, India, or South Korea) match supporting documents
- NOTE: ITINs will expire if not used on a federal income tax return for three consecutive years.*
- Filing status is correctly determined (single or the proper married status).
  - Correct number of exemptions were claimed
  - All allowable dependents properly listed. (Canada, Mexico, India and South Korea)
  - Dependents’ identification numbers and names listed correctly
  - Income items correctly transferred from Form W-2, Form 1042-S, and Form 1099 (amounts paid, name, address, income codes, EIN, etc. properly listed)
  - Is all income reported? Including taxable amounts not reported on an income statement or from the payer including ,but not limited to all gambling and lottery winnings, prizes and awards, rents, royalties, stock sales, etc.
  - Itemized deduction section line completed accurately or Standard deduction (students from India only) is correct.
  - All allowable credits are correctly entered.
  - Withholding shown on Forms W-2, 1042-S, 1099, and estimated tax reported correctly.
  - All calculations are correct. (Including ACA provisions, if applicable.)
  - If a treaty benefit was claimed, the proper treaty article was listed in the proper section(s).
  - Has a Form 8843 completed, as necessary, for the taxpayer and any accompanying spouse and children.
  - Overpayment (or balance due) computed correctly
  - Direct Debit or Direct Deposit information was entered correctly, as applicable.
  - Advise the taxpayer of their responsibility to provide correct information in the preparation of the return prior to signing.
  - Advise the taxpayer of where to sign the return: Form 8843, Form 1040NR, or Form 8879. [If a child has to file a tax return or Form 8843, but can’t sign the form, the child’s parent, guardian, or another legally responsible person must sign the child’s name, followed by the words “By (Your signature) Parent for Minor Child”.]
  - If filing by paper, all Forms W-2 and 1042-S, as well as schedules and forms, are attached to the return. Advised of proper mailing address.
  - SIDN and Site Name are properly listed on the return.



## Your online resource for volunteer and taxpayer assistance

### Partner and Volunteer Resource Center

<https://www.irs.gov/Individuals/Partner-and-Volunteer-Resource-Center>

- What's Hot!
- Site Coordinator's Corner

### Quality and Tax Alerts for IRS Volunteer Programs

<https://www.irs.gov/Individuals/Quality-and-Tax-Alerts-for-IRS-Volunteer-Programs>

- Volunteer Tax Alerts

### Volunteer Training Resources

<https://www.irs.gov/Individuals/Volunteer-Training-Resources>

### Outreach Corner

<https://www.irs.gov/Individuals/Outreach-Corner>

### Tax Trails for Answers to Common Tax Questions

<https://www.irs.gov/Individuals/Tax-Trails-Main-Menu>

### Online Services and Tax Information for Individuals

<https://www.irs.gov/Individuals>

#### After You File

- Direct Deposit your refund
- Where's My Refund?
- Refund reductions
- Understanding Your IRS Notice or Letter
- Withholding Calculator
- Keep a copy of your return
- Changing your name or address

#### File Your Return

- Validating your electronically filed return
- Need to renew your ITIN?
- Answers to your tax questions
- Find a mailing address for paper returns
- Tax relief in disaster situations

#### Make a Payment

- IRS Direct Pay – pay online directly from your bank account
- Other ways you can pay
- Can't pay? Set up a payment agreement
- Do I have to pay estimated taxes?

#### Manage Your Tax Info

- Get Transcript
- View your tax account
- Life events can affect your taxes
- Protect your identity
- IRS2Go mobile app

#### eBooks

Want to view our training products on your mobile or tablet devices? Click here to access our eBooks: <https://www.irs.gov/Individuals/Site-Coordinator-Corner>.

#### Mobile App

Another device to use for additional information is IRS2Go. Click here to download IRS2Go mobile app: <https://www.irs.gov/uac/irs2goapp>.

#### and much more!

Your direct link to tax information 24/7: [www.irs.gov](http://www.irs.gov)