

# International Tax Presentation

## Harvard University

### Graduate School of Education

Presented by  
Robert D. Underwood, CPA, MST  
[runder@rcn.com](mailto:runder@rcn.com)

*The information in this presentation is for general informational purposes only, and should not be considered legal advice or personal tax advice. The federal and state income tax rules and requirements are complex and vary based on an individual's personal tax situation. Individuals should refer to the form instructions, tax publications and information available on the Internal Revenue Service and MA Department of Revenue Services websites and/or consult with a personal tax advisor. Filing accurate federal and state individual income tax returns is the personal responsibility of each student.*

# Agenda

- How to File
- Definition of a Nonresident
- Tax Filing Requirements
- Tax Forms
- Income Types and Taxability
- Tax Treaties
- State Taxes
- Useful Tips
- Resources
- Q & A

# How to File

## Sprintax Tax Preparation Software

- Sprintax Tax Preparation software is a tax return preparation software program designed primarily for nonresident alien students, scholars, trainees, researchers, and other educational immigration statuses to prepare their U.S. federal and state income tax returns – specially Forms 1040NR and 8843
- For students with no income in 2023 - Form 8843 only

# Tax Definition of a Resident v. Nonresident

Nonresident for tax purposes is defined as a foreign national that has **NOT:**

- Obtained a green card or,
- Been in the U.S. more than 183 days during a calendar year (know as the “Substantial Presence Test”)

## **·EXCEPTIONS:**

Scholars on a J or Q visa may remain in the U.S. for 2 years before becoming a resident

Students on an F, J, M or Q visa may remain a nonresident for 5 years before becoming a resident

Once the 2 and 5 year periods end the Substantial Presence Test will determine your residency

# Tax Filing Requirements

Nonresidents are required to file the following forms:

- F, J, M or Q visa holders:
  - **Form 8843** to claim nonresident tax status
  - Income tax return **Form 1040NR** for any U.S. sourced income received during the calendar year
- All other visa holders:
  - Income tax return **Form 1040NR** for any U.S. sourced income received during the calendar year

**Filing Status**  
 Check only one box.  
 Single     Married filing separately (MFS) (formerly Married)     Qualifying widow(er) (QW)  
 If you checked the QW box, enter the child's name if the qualifying person is a child but not your dependent ▶ \_\_\_\_\_

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your identifying number (see instructions) \_\_\_\_\_

Home address (number and street or rural route). If you have a P.O. box, see instructions. \_\_\_\_\_ Apt. no. \_\_\_\_\_ Check if:  Individual  Estate or Trust

City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?  Yes  No

Dependents (see instructions):	(1) First name	Last name	(2) Dependent's identifying number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instr.):	
					Child tax credit	Credit for other dependents
If more than four dependents, see instructions and check here <input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

<b>Income Effectively Connected With U.S. Trade or Business</b>	<b>1a</b> Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .		<b>1a</b>
	<b>b</b> Scholarship and fellowship grants. Attach Form(s) 1042-S or required statement. See instructions . . . . .		<b>1b</b>
	<b>c</b> Total income exempt by a treaty from Schedule OI (Form 1040-NR), Item L, line 1(e) . . . . .	<b>1c</b>	
	<b>2a</b> Tax-exempt interest . . . . .	<b>2a</b>	<b>2b</b> Taxable interest . . . . .
	<b>3a</b> Qualified dividends . . . . .	<b>3a</b>	<b>3b</b> Ordinary dividends . . . . .
	<b>4a</b> IRA distributions . . . . .	<b>4a</b>	<b>4b</b> Taxable amount . . . . .
	<b>5a</b> Pensions and annuities . . . . .	<b>5a</b>	<b>5b</b> Taxable amount . . . . .
	<b>6</b> Reserved for future use . . . . .		<b>6</b>
	<b>7</b> Capital gain or (loss). Attach Schedule D (Form 1040) if required. If not required, check here . . . . . <input type="checkbox"/>		<b>7</b>
	<b>8</b> Other income from Schedule 1 (Form 1040), line 9 . . . . .		<b>8</b>
	<b>9</b> Add lines 1a, 1b, 2b, 3b, 4b, 5b, 7, and 8. This is your <b>total effectively connected income</b> . . . . . ▶		<b>9</b>
	<b>10</b> Adjustments to income:		
	<b>a</b> From Schedule 1 (Form 1040), line 22 . . . . .	<b>10a</b>	
	<b>b</b> Charitable contributions for certain residents of India. See instructions . . . . .	<b>10b</b>	
	<b>c</b> Scholarship and fellowship grants excluded . . . . .	<b>10c</b>	
<b>d</b> Add lines 10a through 10c. These are your <b>total adjustments to income</b> . . . . . ▶	<b>10d</b>		
<b>11</b> Subtract line 10d from line 9. This is your <b>adjusted gross income</b> . . . . . ▶		<b>11</b>	
<b>12</b> <b>Itemized deductions</b> (from Schedule A (Form 1040-NR)) or, for certain residents of India, standard deduction. See instructions . . . . .		<b>12</b>	
<b>13a</b> Qualified business income deduction. Attach Form 8995 or Form 8995-A . . . . .	<b>13a</b>		
<b>b</b> Exemptions for estates and trusts only. See instructions . . . . .	<b>13b</b>		
<b>c</b> Add lines 13a and 13b . . . . .	<b>13c</b>		
<b>14</b> Add lines 12 and 13c . . . . .		<b>14</b>	
<b>15</b> <b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- . . . . .		<b>15</b>	

	<b>16 Tax</b> (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>		<b>16</b>
	<b>17</b> Amount from Schedule 2 (Form 1040), line 3		<b>17</b>
	<b>18</b> Add lines 16 and 17		<b>18</b>
	<b>19</b> Child tax credit or credit for other dependents		<b>19</b>
	<b>20</b> Amount from Schedule 3 (Form 1040), line 7		<b>20</b>
	<b>21</b> Add lines 19 and 20		<b>21</b>
	<b>22</b> Subtract line 21 from line 18. If zero or less, enter -0-		<b>22</b>
	<b>23a</b> Tax on income not effectively connected with a U.S. trade or business from Schedule NEC (Form 1040-NR), line 15	<b>23a</b>	
	<b>b</b> Other taxes, including self-employment tax, from Schedule 2 (Form 1040), line 10	<b>23b</b>	
	<b>c</b> Transportation tax (see instructions)	<b>23c</b>	
	<b>d</b> Add lines 23a through 23c		<b>23d</b>
	<b>24</b> Add lines 22 and 23d. This is your <b>total tax</b>		<b>24</b>
	<b>25</b> Federal income tax withheld from:		
	<b>a</b> Form(s) W-2	<b>25a</b>	
	<b>b</b> Form(s) 1099	<b>25b</b>	
	<b>c</b> Other forms (see instructions)	<b>25c</b>	
	<b>d</b> Add lines 25a through 25c		<b>25d</b>
	<b>e</b> Form(s) 8805		<b>25e</b>
	<b>f</b> Form(s) 8288-A		<b>25f</b>
	<b>g</b> Form(s) 1042-S		<b>25g</b>
	<b>26</b> 2020 estimated tax payments and amount applied from 2019 return		<b>26</b>
	<b>27</b> Reserved for future use	<b>27</b>	
	<b>28</b> Additional child tax credit. Attach Schedule 8812 (Form 1040)	<b>28</b>	
	<b>29</b> Credit for amount paid with Form 1040-C	<b>29</b>	
	<b>30</b> Reserved for future use	<b>30</b>	
	<b>31</b> Amount from Schedule 3 (Form 1040), line 13	<b>31</b>	
	<b>32</b> Add lines 28 through 31. These are your <b>total other payments and refundable credits</b>		<b>32</b>
	<b>33</b> Add lines 25d, 25e, 25f, 25g, 26, and 32. These are your <b>total payments</b>		<b>33</b>
<b>Refund</b>	<b>34</b> If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>		<b>34</b>
	<b>35a</b> Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>		<b>35a</b>
Direct deposit? See instructions.	<b>b</b> Routing number <input type="text"/> <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	<b>d</b> Account number <input type="text"/>		
	<b>e</b> If you want your refund check mailed to an address outside the United States not shown on page 1, enter it here.		
	<b>36</b> Amount of line 34 you want <b>applied to your 2021 estimated tax</b>	<b>36</b>	
<b>Amount You Owe</b>	<b>37</b> <b>Amount you owe</b> . Subtract line 33 from line 24. For details on how to pay, see instructions		<b>37</b>
	<b>38</b> Estimated tax penalty (see instructions)	<b>38</b>	

**Third Party Designee** (Other than paid preparer)

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions  Yes. Complete below.  No

Designee's name  Phone no.  Personal identification number (PIN)

**Sign Here**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature  Date  Your occupation  If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Phone no.  Email address

**Paid Preparer Use Only**

Preparer's name  Preparer's signature  Date  PTIN  Check if:  Self-employed

Firm's name  Phone no.

Firm's address  Firm's EIN

Form **8843**

# Statement for Exempt Individuals and Individuals With a Medical Condition

For use by alien individuals only.

OMB No. 1545-0074

# 2021

Attachment  
Sequence No. **102**

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form8843](http://www.irs.gov/Form8843) for the latest information.

For the year January 1 – December 31, 2021, or other tax year

beginning

, 2021, and ending

, 20

Your first name and initial

Last name

Your U.S. taxpayer identification number, if any

**Fill in your  
addresses only if  
you are filing this  
form by itself and  
not with your tax  
return**

Address in country of residence

Address in the United States

## Part I General Information

1a Type of U.S. visa (for example, F, J, M, Q, etc.) and date you entered the United States ▶ \_\_\_\_\_

b Current nonimmigrant status. If your status has changed, also enter date of change and previous status. See instructions.

2 Of what country or countries were you a citizen during the tax year? \_\_\_\_\_

3a What country or countries issued you a passport? \_\_\_\_\_

b Enter your passport number(s) ▶ \_\_\_\_\_

4a Enter the actual number of days you were present in the United States during:

2021 \_\_\_\_\_ 2020 \_\_\_\_\_ 2019 \_\_\_\_\_

b Enter the number of days in 2021 you claim you can exclude for purposes of the substantial presence test ▶ \_\_\_\_\_

## Part II Teachers and Trainees

5 For teachers, enter the name, address, and telephone number of the academic institution where you taught in 2021 ▶ \_\_\_\_\_

6 For trainees, enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2021 ▶ \_\_\_\_\_

7 Enter the type of U.S. visa (F or Q) you held during: 2021 \_\_\_\_\_ 2020 \_\_\_\_\_



22222		a Employee's social security number 000-00-0000		OMB No. 1545-0008			
b Employer identification number (EIN) 82-XXXXXXX			1 Wages, tips, other compensation 4,400		2 Federal income tax withheld 150		
c Employer's name, address, and ZIP code			3 Social security wages 4,400		4 Social security tax withheld 65.14		
			5 Medicare wages and tips 4,400		6 Medicare tax withheld 15.23		
			7 Social security tips		8 Allocated tips		
d Control number 007XXX			9		10 Dependent care benefits		
e Employee's first name and initial		Last name		Suff.	11 Nonqualified plans		12a
John Doe					13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b
425 Anywhere					14 Other		12c
Rexburg, ID 83460							12d
f Employee's address and ZIP code							
15 State ID	Employer's state ID number XXXXXXX	16 State wages, tips, etc. 4,400	17 State income tax 300	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

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

2016

Department of the Treasury—Internal Revenue Service

Form **1042-S**

Department of the Treasury  
Internal Revenue Service

**Foreign Person's U.S. Source Income Subject to Withholding**

Information about Form 1042-S and its separate instructions is at [www.irs.gov/form1042s](http://www.irs.gov/form1042s).

**2016**

OMB No. 1545-0096

**Copy A** for  
Internal Revenue Service

**AMENDED**

**PRO-RATA BASIS REPORTING**

<b>1</b> Income code  <b>15</b>	<b>2</b> Gross income  <b>\$960</b>	<b>3</b> Chapter indicator. Enter "3" or "4"  <b>3a</b> Exemption code  <b>3b</b> Tax rate .		<b>4a</b> Exemption code  <b>4b</b> Tax rate .		<b>13e</b> Recipient's U.S. TIN, if any  <b>XXX-XX-XXXX</b>		<b>13f</b> Ch. 3 status code		<b>13g</b> Ch. 4 status code	
<b>5</b> Withholding allowance		<b>6</b> Net income		<b>7a</b> Federal tax withheld <b>\$131</b>		<b>7b</b> Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>		<b>13h</b> Recipient's GIIN		<b>13i</b> Recipient's foreign tax identification number, if any	
<b>8</b> Tax withheld by other agents		<b>9</b> Tax paid by withholding agent		<b>10</b> Total withholding credit		<b>11</b> Amount repaid to recipient		<b>13k</b> Recipient's account number		<b>13j</b> LOB code	
<b>12a</b> Withholding agent's EIN  <b>XX-XXXXXXX</b>		<b>12b</b> Ch. 3 status code		<b>12c</b> Ch. 4 status code		<b>13l</b> Recipient's date of birth		<b>14a</b> Primary Withholding Agent's Name (if applicable)		<b>14b</b> Primary Withholding Agent's EIN	
<b>12d</b> Withholding agent's name <b>Brigham Young University - Idaho</b>		<b>12e</b> Withholding agent's Global Intermediary Identification Number (GIIN)		<b>12f</b> Country code		<b>12g</b> Foreign taxpayer identification number, if any		<b>15a</b> Intermediary or flow-through entity's EIN, if any		<b>15b</b> Ch. 3 status code	
<b>12h</b> Address (number and street)		<b>12i</b> City or town, state or province, country, ZIP or foreign postal code		<b>12j</b> City or town, state or province, country, ZIP or foreign postal code		<b>15c</b> Ch. 4 status code		<b>15d</b> Intermediary or flow-through entity's name		<b>15e</b> Intermediary or flow-through entity's GIIN	
<b>13a</b> Recipient's name  <b>John Doe</b>		<b>13b</b> Recipient's country code  <b>YL</b>		<b>13c</b> Address (number and street)  <b>425 Anywhere</b>		<b>13d</b> City or town, state or province, country, ZIP or foreign postal code  <b>Rexburg, ID 83460</b>		<b>15f</b> Country code		<b>15g</b> Foreign tax identification number, if any	
<b>17a</b> State income tax withheld  <b>\$0</b>		<b>17b</b> Payer's state tax no.		<b>17c</b> Name of state  <b>ID</b>		<b>16a</b> Payer's name		<b>16b</b> Payer's TIN		<b>16c</b> Payer's GIIN	
<b>16d</b> Ch. 3 status code		<b>16e</b> Ch. 4 status code		<b>16f</b> Ch. 3 status code		<b>16g</b> Ch. 4 status code		<b>15h</b> Address (number and street)		<b>15i</b> City or town, state or province, country, ZIP or foreign postal code	

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11386R

Form **1042-S** (2016)

VOID  CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		<b>1a</b> Total ordinary dividends \$	OMB No. 1545-0110 Form <b>1099-DIV</b> (Rev. January 2022) For calendar year 20 ____	
		<b>1b</b> Qualified dividends \$		
		<b>2a</b> Total capital gain distr. \$	<b>2b</b> Unrecap. Sec. 1250 gain \$	
PAYER'S TIN	RECIPIENT'S TIN	<b>2c</b> Section 1202 gain \$	<b>2d</b> Collectibles (28%) gain \$	
		<b>2e</b> Section 897 ordinary dividends \$	<b>2f</b> Section 897 capital gain \$	
RECIPIENT'S name		<b>3</b> Nondividend distributions \$	<b>4</b> Federal income tax withheld \$	
Street address (including apt. no.)		<b>5</b> Section 199A dividends \$	<b>6</b> Investment expenses \$	
City or town, state or province, country, and ZIP or foreign postal code		<b>7</b> Foreign tax paid \$	<b>8</b> Foreign country or U.S. possession	
		<b>9</b> Cash liquidation distributions \$	<b>10</b> Noncash liquidation distributions \$	
		<b>11</b> FATCA filing requirement <input type="checkbox"/>	<b>12</b> Exempt-interest dividends \$	
			<b>13</b> Specified private activity bond interest dividends \$	
Account number (see instructions)		<b>14</b> State	<b>15</b> State identification no.	<b>16</b> State tax withheld \$ \$

**Dividends and Distributions**

**Copy 1  
For State Tax Department**

VOID  CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)		OMB No. 1515-0112	
		1 Interest income		Form <b>1099-INT</b>	
PAYER'S TIN		RECIPIENT'S TIN		(Rev. January 2022) For calendar year 20____	
				2 Early withdrawal penalty	
RECIPIENT'S name		3 Interest on U.S. Savings Bonds and Treasury obligations		<b>Interest Income</b>  <b>Copy 1</b>  <b>For State Tax Department</b>	
		4 Federal income tax withheld			
Street address (including apt. no.)		6 Foreign tax paid		7 Foreign country or U.S. possession	
		8 Tax-exempt interest		9 Specified private activity bond interest	
City or town, state or province, country, and ZIP or foreign postal code		10 Market discount		11 Bond premium	
		12 Bond premium on Treasury obligations		13 Bond premium on tax-exempt bond	
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>		14 Tax-exempt and tax credit bond CUSIP no.	
		15 State		16 State identification no.	
				17 State tax withheld	
				\$	
				\$	

# U.S. Source Income

## Common Types of U.S. Source Income

- Wages, salaries & compensation from employment
- Scholarships & fellowships covering costs other than tuition and other required fees
- Self employment income
- Investment income
- Dividend & interest income
- Rental income

If there is a tax treaty between the U.S. and your home country, some or all of the income may be exempt from U.S. tax.

# Income Types and Taxability

U.S. Source Income Type	Taxable	Withholding Required	Form Rec'd
Qualified Scholarship or Fellowship	No	No	None
Non-Qualified Scholarship or Fellowship	Yes	Yes - 14% absent treaty	1042-S
Prize or Award	Yes	Yes-30%	1042-S
Compensation	Yes	Yes - varied	W-2
Compensation - non-employee	Yes	Yes - 30% absent treaty	1042-S
Compensation from individual or foreign organization	Yes	No	None

# Income Types and Taxability, Continued

Qualified Scholarships/Fellowships are **not** taxable, if:

- You are enrolled as a candidate for a degree, **and**
- The scholarship/fellowship is used to pay fees for enrollment, books, supplies and equipment required for the courses

Non-Qualified Sponsorship/Fellowships are considered **taxable** if they include stipends for living expenses such as room and board, travel, research, and optional equipment.

# Tax Treaties

The U.S. has tax treaties with a number of countries. The tax treaties vary and may reduce/exempt U.S. taxes on certain types of payments for tax residents of that country.

- Examples include: RA/TA may be exempt from tax on assistantship payments up to a limit; student fellows may be exempt from tax on fellowship stipend up to a limit.
- You will receive a 1042-S showing the full amount paid and whether a treaty exemption applied.
- Income received that is exempt from tax under a treaty must still be reported on the tax return.**
- You can still apply for tax treaties when you file your income tax return.**



# Social Security Number (SSN) or ITIN

To file tax forms & claim treaty benefits, a nonresident alien **must** have either a:

- Social Security Number (SSN)**
- Individual Taxpayer Identification Number (ITIN)**

You must apply **in-person** at your local SSA office for an SSN **OR** your local IRS Taxpayer Assistance Center (TAC) for an ITIN.

For more information on how to apply:

- <https://www.irs.gov/help/contact-my-local-office-in-massachusetts>
- <https://www.irs.gov/help/itin-authenticating-tacs-link>

# State Taxes

In addition to the federal filing requirement, you may also need to file a tax return in any state in which you lived or worked during the calendar year

- Check the state income tax website for filing requirements
  - Massachusetts: <https://www.mass.gov/guides/personal-income-tax-for-residents#filing-requirements>:
    - Residency Requirement
    - Filing Threshold
    - How to File

# Useful Tips

- Nonresidents can now file federal returns electronically.
- You will not receive any confirmation from the IRS that your return has been received.
- Keep a copy of your return and tax forms for at least 3 years after filing.

## **Missed or Incorrect Filings**

- If you have not filed a return in previous years when you should have filed, you may still file a return for previous years, especially if you owe taxes to the IRS.
- If you filed a return and realized you made a mistake on your return, you may file an amended return to correct the mistake.
- Not filing a tax return or incorrect filing can result in penalties, interest and/or an audit by the IRS.

# Useful Tips, Continued

## Dealing with the IRS

- The IRS will always initiate written correspondence with you via paper mail notification.
- The IRS will **NEVER** initiate contact via telephone or email to ask for personal or financial information.
- Beware of anyone calling, texting or emailing you unsolicited claiming to be from the IRS, it could be a potential scam.
- An IRS agent speaking to you will always provide their IRS agent identification number. In any telephone or personal conversation with an IRS agent, always ask for the agent's name and ID number, write it down and save it for your records.

# Useful Tips, Continued

## IRS Notices

- Read the entire notice or letter carefully
- The IRS only needs a response if:
  - (1) You don't agree with the information,
  - (2) They need additional information, or
  - (3) You have a balance due.
- Respond within the required timeframe
- If asked for a response within a specific timeframe, you must respond on time to minimize additional interest and penalty charges or to preserve your appeal rights if you don't agree.
- If you disagree or have a question, contact the IRS by phone via number provided on the notice or letter.

# Useful Tips, Continued

If you are selected for a tax audit by the IRS:

- Don't panic! Being selected for audit doesn't necessarily mean you did anything wrong. Audits can be at random or targeted.
- Read IRS Publication 556, Examination of Returns, Appeal Rights and Claims for Refund which explains the audit process in more detail
- Often tax audits can be easily handled by yourself, but if you are uncomfortable with the process, unable to manage the process, or the issues are too complex, seek professional assistance.