

Subject:

**IMPORTANT TAX INFO FOR INTERNATIONAL SCHOLARS FOR TAX YEAR 2016**

WHAT: Mandatory International Scholar Tax Requirements

WHO: All international scholars and dependents

WHEN: Tax Forms for Year 2016 are due by April 18, 2017!

**International Scholars,**

**This email is long, but please read it carefully to find out what you need to do about filing taxes (everyone who was in the US in 2016 has to do something).**

Most of you are NOT going to fill out the same forms as your U.S. colleagues and tax non-residents CANNOT use Turbo Tax. Also, if you benefited from a tax treaty during 2016, you CANNOT complete your tax returns until you receive the 1042-S form from the Payroll and/or offices. These forms will be sent out the week of March 6th if you had treaty income. If you are not sure whether you should get this form, please wait until the first week of March to see if you get something in the mail OR come to the tax help sessions to find out.

**How to get help:**

**You CANNOT get help with these forms during advisor walk-in hours!!! Read and follow the instructions in this email then...**

- 1) If you need help and you have never done your taxes before, please plan to come to our tax workshop Thursday, March 2nd from 5:00 – 7:00 pm in Mitchell Hall 122
- 2) If you have done your taxes with us before, but you still need help come to our volunteer advising hours on Thursday and Friday afternoons from March 9 – April 6, 2017 (except spring break – see below).
- 3) If you had income in 2016, you have been in the US for fewer than 2 of the 6 years prior to 2016 as a scholar, you have done your taxes with us BEFORE and used our tax software AND you want to try doing the forms on your own, please email [iadvisor@unm.edu](mailto:iadvisor@unm.edu) for the access code with “Tax Software” in the subject line. We only want returning users to use the software without assistance as it is confusing unless you have used it before.

**The hours and location for this year’s individual tax help are:**

**March 9, 10, 23, 24, 30, 31 and April 3 1:00 – 4:00 pm  
Student Union Building, Lobo Lab Computer Room, Lower Level**

If you want to train to be a tax volunteer, please send email to [iadvisor@unm.edu](mailto:iadvisor@unm.edu) to sign up for the Volunteer training on Sunday, March 5<sup>th</sup>.

Linda Melville  
Director, International Student and Scholar Services  
Associate Director, Global Education Office

\*\*\*\*\*

**OVERVIEW:**

ALL FOREIGN SCHOLARS and THEIR DEPENDENTS ARE REQUIRED TO FILE AT LEAST ONE TAX FORM FOR EVERY YEAR THEY ARE IN THE U.S. (at least form 8843 – see below.) YOU MUST ALSO SAVE COPIES OF THESE FORMS FOR AT LEAST 7 YEARS!!!! (Or longer if you think you might apply to become a permanent resident of the US.)

The staff of GEO cannot provide assistance with your tax returns outside of the workshop and volunteer hours, so you will need to read the information below carefully to find out what you need to do. Section E) outlines where you can get help with your tax questions.

NOTE: The information regarding federal taxes in this email is primarily for J SCHOLARS (J researchers or professors) and their dependents that are NON-RESIDENTS FOR TAX PURPOSES. Check section C below to determine if you are a resident or non-resident for federal tax purposes. Scholars who are RESIDENTS FOR TAX PURPOSES should specifically read sections B, D, F, and G below. Individuals who are on F-1 or J-1 Student visas should check the separate tax information message written specifically for students.

This message includes information on the following topics:

- A) Federal Tax Reporting: Who Must Complete Forms and Where Do I Get Them?**
- B) Critical forms you receive from UNM, your employer, your bank, etc.**
- C) Which Forms Do I File? Am I A Resident Or Non-Resident For Tax Purposes?**
- D) New Mexico State tax information**
- E) Where to get help for Tax Non-residents: UNM and other resources**
- F) Other important Information**
  - Tax treaties
  - W-2 and 1042-S forms from UNM and all other employers
  - Social security and FICA withholding
  - Where to file (send) the forms
  - Hiring a Tax Preparer/Accountant
- G) Help for international persons who are "residents for tax purposes"**

\*\*\*\*\*

#### **A) FEDERAL TAX REPORTING: WHO MUST COMPLETE FORMS AND WHERE DO I GET THEM?**

ALL FOREIGN SCHOLARS and THEIR DEPENDENTS WHO ARE NON-RESIDENTS FOR TAX PURPOSES ARE REQUIRED TO FILE AT LEAST ONE TAX FORM (FORM 8843 - <http://www.irs.gov/pub/irs-pdf/f8843.pdf> ) FOR EVERY YEAR THEY ARE IN THE US REGARDLESS OF WHETHER OR NOT THEY EARNED ANY MONEY! This does NOT NECESSARILY mean you have to pay taxes. However, you DO need to complete and submit at least this one form if you are a tax non-resident.

ALL tax forms and instruction booklets for 2016 can be accessed on the web at [www.irs.gov](http://www.irs.gov). Follow the links at the top left to "Forms and Pubs," and then search the current form or publication number (See Sections C and D of this message for info on specific forms.) We do not have these forms in the GEO office, so you will need to download them from the IRS website.

**Scholars who arrived in the US on or after January 1<sup>st</sup>, 2017 do not need to complete forms until next year!!!**

#### **B) CRITICAL FORMS YOU RECEIVE FROM UNM, YOUR EMPLOYER, YOUR BANK, ETC.**

In January, February and March you should receive important tax forms in the mail from your employer, your bank, etc. You will use these forms when you complete your "tax returns" ("tax returns" are the forms that you fill out and send to the government.) The forms you may receive and will need to use in completing your "tax returns" include:

**W-2** – Form summarizing earnings; must be sent to you by all employers by January 31<sup>st</sup> each year

**1042-S** – Form listing treaty or scholarship income; sent to you by your program sponsor by March 15th (UNM will send these out next week)

**1099 INT** – Form listing bank interest income if more than \$10; sent to you by your bank  
**1099 DIV** - Form listing any dividend income; sent to you by your investment company  
**1099 MISC** – Form listing any miscellaneous income  
**1098 T** – Form listing tuition paid (if any); sent to you by a US university (“non-residents for tax purposes” cannot use this form in completing their tax returns so UNM did not send this to non-residents.) If you are a resident for tax purposes, you need to go to the UNM Bursar’s Office to request a copy of this form.  
**1095 (A, B or C)** – Lists insurance information to prove that you complied with the Affordable Care Act; sent to you by your insurance company (if you had ACA-compliant insurance, call them to ask if you did not receive it)

These are the most common tax forms. You may receive some or all of these and you also may receive some that are not on this list. Save all of these, as you will need them to complete the tax filing process. If you know that you are supposed to receive one of the forms on this list and you have not received it by mid-March, you should contact the employer/bank/etc. to find out how to get a replacement copy and check to be sure your address has been updated with that organization.

### **C) WHICH FORMS DO I FILE? AM I A RESIDENT OR NON-RESIDENT FOR TAX PURPOSES?**

To know which federal tax forms to use, you must first determine whether you are a "TAX RESIDENT" or "TAX NON-RESIDENT." The information below can give you a good idea, but you can also read Publication 519 "US Tax Guide for Aliens," page 4. (BE CAREFUL! The TAX definitions of "resident" and "non-resident" are not the same as the immigration definition or state residency definition of these terms.) Here is the residency test for scholars:

- If you were physically present in the U.S. for fewer than 2 of the 6 years prior to 2016 as a scholar (i.e. you arrived on 1/1/2015 or after and were not here as a J1 scholar or student before), then you were probably a "Non-Resident for tax purposes" in 2016. In this case, you must file Form [8843](#) even if you had no U.S. income. If you had ONLY bank interest and no OTHER U.S. income, you only need to file the 8843 form. If you had U.S. income other than bank interest, you will ALSO file either form [1040NR-EZ](#) or [1040NR](#).

- If 2016 was the 3rd calendar year you were in the US as a scholar (i.e. you arrived on 12/31/2014 or before or were here in any part of more than 2 years prior in J1 scholar or student status) then you are probably a "resident for tax purposes." In this case, you will need to complete a 1040 or 1040EZ RESIDENT tax form if you had any income from any source inside or outside of the U.S.

AGAIN:

1. IF YOU ARE A "NON-RESIDENT FOR TAX PURPOSES," The forms you will complete are:

\***8843** – “Statement for Exempt Individuals and Individuals with a Medical Condition”  
(Everybody fills out and sends this form INCLUDING all J2 dependents)  
<http://www.irs.gov/pub/irs-pdf/f8843.pdf>

**AND, IF YOU HAD U.S. INCOME, (including stipends, fellowships or salary) YOU MUST COMPLETE EITHER:**

\***1040NR-EZ** - “U.S. Income Tax Return for Certain Nonresident Aliens with no Dependents”  
<http://www.irs.gov/pub/irs-pdf/f1040nre.pdf>

**OR**

**1040NR** – “U.S. Nonresident Alien Income Tax Return”  
<http://www.irs.gov/pub/irs-pdf/f1040nr.pdf>

You cannot e-file these forms, but you can use our software program to complete, print and mail these forms. You have to wait until you receive any W-2 or 1042-s forms from payroll and/or taxation before you can complete the tax returns!

Other publications with information for tax non-residents that you may want to look at are:

Publication 901 - U.S. Tax Treaties

Publication 519 - U.S. Tax Guide for Aliens

## 2. IF YOU ARE A "RESIDENT FOR TAX PURPOSES":

You will need to complete the same U.S. tax forms as your U.S. colleagues. If you had less than \$10,350 of worldwide income (less than \$20,700 if married) you do not need to complete any forms, but you WANT to complete these forms if tax was withheld from your income. The forms you will complete are form 1040EZ or form 1040 depending on your situation. You can also get help from your U.S. colleagues, purchase tax preparation software such as Turbo Tax and get help from paid and volunteer tax preparers. Remember, that as a tax resident, you can claim education credits for tuition that you paid. To do so, you will need to go to the UNM Bursar's office to ask for a 1098-T form to claim these credits on your resident tax return. You also may still be able to claim the benefits of a tax treaty (see below) even if you are a resident for tax purposes.

## **D) NEW MEXICO STATE TAX INFORMATION**

New Mexico State tax forms and instructions can be accessed via the state website at:

<http://tax.newmexico.gov/> under "Individuals" and "Personal Income Taxes" the direct link is:

<http://www.tax.newmexico.gov/Individuals/Pages/Personal-Income-Tax-Forms.aspx>

**YOU MUST COMPLETE YOUR US FEDERAL TAX FORMS BEFORE YOU COMPLETE THE NEW MEXICO STATE TAX FORMS!** You can use the on-line tax form and e-file your NM State Taxes, but the on-line form will not work properly for scholars with treaty benefits.

Those with no U.S. income generally do not need to file state tax forms. Those with earned income generally need to file state tax forms. If New Mexico state tax was withheld from your pay, you **MUST** file these forms. International scholars who reside in New Mexico for more than 185 days during the year are considered to be residents for tax purposes by the state of New Mexico even if they do not maintain a permanent home here. If you earned income only in the state of New Mexico the form you need to complete is form **"2016 PIT-1 Personal Income Tax Return"**

If you earned income both in New Mexico and in another state, you must complete both forms PIT 1 and PIT B and the tax forms of the other state. You may need to fill out other forms if you had other types of earned income. Read the instructions carefully to determine which forms you need to file.

For NM state tax information, you may contact the Albuquerque District Office of the New Mexico State Taxation and Revenue Department:

### **Albuquerque District Office**

5301 Central Avenue Northeast

Albuquerque, NM 87198

Telephone: (505) 841-6200

Hours: Monday – Friday 8:00 am - 5:00 pm

**OR** visit the website at: <http://tax.newmexico.gov/>

If you worked in another state in 2016, you probably need to file tax forms for that state also.

## **E) WHERE TO GET HELP FOR TAX NON-RESIDENTS: UNM AND OTHER RESOURCES**

Staff members of GEO are not able to provide you with specific advice about your individual tax situation except during the workshop, the tax volunteer hours at our VITA site, and in some cases by appointment. Tax filing in the US is complicated. You should obtain the correct tax forms (see Sections C and D above), read them, and use the sources of information suggested throughout this message and particularly those below:

### **1. Federal Tax Info Session for Scholars who are Tax Non-residents**

There will be a general information session THIS Thursday, March 2<sup>nd</sup>, 2017 on federal tax requirements for scholars who are tax non-residents. We will explain the federal tax system, review forms and requirements, cover information about residency status for tax purposes, show scholars how to complete the basic forms, and answer some general questions at the end of the talk. For difficult or complicated questions scholars will be referred to paid tax preparers, IRS, and other information sources.

Make sure to bring all tax forms from UNM and any other employer to this talk as well as any tax forms that you completed last year. Download the forms and BRING them to this presentation. Note: scholars who arrived in 2017 do not need to attend until next year unless interested. If you are here in 2017, but will not be here in March 2018, you may want to come to this presentation to find out what you will need to do next year.

**WHAT:** Federal Tax Information Session for Scholars who are Tax Non-residents

**WHEN:** Thursday, March 2nd, 2017, 5 – 7:00 PM

**WHERE:** Mitchell Hall, Room 122

**BRING:**

- Social Security Card
- Immigration documents (Passport, I-94, DS-2019)
- All tax documents sent to you by your employer, school, bank, etc. (e.g., W-2, 1042S, 1099)
- Check book or account information listing the Routing number and checking account number for direct deposit
- Last year's federal and state tax forms for 2015 (if you completed them)
- Printed copy of form 8843: <http://www.irs.gov/pub/irs-pdf/f8843.pdf>
- If you had income in 2016 also bring a printed copy of form 1040NREZ: <http://www.irs.gov/pub/irs-pdf/f1040nre.pdf>

### **2. Tax Volunteers**

For the 15th year in a row, GEO will host a non-resident "Volunteers in Tax Assistance" (VITA) site. This year, the site will be open Thursday and Friday afternoons from, from March 9th through April 6<sup>th</sup> (except spring break). This means that during those times ONLY, volunteers will be available to help individuals complete their tax returns. We have purchased tax completion software again this year that will be used to help non-resident taxpayers with income complete the tax forms. You MUST bring all forms received from all employers and UNM, all other earnings information, past year's forms, as well as all of your immigration documents with you to get help from the volunteers. Here are the details about the VITA site:

**WHAT: Non-resident Volunteers in Tax Assistance (VITA)**

**WHEN: March 9, 10, 23, 24, 30, 31 and April 6 1:00 – 4:00 pm**

**WHERE: Student Union Building (SUB) Lobo Computer Lab, Lower Level**

**BRING:**

- Social Security Card (if any)
- Immigration documents (Passport, I-94, DS-2019 or I-20)

- Check book or account information listing the Routing number and checking account number for direct deposit (if you had income)
- All tax documents sent to you by your employer, school, bank, insurance company, etc. (e.g., W-2, 1042S, 1099, 1095)
- Last year's federal and state tax forms for 2015 (if you completed them)

### 3. Contact the IRS Taxpayer assistance number with specific questions

To get help with “non-resident alien” tax questions, you must call the IRS at 267-941-1000, Press 2 for “International Tax issue,” When you get an operator, ask to be transferred to the “tax law” department to ask a question about a “foreign tax issue”. The IRS phone line is open from 7 am to 7 pm Monday -Friday. You should be prepared to wait on hold for some time when you call.

### 4. Paid Tax Preparers

If you choose to pay an accountant or commercial business to prepare your tax returns, be aware that the rules for non-resident taxpayers are very different from those for residents. If you are a non-resident for tax purposes, be sure to ask if they are experienced in non-resident tax rules before you procure their services. The following websites offer paid services specifically for international clients, but most people should not need to use these if you use the FNTR software purchased by GEO:

[www.sprintax.com](http://www.sprintax.com)

[www.arcticintl.com/gtp\\_usage.asp](http://www.arcticintl.com/gtp_usage.asp) (select from the “Individuals” menu)

[www.thetaxguy.com](http://www.thetaxguy.com)

[www.englercpa.com/international.html](http://www.englercpa.com/international.html)

## F) OTHER IMPORTANT INFORMATION

**1. Tax Treaties:** There are tax treaties between the US and some foreign countries. This may mean that you can earn a certain amount of money without having to pay tax if your country has a treaty with the US. For more information about these treaties, read IRS Publication 901 (from the IRS website at [www.irs.gov](http://www.irs.gov) ). When you look at Pub. 901, be SURE to go to the relevant section for PROFESSORS, TEACHERS AND RESEARCHERS and look at the relevant type of income.

You need to complete an 8233 form and submit it to the Payroll department for every year you are at UNM in order to benefit from these treaties in advance (i.e., keep the money from being taken out of your pay), and you must complete a new form each year in order to continue to benefit in advance. You complete this form via payroll's on-line tax compliance system, so be sure to follow instructions from the payroll office carefully. You can email [payroll@unm.edu](mailto:payroll@unm.edu) about this process. You can still claim the treaty benefit when you file your taxes even if you did not fill out the 8233 form in advance.

**2. W-2 and 1042-S forms from UNM and all other employers:** If you earned money in the US each employer must send you a W-2 form (or in the case of scholarships or treaty-exempted income a 1042-S form.) When you complete your tax returns/forms, you must attach the correct section of these original documents to those forms (for both federal and state tax returns). Maintain a complete copy of what you send for your records. **DO NOT SEND IN YOUR TAX RETURNS WITHOUT ATTACHING ALL REQUIRED ORIGINAL DOCUMENTS!**

**3. Social Security and FICA Withholding:** If you are a foreign scholar in J-1 status and you are a non-resident for tax purposes, you are exempt from social security taxes and FICA (including Medicare tax.) If your employer has withheld social security taxes from you (check on your pay stub and the W-2 form), you should ask the employer to refund the taxes to you. If the employer refuses, you can apply for a refund from the Internal Revenue Service (IRS.) This process, which is separate from the annual tax-filing requirement, can take up to 6 months through the IRS. GEO has a handout on this topic. The form you need to complete to have these funds returned to you is Form 843 “Claim for Refund and Request for Abatement.” J-2 dependents with income ARE required to pay FICA tax.

**4. Where to File:** You will mail your federal and state tax returns to different US addresses. All tax forms (completed returns, W-2s and 1042-S forms, and other required attachments) are to be mailed together to the addresses listed in the instructions.

FEDERAL TAXES: If you are GETTING MONEY BACK forms will be mailed to:

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

FEDERAL TAXES: If you OWE money will be mailed with a payment to:

Internal Revenue Service  
P.O. Box 1303  
Charlotte, NC 28201-1303

STATE TAXES: If you are GETTING MONEY BACK will be mailed to:

New Mexico Taxation and Revenue Department  
P.O. Box 25122  
Santa Fe, NM 87504-5122

STATE TAXES: If you OWE money will be mailed with a payment to:

New Mexico Taxation and Revenue Department  
P.O. Box 8390  
Santa Fe, NM 87504-8390

**5. Hiring a Tax Preparer/Accountant.** If you want to hire a tax accountant, you can contact one of the commercial tax accounting firms listed in the phone book, or look on line, but be sure you clarify whether you are a resident or non-resident for tax purposes.

## **G) HELP FOR INTERNATIONAL PERSONS WHO ARE "RESIDENTS FOR TAX PURPOSES"**

### **1. Call the IRS Taxpayer assistance number with specific questions**

(800) 829-1040 or visit their website at [www.irs.gov](http://www.irs.gov)

### **2. Tax volunteers for residents**

Help is available from the RESIDENT tax volunteer (VITA) sites at CNM

CNM tax help general information is at: <http://www.cnm.edu/depts/taxhelp> and location information is at: <http://www.cnm.edu/depts/taxhelp/site/albuquerque> or call 224-4829 for information on locations and hours.

You must bring your Social Security Card, picture ID with birth date (passport or NM driver's license), all tax documents received in the mail (including forms: W-2, 1099, 1095 and 1098T) and bank information (for direct deposits of refunds) with you to receive help. **The volunteers are available at different times depending on the location. Please check the site information at the websites above.**

### **3. Paid Tax Preparers**

If you choose to pay an accountant or commercial business to prepare your tax returns, and you are a resident for tax purposes, you can find help from any of the commercial tax preparation firms or software for a fee (H&R Block, Turbo Tax, etc.) However, if you think you still might be able to benefit from a treaty, you should consult a professional who knows about international tax treaty issues. The following websites offer paid services specifically for international clients, even if residents for tax purposes:

The Tax Guy [www.thetaxguy.com/index.html](http://www.thetaxguy.com/index.html)

Gary Engler (CPA, CFP) [www.englercpa.com/international.html](http://www.englercpa.com/international.html)

REMEMBER PLEASE READ THIS ENTIRE MESSAGE BEFORE COMING IN TO ASK QUESTIONS!!!

Happy tax preparing!