

Steps for Nonresident Alien Taxation/Tax Exemption

➤ Arrival

- **Do not** call to schedule appointments prior to completion of the online questionnaire, submission, and approval.
- Apply for Social Security Number (SSN) as soon as possible.
- Can start work without a SSN. However, you will not receive Federal or State tax treaty exemptions (if eligible) until Tax Accountant receives SSN. You will be taxed at the highest taxable rate of Single with 0 allowances. A refund can be received when the annual tax return is filed.
- When SSN received, e-mail Mary Chenault mchenau@emory.edu. Send a copy of the card interoffice mail to: Mary A. Chenault, 1599 Clifton Road, 3rd Floor. *Do not fax – faxed copies are not legible.*
- Social Security taxes will not be withheld on F or J students enrolled fulltime. You are exempt for five calendar years. Social Security taxes will be withheld when an F or J visa holder meets the substantial presence test by being physically present in the U.S. for more than 182 days in the sixth calendar year. (Considered a resident alien for tax purposes on January 1st of the sixth calendar year.)

➤ Online Submission

- Send e-mail to Mary A. Chenault, NRA Tax Accountant, mchenau@emory.edu
- Include your name and Emory University employee ID number, if available.
- When you send the e-mail to Mary Chenault, a userID and password will be issued to access the Windstar Technologies website.
- You will complete the online questionnaire. (Instructions will be attached to the e-mail.)
- UserID and password request, completion of online questionnaire, submission, approval, and appointment to sign tax forms should all be completed 15 days prior to pay date in order to receive benefits for that payment.
- If you have a social security number, and are eligible for tax treaty exemptions, the exemption will be effective on your next paycheck.

➤ **Tips**

- A NRA student, who works, is enrolled full time, and regularly attending classes is exempt from the Social Security taxes.
- NRA students and scholars temporarily present in the U.S. in F-1 or J-1 non-immigrant status are exempt from social security taxes as long as their employment is authorized under immigration law and they are a NRA. An individual in J2 status does not qualify for this exemption because his/her purpose in coming to the U.S. is to accompany the primary visa holder (J1). An individual in F2 status is not permitted to work in the U.S. under any circumstances. A resident alien individual in the U.S. on any of these visas is not exempt from Social Security taxes.
- NRA students and scholars (and certain resident aliens), may be eligible to claim exemption from federal and state tax withholding, if their country of permanent residence is one that has a treaty agreement with the United States, providing all conditions such as substantial presence test and income limitations are met. To claim the treaty exemption, the NRA student must complete Form 8233 and provide a tax treaty statement for their country of residence. If the country of residence does not have a treaty, the nonresident is required to have federal and state taxes withheld using the prevailing dependent and deduction status, as determined by the Internal Revenue Service. (i.e. Single with 1 allowance)
- If services are required in order to get a stipend, the stipend is considered wages subject to tax withholding and reporting on Form 1042-S and W-2.
- If it is a non-service grant paid to or on behalf of a candidate for a degree for tuition or required fees, books, supplies or equipment, it is a qualified scholarship or fellowship grant not subject to tax withholding or reporting. The IRS has a very liberal definition for "candidate for a degree". The IRS does not consider post-docs to be candidates for degrees.
- All other stipends are nonqualified (taxable) scholarship and fellowship grants subject to withholding and reporting on Form 1042-S if paid to or on behalf of a NRA. The withholding rate is 14% for grants to individuals who are in F or J status. Otherwise the withholding rate is 30%.
- A cash stipend is always treated as nonqualified scholarship/fellowship grant by the payer.

➤ **Nonresidents filing their annual tax returns**

- After receiving your Form W-2 and/or Form 1042-S you will receive instructions from the ISSP office informing you of the website to enter and complete the 1040NR-EZ or 1040NR and 8843 federal forms over the web.

If you would like a hard copy to complete independently, you can retrieve the Form 1040NR-EZ or 1040NR and Form 8843 from the Internal Revenue Service (IRS) website <http://www.irs.gov> - look on left side - click on More Form and Publications – look at center - click on Forms and Instructions Number - scroll down to retrieve the form(s) -- they are listed in numerical order.

HELP: Atlanta: 404-338-7962

USA: 1-800-829-1040

International Questions: 1-215-516-2000

- Georgia Form 500 is used to file the state tax return with the Georgia Department of Revenue. The Georgia Form 500 cannot be completed over the web. We will have the form and instructions at the tax help workshop. Assistance in completing Form 500 will be provided at the workshop only.

HELP: 404-968-0480 (404-417-4477 or 1-877-602-8477 inside Georgia, but outside metro Atlanta.

If you would like a hard copy to complete independently, you can retrieve the Georgia Form 500 by going to <http://www.dor.ga.gov/> Individual Taxes – Individual Forms – Individual Income Tax - Form 500.

- Remember: Nonresident aliens can only receive assistance with tax returns at the Volunteer Tax Help Workshop.