

## **U.S. Tax Information For Non-United States Citizens/Non-U.S. Permanent Resident Aliens**

**Why Am I Required to Provide Information in GLACIER?** The Internal Revenue Service (IRS), the U.S. government tax authority, has issued strict regulations regarding the taxation and reporting of payments made to non-United States citizens. As a result, payments made to you may be subject to U.S. income tax and reporting to the IRS. **GLACIER** Online Tax Compliance System is an efficient and effective way to manage tax liability.

**Why Is My Tax Status Important?** In order to comply with the U.S. tax laws, your *U.S. Tax Residency Status* must be determined. The Substantial Presence Test is used to determine whether an individual is a *Nonresident Alien* or *Resident Alien* for purposes of U.S. tax withholding. **GLACIER** Online Tax Compliance System will calculate your *U.S. Residency Status for Tax Purposes* based on the information provided by you.

**What is the Difference between a Nonresident Resident and Resident Alien?** If you are a *Nonresident Alien for Tax Purposes*, you are subject to special tax withholding and reporting regulations; if you are a *Resident Alien for Tax Purposes*, you are taxed in the same manner as a U.S. Citizen.

**How Long Will I Be a Nonresident Alien?** Your *Residency Status Change Date* is the day on which your *U.S. Residency Status for Tax Purposes* will change, generally from *Nonresident Alien for Tax Purposes* to *Resident Alien for Tax Purposes*. The U.S. tax system is based on a calendar year period (January 1 – December 31). In most cases, when your *U.S. Residency Status for Tax Purposes* changes, you will become a *Resident Alien for Tax Purposes* retroactive to the first day of the calendar year during which your status changed; this day is called the *Residency Status Start Date*.

**How Will I Be Taxed on Payments From U.S. Sources?** As a *Nonresident Alien for Tax Purposes*, U.S. tax law requires that you be taxed in the following manner:

- If you receive Dependent Compensation (salary or wages), you are generally required to complete Form W-4 as “Single” (regardless of your actual marital status), “One” Personal Withholding Allowance (regardless of your actual number of dependents), and an Additional Amount of Tax to offset potential under withholding of tax.
- If you receive a Scholarship or Fellowship (for which NO services are required), your scholarship or fellowship may consist of *Nontaxable items* (Tuition, Book Allowance, Required Registration Fees, and Mandatory Health Insurance) or *Taxable items* (including, but are not limited to, Room and Board, Stipend, Living Allowance, Travel Payment/Reimbursement). If you are present in the U.S. under an F, J, M, or Q immigration status, the applicable rate of tax withholding is 14 percent; if you are present in the U.S. under any other immigration status, the applicable rate of tax withholding is 30 percent.
- If you receive an Honorarium, Guest Speaker Fee, Consultant Fees, Royalty, or any other type of income, the applicable rate of tax withholding is 30 percent.

**Can I Be Exempt From Tax Withholding?** The U.S. maintains income tax treaties with approximately 63 countries. Certain taxable payments made to you may be exempt from U.S. tax based on an income tax treaty entered into between the U.S. and your country of tax residence. The existence of a tax treaty does not automatically ensure an exemption from tax withholding; rather, you must satisfy the requirements for the exemption set forth in the tax treaty and provide all applicable forms and documents to the Institution Administrator. If you qualify for a tax treaty exemption, you must complete and submit Form W-8BEN (for all scholarship, fellowship, or royalty payments) or Form 8233 (for all compensation payments).

**What If I Do Not Submit My Forms and Documents?** If you do not complete the information in GLACIER and/or submit the required forms and documents in a timely fashion, you may not begin working.

**Where Can I Get More Information?** If you have additional questions, please contact the Institution Administrator at 510-885-2831 or visit: [www.aba.csueastbay.edu/BusAndFinance/nonresident\\_alien\\_taxation.htm](http://www.aba.csueastbay.edu/BusAndFinance/nonresident_alien_taxation.htm)