

As an employee of Florida Southwestern State College, your employee and visa information will be collected and reviewed by the Payroll Department to determine your payroll tax liability. We are required to deduct up to thirty percent (30%) of your gross wages for Federal Income Taxes unless you meet the green card, substantial presence test or if you are eligible for a tax treaty exemption.

The Foreign National Information and Substantial Presence Test form and the IRS Form 8233 will need to be completed and signed by you and submitted to Payroll. If we do not receive the required documentation, we will be forced to deduct up to thirty percent (30%) of your wages in Federal Income Tax until the documentation has been received. Florida Southwestern State College will not refund any taxes paid. You will need to file your tax forms with the IRS at the end of the year to receive any refunds due.

### Taxes and the IRS

The Internal Revenue Service (IRS) is the U.S. government agency that collects taxes. As a nonresident F-1 or J-1 student or scholar, you may need to file forms each year with the IRS, even if you earned no income. It is your individual responsibility to understand and meet your tax obligations.

### Resident or Nonresident for Tax Purposes

In legal terms, noncitizens of the U.S. are called "aliens." There are three types of aliens for tax purposes: (1) nonresident; (2) dual-status; and (3) resident. These categories are for tax purposes only and are not related to your immigration status. You may be in F-1 or J-1 nonimmigrant status and considered a resident for tax purposes.

### Substantial Presence

Nonresident aliens generally meet the substantial presence test if they have spent more than 183 days in the U.S. within the last three years. Having substantial presence in the U.S. means you will be considered a resident alien for tax purpose and you will generally have the same federal income tax requirements as a U.S. citizen. Please note that in this context, the term "resident" applies only to your tax requirements and is not related to your immigration status. See Publication 17: Your Federal Income Tax Guide by going to: <http://www.irs.gov/publications/p17/index.html>

### Exempt Individual

An exempt individual is any person who is temporarily exempt from the substantial presence test. Time spent in this category does not count toward the 183 days in the U.S. that normally will convert a nonresident alien into resident alien for tax purposes. **F-1 and J-1 students maintaining status are exempt from the substantial presence test for 5 years. J-1 scholars are exempt from the substantial presence test only if they have been in the U.S. no more than 2 out of the last 6 years.**

### Tax Treaties

The U.S. has income tax treaties with many different countries. Residents of these countries may be taxed at a reduced rate or be exempt from U.S. income tax withholding on specific kinds of U.S. source income. Treaties vary among countries. If the treaty does not cover a particular kind of income, or if there is no treaty between your country and the U.S., you must pay tax on the income in the same way and at the same rates shown in the instructions for Form 1040NR.

## Taxable Income

Some kinds of income are taxed while others are not. For students and scholars who are considered nonresidents for tax purposes, interest income is not taxed if it comes from a U.S. bank, a U.S. savings and loan institution, a U.S. credit union, or a U.S. insurance company. Generally income from foreign sources is not taxed. Wages that appear on form W-2 are taxable. Scholarship or fellowship income that requires services (i.e. teaching assistant) will be treated as wages (like employment). Scholarships, fellowships, and grants may be partially taxed. For degree-seeking students, portions used for tuition, fees, books, supplies, and required equipment are not taxed; portions used for other expenses, like room, board, and travel, are taxable.

## Social Security and Medicare

Nonresident students and scholars on F-1 and J-1 visas, who are also considered nonresidents for tax purposes, should not have Social Security or Medicare taxes withheld from pay. J-1 Scholars, Teachers, Researchers, Trainees and Physicians and other non-students in J-1 status are considered NRA-TP and exempt from FICA taxes for the first two calendar years of their presence in the USA. After the two calendar year period, they become RA-TP and subject to FICA withholding unless they depart the USA in less than 183 days. The exemption does not apply to F-1, J-1, M-1, or Q-1/Q-2 nonimmigrants who become resident aliens.

International persons in H-1B, TN, O-1 or E-3 status are fully subject to FICA tax withholding. No FICA exemption is available to persons in these visa categories.

## Year End Tax Forms

### Form 1042-S

Form 1042-S reports taxable income for international persons who have received the following types of income:

- Wage payments made to employees who have claimed tax treaty benefits.
- Fellowship/Scholarship income received directly by the student beneficiary. This includes all income not applied directly to the tuition and fees.
- Independent personal services for work performed in the U.S.
- Royalty payments issued to individuals or entities.
- Non-employee Prize or Award payments

Not every international employee, student or scholar will receive Form 1042-S. It will only be provided to international persons who meet one of the five criteria listed above. Please review the list above before inquiring about your 1042-S to ensure that you are supposed to receive this form.

Each tax year, Form 1042-S will be mailed to all eligible FSW employees, students and scholars no later than March 15th. Please verify your address in FSW Portal so that your 1042-S is sent to the correct address. Please wait until you receive the 1042-S to file your tax return even if you have a W-2 (remember, some employees may get both).

### Form W-2

International employees who are considered a resident alien for tax purposes or are non-resident aliens and do not have a tax treaty exemption will receive the Form W-2 to report income. This form is issued by Florida Southwestern State College's payroll department no later than January 31st each year. Be sure to verify your mailing address in the FSW Portal before the end of the year so that your W-2 is sent to the correct address. If you have opted to receive your W-2 electronically and are a current employee of Florida Southwestern State College, you will be able to print it directly from the FSW Portal when the tax forms are loaded each year.