

TACKLING YOUR 2011 TAX RETURN

Information for International Scholars

Revised: March 21, 2012

WARNING: IF YOU ARE A U.S. NON-RESIDENT, DO NOT USE TURBO TAX OR OTHER U.S. RESIDENT TAX SOFTWARE OR FILE A RESIDENT TAX RETURN! IT IS TAX FRAUD TO CLAIM BENEFITS FOR WHICH YOU ARE NOT ELIGIBLE.

- I. ISSO TAX WEBSITE
- II. OVERVIEW on filing a U.S. tax return as a "nonresident alien"
- III. **Form 8843 Requirement: ALL J-1 scholars who are nonresidents for tax purposes and their J-2 dependents** that were in the US any part of 2011 (even a day) must file form 8843. This applies even if you didn't have any income other than interest from US bank accounts.
- IV. **GLACIER TAX PREP** (formerly CINTAX) a web-based tax preparation system is ready to use (if you have received all the necessary documents, such as W-2 and 1042-S)
- V. **NONRESIDENT OR RESIDENT for Tax Purposes?**
- VI. NY STATE TAX WORKSHOPS for SCHOLARS WHO ARE CONSIDERED NONRESIDENTS FOR FEDERAL TAX PURPOSES. March 16 from 4 – 6:30 pm in 309 Havemeyer and April 4, from 4:15 – 6:30 pm, in International House at 500 Riverside Drive. **Must bring completed federal return.
Information on who is (and isn't) required to file a NYS tax return.
→ **NEW! Links to video presentation and PowerPoint at the end of Item VI below.**
- VII. Scholar Tax Workshops in February and March at CUMC (March 22) (uptown campus)
- VIII. Professional Tax Return Preparation
- IX. RESOURCES for scholars who are RESIDENT Aliens for tax purposes

I. INFORMATION ON FILING 2011 TAX RETURN ON ISSO WEBSITE

WARNING: IF YOU ARE A U.S. NON-RESIDENT, DO NOT USE TURBO TAX OR OTHER U.S. RESIDENT TAX SOFTWARE! You cannot pick and choose your Tax Status—it is based solely on the Substantial Presence Test.

Go to

<http://www.columbia.edu/cu/isso/tax/> to find

- An introduction to the tax return process
- Log in page for **GLACIER TAX PREP**, a web-based tax return preparation system for “nonresident aliens for tax purposes”
- Frequently Asked Questions (FAQs) and answers by **GLACIER**. You're not the only one who has questions! Please refer to the 50 questions organized by the topics What to know Before Using GLACIER, Entering Data into GLACIER, Results from GLACIER, What to do When Finished, Dependent Issues, and Other Issues.
- Information about NY State Tax workshops for Scholars who need to file NY State tax return (AFTER having completed federal return by using **GLACIER**)
- Links for obtaining NY State tax return forms and publications
- Definition of tax terms
- Resources for scholars who are “Resident Aliens for tax purposes”
- List of notaries public in the Columbia neighborhood for scholars who may need to file a W-7 for an ITIN (Individual Tax Payer ID. **GLACIER** will generate a completed form W-7 if it is needed.

II. OVERVIEW

Due to the complexities of US tax law and legal restrictions, the staff of the ISSO---and all University

offices---are neither qualified nor permitted to provide individual tax advice to students, scholars and their dependents.

This message is directed primarily to international scholars in J-1 status that includes researchers, faculty, visiting scholars and scientists to familiarize you with your **obligation for filing at least one government form, 8843**, if you are considered a nonresident for tax purposes, **EVEN IF YOU HAVE NOT HAD ANY INCOME IN THE US IN 2011**. Scholars in other nonimmigrant statuses such as H-1B may be considered nonresidents for tax purposes if they arrived in the U.S. in 2011 and were physically present in the United States for fewer than 183 days.

During the tax year, January 1 to December 31, individuals who work in the US or who have US-source fellowship grants have taxes withheld from their income. By April 17, 2012, everyone who has had U.S. income in 2011 must file an "income tax return" with the federal tax authorities, the Internal Revenue Service (IRS) and possibly the tax authorities in the state(s) in which they were employed. A tax return reports your income and either requests a refund if too much tax was withheld from income such as paychecks or scholarships or obliges you to pay taxes you may owe if not enough or no tax was withheld. Scholars who have a tax treaty benefit may not have had taxes withheld, but still must file a tax return to demonstrate why they are exempt from a tax liability.

III. FORM 8843 REQUIREMENT FOR ALL J NONRESIDENTS FOR TAX PURPOSES

EVEN IF YOU DON'T HAVE TO FILE A TAX RETURN because you had no income other than U.S. bank account interest, THERE IS ONE FORM THAT YOU MUST SEND TO THE INTERNAL REVENUE SERVICE.

FORM 8843 "Statement for Exempt Individuals" IS REQUIRED FOR ALL scholars in J status who are "nonresident aliens for tax purposes" and their dependents, even if there was no US income in 2011 to report.

Generally, scholars in J-1 status are considered "nonresidents for tax purposes" for a period of two "tax years"; for filing a 2011 tax return, this means that you arrived in the U.S. in 2010 or later. Scholars in J-1 status who have been in the U.S. longer than the designated time allowed are considered "resident aliens for tax purposes" even though not considered a resident for immigration purposes.

If the 8843 is the only form you need to file (because in 2011, you had been here two years or less and had **no income in the US** except bank interest), it must be sent to the IRS by June 15, 2012. You may easily complete this form by using the **GLACIER** system logging in through the ISSO tax web site. After answering a series of questions about your presence in the U.S. over a number of years, it will generate the completed form for you to review, print, sign and send. Instructions for mailing will be included.

http://www.columbia.edu/cu/isso/tax/GLACIER_2011.html

If you had income in the U.S. in 2011 and will be filing a tax return as a nonresident, the 8843 will be generated by **GLACIER along with other income tax return forms**. In this case, all forms *including* the 8843 must be sent together and postmarked by **April 17, 2012**.

IV. GLACIER IS READY TO USE, free of charge when you log in from ISSO website

http://www.columbia.edu/cu/isso/tax/GLACIER_2011.html

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GLACIER (formerly CINTAX) uses an interview format and is written in easy-to-understand language so you don't have to understand the US tax system, but simply need to answer a series of questions about the time you have spent in the US and any payments you have received. If you used CINTAX for your 2010 tax-filing, you may retrieve previous information when you log into **GLACIER**. **GLACIER** does the rest by processing and generating the appropriate tax forms as a pdf to print, sign, and send, and provides detailed instructions about how, when and where to submit the tax return, as well as information about the documents necessary to attach and complete the tax return filing process.

“Use **GLACIER**” is the answer to most questions you will have, such as

- Which forms do I need to complete? Where do I send them? When are they due?
- How do I know if I'm a nonresident or resident alien for tax purposes?
- How do I know if my country has a tax treaty that is applicable?
- How do I fill out an 8843?
- How do I fill out an 8843 for my J-2 spouse and children?
- Can I deduct educational expenses?

GLACIER is ready to be used without an individual user fee by Columbia affiliates with a UNI. Read more and log on at http://www.columbia.edu/cu/isso/tax/GLACIER_2011.html

DOCUMENTS NEEDED IN ADVANCE OF USING GLACIER TO FILE A TAX RETURN

Do not file your tax return prematurely before receiving ALL your required forms and before disclosing all your income.

Since you will need your own tax documents to complete a tax return, **scholars who are expecting W-2 form(s) or a 1042-S statement should complete their tax returns in GLACIER only after receiving them**, although you can log into **GLACIER** and enter other information and save it for future use.

Form W-2, Wage and Tax Statement: The W-2 form reports the **wages** you earned and federal or state taxes the employer has withheld from your paycheck. If you earned income in the U.S. that was not subject to a tax treaty, a W-2 should be sent to you by January 31 every year. Many of you who did work in the U.S. in 2011 have already received the W-2 in the mail.

If you haven't received it, contact the employer(s). If the employer is Columbia, send email to W2@columbia.edu or call the W-2 Hotline at 800-360-1265. If you follow the directions that you will receive from the email, you should be able to log on and see and print your W-2. If you expected it in the mail, it could be that your address is not correct. Check your address at the website to which you will be directed when you send an email to W-2@columbia.edu.

Some individuals may receive a 1042-S as well as or instead of a W-2.

Form 1042-S is issued for 2 purposes: A 1042-S reports scholarships, fellowships, grants, awards and any other **payment** made to you by a US source that was NOT compensation for services, i.e. for which you did NOT work.

1. If your scholarship or fellowship provided tuition exemption or reduction, but no stipend, you will *not* receive a 1042-S form since you didn't receive a payment. If your scholarship or fellowship grant provided *payment* that was above tuition and fees, then you may expect a 1042-S, depending on how the money was disbursed.

2. A 1042-S also reports earned income (wages) which are exempted from tax because of a tax treaty between your country of residence and the U.S. If you received this type of income, you are supposed to

receive this form from the payer(s) by early March every year. If you were eligible for a tax treaty benefit in 2011 but have not claimed it by filing form 8223 with the Human Resources Office, you can still claim the benefit of the tax treaty when filing your tax return with **GLACIER**. **GLACIER** will account for the tax treaty automatically when you enter your citizenship

If you are supposed to receive the 1042-S, you cannot prepare and file your 2011 income tax returns without it. If Columbia University is the payer, note that these forms are expected to be mailed in the third week of February.

If your address is not up to date with the University, correct, update it and send an email to the office that issues the 1042-S to Carlos Lira-Coppa at CIL1@columbia.edu or Johnny Martinez at tm132@columbia.edu to advise them that your address has changed, **with your correct address in the email message**. It would be helpful to that office if you also include your **employee ID number, beginning with numbers "101" from a pay stub**. **If you haven't received an expected 1042-S by March 5, call Johnny Martinez at 212 851-2816 or 851-2849.**

V. NONRESIDENT OR RESIDENT FOR TAX PURPOSES

Your tax status (nonresident or resident) is separate from your immigration status. You may be a resident for tax purposes even though you are still a nonresident for immigration purposes. To make things even more confusing, you may be a nonresident for FEDERAL tax purposes, but if you had income in NY, you may be a RESIDENT for NY State tax purposes. Each state has its own taxation regulations.

If you have been in the U.S. more than any part of two calendar years in J-1 status, you may be a resident for tax purposes, and would file resident forms, the same forms filed by US Permanent Residents and citizens. If you are a "resident alien for tax purposes" you will not be able to use **GLACIER** and the tax workshops, but there are many resources for filing a resident tax return.

If you are not certain of your tax residency status, log on to **GLACIER** and it will determine your tax status after you complete the first series of questions about your presence in the U.S. over a period of years, including time you may have spent in the US before you came to Columbia or in other nonimmigrant statuses. You may also want to refer to Chapter 1 of IRS Publication 519 <http://www.irs.gov/pub/irs-pdf/p519.pdf>

VI. NY STATE TAX WORKSHOPS FOR FEDERAL NONRESIDENTS

There will be two NY State Tax Return Workshops for students and scholars who have completed their federal nonresident tax return with **GLACIER**. If you had no income and the 8843 was the only federal form you need to file, you do NOT need to file anything with NY State.

Friday, March 16 from 4 – 6:30 pm in Room 309 Havermeyer
http://www.columbia.edu/about_columbia/map/havemeyer.html

Wednesday, April 4th from 4:15 – 6:30 pm. International House, 500 Riverside Drive. Upstairs in Davis Hall

Because **GLACIER** does such a great job of processing the federal nonresident forms according to each individual's personal circumstances, the tax workshops conducted by specialists in nonresident taxation will be dedicated to completing the NY State tax returns. Even though you may be a nonresident for federal tax purposes, you are not necessarily a nonresident for NY State tax purposes.

- Did you rent an apartment for 11 months or more of the year 2011?
- Did you spend more than 183 total days in New York State in 2011?

If you answered YES to BOTH of these questions, you are considered a resident for tax purposes in New York State.

If you answered NO to EITHER one of these questions, you are a nonresident for tax purposes in New York State.

Who does NOT have to file a NY State Tax return?

1. If you did NOT have any US-source income at all in 2011, you are NOT required to file a New York State tax return.

2. You are required to file a New York State tax return if you considered a **NON-RESIDENT** for tax purposes in New York State AND:

- New York State taxes were withheld from your paycheck during 2011 and you would like to receive a refund, or
- You are single and you received more than \$7,500 in 2011, AND you have New York source income or
- You are married and you received more than \$7,500 in 2011, AND you have New York source income.

If the above statements do NOT apply to you, you are NOT required to file a New York State tax return.

3. You are required to file a New York State tax return if you considered a **RESIDENT** for tax purposes in New York State AND:

- New York State taxes were withheld from your paycheck during 2011 and you would like to receive a refund, OR
- You are single and you received more than \$4000 in 2011, AND you have New York source income, OR
- You are married and you received more than \$4000 in 2011, AND you have New York source income.

If none of the above applies to you, you are NOT required to file a New York State tax return.

4. TAX TREATY EXEMPT INCOME

- If all your income was exempt by treaty and it was reported on a 1042-S by Columbia, you do NOT have to file a NY State tax return
- If all your income was exempt by treaty, but it was reported on a W-2 by Columbia or other employers, you need file a NY State tax return.
- If you have a mixture of some income exempt by treaty and some not, you need to file a NY State tax return.

State forms cannot be completed without first completing a federal tax return, so come to the workshop with your federal nonresident tax return that you completed using GLACIER and your personal tax documents such as the W-2 and/or 1042-S.

The Tax Workshops are designed to help students and scholars who are nonresidents for federal tax purposes complete a NY State tax return. The workshop will cover *both* NY State Resident forms and NY State nonresident forms since the workshop attendants may be one or the other.

There will be tax forms at the workshop, but you may want to print your own forms and instructions book in advance. These can be downloaded from the ISSO website at

<http://www.columbia.edu/cu/isso/tax/introtax.html#currentforms>

→ **NEW! Use the link below to access a video presentation on filing a NY State Tax Return with PowerPoint.**

<http://mediastream.buffalo.edu/content/iss/NYSEnonRes2012/index.htm>

→ **NEW! Use the link below to access a second PowerPoint on completing a NY State Tax Return.**

www.columbia.edu/cu/isso/tax/NY_State_Tax_2011_tax_year.ppt

VI. SCHOLAR TAX WORKSHOPS AT THE CU MEDICAL CENTER CAMPUS

Thursday, March 22nd from 4 – 6:00 pm

College of Physicians and Surgeons Alumni auditorium on the first floor

630 W. 168th St. http://www.cumc.columbia.edu/about/cumc_map.htm

CUMC will hold two tax information sessions for scholars conducted by a tax professional from H & R Block, one in February and one in March, trained in both resident and nonresident taxation.

VIII. TAX PROFESSIONALS

In the Morningside Heights neighborhood

H & R Block, 3200 Broadway at 125th St. 212 864-5095

This does not constitute an official endorsement or approval by Columbia University or the ISSO, but is provided solely for information purposes. Most tax preparers are not familiar with “nonresident alien” federal forms and regulations. We are told that several associates at this location have been trained in this area, so be sure to ask for one of them if you decide to use H & R Block services.

On-Line

Gary R. Engler, Certified Public Accountant

<http://www.englercpa.com/page4.html> . They will prepare federal and state tax returns, or just the state tax return if the individual has already completed the federal return with **GLACIER**.

IX. RESOURCES FOR FILING AS "RESIDENT ALIEN FOR TAX PURPOSES"

There are both advantages and disadvantages to filing as a "resident alien for tax purposes" compared to filing as a nonresident.

The bad news:

- bank interest is considered taxable income for residents for tax purposes (not taxable for nonresident aliens)
- you must declare your worldwide income (nonresidents declare only US income)
- Social Security and Medicare taxes are withheld from your wages
- you cannot use **GLACIER**

The good news:

- you may be able to file electronically

- you don't file the 8843 or any other form if you had no income in 2011
- you may not need to file any forms if your gross income was below a certain threshold
- you may be able to claim the following credits, exemptions or deductions
 - Child Tax Credit
 - Childcare Credit
 - **Education Credits** (See IRS [Publication 970](#), Tax Benefits for Education) (<http://www.irs.gov/pub/irs-pdf/p970.pdf>). **Form 1098-T** from educational institutions is applicable to determining these credits.
 - Earned Income Credit
 - Personal Exemption for qualified spouse and dependent children (must have Social Security Number or ITIN)
 - Standard deduction *or* itemized deductions

There are many resources for filing as a resident for tax purposes:

- The IRS provides a good overview in [Publication 17](#), Your Federal Income Tax <http://www.irs.gov/pub/irs-pdf/p17.pdf>
- "Free File" online federal tax preparation and electronic filing through the IRS for individuals with an adjusted gross income of \$57,000 or less. See the [Free File](#) page on the IRS web site. <http://www.irs.gov/efile/article/0,,id=118986,00.html>
- The New York State Department of Taxation and Finance lists the companies that offer free e-filing for both federal and state taxes if you qualify. See the [E-File for free with FreeFile](#) page on their web site. (http://www.tax.ny.gov/pit/efile/elf_individual.htm)
- There is free tax assistance at some [New York Public Library neighborhood branches](#), including the Morningside Heights branch on Broadway and 113th Street on Mondays and Saturdays from 10:00 – 2:30 pm Mondays and Saturdays, Feb.4 to April 16, 2012 <http://www.nypl.org/help/community-outreach/income-tax-information-2011>
- Commercial tax preparation software such as <http://www.turbotax.com> and www.taxact.com. The federal tax return forms are the 1040EZ or the 1040. As the name implies, the 1040EZ is a very simple, one-page form.
- Use a professional tax preparer. (Most tax preparers are unfamiliar with nonresident forms.)
- <http://www.englercpa.com/international.html>