

# Graduate Division & Tax Services

## Income Tax 101 Workshop: Foreign Students and Scholars

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UNIVERSITY OF CALIFORNIA  
**MERCED**



# Agenda

- Disclaimer
- Purpose of presentation
- U.S Tax Overview
  - Tax Basics, Returns and Documents (aka Forms) you may receive
  - Tax Residency status
  - Scholarships/Fellowships
  - Tax Treaties
- State of CA income taxes
- General Filing Process, Resources and Tips
- Frequently Asked Questions
- Additional Help Resources
- Q&A Session



# Disclaimer about this Workshop

This presentation contains general information only and UC Merced and The Regents of the University of California are not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services.

This workshop is designed to give you the basic requirements and only be used as a guide. UC Merced assumes no responsibility for changes in tax law and the information contained herein.

Students are solely responsible for the proper completion of their tax filings and should not rely completely on this workshop to complete their income tax returns. Students should refer to the official IRS and state filing instructions and consider using the services of a licensed professional tax preparer, if necessary.

UC Merced cannot complete or review your tax filings or answer questions specific to your personal income taxes.

# Outside Workshop Scope (not covering...)

- Helping you prepare, review, or file your individual income tax return(s)
- Tax advice on personal income tax situations
- Details of any specific tax treaty and whether you qualify
  - Including determine when a treaty may apply
- Other types of income such as Stocks/Dividends gain/losses, foreign income, etc.
- Advanced information regarding tax dependents

# What is a Tax Return?

- It is the act of “returning” a report to the US Government (Internal Revenue Service or IRS) that states:
  - What income you received during the previous calendar year (1/1/22 to 12/31/2022)
  - What you were taxed on this income
  - What taxes you should have paid in 2022
- Discover that you paid too much in taxes = **tax refund**  
Discover that you did not pay enough in taxes = **tax liability**  
(you will owe money to the IRS)

# Basic U.S. tax overview

- Money withheld from your paychecks and fellowship and scholarship awards during the year is called **tax withholding**
  - It is used as a credit against your year's anticipated taxes until you complete the tax return.
- You may be required to complete income tax return(s) each spring to determine if additional income taxes are owed or if you overpaid income taxes and a refund is due back to you.

# Basic U.S. tax overview (cont'd)

- Who needs to file a tax return in the U.S.?
  - Non-resident Alien
  - Resident Alien (F-1 or J-1 student who passes the substantial presence test, a U.S. Legal Permanent Resident, or individual on work visa)
  - Dual Status Alien (non-resident for part of the year and resident the other part)
- If you were in U.S. any minute of 2022 = File return
- If you were not present in the U.S. during 2022, you **DO NOT** need to file a 2022 U.S. tax return.

# U.S. Tax Requirements

## General rules

- All U.S. sourced income received by a nonresident alien may be subject to U.S. tax.
- Non-U.S. sourced income received by a nonresident alien is not subject to U.S. tax.
- A tax treaty between the U.S. and your home country may provide for an exemption from tax in the U.S.
- All nonresident aliens with U.S. sourced income should file IRS tax Form 1040-NR **AND** IRS Form 8843, even if all income is tax-exempt based on a tax treaty.
- Tax software (i.e. TurboTax) online or on desktop cannot file prepare or file 1040-NR tax forms! That is why GTP is offered.



# U.S. Tax Requirements (cont'd)

## Is my U.S. sourced income subject to U.S. tax?

1. Wages from employment	Yes
2. Scholarship payment (not used for tuition or course related expenses)	Yes
3. Fellowship payment (not used for tuition or course related expenses)	Yes
4. Lodging benefits	Yes
5. Investment income/interest income	Yes

- If there is a tax treaty between the U.S. and your home country, some income may be exempt from U.S. tax. A tax treaty is applicable to Federal taxes, not State of California taxes.

# Federal and State Taxation

- All individuals that are required to pay tax in the U.S., will pay both at the federal and at state level
- “Federal” refers to the U.S. government and taxes are collected by the Internal Revenue Service (IRS)
- Taxpayers may also be required to pay tax in the state where they live or work
  - In California, taxes are collected by the California Franchise Tax Board (FTB)
  - If you lived in another State in 2022, you may need to file that State’s Income Tax Return if you earned or received income in that state.
  - If you lived in two States, you may need to file a total of two State Tax Returns.

**IRS**IRS website: [www.irs.gov/](https://www.irs.gov/)STATE OF CALIFORNIA  
Franchise Tax BoardFTB website: [www.ftb.ca.gov/](https://www.ftb.ca.gov/)

# Failure to File a Tax Return

- Students' and scholars' visa terms require that you stay in compliance with all laws of the United States, including income tax filing.
- If you owe taxes and do not file, the IRS can assess penalties and interest and seize U.S. bank assets for repayment.
- Fines and penalties can often amount to more than the original tax debt. There can also be immigration consequences for failing to file taxes.
- Applicants for permanent residency green cards are frequently asked to show proof of tax filing for previous years in the U.S.

# QUESTIONS:

1. Do I need a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) to file a tax return?

Either a SSN or ITIN is required to file IRS Form 1040-NR.

A SSN or ITIN is not needed if submitting only IRS Form 8843.

- Leave the Taxpayer ID number box blank if only filing Form 8843



# QUESTIONS:

1. What is a tax residency status?
2. What is meant By “Nonresident Alien”?



U.S. taxation of aliens depends on their tax residency status. See [IRS Publication 519, U.S. Tax Guide for Aliens](#).

# The First Step: Determining Your Federal Tax Residence Status

- For the first 5 calendar years that you are in the US as an F-1 or J-1 student, you do not count the days present towards your tax residence, so you are a **NONRESIDENT ALIEN (NRA)** for tax purposes.

# QUESTION:

What if I'm an F-1/J-1 student  
who received only  
scholarships, fellowships,  
grants, or a cash awards in  
2022?



# F-1/J-1 Students: Scholarship/Fellowship and Grants

- U.S. fellowship, scholarship, and other grants are not included in your income (and not taxable)
  - **if used specifically for tuition, fees, books, supplies and equipment** required for courses at UC Merced
  - AND if you are pursuing a degree.
- Any portion of U.S. scholarship or fellowship received for **room & board** or in exchange for teaching or research is included in income.



# Fellowships and Employment

## Fellowship

- “Qualified educational expenses” are **exempt** from income tax
  - Tuition & Fees
- “Nonqualified expenses” may be subject to income tax
  - Stipend for housing, transportation, travel, meals, etc.

## Employment

- TA/GSR/GRA appointments are not fellowships
- Salary paid from these appointments may be subject to income tax and tax withholdings

## IRS website:

***Do I Include my Scholarship, Fellowship, or Education Grant as Income on my Tax Return?***

- <https://www.irs.gov/help/ita/do-i-include-my-scholarship-fellowship-or-education-grant-as-income-on-my-tax-return>

# Tax Treaties

## Tax treaty agreements:

- Exempts certain foreign country residents from Federal taxes up to a specific amount of U.S.-sourced wages, fellowships, scholarships, and grant payments.
- Payments in excess of the tax treaty exemption limits are withheld at applicable Federal tax rates
- UC Merced will issue an IRS Form 1042-S for income exempt from tax due to a tax treaty.
  - A W-2 form may also be issued for non-tax treaty exempt wages.
- IRS Publications [515](#) and [901](#) discuss in detail Federal tax treaty benefits for non-US individuals.

# Tax Treaty Renewals

- Annually: Form 8233 (Wages)
- Every 3 years: Form W-8BEN (Fellowships/scholarships)
- Source: [IRS Publication 901](#) for details.

NOTE: Tax treaty renewals still require you to complete and file tax returns each year.

There are no tax exemptions from the State of California taxes or other UC payroll processed deductions.

- i.e. Union dues, Disability Insurance, Health Insurance payments, etc.

# Tax Forms You Might Receive

## IRS Form W-2

- If you worked in the U.S. during 2022, you will receive a W-2 Form from each of your employer(s).
  - You will receive this form if you are an employee (includes TA/GSR appointments)
  - If you did not work during 2022 you will not receive, and do not need, any W-2 Forms.
- This form states income earned and tax withholdings from your salaries/wages.
- Can be obtained by accessing the [UCPath Portal](#)

a Employee's social security number		Safe, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Retirement plan Third-party sick pay		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

2022

Department of the Treasury—Internal Revenue Service

# Tax Forms You Might Receive

## IRS Form 1042-S

- Issued only if you had a 2022 tax treaty exemption for wages or taxable fellowship/scholarship funds
- Obtain online from GLACIER NRA system (mid-March release date)

Form **1042-S** Foreign Person's U.S. Source Income Subject to Withholding **2022** OMB No. 1545-0096  
 Department of the Treasury Internal Revenue Service  
 Go to [www.irs.gov/Form1042S](https://www.irs.gov/Form1042S) for instructions and the latest information.  
 UNIQUE FORM IDENTIFIER ☐ AMENDED ☐ AMENDMENT NO. ☐  
 1 Income code 2 Gross income 3 Chapter indicator. Enter "3" or "4" 13e Recipient's U.S. TIN, if any 13f Ch. 3 status code  
 3a Exemption code 4a Exemption code 13g Ch. 4 status code  
 3b Tax rate 4b Tax rate 13h Recipient's GIIN 13i Recipient's foreign tax identification number, if any 13j LOB code  
 5 Withholding allowance 13k Recipient's account number  
 6 Net income 13l Recipient's date of birth (YYYYMMDD)  
 7a Federal tax withheld 14a Primary Withholding Agent's Name (if applicable)  
 7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) ☐ 14b Primary Withholding Agent's EIN 15 Check if pro-rata basis reporting ☐  
 7c Check if withholding occurred in subsequent year with respect to a partnership interest ☐ 15a Intermediary or flow-through entity's EIN, if any 15b Ch. 3 status code 15c Ch. 4 status code  
 8 Tax withheld by other agents 14c Intermediary or flow-through entity's name  
 9 Overwithheld tax paid to recipient pursuant to adjustment procedures (see instructions) 15d Intermediary or flow-through entity's EIN  
 10 Total withholding credit (combine boxes 7a, 8, and 9) 15e Intermediary or flow-through entity's GIIN  
 11 Tax paid by withholding agent (amounts not withheld) (see instructions) 15f Country code 15g Foreign tax identification number, if any  
 12a Withholding agent's EIN 12b Ch. 3 status code 12c Ch. 4 status code 15h Address (number and street)  
 12d Withholding agent's name 15i City or town, state or province, country, ZIP or foreign postal code  
 12e Withholding agent's Global Intermediary Identification Number (GIIN) 16a Payer's name 16b Payer's TIN  
 12f Country code 12g Foreign tax identification number, if any 16c Payer's GIIN 16d Ch. 3 status code 16e Ch. 4 status code  
 12h Address (number and street) 17a State income tax withheld 17b Payer's state tax no. 17c Name of state  
 12i City or town, state or province, country, ZIP or foreign postal code  
 13a Recipient's name 13b Recipient's country code  
 13c Address (number and street)  
 13d City or town, state or province, country, ZIP or foreign postal code

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 11386R Form 1042-S (2022)

Note: Can receive up to 2 different 1042-S forms each year

- For salaries and wages subject to tax treaty exemption (can be accessed in UCPath); and/or
- For scholarship/fellowship income, royalties, and service payments to independent contractors (can be accessed in GLACIER)
- Some individuals may receive both a Form 1042-S and Form W-2.

# Tax Forms You Might Receive

☐ CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number <b>REGENTS OF THE UNIVERSITY OF CALIFORNIA</b> <b>5200 N LAKE RD</b> <b>TRA COORDINATOR</b> <b>MERCED, CA 95343</b> <b>209-228-4114 Call Center 888-220-2540</b>		<b>1</b> Payments received for qualified tuition and related expenses <b>\$ 0.00</b> <b>2</b>	OMB No. 1545-1574 <b>2022</b> Form <b>1098-T</b>	<b>Tuition Statement</b>  <b>Copy B</b> <b>For Student</b>  This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
FILER'S employer identification no. <b>27-0093858</b>	STUDENT'S TIN <b>XXX-XX-XXXX</b>	<b>3</b>		
STUDENT'S name		<b>4</b> Adjustments made for a prior year <b>\$</b>	<b>5</b> Scholarships or grants <b>\$ 6285.00</b>	
Street address (including apt. no.)		<b>6</b> Adjustments to scholarships or grants for a prior year <b>\$</b>	<b>7</b> Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2023 <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code		<b>8</b> Checked if at least half-time student <input checked="" type="checkbox"/>	<b>9</b> Checked if a graduate student <input checked="" type="checkbox"/>	
Service Provider/Acct. No. (see instr.) <b>XXXXXXXXXX</b>	<b>10</b> Ins. contract reimb./refund <b>\$</b>			

Form **1098-T** (keep for your records) [www.irs.gov/Form1098T](http://www.irs.gov/Form1098T) Department of the Treasury - Internal Revenue Service

## IRS Form 1098-T (Tuition Statement)

- The Form 1098-T may be provided to students for information purposes only but it is not used for NRA status income tax return filings.
- Disregard as educational credits are NOT allowed for NRA tax status people.

## IRS Form 1099-INT (Interest Income)

- U.S. Bank interest is generally not taxable to NRA status individuals.

# Tax Forms You Might Receive

## **IRS Form 1099-MISC (Independent Contractor work/Awards)**

- Used to report miscellaneous payments of \$600 or more during the tax year
- You will receive this form if you received a taxable gift card (not including wages or financial aid)
- If you are receiving this form, it will be mailed to you.

## **IRS Form 1095-A, B, or C (Health Insurance Statements)**

- Used to provide information only about healthcare coverage. Not used for your income tax return filing.
- You will receive this form if you were enrolled in health coverage for 2022
- If receiving this form, it will be mailed to you

# QUESTION:

1. Who must file a 2022 tax return with the Internal Revenue Service or State of CA?

**ALL** individuals temporarily in the U.S. on a(n) F-1 or J-1 visa must file (a) tax form(s) with the Internal Revenue Service.





## QUESTION:

What do I file if I just had a fellowship, scholarship, or waiver in 2022 and I did not have to pay or had any taxes withheld (subtracted) from the payments?

**File IRS Form 8843**

## QUESTION:

What do I file if I had a 2022 scholarship, fellowship or award that **is taxable income** but had no taxes withheld from the payments?

**File IRS Form 8843**  
**AND**  
**IRS Form 1040-NR**

## QUESTION:

What do I file if I had a 2022 fellowship or scholarship on which I must pay taxes and can or did claim a **tax treaty benefit** on that fellowship or scholarship?

**File IRS Form 8843  
AND  
Form 1040-NR**

## QUESTION:

**Which tax form(s) must I file if I earned no money in 2022?**

All individuals in the U.S. on F-1 visas for 5 years or less or J-1 visas for 2 years or less

**MUST file an  
IRS Form 8843**

# IRS Form 8843

- An information statement required by the U.S. government for certain NRAs
- IRS Form 8843 must be filed if an individual is:
  - present in the U.S. during 2022,
  - a nonresident alien, and
  - present in the U.S. under an F, J, M or Q immigration status (either the “-1” or the “-2”)....even if they did not earn any U.S sourced income in 2022.

# Form 8843 – Content Parts

## Part I – Information

- This is completed by everyone

## Part II – Teachers & Trainees

- This is completed by J-1 scholars and post-doc researchers.

## Part III - Students

- This is completed by F & J Visa students and their dependents

## Part IV & V

- DO NOT complete these parts
- Does NOT APPLY to F-1 or J-1 Visa individuals

# Form 8843 (cont'd.)

If you are only filing Form 8843 (and you are not an employee receiving wages):

- Complete form (in GLACIER or on paper)
- Sign and date on Page 2
- Make a copy for your record
- Mail IRS Form 8843 to:

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

- Filing Deadline is: June 15, 2023.
- If you are filing both the Form 8843 AND Form 1040-NR, mail all forms together by the April 18, 2023 filing deadline. Staple all items together.

**EXAMPLE: IRS Form 8843 - Required for all non-resident aliens in F, J, M or Q visa status, including F-2 and J-2 spouses & dependents, even if not required to fill out a Form 1040-NR tax return.**

**Form 8843** **Statement for Exempt Individuals and Individuals With a Medical Condition**  
For use by alien individuals only.

OMB No. 1545-0074  
**2022**  
Attachment Sequence No. **102**

Go to [www.irs.gov/Form8843](http://www.irs.gov/Form8843) for the latest information.

For the year January 1—December 31, 2022, or other tax year beginning \_\_\_\_\_, 2022, and ending \_\_\_\_\_, 20\_\_\_\_.

Department of the Treasury  
Internal Revenue Service

Your first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Your U.S. taxpayer identification number, if any \_\_\_\_\_

**Fill in your addresses only if you are filing this form by itself and not with your tax return**

**Part I General Information**

**1a** Type of U.S. visa (for example, F, J, M, Q, etc.) and date you entered the United States: Enter visa type (ie F1), 1st entry date  
**b** Current nonimmigrant status. If your status has changed, also enter date of change and previous status. See instructions.  
**1b - Enter your current visa type (F or J) and date of change of visa type, if any.**

**2** Of what country or countries were you a citizen during the tax year? Enter country that you were a citizen for the 2022 tax year

**3a** What country or countries issued you a passport? Enter the name of the country that issued your passport  
**b** Enter your passport number(s): \_\_\_\_\_ Enter your passport number

**4a** Enter the actual number of days you were present in the United States during: 4a-Enter the number of days you were physically present in the U.S. for 2020, 2021 & 2022  
2022 \_\_\_\_\_ 2021 \_\_\_\_\_ 2020 \_\_\_\_\_  
**b** Enter the number of days in 2022 you claim you can exclude for purposes of the substantial presence test: \_\_\_\_\_

**Part II Teachers and Trainees** **Total # of days in U.S. Should agree with # of days in 4a.**

**5** For teachers, enter the name, address, and telephone number of the academic institution where you taught in 2022:  
University of California, Merced, 5200 N Lake Road, Merced, CA 95343; Telephone 209-228-4400  
If you attended other Universities or Academies in 2022, you will need to list their general address as well.

**6** For trainees, enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2022: International Students & Scholars Office, University of California, Merced, 5200 N Lake Road, Merced, CA 95343; Telephone 209-228-4400  
If you attended other Universities or Academies in 2022, you will need to list their general address as well.

**7** Enter the type of U.S. visa (J or Q) you held during: 2016 \_\_\_\_\_ 2017 \_\_\_\_\_  
2018 \_\_\_\_\_ 2019 \_\_\_\_\_ 2020 \_\_\_\_\_ 2021 \_\_\_\_\_. If the type of visa you held during any of these years changed, attach a statement showing the new visa type and the date it was acquired.

**8** Were you present in the United States as a teacher, trainee, or student for any part of 2 of the 6 prior calendar years (2016 through 2021)? ☐ Yes ☐ No  
If you checked the "Yes" box on line 8, you cannot exclude days of presence as a teacher or trainee unless you meet the Exception explained in the instructions.

**Part III Students**

**9** Enter the name, address, and telephone number of the academic institution you attended during 2022:  
University of California, Merced, 5200 N Lake Road, Merced, CA 95343; Telephone 209-228-4400  
If you attended other Universities or Academies in 2022, you will need to list their general address as well.

**10** Enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2022: International Students & Scholars Office, University of California, Merced, 5200 N Lake Road, Merced, CA 95343; Telephone 209-228-4400  
If you attended other Universities or Academies in 2022, you will need to list their general address as well.

**11** Enter the type of U.S. visa (F, J, M, or Q) you held during: 2016 \_\_\_\_\_ 2017 \_\_\_\_\_  
2018 \_\_\_\_\_ 2019 \_\_\_\_\_ 2020 \_\_\_\_\_ 2021 \_\_\_\_\_. If the type of visa you held during any of these years changed, attach a statement showing the new visa type and the date it was acquired.

**12** Were you present in the United States as a teacher, trainee, or student for any part of more than 5 calendar years? ☐ Yes ☐ No  
If you checked the "Yes" box on line 12, you must provide sufficient facts on an attached statement to establish that you do not intend to reside permanently in the United States.

**13** During 2022, did you apply for, or take other affirmative steps to apply for, lawful permanent resident status in the United States or have an application pending to change your status to that of a lawful permanent resident of the United States? ☐ Yes ☐ No

**14** If you checked the "Yes" box on line 13, explain: \_\_\_\_\_

**For Paperwork Reduction Act Notice, see instructions.** Cat. No. 17227H Form **8843** (2022)

Form 8843 (2022)

Page 2

**Part IV Professional Athletes**Skip  
Part  
IV.

- 15** Enter the name of the charitable sports event(s) in the United States in which you competed during 2022 and the dates of competition: N/A
- 16** Enter the name(s) and employer identification number(s) of the charitable organization(s) that benefited from the sports event(s): N/A

**Note:** You must attach a statement to verify that all of the net proceeds of the sports event(s) were contributed to the charitable organization(s) listed on line 16.

**Part V Individuals With a Medical Condition or Medical Problem**Skip  
Part  
V.

- 17a** Describe the medical condition or medical problem that prevented you from leaving the United States. See instructions. N/A
- b** Enter the date you intended to leave the United States prior to the onset of the medical condition or medical problem described on line 17a: N/A
- c** Enter the date you actually left the United States: N/A

**18 Physician's Statement:**

I certify that \_\_\_\_\_  
Name of taxpayer

was unable to leave the United States on the date shown on line 17b because of the medical condition or medical problem described on line 17a and there was no indication that his or her condition or problem was preexisting.

\_\_\_\_\_  
Name of physician or other medical official

\_\_\_\_\_  
Physician's or other medical official's address and telephone number

\_\_\_\_\_  
Physician's or other medical official's signature

Date

**Sign here only if you are filing this form by itself and not with your tax return**

Under penalties of perjury, I declare that I have examined this form and the accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete.

**Sign & date here only if you are filing IRS Form 8843 by itself, with no other tax return forms.**

\_\_\_\_\_  
Your signature

Date

Form **8843** (2022)

**All persons who are F, J, Q & M visa holders and are non-resident aliens for tax purposes are required to file IRS Form 8843, even if they had no U.S. source income. This also applies to F-2 and J-2 spouses and dependent children. A separate IRS Form 8843 would need to be completed for one's spouse and each child dependent here in the United States.**

**If not filing a U.S. tax return, make a copy and then mail Form 8843(s) to the following address:**

**MAILING ADDRESS:** Department of the Treasury, Internal Revenue Service Center, Austin, TX, 73301-0215, U.S.A.  
IRS Form must be completed and mailed by June 15th, 2023.



# Tax Credits – Resident Alien Tax Status only

## Earned Income Tax Credit (EITC)

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>

<https://www.irs.gov/publications/p596>

- For working people with low to moderate income
- Refundable tax credit for qualifying low-income taxpayers
- You must provide a valid SSN for yourself and your children (if any)
- You cannot be a nonresident alien in the year the credit is claimed
- You cannot claim EITC if your filing status is married filing separately

## Child Tax Credit (CTC), Additional Child Tax Credit (ACTC), or Other Dependent Credit (ODC)

<https://www.irs.gov/forms-pubs/about-schedule-8812-form-1040>

CTC - A nonrefundable tax credit of up to \$2,000 per qualifying child

- Qualifying child must have an SSN
- ACTC – refundable tax credit of up to \$1,400 per qualifying child
  - for certain individuals who get less than the full amount of the CTC
  - Qualifying child must have an SSN ITIN holders are eligible
- ODC – nonrefundable tax credit of up to \$500 per qualifying dependent
  - For each eligible dependent who cannot be claimed for on the CTC

## American Opportunity Tax Credit (AOTC)

<https://www.irs.gov/credits-deductions/individuals/aotc>

- For US Citizen or Resident Alien tax status taxpayers enrolled in higher education programs
- Maximum annual credit of \$2,500 per eligible student
- Must have received a 1098-T form from educational institution
- To claim AOTC, you must complete Form 8863 and attach the completed form to your Form 1040

# Estimated Federal Taxes

- **Note**: If you simply had taxes deducted from payments made to you by UC Merced (i.e. wages), those tax deductions are NOT considered to be estimated taxes.
- Estimated tax payments are generally done when individuals are self-employed and/or received income other than wages that did not have Federal taxes deducted but should have under Federal tax laws.
- Estimated Federal tax payments are made by a person completing a Form 1040-ES and mailing the form and a check to the IRS OR are paid online at [www.irs.gov](https://www.irs.gov).

Source: <https://www.irs.gov/businesses/small-businesses-self-employed/estimated-taxes>

# IRS Form W-4 – Employee's Withholding Certificate

## Federal income tax is a pay-as-you-go tax.

Two ways to pay as you go:

- ***Withholding*** – your employer withholds income tax from your pay
- ***Estimated tax payments*** – if you don't pay your tax through withholding, you might have to pay estimated tax payments (you send in payments yourself with the 1040-ES form)

## What is the IRS Form W-4?

Form that helps employers know how much taxes to withhold from their employees' paychecks in order to cover their federal income taxes due.

Based on one's tax status:

- Single/Married filing separately
- Married filing jointly
- Head of Household

Form <b>W-4</b> Employee's Withholding Certificate		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		<b>2020</b>	
▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.			
<b>Step 1:</b>	(a) First name and middle initial	Last name	(b) Social security number
<b>Enter Personal Information</b>	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to <a href="http://www.ssa.gov">www.ssa.gov</a> .
	City or town, state, and ZIP code		
	<input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(er)) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		
Complete Steps 2-4 <b>ONLY</b> if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.			
<b>Step 2:</b>	Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.		
<b>Multiple Jobs or Spouse Works</b>	Do only one of the following. (a) Use the estimator at <a href="http://www.irs.gov/W4App">www.irs.gov/W4App</a> for most accurate withholding for this step (and Steps 3-4); or (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld. . . . . ▶ <input type="checkbox"/>		
<b>TIP:</b> To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.			
Complete Steps 3-4(b) on Form W-4 for only <b>ONE</b> of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)			
<b>Step 3:</b>	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
<b>Claim Dependents</b>	Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$		
	Multiply the number of other dependents by \$500 . . . . . ▶ \$		
	Add the amounts above and enter the total here . . . . . <b>3</b> \$		
<b>Step 4 (optional):</b>	<b>(a) Other income (not from jobs).</b> If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income . . . . . <b>4(a)</b> \$		
<b>Other Adjustments</b>	<b>(b) Deductions.</b> If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . . <b>4(b)</b> \$		
	<b>(c) Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . . <b>4(c)</b> \$		
<b>Step 5:</b>	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
<b>Sign Here</b>	▶ Employee's signature (This form is not valid unless you sign it.)		▶ Date
<b>Employers Only</b>	Employer's name and address	First date of employment	Employer identification number (EIN)

# Amended/Prior Year Tax Returns?

- Q: Did you need to “amend” and correct an error on a tax return already submitted to the IRS or another tax agency?
- Q: Did you forget to file a prior year tax return?
- For assistance with amended or prior year tax returns, seek out a licensed tax professional proficient in amended and late prior year tax returns.
- UC Merced and VITA assistance are unable to assist with Amended or Prior Year Tax Returns.
- Nonresident aliens for tax purposes who have failed to file a prior year tax return may or may not have options on GLACIER Tax Prep.



STATE OF CALIFORNIA  
**Franchise Tax Board**

# STATE OF CALIFORNIA INCOME TAXES

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Tax Forms available at <http://www.ftb.ca.gov>

# California Income Tax Returns

## What is my filing status for State of California?

- Use the same filing status that you used on your federal income tax return
  - Unless you are in a same-sex marriage or a registered domestic partnership (RDP)
- Additional filing requirement information can be found at:  
<https://www.ftb.ca.gov/file/personal/residency-status/index.html#Filing-requirements>

## Who is a CA resident for tax purposes?

- **CA Resident is every person who is:**
  - In this state for other than a temporary or transitory purpose *or*
  - Domiciled in CA and who is outside CA for a temporary or transitory purpose
- **CA Nonresident is every person other than a resident**
  - Academic assignments are considered “temporary or transitory”, and foreign scholars will not be considered CA residents solely because of the presumption of residency.

# Sourcing of Income

Tangible Income	Has a California Source if:
Wages, tips, commissions, fellowships	<b>Work was performed in California</b> – regardless of the location of the employer, where the payment was issued, or the individual's residence upon the receipt of the payment
Trade or business, property sales	Activity carried on in California or property located in California
Prizes or awards	Entity awarding the prize OR award was located in California
Intangible Income	Has a California Source if:
Interest and dividends (i.e. bank account interest)	Nonresident: Never California resident: Always
Sales of stocks and bonds	Nonresident: Never California resident: Always

# Fellowships, Stipends and Scholarships

## California Source Taxable Income:

- **Wages/Salary Payments, including**
  - Fellowships, teaching/research assistantships
  - Amounts received from foreign employers while working in California
- **Fellowship, Scholarships, and Stipend**
  - Amounts not used for payment of tuition and fees or books, supplies and equipment required for courses of instruction which can only be purchased at UC Merced



# California Income Tax Returns

- Need to prepare CA FTB Form **540NR** (*nonresident*)
  - You can use the table on the FTB's website to determine if you are required to file a return:  
[https://www.ftb.ca.gov/individuals/fileRtn/index.shtml?WT.mc\\_id=Forms\\_Sidebar\\_Completing\\_Requirement](https://www.ftb.ca.gov/individuals/fileRtn/index.shtml?WT.mc_id=Forms_Sidebar_Completing_Requirement)
- REMINDERS:
  - Filing deadline is **April 18, 2023**.
  - Complete the CA state tax return only ***after*** completing the Federal Tax Return.
  - **You should complete only one complete federal and CA state tax return.** Do NOT prepare a return for each year-end tax statement you receive.

# QUESTION:

## How can I file my taxes?





- Glacier Tax Prep™ (GTP) is a free web-based tax return preparation system for those who were nonresident aliens associated with UC Merced in 2022 & had a record in GLACIER.
- GTP will assist you and your dependents to prepare their U.S. Federal income tax return – Forms 1040-NR and 8843.
- Nonresident aliens who had complete Glacier records at the end of 2022 will get an email about GTP from Glacier ([support@online-tax.net](mailto:support@online-tax.net)).
- Notes:
  - Students download and mail in the forms (not e-filed)
  - GTP only assists in the preparation of the forms. It does not file/submit the forms for you. You must mail them.
  - Glacier Tax Prep cannot prepare State of CA tax returns



## Glacier Tax Prep™ Checklist

Make sure you have the following items before using Glacier Tax Prep™:

1. Any income tax documents you received for the appropriate tax year (Form W-2, Form 1042-S, etc.)
2. Copy of last year's nonresident tax return, if you filed a return for calendar year 2021.
3. A U.S. tax identification number (either ITIN or SSN) for both yourself and dependents you wish to claim on your tax return.
4. Passport Number and I-94 history of arrivals & departures ([website](#))



## Local VITA Resources

- The IRS Volunteer Income Tax Assistance (VITA) program offers free tax help for qualifying taxpayers:
  - <https://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>

Provider	Distance	Dates	Hours	Languages	Appointment
UWMC - LifeLine Meadows CC 3135 Meadows Ave Suite 59 Merced, CA 95348 209-354-4914 Volunteer Prepared Taxes <a href="#">Get Directions and Service Details</a>	4.5 MI	30 JAN 2023 - 17 APR 2023		English Spanish	Required
UWMC United Way of Merced 531 W Main St Merced, CA 95340 Volunteer Prepared Taxes <a href="#">Get Directions and Service Details</a>	4.8 MI	04 FEB 2023 - 17 NOV 2023	SAT 9:00AM - 4:00PM	English Spanish	Not Required



# VITA Resources

## **Things to bring with you!**

- A copy of last year's federal return if available
- Valid Photo ID for all adults on the return
- Social Security Cards or ITIN letters for everyone on the return
- All wage and earning statements: Form W-2, W-2G, 1099-R, 1099-MISC
- Form 1095-A health insurance marketplace information (if applicable)
- Interest and dividend statements
- Routing and Account numbers if you want to receive a direct deposit into your bank account.
- If you are married and filing jointly, your spouse must be present

# **FREQUENTLY ASKED QUESTIONS**

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# QUESTION:

I cannot complete my 2022 Federal or State tax return by the 4/18/2023 deadline. How do I request an extension to file?

- Complete and mail [IRS Form 4868](#) to apply for a 6-month extension to file IRS Form 1040 or 1040NR.

To get the extra time to file your return, you must:

- Estimate the amount you owe.
- Enter that amount on Line 4 of IRS Form 4868 and include your payment with the form.
- Mail IRS Form 4868 **no later than April 18, 2023**. Must be postmarked by this date.

*Note: An extension to file your return does not extend your time to pay any taxes owed!*



## QUESTION:

I received a Form 1098-T from UCM, which shows the amount I spent on tuition. Can I use this form to claim as a deduction or for education tax credits?

- If you are a Nonresident alien (NRA) for tax purposes:
  - You are not eligible for either of the U.S. educational tax credits.
  - You cannot use the tuition cost to deduct on your tax return.
- You should keep the 1098-T with your tax documents for your records in case you may have tax benefits in your home country.

For more information please visit: <https://studentbilling.ucmerced.edu/1098T-information>

# QUESTION:

How can I find out if I am an eligible for the Earned Income Tax Credit (EITC)?

- If you are Nonresident Alien for tax purposes (NRA), you are generally NOT eligible for the Earned Income Tax Credit (EITC).
  - But, once you qualify as a Resident Alien for tax purposes, permanent resident, DACA or U.S. citizenship you can then determine your EITC eligibility.
- There is specific criteria that must be met to be eligible.

For more information please visit:

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>

- Use the [EITC Assistant](#) to see if you qualify for tax years: 2022, 2021, and 2020. You can use [Publication 5334, Do I Qualify for EITC?](#).

# QUESTION:

## Will I have to pay U.S. taxes for income earned while on Post F1-OPT/CPT?

- In general, F-1 OPT/CPT students who have been in the U.S. for fewer than six years (“Nonresident Alien tax status”) are exempt from Social Security (FICA) and Medicare taxes
  - See [IRS Publication 519, US Tax Guide for Aliens](#)
- Unless you qualify under a tax treaty between the United States and your home government, your earnings as an F-1 OPT/CPT student will be subject to applicable federal, state, and local taxes, and employers are required by law to withhold those taxes from your paychecks.
- As an NRA tax status individual, you must file a Form 8843, Statement for Exempt Individuals, covering the prior calendar year – whether you owe more taxes or not.

# QUESTION:

What if I am a Nonresident and have a spouse in the U.S.?

- If spouse is working (J-2 Visa status):
  - The spouse will need to file separately their own Federal tax return, state tax return and IRS Form 8843 (if J-2 Visa for 2 years or less)
- If spouse is not working (F-2 or H-4 Visa status):
  - The spouse will separately complete, file and mail IRS Form 8843.
  - Do not submit the spouse's IRS Form 8843 in the same envelope as your tax return.

# Additional Resources

## – UCM Tax Services (email us at [tax@ucmerced.edu](mailto:tax@ucmerced.edu))

- Tax Resources for Students page  
<https://bfs.ucmerced.edu/departments/tax-services/general-tax-guidance-uc-merced-students>
- General Tax Guidance page  
<https://bfs.ucmerced.edu/departments/tax-services/general-tax-guidance-and-filing-information>

## – UCM Student Business Services

- IRS Form 1098-T Reporting  
<https://studentbilling.ucmerced.edu/1098T-information>

## – UC Office of the President

- UC's FAQs about IRS Form 1095 Health Plans:  
<https://ucnet.universityofcalifornia.edu/compensation-and-benefits/health-plans/medical/affordable-care-act/faq.html>

# Additional Resources

## – UCM Graduate Division

- [Fellowship/Scholarship Tax Overview](#)
- [Quick Guide to Graduate Student Tax Information](#)

## – IRS Volunteer Income Tax Assistance (VITA)

- <https://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>
- **Note:** All volunteers have completed training through the IRS VITA program and as such are protected from liability under the Volunteer Protection Act.
- The taxpayer is ultimately responsible for the information on their tax returns.

# Additional Resources

- **Internal Revenue Service** (<https://www.irs.gov/>)
- See the [Tax Information for Students](#) page on the IRS website for detailed information about Federal taxes.
  - Filing your taxes <https://www.irs.gov/filing>
    - Do I need to file? <https://www.irs.gov/uac/Do-I-Need-to-File-a-Tax-Return%3F>
    - What is my filing status? <https://www.irs.gov/help/ita/what-is-my-filing-status>
- In addition, the IRS has several publications that may be helpful in understanding Federal tax requirements found at [Forms and Pubs](#):
  - [IRS Tax Topic 421](#) - Scholarships and Grants
  - [IRS Publication 17](#) - Your Federal Income Tax (for Individuals)
  - [IRS Publication 505](#) - Tax Withholding and Estimated Taxes (for paying estimated taxes on a quarterly basis)
  - [IRS Publication 519](#) - U.S. Tax Guide for Aliens (Non-U.S. citizens)
  - [IRS Publication 901](#) - U.S. Tax Treaties (Non-U.S. citizens)
  - [IRS Publication 970](#) - Tax Benefits for Education

# Additional Resources

## Franchise Tax Board (<https://www.ftb.ca.gov/>)

- Do I need to file? Click [here](#)
- Which form should I file? Click [here](#)
- What is my filing status?
  - <https://www.ftb.ca.gov/file/personal/filing-status/>

## GLACIER Tax System/GLACIER Tax Prep (GTP)

- Assistance: [support@online-tax.net](mailto:support@online-tax.net)

**DISCLAIMER:** UC MERCED AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA AND ITS EMPLOYEES DO NOT ASSIST IN TAX PREPARATION, ACT AS A TAX CONSULTANT FOR INDIVIDUALS OR ENTITIES, PROVIDE TAX ADVICE, AND CANNOT ANSWER YOUR TAX QUESTIONS. PLEASE CONSULT A LICENSED TAX PROFESSIONAL, THE IRS, OR A FINANCIAL PLANNER WHO IS PROFICIENT WITH TAXATION WITH YOUR TAX QUESTIONS.



# UCM Graduate Division Contacts



Website: <http://graduatedivision.ucmerced.edu/>

Email: [gradfunding@ucmerced.edu](mailto:gradfunding@ucmerced.edu)

Frances Davenport  
Graduate Student Support Analyst  
Email: [fdavenport@ucmerced.edu](mailto:fdavenport@ucmerced.edu)



# Any Questions?

UC Merced Tax Services Contact: Jennifer Di Salvo

UCM Tax Services email: [tax@ucmerced.edu](mailto:tax@ucmerced.edu)

*Thank You  
For  
Coming!!*

*Have a  
Great Day!*

