

## Foreign Visitor Tax Guide

This publication informs foreign students, faculty and staff about the rules under which Arizona State University (ASU) operates, based on the tax and immigration laws of the United States (U.S.). In addition, this tax guide should be used as a reference tool for university personnel who interact with foreign students, faculty and staff on a daily basis. No one from any ASU department, while in their official role at ASU, can act as a tax consultant, give personal, legal, or tax advice, or represent an individual dealing with the Internal Revenue Service (IRS).

This guide does not cover all tax situations; it covers only those most common to the majority of foreign students, faculty and staff. The guide presents basic information about the tax status of various kinds of university payments to students, faculty and staff. Explaining some of these regulations and qualifications is intended to provide information to assist foreign visitors and university personnel in making the correct decisions concerning the tax implications of payments ASU makes.

ASU must fulfill its tax reporting obligations and can, in case of a tax question or problem, assist in supplying appropriate documentation to explain payments made to individuals.

Users of this guide must be aware of the necessary limitations on the information presented herein. This material will hopefully be useful, but it should not be construed as either a complete treatment of all tax or immigration questions, or an official ASU statement as to the subject matter reviewed.

This publication in no way should be construed to be the rendering of legal or tax advice. Each reader is responsible for determining the extent to which the information presented within is appropriate to its situation. Each reader should consult with qualified legal and/or tax counsel in assessing its legal and tax obligations.

Foreign students, faculty and staff with tax questions or problems are advised to seek assistance from the IRS, a CPA or an attorney. In the U.S., the individual taxpayer is responsible for filing an appropriate and accurate tax return and negotiating all tax matters with the IRS. Taxpayer assistance is available from your local IRS office or by calling the IRS toll-free taxpayer assistance number: **1-800-829-1040**.

### Acknowledgments

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Center for Global Education Services  
480-727-4776  
[global.asu.edu/iss](http://global.asu.edu/iss)

Get specific dates and meeting places  
Student Services Building, Room B-265  
[www.asu.edu/students](http://www.asu.edu/students)

IRS  
1-800-829-1040 TOLL-FREE ASSISTANCE  
[www.irs.gov](http://www.irs.gov)

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# Foreign Visitor Tax Guide - Section One

## Definition of Terms

### 1.1 Candidate for a Degree

A candidate for a degree is broadly defined to include any full-time or part-time student enrolled at ASU in a course or courses that may lead to a degree, whether or not the student's particular program leads to a degree.

### 1.2 Employee Wages

Employee wages are payments for services an individual performs or carries out for the university as an employee. Services performed by an employee are subject to the direction and control of the university, its faculty or staff. Employee wages are not the same as payments made to a foreign visitor for independent contractor payments. See the discussion of independent contractor payments at [Section 1.10](#) for the definition of non-employment-related services. Employee wages can only be paid to foreign visitors who have been granted an appropriate employment authorization and visa status by the Bureau of Citizenship and Immigration Services (BCIS) to allow them to be compensated for services. See further discussion in [Sections 2.1](#) and [2.2](#).

### 1.3 Fellowships and Scholarships

Fellowship or scholarship payments are made to assist a person in pursuing a course of study or research. Since 1987, the IRS has allowed amounts paid to individuals as qualified scholarships and fellowships to be excluded from taxable income (meaning the payments are not taxable) if the following two requirements are both met: The scholarship or fellowship is awarded to a candidate for a degree (see [Section 1.1](#)); and the scholarship or fellowship is used to pay for tuition and fees required for enrollment or attendance at ASU, and/or other mandatory fees, books, supplies and equipment required to be used by all students in a particular course of study.

Fellowship or scholarship payments made to foreign visitors may include a combination of the following:

- Tuition, fees, books and courserelated materials
- Stipends for living expenses including meals, lodging and other personal items
- Medical insurance premiums paid to insurance companies
- Airfare purchases from airline companies or travel service providers

Portions of fellowship and scholarship payments that are used for meals, lodging, nonmandatory medical insurance, travel, personal living expenses or other non-course-related expenses are often referred to as scholarship stipends, and must be included in taxable income unless excluded by tax treaty. Also, fellowship or scholarship payments made in exchange for employment-related services, including teaching and research services, are taxable unless a tax treaty exclusion applies.

A post-doctoral fellowship award is made to an individual to further his or her pursuit of a course of study or research beyond the doctoral level. The entire postdoctoral fellowship award must be included in taxable income.

Acceptance by foreign exchange visitors or students of fellowships and scholarships does not require work authorization by the BCIS. If off-campus employment is involved in the fellowship or scholarship, foreign students should check with the ASU Office of International Students and foreign exchange visitors should check with the ASU Office of International Programs prior to accepting such off-campus employment, because BCIS work authorization might be needed.

### 1.4 Stipends

Direct financial support payments are sometimes referred to as stipends which, per Webster's Dictionary, are sometimes defined as wages. At ASU, stipends are defined as a sum of money periodically paid and can be either employee or independent contractor compensation or a financial support (scholarship or fellowship) payment depending on the specific circumstances. When referring to stipends, the qualifying words *compensatory* or *scholarship* should be used to effectively communicate the correct meaning to the term *stipend*. For example, *compensatory stipend* is a stipend paid for services and *scholarship stipend* is a stipend paid that has no compensation components associated with it.

## **1.5 Assistantships**

Assistantships at ASU include graduate research, teaching and research positions. These positions involve work for compensation, and require inclusion on ASU's payroll. Some foreign exchange visitors and students may accept these positions without separate work authorization. However, with few exceptions, most other non-immigrant status holders may not. Foreign students should check with the ASU Office of International Students and foreign exchange visitors should check with the Office of International Programs before accepting any such positions, because BCIS work authorization might be needed.

## **1.6 FICA**

FICA (an acronym for the Federal Insurance Contribution Act) is a tax assessed against employee wages paid to individuals who are residents for tax purposes. This is a separate tax from the federal income tax and is used to fund the retirement and medical benefits paid by the Social Security Administration. One-half of this tax (7.65% of wages) is withheld from the payments to the individual, while the other half is paid by the university. Special rules and an expanded discussion of this tax are included in Sections [4](#), [6](#) and [7](#).

## **1.7 Immigrant (Resident Alien for Immigration Purposes)**

An immigrant, or resident alien for immigration purposes, is a green card holder and is often referred to as a Permanent Resident (PR), the term we will use in this guide. A PR is a non-U.S. citizen who has been authorized to live and work in the U.S. indefinitely. One must hold this status before being eligible to apply for U.S. citizenship.

## **1.8 Department of State (DOS)**

The DOS, operating through U.S. Consulates and Embassies outside the U.S., has the exclusive authority to issue visas. Visas do not guarantee admission to the U.S., but only allow someone to present himself or herself to the BCIS for physical entry to the U.S. Entry will be granted if the BCIS finds that the person's intent conforms to the visa, i.e., a person with a tourist visa is not intending to go to school or work.

## **1.9 Bureau of Citizenship and Immigration Services (BCIS)**

The BCIS, part of the U.S. Department of Homeland Security (DHS), is responsible for admitting foreign nationals into the U.S. Upon admission, which usually happens after presenting a visa issued by the DOS, the BCIS issues foreign nationals status in the non-immigrant category in which they seek entry and for which they qualify.

## **1.10 Independent Contractor Payments**

Independent contractors are not the same as employees. For an individual to be compensated as an independent contractor at ASU, the following five criteria must all be met:

1. The university does not control or direct the performance of the task; i.e., the individual is and will continue to be free to use whatever means he or she deems appropriate to accomplish the task.
2. The task or service being performed is outside the regular expertise, duties and/or consulting independence of existing university employees.
3. The individual is conducting, in an independent manner, a business, trade, occupation or profession and is responsible for:
  - tools and materials required to perform the task
  - hiring, managing and/or terminating any subcontractors or assistants required to complete the task
4. The task is of short duration and is not indicative of an ongoing relationship. (Contractual relationships longer than 30 days generally indicate that an employee/employer relationship, rather than an independent contractor relationship, exists.)
5. A written agreement exists with the university that spells out the tasks or services to be performed. The agreement or related documents must contain the following:
  - Contractor name, address and telephone number
  - U.S. citizenship status (non-U.S. citizens must include visa type, work authorization status and number of days present in the U.S.)
  - Corporate status (corporation, partnership, sole proprietor, not-for-profit)
  - Nature and location of services to be performed

- Performance schedule (starting and ending dates)
- Department contact person and address

If the relationship between the university and the provider of the service or product does not clearly meet all of the criteria above, the individual must be hired as an ASU employee.

Independent contractor payments can only be received by foreign visitors whose visa status allows the receipt of such payments as a matter of law. If the independent contractor is a foreign national, special care should be taken to make certain that the individual is truly an independent contractor.

### **1.11 Internal Revenue Service (IRS)**

The IRS is the U.S. government agency that collects taxes. To facilitate this process, the IRS issues various forms, such as withholding allowance certificates, income tax returns, etc., which are used to help foreign visitors pay the taxes that apply to them. The IRS is also the part of the U.S. government that determines how much is owed for individual income taxes, and whether an organization that pays income to a foreign visitor is required to withhold tax from that income.

### **1.12 Non-immigrant (Non-resident for Immigration Purposes)**

A non-immigrant, or non-resident for immigration purposes, is a person who is not a citizen or a PR of the U.S. and has been admitted to the U.S. under one of the non-immigrant categories for a temporary stay that will end when the purpose of that stay has been met.

### **1.13 Non-resident (for Tax Purposes)**

A non-resident for tax purposes is a person who is not a U.S. citizen and who does not meet either the green card test or the substantial presence test described in IRS Publication 519, U.S. Tax Guide for Aliens. Both of these tests are discussed in detail in [Section 4](#) of this guide; the website for Pub 519 and other publications are in [Appendix 2](#).

### **1.14 Resident (for Tax Purposes)**

A resident for tax purposes is a person who is not a U.S. citizen and who meets either the green card test or the substantial presence test described in IRS Publication 519, U.S. Tax Guide for Aliens. Both of these tests are discussed in detail in [Section 4](#); the website for Pub 519 and other publications are in [Appendix 2](#).

### **1.15 Taxable Income**

Any money paid to a foreign visitor or to a third party on their behalf on which taxes are required to be paid to the U.S. government is taxable income. Employee wages and stipend payments are considered taxable income. State, county and federal income tax will be withheld by ASU from these payments at the appropriate rate.

### **1.16 Taxes**

Taxes are paid by individuals earning money in the U.S. Taxes are used to support the various functions of the U.S. government.

### **1.17 Travel (Transportation, Meals and Lodging In Transit)**

Travel payments can be made to foreign visitors in payment for, or reimbursement of, a number of travel-related expenses including the cost of meals, lodging and transportation costs such as airfare and automobile rental, and other related expenses incurred while in transit. There is no distinction between amounts paid directly to travel service providers, such as airlines, and payments made directly to the foreign visitor. ASU understands the tax laws to allow that travel expenses paid or reimbursed by the university to transport a foreign visitor to or from the university will not be considered taxable income as long as the traveler provides actual receipts and substantiation of the business purpose of the travel to the university.

### **1.18 Withholding**

Withholding means the taxes a foreign visitor is obligated to pay to the U.S. government will be taken out of the paycheck or compensatory stipend check by ASU, then sent to the U.S. government, as required by law.

# Foreign Visitor Tax Guide - Section Two

## U.S. Tax Obligations of ASU and Sponsoring Departments

### **2.1 University Responsibilities**

ASU is responsible for maintaining compliance with both the letter and intent of all federal, state and local laws. The implication for university departments, faculty and the foreign visitors they host is simple: ASU must maintain full compliance with federal, state and local tax laws, in addition to federal immigration laws.

ASU also has a responsibility to the foreign visitors who come to campus to pursue their education or other scholarly activities to ensure that payments made to them by the university are properly reported to the appropriate federal and state agencies. Properly reporting payments made to foreign visitors will greatly reduce the potential for future tax or immigration problems for visitors. A number of university offices are available to assist departments, faculty and foreign visitors in gathering and coordinating the appropriate information needed to maintain compliance with the tax and immigration laws.

Refer to [Appendix 1](#) for a list of university offices that provide specific assistance with these matters, and the types of services they provide.

### **2.2 Sponsoring Department Responsibilities**

University departments that host foreign visitors are generally aware far in advance of their arrival date that the visitor will be coming. Accordingly, the hosting department or faculty member bears primary responsibility for ensuring that payments are in compliance with federal and state tax and immigration laws. This responsibility is also shared by a number of university offices that are available to assist departments and faculty members in acquiring all information and forms required by the federal government. Departments must ensure that no payments of any kind are made to foreign visitors unless they have been granted the appropriate authorization by the BCIS in advance of the payments being made.

The Office of International Programs (for non-student visitors) in Moeur Building, or the International Student Office (for student visitors) in the Student Services Building, must be contacted prior to making any contractual arrangement to pay a foreign visitor, to ensure that violations of immigration law do not occur. (Such violations could lead to fines of up to \$10,000 per occurrence assessed against ASU, and/or imprisonment of ASU personnel and detention or deportation of the foreign visitor.)

### **2.3 Classification of Payments for Withholding Purposes**

Payments that are discussed in this tax guide fall into three broad categories:

- Employee wages
- Independent contractor payments
- Fellowship and scholarship grant payments

Be aware that certain types of payments to a foreign visitor may be taxable, while other payments to the same visitor are not. Also, certain payments that are taxable to one foreign visitor may not be taxable to a visitor from a different country because of an exemption in a tax treaty. Accordingly, the university must determine the taxability (or non-taxability) of each type of payment made to each foreign visitor to know whether withholding is required and, if so, the amount required to be withheld from the payment.

### **2.4 Foreign Source Income Exclusions**

#### **2.4.1 For Services Performed Outside the U.S.**

Payments made by ASU to non-resident aliens, for services the non-resident alien performs in a country outside of the U.S., are not subject to federal income tax withholding. This exclusion applies only for services performed in a foreign country by an individual who is not a citizen or resident of the U.S. The services are considered to be “sourced” in a foreign country and, therefore, are not subject to federal tax withholding.

#### **2.4.2 For Grants Funded from Outside the U.S.**

Fellowship and scholarship grants paid for with funds from the foreign visitor’s country of residence (or another country outside of the U.S.) are not subject to tax withholding. Such grants are considered to be “sourced” in a foreign country and, therefore, are not subject to federal tax withholding.



## **2.5 Federal Income Tax**

All employee wages, independent contractor payments and taxable portions of fellowship and scholarship payments a foreign visitor receives from the university are considered taxable income, unless they are specifically exempt from tax by a tax treaty. In general, the university is required to withhold federal income tax on foreign visitor income as follows.

### **2.5.1 For Nonresidents (See 1.11)**

Employee wages generally have income tax withheld at graduated rates, plus an additional \$7.60 per week unless specifically excluded from tax by a tax treaty between the U.S. and the foreign visitor's country of residence. Exemption must be claimed by the visitor using [IRS Form 8233](#).

Independent contractor payments have income tax withheld at the rate of 30%, unless specifically excluded from tax by a tax treaty between the U.S. and the foreign visitor's country of residence. Exemption must be claimed by the visitor using [IRS Form 8233](#).

Fellowship and scholarship payments have income tax withheld at the rate of 14% on the taxable portions of the payment (amount not used for tuition, books, fees and course-required supplies and materials), unless specifically excluded from tax by a tax treaty between the U.S. and the foreign visitor's country of residence. Exemption must be claimed by the visitor using [IRS Form W-8BEN](#).

See [Appendix 2](#) for IRS forms and publications.

### **2.5.2 For Residents (See 1.12)**

Employee wages have income tax withheld at the same graduated rates used to withhold tax on U.S. citizens. Independent contractor payments do not have income tax withheld as the visitor is not considered to be an employee. Fellowship and scholarship payments do not have income tax withheld.

## **2.6 FICA (Social Security Tax)**

### **2.6.1 Employee Wages**

FICA is withheld at the rate of 7.65%, with a matching percentage paid on behalf of the individual by the university, unless specifically excluded from tax by a tax treaty between the U.S. and the foreign visitor's country of residence.

Special exemptions are available from FICA withholding under certain circumstances:

- Services performed by nonimmigrants temporarily in the U.S. in F-1, J-1, or M-1 status, which are consistent with that status, are exempt from FICA as long as the nonimmigrant is classified as a non-resident for tax purposes.
- Services performed by a non-resident student in F-1, J-1, or M-1 status who is employed by the university while enrolled and regularly attending classes are exempt from FICA.
- Services performed for a foreign government are exempt from FICA.
- Services performed for an international organization are exempt from FICA.

### **2.6.2 Independent Contractor Payments**

Payments for services rendered by an independent contractor do not have FICA tax withheld.

### **2.6.3 Fellowship and Scholarship Payments**

Payments for fellowships and scholarships do not have FICA tax withheld.

## **2.7 Arizona State Taxes**

All employee wages, independent contractor payments and taxable portions of fellowship and scholarship payments a foreign visitor receives from the university are considered income for state income tax purposes. In general, the university is required to withhold state income taxes for employee wages in the same way as is outlined in the discussion of federal income taxes in [Section 2.4](#). If some or all of the income is exempt from federal taxes, the same income is exempt from state taxes.

## **2.8 Exemptions From Income Tax Withholding Requirements**

A number of possible exemptions from withholding may apply to a non-immigrant. Several have been mentioned above, but a more complete listing follows:

Foreign source income is not subject to withholding. Foreign source income comes from a payer whose residence is outside the U.S. Tax treaty exemptions from taxation and withholding may apply, but must be evaluated on a country by country basis. Refer to Section 9 and IRS Publication 901, in [Appendix 2](#) of this guide.

Per diem payments for USAID grants may be exempt from withholding but only if the foreign nonimmigrant is involved in a USAID training program in the U.S.

### **2.9 Required Forms**

Foreign non-immigrants from countries that have entered into a tax treaty with the U.S. may be able to exclude all or a portion of the payments they have received from U.S. sources under the provisions of that treaty. If a tax treaty exists between the foreign non-immigrant's country of residence and the U.S. that allows some or all of the nonimmigrant's income to be considered nontaxable, the nonimmigrant must provide certain forms to the university. [Appendix 3](#) contains a form processing flowchart.

### **2.10 Penalties and Sanctions**

The IRS has recently initiated a series of audits of colleges and universities that focus on compliance with the non-resident alien area of the tax laws that are discussed in this guide. In cases where taxes have not been withheld, the IRS may assess the university the full amount of tax that should have been withheld, along with penalties and interest charges, even if the tax was ultimately paid by the foreign visitor on his or her U.S. tax return. In the event that such an assessment would occur, these amounts will be billed back by the university to the department not adhering to the prescribed procedures relating to non-resident alien payments.

# Foreign Visitor Tax Guide - Section Three

## U.S. Tax Obligations For Foreign Nationals

### **3.1 Tax Basics for Non-residents (for Tax Purposes)**

A non-resident's tax responsibility is complex. The definition of what to include as income and what might be exempt from taxes can be confusing. This guide is designed to help the non-resident alien. Therefore, the following information is provided in some detail to inform and direct the non-resident alien in tax basics as they relate to the individual's tax obligation.

Remember, the definitions of *non-immigrant*, an immigration law term (see Section 1.12), and *non-resident*, a tax law term (see Section 1.13), are not the same. One can be a non-immigrant for immigration purposes (see Section 1.12) and still be a resident for tax purposes (see Section 1.13).

Income received by a nonresident may be subject to income tax. However, a nonresident may be exempt from paying U.S. income tax because of a tax treaty between the U.S. and his or her country of residency. The U.S. currently has treaties with 62 countries. Each treaty is different. A payment must meet the strict requirements of the treaty to be exempt from tax. If the income is not exempted by a tax treaty, the non-resident alien pays U.S. tax only on income from sources inside the U.S. A non-resident receives no tax exemption for dependents. All non-residents must file IRS Form 1040NR (Income Tax Return for Non-resident Aliens) on or before April 15 (June 15 if no wages are earned) each year, even if all income is exempt from tax because of a treaty (see Section 3.2.2).

Striking differences exist between the taxation of residents and non-residents of the U.S. The basic characteristics of the non-resident taxation follow:

1. Tax is generally levied on U.S. source income only.
2. Tax treaty provisions may exempt some income from tax.
3. Interest income may be tax-free.
4. Nonresident aliens cannot file jointly with their spouse.
5. Generally only one personal exemption is allowed regardless of family status.
6. No standard deduction is permitted except by India.
7. Itemized deductions are limited to:
  - State and local taxes withheld
  - Contributions to charity
  - Casualty/theft losses
  - Miscellaneous business deductions
8. Investment income is generally taxed at a flat 30%.
9. No child or dependent care credit is permitted.

A number of special rules regarding the standard deduction and spousal exemptions are in effect for residents of certain countries, such as India, Canada, Mexico, Japan and Korea. Residents of these countries should contact the ASU Human Resources Records and Payroll Office for additional information on these rules.

### **3.2 U.S. Non-resident Alien Income Tax Return (Form 1040NR)**

#### **3.2.1 What To File**

A non-resident files his or her tax return on Form 1040NR. ASU will report earnings to nonresident aliens on a Form W2 and/or a Form 1042-S. Nonresidents must file an annual tax return if they earned any U.S. source income during the tax year. Holders of F, J, and M visas are required to file Form 1040NR, even if they earned no income at all during the calendar year. In addition, an individual who has had too much tax withheld from his or her wages will want to file to claim a refund.

### **3.2.2 When To File**

If the non-resident earned employee wages subject to withholding during a year, his or her tax return must be filed on or before April 15, of the following year. If no U.S. employee wages were received, the return is due June 15 of the following year.

### **3.2.3 Where To File**

All non-resident tax returns are mailed to:

Internal Revenue Service Center  
Philadelphia, PA 19255

### **3.2.4 Additional Tax Information Statement**

For all non-resident tax purposes, the IRS requires a statement detailing the basis of the individual's claim to non-resident alien status. This statement should be filed with the IRS Form 1040NR (Income Tax Return for Nonresident Aliens) on or before April 15 of each year, or June 15 if no U.S. source income has been received.

### **3.2.5 Tax Return Recordkeeping**

Every taxpayer should retain a photocopy of the completed tax return and any documentation submitted with it. Proper response to an IRS inquiry regarding a prior year's return is virtually impossible without an exact copy of that return. Occasionally circumstances require the taxpayer to submit a copy of a prior year return to the IRS. In addition, non-immigrants applying to the BCIS for permanent residence may be required to produce copies of their tax returns previously filed.

### **3.3 U.S. Individual Income Tax Return (Form 1040)**

A person who meets the tax definition of resident (see Section 1.14) pays U.S. tax on income from all sources worldwide and cannot take advantage of tax treaties between the U.S. and other countries. Individuals who are resident aliens for tax purposes can claim exemptions for dependents. Determination of residency status for tax purposes is discussed further in Section 4 of this guide. A resident's income is generally subject to tax in the same manner as a U.S. citizen; that is, a resident is taxed on and must report income from all sources, including those outside the U.S.

Foreign nationals who are residents for tax purposes must report all interest, dividends, wages, or other compensation for services, income from rental property or royalties and other types of income, whether from sources within or outside the U.S., on IRS Form 1040, 1040A or 1040EZ. The university will report earnings to resident aliens on a Form W2 (for employee wages) or a Form 1099 (for independent contractor services) that must be filed with the tax return.

See Appendix 2 for examples of these forms.

### **3.4 Certificate of Compliance "Sailing Permit" (IRS Form 1040C or Form 2063)**

A Certificate of Compliance, or "Sailing Permit," is a form that a non-resident, for tax purposes, must file with the IRS to demonstrate that he or she has paid all applicable U.S. taxes before leaving the U.S. Holders of F1, J1, H3 and H4 visas are not required to obtain the Certificate of Compliance if they had no U.S. source income other than allowances or payments to cover study expenses (including travel, maintenance and tuition); or wages from authorized work (including practical training). Permanent residents (green card holders) and all non-residents with non-immigrant status other than F-1, J-1, H-3 or H-4 must still obtain a Certificate of Compliance from the IRS before leaving the U.S.

The following information will be useful to foreign nationals who must obtain a Certificate of Compliance prior to departure from the U.S.:

IRS Form 2063 is required if the foreign visitor owes no U.S. tax at time of departure. IRS Form 1040C is required if the foreign visitor owes U.S. taxes at time of departure. The appropriate form should be obtained and filed at least 14 days before departure, but no more than 30 days before departure. The appropriate form can be obtained from the local IRS office. An IRS employee will provide assistance to the visitor in completing the form.

### **3.5 Social Security or Tax Identification Number**

A foreign national must obtain either a Social Security Number (SSN) or an IRS Taxpayer Identification Number (ITIN) if he or she is required to file a tax return with the IRS.

A SSN for work purposes can be issued only to those foreign nationals who have authorization to accept employment either by the BCIS or by operation of law. The SSN or ITIN can be obtained by filing at the local Social Security Administration Office. In addition to having a completed Form SS-5, foreign nationals applying for a SSN or ITIN must have their passport and at least one other piece of identification with them when they visit the Social Security Administration Office. (Appendix 1 contains a listing of the Social Security Administration Offices nearest to each of the ASU campuses).

An ITIN can be issued to those non-immigrants who cannot obtain a SSN but who can accept payments from other sources, i.e., as a guest lecturer. The ITIN can be obtained by filing Form W-7 with the IRS either by mail or in person. Original or certified copies of documents that substantiate the information on the Form W-7 must also be submitted with the IRS Form W-7.

Examples of acceptable documents include an original passport, driver's license, birth certificate, identity card or U.S. Immigration documents. If a copy of an original document is submitted, it must be certified by the issuing agency or by a person legally authorized to certify that the document is a true copy of the original. Beware of mailing originals as they may not be returned.

In some countries, foreign nationals can apply for a SSN or ITIN at the U.S. Embassy prior to their arrival in the U.S. These countries include: Germany (Bonn); England (London); Mexico (Mexico City); Canada (Ottawa); Italy (Rome); Chile (Santiago); Singapore; Australia (Sydney); and Japan (Tokyo).

Foreign visitors who wish to claim tax treaty exemption for any type of payment must have a SSN or ITIN or proof of application prior to receiving payment. The number belongs to them for their lifetime.

### **3.6 Penalties and Sanctions**

Failure of a non-resident to comply with the U.S. tax law can lead to the imposition of fines and penalties by the IRS. Failure to file the appropriate tax returns or making intentionally false statements on these returns can lead to criminal penalties.

# Foreign Visitor Tax Guide - Section Four

## Residency Determination for Tax Purposes

### 4.1 Resident for Tax Purposes

A resident for tax purposes, hereafter called a tax resident, is a person who is not a U.S. citizen and who meets either the green card test or the substantial presence test described in IRS Publication 519, U.S. Tax Guide for Aliens. (See Appendix 2.) With regard to residency determination for tax purposes:

- F and J students are generally considered tax residents after their first five calendar years in the U.S.
- J nonstudents (researchers, scholars, teachers, etc.) are generally considered tax residents after their first two calendar years in the U.S.
- H temporary workers (H-1, H-2), trainees (H-3) and their spouses and minor, unmarried children (H-4) are considered tax residents only if they meet the substantial presence test described in Section 4.4.

### 4.2 Non-resident for Tax Purposes

A non-resident for tax purposes is a person who is not a U.S. citizen and who does not meet either the green card test or the “substantial presence” test described in Publication 519, U.S. Tax Guide for Aliens. With regard to residency determination for tax purposes:

- F and J students are generally considered non-residents during their first five calendar years in the U.S.
- J non-students (researchers, scholars, teachers, etc.) are generally considered non-residents during their first two calendar years in the U.S.
- H status holders are considered non-residents unless they meet the substantial presence test described in Section 4.4.

### 4.3 Green Card Test

Under the green card test, a person is a resident for tax purposes if he or she is a permanent resident (PR) of the U.S., a status which only the BCIS or the DOS can grant. While this status is usually identified by an alien registration card, known as the green card, the person need not be in possession of the green card to hold the status.

The right to lawful permanent residence is granted at the time of the final interview with BCIS or DOS officials and can be evidenced not only by the green card but also by a stamp in the applicant’s passport which states temporary evidence of lawful permanent status. The green card may not be manufactured or mailed for several months after the final interview, and this stamp provides immediate proof of permanent status. Further, if the card is lost, the holder does not lose the status, or the rights and obligations inherent in it.

### 4.4 Substantial Presence Test

#### **4.4.1 Counting Days**

A person is a resident for tax purposes if he or she meets the substantial presence test for the calendar year. To meet this test, the person must be physically present in the U.S. on at least 31 days during the current year, and 183 days during the three-year period including the current year and the two years before that, counting:

- All the days the person was present in the current year
- One-third of the days the person was present in the first year before the current year
- One-sixth of the days the person was present in the second year before the current year

#### **4.4.2 Days That Are Not Counted**

A J-1 nonstudent (professor, researcher, etc.) who is substantially complying with the requirements of that status does not count days for the first two calendar years. An F-1 or J-1 student who substantially complies with the requirements of that status does not count days for the first five calendar years.

The counting rules are based on a “calendar” year, not a 12-month period. For example, a foreign national enters the U.S. on December 15, 1996. For purposes of the substantial presence test, 1996 is the first calendar year, even though the

foreign national was present for only 16 days of that calendar year. The second calendar year is 1997. This individual's exemption would end effective December 31, 1997.

#### **4.4.3 Circumstances That Disqualify One From the Substantial Presence Test**

A person will not meet the substantial presence test if he or she is present in the U.S. on fewer than 183 days during the current year, and it is established for the current year that the person has a tax home in a foreign country that has a closer connection to that country than to the U.S. The closer connection exception is discussed in detail in IRS Publication 519, U.S. Tax Guide for Aliens.

To retain non-resident tax status after five years, F1 students must be present in the U.S. fewer than 183 days and must establish that they have a tax home in a foreign country and that they have a closer connection to that country than to the U.S.

# Foreign Visitor Tax Guide - Section Five

## Short-Term Visitors

### **5.1 Immigration Law Restrictions**

In past years, immigration and tax law restrictions were rather loosely interpreted by many colleges and universities; however, the IRS and the BCIS have recently undertaken stricter enforcement measures. This may affect those who are hosting foreign faculty, scholars, researchers, performers, artists or those performing other services. However, these restrictions should not discourage anyone from inviting foreign visitors to ASU for short-term stays. In most cases, it is possible to legally reimburse them for expenses (such as accommodations and travel) and/or pay them for services performed for ASU, provided that the foreign national holds the proper status, typically J-1. ASU faculty members who travel abroad, and who may extend an invitation to a foreign colleague, should be aware that, for some countries, it may take several months to obtain the proper visa, and that the visa does not guarantee entry. (See [Section 1.7.](#))

To ensure that foreign visitors can receive the appropriate payments, they are not denied entry into the U.S., they do not have more taxes withheld than are necessary and hosting departments are not assessed fines by the IRS or the BCIS, faculty members who plan to host foreign nationals should have their departmental payroll clerk or account manager contact the ASU Office of International Programs (for non-student visitors) or the ASU International Student Office (for students) prior to making any contractual arrangement to pay or reimburse a foreign national invited to ASU.

### **5.2 B-1 and B2 Visas**

#### **5.2.1 B1 Visitor for Business**

Foreign visitors present in the U.S. in B1 status are prohibited from being paid a salary, wage or other form of compensation for services rendered from a U.S. source. The only types of payments that a B1 may receive while in the U.S. are as follows:

- Reimbursement for expenses including accommodations, meals and travel expenses: Payments may be made directly or to the provider of the service (subject to ASU Travel Policy restrictions).
- Scholarship or fellowship grants where the visitor is enrolled in a course of study and renders no services for the university (subject to restrictions imposed by the Fellowship Office)
- Prizes and awards

See [Section 5.3](#) for limited exception.

#### **5.2.2 B2 Visitor for Tourism**

Foreign visitors in the U.S. in B-2 status are prohibited from receiving compensation of any kind. Payments made on behalf of the visitor for things such as lodging or transportation may be allowed, depending on their source, i.e., per diem paid by a foreign source is acceptable.

See [Section 5.3](#) for limited exception.

#### **5.2.3 Visa Waiver for Business (VWB) and Tourism (VWT)**

The U.S. waives tourist visas for citizens of certain countries, such as Canada, and nations who are members of the European Economic Community. However, under U.S. Immigration laws, the legal status of foreign nationals who are in the U.S. under VWB and VWT is identical to those holding the actual "B" visas. In other words, VWBs, like B-1s, can only receive expense reimbursements, prizes, scholarships or fellowships. VWTs or B-2s cannot receive compensation payments of any kind.

### **5.3 Limited Exception to B1 and B2 Visa Holders**

A limited exemption applies to foreign visitors to colleges and universities temporarily in the U.S.

B-1, B-2, WB and WT visa holders may be paid an honorarium for usual academic activity not exceeding nine days in duration, provided that such individual has not received honoraria from more than five educational institutions in the previous six-month period.

B-1 and WB visa holders may be reimbursed for reasonable travel and/or incidental expenses incurred in connection with a university activity, regardless of the duration of the activity and regardless of whether the individual has previously



received payment from other educational institutions.

B-2 and WT visa holders may be reimbursed for reasonable travel and/or incidental expenses incurred in connection with usual academic activity not exceeding nine days in duration, provided that such individual has not received travel from more than five educational institutions in the previous six-month period.

The individual must fill out and sign a compliance statement stipulating that these conditions have been met. (See [Appendix 4.](#))

Immigration regulations for the limited exception for B1 and B2 Visa holders have not been issued. Some experts have questioned whether the exception granted in the 1998 law applies to WT and WB individuals. Along with many other institutions of higher education ASU will allow the application of this limited exemption to payments to WT and WB guest lecturers.

## **5.4 J-1 Short-Term Scholars**

### **5.4.1 Possible Sources of U.S. Income**

J-1 Non-students (professors and researchers) may be employed on campus in activities related to their program objective. Permission for off-campus employment must be approved in advance by International Programs and may be granted only for participation in occasional lectures or short-term consultations.

### **5.4.2 Tax Implications**

Refer to Sections [2.4](#) through [2.6](#) of this guide to determine whether federal income tax, FICA tax and/or state and local income tax apply to the type of payments being made to the foreign national.

## **5.5 Income Tax Withholding**

In general, all income paid by the university to a foreign national is taxable unless the income is exempt from tax under the provisions of a tax treaty between the U.S. and the person's country of residence, under a provision of the Internal Revenue Code or pursuant to a determination by the Assistant Director for Tax that the income is not U.S. sourced income. The university is required by law to withhold taxes from these payments at the following rates, unless the income is specifically exempt.

- Employee wages: taxed at graduated income rates
- Fellowship & Scholarship: an income tax of 14%
- Independent Contractor payments: an income tax of 30%

## Foreign Visitor Tax Guide - Section Six

### F-1 and J-1 Students

#### **6.1 General Provisions**

F-1 and J-1 students, including medical residents and clinical fellows, are generally considered non-resident aliens for tax purposes for their first five years in the U.S.

F-1 and J-1 category students who have been in the U.S. for more than any part of five consecutive years are generally considered to be resident aliens for tax purposes. F-1 and J-1 students become eligible to use the substantial presence test after five years as non-resident aliens. For example, a J-1 student who arrived in the U.S. in 1998 files non-resident alien tax returns (IRS Form 1040NR) from 1998 through 2002. The student passes the substantial presence test (described in [Section 4.4](#) of this guide) in 1997. The J-1 student is considered a resident alien for tax purposes in 2003 (see [Section 3.3](#)).

All F-1 and J-1 students who have been in the U.S. for more than any part of five years will be treated as a resident for tax purposes unless they establish to the satisfaction of the IRS that they are complying with the terms of their student status and do not intend to permanently reside in the U.S., and they provide to the university a written statement from the IRS substantiating their continued non-resident status.

All J-1 students who are paid as university employees or independent contractors must be prepared to provide verification that they have work authorization on an annual basis, i.e., every year they are present at ASU.

#### **6.2 Possible Sources of U.S. Income**

F-1 students and J-1 exchange visitor (students) may be employed on- and off-campus under certain circumstances. Off-campus work requires specific work authorization. Practical training for F-1 students and academic training for J-1 students is allowed, sometimes before graduation. Practical training is possible for up to 12 months for F-1 students. Academic training for undergraduate and pre-doctorate training is possible for up to 18 months for J-1 students.

Post-doctoral J-1 students may receive up to 36 months of academic training. Students should check with the ASU Office of International Students and foreign exchange visitors should check with the ASU Office of International Programs to see if they are eligible for any of these types of employment.

#### **6.3 Tax Implications**

Refer to [Sections 2.4](#) and [2.6](#) of this guide to determine whether federal income tax, FICA tax and/or state and local income tax apply to the type of payments being made to the foreign visitor.

## Foreign Visitor Tax Guide - Section Seven

### J-1 Scholars (Professors and Researchers)

#### **7.1 General Provisions**

J-1 non-students (professors, researchers, etc.) are generally considered nonresidents for tax purposes for their first two calendar years. J-1 non-students who have been in the U.S. at least two years are generally considered to be resident aliens for tax purposes. J-1 non-students become eligible to use the substantial presence test after two years as nonresident aliens. For example, a J-1 teacher who arrived in the U.S. in 2001 files nonresident tax returns (IRS Form 1040NR) for 2001 and 2002. The teacher passes the substantial presence test in 2003. The teacher is considered a resident alien for tax purposes in 2003.

#### **7.2 Possible Sources of U.S. Income**

J-1 Non-students (professors and researchers) may be employed on campus. Permission to work off campus is restrictive and must be approved by the ASU Office of International Programs prior to the employment.

#### **7.3 Tax Implications**

Refer to [Sections 2.4](#) and [2.6](#) of this guide to determine whether federal income tax, FICA tax and/or state and local income tax apply to the type of payments being made to the foreign national.

## Foreign Visitor Tax Guide - Section Eight

### H-1B, O, P and TN Visa Status (Temporary Workers and Trainees)

#### **8.1 General Provisions**

H-1Bs, the category restricted to temporary workers in specialty occupations, are generally considered nonresidents for tax purposes unless they meet the substantial presence test. There is no specific amount of time that H-1Bs will be considered non-residents, unlike those holding F and J status.

The O and P categories are restricted to artists, performers and aliens of extraordinary ability. Those holding this status are treated in the same manner as the H-1Bs.

The TN category is restricted to Mexicans and Canadians, as it is part of the North American Free Trade Agreement (NAFTA). TN is similar to the H-1B category, but will be a pre-selected list of occupations which Canada, Mexico, and the U.S. agree are specialty occupations.

#### **8.2 Possible Sources of U.S. Income**

The H-1B, O, P and TN categories (except H-4 dependents) allow for employment of a foreign national exclusively on the campus of the sponsoring institution. Additional employment is possible only with approval of additional petitions approved by the BCIS.

#### **8.3 Tax Implications**

Refer to Sections 2.4 and 2.6 of this guide to determine whether federal income tax, FICA tax and/or state and local income tax apply to the type of payments being made to the foreign national. In addition, H-1Bs are subject to FICA withholding. Any change of nonimmigrant status to H-1B status (i.e., F-1 student to H-1B specialty occupation) must be communicated to the ASU Human Resources, Records and Payroll Office, immediately.

## Foreign Visitor Tax Guide - Section Nine

### Tax Treaties

The U.S. has tax treaties in force with these 67 countries					
Armenia	Cyprus	Iceland	Latvia	Philippines	Switzerland
Australia	Czech Republic	India	Lithuania	Poland	Tajikistan
Austria	Denmark	Indonesia	Luxembourg	Portugal	Thailand
Azerbaijan	Egypt	Ireland	Malta	Romania	Trinidad
Bangladesh	Estonia	Israel	Mexico	Russia/USSR	Tunisia
Barbados	Finland	Italy	Moldova	Slovak Republic	Turkey
Belarus	France	Jamaica	Morocco	Slovenia	Turkmenistan
Belgium	Georgia	Japan	Netherlands	South Africa	Ukraine
Bulgaria	Germany	Kazakhstan	New Zealand	Spain Thailand	United Kingdom
Canada	Greece	Korea	Norway	Sri Lanka	Uzbekistan
China	Hungary	Kyrgyzstan	Pakistan	Sweden	Venezuela

Residents of certain foreign countries may be entitled to reduced tax rates, or exemption from tax, under an applicable tax treaty between their country and the U.S. The hosting department or foreign national must notify their campus payroll office that the person is a resident of a country with which the U.S. has an income tax treaty.

Notification that the individual qualifies for a reduced rate of income tax withholding, or exemption from income tax withholding, must be received before this exemption can be granted. The foreign national will also need to submit certain IRS forms (Form W-8BEN or Form 8233, depending on the type of payment he or she is receiving) that authorize the university to grant the treaty exemption.

Note that the existence of a treaty between the U.S. and the foreign national's country of residence does not always mean that the types of payments made by ASU to the foreign national are exempt from tax under his or her country's tax treaty. In addition, certain countries place specific dollar limitations on the amount of money that can be exempt from tax under their treaty. Contact the payroll office to determine the specific treaty provisions available for each foreign national.

As of 3/27/2014, there are tax treaties in force between the U.S. and 67 countries listed in the table.

Benefits of tax treaties vary widely, depending on the particular country involved. For example, the tax treaty with the People's Republic of China exempts all personal service income received by Chinese teachers, lecturers and researchers, but provides an annual personal services exemption of only \$5,000 to Chinese students.

IRS Publication 901 summarizes the benefits available to these non-resident aliens by virtue of their tax treaties. Copies of Publication 901 are available at your campus payroll office. A Table of Tax Treaty provisions found in Publication 901 is included in [Appendix 4](#).

## Foreign Visitor Tax Guide - Section Ten

### Payment Processing Requirements

Departments planning to invite a foreign national to ASU and either pay the individual a honorarium or expense reimbursement must take the necessary steps to bring the individual into the U.S. under an appropriate visa status that will allow ASU to make payment. For this reason, the department must work with the International Programs Office in inviting non-resident aliens to the U.S.

The following forms must be completed by all foreign nationals when arriving at ASU.

#### **ASU Independent Contractor Certification Form** (pdf)

This form must be completed by all individuals and other entities wishing to be paid by ASU. In addition to obtaining a declaration of U.S. or non-U.S. residency status, the form also asks for the U.S. Social Security Number or other U.S. Taxpayer Identification Number. This form is necessary to set the individual up on the vendor tables in Advantage.

#### **ASU Alien Data Collection Form** (pdf)

This form must be completed by the foreign national before payment can be facilitated at ASU. The instructions require that a copy of the foreign national's I-94 (visa status) record and passport page with his or her picture be attached to the form.

#### **IRS Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual** (pdf)

This form is filed by ASU with the IRS for all payments related to compensation for services to be exempt from withholding tax under a tax treaty. This form must be completed properly, filed by ASU with the IRS, and held 10 days before payment can be made to the individual. Only those individuals eligible for tax treaty benefits need to complete this form. As of 12/31/1999, the federal government has stipulated that an Individual Taxpayer Identification Number or a Social Security Number is mandatory for processing this form. Forms 8233 that are not properly completed will be returned unapproved by the IRS and taxes will be withheld at the required 30% rate.

#### **IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for U.S. Tax Withholding** (pdf)

This form must be filed with the university by the foreign national for fellowship and scholarship payments to be exempt from withholding tax under a tax treaty. Only those individuals eligible for tax treaty benefits need to complete this form.

Appendix 3 explains the documents to attach to the request for check, so a payment can be made to a non-resident alien.

# Appendix

## Foreign Visitor Tax Guide: Appendix One

### Obtaining a Social Security Number

Get Additional Assistance	
<b>University Offices</b> <b>ASU's Financial Services Office</b> (Independent contractor payments, scholarships and fellowships) <u>Tax Services</u> <b>ASU Human Resources</b> (Employee wages) <u>Hiring and Payroll</u> <b>ASU Office of International Programs</b> (Non-student foreign visitors) <u>IPO website</u> <b>ASU Office of International Students</b> (ASU foreign students) <u>ISO website</u>	<b>Social Security Administration (SSA) Offices</b> <b>Questions:</b> 1-800-772-1213 <b>SSA Office hours:</b> 9am-4pm <b>Phoenix</b> 250 N. 7th St., Suite 100 <u>See Map</u> 16241 N. Tatum Blvd., Suite B <u>See Map</u>

Arizona State University requires that all employees have a Social Security Number (SSN). For information about obtaining a SSN, go to [SSA's website](#). You must apply in person at a SSA office. Certain documents will be necessary to prove identity, along with a completed application.

1. If you were born in the U.S. and have never had a SSN, you must complete the form and show them documents that show your age, citizenship, who you are and that you have the right to work in the U.S.

Usually, if you are a U.S. citizen, all you will need is:

- Your birth certificate AND
  - An ID such as a driver's license, school record or medical records
2. If you are a U.S. citizen who was born outside the U.S., you must present your consular report of birth (FS-240 or FS-545) if you have one, along with one form of identification.

If you do not have your consular report of birth, present your foreign birth certificate and one of the following (ORIGINAL DOCUMENTS ONLY):

- U.S. Citizen ID card
  - U.S. passport
  - Certificate of Citizenship
  - Certificate of Naturalization
3. If you are not a U.S. citizen, you must show your birth certificate or passport. You also will have to get documents from the Bureau of Citizenship and Immigration Services (BCIS), (formerly the Immigration and Naturalization Service), showing your immigration status and eligibility to work while in the United States. Because these documents should not be mailed, you should apply for a SSN in person.

Here are some examples of the documents you must bring:

**Age:** A birth certificate is generally the best evidence of age, and must be presented if it is in your possession or can easily be obtained. If not, the SSA can consider other documents, such as your passport or a document issued by DHS, to prove your age.

**Identity:** The SSA must see a document other than your birth certificate that shows the name you want on your Social Security card. They prefer a recently issued document with a photograph, such as a document issued by DHS. A list of acceptable “second” documents showing proof of identity is provided below.

**Immigration status:** SSA will need to see the DHS document I-94, Arrival/Departure Record, issued to you when you arrived in the United States showing your lawful immigration status.

**Eligibility to work:** For most foreign workers, SSA only needs to see your I-94, Arrival/Departure Record. If you are an exchange visitor, you must provide also your IAP-66, or DS-2019, Certificate of Eligibility for Exchange Visitor (J-1) Status. (If you are in the United States as a student or an international visitor, you will also need an original, signed letter from ASU as your sponsor showing that you are authorized to work.)

#### **List of Acceptable Documents Showing Proof of Identity**

- Driver’s license
- U.S. government or state employee ID card
- Clinic, doctor or hospital records
- Military records
- Passport
- Court order for name change
- School ID card, record or report card
- Adoption records
- Church membership or confirmation record (if not used as evidence of age)
- Marriage or divorce record
- Health insurance card
- Insurance policy

NOTE: The Social Security Officer must see original or certified copies of these documents, not photocopies.

If you have difficulty obtaining the social security card, ask for the name and telephone number of the Social Security employee and seek advice from one of the ASU offices listed here.



## Foreign Visitor Tax Guide - Appendix Two

### IRS Forms and Publications

#### From the University

##### **Get the Forms You Need**

Limited quantities of certain forms are available in the university offices listed in this guide.

All IRS publications may be ordered from the IRS Form Distribution Center  
1-800-829-3676

Internal Revenue Service  
Forms Distribution Center  
P.O. Box 23289  
Richmond, VA 23260

[DOWNLOAD FORMS NOW](#)

As of July 31, 2003, copies of the following IRS forms and publications are available from the university offices noted in Appendix 1 or at the web address indicated.

#### **Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding**

[Form W-8BEN](#)

[Instructions for Form W-8BEN](#)

#### **Exemption from Withholding on Compensation for Independent Personal Services of Nonresident Alien Individual**

[Form 8233](#)

[Instructions for Form 8233](#)

#### **Employee's Withholding Allowance Certificate**

[Form W-4](#)

#### **Application for IRS Individual Taxpayer Identification Number**

[Form W-7](#)

#### From The IRS

As of July 31, 2003, copies of the following IRS forms and publications are available from the [IRS](#).

##### **U.S. Departing Alien Income Tax Return**

[Form 1040C](#)

##### **U.S. Nonresident Alien Income Tax Return**

[Form 1040NR](#)

##### **Foreign Person's U.S. Source Income Subject to Withholding (will be provided to you by ASU)**

[Form 1042-S](#)

##### **U.S. Departing Alien Income Tax Statement (Certificate of Compliance)**

[Form 2063](#)

##### **Get Additional Info**

Withholding of Tax on Nonresident Aliens  
[Publication 515](#)

U.S. Tax Guide for Aliens  
[Publication 519](#)

U.S. Tax Treaties  
[Publication 901](#)

## Foreign Visitor Tax Guide - Appendix Three

<b>Non-resident Forms Processing Flowchart</b>				
<b>Non-resident-alien-related forms and documentation required in addition to standard ASU payment processing forms</b>				
<b>Payment Type</b>	<b>Tax Form Required</b>	<b>Additional Form</b>	<b>Tax Form Issued</b>	<b>Tax Status</b>
<b>Employee</b>	W-4 (S-1) if wages not exempt under tax treaty; substitute 8233 affidavit if wages exempt under tax treaty	I-9 documentation required	1042-S for wages exempt under tax treaty; W-2 for wages not exempt under tax treaty	Graduated withholding rates apply to wages not exempt under tax treaty; visa status dictates FICA taxation
<b>Fellowship and Scholarship (Students)</b>	W-8BEN and foreign home address	Alien Data Collection form; copy of fellowship or scholarship award notice	1042-S	14% if award is (a) not exempt under tax treaty or (b) is not used for tuition, books, required fees and materials; no FICA
<b>Grant Participants</b>	W-8BEN and foreign home Address	Alien Data Collection Form; copy of grant award notice	1042-S	14% if award is (a) not exempt under tax treaty or (b) is not used for tuition, books, required fees and materials; no FICA
<b>Independent Contractor (including Guest Lecturer)</b>	8233 if payment exempt under tax treaty	Alien Data Collection Form; compliance statement; copies of passport, I-94	1042-S	30% if payment is not exempt under tax treaty; no FICA
<b>Royalty Payments</b>	W-8BEN and foreign home address	Explanatory documentation	1042-S	Various rates per IRS royalty tax table; 30% if not listed; no FICA
<b>Travel Expenses</b>	None	Original receipts	None	Not taxable if travel reimbursement guidelines are followed

## Foreign Visitor Tax Guide - Appendix Four

### ASU forms and other documents

Get an application form for an Exchange Visitor J-1 Visa or a sample letter of invitation to a non-resident alien for purposes of securing a B-1 Business visa.

International Programs Office

480-965-5965

[ipo.asu.edu](http://ipo.asu.edu)

