



# FAQs for F-1 & J-1 Students and Scholars

**Below are Frequently Asked Questions and Answers pertaining to F-1 and -1 Students and Scholars concerning US income tax filing.**

## 1. **Question:** Who Must File?

**Answer:** Aliens temporarily present in the United States as students, trainees, scholars, teachers, researchers, exchange visitors, and cultural exchange visitors are subject to special rules with respect to the taxation of their income.

There is no minimum dollar amount of income that triggers a filing requirement for a nonresident alien, including a foreign student or a foreign scholar.

Filing IS required by nonresident alien students and scholars who have:

1. A taxable scholarship or fellowship grant;
2. Income partially or totally exempt from tax under the terms of a tax treaty; and/or
3. Any other income that is taxable under the Internal Revenue Code.

Filing IS NOT required by nonresident alien students and scholars who have income ONLY from:

1. Foreign sources;
2. Interest Income from a:
  - a. U.S. bank
  - b. U.S. savings & loan institution
  - c. U.S. credit union
  - d. U.S. insurance company
3. An investment that generates Portfolio Interest

4. A scholarship or fellowship grant that is entirely a Tax Free Scholarship or Fellowship Grant as described in Chapter 1 of Publication 970, Tax Benefits for Education; and/or
5. Any other income that is nontaxable under the Internal Revenue Code. However, income that is not taxable because of an income tax treaty must be reported on a U.S. income tax return even though no income tax is due on the U.S. income tax return.

2. **Question:** I was physically present in the United States during 2020 but had no income. Do I need to file anything?

**Answer:** Yes. International students and scholars (and accompanying family members) allowed entry into the United States under F and J visas must file Form 8843 (Statement for Exempt Individuals and Individuals With a Medical Condition) to be considered an exempt individual from the Substantial Presence Test to determine their tax residency.

3. **In 2019 I mistakenly filed my tax return as a Resident. I should have filed as a Nonresident Alien. I have now received the CARES Payment. What should I do?**

**Answer:** If you filed as a Resident by mistake, you would need to file an amended tax return for each year that you filed incorrectly and pay any tax liability that you owe. If you believe that you have received the CARES Payment in error, it is probably best to return the payment to the IRS.

How to return your CARES payment

**It is important to return the stimulus payment if you believe that you received it in error.**

You should return the payment separately from your amended return. In other words, the IRS is advising that you do not add the CARES Payment to the check or electronic transfer you submit to cover your tax liability.

Instead you should follow the directions the IRS have laid out on the IRS' website.

<https://www.irs.gov/taxtopics/tc161>).

It is necessary to include an explanation with your amended tax return to confirm why you are returning the payment.

You should also keep copies of everything that you send to the IRS – both physical and electronic. They may be required for any visa applications you submit in future.

4. **Question:** I was eligible for the Economic Impact Payment but did not receive the full amount or any of it. How do I receive this payment.

**Answer:** Most individuals eligible for the Recovery Rebate Credit have already received the full amount in two rounds of payments, known as Economic Impact Payments (EIP). All EIP have now been issued.

If you were issued the full amount of each EIP, you won't need to claim the Recovery Rebate Credit or include any information related to it when you file your 2020 tax return because the IRS already issued your Recovery Rebate Credit as EIP.

If you are eligible for the credit, and either the IRS did not issue you any EIP or you were issued less than the full amounts, you must file a 2020 tax return to claim the Recovery Rebate Credit even if you are not required to file a tax return for 2020.

EIP were based on your 2018 or 2019 tax year information. The Recovery Rebate Credit is similar except that the eligibility and the amount are based on 2020 information you include on your 2020 tax return.

5. **Question:** I am an International Student attending a University in the United States as a non-resident scholar. I also teach a class at the University. Due to COVID-19 I am currently teaching my class online from my home country. Do I have a US tax filing requirement for teaching income I earn while in my home country?

**Answer:** Typically if you earn US sourced income you will have a US tax filing requirement. Your income will be defined as 'US sourced' if:

- the property that produces the income is located in the US;
- the services for which the income is paid were performed in the US;
- or, the income is a dividend equivalent.

If you are not a resident of the US and you are earning income from teaching a class for a US university while you are outside the US (such as your home country) this income will be treated as foreign income and is not reportable and not taxable in the US.

Similarly, if you are doing research or writing your thesis while outside the US, the grant you receive to cover your expenses while you work, will be treated as foreign income and is not reportable or taxable in the US.

6. **Question:** I am an International Student attending a University in the United States as a non-resident student. Before COVID-19, I had been working on campus and earning an income. Fortunately, I can continue this employment

while working from my home country. Do I have to pay US tax on the income I earn while working from my home country?

**Answer:** As mentioned above, your income will be defined as ‘US sourced’ if the property that produces the income is located in the US. When carrying out your work from your home country, if you are using a software or platform which is installed on a server in the US, the property that produces the income is likely to be considered to be located in the US. Therefore, the income that you earn will be taxable in the US.

In other words, you will have the same tax filing and payment obligations as you would if you had earned the income while working on campus.

What’s more, if the payment is provided for a work that you do would normally be performed in the US (for example, after the COVID-19 crisis is over), the income earned is taxable in the US.

7. **Question:** I am no longer living in the United States. How do I file my tax return?

**Answer:** If you are using Glacier Tax Prep you will receive instructions for printing and mailing your tax return from the software. Please be sure to send your tax return by Certified Mail or a similar service with a form of tracking. Please also keep a copy of your tax return in your files.

8. **Question:** If I am filing my tax return from abroad, how do I receive my refund?

**Answer:** Although you can receive your refund in the form of a paper check, the IRS encourages individuals to elect to receive refunds by direct deposit to their bank account. Please be mindful that direct deposits can only be issued to bank accounts located in the United States.