

Montgomery College

International Student Office

1040 NR-EZ

This is a general guide to the completion of Form 1040NR-EZ; U.S. Income Tax Return for Certain Nonresident Aliens with No Dependents. You MUST file a form 8843 with this tax return.

You should use this guide only if you are a student in F-1 status who meets ONLY the following two conditions*:

1. you were a non-resident for federal income tax purposes in 2017. (if you have been in the US five or more years use the Substantial Presence test to know)
2. you had 2017 U.S. source income only from a scholarship, employment (including on-campus jobs) or bank interest (which is not subject to U.S. tax).

You will need a copy of **IRS Form 1040NR-EZ**, (the **Internal Revenue Service 1040NR-EZ instruction booklet**), and a copy of **Form 8843** to complete your 2017 federal income tax return. You need the form W-2 or 1099 from your employer. Ask your employer if you do not receive on the mail.

College Scholarship recipients may also receive a form 1042-5. The form 1098-T cannot be used with this form.

Employers use **Form W-2**, Wage and Tax Statement, to:

- Report wages, tips, and other compensation paid to an employee.
 - Report the employee's income and social security taxes withheld and other information.
 - Report wage and withholding information to the employee and the **Social Security Administration**.
- The Social Security Administration shares the information with the Internal Revenue Service.

Payers use **Form 1099-MISC**, Miscellaneous Income, to:

- Report payments made in the course of a trade or business to a person who's not an employee or to an unincorporated business.
- Report payments of \$10 or more in gross royalties or \$600 or more in rents or compensation.
- Report payment information to the IRS and the person or business that received the payment.

You have to mail your completed Form 8843 to:

**Internal Revenue Service Center,
Austin, TX 73301-1205.**

*If you are not sure, review the section "May I Use Form 1040NR-EZ" on page 1 of the IRS Instructions for Form 1040NR-EZ to make sure that you should use Form 1040NR-EZ.

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In the area at the Top marked "Please print or Type": Enter your first name and initial, and your last name in the appropriate boxes. (Be sure your name matches the name in your current passport.) In the box "Identifying number", enter your social security number. If you do not have a social security number, you should request an Individual Taxpayer Identification Number by submitting **Form W-7**.

Use your current U.S. address for "Present home address" unless you plan to leave the U.S. shortly (use your outside U.S. address in this case). Enter your country of citizenship or nationality during 2017.

In the first address box (on the left), enter your outside of U.S. address to which you want any refund check mailed. If you want any refund check mailed to your inside U.S. address that you entered above, write "same." In the second box (on the right), enter your home country address.

Filing Status (line 1 or 2): Check the box on #1 if you are single; check the box on #2 if you are married. (If you are married, your spouse had no income, and you are from Canada, Mexico, Korea, Japan or a student from India, you should use Form 1040NR instead of this form.)

Line 3: Write the total amount of your wages that appears in Box 1 on the Form(s) W-2 that your employer(s) sent you in January 2018. (Unless you can exclude some of these wages under a tax treaty).

Line 4: Leave this line blank unless you received a refund in 2017 of state or city income taxes that you paid in

2015 or a previous year (reported on Form 1099-G). If you are a student from India and took the standard deduction last year, do not put anything here.

Line 5: If you received a non-service scholarship or fellowship in 2017, enter the amount here. Include both the tuition and fee and stipend portions of your scholarship (although you do not pay tax on the tuition and fee portion and you will subtract this and other amounts on Line 9, below). By March 15, 2018 you should have received a Form 1042-S reporting your total scholarship or fellowship income for 2017. This will be designated on the Form 1042-S with income code 15. If you had non-service scholarship or fellowship income, you cannot complete your 2017 federal income tax return until you receive your Form 1042-S.

- It is usually sufficient to attach a copy of your Form 1042-S to your Form 1040NR-EZ before mailing it to IRS.
- IRS will sometimes, however, send your tax return back to you with a request for more detailed information about your scholarship. Also, if your scholarship grant was covered by a tax treaty, see tax treaty information before completing Line 5.

Line 6: Leave this line blank unless you were entitled to a tax treaty benefit.

Line 7: Add the amounts on Lines 3, 4, and 5 and write the sum here.

Line 8: If you reported non-service scholarship or fellowship income on Line 5 you should enter here the portion of your scholarship or fellowship that you spent for tuition, mandatory fees and "course-related materials." If you deduct course-related materials it is a good idea to attach a statement (i.e. a brief note) to your tax return itemizing these expenses (e.g. Books: \$740; Photocopying: \$125; etc.). This will reduce the possibility that IRS will send your tax return back to you with a request for more information about your scholarship.

Line 9: If you paid any interest in 2017 on a student loan, see page 5 of the IRS instructions to Form 1040NR-EZ to determine if you can deduct a portion of your student loan interest payments.

Line 10: Subtract any amount on Lines 8 and 9 from the amount on Line 7 and write the remainder here. This is your "adjusted gross income," your income before taking the tax-reducing exemptions and deductions that you are entitled to. **Line 11:** Itemized Deductions: State and Local Taxes - Add together all of the state and city (or local) income taxes that you paid in 2017. The state taxes that you paid are reported in Box 17 and the city taxes that you paid are reported in Box 21 on your Form(s) W-2. Add these amounts together and place the total on Line 11. (You may be able to apply a Tax Treaty, especially if you are a student and a citizen or resident of India, please see additional **Information on Tax Treaties**. More complex Itemized Deductions: for example- interest on money you borrowed money to purchase real estate, or large medical bills. Please SEE a TAX ADVISOR if you believe you have itemized deductions like these examples.

Line 12: Subtract the amount of your state and city taxes and other Itemized Deductions on Line 11 from your income on Line 10 and write the remainder here.

Line 13: Write "\$4,050" on Line 13. This is the amount of the "personal exemption" for 2017 you may use IF no one else claims you as a dependent on their tax return. You do not have to pay U.S. income tax on the portion of your income covered by the personal exemption. Note: If you are married, your spouse lives with you but does not work, and you are from Canada, Mexico, Korea, Japan or a student from India, you can claim additional personal exemptions, but you must use Form 1040NR to do so.

Personal exemption have slightly changed over the years. For instance, 2014 (\$3,900), 2015 (\$2,900), 2017 (\$4,000) **Line 14:** Subtract the amount on Line 13 from the amount on Line 12. This is your Taxable Income, the portion of your total income that is subject to U.S. income tax.

Line 15: Consult the Tax Table on pages 11-15 of the IRS 1040NR-EZ instruction booklet to determine your U.S. income tax. Find the row in the Tax Table that includes your taxable income (the amount on Line 14) and read your tax from the "Single" column of the Tax Table if you are single or from the "Married filing separately" column of the Tax Table if you are married. (You may not use the "Single" column if you are married.) Enter the amount of your tax on Line 15.

Line 16: If you meet the conditions described at the beginning of these instructions, you should leave this line blank. **Line 17:** Repeat the amount on Line 17 that you wrote on Line 15 (unless you entered an amount on Line 16).

Line 18: Enter here the total amount of federal (U.S.) income tax that your employer(s) or grantor(s) withheld from you in 2017. These amounts are reported to you in Box 2 of Form(s) W-2, and in Box (b) of Form(s) 1042-S and box 4 of Form 1099-R. (Do not include here state and city income taxes withheld from you.)

Line 19: If during 2017 you submitted estimated tax payments to the IRS using Form 1040NR-ES or Form 1040-ES, write the total amount of those payments here.

Line 20: Leave this line blank unless you made a tax payment using Form 1040-C in 2017.

Line 21: Add the amounts on Lines 18, 19 and 20 and write the total here. This is the amount of federal income tax that you have already paid.

Lines 22-25: Compare the amount that you have already paid, on Line 21, with the amount that you owe, on Line 17.

If Line 21 is more than Line 17, that is if you have paid more than you owe, write the amount of your overpayment on Line 22.

If you want the Internal Revenue Service to send you a check for this overpayment, write the amount of your overpayment on Line 23a (i.e. write the same amount that you wrote on Line 22.)

If you would like the IRS to transfer the amount of your overpayment directly to your bank account electronically, complete Lines 23b, c, and d (to determine the routing number for your bank account required in 23, ask your bank).

If you would rather have all or part of your 2017 overpayment credited toward your 2018 taxes, write the desired amount in Line 24. (If you do this you must remember to record this amount a year from now on your 2017 income tax return, or you may fail to receive credit for this pre-payment.)

If Line 21 is less than Line 17, that is if you owe more than you've paid, write the amount you owe on Line 25. Attach a check for this amount, payable to "IRS," to your 1040NR-EZ when you mail it in.

Note: If you owe more than you can pay now, pay as much as you can and request an installment payment plan from IRS by attaching IRS Form 9465 to your 1040NR-EZ. (IRS will usually accept a reasonable request, but will continue to charge interest on an unpaid balance.)

Line 26: In most cases if you owed more than \$1000 in federal income tax at the end of 2017, you will have to pay IRS an "estimated tax penalty," that is, you will have to pay interest on your unpaid tax. The exact amount of interest that you owe is virtually impossible to calculate. It is easier simply to leave this line blank and let IRS calculate this amount and send you a bill.

Sign Here: Sign and date your 1040NR-EZ. Write your occupation in the right hand box that says "Your occupation in the United States." If you are a student, write "student." (Leave the "Paid Preparer's Use Only" block blank.)

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Line A: Write the name of the country whose passport you used to enter the U.S.

Line B: Write the name of the country you usually reside in (outside of the United States) "Tax country."

Line C: Answer no, unless you or someone on your behalf filed a labor certification application, a petition for permanent residence, an immigrant visa application or an application for adjustment of status during 2017. (If you entered the U.S. permanent residence (DV) lottery but did not win, you should also answer NO).

Line D: Answer the Yes/No questions about citizenship and green cards

Line E: Write the type of visa that you used to enter the U.S. during this tax year 2017 (usually, but not always, F-1 or J-1). Also, write your visa number here. Your visa number is the shorter of the two numbers on the U.S. visa stamp in your passport (do not write your I-94 card number here). (Canadian citizens write "N/A" for "not applicable.")

Line F: If you changed status after entering the U.S., check Yes and write your old status "changed to" your current status and the date (will be on your I-94 personal data side or top left box of your Approval Notice).

Line G: Reconstruct the dates you entered and left the U.S. in 2017 as accurately as you can and write those dates in the chart(s) at Line G. Refer to the entry stamps in your passport for assistance.

Line H: Count as accurately as you can the days that you were in the U.S. in 2014, 2015 and 2017 and enter the numbers here.

Line I: Answer yes or no; if yes, write down the number of the form you filed (usually 1040NR-EZ) and the last year for which you filed.

Line J: Complete only if you can claim a tax treaty benefit.

THESE INSTRUCTIONS WERE ORIGINALLY CREATED BY THE UNIVERSITY OF OREGON AT EUGENE.