



University of California
San Francisco

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Nonresident Alien Federal Tax Workshop

Using **GLACIER Tax Prep (GTP)** as a tool for self-preparation of 2017 Federal Income Tax Return (Form 1040NR or Form 1040NR-EZ) and Form 8843

Tax Workshop

- **Federal Tax Workshop**
 - March 7, 2018
 - Genentech Auditorium, Mission Bay
 - 3 – 4:30 pm

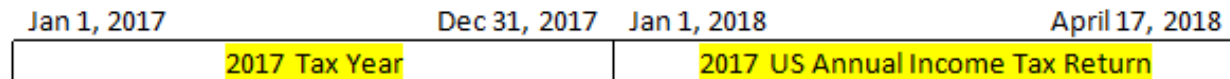
- **California State Tax Workshop**
 - March 14, 2018
 - Genentech Auditorium, Mission Bay
 - 3 – 4:30 pm

Agenda

- **General Rules for income tax withholding, reporting and filing requirements**
- **Overview of US tax systems**
- **Who is an Nonresident Alien for tax purposes?**
- **What is a Substantial Presence Test?**
- **What is an Exempt Individual?**
- **Nonresident Alien Income Tax Return Forms**
- **GLACIER Tax Prep (GTP) Vs GLACIER**
- **Tax Statement requirements to prepare Income Tax Return**
- **How to get into GTP? Who will be eligible to get GTP access?**
- **Reference Guide for Resident Alien with Tax Treaty**
- **GTP 2017 Tutorial Video**
- **Contact Lists**

General rules

- All withholding agents (UCSF) **MUST** withhold Federal income tax from all income payments made to or on behalf of a Nonresident Alien
- If the withholding agent does not withhold the appropriate amount of tax at the time of payment, the withholding agent will be liable for the tax, plus any penalties and interest, regardless of whether the individual pays the tax on his or her tax return
- All **taxpayers** must file a Federal income tax return with the Internal Revenue Service to report their earnings for a tax calendar year (Jan 1 to Dec 31)



Overview of tax systems

- **US Tax System – Worldwide Income**
 - US Citizens
 - Lawful Permanent Residents (Green Card Holders)
 - Resident Aliens for Tax Purposes
- **Nonresident Alien Tax System – ONLY US Source Income**
 - Nonresident Aliens for Tax Purposes

Who is a Nonresident Alien?

- **Any individual who is NOT a US Citizen and has NOT passed the Green Card Test or Substantial Presence Test (SPT)**
 - **Green Card Test**
 - A lawful permanent resident (green card or I-551 Stamp in passport)
 - **Substantial Presence Test (Resident vs. Nonresident)***
 - To meet the test, the individual must be physically present in the US on at least:
 1. 31 days during the current year (2017), **AND**
 2. 183 days during the 3-year periods that include the current year and the 2 years immediately before that, counting:
 - All the days you were present in **2017**, and
 - 1/3 of the days you were present in **2016**, and
 - 1/6 of the days you were present in **2015**

a	b	c	d=b*c
Year	Days of Physical Presence	Multiplier	Testing Days
2017		1	
2016		0.333	
2015		0.167	
Total testing days (add Column d)			

Total testing days \geq 183 days --> pass SPT --> RA

Total testing days $<$ 183 days --> Not pass SPT --> NRA

Note: An individual's residency status for tax purposes does not affect his or her immigration status

SPT Counting Days Exception Rules

- Do Not Count the following as days of presence in the US for SPT
 1. Days you commute to work in the US from a residence in Canada or Mexico if you regularly commute from Canada or Mexico
 2. Days you are in the US for less than 24 hours when you are in transit between two places outside the US
 3. Days you are in the US as a crew member of a foreign vessel
 4. Days you intend, but are unable, to leave the US because of a medical condition that arose while you were in the US
 5. Days you were **Exempt Individual**

“Exempt Individual” concept and rules

- **“Exempt individual”**
 - Does not pertain to individual’s requirement to have federal or FICA tax withheld or to file a US income tax return
 - A tax term that refers only to an individual's requirement that he/she does not need to count days of actual presence in the US when calculating the SPT
 - F1/J1 Student – the first 5 calendar years of US presence
 - J-Exchange Visitor – any 2 years of presence within a 6 year look back period not counting current year
 - **Count as a calendar year**
 - E.g. John (J1 research scholar) came to the USA on Dec 31, 2017
 - Exempt Individual = 2017

SPT Examples (NRA)

US Date of Entry 1/1/2013
 Immigration Status F1/J1 - Student
 2017 US Tax Residency Status Nonresident Alien

SPT

a	b	c	d=b*c
Year	Days of Physical Presence	Multiplier	Testing Days
2017	0	1	0
2016	0	0.333	0
2015	0	0.167	0
Total testing days (add Column d)			0

Total testing days >= 183 days → pass SPT → RA

Total testing days < 183 days → Not pass SPT → NRA

Exempt Individual F1/J1 Student - the first 5 calendar years of US presence

	Year	Actual Days in USA	Counting Days for SPT	
5	2017	320	0	Exempt Individual
4	2016	320	0	Exempt Individual
3	2015	320	0	Exempt Individual
2	2014	320	0	Exempt Individual
1	2013	320	0	Exempt Individual

SPT Examples (NRA)

US Date of Entry 09/01/2017
Immigration Status J1-Research Scholar
2017 US Tax Residency Status Nonresident Alien

SPT

a	b	c	d=b*c
Year	Days of Physical Presence	Multiplier	Testing Days
2017	0	1	0
2016	0	0.333	0
2015	0	0.167	0
Total testing days (add Column d)			0

Total testing days >= 183 days → pass SPT → RA

Total testing days < 183 days → Not pass SPT → NRA

Exempt Individual

J-1 Exchange Visitor - any 2 years of presence within a 6 year look back period not counting current year

Look back period	Year	Actual Days in USA	Counting Days for SPT	
	2017	122	0	Exempt Individual
6	2016	0	0	
5	2015	0	0	
4	2014	0	0	
3	2013	0	0	
2	2012	0	0	
1	2011	0	0	

SPT Examples (RA)

US Date of Entry 7/1/2015
 Immigration Status J1-Research Scholar
 2017 US Tax Residency Status Resident Alien

SPT	a	b	c	d=b*c
Year	Days of Physical Presence	Multiplier	Testing Days	
2017	320	1	320	
2016	0	0.333	0	
2015	0	0.167	0	
Total Testing days (add Column d)				

Total testing days >= 183 days → pass SPT → RA

Total testing days < 183 days → Not pass SPT → NRA

Exempt Individual J-1 Exchange Visitor - any 2 years of presence within a 6 year look back period not counting current year

Look back period	Year	Actual Days in USA	Counting Days for SPT	
	2017	320	320	
6	2016	320	0	Exempt Individual
5	2015	180	0	Exempt Individual
4	2014	0	0	
3	2013	0	0	
2	2012	0	0	
1	2011	0	0	

SPT Examples (NRA to RA to NRA)

US Date of Entry 3/1/2016
 Immigration Status J1-Research Scholar
 US priorvisits 2010,2011 as J1-Trainee
 2017 US Tax Residency Status Nonresident Alien

SPT

a	b	c	d=b*c
Year	Days of Physical Presence	Multiplier	Testing Days
2017	0	1	0
2016	280	0.333	93
2015	0	0.167	0
Total testing days (add Column d)			93

Total testing days \geq 183 days \rightarrow pass SPT \rightarrow RA
 Total testing days $<$ 183 days \rightarrow Not pass SPT \rightarrow NRA

Exempt Individual

J-1 Exchange Visitor - any 2 years of presence within a 6 year look back period not counting current year

Look back period	Year	Actual Days in USA	Counting Days for SPT	
	2017	340	0	Exempt Individual
6	2016	280	280	Resident Alien
5	2015	0	0	
4	2014	0	0	
3	2013	0	0	
2	2012	0	0	
1	2011	320	0	Exempt Individual

Look back period	Year	Actual Days in USA	Counting Days for SPT	
	2016	280	280	Resident Alien
6	2015	0	0	
5	2014	0	0	
4	2013	0	0	
3	2012	0	0	
2	2011	320	0	Exempt Individual
1	2010	250	0	Exempt Individual

Nonresident Alien Tax Forms

- **Form 1040NR or 1040NR-EZ (U.S. Nonresident Alien Income Tax Return)**
- **Form 8843 (Statement for Exempt Individuals and Individuals with a Medical Condition)**
 - NRA with US source income, and who are not Exempt Individuals or not Individuals with a Medical Condition
 - File Form 1040NR or 1040NR-EZ
 - E.g. → NRA with H1-B or NRA with TN
 - NRA with US source income, and who are Exempt Individuals or Individuals with a Medical Condition
 - File Form 1040NR or 1040NR-EZ
 - File Form 8843
 - E.g. → NRA with J or F
 - NRA with no US source income, and who are Exempt Individuals or Individuals with a Medical Condition
 - File Form 8843
 - E.g. → NRA with J or F

GLACIER Vs GLACIER Tax Prep “GTP”

GLACIER Tax Prep “GTP”

- Web-based tax preparation software designed to help Nonresident Alien prepare **Nonresident Alien Income Tax Return (Form 1040NR or 1040NR-EZ and Form 8843)**

GLACIER

- Web-based Nonresident Alien tax compliance system used by UCSF to determine foreign visitor’s tax residency, withholding rates and income tax treaty eligibility.
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Tax Statements

- **Depending on payments that Nonresident Alien individual's received during the year, any of following tax statements may be received**
 - W2 (Wage and Tax Statement)
 - 1042-S (Foreign Person's U.S. Source Income Subject to Withholding)
 - Other tax statements (E.g. 1099-B, 1099-DIV, 1000-G, 1099-INT, 1099-MISC, 1099-R)

Tax Statements (W2 vs 1042-S)

Form	Type of Income	Situation
W-2	Wages or Salary as an Employee	You will receive Form W-2 to report the wages or salary with No tax treaty exemption
1042-S (income code 18, 19 or 20)	Wages or Salary as an Employee	You will receive Form 1042-S with income code 18, 19 or 20 to report wages or salary with tax treaty exemption
1042-S (income code 16)	Scholarship or Fellowship (no services performed)	You will receive Form 1042-S with income code 16 to report scholarship or fellowship with tax treaty exemption OR Code 16 with tax withheld amounts

Tax Statements (W2 vs 1042-S)

- **As summarized, depending on payments received during the year, you may receive**
 - Only W2
OR
 - Only 1042-S (Income code 16)
OR
 - Both W2 and 1042-S (Income code 18, 16, 19, and/or 20)
- **There is *no* overlap for amounts reported on Form 1042-S and amounts reported on Form W-2. If you receive both, then information from both forms must be considered when completing Federal and state tax returns**

How to get into GTP?

- **There are two methods of getting into GLACIER Tax Prep (GTP)**
 - **Option 1 : GLACIER portal (GTP via GLACIER)**
 - **Only for individuals who have a GLACIER login record**
 - **<https://www.online-tax.net/>**
 - **Option 2: GTP portal**
 - **For individuals who have never used GLACIER**
 - **Must use special Access Code**
 - **<https://www.glaciertax.com>**

Option 1: GTP via GLACIER

- Go to GLACIER portal <https://www.online-tax.net/>
- Log into your GLACIER account
- From user activities menu, Select “Complete my U.S. tax return using GLACIER Tax Prep” option and Click “Next”
- GLACIER will ask you to verify important information and ask you update information if necessary before it automatically brings you to GTP site
- You will then see the “Welcome to GLACIER Tax Prep” screen to complete your U.S. federal tax return
- GLACIER automatically transfers some of your information into GTP so you don’t need to enter all of your personal information again
- Please review this information carefully to ensure that it is accurate and up to date

Option 1: GTP via GLACIER

GLACIER Nonresident Alien Tax Compliance



Welcome to GLACIER for University of California, San Francisco

TERRY TESTING, What Would You Like To Do Today?

- Create/update/view my Individual Record
- View/print my forms (no changes may be made)
- **Complete my U.S. tax return using GLACIER Tax Prep**
- Learn about General U.S. Tax Issues and FAQs
- Change my GLACIER Login Information
- Exit GLACIER

Nonresident Alien for Tax Purposes

Option 1: GTP via GLACIER



GLACIER Nonresident Alien Tax Compliance

Welcome to **GLACIER** for University of California, San Francisco

Tracy Lee, What Would You Like To Do Today?

- Create/update/view my Individual Record
- View/print my forms (no changes may be made)
- View/print my Form 1042-S
- Complete my U.S. tax return using GLACIER Tax Prep
- Learn about General U.S. Tax Issues and FAQs
- Change my GLACIER Login Information
- Exit GLACIER

Resident Aliens for Tax
Purposes cannot use GLACIER
Tax Prep

<Back Next>

[Contact GLACIER Support](#)

Option 2: GTP portal

- For NRA who does not have **GLACIER** account
- **GTP portal** at <https://www.glaciertax.com>
- Need an **Access Code** to complete federal tax return
- Refer to **ISSO handout** for **GTP access code**
- If you don't have a **GLACIER user ID**, but you logged directly into **GTP** last year, you will need the user ID you previously established

Option 2: GTP portal



Welcome to GLACIER Tax Prep

Account Information

If you **HAVE** a **GLACIER Tax Prep** account, simply enter your UserID and Password.*

UserID

Password

Log In

**Forgot Login
Having Trouble Logging In?**

New Users

If you have **NEVER** logged into **GLACIER Tax Prep**, you must Create a New Account.*

Create New Account

If you would like to purchase an Individual Access Code to prepare a 2016, 2015, 2014, 2013, 2012, or 2011 federal tax return, [click here](#).



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Option 2: GTP portal



Welcome To GLACIER Tax Prep!

Enter Your Access Code

Please enter your Access Code to get started.

Access Code

Access Code Required

**Please refer to ISSO handout
for access code**

You may obtain an Access Code from your host or sponsoring institution if that institution has purchased a license for **GLACIER Tax Prep** or you purchase an Individual Access Code from http://www.arcticintl.com/gtp_usage.asp.

Submit

Option 2: GTP portal



Welcome to GLACIER Tax Prep TERRY TESTING

To prepare your federal tax return, simply start on Step One and enter your information until you have completed Step Four. You may save and exit **GLACIER Tax Prep** at any time by selecting "Log Out" at the top right of any screen. You may then return to **GLACIER Tax Prep** at any time and continue to enter your information until you have completed your federal tax return – **GLACIER Tax Prep** will keep track of where you are in the process!

Prepare a 2016 Federal Tax Return



Step ONE: Determine U.S. Tax Residency Status

Step TWO: Select and Complete Income Forms

Step THREE: Complete Additional Information

Step FOUR: Generate and Print Forms

FAQ and BLANK Tax Forms for Prior Years

View/Print Prior Years' Tax Returns

HELP!

Resident Alien with Tax Treaty – How to file Federal Tax Return

- **An individual with a tax treaty who becomes Resident Alien for tax purposes in 2017**
- **Cannot use GTP to prepare federal tax return**
 - Should receive both W2 and 1042-S
 - Must file a U.S. federal tax return in the same manner as a U.S. citizen and report ALL income from ALL sources
 - must file as Resident Alien by using Form 1040 (**NOT** Form 1040A or 1040-EZ)
- **Refer to**
 - IRS Form 1040 Instruction <https://www.irs.gov/pub/irs-pdf/i1040gi.pdf>
 - Resident Alien with tax treaty Exemption reference by Arctic International LLC

Resident Alien with Tax Treaty – How to file Federal Tax Return

Resident Alien for Tax Purposes

If you are a Resident Alien For Tax Purposes AND Eligible to Claim a Tax Treaty Exemption:

- File Form 1040 (NOT Form 1040EZ);
- On the top of all pages, write “Resident Alien With Tax Treaty Exemption”;
- Include all income (including tax treaty exempt income) on the appropriate lines;
- On the “Other Income” line of Form 1040, enter the total of the tax treaty exempt amount as a negative number so that it will be subtracted;
- On the dotted line beside Other Income, write “Exempt Income, U.S.-{country} tax treaty, Article {article number}”;
- Also get Page 5 of Form 1040NR and on question L, complete the information about your tax treaty claim;
- Assemble your tax return with Form 1040, Forms W-2 and/or 1042-S, if received, and Page 5, along with any other required attachments; and
- Mail your tax return to:
Internal Revenue Service Center
Austin, TX 73301-0215 USA
Regardless of where you live!

Nonresident Aliens Eligible for a Tax Treaty Who Did Not Claim in 2017

- **Nonresident Aliens for tax purposes who may be eligible to claim a tax treaty but did not claim treaty exemption in 2017 are still eligible to claim the treaty**
- **After filling in W-2 information, if eligible, GTP will ask whether individual wants to claim a tax treaty**

Income Tax Treaty Verification

GLACIER Tax Prep has made the following income tax treaty exemption determination.

Review of Income Tax Treaty Exemption for Compensation / Salary / Wages

Based on the information entered, the U.S.- Germany Income Tax Treaty allows an exemption from tax for your Compensation / Salary / Wages.

Article 20(1) of the U.S.- Germany Income Tax Treaty allows an exemption for 2 years from the date of arrival for the Compensation / Salary / Wages. Therefore, the possible tax treaty exemption period is Mar 19, 2014 - Mar 17, 2016.

The possible tax treaty exemption applies to an Unlimited Amount of your Compensation / Salary / Wages.

The U.S.- Germany Income Tax Treaty contains a BACK-to-BACK Clause. If you previously claimed an exemption from tax for compensation/salary/wages received as a Student or Trainee, an exemption from tax as a Professor or Researcher may be limited.

You have indicated you DID NOT previously claim an exemption from tax for Compensation / Salary / Wages received as a Student or Trainee.

Would you like to claim the maximum amount of exemption from tax allowed under the income tax treaty?

- Yes, I would like to claim the maximum amount of exemption from tax for the Compensation / Salary / Wages; I understand that I must meet any qualifications listed above.
- No, I DO NOT want to claim an exemption from tax for my Compensation / Salary / Wages.

More Info

Treaty Verification:

IF you are eligible for a tax treaty, you must determine whether you can claim the treaty based on the information presented on this screen. GLACIER Tax Prep will show you the conditions for the treaty; however, you must choose to claim or deny the treaty by selecting "Yes" or "No".

2017 GTP Tutorial Video

When to File?

- Do not file your tax return late!
- Deadline is **April 17, 2018**
- Tax Forms completed via GTP must be printed and mailed to the IRS.
- Those who became “Residents for US tax purposes” during 2017 should consider using other tax software (refer to ISSO handout) or consulting a tax professional
- Nonresidents must file as individuals, and cannot file as “Married filing Jointly”

Update your Records

- **To prevent documents being sent to a wrong address, you must update personal information changes in GLACIER as well as At Your Service (employee self service).**
 - New home or mailing address and/or e-mail address
- **Nonresident aliens going back to home country**
 - In GLACIER, click “individual does not live in the U.S.” box before you leave
- **AYSO: <http://atyourservice.ucop.edu/>**

Who do I contact?*

- **GTP system support**
 - support@glaciertax.com
- **Form 1042-S, GLACIER, tax treaty, residency status, W-2 questions, duplicate W-2 request:**
 - Controller's Office (Payroll)
 - COSolutionCenter@ucsf.edu or 415-476-2126
- **Immigration questions or GTP access code:**
 - ISSO
 - visa@ucsf.edu, 415-476-1773