



## Cornell University International Students and Scholars Office

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# Tax Information for Internationals: Frequently Asked Questions

### ***How does the income tax system work in the U.S.?***

In the U.S., employers are required to take money out of your paycheck for taxes. This process is called "withholding" money for taxes. That tax money is paid to the U.S. federal tax department which is called the Internal Revenue Service (IRS). Cornell payroll office (or your other U.S. employer) determines the amount to be "withheld" out of your paycheck based upon U.S. tax treaties with your country and Internal Revenue Service (IRS) regulations. Employers and universities report wages, scholarships, and tax withheld to the IRS and send statements to individuals by March 15th every year. Individuals then determine what the correct amount of tax liability should be through a form called a "tax return form." The tax return form is due on April 15th every year (or the next working day after April 15).

### ***What is a tax return?***

A "tax return" is a form you fill out and send in (either by mail or electronically) to the U.S. Internal Revenue Service. The form is both for paying taxes that you may owe and also for getting back money that has been taken out of your paycheck.

### ***How do I know if I need to file a U.S. federal tax return?***

All international students and scholars and their dependents who were in the U.S. in the previous year are required to file at least one tax form with the U.S. Internal Revenue Service (IRS) - the 8843. The software will choose what other forms you need to file based on how you answer the questions once you are using the software.

### ***What if I didn't earn any income in the previous year?***

Even if you did not earn any income in the U.S. in the previous year, you are required to fill an 8843, recording your presence in the U.S. The software will choose what other forms you need to file based on how you answer the questions once you are using the software.

### ***How will I know which forms to file?***

The software will choose what other forms you need to file based on how you answer the questions once you are using the software.

### ***What is the deadline to file?***

Every year, the deadline is either April 15th or the next business day after April 15th.

### ***How do I know if I am a "non-resident" for tax purposes.***

Please see IRS Publication 519, or our web site, or use the WINDSTAR software we have purchased to determine if you are a non-resident for tax purposes.

### ***What kinds of income are taxable?***

The following types of income are taxable:

- Scholarship, fellowship or grant from a US source that exceeded the amount of tuition and mandatory fees.
- Wages from any US job, on-campus or off-campus, including a teaching or research assistantship.
- Consulting Fees for work done in the U.S. Dividends and/or Capital Gains from ownership of US mutual funds or individual stocks or bonds.

- Any other income (such as rent, royalties, copyright earnings) from US sources EXCEPT for interest earned on a savings account or certificate of deposit in a US bank.

***What are the W-2 and 1042-s forms?***

Employers and universities are required to report wages, scholarships, and tax money withheld from your paycheck to the IRS. The employers send statements to individuals by March 15th every year. There are many types of these statements, but the most common ones for internationals are the W-2 (Wage and Tax Statement) and the 1042S (Foreign Person's US Source Income).

***What is a W-2 form?***

The W-2 form reports your wages you earned and any taxes the employer has withheld from your paycheck for federal or state taxes. If you earned income in the U.S., a W-2 should be sent to you by mid-February.

***What if I didn't get a W-2 form?***

If you did not earn wages in the U.S. in the tax year, then you will not be receiving a W-2. If you did earn wages and you have not received one, contact the employer. It is possible that they do not have the correct mailing address for you. If your employer is Cornell, contact the Cornell payroll office at 255-5194 or [uco-tax-mailbox@cornell.edu](mailto:uco-tax-mailbox@cornell.edu).

***What is a 1042-S form?***

A 1042S reports scholarships, fellowships, grants, awards and any other payment made to you for which you did not work (i.e. NOT wages). It also reports earned income (wages) which are exempted from tax because of a tax treaty between your country of citizenship and the U.S. If you received these types of income, you are supposed to receive this form from the payers by March 15th every year. If you are not sure if you will be receiving a 1042-s form, you can contact the payroll office and ask them at 255-9465 or [uco-tax-mailbox@cornell.edu](mailto:uco-tax-mailbox@cornell.edu).

***What if I didn't get a 1042-S form?***

If you did not receive the types of income listed above in the tax year, then you will not be receiving a 1042-s. If you are not sure if you should be receiving a 1042-s form, you can contact the Cornell payroll office (255-9465 or [uco-tax-mailbox@cornell.edu](mailto:uco-tax-mailbox@cornell.edu)) or your employer and ask them. It is possible that they do not have the correct mailing address for you.

***What is a 1098-T form?***

Internationals filing taxes as Non-Residents should **IGNORE** the 1098-T form. The 1098-T form is a tax document that reports to the student (and the IRS) tuition charges and financial aid for a calendar year. Cornell University does issue 1098-T forms "Tuition Statement", to all students at Cornell, including foreign nationals, when the following criteria is met; tuition charges exceed financial aid. The 1098-T form assists students who are eligible for educational tax credits. Unfortunately, any international who is filing tax returns as a non-resident for tax purposes, is **NOT** eligible for any of these educational credits and you should ignore the 1098-T form.

***I don't have a U.S. social security number, don't I need one to file tax forms?***

If you do not have a social security number or the alternative tax number (called an I.T.I.N.) you will still be able to use the software. If you did receive payments that you did not have to work for (such as fellowship), then the software will automatically fill out an additional form for you (called the "W-7") which will apply for a taxpayer identification number for you. The software will give you directions on where to mail the form. If you did NOT receive any payments and you only need to fill out the 8843, you will not need any type of tax identification number and the software will not fill out the W-7 for you.

***I have heard that my country has a tax treaty with the U.S., how do I get the benefit of that treaty?***

Wages you earn in the U.S. that are exempt from tax due to a tax treaty should be reported to you on a 1042-S form. The software will then prompt you by asking questions about the amounts reported on that form. If you did not get the 1042-S form, you can still claim the benefit of the tax treaty. The software will figure out how the tax treaty applies to your wages automatically when you enter your citizenship.