

U.S. TAX INFORMATION FOR NONRESIDENT ALIEN STUDENTS AND SCHOLARS

The Internal Revenue Service (IRS), the U.S. government tax authority, has issued strict regulations regarding the taxation and reporting of payments made to non-U.S. citizens. As a result, Armstrong Atlantic State University (the "University") may be required to withhold U.S. income tax from payments made by the University to students who are not U.S. citizens or permanent resident aliens (i.e., greencard holders). The term "payments" includes: financial aid, scholarships, fellowships, awards, and/or compensation for services performed. The University also may be required to report such payments to the IRS.

The University must determine whether you will be treated as a "resident alien" or a "nonresident alien" for U.S. tax purposes. The substantial presence test calculates the number of days that a student is present in the U.S. and determines whether the individual is a **nonresident alien** or **resident alien** for U.S. tax withholding purposes. Students present in the U.S. on F-1 or J-1 visas usually are considered to be nonresident aliens for the first five calendar years that they are present in the U.S. The University generally is required to withhold tax from all payments to nonresident aliens.

To make the necessary tax decisions, the University will collect appropriate information from you via the **GLACIER** Online Tax Compliance System. Foreign students and scholars will receive an e-mail from support@online-tax.net containing a password and instructions on how to access the **GLACIER** Online Tax Compliance System. **GLACIER** is accessible via the Internet from any web-accessed computer from any where in the world. Once you receive your password and instructions, you must complete the information in **GLACIER** immediately. **GLACIER** is simple and convenient to use; however, if you need additional information, you may schedule an appointment to meet with the Nonresident Alien Tax Specialist.

For your information, nontaxable items consist of the following:

- Tuition
- Book Allowance
- Mandatory University Fees and Technology Fees
- Mandatory Health Insurance

Taxable items include, but are not limited to, the following:

- Room and Board
- Fellowship Stipend (which does not require a service to be performed)
- Living Allowance
- Cash Award
- Travel Payment/Reimbursement
- Compensation (including a fellowship stipend that does require a service to be performed)

The U.S. maintains income tax treaties with over 63 countries, and certain taxable payments made by the University to you may be exempt from U.S. tax based on an income tax treaty between the U.S. and your home country. The existence of a tax treaty does not automatically ensure an exemption from taxation; rather, you must satisfy the requirements for the exemption set forth in the tax treaty. When you complete all the required information in **GLACIER**, any applicable tax treaty exemption forms will be completed and may be printed directly from **GLACIER**. **A 14 percent withholding tax will be deducted from scholarship, fellowship, and stipend payments made to students present in the U.S. under an F-1 or J-1 visa do not qualify for exemption under a tax treaty.**

If you receive a scholarship or fellowship grant, certain portions of the grant (for example, tuition and required fees) may not be paid directly to you, but may be credited to your student account at the University. If the portion credited to your account is a nontaxable item (for example, tuition), there will be no tax impact to you. If, however, the credited portion is a taxable item (for example, room and board), you will be required to pay to the University the amount of the tax that is required to be withheld, (generally 14 percent of the taxable amount).

Compensation payments made to a nonresident alien for services performed as a University employee are paid through the Payroll system. U.S. tax is withheld on this type of payment at specific tax withholding rates. With respect to compensation paid to a nonresident alien as part of a fellowship grant, income tax treaties may or may not apply to exempt some or all of the compensation from tax withholding. Any withholding associated with the taxable compensation will be automatically deducted from the payments. Students who plan to work on campus **must** apply for a social security number from the U.S. Social Security Administration **prior** to beginning work.

All students who are not citizens or permanent resident aliens of the U.S. are required to provide the required tax information using **GLACIER**. The **GLACIER** System is very simple and convenient to use; however, if you have additional questions, please contact the Nonresident Alien Tax Specialist.