

NRA Fellowship

Defining Activity for Payments	Key Rules, Impacts and Forms	Year-End Tax Statement Sent	Tax Filing References
<p>Fellowship</p> <p>Non service award. Payments in support of academic study or fellow-initiated research at a SUNY institution.</p> <p>Example: A student or scholar initiates research and is awarded a fellowship award for support.</p>	<p>Request for basic Information</p> <p>Staff will request that the payment recipient provide some basic information about the visit to the United States as well as an official name, address, tax classification and U.S. TIN on “Part I” IRS Form W-8BEN, or a similar form. It is very important to provide this information for us to ensure we have the accurate information in our payment and reporting system.</p> <p>IMPORTANT FIRST Tax and Reporting Evaluation – IRS “Sourcing” Rules – The IRS “Sourcing” rules for fellowship payments is based on “the combination of the origination of the funds AND the location of the education activity (i.e. study or independent research).</p> <ul style="list-style-type: none"> • The fellowship payments are IRS “Foreign Source” if either the origination of the funds OR the education activity is outside the United States • The fellowship payments are IRS “US Source” only if both the origination AND education activity are both in the United States and U.S. taxation and reporting rules then must be applied. 	<p>1042-S Foreign Person’s US Source Income Subject to Withholding. (IRS deadline – Postmarked or available by March 15)</p> <p>*** Includes any IRS “US Source” payments.</p>	<p>Call 1 800 829-4477 for the IRS TeleTax and listen to Topic # 421.</p> <p>Taxation of Nonresident Aliens</p> <p>IRS Form 1040-NR US Nonresident Alien Income Tax Return</p> <p>IRS 1040-NR Instructions</p> <p>IRS Publication 519 US Tax Guide for Aliens</p> <p>IRS Publication 17 – Your Federal Income Tax</p> <p>IRS You Tube Video Channel</p> <p>IRS and Social Media</p>

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	<p>Income Tax Withholding:</p> <ul style="list-style-type: none"> • IRS “Foreign Source” – The RF is not required to withhold taxes OR report the income on an IRS 1042-S at year end. That does not relieve the payment recipient from the burden in considering if the income is reportable in a home country. • IRS “US Source” –The RF is required by IRS rules to withhold 14% tax from the payments. The general IRS rule is 30% but there is an allowance under the rules for a reduced rate of 14% for fellowships. So, the payment is subject to 14% withholding unless the recipient is eligible and claims an income tax treaty exemption. <p>The recipient may be eligible to claim an income tax treaty exemption, if the country has an income tax treaty with the United States, and an article within the treaty covers the fellowship activity and the fellow completes “Part I” and “Part II” of IRS Form W-8BEN. To be eligible the fellow must also have a TIN or shows proof applying for a Taxpayer Identification Numbers (TIN).</p> <p>The following forms and publication links for assistance:</p> <p>IRS Form W-8BEN - Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding</p> <p>IRS Publication 515 “Withholding of Tax on Nonresident Aliens and Foreign Entities” – Quick reference “Table 2...” In back of publication, income “Code” “15.”</p> <p>Not all countries have an income tax treaty with the United States.</p>		<p>Need copy of your 1042-S form? Visit the campus RF office your payments originated from to assist in your inquiry and acquire a “Request for Copy of Tax Statement” form.</p> <p>Have a question about your payments? Contact the campus office that handled your RF activity. If you leave a voice message, ensure you clearly spell your last name and leave contact information.</p>