

NRA Independent Contractor

Defining Activity for Payments	Key Rules, Impacts and Forms	Year-End Tax Statement Sent	Tax Filing References
<p>Independent Contractor</p> <p>Contracted services are provided, but the RF does not control or does not have the right to control how, the work is performed. Refer to Independent Contractor Defined</p> <p>Business Travel Reimbursements – In general, not taxable IF documented and turned in timely, otherwise taxable and reportable income on 1042-S.</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 independent contractor payments is based on “where the services are performed.”</p> <ul style="list-style-type: none"> Any services performed outside the United States by a nonresident alien are IRS “Foreign Source” and not taxable or reportable. Any services performed in the United States are IRS “US Source” and U.S. taxation and reporting rules then must be applied. <p>Income Tax Withholding:</p> <ul style="list-style-type: none"> IRS “Foreign Source” – The RF is not required to withholding taxes OR report the income on an IRS 1042-S at year end. That does not relieve the 	<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>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 You Tube Video Channel</p> <p>NYS Taxation and Finance</p> <p>IRS Publication 17 – Your Federal Income Tax (search on “nonresident”)</p> <p>IRS and Social Media</p> <p>Call 1 800 829-4477 for the IRS TeleTax and listen to</p>

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	<p>recipient of the burden in considering if the income is reportable in their home country.</p> <ul style="list-style-type: none"> • IRS “US Source” –The RF is required to withhold 30% tax from the payments <i>unless</i> the recipient is eligible and claims an income tax treaty exemption <p>The independent contractor 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 contractor services and the independent contractor complete the IRS 8233. To be eligible the contractor must also have a TIN or show proof applying for a Taxpayer Identification Numbers (TIN).</p> <p>The following forms and publication links for assistance:</p> <p>IRS 8233 “Exemption from Withholding on Compensation for Independent (and certain dependent) Personal Services of a Nonresident Alien Individual”</p> <p>IRS Publication 515 “Withholding of Tax on Nonresident Aliens and Foreign Entities” – Quick reference “Table 2....” In back of publication, income “Code” “16.”</p> <p>Not all countries have an income tax treaty with the United States.</p>		<p># 762 Independent Contractor vs. Employee</p> <p># 103 Tax help for small businesses and self employed</p> <p>#554 Self-employment tax</p> <p>IRS Publication 1779 Employee or Independent Contractor</p> <p>SS-8 Determination of Worker Status for Purpose of Federal Employment Taxes and Income Tax Status</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>