

NRA Rent

Defining Activity for Payments	Key Rules, Impacts and Forms	Year-End Tax Statement Sent	Tax Filing References
<p>Rent</p> <p>Non service payment. Payment, usually of an amount fixed by contract, paid to an individual at specified intervals in return for the right to occupy or use their property</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 –</p> <p>IRS “Sourcing” Rules – The IRS “Sourcing” rules for rent payments is based on “where the rental property is located.”</p> <ul style="list-style-type: none"> • If the property is in another country, the payments are IRS “Foreign Source” and not taxable or reportable. • If the property is in the United States, then payments 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 payment recipient the burden in considering if 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</p>

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	<p>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. (There are official treaty articles for some countries considering income tax treaties for rent payments but provide no real benefit and apply a tax rate of 30%) 		<p>IRS TeleTax and listen to Topic # 414.</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>