



# Federal Tax Tips

March 9, 2023

By Lana Ballow

(Notice: this is not tax advice, consult your tax advisor)

# There are many types of taxes in the US



- Federal
- State
- FICA (Social Tax e.g. Medicare)
- Sales
- Property
- And many more....

The US tax law is very complex.

Today we will discuss only Federal Individual Income Tax.



## Topics to discuss:



- Basics of Federal tax, US tax return & the IRS
- Tax Forms, Tax year and US tax systems
- Tax Filing requirements for Residents and Nonresidents
- Glacier Tax Prep system and GTP team tax support
- Fellowship/Scholarship tax reporting requirements
- Q&A



# The Internal Revenue Service (the IRS)



**Who is collecting federal income tax?** - the IRS (Internal Revenue Service).

- The Internal Revenue Service (IRS) is a Federal U.S. government agency responsible for the collection of federal taxes and enforcement of tax laws.

<https://www.irs.gov>

- <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
- Who is collecting California income tax? The FTB (Franchised Tax board) <https://www.ftb.ca.gov>
  - <https://www.ftb.ca.gov/file/ways-to-file/online/calfile/index.asp> - Free CA tax filing

# What is taxable income?



- Compensation/Wages (payment for services performed)
- Nonqualified Scholarships and Fellowships
- Capital gains (buying/selling stock)
- Dividends
- Bank interest (checking or savings)
- Self-employment income (Uber, etc)
- Gambling
- Prizes/Awards
- Other income



# How does the IRS collect your federal tax information and Tax Year:



- Employers are required to withhold tax from individual's paycheck and remit it to the IRS
- Employers prepare **Form W2**, 1099 and **1042S** & reports annual employee's income and tax withholdings to the IRS
- Banks and other financial organizations report individual's investment income to the IRS
- Individuals are required to prepare an annual Federal US tax return (and State tax return).
  - A **"Tax Return"** is the Summary of all of your income and tax payment activities
  - If you have ANY taxable income from a US source, you must file a US tax return - with a few exceptions.
  - Even if you claimed a tax treaty exemption, you still have to file a US tax return.

# Tax Year and Tax System.



## A tax year is a calendar year: January 1 - December 31

- Tax Returns are generally due on April 15 for the prior year; (however, some people have until June 15th to file).

Due on 4/18/2023 for 2022 US tax return.

- Taxpayers can apply for extension to file US tax return until October, 15 of the following year

## There are two Tax Systems in the US:

- US tax system for Residents
- Nonresident Alien tax system
  - Foreign nationals who receive payments while in the US, could be taxed as Residents and Nonresidents

# Glacier Tax Summary



## Tax Summary Report

Summary of Information Entered Into GLACIER™:	
<b>Name:</b> Lana Ballow <b>SSN / ITIN:</b> 943-33-3333 <b>Email Address:</b> sballow@ucsc.edu <b>Country of Tax Residence:</b> Russia <b>Country of Citizenship:</b> Russia <b>CURRENT Immigration Status:</b> F1 Student <b>Original Immigration Status:</b> <b>Immigration Status Expiration:</b> June 3, 2026  <b>UCPath ID Number:</b>	2023 - 65 Days 2022 - 365 Days 2021 - 365 Days  <b>Changed Immigration Status?</b> No <b>Immigration Status Change Date:</b> <b>Date of Entry to U.S.:</b> January 1, 2021 <b>Estimated Date of Departure:</b> May 16, 2026
Tax Determinations and Results Based on the data entered, GLACIER has made the following determinations:	
<b>Tax Residency Status:</b> Nonresident Alien for U.S. Tax Purposes	
<b>Residency Status Change Date:</b> July 3, 2026 to Resident Alien	
<b>Residency Status Start Date:</b> January 1, 2026 to Resident Alien	
<b>Residency Status Change Date 2 (if applicable):</b>	
<b>Residency Status Start Date 2 (if applicable):</b>	
<small>Wages/salary</small>	
<b>Applicable Tax Withholding Rate:</b> Single (Monthly) <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i> <b>Tax Treaty Exemption Status:</b> Taxable <b>Tax Treaty Time Limit:</b> Not Applicable <b>Tax Treaty Exemption Period:</b> Not Applicable <b>Tax Treaty Dollar Limit:</b> Not Applicable	<b>TAX</b>
<small>Scholarship / Fellowship / Taxable Benefit (Non-Award)</small>	
<b>Applicable Tax Withholding Rate:</b> 14 Percent <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i> <b>Tax Treaty Exemption Status:</b> Exempt <b>Tax Treaty Time Limit:</b> Five Calendar Years <b>Tax Treaty Exemption Period:</b> January 1, 2021 - December 31, 2024 <b>Tax Treaty Dollar Limit:</b> Unlimited Dollar Amount	<b>EX</b>
<small>Guest Speaker Fee/Honoraria</small>	
<b>Applicable Tax Withholding Rate:</b> 30 Percent <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i> <b>Tax Treaty Exemption Status:</b> Taxable <b>Tax Treaty Time Limit:</b> Not Applicable <b>Tax Treaty Exemption Period:</b> Not Applicable <b>Tax Treaty Dollar Limit:</b> Not Applicable	<b>TAX</b>
<b>FICA Tax Status:</b> Exempt	<b>FICA Tax Start Date:</b> January 1, 2026
Required Forms and Document Copies Attach the following Forms and Documents to the Tax Summary Report	
<b>Please print, sign and submit with Tax Summary Report</b> <b>Required Forms:</b> Form W-4 Form W-8BEN	<b>Please copy and submit with Tax Summary Report</b> <b>Required Document Copies:</b> Form I-20 Form I-94/I-94W Card Visa Sticker/Stamp (in Passport)
Certification	
I hereby declare that the information provided by me to University of California, Santa Cruz and/or entered into the GLACIER Online Tax Compliance System for purposes of making the tax determinations above is true and correct. If any of the information provided changes or if other relevant information becomes available, I will notify University of California, Santa Cruz as soon as possible so that this information and/or my U.S. tax status may be updated.	
<b>Signature:</b>	<b>Date:</b>

# The US tax system and Tax Form 1040

- “**US Tax Resident system**” - all worldwide income is included on a US tax return, **Form 1040**.



- US citizen
- Lawful permanent resident/Greencard holders
- Resident alien for Tax purposes (next slide)

**Tax residents can not use Glacier tax prep**

- **IRS Free File** lets you prepare and file your federal income tax online for free. File at an IRS [partner site](#) with the IRS Free File Program or use Free File Fillable Forms. It's safe, easy and no cost to you.
- <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
- There are many other online and in-person tax services providers who can help you with tax filing.



# What is my US Tax Residency Status?

- A Resident alien for tax purpose is a person who meets “The Substantial Presence Test” (SPT).

<https://www.irs.gov/individuals/international-taxpayers/substantial-presence-test>



- SPT is a calculation of ALL of the days you have been present in the US during three calendar years – then modified:

Number of Days

Total Days

- Current Tax year Days

X

- 1<sup>st</sup> Preceding Year Days /3

Y

- 2<sup>nd</sup> Preceding Year /6

Z

- Total days X+Y+Z

183+ = Tax Resident

182- = Nonresident

- F1 and J1 Students – do not count any days for FIRST 5 calendar years of presence in the US
- J-1 Non-Students – do not count any days for 2 of 7 calendar years of presence in the US
- H-1B and others – No Special rules. Standard SPT

# Nonresident Alien tax system and Tax Form 1040NR

- “Nonresident Alien tax system” - only US source income is included on the US tax return, Form 1040NR.



- Nonresident Alien for Tax purposes (NRA)

Glacier Tax Prep (“GTP”) is specifically designed for the Nonresident Alien Tax System.

UCSC has licensed GTP to assist you in the process of completing your US federal tax form 1040NR.

You may access GTP via the internet from anywhere in the world.

Go to [www.glaciertax.com/login](http://www.glaciertax.com/login)

How do you access GTP through Glacier?

Go to [www.online-tax.net/glogin.asp](http://www.online-tax.net/glogin.asp)

Foreign National Visitor/Non-Resident Glacier Guide:

- Go to [https://financial.ucsc.edu/Pages/Payments\\_ForeignNationals.aspx#setupProcess](https://financial.ucsc.edu/Pages/Payments_ForeignNationals.aspx#setupProcess)

## List of documents that you need before login to GTP:



- Passport
- Visa/Immigration Status information, including Form DS-2019 (if J status) or Form 1-20 (if F status);
- Social Security Number or Individual Taxpayer Identification Number (if you have been assigned one);
- US Entry and Exit Dates for current and all past visits to the US; and
- Forms W-2, 1042-S and/or 1099 (if you received any).



# Who receives Form W2 and/or 1042s?

If you received income from your employer, you may receive 1042S and/or W2.

## Form 1042S

- If Employee with Tax Treaty Exemption
- If Non-service Scholarship/Fellowship (taxable or treaty exempt)
- Form 1042 is available at Glacier

## Form W2

- If Employee with NO Tax Treaty exemption or Over Time/Dollar Limit
  - Form W2 is available on the UCpath dashboard
- 
- Some of you will have Form W2 and 1042s or multiple 1042s

# GTP Home page



- GTP will determine your US tax residency status and help you to select and complete income tax forms. If you are Nonresident, GTP will prepare your US tax return. If you are Resident, you can not use GTP.

Welcome to GLACIER Tax Prep | GTP - Menu | GLACIER Online Tax

glaciertax.com/Menu?year=2020

glacier tax prep

BALLOW, TESTLANA | LOG OUT | MENU | HELP | FAQ

### Welcome to GTP TESTLANA BALLOW

To prepare your federal tax return, simply start on Step One and enter your information until you have completed Step Four. You may save and exit GTP at any time by selecting "Log Out" at the top right of any screen. You may then return to GTP at any time and continue to enter your information until you have completed your federal tax return – GTP will keep track of where you are in the process!

**Prepare a 2020 Federal Tax Return**

- ✓ Step ONE: Determine U.S. Tax Residency Status
- ✓ Step TWO: Select and Complete Income Forms
- Step THREE: Complete Additional Information
- Step FOUR: Generate and Print Forms

[FAQ and BLANK Tax Forms for Prior Years](#)  
[Change UserID and/or Password](#)  
[HELP!](#)  
[View 2020 GTP Tutorial Video](#)  
[Purchase a GTP Access Code to Prepare a Prior Year Federal Tax Return](#)  
[Activate New GTP Access Code](#)  
[Log Out](#)

**More Info**

**Steps:**  
Please complete all four steps. After you complete all four steps, GTP will determine which forms you should file.

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# Glacier Tax Prep (GTP) help



- GTP team are experienced tax experts with many years of Nonresident experience
- Available 24 hours/7 days, any where in the world

Re: GLACIER Tax Prep Individual / x GTP - Help x GLACIER Online Tax x +

glaciertax.com/Help?year=2020

BALLOW, TESTLANA LOG OUT | MENU | HELP | FAQ

## Help . . .

Step One: If you have questions or need assistance, please select "More Info" at the top right of any screen.

Step Two: If you have general tax questions, please select [FAQ](#) at the top right of any screen to find an extensive list of the most frequently asked questions so that you can find an answer as quickly as possible.

Step Three: View the [GTP Tutorial Video](#) by clicking on the link to the right.

Step Four: If you still need assistance, complete the information below to send a message to GTP Support

What type of issue are you having:  
---Select Issue Type---

Please Enter Your SPECIFIC Question:  
**DO NOT include your social security number or ITIN in any message to us or anyone else!**

[Submit](#)

We generally answer your questions within a few hours; however, please allow up to 24 hours before contacting us again with the same issue.

ALL questions are handled by GTP Support via the [HELP](#) link from within GTP; no phone calls or other emails are accepted.

[Back to Main Menu](#)

### More Info

**Need Assistance?**  
GTP offers a variety of features to help you complete your tax documents:

More Info: Click this tab on other screens to obtain more information.

FAQ (Frequently Asked Questions): You will find answers to commonly asked questions as well as blank tax forms.

Email: If you need additional assistance, please contact GTP via email; please supply the necessary information that appears to the left.

For your security, when requesting help from GTP (or anyone else), NEVER include your Social Security number or ITIN.

# The LIVE GTP and Tax Q&A sessions with Glacier Tax Professionals:

- If you have any tax specific questions, please use “HELP” link from GTP. Glacier tax experts will respond to your questions. Do not contact local UCSC payroll.
- There is a large number of answers to frequently asked questions that GTP posted on website for your information
- GTP tax experts will host multiple live tax webinars if you would like to participate and ask your questions in person. GTP does not have a phone line.
- The LIVE GTP Q&A Sessions with a Tax Professional will be held on the following dates.
  - These sessions will allow you to ask questions and get answers from live tax professionals.
  - Participation is limited. You may join or exit the session at any time; if the session is full, you may wait in the “waiting room” until space opens.
  - Please note that each Q&A session will be approximately one hour.
    - LIVE GTP in March: 3/14, 3/17, 3/20, 3/22, 3/23, 3/27, 3/28, 3/31
    - LIVE GTP in April: 4/3, 4/5, 4/6, 4/10, 4/11, 4/13,4/17

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# Nonresident Tax return



- When you prepare NRA US tax returns include ONLY ALL US income. Do not include foreign income.
  - If you worked outside of the US, do not include income that was earned abroad.
  - If you have never come to the US during the calendar year, you do not need to prepare a US tax return.
  - If you worked in the US for part of the year, and worked abroad for the rest of the year, you have to prepare a US tax return to report US source income during your work in the US.



# Qualified education expenses vs. Non qualified



## QUALIFIED (non taxable)

- For purposes of tax-free scholarships and fellowship grants, these are expenses for:
- Tuition and fees required to enroll at or attend an eligible educational institution; and
- Course-related expenses, such as fees, books, supplies, and equipment that are required for the courses at the eligible educational institution. These items must be required of all students in your course of instruction.

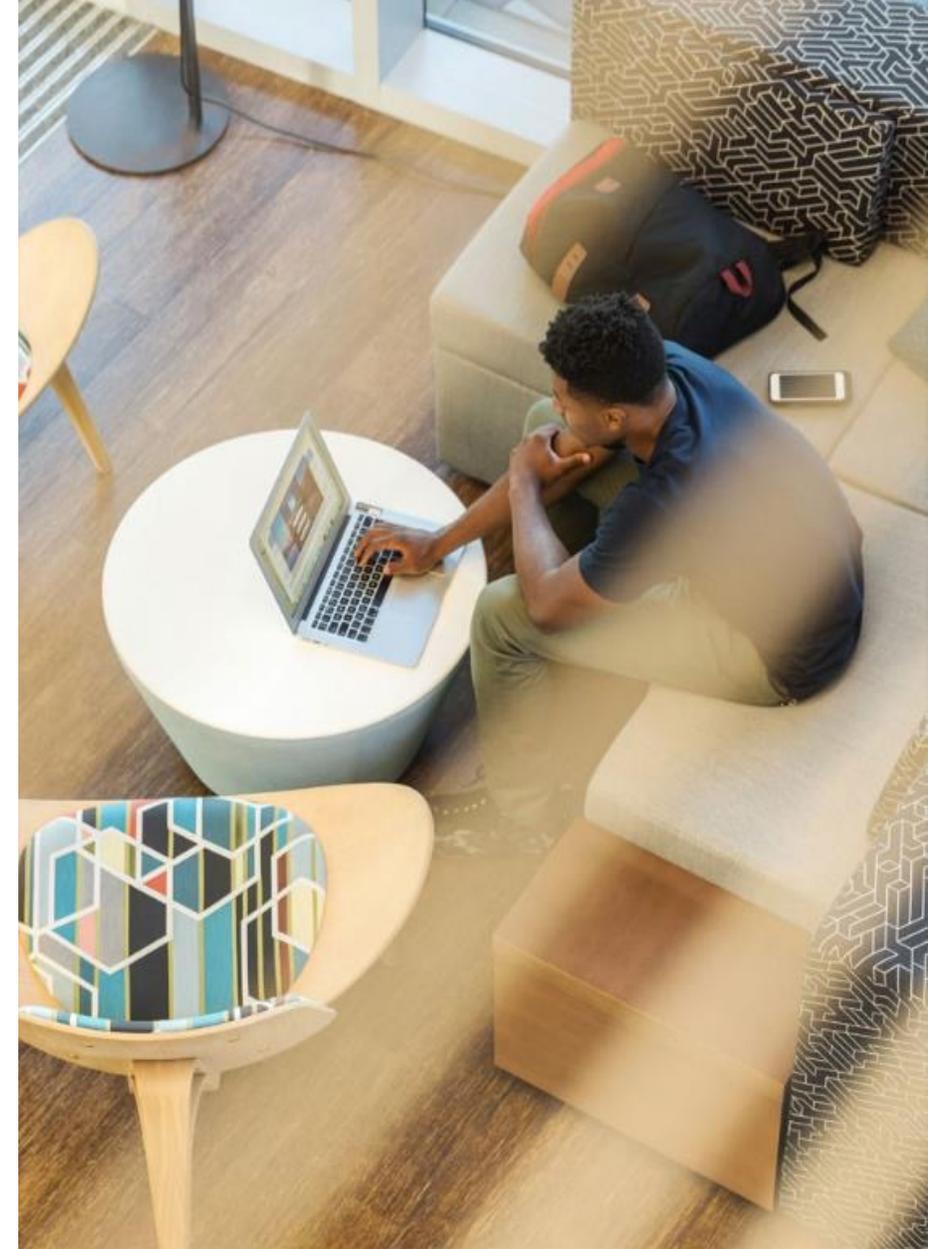
## NON-QUALIFIED (taxable)

- Expenses that don't qualify are Taxable Fellowship – A payment, typically known as a "stipend", used for living and incidental expenses
- Room and board,
- Travel,
- Research,
- Clerical help or other work
- Equipment and other expenses that aren't required for enrollment in or attendance at an eligible educational Institution.

# Reporting Scholarships and Fellowship Grants



- Reporting of scholarship or fellowship grant depends on whether the individual must file a US return and whether any part of your scholarship or fellowship grant is taxable.
- If the only income is a completely tax-free scholarship or fellowship grant, you don't have to file a US tax return and no reporting is necessary.
- If all or part of your scholarship or fellowship grant is taxable, you are required to file a US tax return.
- If you were asked to provide signed Glacier tax documents, your scholarship/fellowship are taxable and you have to include it on the US tax return



# Calculating fellowship & stipends tax information for the US tax preparation



- If you are a resident, the university is not required to withhold tax on your non qualified fellowship and stipends. The individual is required to report non qualified amounts on a US tax return and determine the amount of tax based on each individual's annual income and other specifics.

Use this website [www.irs.gov/taxtopics/tc421](http://www.irs.gov/taxtopics/tc421) on how properly report Fellowship payments

- For a Nonresident without a tax treaty, the University has already calculated and retained taxes and provided individuals with 1042S indicating income and tax withholding
- For Nonresident with the tax treaty, the University provided you with Form 1042S to show the amount of income that was excluded from tax. While the income is excluded from tax, a Nonresident is required to file a US tax return.



# Tax Summary Report

<b>Summary of Information Entered Into GLACIER™:</b>	
Name: Lana Ballow	2023 - 65 Days
SSN / ITIN: 943-33-3333	2022 - 365 Days
Email Address: sballow@ucsc.edu	2021 - 365 Days
Country of Tax Residence: Russia	
Country of Citizenship: Russia	
CURRENT Immigration Status: F1 Student	
Original Immigration Status:	
Immigration Status Expiration: June 3, 2026	Changed Immigration Status? No
UCPath ID Number:	Immigration Status Change Date:
	Date of Entry to U.S.: January 1, 2015
	Estimated Date of Departure: May 16, 2026

**Tax Determinations and Results** Based on the data entered, GLACIER has made the following determinations:

<b>Tax Residency Status:</b> Nonresident Alien for U.S. Tax Purposes	
<b>Residency Status Change Date:</b> July 3, 2026 to Resident Alien	
<b>Residency Status Start Date:</b> January 1, 2026 to Resident Alien	
<b>Residency Status Change Date 2</b> (if applicable):	
<b>Residency Status Start Date 2</b> (if applicable):	
<b>Applicable Tax Withholding Rate:</b> Single (Monthly) <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i>	
<b>Tax Treaty Exemption Status:</b> Taxable	TAX
<b>Tax Treaty Time Limit:</b> Not Applicable	
<b>Tax Treaty Exemption Period:</b> Not Applicable	
<b>Tax Treaty Dollar Limit:</b> Not Applicable	
<b>Applicable Tax Withholding Rate:</b> 14 Percent <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i>	
<b>Tax Treaty Exemption Status:</b> Exempt	EX
<b>Tax Treaty Time Limit:</b> Five Calendar Years	
<b>Tax Treaty Exemption Period:</b> January 1, 2021 - December 31, 2024	
<b>Tax Treaty Dollar Limit:</b> Unlimited Dollar Amount	
<b>Applicable Tax Withholding Rate:</b> 30 Percent <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i>	
<b>Tax Treaty Exemption Status:</b> Taxable	TAX
<b>Tax Treaty Time Limit:</b> Not Applicable	
<b>Tax Treaty Exemption Period:</b> Not Applicable	
<b>Tax Treaty Dollar Limit:</b> Not Applicable	
<b>FICA Tax Status:</b> Exempt	<b>FICA Tax Start Date:</b> January 1, 2026

**Required Forms and Document Copies** Attach the following Forms and Documents to the Tax Summary Report

<b>Required Forms:</b> Please print, sign and submit with Tax Summary Report Form W-4 Form W-8BEN	<b>Required Document Copies:</b> Please copy and submit with Tax Summary Report Form I-20 Form I-94/I-94W Card Visa Sticker/Stamp (in Passport)
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**Certification**

I hereby declare that the information provided by me to University of California, Santa Cruz and/or entered into the GLACIER Online Tax Compliance System for purposes of making the tax determinations above is true and correct. If any of the information provided changes or if other relevant information becomes available, I will notify University of California, Santa Cruz as soon as possible so that this information and/or my U.S. tax status may be updated.

<b>Signature:</b>	<b>Date:</b>
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# Tax Summary Report

<b>Summary of Information Entered Into GLACIER™:</b>	
Name: Lana Ballow	2019 - 365 Days
SSN / ITIN: 943-33-3333	2018 - 365 Days
Email Address: sballow@ucsc.edu	2017 - 365 Days
Country of Tax Residence: Russia	2016 - 366 Days
Country of Citizenship: Russia	2015 - 365 Days
CURRENT Immigration Status: F1 Student	
Original Immigration Status:	
Immigration Status Expiration: June 3, 2026	Changed Immigration Status? No
UCPath ID Number:	Immigration Status Change Date:
	Date of Entry to U.S.: January 1, 2015
	Estimated Date of Departure: May 16, 2026

**Tax Determinations and Results** Based on the data entered, GLACIER has made the following determinations:

<b>Tax Residency Status:</b> Resident Alien for U.S. Tax Purposes	
<b>Residency Status Change Date:</b> Not Applicable	
<b>Residency Status Start Date:</b> Not Applicable	
<b>Residency Status Change Date 2</b> (if applicable):	
<b>Residency Status Start Date 2</b> (if applicable):	
<b>Applicable Tax Withholding Rate:</b> As Requested on Form W-4 <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i>	
<b>Tax Treaty Exemption Status:</b> Taxable	TAX
<b>Tax Treaty Time Limit:</b> Not Applicable	
<b>Tax Treaty Exemption Period:</b> Not Applicable	
<b>Tax Treaty Dollar Limit:</b> Not Applicable	
<b>Applicable Tax Withholding Rate:</b> No Tax Withholding Required <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i>	
<b>Tax Treaty Exemption Status:</b> Taxable	TAX
<b>Tax Treaty Time Limit:</b> Not Applicable	
<b>Tax Treaty Exemption Period:</b> Not Applicable	
<b>Tax Treaty Dollar Limit:</b> Not Applicable	
<b>Applicable Tax Withholding Rate:</b> No Tax Withholding Required <i>(If Tax Treaty Does Not Apply or Form Is Not Submitted)</i>	
<b>Tax Treaty Exemption Status:</b> Taxable	TAX
<b>Tax Treaty Time Limit:</b> Not Applicable	
<b>Tax Treaty Exemption Period:</b> Not Applicable	
<b>Tax Treaty Dollar Limit:</b> Not Applicable	
<b>FICA Tax Status:</b> Taxable (*Exempt if Student)	<b>FICA Tax Start Date:</b>

**Required Forms and Document Copies** Attach the following Forms and Documents to the Tax Summary Report

<b>Required Forms:</b> Please print, sign and submit with Tax Summary Report Form W-4	<b>Required Document Copies:</b> Please copy and submit with Tax Summary Report Form I-20 Form I-94/I-94W Card Visa Sticker/Stamp (in Passport)
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<b>Signature:</b>	<b>Date:</b>
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# Social Security Numbers (SSN) & Individual Taxpayer Identification Number (ITIN)



- SSN and ITINs

To File Tax return, the individual is required to provide

- Social Security Number or
- Individual Taxpayer Identification Number

[fj-docs-itinppt.pdf \(ucsc.edu\)](#)

If you do NOT have a SSN or ITIN? You must apply for an ITIN

- Apply with Form W-7, plus required documentation



## Form 8843 – is not US tax return

- All international students and scholars present in the U.S. must file a Form 8843 each year, regardless of whether you were employed in the U.S. or not. You can refer to this [Form 8843 Online Wizard](#) for additional assistance with filing form 8843
- It is required if no US source income
- No SSN/ITIN necessary if no tax return filed

[https://www.internationalstudent.com/tax/form/?utm\\_source=salesforce&utm\\_campaign=form\\_8843](https://www.internationalstudent.com/tax/form/?utm_source=salesforce&utm_campaign=form_8843)

## Other important Issues

- If the IRS send a letter, RESPOND. Do not ignore it
- The IRS will NOT send you an email UNLESS you have already provided your email address on Form 1040-NR
- Be Careful of SPAM. Beware of FAKE emails from “The IRS”
- If you do not receive your tax refund or it’s for a different amount – CHECK ON IT. The IRS must explain the rejection or modification
- Tax refunds may take more than 10 months.
- If you don’t receive your tax refund - check on it:
- <https://sa.www4.irs.gov/irfof/lang/en/irfofgetstatus.jsp>
- The Interactive Tax Assistant (ITA) is a tool that provides answers to several tax law questions specific to your individual circumstances
- <https://www.irs.gov/help/ita>

## Additional links

<https://iss.ucsc.edu/resources/taxes.html>

<https://www.irs.gov/forms-pubs/extension-of-time-to-file-your-tax-return>

<https://www.irs.gov/pub/irs-pdf/f8843.pdf>

<https://www.online-tax.net/>

<https://iss.ucsc.edu/resources/ssnitin.html>