



Individual Income Tax for International Students

University of Michigan Webinar

March 2026

Treasury Outreach



Disclaimer

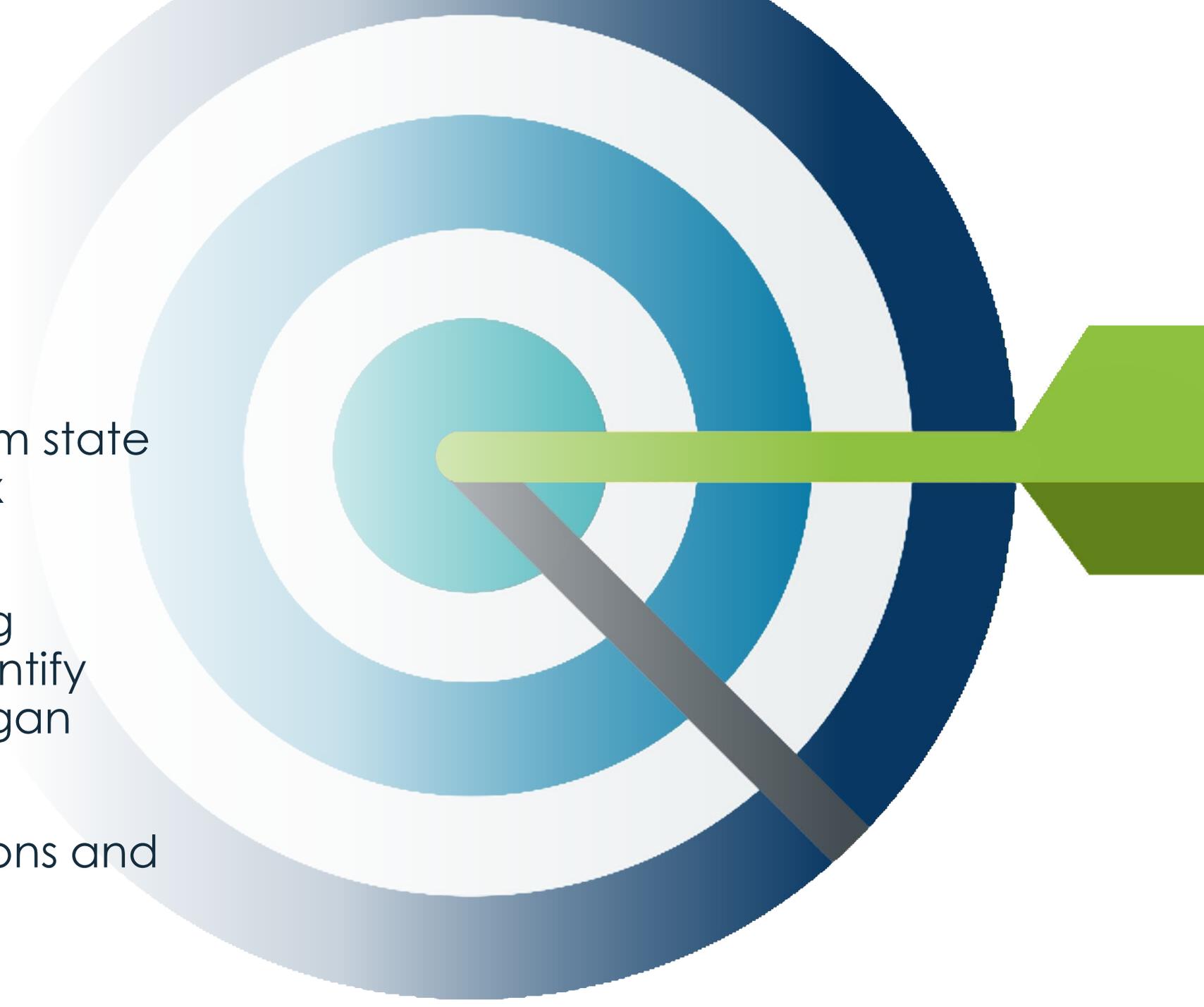
This handout is provided as part of a presentation and is for illustrative purposes only.

The content does not carry the weight of law, bulletins, or rulings. Therefore, it should only be used as an aid for understanding concepts, taking notes, and reference based on the material presented.

The topics covered, screenshots provided, and guidance supplied is subject to change. The most current Treasury information on this topic is available at michigan.gov/taxes.

Presentation Purpose

- ▶ distinguish federal from state taxes and income tax components
- ▶ explain Michigan filing requirements and identify who must file a Michigan income tax return
- ▶ provide filing instructions and guidance



Understanding Treasury and Taxes





What is **Michigan Treasury?**

TREASURY'S FOUNDATION

EMPLOYEE ENGAGEMENT

Commitment to an inclusive environment that values diverse perspectives and cultivates employee recruitment, retention, development, and leadership.

CULTURE OF SERVICE

Provide complete, accurate, and timely services to all internal and external customers in a professional manner.

CONTINUOUS IMPROVEMENT

Commitment to proactive and innovative employee-driven solutions in our daily operations and in strategic financial leadership.



An innovative, knowledgeable, and dynamic team of skilled communicators, educators, and web architects who create, organize, and produce public education resources on important Treasury adjacent topics – providing stakeholders with straightforward information and feedback opportunities.

Tax Orientation

- ▶ **Federal** tax laws, rules, forms, etc. are separate and distinct from each state's tax laws, rules, and forms.
- ▶ **State** tax returns deal with state level taxes but are sometimes built from federal tax return information.

Key Term Definitions

- ▶ **taxpayer:** any “person” subject to taxes and rules imposed by a particular tax act or law
- ▶ **person:**
 - **individuals**
 - **business entities**
(corporations, partnerships, limited liability companies, etc.)
 - **other legal entities**
(trusts, estates, etc.)

Federal Taxes vs. State Taxes

► Federal taxes

- due to = the Internal Revenue Service (IRS)
- authority = Internal Revenue Code (IRC)
- usually based on income
- taxpayer = individuals, businesses, or other legal entities
- **Michigan Treasury cannot advise on federal tax matters**

► State taxes in Michigan

- due to = Michigan Department of Treasury (Treasury)
- authority = Michigan Compiled Laws (MCLs)
- can be based on income, business activity, property ownership, or government services
- taxpayer = individuals, businesses, or other legal entities

Michigan Taxes

Individual Income Tax vs. Business Taxes

▶ Individual Income Tax

- all forms of earnings make up your personal annual taxable income
- e.g.: employment earnings, business income, capital gains
- individuals responsible for tax

▶ Business Taxes

- primarily based on business activity, business status, or business income
- business entity responsible for tax
- owners, officers, partners, etc. can be held personally liable

▶ ***tax liability cannot be contracted away to service providers***

Treasury Tax Systems Upgrade



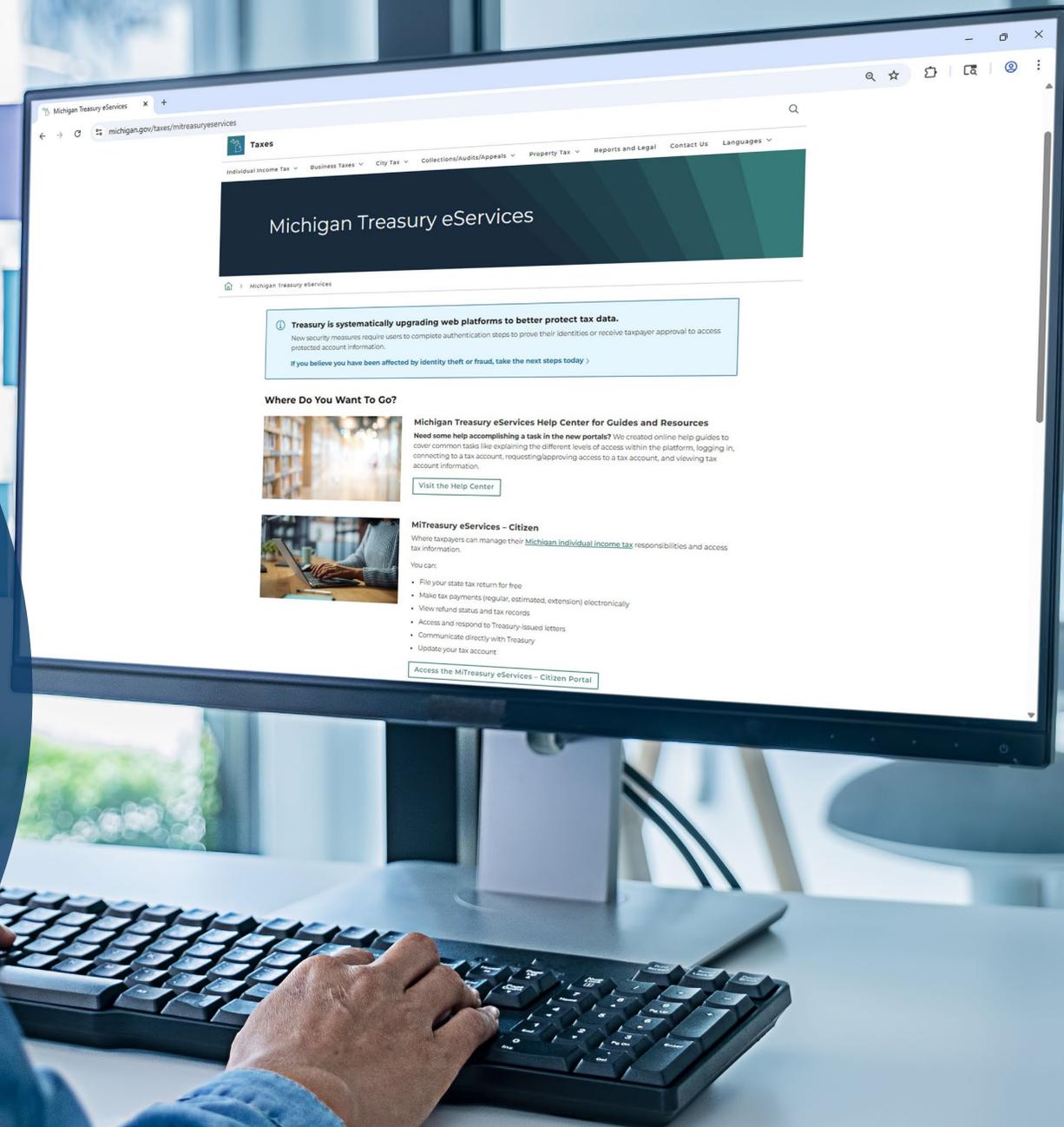
Individual Income Tax Web Redesign

michigan.gov/incometax



Michigan Treasury eServices

michigan.gov/mitreasuryeservices



Tax Year 2025 Filing Requirements



Do you need to file a 2025 Michigan Return?

YES

- ▶ if you filed the federal *U.S. Nonresident Alien Income Tax Return (1040-NR)* **and** you have taxable income in Michigan
- ▶ if federal Adjusted Gross Income (AGI) is greater than your Michigan personal exemption allowance (\$5,800 for TY2025)

NO

- ▶ if AGI is **less than** your exemption allowance
- ▶ **except** to claim a refund of taxes withheld

Nonresident

*If you are considered a **nonresident alien** for **federal** tax purposes, you are considered a **nonresident** for **Michigan** tax purposes.*

▶ **domicile**

- permanent and principal home to which a person always intends to return, even if they are temporarily located elsewhere
- a person has only 1 domicile at a time
- if your domicile is not in Michigan, you are a nonresident of Michigan

▶ **credits nonresidents are NOT eligible for:**

- Homestead Property Tax Credit (MI-1040CR)
- Home Heating Credit (MI-1040CR-7)

Tax Year 2025 Filing Guidance



Before You Begin...

▶ gather these federal documents:*

- completed federal 1040-NR
- 1042-S(s) (if applicable)
- W-2(s)
- 1099(s) (NEC, MISC, Interest, etc.)

* *this is not an exhaustive list*

The image displays three overlapping federal tax forms. At the top is Form 1040-NR, 'U.S. Nonresident Alien Income Tax Return' for 2025. Below it is Form 1042-S, 'Foreign Person's U.S. Source Income Subject to Withholding' for 2025, labeled as 'Copy A for Internal Revenue Service'. At the bottom is Form W-2, 'Wage and Tax Statement' for 2025, labeled as 'Copy 1 - For State, City, or Local Tax Department'. The W-2 form shows fields for employer information, employee information, and various tax withholdings.

Michigan Forms to File

- ▶ **MI-1040** – Michigan Individual Income Tax Return
 - all Michigan individual income tax returns require this form
- ▶ **Schedule NR** – Nonresident Schedule
- ▶ **Schedule 1** – Additions & Subtractions
- ▶ **Schedule W** – Withholding Tax Schedule

***if your situation is different, you may need to file additional forms**

2025 Tax Year Reminders

Tax Rate **4.25%**

Personal Exemption Amount **\$5,800**

2025 MI-1040 **due April 15, 2026**

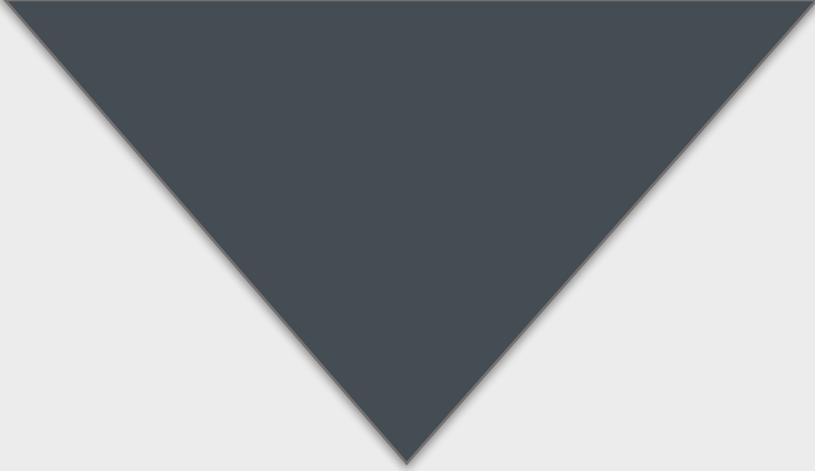
Statute of Limitations **4 years**

you have 4 years from the return due date to claim a refund

Michigan Personal Exemption Allowance

- ▶ Michigan tax law maintains personal exemptions that are suspended at the federal level
- ▶ prorated for a nonresident using: Michigan Source Income/Total Income
- ▶ calculated on the Michigan Schedule NR

Tax Return Starting Point



Michigan tax return begins with
AGI reported on your federal tax return

- ▶ **line 11 of Federal 1040-NR equals line 10 of MI-1040**
- ▶ any applicable treaty benefits should already be reflected in line 11 of the Federal 1040-NR

Michigan Schedules

Schedule NR

- ▶ *complete this form if you filed as a nonresident alien for federal tax purposes*
- ▶ allocates income between Michigan and other states (if necessary)
- ▶ prorates exemption allowance

Schedule 1

- ▶ *subtracts wages earned in other states*
- ▶ adds or subtracts income from AGI to determine Michigan taxable income
- ▶ nonresidents can subtract scholarships and/or fellowships, if included in federal AGI

Schedule W

- ▶ *the information to complete this form is typically on your W-2 or 1099 form*
- ▶ reports State of Michigan income tax withholding information
- ▶ do not mail W-2 or 1099 forms with Michigan tax returns

Nonresident Income Subject to Tax

- ▶ wages, salaries, commissions and other personal service income performed in Michigan
- ▶ business income in Michigan
- ▶ proceeds from the Michigan Lottery
- ▶ Michigan casino & horse race winnings

Michigan Income

Tax Exempt Income *for Nonresidents*

- ▶ scholarship used for tuition, fees, books & supplies
- ▶ scholarship used for room & board
 - taxable by the IRS unless the income is exempt by treaty

**Common Federal Form 1042-S
(Code 16)**

Taxable Income *unless exempt by Treaty*

- ▶ money received for teaching or research
- ▶ money received as compensation during study and training

**Common Federal Form 1042-S
(Code 19 and Code 20)**

MI Filing Methods

▶ Electronic Filing

- If you file a federal **1040-NR**, you can **e-file both** federal and Michigan tax returns.

▶ Paper Filing

- Michigan Individual Income Tax Instruction Booklet:
 - tax year specific
 - how to complete and assemble
 - available (as well as tax forms) at: michigan.gov/taxes/iit-forms



Mailing Returns

- ▶ for refund, credit, or zero-dollar tax returns, mail tax returns to:
Michigan Department of Treasury
Lansing, MI 48956
- ▶ if you owe tax, mail tax returns to:
Michigan Department of Treasury
Lansing, MI 48929

Frequently Asked Questions



Frequently Asked Questions

Part 1

- ▶ **If I am a resident for federal tax purposes, am I also considered a Michigan resident for state tax purposes?**
 - Only if Michigan is your permanent home and you intend to return to Michigan each time you are absent; see MI-1040 instructions for details.
- ▶ **Are Michigan nonresidents required to file a Michigan tax return if they only have scholarship income?**
 - Although Michigan does not tax scholarship income, Treasury recommends filing a tax return in order to avoid unnecessary inquiries from the state.

Frequently Asked Questions

Part 2

- ▶ **Is there a filing requirement if all income is from another state and AGI is more than your exemption allowance?**
 - You are not required to file a Michigan income tax return. For a nonresident, you would consider only Michigan items included in federal adjusted gross income to determine if filing a Michigan tax return is required. *Someone who filed a federal tax return using a Michigan address and did not file a Michigan tax return may receive correspondence from Michigan inquiring why a Michigan tax return was not filed. For this reason, it may be beneficial to file a Michigan tax return to demonstrate that no tax is due.*
- ▶ **Nonresident aliens must file Form 8843 federally even if they did not receive U.S. source income during the year. Does Michigan have a similar requirement?**
 - No.

Frequently Asked Questions

Part 3

- ▶ **Is there a contact number for international students and scholars to call for more information?**
 - Use the IIT Customer Contact number: **517-636-4486**.
 - Representatives will not give step-by-step instructions on how to fill out your specific tax return.

- ▶ *More frequently asked question and answers provided to you in the handout MI Tax FAQs.*

Form **1040-NR** Department of the Treasury—Internal Revenue Service
U.S. Nonresident Alien Income Tax Return 2025 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 2025, See separate instructions.

Filed pursuant to section 301.9100-2 Combat zone Deceased MM / DD / YYYY Spouse MM / DD / YYYY
 Other

Your first name and middle initial _____ Last name _____ Your identifying number (see instructions) _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____

City, town, or post office. If you have a foreign address _____

Foreign country name _____

Form **1042-S** Foreign Person's U.S. Source Income Subject to Withholding **2025** OMB No. 1545-0096
 Department of the Treasury Internal Revenue Service Go to www.irs.gov/Form1042S for instructions and the latest information. **Copy A** for Internal Revenue Service

UNIQUE FORM IDENTIFIER AMENDED AMENDMENT NO.

1 Income code 2 Gross income 3 Chapter indicator. Enter "3" or "4" 13d City or town, state or province, country, ZIP or foreign postal code
 3a Exemption code 4a Exemption code 13e Recipient's U.S. TIN, if any 13f Ch. 3 status code
 3b Tax rate 4b Tax rate 13g Ch. 4 status code
 5 Withholding allowance 6 Net income 13h Recipient's GIN 13i Recipient's foreign tax identification number, if any 13j LOB code
 7a Federal tax withheld 7b Check if federal tax withheld was not deposited with escrow procedures were applied (see instructions) _____
 7c Check if withholding occurred in subsequent year with partnership interest _____
 7d Check if you are a qualified intermediary, withholding partnership, or withholding foreign trust revising its 1042-S to report to a specific recipient _____
 8 Tax withheld by other agents
 9 Overwithheld tax repaid to recipient pursuant to adjustment _____
 10 Total withholding credit (combine boxes 7a, 8, and 9) _____
 11 Tax paid by withholding agent (amounts not withheld) _____
 12a Withholding agent's EIN 12b Ch. 3 status
 12d Withholding agent's name
 12e Withholding agent's global intermediary identification number
 12f Country code 12g Foreign tax identification number
 12h Address (number and street)
 12i City or town, state or province, country, ZIP or foreign postal code
 13a Recipient's name 13b Recipient's identifying number
 13c Address (number and street)

Filing Status Single Married filing jointly
 Check only one box. If you checked the QSS box, enter the qualifying person is a child but not a dependent.

Digital Assets At any time during 2025, did you exchange, or otherwise dispose of digital assets? Yes No

Dependents (see instructions) **Dependent 1**
 (1) First name _____
 (2) Last name _____
 (3) Identifying number _____
 (4) Relationship _____
 (5) Check if lived with you more than half of 2025 Yes No
 (6) Credits Child tax credit Credit for other dependents

Income Effectively Connected With U.S. Trade or Business
 Attach Form(s) W-2, 1042-S, SSA-1042-S, RRB-1042-S, and 8288-A here. Also attach Form(s) 1099-B, 1099-DIV, 1099-INT, 1099-NEC, 1099-PR, 1099-R, 1099-ROTH, 1099-SEP, 1099-S, 1099-SSA, 1099-T, 1099-TM, 1099-TX, 1099-UB, 1099-UNEMP, 1099-VA, 1099-VAE, 1099-VAE2, 1099-VAE3, 1099-VAE4, 1099-VAE5, 1099-VAE6, 1099-VAE7, 1099-VAE8, 1099-VAE9, 1099-VAE10, 1099-VAE11, 1099-VAE12, 1099-VAE13, 1099-VAE14, 1099-VAE15, 1099-VAE16, 1099-VAE17, 1099-VAE18, 1099-VAE19, 1099-VAE20, 1099-VAE21, 1099-VAE22, 1099-VAE23, 1099-VAE24, 1099-VAE25, 1099-VAE26, 1099-VAE27, 1099-VAE28, 1099-VAE29, 1099-VAE30, 1099-VAE31, 1099-VAE32, 1099-VAE33, 1099-VAE34, 1099-VAE35, 1099-VAE36, 1099-VAE37, 1099-VAE38, 1099-VAE39, 1099-VAE40, 1099-VAE41, 1099-VAE42, 1099-VAE43, 1099-VAE44, 1099-VAE45, 1099-VAE46, 1099-VAE47, 1099-VAE48, 1099-VAE49, 1099-VAE50, 1099-VAE51, 1099-VAE52, 1099-VAE53, 1099-VAE54, 1099-VAE55, 1099-VAE56, 1099-VAE57, 1099-VAE58, 1099-VAE59, 1099-VAE60, 1099-VAE61, 1099-VAE62, 1099-VAE63, 1099-VAE64, 1099-VAE65, 1099-VAE66, 1099-VAE67, 1099-VAE68, 1099-VAE69, 1099-VAE70, 1099-VAE71, 1099-VAE72, 1099-VAE73, 1099-VAE74, 1099-VAE75, 1099-VAE76, 1099-VAE77, 1099-VAE78, 1099-VAE79, 1099-VAE80, 1099-VAE81, 1099-VAE82, 1099-VAE83, 1099-VAE84, 1099-VAE85, 1099-VAE86, 1099-VAE87, 1099-VAE88, 1099-VAE89, 1099-VAE90, 1099-VAE91, 1099-VAE92, 1099-VAE93, 1099-VAE94, 1099-VAE95, 1099-VAE96, 1099-VAE97, 1099-VAE98, 1099-VAE99, 1099-VAE100.

Michigan Department of Treasury (Rev. 06-25), Page 1 of 3 Issued under authority of Public Act 281 of 1967, as amended.

2025 MICHIGAN Individual Income Tax Return MI-1040 Amended Return
 Return is due April 15, 2026. Type or print in blue or black ink. (Include Schedule AMD)

1. Filer's First Name M.I. Last Name 2. Filer's Full Social Security No. (Example: 123-45-6789)
 If a Joint Return, Spouse's First Name M.I. Last Name 3. Spouse's Full Social Security No. (Example: 123-45-6789)
 Home Address (Number, Street, or P.O. Box) _____
 City or Town _____ State _____ ZIP/Postal Code _____ Country Code _____ 4. School District Code (5 digits) _____

5. STATE CAMPAIGN FUND Check if you (and/or your spouse, if filing a joint return) want \$3 of your taxes to go to this fund. This will not increase your tax or reduce your refund.
 a. Filer b. Spouse

6. FARMERS, FISHERMEN, OR SEAFARERS Check this box if 2/3 of your income is from farming, fishing, or seafaring.

7. 2025 FILING STATUS. Check one.
 a. Single * If you check box "c," complete line 3 and enter spouse's full name below:
 b. Married filing jointly
 c. Married filing separately* _____

8. 2025 RESIDENCY STATUS. Check all that apply.
 a. Resident * If you check box "b" or "c," you must complete and include Schedule NR.
 b. Nonresident *
 c. Part-Year Resident *

9. EXEMPTIONS. NOTE: If someone else can claim you as a dependent, check box 9e, enter 0 on line 9a and enter \$1,500 on line 9e (see instr.).

a. Number of exemptions (see instructions).....	9a.		x	\$5,800	9a.		00
b. Number of individuals who qualify for one of the following special exemptions: deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled.....	9b.		x	\$3,400	9b.		00
c. Number of qualified disabled veterans.....	9c.		x	\$500	9c.		00
d. Number of Certificates of Stillbirth from MDHHS (see instructions).....	9d.		x	\$5,800	9d.		00
e. Claimed as dependent, see line 9 NOTE above.....	9e.	<input type="checkbox"/>			9e.		00
f. Add lines 9a, 9b, 9c, 9d and 9e. Enter here and on line 15.....	9f.				9f.		00

10. Adjusted Gross Income from your U.S. Form 1040 (see instructions)..... 10. _____ 00

11. Additions from Schedule 1, line 9. Include Schedule 1..... 11. _____ 00



Return Example
 Live Demo

Wrap Up



▶ website:
michigan.gov/treasuryoutreach

▶ email:
TreasuryOutreach@michigan.gov

Treasury Outreach

Contact Treasury

Business Taxes **517-636-6925**

i.e. Registration, SUW taxes, MRE tax, CIT, MBT, and FTE tax

Business Tax Technical **517-636-4230**

Collection Services Bureau **517-636-5265**

Detroit City Taxes **517-636-5829**

Essential Services Assessment **517-241-0310**

Individual Income Tax **517-636-4486**

International Fuel Tax Agreement **517-636-4580**

Miscellaneous Taxes **517-636-0515**

i.e. 911 Fee, Airport Parking, Bottle Deposit, Convention Facilities Tax, HICA, HMO Use Tax, IPAA, Severance Tax, and SRETT

Motor Carrier Tax **517-636-4580**

Motor Fuel **517-636-4600**

Property Tax **517-335-4410**

Tax Professionals Helpline **517-636-0616**

Taxpayer Advocate **517-636-4759**

Tobacco & Cigarette Taxes **517-636-4630**

Tribal **517-241-2185**

Unclaimed Property Claims **517-636-5320**

Unclaimed Property Holders **517-636-6940**

View more Treasury contact information at
michigan.gov/treasury/contact-us



michigan.gov/treasury

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