

## **Frequently Asked Questions – International Student Presentation 2023 Tax Return Season**

### **Where can I find the Michigan Individual Income Tax forms?**

Michigan tax forms can be found on our website at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

### **How do I know if I need to file a Michigan tax return?**

If you filed a Federal U.S. Nonresident Alien Income Tax Return (1040-NR) and have taxable income in Michigan that is not exempt per treaty, then you should file a Michigan tax return. If your adjusted gross income (AGI) from your federal 1040 is greater than your Michigan personal exemption allowance (\$5,400 in 2023), then you should complete an MI-1040 and all applicable Michigan forms.

### **What is the exemption allowance on the MI-1040?**

The exemption allowance is used to reduce the total Michigan taxable income. Generally, when an individual files their MI-1040, they are allowed to claim an exemption for themselves, their spouse, and their dependents.

### **Can I choose to file as a resident versus a nonresident of Michigan, even if I filed as a resident alien for federal purposes?**

For the State of Michigan, an individual must follow the provisions of the Michigan Income Tax Act to determine their Michigan residency status. Regardless of your residency filing status on your federal return, Michigan's law and guidance states that an individual is a nonresident of Michigan when their domicile is not in Michigan. A domicile is the permanent and principal home to which a person ALWAYS intends to return, even if they are temporarily located elsewhere. Typically, if you are considered to be in the United States on a temporary basis, you have an intent to ultimately return to your home country and will be considered a nonresident of Michigan.

### **I worked for a Michigan company remotely from another state. I was not in Michigan when I earned this income. Is it taxable to Michigan?**

This income is not taxable in Michigan because you were not physically in Michigan when you earned the income.

**How do I receive a refund or pay a tax due on the Michigan tax return when I am no longer in the United States?**

Michigan tax forms can be found on our website at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

If after completing and filing your Michigan tax return and it is determined that you are entitled to a refund, a check will be mailed to the address you entered on your 2023 Michigan tax return. Many of the larger United States banks have a presence in other countries and likely will accept an income tax refund check from Michigan. The Michigan Department of Treasury is unable to directly deposit funds into a foreign bank account.

If after completing and filing your Michigan tax return it is determined that you owe tax, the Michigan Department of Treasury can accept payment made by a credit card. More information on this form of payment can be found on our website at [www.michigan.gov/taxes](http://www.michigan.gov/taxes). You may also pay the tax you owe by submitting a check. The Michigan Department of Treasury will accept a check from a foreign bank as long as the currency is in the form of United States dollars.

**I am filing as a Michigan nonresident and I only have income from work I performed in another state. I did not work in Michigan. Is there a Michigan filing requirement?**

A student filing as a nonresident who only has income from another state would not be required to file a Michigan income tax return. For a nonresident, you would consider only Michigan items included in federal adjusted gross income (AGI) to determine if the filing of a return is required. However, someone who filed a federal return, used a Michigan address, and did not file a Michigan return may receive correspondence from the Michigan Department of Treasury inquiring why a Michigan return was not filed. For this reason, sometimes it may be beneficial to file a Michigan return to demonstrate that no tax is due.

**As a nonresident alien taxpayer filing a Michigan return as married filing separate or single, may I claim a personal exemption for my spouse?**

A nonresident spouse may claim a personal exemption for their spouse as long as the spouse has no gross income and is not a dependent of another taxpayer.

**If I am a nonresident alien and qualify to file a Michigan return as married filing joint, does my spouse need to live in Michigan in order to do so? May we each claim a personal exemption? May we claim our dependents on our jointly filed return?**

No, your spouse does not need to live in Michigan in order to file a married filing joint return with you. On a joint return, married taxpayers may each claim a personal exemption. For the personal exemption, it does not matter where the spouse resides. However, the personal exemption may be subject to proration. For dependency exemptions, Michigan follows federal law, and it is therefore appropriate to rely on IRS Publications 501 and 519.

**Would we be considered Michigan residents for tax purposes if we have been residing in Michigan for more than a year?**

Regardless of your residency filing status on your federal return, Michigan's law and guidance states that an individual is a nonresident of Michigan when their domicile is not in Michigan. A domicile is the permanent and principal home to which a person ALWAYS intends to return, even if they are temporarily located elsewhere. Typically, if you are considered to be in the United States on a temporary basis, you have an intent to ultimately return to your home country and will be considered a nonresident of Michigan.

**My taxable income is exempt based on treaty. Do I still need to file a Michigan tax return?**

If your federal adjusted gross income (AGI) is zero or less, you would not have a filing requirement in Michigan. However, someone who filed a federal return, used a Michigan address, and did not file a Michigan return may receive correspondence from the Michigan Department of Treasury inquiring why a Michigan return was not filed. For this reason, sometimes it may be beneficial to file a Michigan return to demonstrate that no tax is due.