

Frequently Asked Questions – International Student Presentation 2020 Tax Return Season

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.

I will be leaving Michigan and the United States at some point in 2021, and I will be filing a Michigan tax return. 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.

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 that you entered on your 2020 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. 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 Michigan 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 joint, may I claim a personal exemption for my spouse? Does it matter where my spouse lives? What about claiming my dependents?

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. For the personal exemption, it does not matter where the spouse resides. For dependency exemptions, Michigan follows federal law and it is therefore appropriate to rely on IRS Publications 501 and 519.