



Individual Income Tax for International Students

University of Michigan Webinar

March 2024

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.



Wes Murphy
*Individual Income Tax
Technical Services
Analyst*



**Mikayla
Anderson**
*Outreach Education
& Communication
Analyst*



Deb Salisbury
*Individual Income Tax
Technical Services
Auditor*



Alyssa Mocny
*Outreach Education
& Communication
Analyst*



Sarah Rusnell
*Treasury Outreach
Manager*

Treasury Crew

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.

TREASURY'S MISSION, VISION, and VALUES

MISSION

Providing fair and efficient financial services on behalf of taxpayers, governments, students, and all Michiganders, for the long-term fiscal health and stability of our state.

VISION

We are the innovative and inclusive resource provider of exceptional financial services for a better Michigan.

VALUES

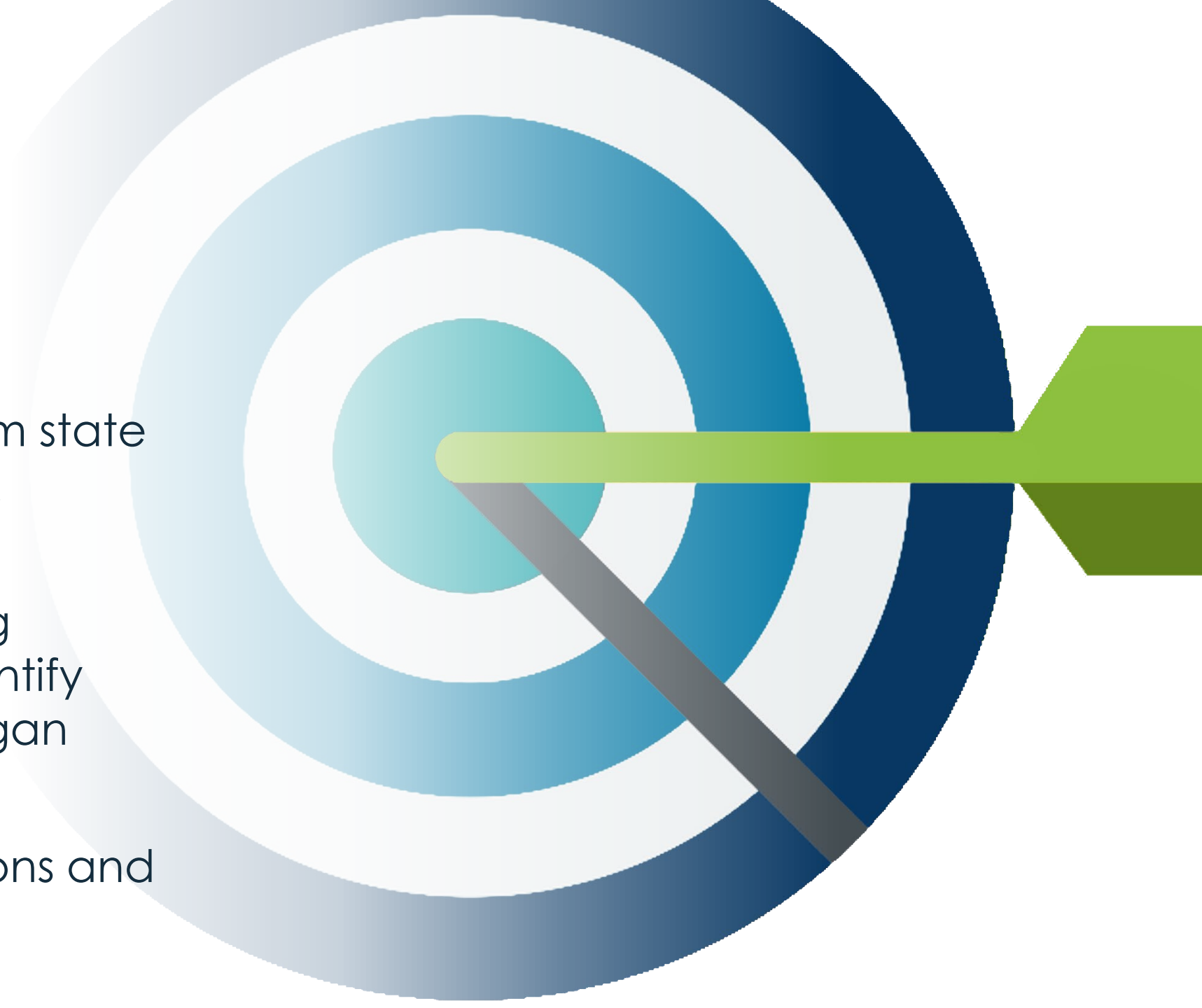
Integrity ~ Inclusion & Diversity ~ Innovation ~ Public Service



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

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



Distinguishing Taxes



Federal vs. State Taxes

► Federal Taxes

- due to the Internal Revenue Service; authority = Internal Revenue Code
- based on income
- taxpayer can be individuals, businesses, or other legal entities
- no federal sales and/or use tax

► State Taxes

- due to a state's revenue department; Michigan = Department of Treasury
- Michigan authority = Michigan Compiled Laws (MCL)
- can be based on income, business activity, property ownership, or government services
- taxpayer can be individuals, businesses, or other legal entities

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***

Individual Tax Requirements

- ▶ **Federal** income tax laws, rules, forms, etc. are separate and distinct from each state's income tax laws, rules and forms.
- ▶ **State** income tax returns are built from federal income tax return information.
- ▶ Complete the federal tax return before the applicable state tax return.

Tax Year 2023 Filing Requirements



Do you need to file a 2023 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

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 2023 Filing Guidance



Before You Begin...

► gather these federal documents:*

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

** this is not an exhaustive list*

Form **1040-NR** Department of the Treasury—Internal Revenue Service **2023** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2023, or other tax year beginning _____, 2023, ending _____, 2023. See separate instructions.

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

Home address _____ City, town, _____ Foreign country _____

Form 1042-S Foreign Person's U.S. Source Income Subject to Withholding **2023** OMB No. 1545-0096
Go to www.irs.gov/Form1042S for instructions and the latest information. **Copy A** for Internal Revenue Service

Department of the Treasury Internal Revenue Service

UNIQUE FORM IDENTIFIER _____ AMENDED ☐ AMENDMENT NO. _____

1 Income code _____ **2** Gross income _____ **3** Chapter indicator. Enter "3" or "4" _____ **13e** Recipient's U.S. TIN, if any _____ **13f** Ch. 3 status code _____

3a Exemption code _____ **4a** Exemption code _____ **3b** Tax rate _____ **4b** Tax rate _____ **13h** Recipient's GIIN _____ **13i** Recipient's foreign tax identification number, if any _____ **13j** LOB code _____

5 Withholding allowance _____ **6** Net income _____ **7a** Federal tax withheld _____ **7b** Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) ☐ **13k** Recipient's account number _____

7c Check if withholding occurred in subsequent year with respect to a partnership interest ☐ **13l** Recipient's date of birth (YYYYMMDD) _____

8 Tax withheld by other agents _____ **9** Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) _____ **14a** Primary Withholding Agent's Name (if applicable) _____

10 Total withholding credit (combine boxes 7a, 8, and 9) _____ **14b** Primary Withholding Agent's EIN _____ **15** Check if pro-rata basis reporting ☐ **15a** Intermediary or flow-through entity's EIN, if any _____ **15b** Ch. 3 status code _____ **15c** Ch. 4 status code _____

11 Tax paid by withholding agent (amounts not withheld) (see instructions) _____ **15d** Intermediary or flow-through entity's name _____ **15e** Intermediary or flow-through entity's GIIN _____

12a Withholding agent's EIN _____ **12b** Ch. 3 status code _____ **12c** Ch. 4 status code _____

12d With _____ **12e** With _____ **12f** Court _____ **12h** Add _____ **12i** City _____ **13a** Rec _____ **13c** Add _____

Attach Form(s) W-1042-S, SSA-1042-S, RRB-1042-S and 8288-A here. Also attach Form(s) 1099-B if _____

Form 1099-NEC Nonemployee Compensation **Copy 1**

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. _____ OMB No. 1545-0116
Form 1099-NEC (Rev. January 2022) For calendar year 20 _____

PAYER'S TIN _____ RECIPIENT'S TIN _____ **1** Nonemployee compensation \$ _____

RECIPIENT'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. _____

22222 **a** Employee's social security number _____ OMB No. 1545-0008

b Employer identification number (EIN) _____ **1** Wages, tips, other compensation _____ **2** Federal income tax withheld _____

c Employee's name, address, and ZIP code _____ **3** Social security wages _____ **4** Social security tax withheld _____

d Control number _____ **5** Medicare wages and tips _____ **6** Medicare tax withheld _____

e Employee's first name and initial _____ Last name _____ Suff. _____ **7** Social security tips _____ **8** Allocated tips _____

9 _____ **10** Dependent care benefits _____

11 Nonqualified plans _____ **12a** _____ **12b** _____ **12c** _____ **12d** _____

13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐ **14** Other _____

f Employee's address and ZIP code _____

15 State _____ Employer's state ID number _____ **16** State wages, tips, etc. _____ **17** State income tax _____ **18** Local wages, tips, etc. _____ **19** Local income tax _____ **20** Locality name _____

Form W-2 Wage and Tax Statement **2023** Department of the Treasury—Internal Revenue Service
Copy 1—For State, City, or Local Tax Department

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


2023 Tax Year Reminders

Tax Rate	4.05%
Personal Exemption Amount	\$5,400
2023 MI-1040	due April 15, 2024
Statute of Limitations	4 years
<i>you have 4 years from the return due date to claim a refund</i>	

Michigan Personal Exemption Allowance

- ▶ Michigan legislation restored personal exemptions that were suspended at the federal level
- ▶ prorated for a nonresident; Michigan source income divided by 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**
- ▶ federal 1040-NR-EZ is no longer available beginning tax year 2020

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
 - how to assemble
 - available (as well as tax forms) at michigan.gov/taxes



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

- ▶ **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

(Continued)

- ▶ **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

(Continued)

- ▶ 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 may 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.*

Return Example

Live Demo

Form 1042-S Department of the Treasury Internal Revenue Service		Foreign Person's U.S. Source Income Subject to Withholding Go to www.irs.gov/Form1042S for instructions and the latest information.		2023	OMB No. 1545-0096
		UNIQUE FORM IDENTIFIER <input type="checkbox"/> AMENDED <input type="checkbox"/> AMENDMENT NO.		Copy A for Internal Revenue Service	
1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"	13e Recipient's U.S. TIN, if any	13f Ch. 3 status code	
		3a Exemption code	13g Ch. 4 status code		
		3b Tax rate	4b Tax rate	13h Recipient's GILN	13i Recipient's foreign tax identification number, if any
				13j LOB code	
5 Withholding allowance				13k Recipient's account number	
6 Net income					
7a Federal tax withheld				13l Recipient's date of birth (YYYYMMDD)	
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions)					
7c Check if withholding occurred in subsequent year with respect to partnership interest					
8 Tax withheld by other agents					
9 Overwithheld tax repaid to recipient pursuant to adjustment process					
10 Total withholding credit (combine boxes 7a, 8, and 9)					
11 Tax paid by withholding agent (amounts not withheld) (see instructions)					
12a Withholding agent's EIN	12b Ch. 3 status code				
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 post office					
13a Recipient's name	13b Recipient's address				
13c Address (number and street)					
13d City or town, state or province, country, ZIP or foreign post office					

For Privacy Act and Paperwork Reduction Act Notice

Form 1040-NR Department of the Treasury—Internal Revenue Service		2023	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
U.S. Nonresident Alien Income Tax Return				
For the year Jan. 1–Dec. 31, 2023, or other tax year beginning _____, 2023, ending _____, 20____				
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, also complete spaces below.				
State				
ZIP code				
Foreign country name				

Filing Status Check only one box.	<input type="checkbox"/> Single <input type="checkbox"/> Married filing separately If you checked the QSS box, enter the number of the spouse's filing status: _____
Digital Assets At any time during 2023, did you: (a) receive a digital asset (or a digital asset that was converted to cash or other property) or (b) otherwise dispose of a digital asset (or a digital asset that was converted to cash or other property)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Dependents (see instructions):	(1) First name Last name
If more than four dependents, see instructions and check here <input type="checkbox"/>	
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 if	1a Total amount from Form(s) W-2, box 1 b Household employee wages not reported on line 1a c Tip income not reported on line 1a d Medicaid waiver payments not reported on line 1a e Taxable dependent care benefits from Form 8882 f Employer-provided adoption benefit g Wages from Form 8919, line 6 h Other earned income (see instructions) i Reserved for future use j Reserved for future use k Total income exempt by a treaty from line 1(e) z Add lines 1a through 1h 2a Tax-exempt interest

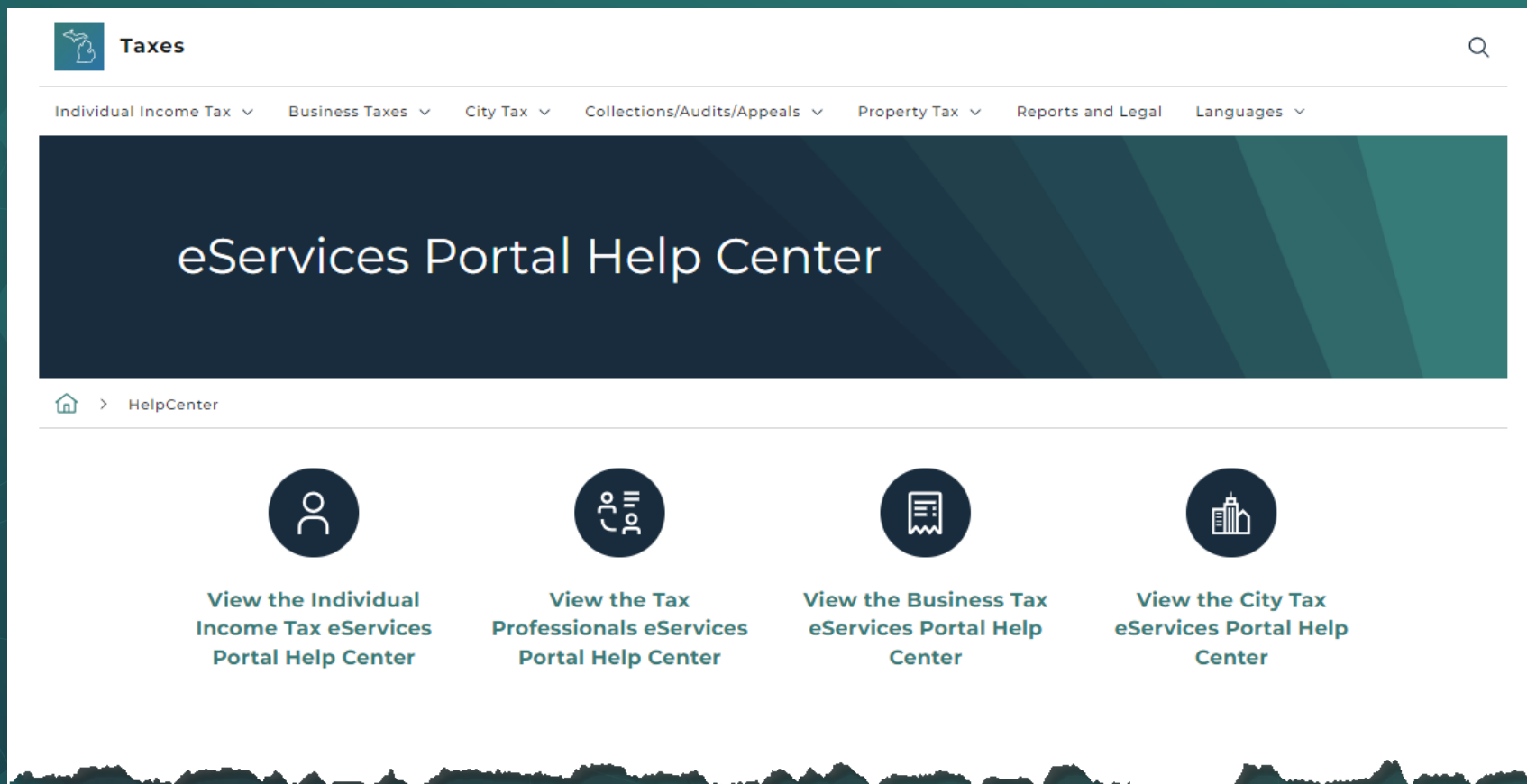
Michigan Department of Treasury (Rev. 10-23), Page 1 of 3		Issued under authority of Public Act 281 of 1967, as amended.	
2023 MICHIGAN Individual Income Tax Return MI-1040		Amended Return <input type="checkbox"/> (Include Schedule AMD)	
Return is due April 15, 2024. Type or print in blue or black ink.			
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)		4. School District Code (5 digits)	
City or Town		State	ZIP Code
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.		6. FARMERS, FISHERMEN, OR SEAFARERS <input type="checkbox"/> Check this box if 2/3 of your income is from farming, fishing, or seafaring.	
7. 2023 FILING STATUS. Check one. a. <input type="checkbox"/> Single b. <input type="checkbox"/> Married filing jointly c. <input type="checkbox"/> Married filing separately*		8. 2023 RESIDENCY STATUS. Check all that apply. a. <input type="checkbox"/> Resident b. <input type="checkbox"/> Nonresident * c. <input type="checkbox"/> 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. <input type="text"/>	x \$5,400	9a. <input type="text"/> 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. <input type="text"/>	x \$3,100	9b. <input type="text"/> 00
c. Number of qualified disabled veterans	9c. <input type="text"/>	x \$400	9c. <input type="text"/> 00
d. Number of Certificates of Stillbirth from MDHHS (see instructions)	9d. <input type="text"/>	x \$5,400	9d. <input type="text"/> 00
e. Claimed as dependent, see line 9 NOTE above	9e. <input type="checkbox"/>		9e. <input type="text"/> 00
f. Add lines 9a, 9b, 9c, 9d and 9e. Enter here and on line 15	9f. <input type="text"/>		9f. <input type="text"/> 00
10. Adjusted Gross Income from your U.S. Form 1040 (see instructions)		10. <input type="text"/> 00	

Treasury's Web Service Systems



The background of the image is a dark blue field filled with vertical columns of glowing blue binary code (0s and 1s). A large, semi-transparent dark blue circle is positioned on the left side, partially overlapping the text. The text 'Treasury eServices' is written in a bold, yellow, sans-serif font, centered within the circle.

Treasury eServices



michigan.gov/taxes/helpcenter



Where's My
Refund?



Guest Services

Where's My Refund?
Change My Address
View My Estimated Tax Payments
Estimated Tax Penalty and Interest
Calculator

[more...](#)



Account Services

Sign in or Create a New Account to
have access to all guest services plus
view and respond to correspondence.



Inquiries

You can ask questions, review answers,
request copies of letters, and [more...](#)

Individual
Income Tax
eService

Individual Income Tax eService – Overview

PURPOSE:
Questions & Correspondence

USER:
Taxpayer

TAX TYPE:
Individual

TREASURY AREA:
Customer Contact

FORM 151 SUBMISSION



Send via mail or fax

remit per contact information in form instructions

Individual Income Tax eService Overview

- ▶ specific to individual income tax (IIT)
- ▶ used by the taxpayer to:
 - check refund status
 - inquire about their tax account
 - ask Treasury general questions
 - change their address
 - view their estimated tax payments
 - calculate penalty and interest
- ▶ if the taxpayer creates eService log in credentials, they can view correspondence sent by Treasury and respond electronically
- ▶ able to retrieve and review answers to their questions
- ▶ all inquiries routed to Treasury's Customer Contact division for handling

Treasury Outreach

- ▶ website:
michigan.gov/treasuryoutreach
- ▶ email:
TreasuryOutreach@michigan.gov

Contact Treasury

Business Taxes	517-636-6925
<i>i.e., Registration, Sales, Use, and Withholding (SUW) taxes, Marihuana Retailers Excise (MRE) tax, Corporate Income Tax (CIT), Michigan Business Tax (MBT), Flow-Through Entity (FTE) tax</i>	
Business Tax Technical	517-636-4230
City Taxes (Business) – Detroit.....	517-636-5829
City Taxes (Individual) – Detroit.....	517-636-5829
Collection Services Bureau	517-636-5265
Essential Services Assessment	517-241-0310
International Fuel Tax Agreement (IFTA)	517-636-4580
Individual Income Tax	517-636-4486

Contact Treasury Continued

Miscellaneous Taxes **517-636-0515**

i.e., 911 Fee, Airport Parking, Bottle Deposit, Convention Facilities Tax, Health Insurance Claims Assessment (HICA), Health Maintenance Organization (HMO) Use Tax, Insurance Provider Assessment Act (IPAA), Severance Tax, and State Real Estate Transfer Tax (SRETT).

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

Motor Fuel **517-636-4600**

Property Tax **517-335-3429**

Taxpayer Advocate **517-636-4759**

Tax Professionals Hotline **517-636-0616**

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

Tribal **517-241-2185**

Unclaimed Property (Claimants) **517-636-5320**

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



[March 12th, 2024](#)

[March 13th, 2024](#)

Click for Survey!

We want your feedback!



michigan.gov/treasury

@MITreasury