



Individual Income Tax for International Students

University of Michigan Webinar

March 2025

Treasury Outreach

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



Disclaimer

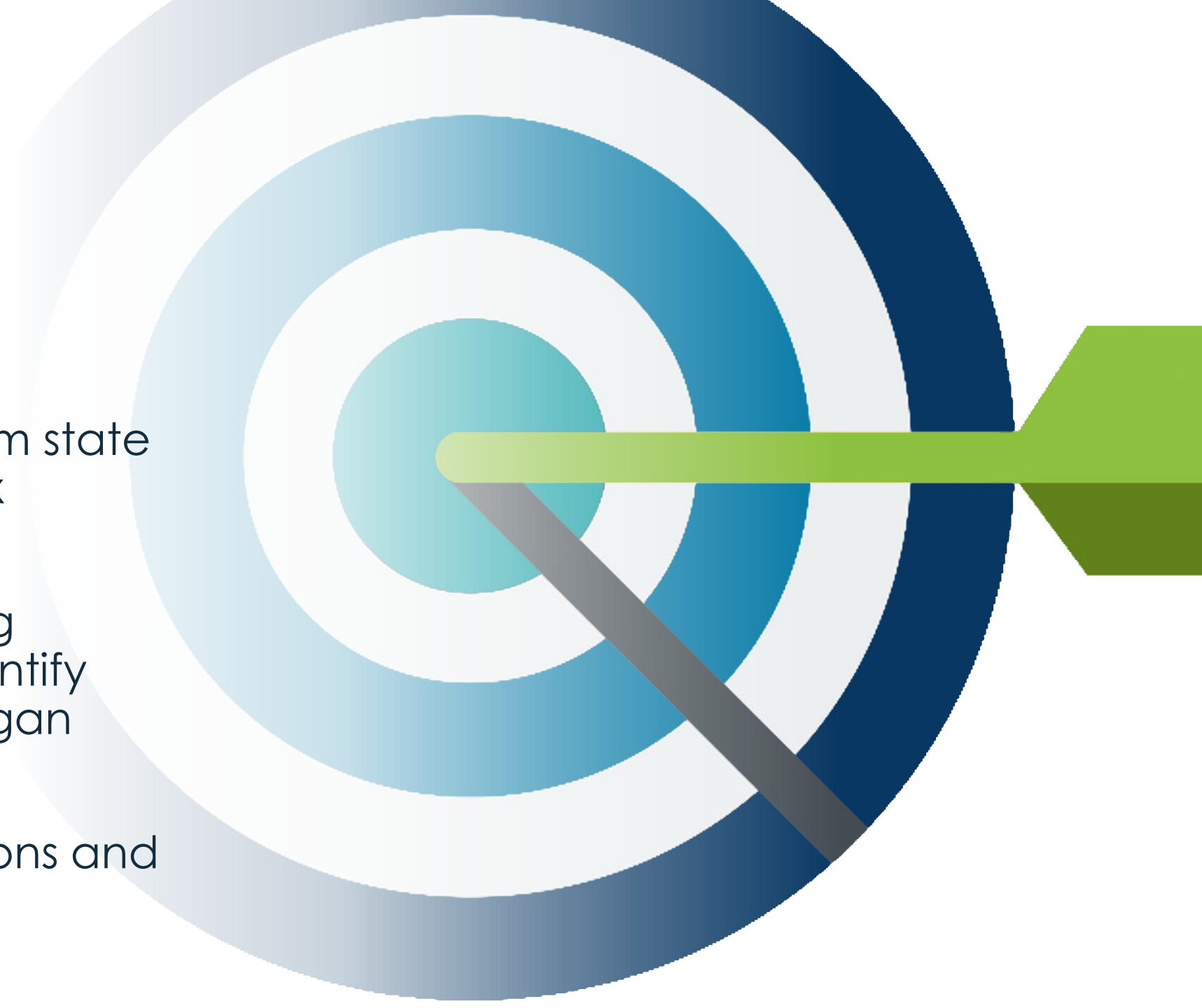
This handout is provided as part of a presentation and is for illustrative purposes only.

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



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

Tax Year 2024 Filing Requirements



Do you need to file a 2024 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 (\$5,600 for TY2024)

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 2024 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 shows three overlapping tax forms from the Department of the Treasury—Internal Revenue Service for the year 2024.

- Form 1040-NR (top):** U.S. Nonresident Alien Income Tax Return. It includes fields for the taxpayer's name, identifying number, and the tax year.
- Form 1042-S (middle):** Foreign Person's U.S. Source Income Subject to Withholding. It includes fields for the payer's name, address, TIN, and the recipient's TIN, along with various income and withholding codes.
- Form W-2 (bottom):** Wage and Tax Statement. It includes fields for the employer's name, address, EIN, and the employee's name, address, and social security number, along with detailed wage and tax information.

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**

2024 Tax Year Reminders

Tax Rate **4.25%**

Personal Exemption Amount **\$5,600**

2024 MI-1040 **due April 15, 2025**

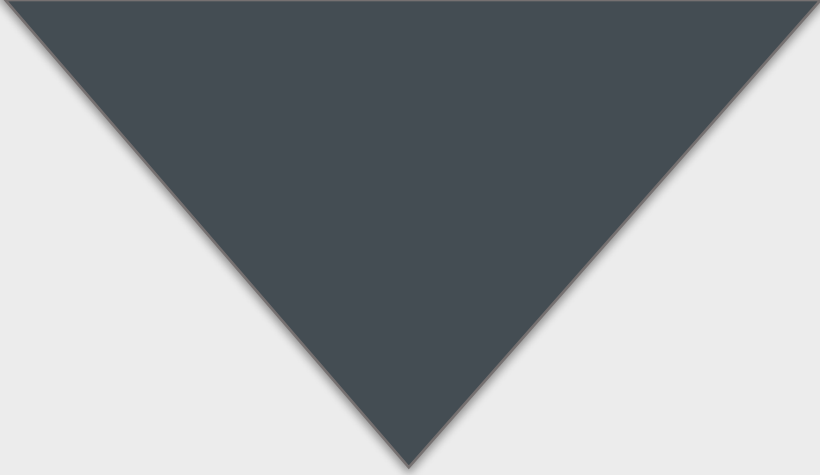
Statute of Limitations **4 years**

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 **1042-S** Foreign Person's U.S. Source Income Subject to Withholding **2024** 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" 13e Recipient's U.S. TIN, if any 13f Ch. 3 status code
 3a Exemption code 4a Exemption code 13g Ch. 4 status 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 13k Recipient's account number
 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)
 13l Recipient's date of birth (YYYYMMDD)
 7c Check if withholding occurred in subsequent year with partnership interest

Form **1040-NR** U.S. Nonresident Alien Income Tax Return **2024** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.
 Department of the Treasury—Internal Revenue Service
 For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20____. See separate instructions.
 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 _____

11 Tax paid by withholding agent (amounts not withheld) (\$ _____)

12a Withholding agent's EIN 12b Ch. 3 status code
 12d Withholding agent's name
 12e Withholding agent's Global Intermediary Identification
 12f Country code 12g Foreign tax identification number
 12h Address (number and street)
 12i City or town, state or province, country, ZIP or foreign
 13a Recipient's name 13b Recipient's address (number and street)
 13c Address (number and street)
 13d City or town, state or province, country, ZIP or foreign

Filing Status
 Single Married filing separately
 Check only one box.

Digital Assets
 At any time during 2024, did you: (a) receive or otherwise dispose of a digital asset (or a financial interest in a digital asset)?
 Yes No

Dependents
 (see instructions):
 (1) First name Last name
 If more than four dependents, see instructions and check here

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-R if

1a Total amount from Form(s) W-2, box
 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 8919, line 6
 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 Form 8919, line 6
 l Reserved for future use
 z Add lines 1a through 1h
 2a Tax-exempt interest 2b

Michigan Department of Treasury (Rev. 04-24), Page 1 of 3 Issued under authority of Public Act 281 of 1967, as amended.

2024 MICHIGAN Individual Income Tax Return MI-1040 Amended Return
 Return is due April 15, 2025. 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 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. **2024 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. **2024 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	\$5,600	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	\$3,300	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	\$5,600	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



Return Example
 Live Demo

Treasury eServices



Welcome to the eServices portal! This Treasury portal offers one place for taxpayers to manage all their Individual Income Tax needs.

eServices
Individual Income Tax
Michigan Department of Treasury

Login

Menu

Where's My Refund

Have access to a personalize dashboard to manage your owned debt

Where's My Refund



Guest Services

[Where's My Refund?](#)

[Change My Address](#)

[View My Estimated Tax Payments](#)

[Estimated Tax Penalty and Interest Calculator](#)

[View 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**

etreas.michigan.gov/iit

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

eServices Help Center

The screenshot shows the Michigan Taxes website's eServices Help Center. At the top left is the Michigan state logo and the word "Taxes". To the right is a search icon. Below this is a navigation bar with dropdown menus for "Individual Income Tax", "Business Taxes", "City Tax", "Collections/Audits/Appeals", "Property Tax", "Reports and Legal", and "Languages". The main header area has a dark teal background with the text "eServices Help Center". Below the header is a breadcrumb trail: a home icon followed by "> eServices Help Center". The main content area features five circular icons, each with a specific tax-related icon and the text "Business Tax eService Help Center", "City Tax eService Help Center", "Collections eService Help Center", "Individual Income Tax eService Help Center", and "Tax Professionals eService Help Center".

michigan.gov/taxes/helpcenter

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 **517-335-3429**

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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