

Individual Income Tax for International Students
University of Michigan – Webinar
March 21 & 22, 2023

Thank you for attending the webinars hosted by the University of Michigan on Individual Income Tax for International Students. Below is a transcript of the questions addressed within the two events by representatives from the Michigan Department of Treasury (Treasury). Please keep in mind that some questions may have been altered for conciseness and clarity, or to minimize redundancy. For the slide deck and associated handouts, view the [University of Michigan International Center's website](#).

The following questions are general and clarifying in nature; account specific inquiries were directed to reach out directly to the Outreach Team at Treasury by emailing TreasuryOutreach@michigan.gov.

For more information on tax assistance through the University of Michigan, please look at the dedicated webpage on the [International Center's website](#). This includes resources such as the virtual [Getting Tax Ready!](#) presentation, which is designed to provide F-1 and J-1 international students and scholars with an overview of the U.S tax filing process. Additionally, you can find information about [Glacier Tax Prep](#), which is still the tax software available free of charge to University of Michigan and Ann Arbor international students and scholars for federal tax form preparation.

Session I (3/21)

1. Can non-resident aliens use Spintax to file federal (and state) taxes? Is the waiting time shorter than when filing taxes by mail?
A: The Michigan Department of Treasury (Treasury) cannot provide guidance on the usage of software. A list of approved software for filing a Michigan return can be found on Treasury's [website](#).
2. Is there a deadline to submit federal and state tax forms?
A: The IRS sets the official start of tax season and the deadline for filing individual income tax returns. Michigan follows these federal guidelines. Typically, "tax day" is April 15th, however this year the 15th falls on a weekend and the next business day is a federal holiday. Therefore, for tax year 2022, the last day to file and pay your state and federal returns without an extension is April 18, 2023.
3. For people that received a Substitute Form 1099-G for the previous tax year in the mail, does that need to be reported on state taxes?
*A: If you claimed itemized deductions on your 2021 federal income tax return and received a Michigan individual income tax refund in 2022, you will be mailed a 2022 Michigan Substitute Form 1099-G. **This is not a bill.** This is an information statement only, you will need to report the refund and interest amounts to the IRS, you do not need to report this information on your state taxes. Review the [1099-G explanation](#).*
4. Does the State of Michigan automatically withdraw taxes from international students' paychecks?
A: No, the State of Michigan does not automatically withdraw taxes from international students' paychecks. However, your employer may have a requirement to withdraw tax for the State of Michigan from your paycheck. To confirm whether or not you have had tax withheld from your paycheck consult the W-2 that you receive from your employer or contact your employer's payroll department.
5. Does fellowship income (as opposed to wage income) need to be reported? Is fellowship income taxed?
A: Treasury cannot provide guidance on questions relating to federal taxation.

6. Is there any software which is free to file state taxes?

A: There are multiple software options available when it comes to e-filing your return in Michigan. You can view both free and paid options on Treasury's [website](#).

7. What files are needed for a resident alien (resident for tax purpose)?

A: Treasury cannot provide guidance on questions relating to federal taxation. However, even if you are considered a resident alien for federal taxation purposes you may still be a non-resident of Michigan. You are a resident of Michigan 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.

8. I've heard that by paying rents your state tax may be lowered. Is it true?

A: Nonresidents of Michigan are not eligible to claim the Homestead Property Tax Credit which is based on rent or the Home Heating Credit.

You may claim a property tax credit if all of the following apply:

- *Your homestead is located in Michigan.*
 - *You can have only one homestead at a time and you must be the occupant as well as the owner or renter.*
 - *Your homestead can be a rented apartment or a mobile home on a lot in a mobile home park.*
 - *A vacation home or income property is not considered your homestead.*
 - *Your homestead is in your state of domicile. Domicile is the place where you have your permanent home. It is the place to which you plan to return whenever you go away. College students and others whose permanent homes are not in Michigan are not Michigan residents. Domicile continues until you establish a new permanent home.*
- *You were a Michigan resident [for](#) at least six months in 2022.*
- *You own your Michigan homestead and property taxes were levied in 2022, or you paid rent under a rental contract.*

9. If my income comes from 2 states (Michigan and California). How should I file the state tax?

A: Since you earned income in another state in the 2022 tax year, you have to first identify whether that state is [reciprocal](#). In this instance, California is not reciprocal with Michigan. To file your state tax returns, you will need to [allocate your income](#) between the two states. For more details on different sources of income, please refer to [RAB 2017-13](#). Also, example 2 in the presentation details this exact scenario. You should have all pages of example 2 in your handouts available at the [University of Michigan website](#).

10. I didn't understand the Michigan personal exemption allowance—does this mean that \$5,000 of our income is not taxed?

A: Yes, the personal exemption allowance is a subtraction that all Michigan filers with income are allowed to subtract. It is used to calculate your taxable income. For non-residents the personal exemption is prorated by dividing your Michigan sourced income by total income, and then reducing the \$5,000 personal exemption by the resulting percentage. This calculation is completed on lines 15 through 19 of the Michigan Schedule NR.

11. Nonresidents can subtract fellowships; how should I file?

A: Treasury cannot provide guidance on questions relating to federal taxation. For Michigan taxation non-residents are not taxed on scholarships received for tuition, fees, books, supplies and room and board, to the extent they are included in AGI, may be subtracted from Michigan taxable income using the Michigan Schedule NR and Michigan Schedule 1. See [example 1](#) from the presentation for further guidance.

12. Where can we find the forms necessary (e.g. completed 1040; Schedule-NR; 1042-S; W-2; 1099) to file both federal and state taxes? Are they available in some of the tax prep software suggested in the emails sent prior this session?

A: The necessary state forms can be found on Treasury's [website](#). Federal tax forms are available on the [IRS website](#). Reference approved tax preparation software [here](#). W-2 and 1099 forms are provided to you by your employer. 1042-S is provided to you by the university.

13. I don't think non-residents can e-file federal taxes—can we e-file state taxes?

A: If you file a federal 1040-NR, you can e-file both federal and Michigan tax returns. Please note that the University of Michigan's tax preparation software, Glacier Tax Prep, does not currently support e-filing.

14. Is the federal income tax withheld field on W-2 a total sum for 2022?

A: Yes. Please check the general instructions for Forms W-2 and W-3 on the [IRS website](#) if you have further questions.

15. Where can we get the 1040 empty form? I only received 1042 from the bank.

A: Michigan income tax forms are available for download on Treasury's [website](#). Take a look at our [MI-1040 Forms and Instructions booklet](#) for guidance on that form. The blank fillable form is available here on Treasury's [website](#). Federal tax forms are available to download on the [IRS website](#).

16. What if my nationality is different but my country of residence is different? What do I put down for country code?

A: Treasury cannot provide guidance on questions relating to federal taxation.

17. What are the federal tax filing steps for international students considered as Resident Aliens?

A: This is a federal question, please visit the [IRS website](#).

18. If I use the software the university provides to fill out the tax return forms, should I still fill these forms by myself?

A: Whether you use your university's software, other e-file software, or engage the services of a tax professional to help you complete state tax returns, you should not complete and submit the tax forms again. You should always retain a copy of what has been filed on your behalf, including any confirmation numbers.

19. If my Michigan income in 2022 is 0 (no MI on my W-2), is it optional to file Michigan taxes?

A: You must file a state tax return in Michigan if you owe tax, are due a refund, or your AGI exceeds your exemption allowance. You should also file a Michigan return if you file a federal return, even if you do not owe Michigan tax. This will eliminate unnecessary correspondence from Treasury. If your income subject to tax (MI-1040, line 14) is less than your personal exemption allowance (line 15) and Michigan income tax was withheld from your earnings, you must file a return to claim a refund of the tax withheld. Please review the "Who must file a return" section on page 3 of the [2022 MI-1040 Booklet](#).

20. If we owe state tax and have to pay, can we pay online for Michigan?

A: If you owe tax, payments can be made using Michigan's [e-Payments](#) service. You may pay by direct debit (e-Check) from your checking or savings account, credit card, or debit card.

21. Is it better to e-file or paper file state taxes? What are the advantages/disadvantages?

A: E-file is generally preferred as it eliminates many of the simple errors that can lengthen processing times and lead to unnecessary tax bills. If you e-file a return, allow 2 weeks from the date you received confirmation that the state return was accepted before checking the return or refund status. If you paper-file a return, allow 6 weeks before checking return or refund status.

22. If income has been received from another country, like Canada, will it have to be included in the federal tax return?

A: Treasury cannot provide guidance on questions relating to federal taxation.

23. If I only have a grant from University of Michigan and am eligible for tax treaty exemption, how can I file the federal tax and state tax? What if I have mixed income (scholarship and wage)?

A: Treasury cannot provide guidance on questions relating to federal taxation. For state tax the Michigan return begins with your federally computed Adjusted Gross Income (AGI), and then is subject to certain additions and subtracts. Non-residents of Michigan are not taxed on scholarships received for tuition, fees, books, supplies and room and board. To the extent these scholarships are included in AGI they may be subtracted from Michigan taxable income using the Michigan Schedule NR and Michigan Schedule 1. Non-residents of Michigan are taxed on wages earned while physically present in the state of Michigan. See [example 1](#) from the presentation for further guidance.

24. Just to confirm, I am a non-US citizen and a UK permanent resident, with a temporary, one-year J1 fellowship/contract in the USA. Can you confirm that I should fill the non-resident forms, and clarify if I am exempted of taxes due to my UK permanent residency?

A: Treasury cannot provide guidance on questions relating to federal taxation. For information regarding determining your residency status in Michigan see the [MI-1040 instruction booklet](#).

25. If my total income was less than \$5,000, is there any need to file a return?

A: You must file a state tax return in Michigan if you owe tax, are due a refund, or your AGI exceeds your exemption allowance. You should also file a Michigan return if you file a federal return, even if you do not owe Michigan tax. This will eliminate unnecessary correspondence from Treasury. If your income subject to tax (MI-1040, line 14) is less than your personal exemption allowance (line 15) and Michigan income tax was withheld from your earnings, you must file a return to claim a refund of the tax withheld. Please review the "Who must file a return" section on page 3 of the [2022 MI-1040 Booklet](#).

26. If I have only a scholarship (Form 1042-S) and do not receive a wage from the United States (do not have a W-2 form), should I still fill the Michigan taxes?

A: Although Michigan does not tax scholarship income, Treasury recommends filing a tax return in order to avoid unnecessary inquiries from the state.

27. Does the Department of Treasury send a confirmation email when I mail return documents? Where can I mention my contact details like email and phone number?

A: Treasury does not communicate "return received" confirmation for paper filed returns. If you submit tax information electronically, you will likely receive a confirmation message from the tax preparation software that the documentation has been captured and sent.

28. How can we know if research fellowships are taxable or not?

A: You would need to refer to your specific home country's treaty with the United States.

29. So, if we are filling out the form for 2022, do we include the earnings up to now? (Jan 2022 - March 2023?)

A: You would only need to include earnings received during tax year 2022 on your 2022 tax return. (January 1, 2022 through December 31, 2022.) Your earnings are totaled on the W-2 issued to you by your employer for each year. It is a source document to use when completing tax returns.

30. Who should we ask federal tax questions to?

A: You should direct federal tax questions to the [IRS](#) or a qualified tax professional.

31. Tax Treaties - I'm a citizen and live in a state having a treaty of "exempt from tax." Is it good for Michigan as well?
A: Treasury cannot provide guidance on questions relating to federal taxation. If after review of the treaty that applies to your income, you do not file a federal 1040NR, or you do not have any Adjusted Gross Income from the federal return, you would not need to file a Michigan income tax return.
32. If I received the fellowship this tax year, I only can view a 1098-T form, without W-2 or other necessary files (1042-S) in the Wolverine Access. How can I check other necessary information in Wolverine Access?
A: According to our University of Michigan host, to view or print your 2022 Form W-2, go to Wolverine Access, select the Payroll Tax Forms (W-2, W-4) link, then View W-2/W-2-c Forms. If you have difficulty accessing your W-2 or other tax forms provided by U-M, please email payroll@umich.edu.
33. Is a stipend for research considered a wage?
A: Treasury cannot provide guidance on questions relating to federal taxation.
34. I am a resident for tax purposes. And I joined University of Michigan last December. I was in Illinois before. Should I file state taxes in both places?
A: Treasury cannot provide guidance on questions relating to Illinois taxation; you should confer with Illinois Department of Revenue regarding your filing obligation with Illinois. You would be required to file a Michigan return if you have Michigan sourced income that exceeds your personal exemption.
35. I've tried 2 of the free e-file options on the Michigan state tax website. Seems like they are not well suited to non-tax residents. They're not showing the MI 1040-NR. Should I continue using the e-file software for my state taxes?
A: Treasury cannot provide guidance on the usage of software. A list of approved software for filing a Michigan return can be found on Treasury's [website](#).
36. If my fellowship ends in August 2023, but I am returning to the UK to work remotely from there, will I have to file another tax return in the future?
A: Treasury cannot provide guidance on whether you will have a filing requirement in the future.
37. When I mail returns, is it mandatory to mail it certified with a return receipt?
A: Certified mail is not a requirement.

Questions and answers continue on the next page.

Session II (3/22)

1. If someone did not work in the United States the whole year but worked overseas remotely and brought that as bank transfer in a United States/Michigan bank account, how would they report income and file for tax?

A: Income taxable to Michigan is generally earned in Michigan, such as income reported on a W-2 or 1099. Income reported on a federal form 1042-S is taxable in Michigan if it's coded 19 or 20 in box 1. If you were not physically located in the state of Michigan when the income was earned it would not be taxable to Michigan in the scenario you described.
2. I recently became a resident alien, but I was a nonresident alien last year. Should I still file as a resident alien? I have also received 1042-S for 2022. Do I need to include the 1042-S in my return if I file as a resident alien?

A: Resident alien and nonresident alien are filing statuses that pertain to filing a federal tax return. In Michigan, even as a resident alien you would not be considered a resident of Michigan since you are not domiciled in Michigan. If you received income reported on a form 1042-S for 2022 that is coded 16 it is not taxable in Michigan. If the income is coded 19 or 20 on the form 1042-S it is taxable in Michigan to the extent it is in federal Adjusted Gross Income.
3. If a non-resident has only been in the United States for a few months, do you need to specify that you didn't work the whole year?

A: No.
4. If someone is receiving a scholarship from university and tuition fee from a financial institution, how will it affect tax returns?

A: Scholarship income for Michigan non-residents reported on a 1042-S is not taxable in Michigan. If this income was included in your federal Adjusted Gross Income, it may be subtracted from Michigan taxable income using the Michigan Schedule NR and Schedule 1.
5. If we worked in another state for a time, do we need to do state taxes in Michigan?

A: If you were physically in the state of Michigan earning income during any part of the year, you would file a Michigan MI-1040 as a non-resident and use Schedule NR to show the income you earned in Michigan as it is taxable in Michigan. The income earned while you were physically in another state is not taxable in Michigan for a non-resident and can be removed using Schedule NR and Schedule 1.
6. I am hired at the University of Michigan as a full-time staff working as a research scholar. They didn't issue me a 1042-S. Should I have received one?

A: That would be something you should consult with the University of Michigan about regarding your income.
7. My 1042-S has an income code 16; do I need to file a Michigan Tax return?

A: Code 16 indicates scholarship income. This income may be taxable federally and therefore be included in federal Adjusted Gross Income. Since AGI is the starting place for income that is taxable in Michigan, it would be wise to file a Michigan MI-1040 and removed the scholarship income from Michigan taxable income using Schedule NR and Schedule 1. This shows Treasury that even though you had federal AGI income, the scholarship income was actually not taxable in Michigan.

8. As a non-resident, should I report taxes even if I have no income from the United States at all, and only interest on deposits transferred from my home country?
A: If you filed a federal 1040-NR and had income in Adjusted Gross Income you should file a MI-1040 if you lived in Michigan as a non-resident. If your only federal taxable income was interest on a bank or investment account, that interest would not be taxable in Michigan. You would remove it using the Michigan Schedule NR and Schedule 1.
9. My adjusted gross income is less than 5,000 (1040-NR line 11). Does it mean that I do not need to file a state tax return? Income has code 16.
A: You must file a state tax return in Michigan if you owe tax, are due a refund, or your AGI exceeds your exemption allowance. You should also file a Michigan return if you file a federal return, even if you do not owe Michigan tax. This will eliminate unnecessary correspondence from Treasury. If your income subject to tax (MI-1040, line 14) is less than your personal exemption allowance (line 15) and Michigan income tax was withheld from your earnings, you must file a return to claim a refund of the tax withheld. Please review the "Who must file a return" section on page 3 of the [2022 MI-1040 Booklet](#).
10. If a nonresident alien receives a signing bonus from a future employer office based in another state, is this amount Michigan taxable?
A: The bonus will likely be included on a W-2 or 1099 as income attributable to the state you will be physically working in when you begin your employment. Please provide additional information or contact information if you would like this question analyzed in depth to TreasuryOutreach@michigan.gov.
11. Can I file my Michigan tax as married filing jointly even though I cannot do that on the federal return to maximize the exemptions?
A: If you filed a joint federal income tax return, you must file a joint Michigan income tax return. If you and your spouse filed separate federal returns, you may file separate or joint Michigan returns.
12. How does the exemption work if you only have one source of income?
A: As a non-resident your exemption allowance is prorated between Michigan income in adjusted gross income (AGI) and income that is not taxable in Michigan. If all your income is attributable to Michigan you would receive 100% of the \$5,000 exemptions allowance to subtract from Michigan taxable income on page 1 of the MI-1040 form. If all your income is attributable to another state, you would receive 0% of the exemption allowance.
13. In which cases it is not needed to file state taxes? Could you please explain this in more detail?
A: Please refer to "Who must File a Return" section on page 3 of the [2022 MI-1040 Booklet](#).
14. Could someone please clarify which of these forms are received from your employer (i.e. filled out by HR) and which the individual needs to fill out?
A: Form W-2 and form 1099 are supplied by employers to employees. Form 1042-S is provided by the university who supplied you with the scholarship or other income related to working for the university or taking classes from the university. Form MI-1040, MI Schedule 1, MI Schedule NR and MI Schedule W are Michigan income tax forms that you must fill out to determine your Michigan taxable income and how much Michigan income tax you owe on that income.
15. If my employer didn't issue me a 1042-S, do I have to file state taxes?
A: If you had federal AGI you must file a Michigan state tax return to determine your Michigan taxable income.

16. All my income was reported in a 1042-S form under code 16, and it is less than 5,000 dollars (I did not receive Form W-2); do I need to file state taxes?
A: While you do not have a filing requirement, since none of your income is taxable in Michigan as a non-resident receiving scholarship income, it is advisable to file the MI-1040 to show Treasury that none of the federal AGI is taxable in Michigan.
17. I am a PhD student. I am in fellowship this year; my tuition fee is waived, and I got a monthly stipend. The only form that I have is 1098-T form. Do I need any other format to fill the taxes like W-2?
A: The form 1098-T reports tuition and fees, and scholarship or grant income you were issued. It is not a form showing income for Michigan taxable income.
18. I didn't file my state tax properly last year. I didn't include the \$5,000 exemption. I paid more than I should. How can I reclaim my refund from last year?
A: To correct filed tax information on a current or prior year return, fill out a new Michigan form MI-1040 and check the "Amended Return" box. Include a completed Schedule AMD and supporting documentation. Please refer to the MI-1040 Booklet for the appropriate tax year for more information. You can find past-year forms on the [Individual Income Tax](#) page of Treasury's website. You have 4 years from the due date of the tax return to claim a refund.
19. Do we have to file returns for other states, if income is from other states as well, in addition to Michigan?
A: Treasury cannot advise you as to whether your income from other states is taxable in the other states. You would have to contact the other state's revenue department to determine if you should file a tax return for that state.
20. Why in the first example, the \$6,000 scholarship was listed as income in other states?
A: The title of column c on the Michigan Schedule NR uses "income in other states" to represent any income that is not taxable in Michigan.
21. How much scholarship needs to be reported on Schedule 1 (Form 1040)? Where can I find the treaty agreement?
A: Although we cannot advise on matters of federal taxability, the United States Income Tax Treaties should be available on the [IRS website](#).
22. I am a PhD student. I was on fellowship until December. I don't owe any state taxes and on filling the information on SprintTax software for state tax it says that no need to file state tax. Should I still file it?
A: If you filed a federal 1040-NR and generated federal Adjusted Gross Income it's advisable to file the Michigan MI-1040 to determine if you had Michigan taxable income.
23. In my case I had two internships/part-time work at Michigan—does that mean my state income is the same as federal income, and I don't have any adjustments to fill out?
A: If all the income you earned in 2022 was earned while you were physically in Michigan, then you would not have to file Michigan Schedule NR or Schedule 1. You would receive 100% of the \$5,000 exemption allowance.
24. If tax is owed from the previous tax year (as I did not know I had to file), how is that resolved?
A: File the appropriate year's MI-1040 and pay the tax due immediately. You may pay online on Treasury's [website](#) using the online payment portal. Or you may mail in a check or money order using the voucher form found online at our website with the individual income tax forms. Including the payment voucher with your entire social security number on it will ensure your payment is credited to your account against your tax due. It may be beneficial to determine whether or not you are eligible for the [voluntary disclosure program](#).

25. I am currently applying for an ITIN and filing my federal tax return. I have scholarship income. Should I wait to get the ITIN to file state taxes? Would it be necessary to file an extension? As a follow up, I will file the tax return and the ITIN application. My income is only from scholarships, so I still I need to file the extension with an NRA where the SSN is necessary.

A: You may paper file your Michigan tax returns indicating NRA where the social security number should be along with documentation showing you applied for the ITIN. Since you indicate all your income is scholarship income, which is not taxable in Michigan, no extension is necessary. Or you may wait to file the Michigan MI-1040 when you receive your ITIN without penalty because you will owe no Michigan tax.

26. I do not have any income from university, but I received full fellowship for my postdoc from an organization in Michigan. I do not receive any form from them. Should I calculate myself how much fellowship that is taxable?

A: No.

27. If I have accidentally filed a return incorrectly (as a resident and not as a nonresident), how can I make the amendments?

A: To correct filed tax return information fill out a new form and check the "Amended Return" box. Include a completed Schedule AMD and supporting documentation. Please refer to the MI-1040 Booklet for the appropriate tax year for more information. You can find past-year forms on the [Individual Income Tax](#) page of Treasury's website. You have 4 years from the due date of the tax return to claim a refund.

28. How do I access my W-2 Form from if I was an employee of the University of Michigan?

A: According to our University of Michigan host, in January, you may have received an email entitled "Your 2022 University of Michigan Form W-2 is Now Available." This email included instructions to access your W-2 on the Wolverine System. To view or print your 2022 Form W-2, go to [Wolverine Access](#), select Payroll Tax Forms (W-2, W-4), and View W-2/W-2-c Forms. You can also email U-M Payroll at payroll@umich.edu with any questions.