Taxes for international students

Go to http://oisshome.wustl.edu/taxes/FilingTaxes.html for tax information from the Office for International Students and Scholars.

Disclaimer: We are not tax experts, and cannot be held responsible for your tax forms. (neither can DBBS, WashU, etc...)

Tax Lingo

- Income – Deductions = Adjusted Gross Income
- Exemptions deal with the number of people you are supporting (food, housing, etc.)
- The government gives you a certain amount “tax free” to cover things they don’t charge taxes on (e.g. state taxes) – AKA the standard deduction.
- Adjusted Gross income – Exemptions – Standard deduction (or itemized) = Taxable income
- Deductions reduce the money you’re taxed on
- Credits reduce the amount of taxes you have to pay

Income

- W2 forms (if taxes are withheld)
- WashU fellowship (taxes not withheld) – you will not get a W2! But you should receive a letter

Deductions for Grad Students

- Moving expenses
  - Form 3903, Publication 521
  - Only if you moved >50 miles, includes storage costs, lodging, tolls, and $.24/mile, but not meals
- IRA deductions (traditional, NOT Roth)
  - $5,000 maximum
- Student loan interest deduction
  - Publication 970

Standard vs Itemized Deductions

- Standard deduction is $5,700 ($11,400 married filing jointly) for 2009
- OR you can itemize deductions
  - Only do this if you paid over $5,700 in...
  - Medical/Dental expenses (has to be >7.5% of your adjusted gross income)
  - Personal property taxes
  - Charitable donations
  - Real estate taxes
  - Home mortgage interest
- If claimed as a dependent on someone else’s taxes, likely $5,700, but you will have to do a worksheet when you do your taxes in April to check this
  - You will NOT get any exemptions for federal or state
Tax Credits

- Higher Education
  - Publication 970, Form 8863 or Form 8917
  - "qualified expenses" only
  - Tuition
  - Course-related fees – must be required of all students in the course
  - If you pay your own fees (generally, starting in your 4th year), some of this may be eligible (you will get a 1098-T form)

- Child and Dependent Care
  - Publication 503 and 972, Form 2441

- EIC (earned income credit)
  - In 2009, <$35,463 ($40,463 married filing jointly) with at least 1 child

What are estimated taxes?

- The government wants you to pay 90% of what you will owe on Apr. 15 throughout the year. If this sum is >$1000, and you don’t have taxes automatically withheld, you have to submit your estimated tax payments quarterly

- This mostly affects 1st and 2nd years, since taxes not withheld from fellowships paid through Division

- Once you start getting taxes withheld, you can stop making these payments

Partial year residents

- Must fill out a state tax form for each state where you had an income
- But, you only have to pay taxes in that state for what you made in that state

- In MO, use MO-1040, and either MO-NRI or MO-CR to get credit for what you paid to other states (whichever one benefits you more)

Important forms

- Federal 1040 (or 1040A or 1040-EZ)–listed most to least complicated-- for 2009
  - If you paid Estimated Taxes, must use 1040A or 1040
  - If deducting moving expenses, must use 1040
  - If itemizing deductions, must use 1040 and complete Schedule A

- MO 1040 (or 1040A) for 2009
  - MO 1040A if single, or married with one income
  - MO 1040 if you are paying taxes in another state, or married filing jointly

- Estimated tax forms Federal 1040-ES and MO 1040-ES for 2010
  - only if not being withheld from your paycheck

Important Dates

- April 15, 2010, you must file:
  - Federal and State forms for 2009
  - Federal and State forms for Estimated 2010 (if applicable)

- 2010 Estimated Tax Payment Dates
  - April 15, 2010
  - June 15, 2010
  - September 15, 2010
  - January 15, 2011
  - April 15, 2011 (anything left to pay; with 1040 form)

A stream of hints from someone who’s been there

- Get it done early! You don’t want to be crying on April 14
- READ THE INSTRUCTIONS! Don’t be afraid of tax terms. (you’re a Ph.D. student…you can do it!)
- KEEP A COPY! W2s, necessary receipts, and the forms you sent out. For at least 7 years
- Write Form # (including year) and SSN on all checks
- Collect any tax forms, etc. in one place through the year, keeping years separate
- Start with federal, then do state forms
A stream of hints from someone who’s been there

- Write down payment info (check number and date)
- For deductions and credits, if you are completely confused, chances are, you aren’t eligible
- For Missouri state taxes
  - If in CWE: County of residence is St Louis City, School system is St Louis City
- For estimated taxes
  - Get all envelopes ready (addressed, stamped, etc) while you’re in tax-mode
  - Put due dates on your calendar!
  - Keep list of payments (date and check number)

Useful Links

- Federal Forms
- State Forms
  - http://dor.mo.gov/tax/personal/individual/forms
- To review pay stubs online if you have direct deposit
  - https://wuissrv20.wustl.edu/psp/HRMS/EMPLOYEE/HRMS/?cmd=logout
  - Click “Employee Self Service” link on the left, then “Payroll and Compensation” under that, and finally “View Paycheck”