

Franchise Tax Board (FTB)
Foreign Scholars Workshop
Non-resident Tax Questions

1. Where can I find the non-resident tax forms that I will need to submit?

You may find fillable forms on Franchise Tax Board's website: FTB.CA.GOV.

Additionally, I have provided resources to your International Scholars Director. My understanding is this information will be provided on the University's website.

2. When is the tax filing due?

April 15, 2021.

3. Which forms will I need to submit as a non-resident?

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4. How do I submit my non-resident state tax forms (I think they mean online, by mail, etc.)?

Refer to presentation example. Except for those of you who consider yourselves a resident, you will either use software to print a tax return and mail it to FTB, or you will manually complete a tax return and mail it to us.

5. How will I know if I am considered a non-resident for filing state taxes?

This will be covered in today's workshop

6. Do you have any strategies for identifying international tax specialists that I can speak to regarding my specific situation and questions?

See our Publication FTB 982 – *How to Select an Income Tax Return Preparer*

All of our forms and publications are on the Franchise Tax Board's website: ftb.ca.gov.

7. How do you know my filing status and number of allowances for a non-resident alien and have dependents?

Page 25: You will use the same filing status on your California income tax return that you used for your federal income tax return. Similarly, you will claim the same number of allowances (dependents). However, the overwhelming majority of you will file as a Single person or a Married/Registered Domestic Partner filing as a separate person (similar to filing as a single person.)

8. Can I request tax amendments for years in which you I was a non-resident alien? For example, if I filed as single when I was married?

Amended returns may be accepted four years for California and three years for federal.

9. Can my spouse be counted as a dependent?

This is a rare occurrence. You will claim the same number of dependents (and filing status) for federal and California purposes. For more information on this topic review IRS Publication 4011 in your resources. Since it is in PDF, you can use the search function. "Dependent"

10. If I am a non-resident and self-funded (no income earned from the University of California) while I am in the US, am I responsible for filing California State Taxes?

Pages 15 and 16; if you have no **California source income** and your worldwide income is less than the filing requirement, then you do not have to file. Remember money earned from an employer, university, or government outside of California who pays you to study or research in California, is considered California source income.

11. Am I responsible for filing state taxes if I receive a fellowship/stipend from my home country?

Page 16: Fellowship, stipend and scholarship are taxable to the extent they exceed tuition and some education expenses, like books. Monies provided for living expenses are taxable.

12. Do non-residents need to report their bank accounts from their home country when filing their state taxes? If so, to what level of detail?

Page 15 – intangible income, like Interest Income, must be reported; other banking information is not necessary

13. Can non-residents and their spouses submit California State Taxes jointly without their ITIN? We can't get ITIN because we are considered as NR for federal tax purpose (ITIN is only issued for federal tax).

Page 25 – This is a filing status question, use the same as federal. See IRS website on who can claim dependents?

14. I transferred from another American university to UCSF in August and have 2, W-2 and 1042-S forms. Are those the only documents I will need to submit my California State Taxes? (Did not specify where the other university is located)

Page 15 – Yes, unless you have other income, for example from your home country.

15. I'm a postdoc with a fellowship. For part of the year I was on a F1-OPT visa and the later part on OPT. I am a Chinese citizen. I know as a trainee and Chinese citizen, I do not have to pay tax earned from a fellowship. Does that apply to the first half the year when I was on an F1-OPT visa?

Page 16 & 17 – California does not consider immigration status in determining taxability of fellowship income. If the fellowship is sourced in California, it will be taxed. You will report the federal amount on the California Adjustments Schedule, per instructions. Then add the fellowship income as if you were a CA resident so that the entire amount of it has been reported. In column E of this schedule you will report the amount that was CA source income.

16. How does it work when your country has a tax treaty but you denied the exemption from withholding taxes? (Netherlands specifically) (I am assuming they want to know how to proceed with filing)

Page 4 – File a return to file a claim for your refund. Page 17 – No CA Treaty

17. Is my Scholarship taxable?

Page 16 – Scholars pursuing a degree report taxable income in EXCESS of tuition and school expenses.

18. "As a foreign Postdoctoral Scholar employee (paid direct) who is likely to be in the US for a year or two, do I count as a resident or non-resident for California state tax purposes?"

Page 11 – If you can provide satisfactory evidence that you are in CA for temporary and transitory purposes, and you are domiciled in another state or country, you will be a nonresident. Also, see **page 15**, it does not matter who is paying you or where the address of the payer is, you are working in CA and the income will be considered CA sourced.

19. "If considered a resident and I'm exempt from federal tax due to a tax treaty, do I need to fill out form 540 rather than 540 2EZ?"

Page 20 – If you have tax treaty you will use the form 540 or 540NR; the long form is necessary to show the difference between what was reported for federal purposes and CA. In this case even though you may not be required to file a federal return, you will report federal numbers on the CA form. Depending upon whether you consider yourself a resident or nonresident will determine which CA form to use.

20. How do I know if I have done my return correctly?

Once you've filed your return FTB will review it. If there are mathematical errors, we will correct them. If you consider your CA resident status and you follow the example I am confident you will have filed your return correctly.

21. I am filing as a part year resident and I would like more information.

Refer to the presentation example tax forms. It is a nonresident part-year resident tax return. Also see resources provided.

22. Can we get refunds for school supplies like laptops and books?

To answer your question literally, no. There are no refunds or government reimbursement programs from the Franchise Tax Board for such items.

23. Can we get refunds for donations? If so, which one can we get back from which tax? I mean, should we list it in the federal or the CA taxes?

As I discussed in the example, for nonresidents charitable donations are allowable deductions that are reportable on Schedule CA NR; for residents you would report them on Schedule CA. For CA purposes taxpayers may deduct the larger of itemized deductions or the standard deduction. The example presentation Nonresident Tax Forms is posted on line.

24. If I'm not a CA resident, but attend UC Berkeley and worked/earned income in another state for an internship, do we put our gross income (box 16 in W2) in "CA Amounts--CA sourced income" in Column E in the Schedule 540NR? Or do we put 0 because the income wasn't earned in the state of CA?

If you earned income from an internship outside California, the amount from box 16 would be included in column D, total income as if you were a California resident. It would not be included in column E, California source income. In order for this to be correct, you would have had to physically work in the other state. The assumption is that this internship occurred while you were on break from any studies or research while you were in California. You must consider whether or not the other state requires you to file and pay taxes.

25. Which form to use for the federal taxes when you are nonresident for the federal but resident for the state?

Please review the presentation for which forms a California resident may use.

26. How and where to report foreign bank accounts (when higher than \$10,000 or \$50,000?)

For federal guidance, please go to the Internal Revenue Service website, IRS.GOV. For California see [Legal Ruling 2017-02](#).

27. Thanks for this opportunity to ask a question. I am resident alien and want to file a joint tax return with my wife. My wife had no income in 2019 but she meets substantial presence test for 2019. I was told that she needs to apply for ITIN number through mailing W-7 and tax form to IRS and we can't file jointly if she doesn't have ITIN. However, from other sources I've read that we can just mail tax form to IRS and keep ITIN blank. Can you please clarify what's the best way to approach it? Will she receive ITIN if she doesn't have any income? Highly appreciate your advice.

See the IRS resources provided. Whatever filing status you determine for federal purposes should be used for your California tax return.