

© Arctic International LLC 2019. All Rights Reserved

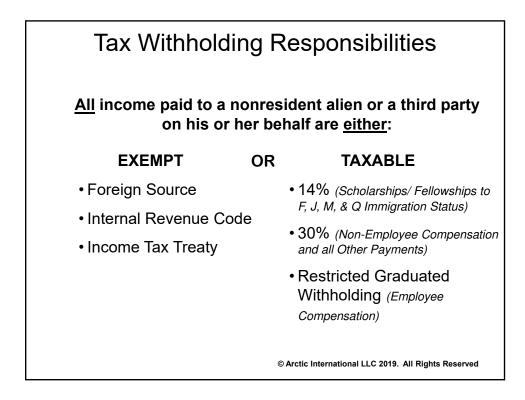
General Rule ALL withholding agents (for example, an employer) MUST withhold federal income tax from ALL income payments made to or on behalf of a nonresident alien (Section 1441 of the Internal Revenue Code); IF the withholding agent DOES NOT withhold the appropriate amount of tax at the time of payment, the withholding agent will be liable for the tax, plus any penalties and interest – regardless of whether the individual pays the tax on his or her tax return (Section 1461)

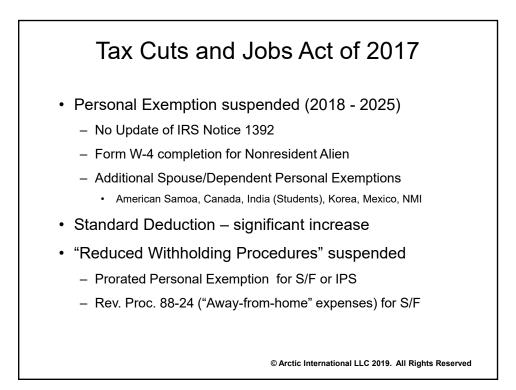
© Arctic International LLC 2019. All Rights Reserved

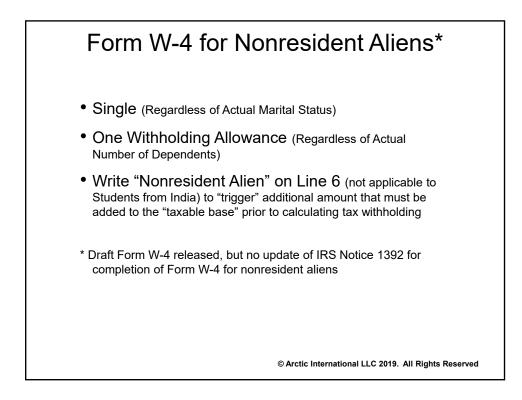
Working Through a Situation

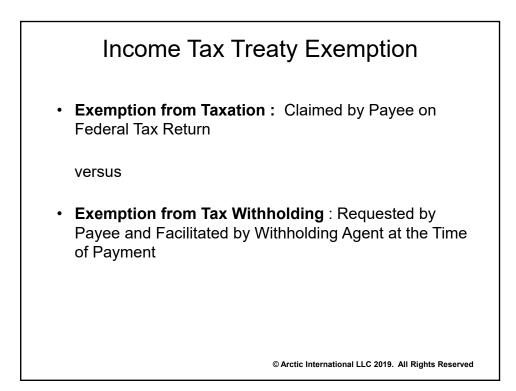
- What are the Facts of the Situation?
- What is the Payee's U.S. Tax Residency Status?
- What Type of Income is Being Paid?
- What is the "Source" of the Income?
- Is the Payment Subject to Tax Withholding?
- At What Rate Should Taxes Be Withheld?
- Is an Income Tax Treaty Exemption Possible?
- Is the Payment Exempt From FICA Tax? State Tax?
- Is the Payment Reportable? If so, on What Form(s)?
- How Should the Information Be Maintained?

© Arctic International LLC 2019. All Rights Reserved









Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the <u>UT Law CLE eLibrary (utcle.org/elibrary)</u>

Title search: Nonresident Alien Tax Compliance

Also available as part of the eCourse <u>Nonresident Alien Tax Issues</u>

First appeared as part of the conference materials for the 7th Annual Higher Education Taxation Institute session "Nonresident Alien Tax Issues"