

# Taxes

Man, US taxes are very annoying and confusing to me. Honestly, I still don't understand it completely, so I may be inaccurate for some things here, but below are the things I think I understood.

For official resource links, refer to the following:

- Federal Income Tax by IRS: <https://www.irs.gov/how-to-file-your-taxes-step-by-step>
- State Income Tax by New York State: <https://www.tax.ny.gov/pit/file/>
- Cornell Tax Filing Guide: <https://international.globallearning.cornell.edu/employment-and-taxes>

## Basic things to know

1. **We need to file 2 types of income taxes**
  - a. **FEDERAL** tax IRS (Internal Revenue Service) deals w/ this
  - b. **STATE** tax The State (in the case of Ithaca/NYC /Geneva, New York State) deals w/this
2. **In order to file, we first need:**
  - a. Either a Social Security Number (**SSN**)
    - i. You can apply for this once you have some kind of job with regular wages/salaries paid to you, including an on-campus job, TA-ship, graduate assistantship, etc.  
<https://international.globallearning.cornell.edu/employment-and-taxes/apply-ssn>
  - b. Or an Individual Taxpayer Identification Number (**ITIN**)
    - i. You need to apply for this if you are not eligible for SSN. This would be true if you don't have regular wages/salaries paid to you, for example, if you get your money through a lumpsum yearly scholarship /fellowship  
<https://international.globallearning.cornell.edu/employment-and-taxes/apply-itin>
  - c. Applying for these take time (especially ITIN, takes a couple months. SSN takes a week or less normally, but mine took 1.5 months because the office misplaced and messed up some things. Point is, you never know with these things), so please **apply for this months in advance prior to the tax deadline!**
3. **If we get paid through a job from an employer (e.g. University/elsewhere),**
  - a. Employer usually **automatically deducts both FEDERAL and STATE** taxes (e.g. 14% or whatever) from our salary/wage, i.e. "tax withheld"
  - b. Employer usually gives us a **W-2 form** consisting our income and tax-related information, which we need to use for filing our taxes. We usually get this online from Cornell's Workday website. We usually also get notified via email once it is ready and available to download in the website, usually a couple months before the tax deadline.
4. **If we get scholarship/fellowship,**
  - a. Usually **only FEDERAL tax gets automatically deducted**, but STATE tax does not, so we have to pay the STATE tax ourselves. Important especially if you get a lumpsum scholarship - don't spend all the money!
  - b. We get a **1042-S form** consisting our income and tax-related information for this, which we need to use for filing our taxes. We usually get this online from FNIS website, which I believe we need to register for prior. We usually also get emails about this so pay attention.
5. **What's the purpose of filing our taxes?**

## Tax filing platforms

### Why is it important to use the right tax filing platforms???

**Not all filing platforms cater towards foreigners!** For instance, only some platforms provide form 1040NR (1040 Non-Resident) for filing federal tax, which is the correct form we need if we are not a green card holder, PR or citizen. There are well-known platforms that actually do not cater foreigners such as TurboTax, as they do not provide the right forms (they only provide form 1040 instead of 1040NR), or in other cases, you cannot input special forms for fellowship/scholarship income (like 1042-S). Please be careful of using the wrong platforms or improper filing! This may be very rare, but the government audits tax files as well. If you are unlucky, you may be audited for improper filing.

#### 1. **Sprintax - recommended by Cornell**

- a. Price:
  - i. Free for federal tax filing if you get the fee waiver code from Cornell. Follow this guide: <https://international.globallearning.cornell.edu/employment-and-taxes/file-your-return-sprintax>
  - ii. About \$40-50 for state tax filing. Quite expensive compared to other platforms, actually.
- b. Procedure:
  - i. Sprintax helps create the tax filing documents online, then you have to print it and send it through mail. This is the downside of Sprintax too - I'm not sure why it tells us to mail the tax filing documents instead of doing everything online
    1. Send via USPS, starts at ~\$10 per envelope, arrives in a week or less. You can also post this from UPS at College Town - they offer services via USPS as well. Your documents need to be postmarked by the tax deadline
  - ii. If you owe tax money, you can pay this online if you have an SSN (I have done this for STATE tax, but please double check for FEDERAL tax) . I'm not sure about if you only have ITIN. If you cannot pay online, you have to pay via money order and mail this along with your tax filing documents. Sprintax will explain in more detail on what to do

#### 2. **OLT**

- a. I honestly haven't used this before but my friend who is an accountant and is really into this tax thing uses this a few times, so maybe it is legit?
- b. Price:
  - i. Free for federal
  - ii. About \$10-20 for state tax filing
- c. Procedure:
  - i. I heard that everything is online for this one, given you have an SSN. I'm not sure about if you only have ITIN, though.

- a. **To get tax returns/refunds if we have overpaid** our taxes (that have been automatically withheld by our employer)
  - e.g. the government gives us various tax breaks, called "deductions" depending on various factors, such as, if we have dependents, if we spend a lot on educational expenses, if we give to charity, if there is a tax treaty between US and our country, etc.
- b. **To pay any taxes that we owe**
  - e.g. in the case of scholarship where state tax is not automatically deducted, we have to pay this state tax through filing by ourselves
- c. We may get a fine if we do not file at all or file above the tax deadline, and they will impose an interest payment to the tax money that we still owe them
- d. Not filing our taxes may influence our evaluation for long term visas or a green card

## 6. How do we do this tax filing thing?

- a. Use the **RIGHT online tax filing platform**, input the information in the forms we obtain (e.g. W-2, 1042-S, and other forms), and the platform will tell you how much you get refunded, how much you owe and what to do next
- b. Use an accountant if you have money lol, but not necessary

## 7. Confusing terminology to clarify while filing our taxes:

- a. We are a **"non-resident alien" for the purposes of filing our FEDERAL tax**
  - i. We do not get the same benefits as green card holders, PR, citizens, e.g. some deductions, like the "standard deduction", do not apply to us
- b. We are a **"resident" for the purposes of filing our STATE tax**
  - i. Also if you are a resident of NYC / Yonkers, you get taxed even more...