

# **Sprintax FAQs**

## **1. What is Sprintax?**

Sprintax's tax determination software (Sprintax Calculus) is an innovative, paper-free way to understand your tax position and manage all your tax-related documents. It's a secure, web-based, hassle-free tool which will help your paying institution to carry out tax residency determination, treaty eligibility and helps ensure they are withholding correctly from payments made to you.

## **2. How does Sprintax work?**

The system uses information you enter to determine your residency status, eligibility for tax treaty benefits and generate tax reporting documents.

## **3. Why is it important to have a Sprintax record?**

It is important because it ensures that nonresident aliens have the correct amount of tax withheld from income paid out to them by their paying institution and reported to the IRS.

## **4. What documents/information might be helpful when completing my online account?**

- Passport and US Visa (if applicable)
- History of your previous US immigration statuses
- US TIN (SSN or ITIN), if any
- Form DS2019, Certificate of Eligibility for Exchange Visitor Status (applicable to J visa holders)
- Form I-20, Certificate of Eligibility for Nonimmigrant Student Status (applicable to F and M visa holders)

## **5. Is this the same system as Sprintax Tax Preparation (Sprintax Returns)?**

No. Sprintax's tax determination software (Sprintax Calculus) is separate from Sprintax Returns software. The latter one assists with the preparation of your annual income tax returns where you report your annual US income from all sources while the former one assists the paying institution (the institution that requested you complete a Sprintax profile) to document your tax position and apply the appropriate amount of tax on your payments throughout the year.

## **6. If I make an error what can I do?**

You can log into your personal account and correct your details. You must click "Save and continue" to save the changes.

## **7. How can I get help?**

The Sprintax team is ready to help! Ask us anything via our online chat system or email [calculussupport@sprintax.com](mailto:calculussupport@sprintax.com) if you have questions.

## **8. What are the Substantial Presence Test and Green Card Test?**

Internal Revenue Service (IRS) method for determining residency for tax purposes based on either presence in the US or holding a Lawful Permanent Residency.

## **9. Who is considered "Exempt individual"?**

"F", "J", "M", "Q" visa holders do not count days of presence towards substantial presence test for the period they are considered exempt individuals (For example: F1 students are exempt from SPT rules for the first 5 years. The exemption applies once in a lifetime).

## **10. Resident vs. Non-resident alien**

You are either resident, non-resident or dual-status resident based on the Substantial Presence or Green Card tests. Residents are taxed in the same manner as US citizens. Non-residents are taxed on US income only and dual-status residents are taxed as residents during their Resident period and as non-residents during their Non-resident period.

## **11. What is "Immigration status"**

"Immigration status" refers to the way in which a person is present in the United States. If not a U.S. citizen, every person who enters the U.S. has either an immigrant or a non-immigrant status. Below are examples of the documents that can be used to determine your immigration status:

- Certificate of Eligibility for Nonimmigrant Student Status - I-20
- Certificate of Eligibility for Exchange Visitor Status - DS2019
- Employment Authorization Card - I-766
- Notice of Action - I-797

Immigration status is determined based on your occupation. Common immigration statuses include F1 - Student, J1 - Teacher/Researcher, J1 - Trainee, etc.

**TIP:** If you are under visa waiver program and you are present in the US for primary purpose studying, and have I-20, your immigration status is F1 Student.

## **12. I am on a J1 visa, where can I find my immigration status?**

J visa holders can check their current immigration status in box 4, *Exchange visitor category*, on their Form DS2019.

### **13. What is the Difference between a "visa" and an "immigration status"?**

A visa is a travel document that is issued by a consulate to someone who wishes to visit the United States. A visa is placed in your passport and shows the Visa Type, such as F1, E2 or H-1B and it allows a person to enter the United States at a port of entry (e.g. an airport).

An immigration status refers to the classification under which the person entered the United States (F1, E2, H-1B, etc.) and the length of time the person is permitted to stay in the United States. The status is based on regulations and is referred to a set of rights and responsibilities an individual has toward the government.

#### *Expiration of Visa vs. Expiration of Status*

A visa is only an entry document and can expire while you are in the U.S. If your visa expires while you are legally present in the U.S, as long as your status is still valid and you continue to follow all immigration regulations, you can continue to remain in the U.S. Your status does not end upon expiration of your travel document.

### **14. What are SSNs and ITINs?**

An SSN is a Social Security Number issued by the Social Security Administration to all legal aliens allowed to work in the US. An ITIN is a nine-digit number issued by the Internal Revenue Service (IRS) to individuals who are required for US federal tax purposes to have a US taxpayer identification number but who do not have **and are not eligible to get a Social Security Number (SSN)**.

### **15. What does it mean to be claimed as a dependent on someone else's tax return?**

A dependent is a qualifying person who entitles a taxpayer to claim dependent-related tax benefits on a tax return.

## **16. What is an IRSN?**

An IRSN is an Internal Revenue Service Number that has been assigned to your tax return for processing purposes when you do not have a valid SSN, or an ITIN entered on your annual tax return.

## **17. What are mailing and residential addresses**

The address that would be listed on all tax related forms would be the mailing address. While residential address is the address where you currently or permanently reside.

## **18. Are you legally allowed to work?**

You are considered legally allowed to work if you hold a work-related visa. As a student, you are considered to be allowed to work if you are permitted to work part-time by your paying institution, such as a college or an university.

## **19. What are tax treaties?**

Tax Treaties are agreements between two countries that provide exemption from, or reduced rate of, withholding for certain types of income.

## **20. What are FICA and FUTA taxes?**

The Federal Insurance Contributions Act (FICA) tax, a kind of payroll tax, is a U.S. employment tax imposed in an equal amount on employees and employers to fund federal programs for retirees, the disabled, and children of deceased workers. The FICA taxes and benefits consist of two parts: Social Security benefits, that include old-age,

survivors, and disability insurance while Medicare provides hospital insurance benefits for the elderly and younger people with disabilities. Federal Unemployment Tax Act also known as FUTA provides for payments of unemployment compensation to workers who have lost their jobs.

## **21. What forms can Sprintax prepare for me?**

Depending on your personal circumstances, Sprintax will generate one or more of the following forms:

### **Form W-4**

Form W-4, Employee's Withholding Allowance Certificate, is provided by an employee to their employer for the correct withholding of federal income tax from their pay. Form should be signed and provided to the payer before the start of their work assignment or before their first pay.

### **Form W8-BEN**

Form W8-BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), is provided by a non-resident alien, the owner of income subject to withholding, to the withholding agent or payer. Form should be signed and provided to the payer before a payment is made.

### **Form W-9**

Form W-9, Request for Taxpayer Identification Number and Certification, is provided to a payer to verify taxpayer identification number of a U.S. person (including resident aliens) and to request certain certifications and claims for exemptions. Form should be signed and provided to the payer before a payment is made.

### **Form 8233**

Form 8233, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Non-Resident Alien Individual, is used by

non-resident alien individuals to claim exemption from withholding on compensation for personal services because of an income tax treaty. The form should be signed and provided to the requester before the start of their work assignment or before their first pay.

## **Form W-7**

Form W-7, Application for IRS Individual Taxpayer Identification Number. The form is to be signed and sent along with supporting documents to the Internal Revenue Service.

## **Form SS-5**

Form SS-5, Application for Social Security Number, is filed with the US Social Security Administration to apply for an SSN. The form must be submitted in person (if age 12 or older) along with supporting documents at a Social Security Administration office.

## **Form 1042-S**

Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, is the official income reporting document that a payer provides to a foreign payee of an income and to the IRS. A form 1042-S is used to report tax treaty exempt wages, scholarship grants and fellowships, independent personal services income, royalties, other income including awards, prizes, lottery/gambling winnings, deposit interest, etc. made to a foreign person.

## **22. What should I do after I complete my account and generate my tax forms?**

After you complete your record, you will need to print those, sign them and upload them to the Documents Exchange section of your account.

## **23. What is the "Documents Exchange" section?**

The Sprintax Documents Exchange facility allows you to upload information to your account in certain format, which will also be accessible by your paying institution. Documents you can upload include all documents generated on the *Tax Forms* screen of your account plus anything additional requested by your payer, such as copies of your identification documents, immigration status supporting documents, and more. Make sure to select the appropriate Document Type from the Document Exchange drop-down menu.

## **24. What are OPT and CPT?**

OPT stands for Optional Practical Training, this allows F1 - Students to work on a full-time basis for one year after they have completed their studies, in a field related to their major. CPT stands for Curricular Practical Training and allows F1 - Students to work for up to 20 hours a week in a field related to their major, while engaging in studies.

## **25. To the question 'When did you first enter the US?' should I enter my first ever visit to the US or the date on which I entered with my current visa?**

You need to enter the date on which you came to the US for the first time ever.

## **26. What is "Country of residence"?**

Your country of residence is normally the place where you permanently resided before entering the US on your current status, and to which you had tighter connections than to any other place in the world.

## **27. What are Current immigration status entry and expiry dates?**



Current immigration status entry date is the date on which you entered the US for the first time on your current visa(status). For the expiry date of the same you can refer to your visa supporting documents such as I-20/DS2019 if you are an F or J visa holder, or simply enter your expected departure date on your current assignment for all other statuses.

## **28. I can't edit the first row of Visits to the US**

The first table is not editable as it represents the current immigration status you described earlier on the same screen. Simply change the dates entered above, if needed. By clicking on "Add Status" for each single entry, you need to list all other visits that dated prior to your current immigration status.

## **29. I am unable to edit (check/uncheck) the relating income type on Tax Forms Info screen**

If the checkboxes are locked, this is related to the Account settings of the paying institution. Instead, all blank answers marked with \* where applicable.

## **30. What is "Scholarship or fellowship grants (Income Code 16)"**

A scholarship is generally an amount paid or allowed to a student at an educational institution for the purpose of study. A fellowship grant is generally an amount paid or allowed to an individual for the purpose of study or research. A scholarship or fellowship grant paid to a nonresident alien who is temporarily present in the USA may be taxable if it was used for incidental expenses, such as room and board, travel, research, clerical help, or similar expenses. These amounts must be included in the individual's gross income. In certain cases, scholarship paid to cover tuition related expenses can constitute taxable income as well.

### **31. What is " Compensation for independent personal services (Income Code 17)"**

Independent personal services are personal services performed by an independent contractor. This category of compensation includes payments for professional services made directly to the person performing the services and not through an employer.

### **32. What is " Compensation for dependent personal services (Income Code 18)"**

Dependent personal services are personal services performed by an individual as an employee rather than as an independent contractor.

### **33. What is " Compensation for teaching or research (Income Code 19)"**

Compensation for teaching or research are payments to a nonresident alien professor, teacher, researcher, or a research scholar made by a US accredited educational, governmental, or research institution for teaching or doing research at, or for the institution.

### **34. What is " Compensation during studying and training (Income Code 20)"**

This category refers to compensation for personal services performed while a nonresident alien is temporarily in the USA as a student, trainee, or apprentice, or while acquiring technical, professional, or business experience.

### **35. What is " Other income (awards, prizes) (Income Code 23)"**

Prizes and awards are amounts received as prizes primarily in recognition of scientific, educational, artistic, literary, religious, charitable, or civic achievement.

### **36. What is "Compensatory scholarship"**

In general, scholarship or fellowship income is compensatory to the extent it represents payment for past, present, or future services (for example, teaching or research) performed by a nonresident alien and the performance of those services is a condition for receiving the scholarship or fellowship (or tuition reduction).

### **37. What is "expected gross income"?**

Expected gross income is the total pay you expect to receive from all US sources before taxes or other deductions.

### **38. Where do I find the SEVIS ID, FNR ID, or Payroll System ID?**

If you are an F1 or M1 visa holder, your SEVIS ID is located at the top, left-hand side of your Form I-20.

If you are a J1 visa holder, your SEVIS ID is located at the top, right-hand side of your Form DS2019.

If visible, leave FNR and Payroll System IDs blank unless your payor instructed you to make specific entries in those fields.