



Nonresident Alien Tax Office  
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### U. S. Income Tax Issues for F-1 Students on OPT/CPT

1. **Know Your Tax Status!** You will either be a Resident Alien (RA) or Nonresident Alien (NRA) for U.S. tax purposes. If you are a NRA, special tax regulations apply to you.
2. **Visit the NRA Tax Office.** *Before you begin to work*, visit the Nonresident Alien Tax Office for assistance in determining your tax status.

**If you are a Nonresident Alien** for tax purposes:

- a. You will be asked by your employer to complete Form *W-4 Employee's Withholding Allowance Certificate* when you are hired. How you complete Form W-4 determines the amount of tax withholding deducted from your earnings.
- b. For NRAs, special instructions for Form W-4 apply. You should complete Form W-4 as follows:
  - i. Check "Single" marital status on line 3.
  - ii. Claim one allowance on line 5.
  - iii. On line 6, write "Nonresident Alien".
  - iv. No additional withholding amount is necessary for State tax.
- c. You are NOT subject to FICA (Federal Insurance Contributions Act) and Medicare withholding.
  - i. Look at your pay advice to determine whether or not FICA was withheld. It will say FICA taxes and Social Security/Medicare tax and show the amount for each.
  - ii. If FICA/Medicare taxes are withheld, ask your employer for a refund.
  - iii. Refer to the NRA Tax website for further information on FICA/Medicare refunds:  
<http://wwwnew.towson.edu/nrtax/taxfiling/ficarefund.htm>.
- d. If your employer is not familiar with NRA tax regulations, refer them to:
  - i. IRS Publication 15 (Rev January 2006) (Circular E) *Employer's Tax Guide* – page 15.
  - ii. IRS Publication 515 (Rev January 2005) *Withholding of Tax on Nonresident Aliens and Foreign Entities* – pages 24 & 25.
  - iii. IRS publication 519 *U.S. Tax Guide for Aliens* (for use in preparing 2004 returns) – page 46.
  - iv. IRS website: [www.irs.gov](http://www.irs.gov); or Towson University's Nonresident Alien Tax website:  
[www.towson.edu/nrtax](http://www.towson.edu/nrtax).
- e. You can obtain copies of the IRS publication pages listed above at the Nonresident Alien Tax Office.

**If you are a Resident Alien** for tax purposes:

- f. There are no restrictions on how you complete Form *W-4 Employee's Withholding Allowance Certificate*.
- g. You are subject to FICA/Medicare tax withholding unless the student exemption applies. The student exemption does NOT apply if you work off campus. See NRA Tax website:  
<http://wwwnew.towson.edu/nrtax/ustaxes/otherfederalpayrolltaxes2.htm>

**If you are a Nonresident Alien who becomes a Resident Alien**, FICA/Medicare should be withheld on the first day of the calendar year you become a resident alien (January 1<sup>st</sup>).

3. **All students:** Notify your employer's payroll department of your forwarding address when you leave so that you will receive your yearend tax statements, such as Form W-2 *Wage and Tax Statement*.