



2016 Tax Information for Harvard University Students Frequently Asked Questions

Disclaimer: This document has been prepared to alert students to the general filing obligations under the United States and Massachusetts income tax laws. What follows are answers to some of the more frequently asked questions concerning the taxation of students. The ultimate responsibility for the reporting and payment of your taxes, however, lies with you. **Harvard staff members are not permitted to give you individual tax advice and we would suggest that you seek professional advice from a qualified accountant or attorney if you encounter complicated tax situations or need further assistance.**

Federal Tax Questions:

Do I need to file a Federal income tax return?

Generally, you must file a Federal income tax return if you receive a specified minimum amount of gross income for the calendar year. The minimum amount varies with a number of factors, including your marital status and your status as a dependent. Common filing statuses are listed below; however, you should refer to the Internal Revenue Service website (www.irs.gov) for the full list of filing statuses. For 2016, you must file if your gross income was at least:

- Single student, who can't be claimed as a dependent, under age 65: \$10,350
- Married student, filing jointly with spouse, under age 65: \$20,700
- Married student, filing separately from spouse: \$4,050
- Head of Household, under age 65: \$13,350
- Qualifying widow(er) with dependent child, under age 65: \$16,650
- Single student, who can be claimed as a dependent:
 - Unearned income was over \$1,050 **OR**
 - Earned income, including wages and taxable scholarships, was over \$6,300 **OR**
 - Gross income was more than the larger of \$1,050 or your earned income (up to \$5,950) plus \$350

Even if you are not required to file a tax return, it may be to your benefit to file and claim a refund of any Federal income tax that was withheld.

Are my Federal Work Study Program (FWSP) earnings taxable for Federal purposes?

Yes, all FWSP earnings are subject to taxes.

Harvard will provide a W-2 for all Federal Work Study Program jobs by January 31, 2017. You may be able to print your W-2 by following the instructions found on the [Office of the Controller's website](#). If you have not received a paper copy of your W-2, and can't access it online, please contact Payroll Customer Service **after February 15th** by sending an email to W2@camail.harvard.edu, or by calling 617.495.8500, option 4. Emailed requests must include your name; either the first 4 digits of your HUID or last 4 digits of your SSN; address the W-2 should be mailed to, or indicate that you'd like to pick it up at 1033 Massachusetts Avenue, Second Floor; the year or years of the form(s) you are requesting.

Are there special credits or deductions for educational expenses?

There are a number of Federal income tax benefits designed to assist individuals in managing the costs of higher education. Of particular relevance to students are the Student Loan Interest Deduction, the Tuition and Fees Deduction, the American Opportunity Tax Credit, and the Lifetime Learning Credit. Individuals may take *one of* the Tuition and Fees Deduction, the American Opportunity Tax Credit, or the Lifetime Learning Credit. You will want to calculate which of these credits and deductions is most beneficial to you. More information can be found in IRS Publication 970, which should be consulted to determine the individual's eligibility (do not rely on the brief summaries below).

Student Loan Interest Deduction:

Individuals paying interest on qualified education loans (including federal and certain private loans) may be able to deduct up to \$2,500 of interest payments made in 2016, even those who do not itemize deductions. Qualified education loans are loans incurred on behalf of the taxpayer, the taxpayer's spouse or a dependent to pay qualified higher education expenses, including tuition, fees, room and board, books, supplies, and equipment.

Tuition and Fees Deduction:

allows for a reduction of taxable income by up to \$4,000 for payments of qualifying tuition and related expenses. This deduction may also be claimed by those who do not itemize deductions.

American Opportunity Tax Credit:

may be claimed for students who are enrolled at least half-time at an eligible institution for at least one academic period during the tax year, and are in the first four years of postsecondary education. The credit may total up to \$2,500. It may be refundable depending on the tax filer's total tax obligation, and may be claimed for tuition and fee expenses, as well as books, supplies, equipment and course materials.

Lifetime Learning Credit:

may be claimed for these expenses for a course of instruction which is part of a degree program or is taken to acquire or improve job skills. The credit may total up to \$2,000. Educational tax credits are claimed on IRS Form 8863.

What is the 1098-T?

The Form 1098-T is a record of the information reported to the IRS as required by the Taxpayer Relief Act of 1997. This information includes the total amount billed for qualified tuition and related expenses in a calendar year, and the total amount of scholarships and grants disbursed in the calendar year. Related expenses do not include charges for room, board, insurance, health fees, transportation or similar expenses. Harvard does not report payment information to the IRS, which means that Box 1 on the 1098-T will not be populated. *A 1098-T form must be provided to each eligible student, but the form is for informational purposes only and is not filed with your taxes.* While it is a good starting point, the 1098-T does not contain all of the information needed to claim a tax credit. It does not mean that you automatically qualify for a tax credit and does not require you to claim a tax credit. Claiming education tax benefits is a voluntary decision for those who may qualify. Education credits are claimed on [Form 8863](#), Education Credits (Hope and Lifetime Learning Credits). For details on these and other education-related tax breaks, see IRS Publication 970, "Tax Benefits for Education."

Is my scholarship or stipend taxable for Federal purposes?

The U.S. tax laws divide scholarships (including fellowships, stipends, and grants) to degree candidates into two parts. The amount received to pay for tuition and fees required for enrollment, or for fees, books, supplies, and equipment *required for your courses*, is not taxable. Any additional amount of the scholarship, such as a stipend for room and board or for travel expenses, is taxable income. If any portion of your funding represents payment for teaching, research, or other services, that portion will be taxable.

IRS Publication 970, "Tax Benefits for Education," explains how these items should be reported on your tax return. You should retain any receipts necessary to support your reporting position, such as receipts for books, supplies and equipment required for your courses, although the receipts are not filed with your return. Not all students will receive a tax reporting document from the University (such as a W-2, 1042-S or 1099-MISC) for taxable scholarship or stipend income. Even if your status doesn't require a tax reporting document to be sent to you, it is still your responsibility to include this income when filing your tax return.

Am I required to pay Federal estimated taxes?

Generally, you will be required to make Federal estimated tax payments if you expect to owe taxes of \$1,000 or more for 2017, after taking into account all withholding and credits, and the amount of such withholding and credits will be less than the smaller of 90 percent of the total tax due for 2017 or 100 percent of the total tax shown on your return for 2016. Students should determine their potential estimated tax liabilities on Form 1040-ES.

The inclusion in your gross income of a portion of your scholarship, as discussed above, may make you liable for estimated tax payments. If so, you will be required to make four equal installments of the tax you expect to owe for each calendar year. Generally, the installments are due on April 15, June 15, and September 15 of the tax year and January 15 of the following year.

What is the deadline to file my Federal tax return?

April 18, 2017

State Tax Questions:

Do I need to file a Massachusetts income tax return?

Massachusetts taxes residents on income from all sources and nonresidents only on income derived from Massachusetts. If you are a resident of Massachusetts, whether single or married, you will have to file a Massachusetts return if your gross income from all sources exceeds \$8,000. If you are not a Massachusetts resident, filing will generally be required only if your "Massachusetts source income" exceeds either \$8,000 or your Massachusetts prorated personal exemption, whichever is less. The 2016 exemption amount is \$4,400 for single and \$8,800 for married filing jointly.

What is Massachusetts source income?

"Massachusetts source income" includes income derived from (i) a trade, business or employment carried on in Massachusetts, (ii) lottery or wagering transactions in Massachusetts, (iii) the ownership of an interest in real or tangible personal property in Massachusetts, and (iv) patents, copyrights or similar intangibles connected to Massachusetts. For most nonresident students, their Massachusetts source income will be limited to compensation from employment in Massachusetts. Interest or dividends received from Massachusetts banks or corporations will generally not be Massachusetts source income assuming that such items are not connected with a business activity of the student. Scholarship or fellowship grants not requiring the rendition of services should also not be deemed Massachusetts source income as no trade or business is involved.

How do I determine if I am a Massachusetts resident?

You are a **Full-Year Resident** if your legal residence (domicile) is in Massachusetts or if you maintain a permanent place of abode in Massachusetts and during the year spend more than 183 days in Massachusetts.

You are a **Nonresident** if you were not a resident of Massachusetts but earned Massachusetts income (e.g., from a job in Massachusetts). You must report such income by filing a Massachusetts Nonresident/Part-Year Resident Income Tax Return, Form 1-NR/PY.

You are a **Part-Year Resident** if you either moved to Massachusetts during the tax year and became a resident, or terminated your status as a Massachusetts resident during the tax year and established a residence outside the state. Part-year residents must file a Massachusetts Nonresident/Part-Year Resident Income Tax Return, Form 1-NR/PY.

"Domicile" in Massachusetts requires both a physical residence in Massachusetts and an intention to make Massachusetts one's home permanently or for an indefinite period of time, with no intent to return to a prior home. If you are in Massachusetts solely to pursue a course of study over a relatively defined period of time, with an intention to return home at the conclusion of your studies, you will not be deemed to be domiciled in Massachusetts.

A "permanent place of abode" in Massachusetts means a dwelling place continually maintained by a person, whether or not owned by the person. Dwelling places maintained during a temporary stay not exceeding one year for a particular purpose are not deemed permanent places of abode. Dormitory rooms are also not deemed permanent places of abode; however, an off-campus apartment shared by students is considered a permanent place of abode.

Am I required to pay Massachusetts estimated taxes?

Massachusetts will require the payment of estimated taxes if you expect to owe more than \$400 in taxes on income not subject to withholding.

What is the deadline to file my Massachusetts tax return?

April 18, 2017

International Student Questions:

Am I a resident or a non-resident alien of the United States (U.S.) for tax filing purposes?

You are a resident alien of the United State for tax purposes if you meet either the green card test or the substantial presence test for the tax year. To meet the definition of substantial presence, you must be physically present in the United States on at least:

1. 31 days during the tax year, and
2. 183 days during the 3-year period that includes the tax year and the 2 years immediately before that, counting:
 - o All the days you were present in 2016, and
 - o 1/3 of the days you were present in 2015, and
 - o 1/6 of the days you were present in 2014.

For this purpose, you are not required to count days for which you qualify as an “exempt individual”, which will permit the exclusion of days for certain individuals temporarily present in the U.S. on A, G, F, J, M or Q visas, as described in IRS Publication 519.

What tax form do I file?

If you were a non-resident alien student, teacher, or trainee who was temporarily present in the United States on an "F," "J," "M," or "Q" visa, you are considered engaged in a trade or business in the United States. You must file Form 1040NR (or Form 1040NR-EZ) only if you have income that is subject to tax, such as wages, tips, nonqualifying scholarship and fellowship grants, stipends, dividends, etc. However, you may be required to file a Form 8843, Statement for Exempt Individuals and Individuals with a Medical Condition. You may also be required to file a Massachusetts state income tax return (Form 1 NR/PY).

The [Harvard International Office](#) (HIO) provides access to a web-based federal tax return preparation tool called Windstar that international students with an active HUID may use.

Do I need a Social Security Number (SSN) to file a tax return?

If you are eligible to receive a Social Security Number, you must obtain one from the Social Security Administration. If you are not eligible to receive a Social Security Number, you must obtain an Individual Taxpayer Identification Number (ITIN) from the Internal Revenue Service.

Most foreign students and scholars with F-1, J-1, M-1, Q-1, and Q-2 visa status are eligible to be employed in the United States, and are therefore eligible to apply for an SSN. Aliens who are not eligible to apply for an SSN, or who do not meet the Social Security Administration's evidence requirements for an SSN, may apply for an Individual Taxpayer Identification Number (ITIN) from the Internal Revenue Service. Further information on the ITIN can be found on the [HIO website](#) under Taxes & Social Security->Individual Taxpayer Identification Number (ITIN).

What type of income is taxable?

Please refer to “Is my scholarship or stipend taxable for Federal purposes?” in the “Federal Tax Questions” section and “What is Massachusetts source income” in the “State Tax Questions” section.

Is there a tax treaty between my country and the United States that can save me money on my federal income taxes?

Refer to [IRS Publication 901](#) for the most up-to date list of treaty countries. Go to the section labeled “Students and Apprentices”.

What is the deadline to file my tax return(s)?

April 18, 2017 for Federal and Massachusetts returns.

Additional Resources:

Internal Revenue Service (IRS)

- www.irs.gov
- www.irs.gov/individuals/students/index.html - Tax Information for Students
- www.irs.gov/businesses/small/international/article/0,,id=96431,00.html – Tax Information for Foreign Students and Scholars
- [Publication 17: Your Federal Income Tax-For Individuals](#)
- [Publication 519: US Tax Guide for Aliens](#)
- [Publication 970: Tax Benefits for Education](#)
- You might be eligible to file for free! [Refer to the IRS website](#)

Massachusetts Department of Revenue

- www.mass.gov/dor

W-2 Questions: Harvard Central Payroll

- (617) 495-8500, option 4

Instructions to obtain a W-2:

- <http://oc.finance.harvard.edu/how-to/central-payroll/order-copy-your-w-2>

1098-T: Student Receivables Office (all students except Extension and Summer School)

- Enroll in paperless 1098-T
- <https://sfs.harvard.edu/1098T>
- 1098-T released by January 31

1098-T: Extension and Summer School Students

- TCRS (24 hrs) (877) 467-3821
- www.1098t.com
- 1098-T released by January 31

1098-E: Student Loan Office

- (617) 495-3782
- www.ecsi.net/harvard1098e
- 1098-E released by January 31

1099-MISC: University Financial Services

- <http://nratax.oc.finance.harvard.edu/tax-reporting-documents>

1042-S: University Financial Services

- <http://nratax.oc.finance.harvard.edu/tax-reporting-documents>

Harvard International Office

- (617) 495-2789
- www.hio.harvard.edu/taxes-social-security
- Provides software and information for international students regarding taxes