

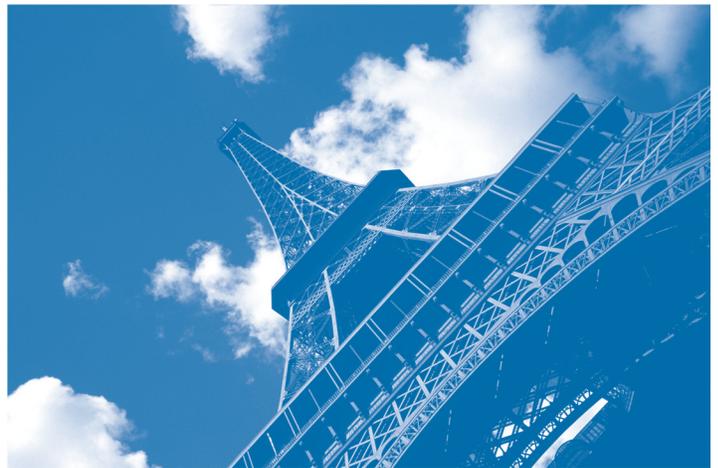
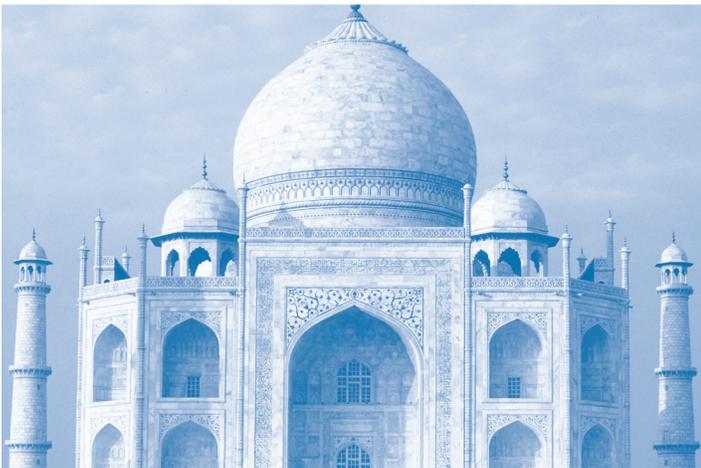
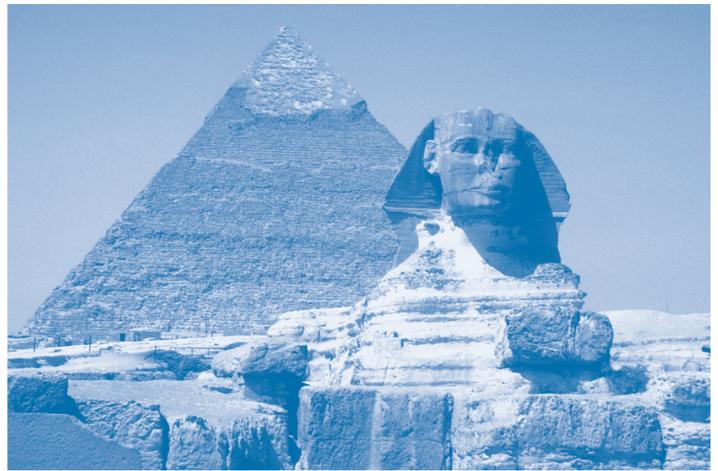


4704FS

VITA/TCE Foreign Student and Scholar Test

Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)

2016 RETURNS



Take your VITA/TCE training online at www.irs.gov (keyword: Link & Learn Taxes). Link to the Practice Lab to gain experience using tax software and take the certification test online, with immediate scoring and feedback.



How to Get Technical Updates?

Updates to the volunteer training materials will be contained in Publication 4491X, VITA/TCE Training Supplement. The most recent version can be downloaded at: <http://www.irs.gov/pub/irs-pdf/p4491x.pdf>

Volunteer Standards of Conduct

VITA/TCE Programs

The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing **free** tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

All VITA/TCE volunteers (whether paid or unpaid workers) must complete the *Volunteer Standards of Conduct (VSC)* certification and agree to adhere to the VSC by signing Form 13615, *Volunteer Standards of Conduct Agreement*, prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, and VITA/TCE tax law instructors must certify in tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer's identity and signs and dates the form.

As a volunteer in the VITA/TCE Programs, you must:

1. Follow the Quality Site Requirements (QSR).
2. Not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation.
3. Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any direct or indirect personal benefit for you or any other specific individual.
4. Not knowingly prepare false returns.
5. Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.
6. Treat all taxpayers in a professional, courteous, and respectful manner.

Failure to comply with these standards could result in, but is not limited to, the following:

- Your removal from all VITA/TCE Programs;
- Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely;
- Deactivation of your sponsoring partner's site VITA/TCE EFIN (electronic filing ID number);
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization's partnership with the IRS;
- Termination of grant funds from the IRS to your sponsoring partner; and
- Referral of your conduct for potential TIGTA and criminal investigations.

TaxSlayer® is a copyrighted software program owned by Rhodes Computer Services. All screen shots that appear throughout the official Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) training materials are used with the permission of Rhodes Computer Services. The screen shots used in this publication—or any other screen shots from TaxSlayer or its affiliated programs—may not be extracted, copied, or distributed without written approval from the IRS SPEC Office of Products, Systems, & Analysis.

Confidentiality Statement:

All tax information you receive from taxpayers in your volunteer capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals.



2016 VITA/TCE Foreign Student Test for Volunteers

Welcome to the Link & Learn Taxes Foreign Student Test. The test requires you to prepare seven tax returns using Form 1040NR-EZ and/or Form 8843 and then answer 50 online questions. You must successfully complete the test at an overall 80% proficiency to earn VITA/TCE certification.

Please complete this test on your own for an accurate assessment of your skills and knowledge. You may use any reference materials available to you as a volunteer to complete this test.

Volunteers who use tax preparation software to complete the test need to make sure they are using the final 2016 version.

Test Answer Sheet

Name _____

Record all your answers on this tear-out page. Your test should be completed online through Link & Learn Taxes. If you do not have internet services available, your instructor will tell you where to send your Test Answer Sheet for grading. Be sure to complete and sign Form 13615, Volunteer Agreement, here or electronically online.

Privacy Act Notice

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301.

We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

Question Answer

Residency Status, Form 8843, and Filing Status

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	

Scenario 1

14.	
15.	
16.	
17.	

Taxability of Income, ITINs, and Credits

18.	
19.	
20.	
21.	
22.	
23.	
24.	

Scenario 2

25.	
26.	
27.	
28.	
29.	

Question Answer

Scenario 3

30.	
31.	
32.	
33.	
34.	

Scenario 4

35.	
36.	
37.	
38.	

Refunds, Deductions, and the Best Form to Use

39.	
40.	
41.	
42.	
43.	
44.	
45.	
46.	
47.	
48.	
49.	
50.	

Total Answers Correct: _____
 Total Questions: 50
Passing Score: 40 of 50

Residency Status, Form 8843, and Filing Status

Introduction

This section of the VITA/TCE certification Foreign Student test covers determining residency status, the use of Form 8843, and filing status. It consists of 13 true/false questions and 4 scenario-based multiple choice questions.

Allow approximately 20 minutes to complete this segment.

1. Henri entered the U.S. on December 15, 2012 in F-1 immigration status. He had never been to the United States before and he did not change immigration status during 2016. For federal income tax purposes, Henri is a nonresident alien for 2016.
 - a. True
 - b. False

2. Liam is a visiting professor at the local university. Liam was a graduate student from August 2011 to July 2013 in F-1 immigration status. He re-entered the United States on December 20, 2013 in J-1 immigration status. For federal income tax purposes, Liam is a resident alien for 2016.
 - a. True
 - b. False

3. Erin served as a visiting scholar in F-1 immigration status from December 2011 through June 2013. In January of 2015, Erin returned to the United States as a graduate student. For federal income tax purposes, Erin is a resident for 2016.
 - a. True
 - b. False

4. Enzo came to the United States in F-2 immigration status with his wife on August 20, 2016. He has not changed his immigration status. For federal income tax purposes, Enzo is a resident alien for 2016.
 - a. True
 - b. False

5. Amie lived with her parents in F-2 immigration status in the United States from August 2007 to June 2011. She returned to the U.S. to attend college in F-1 immigration status on May 1, 2016. Amie does not need to file Form 8843 for 2016.
 - a. True
 - b. False

6. Lily entered the United States on August 10, 2011 in J-1 student immigration status. On December 2, 2014, her husband Paulo joined her in J-2 immigration status. Paulo does not need to file Form 8843 for 2016.
- a. True
 - b. False
7. Lily and Paulo from Question 6 have a child who arrived with Lily in J-2 immigration status. Lily and Paulo need to file Form 8843 for their child for 2016.
- a. True
 - b. False
8. Inga is an F-1 student and her husband, Tomas, is also an F-1 student. They have a son, Duane, who was born in the United States. Inga and Tomas do not need to file a Form 8843 for their son.
- a. True
 - b. False
9. Joseph is from Austria and is a Ph.D. student in astrophysics who is going to defend his dissertation in June. He arrived in the U.S. as a student on May 28, 2009. Joseph is a resident alien for tax purposes.
- a. True
 - b. False
10. Advik is a junior majoring in chemical engineering. He is in the U.S. in F-1 immigration status from India. He transferred from an Indian school and arrived in the U.S. on August 12, 2015. Advik worked in a lab on campus and as a summer intern for a company in New York. He will graduate in May, 2017. The company issued him Form 1099-MISC.
- For tax purposes, Advik is required to be a resident alien since the company issued him a Form 1099-MISC.
- a. True
 - b. False
11. Wei is a nursing student from the Republic of China who first arrived in F-1 immigration status on April 10, 2013. He does not have a TIN and he did not work or receive a scholarship in 2016.
- Wei must file Form 8843. Since he is only required to file Form 8843, he has until June 15, 2017 to file the form.
- a. True
 - b. False

12. Helmut entered the U.S. in J-1 immigration status in August 2014, and lives alone. His wife, Silvia, could not accompany him because she had to care for her ailing parents. Helmut can file as Single because he did not live with his spouse at all during 2016.
- a. True
 - b. False
13. Ari and Lila were married in June 2014, and they both entered the U.S. in J-1 immigration statuses to complete their graduate work. They had a son, Jules, in October 2015. Currently, Ari and Jules live in Chicago, where he is completing his graduate work. However, Lila left the family and moved to California, and has not been heard from since. Given that Ari is a nonresident alien, he may file as Head of Household for 2016.
- a. True
 - b. False

Scenario 1: Tao X. Ku

Use the following information to prepare Form 8843.

Tao X. Ku came to the U.S. to study on August 1, 2016, in F-1 immigration status. His passport number is 4682936 and it was issued by his home country of The Republic of China (Taiwan). His home address is 5466 Elm St., Taipei, Taiwan, China. His address at school is Metro College, 401 Metro St., Summit Hall, Chicago, IL 60000.

Tao is attending Metro Community College, 401 Metro Street, Chicago, IL 60000, telephone 312-555-XXXX. His specialized program is nursing and the director is Professor Marri M. Young, also at 401 Metro Street, Chicago, IL 60000, telephone 312-555-XXXX ext. 1267.

Tao has not taken steps to apply for permanent residency. Tao had no income, so he is not required to file any other tax forms.

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.

Statement for Exempt Individuals and Individuals With a Medical Condition
For use by alien individuals only.

Department of the Treasury
Internal Revenue Service

► Information about Form 8843 and its instructions is at www.irs.gov/form8843.

For the year January 1—December 31, 2016, or other tax year

Attachment
Sequence No. **102**

beginning _____, 2016, and ending _____, 20____.

Your first name and initial _____

Last name _____

Your U.S. taxpayer identification number, if any _____

Fill in your addresses only if you are filing this form by itself and not with your tax return

Address in country of residence _____

Address in the United States _____

Part I General Information

- 1a Type of U.S. visa (for example, F, J, M, Q, etc.) and date you entered the United States ► _____
- b Current nonimmigrant status and date of change (see instructions) ► _____
- 2 Of what country were you a citizen during the tax year? _____
- 3a What country issued you a passport? _____
- b Enter your passport number ► _____
- 4a Enter the actual number of days you were present in the United States during:
2016 _____ 2015 _____ 2014 _____
- b Enter the number of days in 2016 you claim you can exclude for purposes of the substantial presence test ► _____

Part II Teachers and Trainees

- 5 For teachers, enter the name, address, and telephone number of the academic institution where you taught in 2016 ► _____
- 6 For trainees, enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2016 ► _____
- 7 Enter the type of U.S. visa (J or Q) you held during: ► 2010 _____ 2011 _____
2012 _____ 2013 _____ 2014 _____ 2015 _____. If the type of visa you held during any of these years changed, attach a statement showing the new visa type and the date it was acquired.
- 8 Were you present in the United States as a teacher, trainee, or student for any part of 2 of the 6 prior calendar years (2010 through 2015)? Yes No
If you checked the "Yes" box on line 8, you cannot exclude days of presence as a teacher or trainee unless you meet the *Exception* explained in the instructions.

Part III Students

- 9 Enter the name, address, and telephone number of the academic institution you attended during 2016 ► _____
- 10 Enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2016 ► _____
- 11 Enter the type of U.S. visa (F, J, M, or Q) you held during: ► 2010 _____ 2011 _____
2012 _____ 2013 _____ 2014 _____ 2015 _____. If the type of visa you held during any of these years changed, attach a statement showing the new visa type and the date it was acquired.
- 12 Were you present in the United States as a teacher, trainee, or student for any part of more than 5 calendar years? Yes No
If you checked the "Yes" box on line 12, you must provide sufficient facts on an attached statement to establish that you do not intend to reside permanently in the United States.
- 13 During 2016, did you apply for, or take other affirmative steps to apply for, lawful permanent resident status in the United States or have an application pending to change your status to that of a lawful permanent resident of the United States? Yes No
- 14 If you checked the "Yes" box on line 13, explain ► _____

Part IV Professional Athletes

15 Enter the name of the charitable sports event(s) in the United States in which you competed during 2016 and the dates of competition ▶ _____

16 Enter the name(s) and employer identification number(s) of the charitable organization(s) that benefited from the sports event(s) ▶ _____

Note: You must attach a statement to verify that all of the net proceeds of the sports event(s) were contributed to the charitable organization(s) listed on line 16.

Part V Individuals With a Medical Condition or Medical Problem

17a Describe the medical condition or medical problem that prevented you from leaving the United States ▶ _____

b Enter the date you intended to leave the United States prior to the onset of the medical condition or medical problem described on line 17a ▶ _____

c Enter the date you actually left the United States ▶ _____

18 Physician's Statement:

I certify that _____
Name of taxpayer

was unable to leave the United States on the date shown on line 17b because of the medical condition or medical problem described on line 17a and there was no indication that his or her condition or problem was preexisting.

Name of physician or other medical official

Physician's or other medical official's address and telephone number

Physician's or other medical official's signature _____
Date

Sign here only if you are filing this form by itself and not with your tax return

Under penalties of perjury, I declare that I have examined this form and the accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete.

▶ _____ ▶ _____
Your signature Date

Scenario 1: Tao X. Ku Test Questions

Directions

To answer the following multiple choice questions, refer to the Form 8843 you completed for Tao X. Ku.

14. On what line should Tao report his most current immigration status?
 - a. Leave blank
 - b. Line 1a only
 - c. Line 1b only
 - d. Line 1a and 1b

15. On line 4b, how many days of exempted presence did Tao have for 2016?
 - a. 153
 - b. 366
 - c. 0

16. What sections will Tao need to complete?
 - a. Parts I and III
 - b. Parts I, II, and III
 - c. Part III only
 - d. Part I only

17. What is the due date of Tao's Form 8843 for tax year 2016?
 - a. April 18, 2017
 - b. June 15, 2017
 - c. October 16, 2017
 - d. December 31, 2017

Taxability of Income, ITINs, and Credits

Introduction

This segment of the VITA/TCE certification test includes 7 true/false and 14 scenario-based multiple choice questions on taxability of income, ITINs, and credits.

Allow approximately 45 minutes to complete this segment.

- 18.** Valda, who is a nonresident alien and is in the United States in J-1 immigration status, spent \$4,000 on qualifying tuition and educational expenses. She is eligible to claim an education credit on her tax return.
- a. True
 - b. False
- 19.** Hammond received \$182 of interest on his personal bank account. He is an international student from Hong Kong in F-1 immigration status. He arrived in the United States in 2016. Hammond's interest income is taxable.
- a. True
 - b. False
- 20.** Loren and Bob are a married nonresident alien couple. Both are in the U.S. in F-1 immigration statuses and arrived in 2016. They paid \$1,500 in child care expenses for their child who was born in the United States and is a U.S. citizen. They can file and claim these expenses on a joint U.S. tax return.
- a. True
 - b. False
- 21.** Mei is in J-1 student immigration status from the People's Republic of China. She earned \$4,995 in wages in 2016. Her wages are reported to her on Form 1042-S (box 1, Income Code 20). Mei will not have to report these as taxable wages.
- a. True
 - b. False
- 22.** Ron is here in J-1 student immigration status as of August 1, 2016. Under the terms of his visa, he is permitted to work in the U.S. Ron must request an ITIN to report his income.
- a. True
 - b. False

23. Sem, in F-1 student immigration status from the Netherlands, is on the volleyball team. He arrived in the U.S. on June 18, 2015 on a full athletic scholarship that includes payments for his room and board. The amount of his scholarship for room and board is taxable.
- a. True
 - b. False
24. Yoshi is in the U.S. in F-1 immigration status. She arrived from Japan on August 6, 2014. Yoshi worked in the cafeteria and earned \$3,300 in wages and had income tax withholding of \$330. Yoshi needs to file Form 8843, but since her wages are below \$4,050, she is not required to file Form 1040NR-EZ. However, it is in her best interest to file in order to receive a refund of the federal income taxes withheld.
- a. True
 - b. False

Scenario 2: May Montri

Use the following information to prepare Form 1040NR-EZ.

May Montri, a citizen of Thailand, came to the United States in F-1 immigration status (number 3344123344) on August 1, 2015.

She has remained in the country since then and is a full-time student at the local university. May, born September 25, 1998, is single. She began working at the university on January 10, 2016. She filed the proper withholding and treaty forms with the university payroll office before beginning her job.

May's address in Thailand is 240 Main St., Any City, Thailand. If she is entitled to a refund, she wants it mailed to her. She doesn't want to designate anyone to discuss her return with the IRS. She did not take any affirmative steps to apply for permanent residence in the U.S. May's U.S. income will not be taxed in her home country.

Using the following information (Form 1042-S and Form W-2), complete May's federal income tax return. (May would also need to file Form 8843, but assume that she has already completed that on her own.)

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.

		a Employee's social security number XXX-XX-XXXX		OMB No. 1545-0008		Safe, accurate, FAST! Use 		Visit the IRS website at www.irs.gov/efile							
b Employer identification number (EIN) XX-XXXXXX				1 Wages, tips, other compensation 7,500.00		2 Federal income tax withheld 750.00									
c Employer's name, address, and ZIP code STATE UNIVERSITY 122 MAIN STREET TOWN, NY 14200				3 Social security wages		4 Social security tax withheld									
				5 Medicare wages and tips		6 Medicare tax withheld									
				7 Social security tips		8 Allocated tips									
d Control number				9		10 Dependent care benefits									
e Employee's first name and initial Last name Suff. MAY MONTRI 125 COLLEGE DRIVE INTERNATIONAL HALL TOWN, NY 14200				11 Nonqualified plans		12a See instructions for box 12									
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b									
				14 Other		12c									
						12d									
f Employee's address and ZIP code				15 State Employer's state ID number NY XX-XXXXXX		16 State wages, tips, etc. 7,500.00		17 State income tax 75.00		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement

2016

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Form 1042-S		Foreign Person's U.S. Source Income Subject to Withholding				2016		OMB No. 1545-0096		
Department of the Treasury Internal Revenue Service		<input type="checkbox"/> AMENDED		<input type="checkbox"/> PRO-RATA BASIS REPORTING		Copy B for Recipient				
1 Income code 20	2 Gross income 3,000.00	3 Chapter indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any						
		3a Exemption code	4a Exemption code	13f Ch. 3 status code		13g Ch. 4 status code				
5 Withholding allowance		3b Tax rate	4b Tax rate	13h Recipient's GILN		13i Recipient's foreign tax identification number, if any		13j LOB code number, if any		
6 Net income		7b Check if tax not deposited with IRS pursuant to escrow procedure <input type="checkbox"/>		13k Recipient's account number		13l Recipient's date of birth				
7a Federal tax withheld				14a Primary Withholding Agent's Name (if applicable)		14b Primary Withholding Agent's EIN				
8 Tax withheld by other agents		9 Tax paid by withholding agent		14c Primary Withholding Agent's EIN		15a Intermediary or flow-through entity's EIN, if any		15b Ch. 3 status code		15c Ch. 4 status code
10 Total withholding credit		11 Amount repaid to recipient	12a Withholding agent's EIN XX-XXXXXX	12b Ch. 3 status code	12c Ch. 4 status code	15d Intermediary or flow-through entity's name		15e Intermediary or flow-through entity's GILN		
12d Withholding agent's name STATE UNIVERSITY		12e Withholding agent's Global Intermediary Identification Number (GIIN)		15f Country code		15g Foreign tax identification number, if any XXX-XX-XXXX				
12f Country code		12g Foreign taxpayer identification number, if any		15h Address (number and street) 122 MAIN STREET						
12h Address (number and street)		12i City or town, state or province, country, ZIP or foreign postal code TOWN, NY 14200		16a Payer's name		16b Payer's TIN				
13a Recipient's name MAY MONTRI		13b Recipient's country code		16c Payer's GILN		16d Ch. 3 status code		16e Ch. 4 status code		
13c Address (number and street) 125 COLLEGE DRIVE, INTERNATIONAL HALL		13d City or town, state or province, country, ZIP or foreign postal code TOWN, NY 14200		17a State income tax withheld 0.00		17b Payer's state tax no. XX-XXXXXX		17c Name of state NY		

(keep for your records)

Form **1042-S** (2016)

Schedule OI—Other Information (see instructions)
Answer all questions

- A** Of what country or countries were you a citizen or national during the tax year?
- B** In what country did you claim residence for tax purposes during the tax year?
- C** Have you ever applied to be a green card holder (lawful permanent resident) of the United States? **Yes** **No**
- D** Were you ever:
1. A U.S. citizen? **Yes** **No**
2. A green card holder (lawful permanent resident) of the United States? **Yes** **No**
- If you answer "Yes" to (1) or (2), see Pub. 519, chapter 4, for expatriation rules that may apply to you.
- E** If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year.
- F** Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? **Yes** **No**
If you answered "Yes," indicate the date and nature of the change. ▶
- G** List all dates you entered and left the United States during 2016 (see instructions).
Note: If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, **check the box for Canada or Mexico** and skip to item H **Canada** **Mexico**

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

- H** Give number of days (including vacation, non-workdays, and partial days) you were present in the United States during:
2014, 2015, and 2016
- I** Did you file a U.S. income tax return for any prior year? **Yes** **No**
If "Yes," give the latest year and form number you filed ▶
- J** Income Exempt from Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.
1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required (see instructions).

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

- (e) Total.** Enter this amount on Form 1040NR-EZ, line 6. Do not enter it on line 3 or line 5
2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? **Yes** **No**
3. Are you claiming treaty benefits pursuant to a Competent Authority determination? **Yes** **No**
If "Yes," attach a copy of the Competent Authority determination letter to your return.

Scenario 2: May Montri Test Questions

Directions

To answer the following multiple choice questions, refer to the Form 1040NR-EZ you completed for May Montri.

- 25.** What amount is entered on line 3 of Form 1040NR-EZ?
- a. \$7,500
 - b. \$75
 - c. \$750
- 26.** What amount is entered on line 10 of Form 1040NR-EZ?
- a. \$7,500
 - b. \$0
 - c. \$75
 - d. \$750
- 27.** What amount is entered on line 14 of Form 1040NR-EZ?
- a. \$5,630
 - b. \$3,450
 - c. \$3,375
 - d. \$4,050
- 28.** What amount is entered on line 21 of Form 1040NR-EZ?
- a. \$75
 - b. \$0
 - c. \$4,050
 - d. \$750
- 29.** Does May have a refund due to her?
- a. Yes
 - b. No

Scenario 3: Vadin Patel

Use the following information to prepare Form 1040NR-EZ

Vadin Patel, a citizen of India, came to the United States as a student. He entered in F-1 immigration status (visa number 88779914) on August 3, 2014. He has remained in the country since then and is a full-time student at the local university.

Vadin was born on September 25, 1992, and is single. He filed the proper treaty and withholding forms with the university payroll office before beginning as a graduate research assistant in 2016. His address in India is 900 Dali Road, Delhi, India.

If he is entitled to a refund, he wants it mailed to him. He doesn't want to designate anyone else to discuss his return with the IRS. Vadin has not taken any steps to apply for permanent residence in the U.S.

He will not be taxed in his home country on the income he has from the U.S. Using the following Form W-2, prepare Vadin's federal income tax return. (He has already completed his Form 8843.)

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.

a Employee's social security number XXX-XX-XXXX		Safe, accurate, FAST! Use 		Visit the IRS website at www.irs.gov/efile		
OMB No. 1545-0008						
b Employer identification number (EIN) XX-XXXXXX		1 Wages, tips, other compensation 27,200.00	2 Federal income tax withheld 2,900.00			
c Employer's name, address, and ZIP code FIRST UNIVERSITY 486 MAIN STREET TOWN, NEW YORK 14200		3 Social security wages	4 Social security tax withheld			
		5 Medicare wages and tips	6 Medicare tax withheld			
		7 Social security tips	8 Allocated tips			
d Control number		9	10 Dependent care benefits			
e Employee's first name and initial Last name VADIN PATEL 23 INDIA BLVD TOWN, NY 14200		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	12b	
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
15 State NY	Employer's state ID number XX-XXXXXX	16 State wages, tips, etc. 27,200.00	17 State income tax 900.00	18 Local wages, tips, etc.	19 Local income tax	
				20 Locality name		

Form **W-2** Wage and Tax Statement **2016** Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Schedule OI—Other Information (see instructions)
Answer all questions

A Of what country or countries were you a citizen or national during the tax year?

B In what country did you claim residence for tax purposes during the tax year?

C Have you ever applied to be a green card holder (lawful permanent resident) of the United States? **Yes** **No**

D Were you ever:
1. A U.S. citizen? **Yes** **No**
2. A green card holder (lawful permanent resident) of the United States? **Yes** **No**
 If you answer "Yes" to **(1)** or **(2)**, see Pub. 519, chapter 4, for expatriation rules that may apply to you.

E If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year.

F Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? **Yes** **No**
 If you answered "Yes," indicate the date and nature of the change. ▶

G List all dates you entered and left the United States during 2016 (see instructions).
Note: If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, **check the box for Canada or Mexico** and skip to item H **Canada** **Mexico**

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

H Give number of days (including vacation, non-workdays, and partial days) you were present in the United States during:
 2014, 2015, and 2016

I Did you file a U.S. income tax return for any prior year? **Yes** **No**
 If "Yes," give the latest year and form number you filed ▶

J Income Exempt from Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.

1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required (see instructions).

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

(e) Total. Enter this amount on Form 1040NR-EZ, line 6. Do not enter it on line 3 or line 5

2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? **Yes** **No**
3. Are you claiming treaty benefits pursuant to a Competent Authority determination? **Yes** **No**
 If "Yes," attach a copy of the Competent Authority determination letter to your return.

Scenario 3: Vadin Patel Test Questions

Directions

To answer the following questions, refer to the Form 1040NR-EZ you completed for Vadin Patel.

- 30.** What amount is entered on line 3 of Form 1040NR-EZ?
- a. \$21,000
 - b. \$20,100
 - c. \$0
 - d. \$27,200
- 31.** What amount is entered on line 11 of Form 1040NR-EZ?
- a. \$900
 - b. \$6,200
 - c. \$6,300
 - d. \$10,150
- 32.** What amount is entered on line 14 of Form 1040NR-EZ?
- a. \$16,900
 - b. \$2,100
 - c. \$2,700
 - d. \$4,050
- 33.** What amount is entered on line 18a of Form 1040NR-EZ?
- a. \$900
 - b. \$0
 - c. \$2,900
 - d. \$3,800
- 34.** What is the amount of the refund on Form 1040NR-EZ?
- a. \$2,900
 - b. \$900
 - d. \$815
 - d. \$830

Scenario 4: Sumon Azim

Use the following information to prepare Form 1040NR-EZ.

Sumon Azim is a resident of Bangladesh (visa number 987654321). He arrived in the United States in F-1 immigration status on September 1, 2015 as a full-time student. Sumon is 27 years old and single. His address in Bangladesh is 15 Charity Street, Bhola.

Sumon has not taken any affirmative steps to apply for permanent residence in the United States.

He will not be taxed by the Bangladesh government on the income he has earned in the United States. Assume Sumon has already completed his Form 8843, and prepare his federal income tax return with the following Form W-2. College Town University reports all student income on Form W-2. They do not issue Forms 1042-S.

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.

a Employee's social security number XXX-XX-XXXX		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile			
b Employer identification number (EIN) XX-XXXXXX				1 Wages, tips, other compensation 11,560.00		2 Federal income tax withheld 780.00					
c Employer's name, address, and ZIP code COLLEGE TOWN UNIVERSITY 23 SOUTHWEST STREET COLLEGE TOWN, VA 23000				3 Social security wages		4 Social security tax withheld					
				5 Medicare wages and tips		6 Medicare tax withheld					
				7 Social security tips		8 Allocated tips					
d Control number				9		10 Dependent care benefits					
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a See instructions for box 12			
SUMON AZIM 10 MAIN STREET INTERNATIONAL STUDENT HALL COLLEGE TOWN, VA 23000				13 Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		Third-party sick pay <input type="checkbox"/>		12b	
				14 Other		12c					
								12d			
f Employee's address and ZIP code				15 State Employer's state ID number VA XX-XXXXXX		16 State wages, tips, etc. 11,560.00		17 State income tax 110.00		18 Local wages, tips, etc.	
								19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement

2016

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Schedule OI—Other Information (see instructions)
Answer all questions

A Of what country or countries were you a citizen or national during the tax year?

B In what country did you claim residence for tax purposes during the tax year?

C Have you ever applied to be a green card holder (lawful permanent resident) of the United States? **Yes** **No**

D Were you ever:
1. A U.S. citizen? **Yes** **No**
2. A green card holder (lawful permanent resident) of the United States? **Yes** **No**
 If you answer "Yes" to **(1)** or **(2)**, see Pub. 519, chapter 4, for expatriation rules that may apply to you.

E If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year.

F Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? **Yes** **No**
 If you answered "Yes," indicate the date and nature of the change. ▶

G List all dates you entered and left the United States during 2016 (see instructions).
Note: If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, **check the box for Canada or Mexico** and skip to item H **Canada** **Mexico**

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy	Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

H Give number of days (including vacation, non-workdays, and partial days) you were present in the United States during:
 2014, 2015, and 2016

I Did you file a U.S. income tax return for any prior year? **Yes** **No**
 If "Yes," give the latest year and form number you filed ▶

J Income Exempt from Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.

1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required (see instructions).

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

(e) Total. Enter this amount on Form 1040NR-EZ, line 6. Do not enter it on line 3 or line 5

2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? **Yes** **No**
3. Are you claiming treaty benefits pursuant to a Competent Authority determination? **Yes** **No**
 If "Yes," attach a copy of the Competent Authority determination letter to your return.

Scenario 4: Sumon Azim Test Questions

Directions

To answer the following multiple choice questions, refer to the Form 1040NR-EZ you completed for Sumon Azim.

- 35.** What amount is entered on line 3 of Form 1040NR-EZ?
- a. \$7,510
 - b. \$11,560
 - c. \$3,560
- 36.** What amount is entered on line 13?
- a. \$4,050
 - b. \$4,160
 - c. \$4,830
 - d. \$0
- 37.** On which line will Sumon enter his treaty benefits information?
- a. Treaty benefits are only subtracted from Line 3 and listed nowhere else.
 - b. No treaty amounts are allowed without Form 1042-S.
 - c. Line I
 - d. Line J
- 38.** Can Sumon claim a standard deduction rather than itemizing his state income taxes?
- a. Yes
 - b. No

Refunds, Deductions, and the Best Form to Use

Introduction

This part of the VITA/TCE certification test includes 12 true/false or multiple choice questions.

Allow approximately 20 minutes to complete this segment.

- 39.** Michael, an international student from Ireland, has a W-2 that shows amounts withheld for Social Security and Medicare taxes. Michael is an F-1 nonresident alien for tax purposes. Which form should he file to receive a refund of these taxes once attempts to obtain a refund through his employer have failed?
- Form 843
 - Form 8233
 - Form 8880
 - Form 8962
- 40.** Carlos and Sophia are from Mexico. Carlos is a scholar at a local university in J-1 scholar immigration status and Sophia is in J-2 immigration status. Sophia worked at a local boutique in 2016. Her Form W-2 shows Social Security and Medicare withholding. Sophia found out her spouse does not have to pay Social Security or Medicare taxes. Should Sophia ask her employer for a refund of the Social Security and Medicare taxes?
- Yes
 - No
- 41.** Wei, an international student from People's Republic of China, received \$10,563 of interest and dividend income in 2016 from accounts he opened when he first arrived in the U.S. on August 27, 2010. What type of federal income tax return does he need to file?
- Form 1040
 - Form 1040NR
 - Form 1040NR-EZ
 - He does not need to file a return
- 42.** Harold, his wife and son entered the United States for the first time in 2012. They are all residents of France, and Harold is in F-1 immigration status. Harold won \$500 at the local casino.
- Which federal income tax return does Harold use to report this income?
- Form 843
 - Form 1040
 - Form 1040NR
 - Form 1065

43. Charles Windsor is a visiting scholar from England. He arrived in the U.S. on August 28, 2015 in a J-1 immigration status and was accompanied by his wife Camilla and his son Henry. Since his arrival, his second son, William, was born in the U.S. Charles earned \$70,000 in 2016 from State University. When he files his federal tax return, can he claim the exemptions for his wife and children?
- a. Yes
 - b. No
44. Staffan, a graduate student of physics from Sweden, is in F-1 immigration status. He first arrived in the U.S. on April 18, 2014. Staffan needs help preparing his tax return. He has receipts for his donations to a local charity and wants to know where to claim them. Staffan cannot claim a charitable contributions on Form 1040NR-EZ.
- a. True
 - b. False
45. Adi is in F-1 immigration status from Indonesia. He entered the United States in September 2015 and enrolled as a full time undergraduate student. Adi is pursuing his first degree in mathematics.
- Can he claim his education expenses on his tax return?
- a. Yes
 - b. No
46. Siobhan is a single, nonresident alien who began studying in the U.S. in 2016 in F-1 immigration status from South Africa. She has wages of \$6,700, interest income from her savings account of \$230, and sold a few U.S. shares of stock that her aunt left to her for \$6,000. She donated \$2,000 of the proceeds to a local charity. Which tax form is best for Siobhan to file to report her income?
- a. Form 1040
 - b. Form 1040NR
 - c. Form 1040NR-EZ
 - d. Form 8843

47. Some students and scholars may owe money with their tax return. Nonresidents have which of the following payment options?
- a. Ask for an extension of time to pay or an installment agreement.
 - b. Pay the entire balance by the due date for the return.
 - c. Put the balance on a credit card.
 - d. All of the above.
48. Gariagdy, who is from Turkmenistan, earned \$9,248 in 2015. He had \$195 withheld for state income taxes. He listed the taxes as a deduction on his federal return for 2015, and it lowered his taxable income for 2015. Gariagdy received a state refund of \$117 in 2016 from the 2015 tax return. He would include this refund on his 2016 federal return.
- a. True
 - b. False
49. Hugo came to the U.S. in 2013 for postgraduate study. He took out a student loan to help pay the tuition. Hugo graduated in December 2015, but remained in the U.S. for one year of practical training. He began repaying the loan on July 1, 2016 and paid \$49 in interest during 2016. Hugo cannot claim this interest as a deduction.
- a. True
 - b. False
50. Frederick, a student from Malta, had \$8,785 in wages reported to him on Form 1042-S. Although all of his wages are excluded from tax by treaty, he is required to file a tax return.
- a. True
 - b. False

Link & Learn Taxes

Link & Learn Taxes is web-based training designed specifically for VITA/TCE volunteers. Each volunteer's ability to prepare complete and accurate returns is vital to the credibility and integrity of the program. Link & Learn Taxes, as part of the complete volunteer training kit, provides the path to achieving this high level of quality service.

Link & Learn Taxes and the printed technical training kit, Publication 4480, work together to help volunteers learn and practice.

Link & Learn Taxes for 2016 includes:

- Access to all VITA/TCE courses
- Easy identification of the VITA/TCE courses with the course icons
 - As you progress through a lesson, the content for Basic, Advanced, Military, or International will display, depending on the level of certification you selected
- PowerPoint presentations that can be customized to fit your classroom needs
- VITA/TCE Central to provide centralized access for training materials and reference links
- The Practice Lab
 - Gives volunteers practice with an early version of the IRS-provided tax preparation software
 - Lets volunteers complete workbook problems from Publication 4491W
 - Lets volunteers prepare test scenario returns for the test/retest



Go to www.irs.gov, type “Link & Learn” in the Keyword field and click Search. You’ll find a detailed overview and links to the courses.

FSA (Facilitated Self Assistance) empowers taxpayers to prepare their own return with the assistance of a certified volunteer. Taxpayers complete their own return using interview-based software supplied by leaders in the tax preparation industry. Volunteers assist taxpayers with tax law and software questions.

Virtual VITA allows partners to initiate the intake process for taxpayers in one location, while utilizing a certified volunteer to prepare the return in an entirely different location. By incorporating this flexibility, partners can provide taxpayers with more convenient locations to file their taxes.

For more information contact your SPEC Relationship Manager to see if you should start a FSA or Virtual VITA site in your community.



Your online resource for volunteer and taxpayer assistance

Partner and Volunteer Resource Center

<https://www.irs.gov/Individuals/Partner-and-Volunteer-Resource-Center>

- What's Hot!
- Site Coordinator's Corner

Quality and Tax Alerts for IRS Volunteer Programs

<https://www.irs.gov/Individuals/Quality-and-Tax--Alerts-for-IRS-Volunteer-Programs>

- Volunteer Tax Alerts

Volunteer Training Resources

<https://www.irs.gov/Individuals/Volunteer-Training-Resources>

Outreach Corner

<https://www.irs.gov/Individuals/Outreach-Corner>

Tax Trails for Answers to Common Tax Questions

<https://www.irs.gov/Individuals/Tax-Trails---Main-Menu>

Online Services and Tax Information for Individuals

<https://www.irs.gov/Individuals>

File Your Return

- Direct Deposit your refund

Make a Payment

- Direct Pay
- Other ways you can pay
(Electronic funds withdrawal, debit and credit card, and IRS2Go)
- [myRA](#)

Manage Your Tax Info

- Withholding Calculator
- Answers about the Health Care Law
- Protect your identity

After You File

- Where's My Refund?
- Get Transcript

eBooks

Want to view our training products on your mobile or tablet devices? Click here to access our eBooks: <https://www.irs.gov/Individuals/Site-Coordinator-Corner>.

Mobile App

Another device to use for additional information is IRS2Go. Click here to download IRS2Go mobile app: <https://www.irs.gov/uac/irs2goapp>.

and much more!

Your direct link to tax information 24/7:

www.irs.gov