Nonresident Aliens

Filing Your 2015 Minnesota Income Tax and Property Tax Refund Returns
Are you a resident alien?

A resident alien is generally taxed in the same way as U.S. citizens.

You’re considered a resident alien if you meet the

“green card” test,

“substantial presence” test or

if you’re married to a U.S. citizen (in some cases)
You’re considered a nonresident alien if you don’t meet either:

* the green card or
* substantial presence test.

Nonresident aliens typically include college students or teachers, household workers, farm workers and people in technical occupations.
State of Residence

- Resident Aliens: Follow same rules as US citizens
  - Full-year Minnesota Resident: principal residence was in Minnesota for the entire year
  - Part-year Minnesota Resident: moved into or out of Minnesota during the year

If you meet federal and Minnesota filing requirements, complete the appropriate federal tax form and Minnesota Form M1.
Nonresident Aliens

- Status as a resident depends whether or not you meet 183-day rule

If you meet federal and Minnesota filing requirements, complete the appropriate federal tax form and Minnesota Form M1.
183-Day Rule

- 183-Day Rule: Number of Days in Minnesota
  - Spent at least 183 days in Minnesota
    - Generally, any portion of a day counts as a whole day
  - Own, rent, or occupy an abode in Minnesota
    - Abode: a self-contained living unit, suitable for year-round use, equipped with its own cooking and bathing facilities

If both conditions apply, you are a Minnesota resident for length of time the second condition applies.
Filing a Minnesota Income Tax Return

* Filing federal Form 8843
  * No equivalent form for Minnesota
* If not required to file a federal return, then not required to file a Minnesota return.
Filing a Minnesota Income Tax Return

* Minnesota return starts with federal taxable income:
  * Form 1040NR - Line 41
  * Form 1040NR-EZ - Line 14

* If itemizing deductions on federal:
  * Must add back ALL state income tax on Form M-1- Line 2
  * Do not use worksheet in Minnesota Income Tax Instruction booklet, unless you are eligible for the standard deduction

* Minnesota requires a copy of the federal return to be enclosed when filing the Minnesota return.
Use same federal filing status for state return, use MFS for all married statuses

A: Wages from Line 8 or Line 3 (EZ)
B – C: Usually blank
D: FAGI from Line 36 or Line 10 (EZ)

Line 1: Federal Taxable Income from Line 41 or Line 14 (EZ)

Line 2: State Tax from Line 1 (1040-NR, Sch. A) or Line 11 (EZ)

Line 5: State Tax Refund from Line 11 or Line 4 (EZ)
Additions & Subtractions

* **Form M1, Line 3:**
  * Schedule M1M (Additions)
    * Complete list of other items on pages 8-9 of Minnesota Income Tax Instruction booklet

* **Form M1, Line 6**
  * Schedule M1M (Subtractions)
    * Complete list of other items on pages 9-10 of Minnesota Income Tax Instruction booklet
| Line 22: Schedule M1W - Show Minnesota withholding only |
| Line 25: Schedule M1CD, Child and Dependent Care Credit |
| Line 27: Schedule M1ED, K-12 Education Expenses Credit |

Refund or Payment Due

Return must be signed to be processed

Address to mail return
Completing Schedule M1W

* W-2 (... same as ...) 1042-S
* Box 15 - MN ID ........... Box 24
* Box 16 - State Wages ....... Box 2 – Gross Income
* Box 17 - MN W/H ........ Box 23
  Box 25 – State Name

Only complete Schedule M1W if there are Minnesota taxes withheld on Form W-2 or 1042-S (rare for 1042-S).
  * Form W-2 withholding is reported on Line 1.
  * 1042-S withholding is reported on Line 2.
Enter MN tax withheld from Form W-2

Enter MN tax withheld from Form 1042-S
Do not qualify for federal Earned Income Tax Credit, so do not qualify for Minnesota Working Family Credit

* Married Filing Separate status does not qualify for certain Minnesota credits
  * Marriage Credit, Child and Dependent Care Credit, & Education Credit
Minnesota Child and Dependent Care Credit

- Schedule M1CD
- Single with qualifying child (See Publication 17)
- Must qualify for the federal credit
- Must have Minnesota source income
* Minnesota K-12 Education Credit
  * Schedule M1ED
  * Paid qualifying educational expenses for 2015
  * Household income limit and maximum credit based on number of qualifying children in K-12 for 2015
    * See pages 12-13 of Minnesota Income Tax Instruction booklet for more information.
Minnesota Property Tax Return

- Must be a full-year or part-year Minnesota resident (183-day rule)
- Dependents are not eligible
  - Must provide over half of your own support
- Must live in a unit which is considered an “abode”
  - Contains sleeping, cooking, and bathing facilities
- Unit must have been subject to property taxes
- Available for any filing status
  - Qualification depends on living situation
- Homeowners only must have valid SSN
To qualify for the property tax refund, real estate taxes must be paid on unit.
Rent must be paid from own funds.
A Form CRP should not be send to an individual living in a building not subject to property taxes.
Examples of student housing:
  * Dormitory
  * Other school owned housing
Renter Situations

- If two unmarried adults live in a rental unit:
  - The rent is split equally on Form CRP
  - Each applies for the refund separately
- Dependents
  - Rent must come from own funds
- If income is less than the rent paid:
  - Enclose a separate sheet of paper when filing the return explaining the source of funds used to pay the rent
Household Income

* Line 1 - Federal Adjusted Gross Income
  * From 1040NR-EZ: Line 10
  * From 1040NR: Line 36
Household Income

* Line 5 – Additional Nontaxable Income
  * Include most other types of non-taxable income received
  * Write non-resident alien and income type in box
    * Scholarships and fellowships
    * Income excluded by a tax treaty
    * Tuition paid by the University for a PhD student in exchange for TA duty
    * Interest

See page 8 of Minnesota Property Tax Refund Instruction booklet for additional income to include.
Subtractions

- Line 32 - Subtraction for Dependents
  - Same as the dependents claimed on Form 1040-NR
### Federal Adjusted Gross Income (X, if negative)

1. Federal adjusted gross income (from line 37 of federal Form 1040, line 11 of Form 1040A, or line 6 of Form 1040EZ)  \[ \text{X, if negative} \]

### Nontaxable Income

2. Nontaxable Social Security and/or Railroad Retirement Board benefits received and not included in line 1 above (choose line from instructions)  \[ \text{X, if negative} \]

3. Deduction for contributions to a qualified retirement plan (add lines 2 and 3 above) (choose line from instructions)  \[ \text{X, if negative} \]

4. Total payments to payees including MFP (Minnesota Family Investment Program), MFIP Supplemental Aid, and supplemental security income, or qualified disability and ORI (group assistance) housing (choose line from instructions)  \[ \text{X, if negative} \]

5. Additional nontaxable income such as distributions from a Roth account and workers' compensation benefit, scholarships and grants (see instructions)  \[ \text{X, if negative} \]

6. Add lines 3 through 5. If your income is less than the rent you paid, enclose an explanation  \[ \text{X, if negative} \]

7. Dependent, over 65, disabled, and retirement contribution subtraction (see Schedule A, line 26)  \[ \text{X, if negative} \]

8. Total household income. Subtract line 7 from line 6 (result is zero or less, leave blank)  \[ \text{X, if negative} \]

### Additional Nontaxable Income (Page 8 - PR Booklet)

9. Renters: Line 4 of your 2015 (or the year of rent paid if 2016)  \[ \text{X, if negative} \]

10. Renters: Using the amounts on line 9 and line 9, find the amount to enter here from the renters refund table in the instructions. Continue with line 15  \[ \text{X, if negative} \]

### Other Income (for Homeowners)

11. Homeless Credit Refund: Using the amounts on line 8 and line 15, find the amount to enter here from the homeowners refund table in the instructions  \[ \text{X, if negative} \]

12. Additional nontaxable income (for homeowners) (choose line from instructions)  \[ \text{X, if negative} \]

13. Add lines 12, 13, and 14  \[ \text{X, if negative} \]

14. Nongame Wildlife Fund contribution. Your refund will be reduced by this amount  \[ \text{X, if negative} \]

15. YOUR REFUND. Subtract line 16 from line 15  \[ \text{X, if negative} \]
Don’t forget to sign the bottom of return

Address to mail return

2015 M1PR, page 2

Schedule 1 - Special refund. To qualify, you must have owned and lived in this home on January 1, 2015, and on January 1, 2016. If you qualify, see the instructions.

19 Line 1 of Statement of Property Taxes Paid in 2016. If the Statement lists an amount for new improvements or expired exclusions, skip lines 19 and 20 and enter this amount on line 21. 19

20 Multiply line 18 by the percentage on line 19. 20

21 If you do not have new improvements or expired exclusions, enter the amount from line 18. If you had new improvements or expired exclusions, subtract line 20 from line 18. 21

22 From your Statement of Property Taxes Paid in 2016, enter the amount from line 2 (2015 column). If there is no amount on line 2, see instructions. 22

23 Special refund (not your regular refund) from line 12 of your 2014 Form M1PR. 23

24 Subtract line 23 from line 12 (result is more than line 21, or a negative number). 24

25 Special refund (not your regular refund) from line 12 of your 2014 Form M1PR. (result is less than $100). 25

26 Amount from line 24 X 12% (.12). 26

27 Amount from line 26 or $30, whichever is greater. 27

28 Subtract line 27 from line 25 (result is zero or less). 28

29 Multiply line 28 by 6% (.06). 29

30 Special refund. Amount from line 29 or $3,000, whichever is less. Enter the amount here and on line 12 of this Form M1PR. 30

Schedule 2 - Subtract the following if you are 65 or older or disabled:

31 Subtract for 65 or older or disabled if you or your spouse filing a joint return are 65 or older or are disabled. Enter $4,000. 31

32 Dependent Subtraction: Enter your subtraction for dependents (determine from instructions). 32

33 Retirement Account Subtraction: If you (or your spouse) contributed to a 401(k), IRA, 457(b), or other retirement plan, or had an amount on line 5, see instructions. 33

34 Add lines 31 through 33, enter the result here and on line 7 of this Form M1PR. 34

35 Direct deposit of your refund (you must use an account not associated with a foreign bank).

Donors - Include your 2015 CRP
Mail to: Minnesota Property Tax Refund
St. Paul, MN 55155-0020
Filing Due Dates

* Form M1, Minnesota Income Tax return
  * Due April 18
  * Any balance due must be paid by April 18

* Form M1PR, Minnesota Property Tax Refund return
  * Due August 15
  * Have one year after due date to claim refund

* Amended returns
  * Generally 3½ years from original return due date
For Additional Information

* **Department of Revenue Website:**
  * [www.revenue.state.mn.us](http://www.revenue.state.mn.us)
  * Fact Sheet #16: Aliens
  * Fillable forms are available to print
  * M1 and PR Instruction booklets

* **Income Tax Questions:**
  * 651-296-3781 or 1-800-652-9094
  * [individual.incometax@state.mn.us](mailto:individual.incometax@state.mn.us)
Questions?