Nonresident Aliens

Filing Your 2016 Minnesota Income Tax and Property Tax Refund Returns

Resident Alien

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)
Nonresident Alien

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 you are not required to file a federal return, then you are also 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
Completing Schedule M1W

- W-2 (......same as......)
- Box 15 - MN ID............... 1042-S
- Box 16 - State Wages.......  Box 17a
- Box 17 - MN W/H.............  Box 2: Gross Income
- Box 17b

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

Credits

- Nonresident aliens do not qualify for federal Earned Income Tax Credit, so they also 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
**Credits**

- **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

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- **Minnesota K-12 Education Credit**
  - Schedule M1ED
  - Paid qualifying educational expenses for 2016
  - Household income limit and maximum credit based on number of qualifying children in K-12 for 2016
  - See pages 13-14 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

**Student Living Situations**

- 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
<table>
<thead>
<tr>
<th>Line 1: Federal Adjusted Gross Income (X, if negative)</th>
<th>Direct Deposit Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Nontaxable Income (Page 8 – M1PR Instructions)</td>
<td>Don’t forget to sign the bottom of return</td>
</tr>
<tr>
<td>Name and Address</td>
<td>Address to mail return</td>
</tr>
<tr>
<td>SSN or ITIN</td>
<td></td>
</tr>
</tbody>
</table>

**MINNESOTA-REVENUE**

**Form M1PR, Homestead Credit Refund (For Homeowners) and Home Property Tax Refund 2010**

- Federal Adjusted Gross Income (X, if negative)
- Additional Nontaxable Income (Page 8 – M1PR Instructions)
- Direct Deposit Information
- Don’t forget to sign the bottom of return
- Address to mail return

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**2010 M1PR, page 2**

- Don’t forget to sign the bottom of return
- Address to mail return
- SSN or ITIN
- Name and Address
- Living Status

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**Instructions**

- Federal Adjusted Gross Income (X, if negative)
- Additional Nontaxable Income (Page 8 – M1PR Instructions)
- Direct Deposit Information
- Don’t forget to sign the bottom of return
- Address to mail return

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**2010 M1PR, page 3**

- Don’t forget to sign the bottom of return
- Address to mail return
- SSN or ITIN
- Name and Address
- Living Status
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
Thank you! Questions?