Nonresident Aliens
Filing your 2019 Minnesota Income Tax and Property Tax Refund Returns
State of Residence

› “Residency”
  - Immigration ≠ IRS ≠ MN

› Nonresident Aliens MN Residency
  - 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
  – Any part of a day counts as a whole day
› Rent, own, maintain, or occupy an abode
  – A residence in Minnesota suitable for year-round use that is 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.
MN Residency Status

› To be considered a nonresident of MN:
  – You were present in the state of MN for less than 183 days during 2019
  – OR
  – You were present in the state of MN for at least 183 days during 2019
  – AND
  – You (and your spouse, if married) did not rent, own, maintain, or occupy an abode at any point during the entire year

› To be a considered a part-year resident of MN:
  – You were present in the state of MN for at least 183 days during 2019
  – AND
  – You or your spouse rented, owned, maintained, or occupied an abode for some part of the year

› To be a considered a full-year resident of MN:
  – You were present in MN for at least 183 days during 2019
  – AND
  – You or your spouse rented, owned, maintained, or occupied an abode for the entire year
What effect does MN Residency Status have?

› To be considered a nonresident of MN:
  – You were present in the state of MN for less than 183 days during 2019
  – OR
  – You were present in the state of MN for at least 183 days during 2019
  – AND
  – You (and your spouse, if married) did not rent, own, maintain, or
    occupy an abode at any point during the entire year

› To be a considered a part-year resident of MN:
  – You were present in the state of MN for at least 183 days during 2019
  – AND
  – You or your spouse rented, owned, maintained, or occupied an
    abode for some part of the year

› To be a considered a full-year resident of MN:
  – You were present in MN for at least 183 days during 2019
  – AND
  – You or your spouse rented, owned, maintained, or occupied an
    abode for the entire year

Only part-year or full-year residents eligible for property tax refund
What effect does MN Residency Status have?

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  – You were present in the state of MN for less than 183 days during 2019
  – OR
  – You were present in the state of MN for at least 183 days during 2019
  – AND
  – You (and your spouse, if married) did not rent, own, maintain, or occupy an abode at any point during the entire year

› To be a considered a part-year resident of MN:
  – You were present in the state of MN for at least 183 days during 2019
  – AND
  – You or your spouse rented, owned, maintained, or occupied an abode for some part of the year

› To be a considered a full-year resident of MN:
  – You were present in MN for at least 183 days during 2019
  – AND
  – You or your spouse rented, owned, maintained, or occupied an abode for the entire year

Pay MN tax on income from MN sources while a nonresident

Pay MN tax on income from MN sources. Also pay MN tax on income earned while a MN resident
Filing a Minnesota Income Tax Return

› Filing federal Form 8843
  – No equivalent form for Minnesota

› Nonresidents must file a Minnesota return if their Minnesota source gross income is above the filing limit:
  – Nonresident aliens who are allowed to take the standard deduction (students from India): $12,200
  – All others: $5
What MN Forms To File

 › M1 – Individual Income Tax
  - If you meet MN filing requirements

 › M1W – Minnesota Income Tax Withheld
  - If you have MN tax withheld on an income document (such as W-2, 1042-S, 1099)

 › M1SA – Minnesota Itemized Deductions
  - If you have itemized deductions other than state income tax paid on your 1040NR Schedule A

 › M1NR – Nonresident / Part-Year Residents
  - If you are a MN nonresident or part-year resident and you have income earned from another state while you were not a MN resident

 › Other forms may be needed if you have additions, subtractions, or credits
  - Including M1M, M1C, M1SLC, M1REF
  - See M1 and other Form Instructions

Complete instructions on required forms and how to fill them out are at: https://www.revenue.state.mn.us/individual-income-tax
Credits

› You may qualify for the Student Loan Credit if you have paid interest on a qualified student loan
  – You should receive form 1098-E from your student loan company showing the amount paid

› Nonresident aliens do not qualify for the federal Earned Income Tax Credit, so they also do not qualify for the Minnesota Working Family Credit.

› If your filing status is Married Filing Separate, you do not qualify for certain Minnesota credits
  – Marriage Credit
  – Child and Dependent Care Credit
  – K-12 Education Credit
Credits

› If your filing status is Single, you may qualify for certain Minnesota credits
  – You must have a qualifying child that is claimed as a dependent
    › Child has SSN
    › You are from Canada, Mexico, India, or S. Korea

– 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

– K-12 Education Credit
  › Schedule M1ED
  › Paid qualifying educational expenses for 2019
  › Household income limit and maximum credit based on number of qualifying children in grades K-12 in 2019
    – See page 18 of the Minnesota Individual Income Tax Instruction booklet for more information.
Credits

› Credit for taxes paid to another state (M1CR) or Wisconsin (M1RCR)

- Must be domiciled in Minnesota to be eligible for these credits
  › Domicile is the place you intend to make your home permanently or for an indefinite period of time.
  › Once you establish domicile in Minnesota, it continues until you take action to change it. If you move out of Minnesota, but do not intend to permanently remain in another state or country, you continue to be a Minnesota resident.
  › Nonresident alien students, teachers, and researchers (and their families) who are temporarily present in the U.S. on F or J visas are not in MN (or the U.S.) permanently or for an indefinite period. They have been granted entrance for a specific purpose and time period, the end of which is already established as a part of obtaining their visa.
Minnesota Tax Return: Filling in the forms

› Use black ink
› ALL CAPS
› Numbers like this: 1 2 3 4 5 6 7 8 9 0
  – Do not put a slash through the “0” (Ø) or “7” (7) or any other numbers
› Leave unused lines and boxes blank (zero value)
› Round to nearest whole dollar amount:
  – $0.01 - $0.49  Round DOWN
  – $0.50 - $0.99  Round UP
  – Write only whole dollars (2345, not $2,345.00)
› Can use white-out to fix any mistakes
Filing a Minnesota Income Tax Return

› You must complete your federal return first.
  - Minnesota return starts with federal adjusted gross income

› *Minnesota requires a copy of the federal return to be enclosed when filing the Minnesota return.*
Lisa Hui’s MN Return

› Using the forms and instructions
  – Form M1SA
  – Form M1W
  – Form M1
Minnesota Property Tax Return

› Must be a full-year or part-year Minnesota resident (183-day rule)

› Cannot be a dependent
  – Must have provided over half of own support
  – See Pub. 17 for full list of tests

› Must live in a unit which is considered an “abode”
  – Contains sleeping, cooking, and bathing facilities

› Unit must have been subject to property taxes
  – A Certificate of Rent Paid (CRP) should not be send to an individual living in a building not subject to property taxes
    › Dormitory
    › Other school owned housing

› Available for any filing status (Single, MFS)
  – Qualification depends on living situation

› Homeowners only must have valid SSN
Dependency Evaluation

› Tuition from One-Stop Account Statement

› Rent from Property Tax Statement

› Food
  - UofM Meal Plan ~$2k/semester

› Clothing & Fun
  - Not a zero amount

› Typical number: $42,000

Property Tax Refund Worksheet TY2019

<table>
<thead>
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<th>Dependency Evaluation:</th>
<th></th>
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<tbody>
<tr>
<td>Income</td>
<td>Expenses</td>
</tr>
<tr>
<td>Earnings</td>
<td>Tuition</td>
</tr>
<tr>
<td>Scholarships</td>
<td>Rent</td>
</tr>
<tr>
<td>Loans</td>
<td>Food</td>
</tr>
<tr>
<td>Family</td>
<td>Clothing</td>
</tr>
<tr>
<td></td>
<td>Fun</td>
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<tr>
<td>Total w/o Family</td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td></td>
</tr>
<tr>
<td>Family %</td>
<td>Total</td>
</tr>
</tbody>
</table>

You must have provided over 50% of your total support. If your family provided over half of your support, you are not eligible for the property tax refund. Est. Tuition: $16,000/sem. Food: $2,000/sem.

You MUST print out your full calendar year 2019 One Stop Account information. We will NOT do your M1PR without this!
Renter Situations

› If more than one adult lives in a rental unit
  - The rent is split equally on Form CRP
  - Beginning with rent paid in 2019, married individuals will be treated as separate adults living in the rental unit and both will receive a CRP

- Are you married to the person you are living with?
  - Yes – file a joint M1PR together
  - No – each person files M1PR separately

› 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
Minnesota Property Tax Refund

› Line 1 - Federal Adjusted Gross Income
   – From 1040-NR-EZ: Line 10
   – From 1040-NR: Line 35

› Line 5 (Schedule M1PR-AI) – Additional Nontaxable Income
   – Include most other types of non-taxable income received
   – Write non-resident alien and income type in the box
     › Scholarships and fellowships
     › Income excluded by a tax treaty
     › Tuition paid by the University for a PhD student in exchange for teaching assistant (TA) duty
     › Interest

   › See pages 8 & 9 of Minnesota Property Tax Refund Instruction booklet for additional income to include.

› Line 8 – Dependent Subtraction
   – Same as the dependents claimed on Form 1040-NR

› Direct deposit information (money arrives starting in August)

› Original signature and date

See M1PR Instruction Book for complete details.
Filing Due Dates

Form M1, Minnesota Income Tax return
- Due April 15
  › Any balance due must be paid by April 15

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

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

Department of Revenue Website:
- www.revenue.state.mn.us
- Fact Sheet 16: Aliens
- Fillable forms are available to print
- Form M1 and M1PR instruction booklets

Income Tax Questions:
- 651-296-3781 or 1-800-652-9094 (toll-free)
- individual.incometax@state.mn.us
Questions?

› If you have a general question that will apply to many people, ask now

› If you have a specific question about your situation, we will stick around to answer individual questions once done with general questions
Thank you!

We hope to see you at one of our NRVTAP clinics!