

DETERMINATION OF NONRESIDENT ALIEN FOR TAX PURPOSES BY VISA TYPE

VISA TYPE	NONRESIDENT ALIEN	RESIDENT ALIEN
F-1 & J-1 students	During first 5 calendar years in U.S. AND Doesn't pass the "green card" test	Beginning in 6 th calendar year in U.S. OR Passes "green card" test
J-1 non-students (i.e. researchers, teachers)	During the first 2 calendar years in the U.S. AND Doesn't pass the "green card" test	Beginning in 3 rd calendar year in U.S. OR Passes "green card" test
H-1B, TN, O-1, E-3	Until they pass the "substantial presence" test AND Doesn't pass the "green card" test	Once they've passed the "substantial presence" test OR Passes "green card" test
B-1, VWB, B-2, VWT	Until they pass the "substantial presence" test AND Doesn't pass the "green card" test	Once they've passed the "substantial presence" test OR Passes "green card" test

COMPARISON OF NONRESIDENT ALIEN VS. RESIDENT ALIEN FOR TAX PURPOSES

	NONRESIDENT ALIEN	RESIDENT ALIEN
Eligible	<ul style="list-style-type: none"> Resident of country other than U.S. Company organized under laws of foreign country 	<ul style="list-style-type: none"> Permanent Resident (green card holder) Meets "substantial presence test" Company organized under U.S. law
Tax Treaty Available	<ul style="list-style-type: none"> Yes, for some foreign nationals 	<ul style="list-style-type: none"> No – limited exceptions for resident alien teachers
Tax Filing	<ul style="list-style-type: none"> Taxed on U.S. source income only Cannot file jointly with spouse Only one personal exemption allowed – except Canada, Mexico, or South Korea No standard deduction – except India Limitations to itemized deductions 	<ul style="list-style-type: none"> Taxed on worldwide income Can file jointly with spouse Multiple personal exemptions allowed Eligible for standard deduction No limits on itemized deductions

Primary source: *International Project Startup Guide*, University of Washington, 2016. Accessed online at http://finance.uw.edu/globalsupport/sites/default/files/IPAG%204.14_0.pdf