The Internal Revenue Service (IRS), the U.S. government tax authority, has issued strict regulations regarding the taxation and reporting of payments made to non-United States citizens. As a result, the University and Community College System of Nevada (“UCCSN”) may be required to withhold U.S. income tax and file reports with the IRS in connection with payments made by the UCCSN to consultants and guest speakers who are not U.S. citizens or permanent resident aliens (greencard holders) and who receive compensation for services performed and/or reimbursement for travel.

The UCCSN must determine whether you will be treated as a “resident alien” or “nonresident alien” for U.S. tax purposes. Consultants or guest speakers who enter the U.S under a visitor’s visa (e.g., B-1 or B-2) or a waiver of a visa (e.g., WB or WT) are generally treated as nonresident aliens if they are present in the U.S. for a total of less than six months over a three year period. Consultants or guest speakers who are present in the U.S. under a J-1 visa are usually considered nonresident aliens for the first two calendar years that they are present in the U.S.

The UCCSN is generally required to withhold taxes from all payments made to nonresident aliens. In order for the UCCSN to make a correct determination about tax withholding, all guest speakers who are not citizens or permanent resident aliens of the U.S. must complete the Alien Information Collection Form and return it to the UCCSN department that issued the invitation to speak. Once your U.S. tax status has been determined, if you are a nonresident alien, a tax equal to 30 percent is generally required to be withheld. Taxable items include, but are not limited to:

- Honoraria
- Consulting fee
- Compensation
- Speaker fee
- Living Allowance
- Cash Award

The U.S. maintains income tax treaties with over 50 countries, and certain taxable payments made by the UCCSN to you may be exempt from U.S. tax based on an income tax treaty entered into between the U.S. and your home country. The existence of a tax treaty does not automatically ensure an exemption from taxation; rather, you must satisfy the requirements for the exemption set forth in the tax treaty. In order to be considered for a tax treaty exemption, you must complete Form 8233. You must complete Form 8233 and return it via facsimile or post to the UCCSN department that invited you to speak. A 30 percent withholding tax will be deducted from compensation payments made to consultants or guest speakers (i) who are from countries that do not maintain an income tax treaty with the U.S., (ii) whose payment does not qualify for exemption under a tax treaty, or (iii) who do not complete Form 8233 in a timely manner.

If Form 8233 is submitted after the UCCSN has deducted tax from a payment to you, the UCCSN cannot refund the tax to you; you must file a U.S. income tax return at year-end to apply for a refund of tax withheld from the IRS. Please note that the UCCSN is also required by law to report to the IRS all payments made to a nonresident alien, or a third party on his or her behalf, regardless of whether the payment is subject to U.S. tax.

All individuals who receive payment from the UCCSN are also required by law to disclose their U.S. social security or individual taxpayer identification number, he or she is required to complete Form W-7 and submit the form and supporting documentation in person to the UCCSN’s Nonresident Alien Tax Specialist.

All consultants and guest speakers who are not citizens or permanent resident aliens of the U.S. are required to complete tax information forms prior to receiving any payments or financial assistance. If you have additional questions about how to complete the required forms or need information concerning tax-withholding obligations, please contact the Nonresident Alien Tax Specialist at (702) 895-0872.

February 20, 2002