1. Purpose

The purpose of this regulation is to outline procedures for Non-Resident Aliens. All Non-Resident Aliens must be identified upon entering the University for proper tax withholding and reporting.

2. Scope

Non-Resident Aliens are defined as any student or independent contractor that is in school or working on a VISA.

3. Students

3.1 Student Scholarships

3.1.1 Non-Resident Alien students who receive financial aid for other than tuition, fees, required books and required supplies and do not have a treaty exemption will have 14% withheld from their nonqualified scholarship for remission to the Internal Revenue Service.

3.1.2 VISA status will be determined by the Enrollment Research Officer in Student Affairs.

3.1.3 Student Accounting will charge the withholding to the student’s account using a special detail code.

3.1.4 The withholding will be remitted to the IRS each semester through EFT.

3.1.4.1 The student will be supplied with a 1042-S by March 15 for the prior year as required by the IRS.
4. Independent Contractors

4.1 Non-resident aliens who are independent contractors and do not have a treaty exemption will be subject to 30% withholding per IRS guidelines.

4.2 Non-resident aliens may be subject to 4% tax withholding per State of North Carolina guidelines.

4.3 Non-resident aliens who are independent contractors will be required to complete a W-8BEN.

4.4 Non-resident aliens who are claiming a tax treaty must undergo a Foreign National tax assessment conducted through the Payroll office.