

# Taxes for Citizen and Foreign Permanent Resident Students

We are not tax experts and cannot be found liable for taxes filed incorrectly. This is solely to be used as a helpful guide for understanding and filing taxes for Citizen and Foreign Permanent Resident Students [IRS defined: US Citizens, US persons, and US Resident Aliens].



**Federal and MO state tax filing due dates have been extended to July 15<sup>th</sup>, 2020. If you have income from any other state, please check their due dates.**

## Forms to calculate federal estimated taxes

Let's take a single, dependent-free graduate student who earns \$30,500 a year in income (as stipend, fellowship, W2, etc) and is taking the standard deduction.

**Adjusted Gross income:** Gross income minus applicable deductions.

### 2020 Estimated Tax Worksheet

Keep for Your Records

1	Adjusted gross income you expect in 2020 (see instructions)	1	30500
2a	Deductions • If you plan to itemize deductions, enter the estimated total of your itemized deductions. • If you don't plan to itemize deductions, enter your standard deduction.	2a	12200
b	If you can take the qualified business income deduction, enter the estimated amount of the deduction	2b	
c	Add lines 2a and 2b	2c	12200
3	Subtract line 2c from line 1	3	18300
4	<b>Tax.</b> Figure your tax on the amount on line 3 by using the <b>2020 Tax Rate Schedules</b> . <b>Caution:</b> If you will have qualified dividends or a net capital gain, or expect to exclude or deduct foreign earned income or housing, see Worksheets 2-5 and 2-6 in Pub. 505 to figure the tax.	4	2005
5	Alternative minimum tax from Form 6251	5	
6	Add lines 4 and 5. Add to this amount any other taxes you expect to include in the total on Form 1040, line 12a	6	2005
7	Credits (see instructions). Do not include any income tax withholding on this line	7	
8	Subtract line 7 from line 6. If zero or less, enter -0-	8	2005
9	Self-employment tax (see instructions)	9	
10	Other taxes (see instructions)	10	
11a	Add lines 8 through 10	11a	2005
b	Earned income credit, additional child tax credit, fuel tax credit, net premium tax credit, refundable American opportunity credit, and refundable credit from Form 8885.	11b	
c	<b>Total 2020 estimated tax.</b> Subtract line 11b from line 11a. If zero or less, enter -0-	11c	2005
12a	Multiply line 11c by 90% (66 $\frac{2}{3}$ % for farmers and fishermen)	12a	1804.50
b	Required annual payment based on prior year's tax (see instructions)	12b	
c	<b>Required annual payment to avoid a penalty.</b> Enter the smaller of line 12a or 12b <b>Caution:</b> Generally, if you do not prepay (through income tax withholding and estimated tax payments) at least the amount on line 12c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 11c is as accurate as possible. Even if you pay the required annual payment, you may still owe tax when you file your return. If you prefer, you can pay the amount shown on line 11c. For details, see chapter 2 of Pub. 505.	12c	1804.50
13	Income tax withheld and estimated to be withheld during 2020 (including income tax withholding on pensions, annuities, certain deferred income, etc.)	13	
14a	Subtract line 13 from line 12c Is the result zero or less? <input type="checkbox"/> Yes. Stop here. You are not required to make estimated tax payments. <input checked="" type="checkbox"/> No. Go to line 14b.	14a	1804.50
b	Subtract line 13 from line 11c Is the result less than \$1,000? <input type="checkbox"/> Yes. Stop here. You are not required to make estimated tax payments. <input checked="" type="checkbox"/> No. Go to line 15 to figure your required payment.	14b	
15	If the first payment you are required to make is due April 15, 2020, enter $\frac{1}{4}$ of line 14a (minus any 2019 overpayment that you are applying to this installment) here, and on your estimated tax payment voucher(s) if you are paying by check or money order	15	501.25

**Deduction:** The portion of income not subject to tax. Most graduate students take the standard deduction which are different for single, married, married filing separately, and head of household. Check 1040 instructions to figure out which one you are.

The amount of income tax you owe for the year.

The minimum amount of estimated taxes you must pay per year to avoid penalty.

The amount of estimated taxes you should pay each quarter.

This form and instructions can be found here: <https://www.irs.gov/pub/irs-pdf/f1040es.pdf>

To pay estimated taxes you can:

- 1) Pay online at <https://www.irs.gov/payments/direct-pay>, or
- 2) Mail a check to the [correct address](#)

**Forms to calculate Missouri estimated taxes**



The worksheet for calculating estimated taxes (1040ES) can be found here:  
<https://dor.mo.gov/forms/index.php?formName=1040es&category=&year=99>

Or you can use their online calculator here: <https://dor.mo.gov/calculators/incometax/>

On page 3 of the MO-1040ES you can see the worksheet. Let's take that same single, dependent-free graduate student.

	Y - Yourself		S - Spouse		T - Total Or One Income		
		%		%			
1. Estimated adjusted gross income	30500	00	00	00	1	30,500	00
2. Percentage of Column Y and S to total in Column T					2		100 %
3. Estimated pension exemption and social security/social security disability/military exemption					3	0	00
4. Enter long-term care, health care sharing ministry, military income deduction and bring jobs home deductions (see instructions).					4	0	00
5. Reserved					5		00
6. Itemized deductions or standard deduction amount (see instructions)					6	12,220	00
7. Total Lines 3, 4, and 6					7		00
8. Subtract Line 7 from Line 1. This is your total taxable income					8	18,300	00
9. Prorate Line 8 between spouses according to the percentages on Line 2		00		00	9		00
10. Tax (refer to tax rate chart)		00		00	10	804	00
11. Resident - Enter Missouri tax to be withheld, credit for income tax to be paid to another state, miscellaneous tax credits, and property tax credit. Nonresident - Enter Missouri tax to be withheld and approved miscellaneous tax credits					11		00
12. Estimated tax (Line 10 less Line 11)					12	804	00
13. Estimated tax on lump sum distribution (see instructions)					13		00
14. Estimated recapture of low income housing credit					14	804	00
15. Total estimated tax to be paid (add Lines 12, 13, and 14)					15		00
16. Computation of installments (divide Line 15 by number of installments)					16		00

**Adjusted Gross income:** Gross income minus applicable deductions.

Most students take the standard deduction.

Your annual estimated tax for MO.

If the Missouri taxable income is:	The tax is:
\$0 to \$106	\$0
At least \$107 but not over \$1,073	1.5% of the Missouri taxable income
Over \$1,073 but not over \$2,146	\$16 plus 2.0% of excess over \$1,073
Over \$2,146 but not over \$3,219	\$37 plus 2.5% of excess over \$2,146
Over \$3,219 but not over \$4,292	\$64 plus 3.0% of excess over \$3,219
Over \$4,292 but not over \$5,365	\$96 plus 3.5% of excess over \$4,292
Over \$5,365 but not over \$6,438	\$134 plus 4.0% of excess over \$5,365
Over \$6,438 but not over \$7,511	\$177 plus 4.5% of excess over \$6,438
Over \$7,511 but not over \$8,584	\$225 plus 5.0% of excess over \$7,511
<b>Over \$8,584</b>	<b>\$279 plus 5.4% of excess over \$8,584</b>

Using the tax chart, we see our graduate student makes over \$8,584 in taxable income, so they fall in the last tax bracket. Let's calculate their tax:

$$\text{Tax} = \$279 + 0.054 * (\$18300 - \$8584)$$

$$\text{Tax} = \$279 + 0.054 * (\$9716)$$

$$\text{Tax} = \$279 + \$524.66$$

$$\text{Tax} = \$803.66 \text{ (which is rounded to } \mathbf{\$804})$$

To pay estimated taxes you can:

- 3) Pay online at <https://dor.mo.gov/personal/payonline.php>, or
- 4) Mail a check with a MO-1040ES declaration to: Missouri Department of Revenue P.O. Box 555, Jefferson City, MO 65105-0555

**Estimated taxes are due for the tax year on April 15<sup>th</sup>, June 15<sup>th</sup>, September 15<sup>th</sup>, and January 15<sup>th</sup> (the following year).**

## How to calculate tax when you have income from more than one state

Use this form: <https://dor.mo.gov/forms/index.php?formName=mo-nri&category=&year=>

Let's take that grad student again and say they made \$10,500 from New Hampshire and then \$20,000 from Missouri.

Fill in the MO-NRI form (see below)



Worksheet for Missouri Source Income		Federal Form 1040 or Federal Form 1040-SR Line No.	Yourselves or One Income Filer	Spouse (On A Combined Return)
Adjusted Gross Income Computations			Missouri Sources	Missouri Sources
Part B	A. Wages, salaries, tips, etc. ....	1	A 10,500 .00	A .00
	B. Taxable interest income .....	2b	B .00	B .00
	C. Dividend income .....	3b	C .00	C .00
	D. State and local income tax refunds (from schedule 1, part 1) .....	1	D .00	D .00
	E. Alimony received (from schedule 1, part 1) .....	2a	E .00	E .00
	F. Business income or (loss) (from schedule 1, part 1) .....	3	F .00	F .00
	G. Capital gain or (loss) .....	6	G .00	G .00
	H. Other gains or (losses) (from schedule 1, part 1) .....	4	H .00	H .00
	I. Taxable IRA distributions .....	4b	I .00	I .00
	J. Taxable pensions and annuities .....	4d	J .00	J .00
	K. Rents, royalties, partnerships, S corporations, etc. (from schedule 1, part 1) .....	5	K .00	K .00
	L. Farm income or (loss) (from schedule 1, part 1) .....	6	L .00	L .00
	M. Unemployment compensation (from schedule 1, part 1) .....	7	M .00	M .00
	N. Taxable social security benefits .....	5b	N .00	N .00
	O. Other income (from schedule 1, part 1) .....	8	O .00	O .00
	P. Total - Add Lines A through O .....	8a	P 10,500 .00	P .00
	Q. Less: federal adjustments to income .....	8a	Q .00	Q .00
	R. SUBTOTAL (Line P - Line Q) If no modifications to income, enter this amount on Part C, Line 1 .....	8b	R 10,500 .00	R .00
	S. Missouri modifications - additions to federal adjusted gross income (Missouri source from Form MO-1040, Line 2) .....	S	.00	S .00
T. Missouri modifications - subtractions from federal adjusted gross income (Missouri source from Form MO-1040, Line 4) .....	T	.00	T .00	
U. MISSOURI INCOME (Missouri sources) Line R plus Line S, less Line T. Enter this amount on Part C, Line 1 .....	U	10,500 .00	U .00	

Income from Missouri sources (aka WashU)

Missouri Income Percentage		Yourselves or One Income Filer	Spouse (On A Combined Return)
Part C	1. Missouri Income - Enter wages, salaries, etc. from Missouri. (You must file a Missouri return if the amount on this line is more than \$600) .....	1Y 10,500 .00	1S .00
	2. Taxpayer's total adjusted gross income (from Form MO-1040, Lines 5Y and 5S or from your federal form if you are a military nonresident and you are not required to file a Missouri return) .....	2Y 30,500 .00	2S .00
	3. Missouri Income Percentage - Divide Line 1 by Line 2. If greater than 100%, enter 100%. (Round to a whole percent such as 91% instead of 90.5% and 90% instead of 90.4%. However, if percentage is less than 0.5%, use the exact percentage.) Enter percentage here and on Form MO-1040, Lines 28Y and 28S .....	3Y 34.000 %	3S %

Take the percentage output back to the MO-1040 and enter in Line 28Y (and S if applicable) and attach MO-NRI when submitting taxes.

**Pay St. Louis City taxes**



This is done annually and anyone who earns money in and/or lives in St Louis. For example:

- Work on Medical School Campus and live outside of the St. Louis City limits – you must pay St. Louis city taxes
- Work outside of St. Louis City but live inside St. Louis City limits – you must pay St. Louis city taxes
- Work and live outside of St. Louis city – you do not pay St. Louis city taxes

If you are unsure if you work inside the city limits, please reach out to your mentor’s department for clarification

Taking that single, standard deduction grad student again:

**A COPY OF EACH W-2 MUST ACCOMPANY THIS RETURN.**  
Please see instructions on the reverse side.

If you only have a stipend letter, attach that.

<b>1</b> Please report salaries, wages, etc. from box 1 on each W-2.			
<b>A</b>		\$	30500.00
<b>B</b>		\$	
<b>C</b>		\$	
<b>D</b>		\$	
<b>2</b>	Gross salaries, wages, etc. (total of lines A, B, C, D)	\$	30500.00
<b>3</b>	Non-Residency Deduction (complete formula on the reverse side)	\$	
<b>4</b>	Net taxable earnings (subtract line 3 from line 2)	\$	30500.00
<b>5</b>	Earnings Tax (1% of line 4)	\$	305.00
<b>6</b>	Earnings Tax withheld (from Box 19 on each W-2)	\$	
<b>7</b>	Earnings Tax Credit (attach Form E-1CR)	\$	
<b>8</b>	Balance Due (Line 5 less 6 and 7, not less than "0")	\$	305.00
<b>9</b>	Taxes paid after April 15 are delinquent. Enter amount from line 8.	\$	305.00
<b>10</b>	Penalty, _____% (please see the reverse side)	\$	
<b>11</b>	Interest, _____% (please see the reverse side)	\$	
<b>12</b>	AMOUNT DUE (Total of lines 9, 10, & 11)	\$	305.00
<b>13</b>	Overpayment to be refunded (Lines 6 + 7 less 5 - no refunds less than \$1.00)	\$	

**Adjusted Gross income:**  
Gross income minus applicable deductions.

This is you annual St. Louis City tax amount.

Form can be found here: <https://www.stlouis-mo.gov/collector/earnings-tax-home.cfm>

Payment and forms should be sent to:

Gregory F.X. Daly  
Collector of Revenue  
1200 Market Street, Room 410  
St. Louis, MO 63103-2841

Checks can be made out to either “Gregory F.X. Daly” or “Collector of Revenue”.

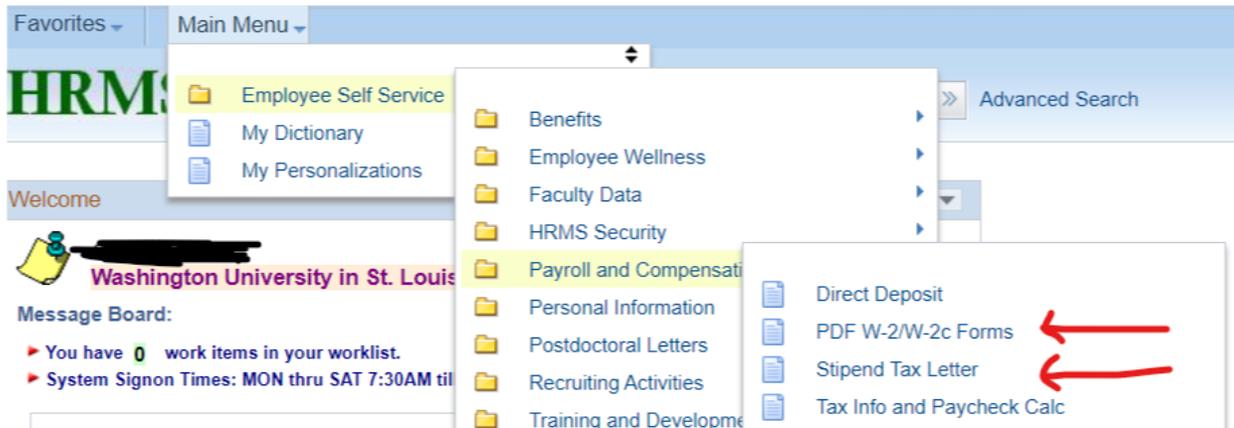
## Forms can be found in HRMS



Depending on your funding source, you may get:

- 1) a W2
- 2) a stipend tax letter
- 3) or both

The income from all of these combined is your gross income. If you have no adjustments (most graduate students don't), this is also your adjusted gross income.



## FAQs about stipends

- Students are exempt from Social security and Medicare tax (aka FICA)
- If you have income from multiple places (eg. grant and W2) you sum the total income (pre-tax) and that is your income. Your estimated taxes will only be based on your stipend portion (because taxes are not automatically withdrawn).
- Stipend letter can be submitted as your proof of income.