

A Guide to Tax Forms for Various Payees

Updated 8/28/15

Services Provided By:	Classification	If No TIN, Apply With a:	Reported to IRS on a:	Withholding?	Other Notes:
Employee (Individual)	U.S. Citizen (3)	SS-5 for SSN	W-2	Yes. FICA exemption for students enrolled half-time or more. (1)	I-9 to register, and W-4 for withholding.
	Resident Alien (5)	SS-5 for SSN	W-2	Yes. FICA exemption for students enrolled half-time or more. (1)	I-9 to register, and W-4 for withholding.
	Non-Resident Alien (5)	SS-5 for SSN. Cannot get by with an ITIN as an employee.	1042-S if claiming benefits from a tax treaty via IRS Form 8233. Otherwise reported on a W-2.	Yes, unless exempted via IRS Form 8233. Non-resident aliens are exempt from FICA.	I-9 to register. If not claiming exemption via IRS Form 8233, they can use a W-4.
Non-Employee (Individual)	U.S. Citizen (3)	SS-5 for SSN	1099-MISC	Only if subject to backup withholding. (2)	W-9 not required, but recommended. IPS accepted as a substitute.
	Resident Alien - (green card or meets subst. presence test) (3) , (4)	SS-5 for SSN	1099-MISC	Only if subject to backup withholding. (2)	W-9 not required, but recommended. IPS accepted as a substitute.
	Non-Resident Alien (3)	W-7 for ITIN, or SS-5 for SSN. The ITIN is easier to obtain for non-resident aliens.	1042-S - Must file on a 1040-NR-EZ or 1040-NR. No std ded allowed. Personal exemption currently \$3,500.	Yes, if services are performed in the U.S., unless exempted via IRS Form 8233, which requires a SSN or ITIN. (6)	No TIN = automatic withholding. Withholding can be refunded directly if TIN is provided by mid-December.
	Sole Proprietorship (using a SSN)	SS-5 for SSN	1099-MISC	Only if subject to backup withholding. (2)	W-9 not required, but recommended. IPS accepted as a substitute.
Non-Individual	Sole Proprietorship (using an FEIN)	SS-4 for FEIN	1099-MISC	Only if subject to backup withholding. (2)	W-9 not required, but recommended
	Partnership	SS-4 for FEIN	1099-MISC	Only if subject to backup withholding. (2)	W-9 not required, but recommended
	Corporation	SS-4 for FEIN	1099-MISC for legal or medical svcs. Otherwise exempt from reporting.	Only if subject to backup withholding. (2)	W-9 not required, but recommended.
	Not-for-Profit [e.g., 501(c)(3)] or Government Entity	SS-4 for FEIN	1099-MISC for legal or medical svcs. Otherwise exempt from reporting.	Only if subject to backup withholding. (2)	W-9 not required, but recommended.
	Foreign Business	SS-4 for FEIN. Foreign vendors are issued FEINs starting with a "98."	1042-S (reported only if performing services in the U.S.)	Yes, if services are performed in the U.S., unless exempted on a W-8BEN-E, which can use either an FEIN or a foreign tax number.	No corp. exemption for foreign bus. Form 8233 is only for individuals, not businesses.

1 Payroll's program checks the Registrar's records each pay period to determine if students are exempt from FICA withholding.

2 The payee can be subject to backup withholding for providing an invalid TIN/Name combination.

3 Both U.S. citizens and resident aliens are considered "U.S. Persons." Non-resident aliens and non-U.S. businesses are not considered U.S. persons.

4 Check with Doug Anderson in Payroll or Deb Vance in International Students and Scholars to determine if someone meets the qualifications for being a resident alien. Someone can be paid through Payroll and still be classified as a non-resident alien, so finding a Payroll record does not exempt that person from withholding when paid on a voucher.

5 Non-resident aliens can become resident aliens for tax purposes five years after they arrive in the U.S. However, becoming a resident alien for immigration purposes takes longer.

6 Non-resident alien individuals should use the W-8BEN rather than the 8233 for taxable non-service scholarships or fellowship grants, as well as rents or royalties.

Non-resident aliens do not have a minimum reporting threshold for 1042-S, which is unlike the \$600.00 minimum threshold for 1099-MISC for U.S. persons.

Non-resident aliens on C-Base get a 1042-S for the amount they claim on a tax treaty and a W-2 for the balance.

Non-resident aliens w/ 30% deducted must file a tax return with a SSN or ITIN to claim a refund. They should get a full refund if they earn less than personal exemption amount.

Services performed inside the U.S. are reportable, regardless of the type of payee.

Services performed outside the U.S. by non-resident aliens or foreign businesses are exempt from reporting. All others performing services outside the U.S. must be reported.

Payments to foreign vendors for copyrights, royalties, and software licenses must be reported.

LLCs will be treated as partnerships, unless we have a W-9 indicating they are a corporation, or if we have reason to doubt the accuracy of the W-9.

Internship and fellowship payments to non-resident aliens must be reported by ISU on a 1042-S. U.S. Persons will be reported on a 1099-MISC in Box 3.

Payments to trusts and estates use the EIN and name listed on the SS-4,