

TAX COMPLIANCE AND REPORTING

Our Vision

To be a leader in Individual Tax Compliance & Reporting and to have customers who are confident in our services.

Our Mission

Our Mission is to provide efficient, effective, professional, and quality tax services for TAMU and TAMUS Members of payments made to individuals, whether they are employees, vendors, or students by ensuring compliance with applicable tax laws and timely payments and filings.

Our Values

We discharge our duties truthfully, honestly, and transparently

(Integrity)

We accept responsibility for our actions and outcomes

(Accountable)

We strive for improving our performance and competence with a focus on achieving excellence

(Professionalism)

We work together, with our team member and/or another department, to achieve common goals

(Teamwork)

We willingly help others without expectation of reward

(Selfless Service)

We treat others with dignity and value

"...your ability to show respect and be respectful to the person in front of you, is a direct reflection on your character, not theirs" – Arthie Moore

(Respect)

Our Services

Federal Tax compliance and reporting for:

- *941 Quarterly Tax Returns*
- *W-2 – Wage and Tax Statement*
- *1098T – Tuition Statement*
- *1099-Misc – Miscellaneous Income*
- *1099-NEC – Non-employee Compensation*
- *Graduate Tuition Waiver – Review and assess graduate waivers for federal tax implications*

International Tax

- *Provide guidance on nonresident alien tax issue*
- *Glacier Guidance*
- *1042-S – Foreign Person's U.S. Source Income Subject to Withholding*

State/Local Income Tax compliance and reporting

Tax consultation to TAMUS member schools (not individuals)

TRS contribution payment and reporting

Unrelated Business Income Tax financial audits

Worker Classification determination (Employee vs. Independent Contractor)

Please visit our website for more information at <https://uas.tamu.edu/tax/index.html>.

INTERNATIONAL PAYMENTS

Prize – Recognition based on Competition or other criteria.

Example: A competition is held and the prizes for 1st, 2nd, and 3 places are awarded to students. Human participant payments are also classified as an award.

Prizes or awards issued to an international student will be subject to federal income tax withholding at a rate of 30%. The amount of the prize or award and tax withholding will be reported on a Form 1042-S "Foreign Person's U.S. Source Income Subject to Withholding.

Scholarship – Financial support based on academic achievement or other criteria that may include financial need. The donor of the scholarship sets the criteria for recipient selection. The grantor specifically intends money be spent to defray the cost of study, training, or research. Proceeds of the scholarship offset the cost of the student's education or an upcoming current academic year, depending on when the student received the funds.

Example: Departments, schools, or the Division of Financial Aid select recipients based on the criteria of the scholarship agreement (major, grade level, grade point average, financial need, or a combination of other restrictive criteria). Credit for the scholarship is reflected on the student's account.

Portions of the scholarship used to pay for qualified expenses, such as tuition, books, and fees, are not taxable income. The amount exceeding qualified expenses is taxable income for both US and international students. There may be a 14% tax withholding for international students, depending on what country they are from.

Fellowships - Financial support to reduce the cost of a graduate student's education. Some fellowships include a tuition waiver or a payment to the University in lieu of tuition. Fellowships may include stipends to cover living expenses. Students receive payments to assist them in pursuing a course of study or research. Fellowships are taxable income to the recipient. Exclusions to the taxable income are amounts used to pay for tuition/fees and books and supplies.

Fellowships issued to an international student will be subject to 14% tax withholding (F1 or J1 visa) if the funds will be used within the U.S. The fellowship may be tax-exempt if the tax residency country of the student and the U.S. has a tax treaty agreement and the student completed the required tax treaty form (i.e., /Form W-8BEN) prior to receiving the fellowship, with the University Tax Office. The fellowship amount for use within the U.S. and tax withholding (if applicable) will be reported on a Form 1042-S "Foreign Person's U.S. Source Income Subject to Withholding.

Contact Information- For international payments:

International AP: <https://fmo.tamu.edu/accounts-payable/index.html>

internationalap@tamu.edu

International Tax Department: <https://uas.tamu.edu/tax/>

internationaltax@tamu.edu

979-458-4095

GLACIER request for AP payments should be sent to internationalap@tamu.edu and payroll payments should be sent to internationaltax@tamu.edu.

GLACIER – is needed on all international payments to ensure proper taxation on the payment.

www.arcticintl.com

NRA - Nonresident Alien payments

Type of Award/Prize Travel Reimbursement	Taxable	Conditions
Cash	Yes	Any Amount - Taxed at 30%
Cash Equivalents, including Gift Cards and Gift Certificates	Yes	Any Amount - Taxed at 30%
Student Travel Reimbursements (Nonqualified)	Yes	<p>- Students who receive travel expenses in relation to their education or club (attending a seminar, conference, etc.) will be taxed at 14%, including travel reimbursement or payments made on their behalf.</p> <p>- The 14% tax maybe exempt with an applicable tax treaty, and if the student has a social security number or Individual Tax Identification number (ITIN).</p>
Student Travel Reimbursements (Qualified)	No	<p>- Students who receive travel expenses in relation to official University Business (attending a seminar, conference, etc. in relation to employment) will not be taxed qualifying under the IRS accountable plan.</p> <p>- Student travel as required by class syllabi with proper documentation attached (Fieldtrip/Study abroad)</p>
Scholarship	Yes	<p>-Students who receive Scholarships above and beyond qualified tuition and fees will be taxed at 14% and will be shown in their student account (Howdy).</p> <p>- The 14% tax maybe exempt with an applicable tax treaty, and inf the student has a social security number or Individual Tax Identification number (ITIN).</p>
Fellowships	Yes	<p>-Students who receive Fellowships above and beyond qualified tuition and fees will be taxed at 14% and will be shown in their student account (Howdy).</p> <p>- The 14% tax maybe exempt with an applicable tax treaty, and inf the student has a social security number or Individual Tax Identification number (ITIN).</p>

EMPLOYEE REVIEW FOR ITEMS THAT AFFECT THE W-2

Employee review of items affecting year-end processing is very important. It allows for the correct reporting of year-end forms, it prevents the employee from needing and waiting on a W-2C, it prevents possible fines from the IRS for missing information and it prevents incorrect taxation due to a wrong address.

Employees should periodically review the below information in Workday and make changes any time before December:

Social Security Number (SSN):

Please verify your Social Security number (SSN) in Workday to ensure an SSN is entered and matches your SSN card exactly. For step-by-step instructions on verifying your Social Security number, please consult this Workday job aid. Reasons why doing this is important:

- The Social Security Administration (SSA) will not be able to post your 2021 earnings to your SSA account if an SSN is not included on your W-2 or the SSN on the W-2 is incorrect.
- The Internal Revenue Service (IRS) can fine you (the employee) for not having an SSN listed on the W-2.

To avoid either of the above, please review your SSN in Workday immediately.

An alternate way to verify your SSN is to review the SSN on a prior W-2 form:

1. Log into Single Sign On (SSO) at sso.tamus.edu using your UIN and password.
2. Click the Workday option.
3. Click the "Pay" Worklet on the employee dashboard.
4. In the "View" box click on "My Tax Documents".
5. Your W-2 will be listed on the next page for you to view. You can also print if needed

State/Local Income Tax:

State/Local income tax is deducted based on your residency and/or work location address in Workday. If you have a residence address or work location address outside of Texas and within a state that levies an income tax, review your pay slips to ensure the state tax deduction was correct. If you feel the state tax deduction is incorrect, please complete and submit the Employee SIT Verification Form https://uas.tamu.edu/tax/_media/state-income-tax-verification-packet.pdfform.

Both State and Local income tax are reported on the W-2; therefore, it's important to review your deductions periodically.

Address:

Please review your mailing address in Workday. This is the address your W-2 will be mailed to if you have not selected to receive it electronically. A corrected W-2 **cannot** be provided for an incorrect address.

W-2 Delivery Format:

Please consider electing to receive your W-2 in the electronic format. By electing to receive an electronic W-2, you gain the following ADVANTAGES:

- Quicker access. Electronic W-2s are available as early as mid-January.
- Increased security. Mail delivery allows access to your sensitive personal information.
- Go green! Natural resources are saved by not printing and mailing W-2 forms.
- You can print your W-2 at any time and as many times as you would like.
- Your W-2 will be stored securely, and you will have access for years to come.
- There is a cost savings for each form not printed and mailed.

HERE'S HOW YOU SIGN UP:

- Click on the Pay worklet on your Workday Home page
- Click on the My Tax Documents link
- Click the Edit button in the Printing Election column
- Select the radio button for "Receive electronic copy of my Year End Tax Documents."
- Click OK

That's all there is to it. You will begin receiving your W-2 electronically instead of a paper form once available in the new year.

SSO Log-On Issues:

If you experience difficulty logging into SSO, follow the on-screen help or send an email to Payroll Services at payroll@tamu.edu to have your password reset. Please provide your name, the last four digits of your Social Security Number, your date of birth and your current email address for verification. An automated email will be sent to you with the new password.

Questions

- Email Tax Compliance & Reporting at tax@tamu.edu for questions about your **taxes**.
- Email the Payroll Office at payroll@tamu.edu for other payroll questions.
- Email Human Resources at benefits@tamu.edu for questions about benefit issues.

Taxibility of Gifts Prizes & Awards

Cash Equivalent -- Gift Code, Gift Card, Gift Certificate, Coupon, etc.

Type of Payment	Type of Recipient	Payment Medium	Description	Taxable or Non-Taxable
GIFTS				
Gifts from third parties (General)	Employee	Cash and Cash Equivalent Gifts	Cash gifts funded by third parties are considered taxable income if the gift is provided in connection with the employee's performance of services for the institution.	Taxable
Gifts - Clothing and wearable items funded by contracts with TAMU	Employee	Gift Code, Gift Card, Gift Certificate	<p>This is taxable income to the employee. They are considered employer-provided since the funding comes through the contract a company has with TAMU. An Employer-provided item is taxable to the employee unless it falls under one of two exclusions:</p> <p>(1) A de minimis fringe benefit under Internal Revenue Code (IRC) Section 132(a)(4).</p> <p>>The total amount given to the employee is the taxable amount; not the individual item(s) thus possibly excluding it from being de minimis.</p> <p>>If a gift code, gift certificate, coupon, etc. is given to purchase the items, it's essentially the same as employees receiving cash as these are considered a "cash equivalent". Cash equivalents are always taxable regardless of the amount (never de minimis).</p> <p>(2) A qualified uniform which can be treated as a working condition fringe benefit under IRC Section 132(a)(3) and isn't a personal, living, or family expense under IRC Section 262</p> <p>These items are not "qualified uniforms" and thus cannot be classified as a working condition fringe benefit and do not fall under IRC Section 262. To satisfy this exclusion, the clothing must be:</p> <p>>Required or essential to be worn as a condition of employment; and</p> <p>>Unsuitable for everyday wear meaning the clothing must not be suitable for taking the place of regular clothing. A company logo, name badge, or other commercial writing, symbols, or patches does not make them unsuitable for everyday wear.</p>	Taxable
Prizes or Awards				
Prize or Award MISC	Employee, Student, Non-Employee	Non-Cash Item	Tangible prize or award given infrequently and valued <\$100 (Cash or Cash equivalent awards are taxable)	Non-Taxable unless a Cash or Cash Equivalent
Length of Service Awards	Employee	Non-Cash Item	These awards must be part of a meaningful presentation and given to an employee no more than once every five (5) years. Non-cash awards of \$400 or less are not taxable. (Cash or Cash equivalent awards are taxable)	Non-Taxable unless a Cash or Cash Equivalent
Retirement Awards	Employee	Non-Cash Item	May be excluded from income if the dollar amount of the non-cash award relates to the retiree's length of service. Documentation is to be provided describing the relationship between the retiree's length of service and the value of the award. (Cash or Cash equivalent awards are taxable)	Non-Taxable unless a Cash or Cash Equivalent
Safety Awards	Employee	Non-Cash Item	Non-cash awards (up to \$400) given to employees directly involved are not taxable. Any safety awards given to managers, administrators, other professional employees or clerical staff not directly involved with the safety performance will be fully taxable. (Cash or Cash equivalent awards are taxable)	Non-Taxable unless a Cash or Cash Equivalent
Reimbursements				
Reimbursements	Employee	Accountable Plan Reimbursement	Reimbursement for documented business expense. Receipts turned in within 90 day policy.	Non-Taxable
Reimbursements	Employee	Accountable Plan Reimbursement	Reimbursement for documented business expense. Receipts turned in after 90 day policy.	Taxable
Reimbursements	Employee	Non-Accountable Plan Reimbursement	Reimbursement for non-business expense.	Taxable
MISC				
Clothing (Uniforms)	Employee	Non-Cash Item	Clothing required as a condition of employment and not suitable for nonbusiness use. This excludes readily available wear with company logos that is available for public purchase.	Non-Taxable
Disaster Relief Payment	Employee or Student	Emergency Relief Payments	Payment to cover expenses incurred of a qualified disaster. Tax exempt under IRC Section 139. How to tell if declared a disaster - notification will be given by the federal, state or local governing authority.	Non-taxable