

Kent State University

Letter for scholarships paid to nonresident aliens

Dear Student:

According to our records, you are a non-U.S. citizen/resident who will receive a Domestic Travel Award from the Graduate Student Senate. We are not able to provide you with tax advice therefore the purpose of this letter is to explain to you the general treatment of these amounts for tax purposes.

The receipt of this Domestic Travel Award is a scholarship for income tax purposes. Scholarships and grants are made to assist a person in pursuing a course of study or research. Scholarships used for living expenses, including meals, lodging and other personal items are taxable. Taxable scholarships are subject to a 14% federal income tax withholding unless a treaty provision applies. Treaties are only available to individuals with social security or U.S. Tax ID Numbers. IRS Form 8233 is required in order to claim a treaty benefit. You will be contacted by e-mail by Kristina Donnelly to provide the necessary information to determine whether a treaty applies or whether your payment will be reduced by the income tax withholding. If a treaty exception applies, Form 8233 will be generated from the software the University uses. **We will not be able to make payment until you provide the requested information.**

This letter only introduces you to the possible consequences of scholarship, fellowship, or grant amounts, and tax liability depends on each individual's circumstances. Because we are not able to give you tax advice, you should contact your personal tax advisor with any questions or concerns. You also may find the IRS Pub. 519, U.S. Tax Guide for Aliens and IRS Pub. No. 970, *Tax Benefits for Education*, helpful with regard to the tax treatment of the scholarship, fellowship, or grant amounts you received.

Very truly yours,

Paula DiVencenzo
Tax Manager
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