

UNIVERSITY OF WYOMING

Tax Office

Room 401, Old Main • Dept 3314, 1000 E. University Ave • Laramie, WY 82071
(307) 766-2821 • fax (307) 766-4836 • e-mail: shintz1@uwyo.edu • www.uwyo.edu

General information on payments to foreign vendors

Payments made to foreign vendors or nonresident aliens (NRA's) generally need to be reported on a Form 1042-S instead of a 1099. This reporting occurs outside of Pistol and the only way I know that these payments exist is if I am notified by the department before the payment is made or by accounts payable as the payment is being processed. If you believe you have a payment to a foreign vendor or NRA that may require income tax withholding please send a copy of the invoice or PO number and the vendor application to tax@uwyo.edu and **do not process the payment until you receive approval from the Tax Office. The University is required to pay the tax whether or not we withhold the tax from the payment.** Whether or not tax needs to be withheld and income needs to be reported for U.S. Citizens and NRA's is determined by the combination of the type of income the vendor is receiving, their tax residency status and where they are from. Please contact the Tax Office to make this determination. **These rules also apply to payments made to an agent for a foreign performer.** Even though the check may be made out to the agent, the person earning the income is the performer and the income is reported to the performer, not the agent. Payments to agents for U.S. performers are not reportable to the performer.

Travel reimbursements that are not taxable or reportable to U.S. Citizens are also not taxable or reportable to NRA's. If the vendor is an employee, or providing services to the University, the reimbursement for travel is not taxable. If you are in doubt of whether the reimbursement should be taxable or nontaxable, please contact the Tax Office.

Moving expense reimbursements that are not taxable or reportable to U.S. Citizens are also not taxable or reportable to NRA's. A NRA must meet the same requirements as a U.S. Citizen to have their moving expense reimbursement be nontaxable. See the moving expense memo for these guidelines.

Payments for honorarium's or independent personal services made to U.S. Citizens are not generally reportable unless they exceed \$600 in a calendar year and no tax withholding is required unless we are unable to obtain a completed vendor application. Payments to NRA's for honorariums or independent personal services **are reportable in any amount and the University is required to withhold 30% in federal income tax.**

Payments for prizes or awards made to U.S. Citizens are generally not reportable unless they exceed \$600 in a calendar year and no tax withholding is required unless we are unable to obtain a completed vendor application. Payments to NRA's for prizes or awards **are reportable in any amount and the University is required to withhold 30% in federal income tax.**

Royalty payments made to U.S. Citizens are reportable in excess of \$10 and to NRA's in any amount. The University is **required to withhold 30% in federal income tax on any royalty payments made to a NRA.**

Other payments made to U.S. Citizens and NRA's may be reportable and / or taxable. If you are unable to determine what category the payment falls into, (travel reimbursement, personal services, award, etc.) please contact the Tax Office.

Payments to a nonresident alien for services being performed outside of the U.S. are not taxable or reportable. **Payments for merchandise** from a foreign entity are not taxable or reportable.