

7. The amount you realize on the transfer of a U.S. real property interest is zero.
8. The property is acquired by the United States, a U.S. state or possession, a political subdivision, or the District of Columbia.
9. The distribution is from a domestically controlled qualified investment entity (QIE) and is treated as a distribution of a U.S. real property interest only because an interest in the entity was disposed of in an applicable wash sale transaction. For the definition of a QIE, see [Qualified investment entities](#) under *Real Property Gain or Loss*, earlier. See [Wash sale](#) under *Real Property Gain or Loss* in chapter 4.

The certifications in (3) and (4) must be disregarded by the buyer if the buyer or qualified substitute has actual knowledge, or receives notice from a seller's or buyer's agent (or substitute), that they are false. This also applies to the qualified substitute's statement under (4).

Withholding certificates. The tax required to be withheld on a disposition can be reduced or eliminated under a withholding certificate issued by the IRS. In most cases, either you or the buyer can request a withholding certificate.

A withholding certificate can be issued due to any of the following.

1. The IRS determines that reduced withholding is appropriate because either:
 - a. The amount required to be withheld would exceed your maximum tax liability, or
 - b. Withholding of the reduced amount would not jeopardize collection of the tax.
2. All of your realized gain is exempt from U.S. tax and you have no unsatisfied withholding liability.
3. You or the buyer enters into an agreement with the IRS for the payment of tax and provide security for the tax liability.

Get Pub. 515 and Form 8288-B for information on procedures to request a withholding certificate.

Credit for tax withheld. The buyer must report and pay over the withheld tax within 20 days after the transfer using Form 8288. This form is filed with the IRS with copies A and B of Form 8288-A. Copy B of this statement will be stamped received by the IRS and returned to you (the seller) if the statement is complete and includes your taxpayer identification number (TIN). You must file Copy B with your tax return to take credit for the tax withheld.

A stamped copy of Form 8288-A will not be provided to you if your TIN is not included on that form. The IRS will send you a letter requesting the TIN and provide instructions for how to get a TIN. When you provide the IRS with a TIN, the IRS will provide you with a stamped Copy B of Form 8288-A.

Social Security and Medicare Taxes

If you work as an employee in the United States, you must pay social security and Medicare taxes in most cases. Your payments of these taxes contribute to your coverage under the U.S. social security system. Social security coverage provides retirement benefits, survivors and disability benefits, and medical insurance (Medicare) benefits to individuals who meet certain eligibility requirements.

In most cases, the first \$118,500 of taxable wages received in 2016 for services performed in the United States is subject to social security tax. All taxable wages are subject to Medicare tax. Your employer deducts these taxes from each wage payment. Your employer must deduct these taxes even if you do not expect to qualify for social security or Medicare benefits. You can claim a credit for excess social security tax on your income tax return if you have more than one employer and the amount deducted from your combined wages for 2016 is more than \$7,347. Use the appropriate worksheet in chapter 3 of Pub. 505 to figure your credit.

If any one employer deducted more than \$7,347, you cannot claim a credit for that amount. Ask your employer to refund the excess. If your employer does not refund the excess, you can file a claim for refund using Form 843.

In general, U.S. social security and Medicare taxes apply to payments of wages for services performed as an employee in the United States, regardless of the citizenship or residence of either the employee or the employer. In limited situations, these taxes apply to wages for services performed outside the United States. Your employer should be able to tell you if social security and Medicare taxes apply to your wages. You cannot make voluntary payments if no taxes are due.

Additional Medicare Tax. In addition to the Medicare tax, a 0.9% Additional Medicare Tax applies to Medicare wages, Railroad Retirement Tax Act (RRTA) compensation, and self-employment income that are more than:

- \$250,000 if married filing jointly,
- \$125,000 if married filing separately, or
- \$200,000 for any other filing status.

There are no special rules for nonresident aliens for purposes of Additional Medicare Tax. Wages, RRTA compensation, and self-employment income that are subject to Medicare tax will also be subject to Additional Medicare Tax if in excess of the applicable threshold.

Your employer is responsible for withholding the 0.9% Additional Medicare Tax on Medicare wages or RRTA compensation it pays to you in excess of \$200,000 in the calendar year. If you intend to file a joint return and you anticipate that you and your spouse's individual wages are not going to be more than \$200,000 but your combined wages and self-employment income are going to be more than \$250,000, you may want to request additional withholding on Form W-4 and/or make estimated tax payments.

If you file Form 1040NR, you must pay Additional Medicare Tax if the total of your wages and your self-employment income was more than \$125,000 if married (Box 3, 4, or 5 on page 1 of Form 1040NR), or \$200,000 if single or qualifying widow(er) (Box 1, 2, or 6 on page 1 of Form 1040NR).

See Form 8959 and its separate instructions to determine whether you are required to pay Additional Medicare Tax. For more information on Additional Medicare Tax, go to [IRS.gov](#) and enter "Additional Medicare Tax" in the search box.

Self-employed individuals may also be required to pay Additional Medicare Tax. See [Self-Employment Tax](#), later.

Students and Exchange Visitors

Generally, services performed by you as a nonresident alien temporarily in the United States as a nonimmigrant under subparagraph (F), (J), (M), or (Q) of section 101(a)(15) of the Immigration and Nationality Act are not covered under the social security program if the services are performed to carry out the purpose for which you were admitted to the United States. This means that there will be no withholding of social security or Medicare taxes from the pay you receive for these services. These types of services are very limited, and generally include only on-campus work, practical training, and economic hardship employment.

Social security and Medicare taxes will be withheld from your pay for these services if you are considered a resident alien as discussed in chapter 1, even though your nonimmigrant classification ("F," "J," "M," or "Q") remains the same.

Services performed by a spouse or minor child of nonimmigrant aliens with the classification of "F-2," "J-2," "M-2," and "Q-3" are covered under social security.

Nonresident Alien Students

If you are a nonresident alien temporarily admitted to the United States as a student, you generally are not permitted to work for a wage or salary or to engage in business while you are in the United States. In some cases, a student admitted to the United States in "F-1," "M-1," or "J-1" status is granted permission to work. Social security and Medicare taxes are not withheld from pay for the work unless the student is considered a resident alien.



Any student who is enrolled and regularly attending classes at a school may be exempt from social security and Medicare taxes on pay for services performed for that school.

The U.S. Citizenship and Immigration Services (USCIS) permits on-campus work for students in "F-1" status if it does not displace a U.S. resident. On-campus work means work performed on the school's premises. On-campus work includes work performed at an off-campus location that is educationally

affiliated with the school. On-campus work under the terms of a scholarship, fellowship, or assistantship is considered part of the academic program of a student taking a full course of study and is permitted by the USCIS. Social security and Medicare taxes are not withheld from pay for this work unless the student is considered a resident alien.

If services performed by a nonresident alien student are not considered as performed to carry out the purpose for which the student was admitted to the United States, social security and Medicare taxes will be withheld from pay for the services unless the pay is exempt under the Internal Revenue Code.

Exchange Visitors

Exchange visitors are temporarily admitted to the United States under section 101(a)(15)(J) of the Immigration and Nationality Act. Social security and Medicare taxes are not withheld on pay for services of an exchange visitor who has been given permission to work and who possesses or obtains a letter of authorization from the sponsor unless the exchange visitor is considered a resident alien.

If services performed by an exchange visitor are not considered as performed to carry out the purpose for which the visitor was admitted to the United States, social security and Medicare taxes are withheld from pay for the services unless the pay is exempt under the Internal Revenue Code.

Nonresident aliens temporarily admitted to the United States as participants in international cultural exchange programs under section 101(a)(15)(Q) of the Immigration and Nationality Act may be exempt from social security and Medicare taxes. The employer must be the petitioner through whom the alien obtained the "Q" visa. Social security and Medicare taxes are not withheld from pay for this work unless the alien is considered a resident alien.

Refund of Taxes Withheld in Error

If social security or Medicare taxes were withheld in error from pay that is not subject to these taxes, contact the employer who withheld the taxes for a refund. If you are unable to get a full refund of the amount from your employer, file a claim for refund with the IRS on Form 843. Attach the following items to Form 843.

- A copy of your Form W-2 to prove the amount of social security and Medicare taxes withheld.
- A copy of your visa.
- Form I-94 (or other documentation showing your dates of arrival or departure).
- If you have an F-1 visa, documentation showing permission to work in the U.S.
- If you have a J-1 visa, documentation showing permission to work in the U.S.
- If you are engaged in optional practical training or employment due to severe economic necessity, documentation showing permission to work in the U.S.
- A statement from your employer indicating the amount of the reimbursement you

employer provided and the amount of the credit or refund your employer claimed or you authorized your employer to claim. If you cannot obtain this statement from your employer, you must provide this information on your own statement and explain why you are not attaching a statement from your employer or on Form 8316 claiming your employer will not issue the refund.

- If you were exempt from social security and Medicare tax for only part of the year, pay statements showing the tax paid during the period you were exempt.

File Form 843 (with attachments) with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201-0038.



Do not use Form 843 to request a refund of Additional Medicare Tax. If Additional Medicare Tax was withheld from your pay in error, you can claim a credit for any withheld Additional Medicare Tax against the total tax liability shown on your tax return by filing Form 8959 with Form 1040 or 1040NR. If Additional Medicare Tax was withheld in error in a prior year for which you already filed Form 1040 or 1040NR, you must file Form 1040X for the prior year in which the wages or compensation were originally received to recover the Additional Medicare Tax withheld in error. See the Instructions for Form 1040X.

Agricultural Workers

Agricultural workers temporarily admitted into the United States on H-2A visas are exempt from social security and Medicare taxes on compensation paid to them for services performed in connection with the H-2A visa. You can find more information about not having tax withheld at www.irs.gov/Individuals/International-Taxpayers/Foreign-Agricultural-Workers.

Self-Employment Tax

Self-employment tax is the social security and Medicare taxes for individuals who are self-employed. Nonresident aliens are not subject to self-employment tax unless an international social security agreement in effect determines that they are covered under the U.S. social security system. Residents of the U.S. Virgin Islands, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa are considered U.S. residents for this purpose and are subject to the self-employment tax.

Resident aliens must pay self-employment tax under the same rules that apply to U.S. citizens. However, a resident alien employed by an international organization, a foreign government, or a wholly-owned instrumentality of a foreign government is not subject to the self-employment tax on income earned in the United States.

Self-employment income you receive while you are a resident alien is subject to self-employment tax even if it was paid for services you performed as a nonresident alien.

Example. Bill Jones is an author engaged in the business of writing books. Bill had several books published in a foreign country while he was a citizen and resident of that country. During 2016, Bill entered the United States as a resident alien. After becoming a U.S. resident, he continued to receive royalties from his foreign publisher. Bill reports his income and expenses on the cash basis (he reports income on his tax return when received and deducts expenses when paid). Bill's 2016 self-employment income includes the royalties received after he became a U.S. resident even though the books were published while he was a nonresident alien. This royalty income is subject to self-employment tax.

Reporting self-employment tax. Use Schedule SE (Form 1040) to report and figure your self-employment tax. Then enter the tax on Form 1040, line 57, or Form 1040NR, line 55. Attach Schedule SE to Form 1040 or Form 1040NR.

Additional Medicare Tax. Self-employed individuals must pay a 0.9% Additional Medicare Tax on self-employment income that exceeds one of the following threshold amounts (based on your filing status).

- Married filing jointly — \$250,000;
- Married filing separately — \$125,000;
- Single, Head of household, or Qualifying widow(er) — \$200,000.

If you have both wages and self-employment income, the threshold amount for applying the Additional Medicare Tax on the self-employment income is reduced (but not below zero) by the amount of wages subject to Additional Medicare Tax. A self-employment loss should not be considered for purposes of this tax.

If you file Form 1040NR, you must pay Additional Medicare Tax if the total of your wages and your self-employment income was more than \$125,000 if married (Box 3, 4, or 5 on page 1 of Form 1040NR), or \$200,000 if single or qualifying widow(er) (Box 1, 2, or 6 on page 1 of Form 1040NR).

See Form 8959 and its separate instructions to determine whether you are required to pay Additional Medicare Tax. For more information on Additional Medicare Tax, go to IRS.gov and enter "Additional Medicare Tax" in the search box.

Deduction for employer-equivalent portion of self-employment tax. If you must pay self-employment tax, you can deduct a portion of the self-employment tax paid in figuring your adjusted gross income. This deduction is figured on Schedule SE (Form 1040).

Note. No portion of the Additional Medicare Tax is deductible for self-employment tax.

More information. Get Pub. 334 for more information about self-employment tax.

International Social Security Agreements

The United States has entered into social security agreements with foreign countries to coordinate social security coverage and taxation

EXAMPLE: Refund request for Social Security and/or Medicare taxes withheld in error

Form **843**
 (Rev. November 2005)
 Department of the Treasury
 Internal Revenue Service

Claim for Refund and Request for Abatement

OMB No. 1545-0024

▶ See separate instructions.

Use Form 843 only if your claim involves (a) one of the taxes shown on line 3a or (b) a refund or abatement of interest, penalties, or additions to tax on line 4a.

Do not use Form 843 if your claim is for—

- An overpayment of income taxes;
- A refund for nontaxable use (or sales) of fuel; or
- An overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Type or print	Name of claimant Your name as is appears on your Form W-2	Your SSN or ITIN Your Social Security or ITIN #
	Address (number, street, and room or suite no.) Your local street address in the US	Spouse's SSN or ITIN : : : :
	City or town, state, and ZIP code Your local city, state and zip code in the US	Employer identification number (EIN) Found in Box b of Form W-2
Name and address shown on return if different from above If the name and address on your tax return is different, put it here. Otherwise, leave this area blank.		Daytime telephone number Your local phone number in the US
1 Period. Prepare a separate Form 843 for each tax period From 01 / 01 / 05 to 12 / 31 / 05	2 Amount to be refunded or abated \$ Example: \$547	

3a Type of tax, penalty, or addition to tax:

- Employment Estate Gift Excise (see instructions)
 Penalty—IRC section ▶ _____

b Type of return filed (see instructions):

- 706 709 940 941 943 945 990-PF 4720 Other (specify)

4a Request for abatement or refund of:

- Interest as a result of IRS errors or delays.
 A penalty or addition to tax as a result of erroneous advice from the IRS.

b Dates of payment ▶ _____

5 Explanation and additional claims. Explain why you believe this claim should be allowed, and show the computation of your tax refund or abatement of interest, penalty, or addition to tax. If you need more space, attach additional sheets.

EXAMPLE:

I am a (indicate F-1 or J-1) student who has been in the U.S. less than 5 calendar years and I am considered a nonresident alien for tax purposes. Social Security and Medicare taxes were withheld from my wages while I was on (indicate: Optional Practical Training or Curricular Practical Training). According to IRS Pub. 519, I am not subject to Social Security and Medicare taxes while on Practical Training as long as I am a nonresident alien for tax purposes.

Social Security tax withheld	\$327
Medicare tax withheld	\$220

Total refund due	\$547

Note: Social security taxes withheld are reported in box 4 of Form W-2.
 Medicare taxes withheld are reported in box 6 of form W-2.

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the signature must be accompanied by the officer's title.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Sign your name here

Date form signed

Signature (Title, if applicable. Claims by corporations must be signed by an officer.)

Date

Signature

Date

EXAMPLE: Form 8316-- For rebate of Social Security & Medicare taxes withheld in error

Form 8316 Rev. January 2006	Department of the Treasury - Internal Revenue Service Information Regarding Request for Refund of Social Security Tax Erroneously Withheld on Wages Received by a Nonresident Alien on an F, J, or M Type Visa	OMB No. 1545 - 1862
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A Was the income that the Social Security taxes were withheld from directly related to your course of studies as identified by the provisions of your entry visa:

Yes No

B. If you checked "NO," the taxes were correctly withheld and you are not entitled to a refund. Do not complete the rest of this form.

C. If you checked "YES," you must first try to get a refund of the Social Security taxes from your employer before filing a claim with the Internal Revenue Service. If you did this but have not been able to get a refund from your employer, please complete the remainder of this form and attach it to your claim Form 843.

1. Has your employer paid you back for any part of the tax withheld <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. If yes, show amount \$
3. Have you authorized your employer to claim any part of the tax as a credit or refund <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4. If yes, show amount \$
5. Has your employer claimed any part of the tax as a credit or refund <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Do not Know	6. If yes, show amount \$

If you cannot get a statement from your employer concerning the above information, please tell us why in the space below.

Example: I requested a written statement from my employer regarding their inability to refund Social Security & Medicare taxes. Never received a reply from the company.

7. Have you claimed any part of the tax as credit against, or a refund of your Federal income tax <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	8. If yes, show amount \$
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9. Name and address of employer (include street, city, State and ZIP code)

Employer's information can be found on your Form W-2

Your signature You must sign this form before it will be processed by IRS	Date Date form prepared
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Your telephone number (include area code) Your daytime U.S. telephone #	Convenient hours for us to call List time of day it would be easiest for IRS to contact you
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Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information so that we can process your claim for refund of erroneously withheld FICA. We need to ensure that you are entitled to the refund and that your employer has not previously issued you a refund of this withholding. If you do not provide all of the information, we may not be able to process your claim. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions may be retained as long as their contents may become material in the administration of any Internal Revenue Law. Generally, tax returns and return information are confidential, as required by Code section 6103. The time needed to complete this form will vary depending on the individual circumstances. The estimated average time is 15 minutes. If you have comments concerning the accuracy of this estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, 1111 Constitution Ave. NW, Washington, DC 20224. Please do not send your order for Form 8316 to the Tax Products Coordinating Committee. Send your forms order to the IRS National Distribution Center.

Claim for Refund and Request for Abatement

▶ See separate instructions.

Use Form 843 if your claim or request involves:

- (a) a refund of one of the taxes (other than income taxes or an employer's claim for FICA tax, RRTA tax, or income tax withholding) or a fee, shown on line 3,
- (b) an abatement of FUTA tax or certain excise taxes, or
- (c) a refund or abatement of interest, penalties, or additions to tax for one of the reasons shown on line 5a.

Do not use Form 843 if your claim or request involves:

- (a) an overpayment of income taxes or an employer's claim for FICA tax, RRTA tax, or income tax withholding (use the appropriate amended tax return),
- (b) a refund of excise taxes based on the nontaxable use or sale of fuels, or
- (c) an overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Name(s)	Your social security number
Address (number, street, and room or suite no.)	Spouse's social security number
City or town, state, and ZIP code	Employer identification number (EIN)
Name and address shown on return if different from above	Daytime telephone number

1 Period. Prepare a separate Form 843 for each tax period or fee year. From _____ to _____	2 Amount to be refunded or abated: \$ _____
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3 Type of tax or fee. Indicate the type of tax or fee to be refunded or abated or to which the interest, penalty, or addition to tax is related.

Employment
 Estate
 Gift
 Excise
 Income
 Fee

4 Type of penalty. If the claim or request involves a penalty, enter the Internal Revenue Code section on which the penalty is based (see instructions). IRC section: _____

5a Interest, penalties, and additions to tax. Check the box that indicates your reason for the request for refund or abatement. (If none apply, go to line 6.)

Interest was assessed as a result of IRS errors or delays.
 A penalty or addition to tax was the result of erroneous written advice from the IRS.
 Reasonable cause or other reason allowed under the law (other than erroneous written advice) can be shown for not assessing a penalty or addition to tax.

b Date(s) of payment(s) ▶ _____

6 Original return. Indicate the type of fee or return, if any, filed to which the tax, interest, penalty, or addition to tax relates.

706 709 940 941 943 945
 990-PF 1040 1120 4720 Other (specify) ▶ _____

7 Explanation. Explain why you believe this claim or request should be allowed and show the computation of the amount shown on line 2. If you need more space, attach additional sheets.

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the officer's title must be shown.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

 Signature (Title, if applicable. Claims by corporations must be signed by an officer.) _____ Date _____

 Signature (spouse, if joint return) _____ Date _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

Form 8316 Rev. January 2006	Department of the Treasury - Internal Revenue Service Information Regarding Request for Refund of Social Security Tax Erroneously Withheld on Wages Received by a Nonresident Alien on an F, J, or M Type Visa	OMB No. 1545 - 1862
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A Was the income that the Social Security taxes were withheld from directly related to your course of studies as identified by the provisions of your entry visa:

Yes No

B. If you checked "NO," the taxes were correctly withheld and you are not entitled to a refund. Do not complete the rest of this form.

C. If you checked "YES," you must first try to get a refund of the Social Security taxes from your employer before filing a claim with the Internal Revenue Service. If you did this but have not been able to get a refund from your employer, please complete the remainder of this form and attach it to your claim Form 843.

1. Has your employer paid you back for any part of the tax withheld <input type="checkbox"/> Yes <input type="checkbox"/> No	2. If yes, show amount \$
3. Have you authorized your employer to claim any part of the tax as a credit or refund <input type="checkbox"/> Yes <input type="checkbox"/> No	4. If yes, show amount \$
5. Has your employer claimed any part of the tax as a credit or refund <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not Know	6. If yes, show amount \$

If you cannot get a statement from your employer concerning the above information, please tell us why in the space below.

7. Have you claimed any part of the tax as credit against, or a refund of your Federal income tax <input type="checkbox"/> Yes <input type="checkbox"/> No	8. If yes, show amount \$
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9. Name and address of employer (include street, city, State and ZIP code)

Your signature	Date
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Your telephone number (include area code)	Convenient hours for us to call
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Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information so that we can process your claim for refund of erroneously withheld FICA. We need to ensure that you are entitled to the refund and that your employer has not previously issued you a refund of this withholding. If you do not provide all of the information, we may not be able to process your claim. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions may be retained as long as their contents may become material in the administration of any Internal Revenue Law. Generally, tax returns and return information are confidential, as required by Code section 6103. The time needed to complete this form will vary depending on the individual circumstances. The estimated average time is 15 minutes. If you have comments concerning the accuracy of this estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, 1111 Constitution Ave. NW, Washington, DC 20224. Please do not send your order for Form 8316 to the Tax Products Coordinating Committee. Send your forms order to the IRS National Distribution Center.