



Performers Procedures Performer Reimbursements to Foreign Individuals

Nonresident Aliens require special attention, as tax treaties with their country and visa status can be taken into account to determine tax-withholding percentages.

1. If the nonresident alien has an Individual Taxpayer Identification Number (ITIN) or Social Security Number (SSN), NMT reviews for the availability of a tax treaty. If a tax treaty option exists, NMT issues a check for the amount of contracted services minus the tax. The nonresident alien must complete an IRS form 8233.
2. If there is not a tax treaty between the nonresident alien's country of tax residency and the United States, or the nonresident alien does not have an Individual Taxpayer Identification Number (ITIN) or Social Security Number (SSN), New Mexico Tech must withhold and remit federal taxes at a rate of 30%.
3. If the nonresident alien wants to request an Individual Taxpayer Identification Number (ITIN) it takes approximately two to four months to obtain one. An IRS Form W-7 (Application for IRS individual Taxpayer Identification Number) would be completed to request an ITIN. New Mexico Tech could be subject to fines imposed by the IRS for making payment to an individual without a tax identification number or social security number.

The IRS requires New Mexico Tech to report income on behalf of nonresident aliens on form 1042S on or before March 15th.

Procedures

The following steps will help through the necessary paperwork needed to obtain timely payments when bringing NRA performing artists to campus. Begin completion of paperwork as soon as possible **before** the scheduled performance.

All contracts must be approved prior to the nonresident alien arriving at the New Mexico Tech campus at least three weeks before the scheduled event.
Payment can only be issued from a contract.

Payments to a U.S. or Foreign agent for several Foreign Persons

New Mexico Tech is a withholding agent that is required by Treasury Regulation 1.1441-7(a) to backup withhold 30% (unless a tax treaty applies) on foreign performers and their agents. The following documents are required in order to process payment:

- Form W-9 is required from a U.S. agent
- Form W8-BEN is required from a foreign agent
- Form W8-BEN and form 8233 must be collected from each foreign individual

- Each foreign individual must have an ITIN, TIN, or SSN.
- Copy of VISA stamped with the current date of their visit
- Letter from the agent listing New Mexico Tech on an itinerary

All current IRS forms can be found at <http://www.irs.gov/>

A Vendor Registration Form must be completed by the performer or their agent before payment can be made. This form is mandatory for all vendors and requests the Vendor's Taxpayer Identification Number (TIN) or Social Security number and other pertinent information.

Central Withholding Agreements

Central Withholding Agreements are set up directly with the IRS to determine the appropriate tax to be withheld for the foreign performer or group. The benefit for the performer to have a CWA is that the IRS figures the tax rate to be withheld that more closely reflects the actual tax liability at year end. When a nonresident alien has a CWA in place, New Mexico Tech is **required** to request the letter from the IRS listing "New Mexico Tech" as one of the venues being visited. This letter should be kept on file with the PAS and New Mexico Tech's Federal Compliance Office.

All nonresident aliens must file an income tax return at year-end even if there is no tax liability.