

INFORMATIONAL CIRCULAR NO. 22-A-003

DATE: September 30, 2021

SUBJECT: Nonresident Alien (NRA) payments and Form 1042 Information Returns
– Regent Institutions Only

EFFECTIVE DATE: Immediately

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APPROVAL: Sunni Zentner (original signature on file)

SUMMARY: NRA payments and Form 1042 Information Returns

IRS requirements for recording tax liabilities and payments:

A tax liability is created at the time a payment of income, not related to a payroll transaction, is made to a Nonresident Alien (NRA) or a foreign person. The State of Kansas is one entity which means NRA payments for all Regent institutions are combined to determine the tax liability. If at the end of any quarter-monthly period a total tax liability of \$2,000 or more exists, a tax deposit must be made within 3 business days of the quarter-monthly period. A quarter-monthly period is the 7th, 15th, 22nd and last day of the month for any given month. Late tax payments are subject to penalties and interest which range from 1-10% depending on the number of days the payment is late.

State of Kansas accumulation of payment information and payments:

The Office of Accounts and Reports (OAR) accumulates payment information as submitted via ManageEngine Service Desk from each Regent institution. OAR currently tracks this data in an Access database. To be compliant with the IRS, payment information should be submitted to OAR by the Regent institution weekly in conjunction with the quarter-monthly periods. However, we realize this timeline has not previously been communicated. Therefore, at a minimum the payment information must be submitted to OAR by the Regent institution monthly, no later than the last day of the month. OAR will pay to the IRS the tax due for the month within 3 business days of the end of the month.

Regent institution NRA reportable payment information requirements:

- Excel template titled 'NRA WORKBOOK' – see attached.
- Beginning with line 3 on the NRA WORKBOOK, one line shall be entered for each payment
- When submitting to OAR via ManageEngine Service Desk, use a Subject of **NRA payments MM/YY**

To ensure a timely payment to the IRS based on the tax due as submitted on the NRA reportable payment information, OAR will enter a GL journal within 3 days of receiving the NRA WORKBOOK to transfer the withholding taxes from the Regent institution funding provided in the NRA WORKBOOK to the Department of Administration.

Annual 2021 filing:

In preparation for calendar year 2021 reporting, OAR will send to each Regent institution a spreadsheet of transactions accumulated for 2021 payments January through November. The spreadsheet of transactions will be sent by December 15, 2021 and shall be verified and returned to OAR by December 31, 2021.

NRA reportable payment information for December shall be submitted to OAR via ManageEngine Service Desk no later than December 31, 2021.

Attachment: NRA WORKBOOK