

## Foreign National Student-Athletes

If you are a foreign national student-athlete receiving a U.S. source scholarship (e.g. scholarship paid from Ball State University, a U.S. government agency or any other U.S. entity) you should be aware that U.S. tax law *may* require the University to report the amount awarded to you to the Internal Revenue Service (“IRS”) on a Form 1042-S. Additionally, tax law *may* require the University to withhold federal income tax from such scholarships.

**The payment of a *qualified scholarship* to a foreign national is not reportable and is not subject to withholding.**

A qualified scholarship means any amount paid to you as a scholarship to the extent that, in accordance with the conditions of the award, the amount is to be used for the following expenses:

- Tuition and fees required for enrollment or attendance at an educational organization, and
- Fees, books, supplies, and equipment required for courses of instruction at the educational organization.

Amounts that do not represent a qualified scholarship are subject to U.S. taxation and reportable on Form 1042-S. For example, those parts of a scholarship devoted to travel or room and board are subject to withholding. **Taxable amounts will be determined each semester about one week after the end of the drop/add period and again near the end of the term. This tax will be charged to your student account and will become part of your total financial obligation to the University.**

Internal Revenue Code section 1441 requires the University to **withhold at a rate of 30%**. A reduced withholding rate of 14% is available for individuals temporarily present 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 and which are incident to a qualified scholarship.

In addition to the lesser withholding rate due to their immigration status, residents of [certain countries](#) may be entitled to further reduced tax rates, or exemption from tax, under an applicable tax treaty between their country and the United States. For more information see the [Procedure for Nonresident Alien Student Scholarships and Awards](#).