

## Important information for ALTs: Taxes and your US Residency Certification

**All Assistant Language Teachers (ALTs): Read tax information below carefully.** Due to the different position classifications of ALTs and CIRs, this procedure does **NOT** apply to Coordinators for International Relations (CIRs).

ALTs from the US must obtain a Certificate of US Residency **before coming to Japan** so that they will be exempt from Japanese income taxes, based on the US-Japan Tax Treaty.

Please see FAQ below for additional information and instructions.

After receiving the actual certification (Form 6166) from the IRS: bring the **original** with you to Japan to give to your Contracting Organization and/or local tax office.

- Download Form 8802 from the IRS website: <http://www.irs.gov/pub/irs-pdf/f8802.pdf>
- Submit Form 8802 and necessary \$85 fee, which you are responsible for paying.
- Form 6166 (U.S. Residency Certification) should be received within 4-6 weeks. However, if you do not receive your form or a notice from the IRS rejecting your application, or a notice of delay, you should call the IRS to check on the status of your application. (267-941-1000).
- **NOTE:** There have been cases when processing takes up to 6 months. Make sure to submit Form 8802 as early as possible.

**\*\*\*IMPORTANT\*\*\***The JET Program, CLAIR, and the Embassy and Consulates General of Japan do not specialize in tax matters and takes no responsibility for the accuracy of the information that follows. The JET Program also does not take responsibility for any financial loss incurred or any legal action taken against anyone (whether or not they are associated with the JET Program) as a result of information contained here. This advice is accumulated from conversations with IRS representatives reached through their help line.

Please note that regarding taxes for US citizens, all JET Program participants **must** file US Federal Income tax returns. The JET Program does not take care of this for you. More information on taxes can be found at the United States Embassy in Tokyo's website at <http://tokyo.usembassy.gov/e/acs/tacs-7126b.html>

### Quick Reference Links

**Information for Form 6166** (US Residency Certificate): <http://www.irs.gov/Individuals/International-Taxpayers/Form-6166---Certification-of-U.S.-Tax-Residency>

**Instructions for Form 8802** (Application to obtain Form 6166): <http://www.irs.gov/pub/irs-pdf/i8802.pdf>

**Further information from CLAIR:** <http://www.jetprogramme.org/e/current/taxes.html>

PAYMENT OPTION #1	PAYMENT OPTION #2
<b>Electronic Payment (e-pay)</b> <ul style="list-style-type: none"> <li>● Follow instructions for <a href="#">e-pay</a> on the IRS website</li> <li>● After your payment is processed by the IRS, you will receive an <b>“Electronic payment confirmation number”</b></li> <li>● Write this number on page 1 of Form 8802 (above name)</li> </ul>	<b>Check or money order –</b> if you choose this payment option, you must chose to send your application either by the US Postal Service or a Private Delivery Service to the appropriate address listed below:
Only those who chose to pay electronically have the option to either fax <b>or</b> mail their applications & any required attachments	<b>Include:</b> payment (check or money order), Form 8802 & any required attachments
<b>FAX (e-pay option only): 267-941-1035 or 267-941-1366</b> <i>NOTE: these fax numbers are not toll-free</i>	<b>FAX : N/A</b>
<b>(e-pay option only):</b>  <b>US Postal Service:</b> Department of the Treasury Internal Revenue Service Philadelphia, PA 19255-0625  <b>Private Delivery Service:</b> Internal Revenue Service 2970 Market Street BLN# 3-E08, 123 Philadelphia, PA 19104-5016	<b>(check or money order option only)</b>  <b>US Postal Service:</b> Internal Revenue Service P.O. Box 71052 Philadelphia, PA 19176-6052  <b>Private Delivery Service:</b> Internal Revenue Service 2970 Market Street BLN# 3-E08, 123 Philadelphia, PA 19104-5016

## Tips & Advice for Filling out Form 8802 Application for United States Residency Certification

**Line 1** – Write your name and SS#, the same as you wrote in the boxes at the top of the form. Make sure to enter your full name on the top of pages 2 and 3 of the form as well. If you paid by e-pay, enter the “**Electronic payment confirmation number**” in the relevant space above the name. If you choose to pay by check or money order, ignore this space.

**Line 2** - Where you lived in **2015**.

**Line 3a** - Where you want the certification sent (may be the same as address listed in Line 2).

**Line 3b** – Only answer this if you are appointing someone else to file this form on your behalf.

*Note: The IRS 6166 should be sent to an address in the U.S., preferably yours. If you are concerned that it could arrive after your departure date, indicate a proxy and include his or her name and address in these fields. Your proxy should be someone you trust who can send your IRS Residency Certificate to you in Japan as soon as it arrives.*

**Line 4** – Choose the most accurate option that describes your situation (for most, it will be “Individual” and “US Citizen”). If you fell into a category other than “Individual” for your 2015 tax filing, choose the appropriate box.

**Line 5** - Check the box that corresponds to the form you filed the last time you filed taxes in the States.

*Note: If you have never filed taxes in the U.S. (including because you were a dependent), see FAQ #5 below.*

**Line 6** – You only need to answer this if you checked “no” for Line 5. If you were marked as a dependent for a parent’s tax filing, record the information for your parent’s tax filing here.

*Note: See also FAQ #5 below for additional information.*

**Line 7** - In order to be exempt from Japanese taxes for the two years you are permitted (in this case, 2016 and 2017), you will need to request proof of US residency for **2015 and 2016** (since you will be taxed on income from the previous year). Write “**2015 and 2016**” here.

*Note: See also FAQ #6 below for additional information.*

**Line 8** - This should read “**201512**” - which means December **2015**.

*Note: If you did not file taxes in the US in **2015**, see FAQ #5 below.*

**Line 9** - Check the box next to “income tax”

**Line 10** - The following Penalty of Perjury Statement must be hand-written or typed in the space provided:

*This certification is given under penalties of perjury and to the best of my knowledge and belief, the statements are true, correct, and complete.*

**[Insert name of individual and social security number]** is (and will continue to be) a U.S. resident within the meaning of Article 4(1) of the U.S.-Japan treaty. The assignment begins on **[date]** and ends on **[date]**. Article 20 of the U.S.-Japan treaty provides a 2 year exemption from income tax.

**Instructions Line 10** - The following Penalty of Perjury Statement must be hand-written or typed in the space provided:

*This certification is given under penalties of perjury and to the best of my knowledge and belief, the statements are true, correct, and complete.*

**[Insert name of individual and social security number]** is (and will continue to be) a U.S. resident within the meaning of Article 4(1) of the U.S.-Japan treaty. The assignment begins on **[date]** and ends on **[date]**. Article 20 of the U.S.-Japan treaty provides a 2 year exemption from income tax.

Start date is the day after arrival in Japan. The end date is the day before the start date **two years later**. Even if you currently only intend to stay for one year, this will permit you to still be exempt from Japanese taxes for the full two years without having to reapply the following year if you do decide to stay, provided you requested forms for 2 years in Line 7.

Early Departure dates: April 11, 2016 – July 31, 2018 (Later Early Departure JETs should see note below)

Group A dates: July 25, 2016 - July 24, 2018

Group B dates: August 1, 2016 – July 31, 2018

Group C dates: August 22, 2016 – July 31, 2018 (Post-Group C JETs should see note below)

*Note: Early Departure JETs and Post-Group C upgraded alternates should enter the date upon which they arrive in Japan (which may be different from what is entered here). Early Departure contracts end exactly 1 year after their arrival in Japan. However, if they choose to recontract, the second year's contract will end with Group B's date. Group C and later upgraded alternates will end with Group B and any additional contracts will also begin and end with the Group B schedule.*

Sign, date, and fill in your daytime phone number in the spaces indicated at the bottom of page 2.

**Line 11** - Write the number of requested copies in the space next to Japan

*Note: There is no required number to request. We recommend requesting at least 5 copies, in case of loss or damage.*

*Recommended breakdown of copies: 1 in first check luggage, 1 in second checked luggage, 1 in carry-on luggage, 1 with family who can mail to Japan if necessary, 1 to JET Coordinator.*

**Line 12** – Write the number of requested copies (should be same as in Line 11)

Print out form and send by fax or mail along with payment method (see page 1 and [Form 8802 directions](#))

After reading all of this, if you still have questions or your situation is a bit different, please contact the IRS directly. You can reach them at 1-800-829-1040 or 267-941-1000 (*this number is not toll-free, but it is direct to the department which handles the 8802 forms*). **Please also refer to FAQ list below.**

## IRS Residency Certificate FAQ

### 1. **What is the purpose of the IRS 6166 Residency Certificate?**

Under the 2003 US-Japan Tax Treaty (which replaces the 1971 US-Japan Tax Treaty) Article 20, Japanese and American teachers and researchers will be exempt from paying taxes on their teacher/researcher salaries or wages, provided they prove they have maintained residency in their home countries. Assistant Language Teachers with the JET Program fall under this category and are eligible for this tax exemption. ALTs are required to provide their Contracting Organizations with the IRS Residency Certificate (also known as the IRS 6166) upon arrival in Japan in order to be eligible for tax exemption. See the [IRS website](#) for more information.

*Note: some ALTs may not be eligible for the IRS 6166 if they lived for a significant amount of time outside of the U.S. ALTs who have lived outside of the U.S. should verify with the IRS whether or not they meet eligibility standards for the IRS 6166. If not, they will be required to pay Japanese taxes. See relevant question below.*

### 2. **What should I do if I already submitted my application using a different set of directions?**

Most likely your form will not be marked as incorrect, but you should notify the IRS if you need to adjust your form. The two main changes between this set of instructions and the previous one are 1) different penalty of perjury statement, and 2) should request 2 years of residency certificates instead of 1 (**Line 7**)

#### **Different penalty of perjury statement:**

The statement included on the previous instructions is acceptable. You do not need to resubmit the penalty of perjury statement.

#### **Only requested 1 year instead of 2:**

If you only asked for a residency certificate for the 2013 year, call the IRS at **267-941-1000** (this is a direct line to the department that covers the 8802 applications). Tell them that you wish to change your dates for **Line 7 to 2014 and 2015**. See *FAQ # 5 for more information*.

If your application is still open (meaning that the form has not been printed yet), changes can be made with no further payments or paperwork required. If your application has been closed, you will need to reapply and repay the \$85 fee.

### 3. **I am an Early/April Departure JET and will be in Japan before my IRS 6166 arrives. What should I do?**

Be sure to appoint a proxy (a trusted friend or family member) who can receive the IRS 6166 and send it to you in Japan. We recommend that your proxy should also keep one of the requested originals on hand, in case the others are lost in the mail. If you did not apply for the IRS 6166 prior to departure, you can still request it.

### 4. **What is the Electronic Payment Confirmation Number?**

If you used e-pay to pay for your IRS Residency Certificate, you will have received an Electronic Payment Confirmation Number. Include it on page 1 (above applicant name) of the IRS 8802 application form. This will require you to submit payment before you finish filling out the IRS 8802. If you choose to pay by check or money order, you can leave this section of the application blank (be sure to follow the proper mailing instructions depending upon your payment choice; see box on page 1 of these instructions).

**5. What do I do if I did not file taxes last year?**

If you did not file taxes for 2014 and you were supposed to, you will need to do so in order to get your IRS 6166. If you did not file taxes because you did not receive sufficient income to file taxes and/or were declared as a dependent by your parent(s), follow the directions below:

**Did not file because of insufficient income:**

*Note: You may also be required to provide proof of insufficient income, as listed on page 8 of the [Form 8802 Instructions](#).*

**Line 5** – Under No, check “Other” and in the box write “Insufficient income”

**Line 10** – Under the required penalty of perjury statement (see above page 2, line 10), include the following additional statement:

**[Insert name of individual and social security number]** is (and will continue to be) a U.S. resident and could not file in 2014 because of insufficient income.

**Did not file because of insufficient income AND claimed as dependent by parent:**

*Note: You may also be required to attach a signed Form 8814, as listed on page 8 of the [Form 8802 Instructions](#).*

**Line 5** – Under No, check “Other” and in the box write “Insufficient income; claimed by parent” (**note: do not mark “Minor Child”**)

**Line 6** – Fill out the appropriate information for the parent(s) who claimed you as a dependent.

**Line 10** – Under the required penalty of perjury statement (see above page 2, line 10), include the following additional statement:

**[Insert name of individual and social security number]** is (and will continue to be) a U.S. resident and could not file in 2014 because of insufficient income. Claimed under parent **[Insert name of parent and social security number]**.

**6. Why am I applying for Residency Certificates for 2 years?**

Teachers and researchers can take advantage of the income tax exemption on their teacher/researcher salaries for up to 2 years. While ALTs are able to request a Residency Certificate for only one year, in order to receive tax exemption for a second year, they would have to reapply and repay the fee for an additional Residency Certificate. Therefore, we recommend all ALTs, including those who currently plan on staying for only one year, request Residency Certificates for 2 years. This way, they will only have to apply and pay the \$85 fee one time should they decide to stay for an additional year. If an ALT decides not to stay for a second year, there would be no negative repercussions or difficulties with future tax filings.

**7. I am married. Should both my spouse and I be on the form?**

Either way is permissible, although if you are both JETs, you should mark the box next to “If a separate certification is needed for spouse, check here”. This way you can each provide a copy to your Contracting Organizations. This is also advisable in situations where one JET spouse is short-listed and one is an alternate.

**8. Does this form fulfill my tax responsibilities for the United States?**

No, this form is in order to exempt an ALT from paying income taxes in Japan for the first two years by demonstrating that the ALT is, for tax purposes, a resident of the United States. This form has no connection with filing taxes with the IRS for income earned in the United States as well as in Japan (note: even when meeting requirements for foreign earned income exemption, all American JETs must still properly file their taxes in the United States or face the possibility of being subject to audits and potential fines). For help on filing U.S. tax forms while in Japan, reference your [General Information Handbook](#) and ask your coordinator for additional resources.

**9. What should I do if I am an upgraded alternate?**

Depending upon when you were upgraded, your departure date may vary from other JET participants.

**Departed with Group A or B:**

If you were upgraded in time to depart with Groups A or B, your start and finish dates will be exactly the same as all other short-listed ALTs. In this case, follow the listed directions for the Line 10 penalty of perjury statement.

**Departed with Group C or later:**

If you depart for Japan with Group C (mid-August) or after, your contract will begin the day after arriving in Japan and will finish the following year with the Group B participants (in this case, that would be **August 4, 2017**). If you recontract, your new contract will begin and end on the Group B schedule. Therefore, when filling out the penalty of perjury statement in Line 10, put the start date as the day after your arrival date in Japan and put the finish date as **July 31, 2018**. If you do not know your departure date, contact your coordinator.

**10. Who should I have the IRS 6166 sent to?**

In most cases, you should have it sent to yourself. You will need to bring a copy of this form with you to Japan to present to your Contracting Organization. If you are concerned that the form may arrive after your departure for Japan, then in lines **3a** and **3b** you should indicate a trusted friend or family member who can forward this to you in Japan. Note, if your coordinator instructed you to provide him or her with an original of the IRS 6166, be sure you request a sufficient number of copies and make sure that your proxy knows to send one to your JET Program Coordinator. You should not direct the IRS 6166 to be sent to your JET Program Coordinator.

**11. How long does it take for the IRS Residency Certificate to arrive? What happens if it doesn't come in before my departure date?**

It takes approximately 4-6 weeks for the IRS Residency Certificate to arrive. If it comes in after you have departed for Japan, please be sure to have a trusted friend or family member receive it and forward it on to you. You will not be disqualified from participating with the JET Program if your IRS 6166 is not received by the departure date, but since it can affect your tax situation, you should make all efforts possible to get it in a timely manner.

**12. How many copies should I request?**

This is up to you. Since there is no limit to the number of copies you can request, we recommend you ask for at least 5 so that you have ample extras to bring with you and leave with someone you trust in case your original is lost. At the very least, you should ask for more than 1.

**13. What should I do if I only requested and received an IRS 6166 for one year but I decide to stay for 2 years?**

If your IRS residency certificate application is closed, you will have no option but to reapply and repay the \$85. Otherwise, you may be liable to pay taxes in Japan. Because of this, we strongly encourage ALTs to apply for 2 years of residency certificates before departure in order that they only have to apply and pay for the form once. If you need to apply again, follow the instructions listed, but be sure to update the years. If you have already been in Japan for one year and received a tax exemption for that year, then you should only be asking for the residency certificate for one additional year.

**14. If I have lived outside of the U.S., am I still eligible for the IRS 6166?**

This depends upon how long you lived outside of the U.S., how recently you returned, whether you maintained a residence in the United States, and various other factors. Each situation must be reviewed on an independent basis and is up to the discretion of the IRS. Please contact them for more information.

**15. What do I do if my IRS 8802 application form was rejected?**

This depends upon the reason for it being rejected. If it was rejected for a mistake, you should be able to resubmit (you should be contacted within 30 days of receipt if there is a delay). If it was rejected on account of your not being eligible but you feel that you should be, you can petition to have your application reexamined. For more, see here: [http://www.irs.gov/irb/2006-49\\_IRB/ar13.html](http://www.irs.gov/irb/2006-49_IRB/ar13.html)

**16. What do I do if I lose my form and need to get new ones?**

Fill out the form as before, but mark the box that says "Additional Request" (it is located on the first page above "Electronic payment confirmation no."). You will need to repay the \$85 fee.