

Cornell University
Graduate and Professional
Student Assembly

1 **GPSA Resolution 6: Resolution Concerning 2014 Tax**
2 **Issues for International Students**

3
4 Sponsored by: Iian Smythe, Christine “Xine” Yao, Siddarth Chandrasekaran
5

6 **WHEREAS**, international students at Cornell University (see 1) and other US institutions
7 (see 2, 3) who received a Form 1042-S Foreign Person’s US Source Income Subject to
8 Withholding (see 4 for a description of this form), have had their 2014 Federal Tax Returns
9 partially or wholly withheld by the Internal Revenue Service (IRS),
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11 **WHEREAS**, affected students have experienced long delays in response from the IRS (see
12 5),
13

14 **WHEREAS**, in February 2016, some students who were owed refunds from the IRS were
15 informed (see 5, 6) that either their refunds were smaller than originally computed on their
16 2014 Federal Tax Returns, or that they owed funds to the IRS, complete with interest and
17 penalty charges (see 6),
18

19 **WHEREAS**, the IRS has requested payment of these amounts by mid-March 2016 from
20 many of the affected students (see 6),
21

22 **WHEREAS**, the IRS has claimed (see 7) that this discrepancy resulted from the
23 withholding information on the affected students’ returns not matching that on the Form
24 1042-S the IRS received from the withholding agent, in this case, Cornell University,
25

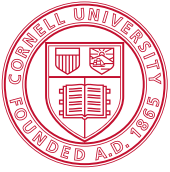
26 **WHEREAS**, Cornell’s Tax Office has acknowledged (see 8) that this “mismatch” resulted
27 from an error in the third-party software, developed by Thomson Reuters, used to send
28 electronic copies of Form 1042-S to the IRS, though other reasons have been reported by
29 other universities (see 2),
30

31 **WHEREAS**, Cornell’s Tax Office has acknowledged (see 9) that the withholding amounts
32 appearing on the copies of Form 1042-S originally received by the affected students are
33 correct,
34

35 **WHEREAS**, Cornell’s Tax Office and International Students and Scholars Office (ISSO)
36 have asserted (see 1) that they stand “behind” the affected students and “will work together
37 to help resolve this issue”,
38

39 **WHEREAS**, Cornell’s ISSO provides tax workshops and software to assist international
40 students in filing their federal tax returns,
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42 **WHEREAS**, it was not until February 2016 when the relevant agencies at Cornell (see 9)
43 reached out to affected graduate students with the appropriate steps, 10 months after 2014



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44 Federal Tax Returns were due, and 6 months after inquiries were made by students to the
45 ISSO at Cornell (see 10),

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47 **WHEREAS**, the affected students are expected (see 1, 3, 8, 9) to individually follow up with
48 the IRS and Cornell's Tax Office via phone and mail according to the steps outlined by the
49 ISSO, but the timeline for resolution is unclear and may potentially take months to resolve,

50
51 **WHEREAS**, Title 26 of US Code, section 6532, allows that the IRS is subject to suit from
52 US taxpayers for frozen refunds after 6 months from the filing date of the original claim,

53
54 **WHEREAS**, many affected students may not even be aware that they were owed a refund
55 by the IRS, and may have made undue payments to the IRS resulting from this error,

56
57 **WHEREAS**, the discrepancy between funds an affected student was owed and the amount
58 the IRS is now claiming owed from the student can be well over \$1000 (see 2, 7), this error
59 can cause undue financial hardship on affected students,

60
61 **WHEREAS**, many of the affected students are graduate and professional students,

62
63 **WHEREAS**, the burden of seeking a resolution with the IRS adds to the stress of filing
64 2015 taxes which, for international students, is already a complicated process with steps
65 that vary from year to year, on top of the usual burdens experienced by graduate and
66 professional students in their work as researchers and teachers,

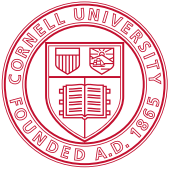
67
68 **BE IT RESOLVED THAT**, Cornell University, and its agents within the Graduate School,
69 ISSO, and Tax Office, be vigilant in their support of and advocacy on behalf of graduate and
70 professional students, including those affected by the aforementioned situation,

71
72 **BE IT FURTHER RESOLVED THAT**, Cornell University, via the aforementioned
73 agents, be responsible for notifying and following up with affected students, and seeking out
74 those who have yet to seek assistance from the Tax Office, including those possibly no
75 longer enrolled,

76
77 **BE IT FURTHER RESOLVED THAT**, Cornell University ensure such a situation does
78 not occur again by taking such measures as investigating the root causes of the issues, and
79 thoroughly vetting third-party software going forward,

80
81 **BE IT FURTHER RESOLVED THAT**, Cornell University work with the relevant federal
82 agencies and representatives, including but not limited to the IRS, Congressman Tom Reed
83 (NY-23), and Senators Charles Schumer and Kirsten Gillibrand (NY), towards a speedy
84 resolution of these issues,

85
86 **BE IT FINALLY RESOLVED THAT**, though the affected students can be expected to
87 make reasonable efforts towards resolving the situation, the ultimate responsibility of



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88 resolving these issues and returning the duly owed funds to those affected lies not upon said
89 students, but rather on the institutions which have contributed to the error, which may
90 include but need not be limited to the IRS, Thomson Reuters, and Cornell University.

91

92 **RESPECTFULLY SUBMITTED,**

93

94 **Iian Smythe**

95 *GPSA Field Representative for Mathematics*

96

97 **Christine “Xine” Yao**

98 *GPSA Voting Member for the Humanities*

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100 ATTACHED LINKS AND DOCUMENTATION:

101

102

103 1. <http://isso.cornell.edu/financial/taxes/2014-tax-problems>

104 2. <https://academeblog.org/2016/03/07/tax-trouble-for-international-graduate-employees-across-us-campuses/>

105 3. [http://www.nacubo.org/Business_and_Policy_Areas/Tax/Tax_News/IRS_Notices_Cause](http://www.nacubo.org/Business_and_Policy_Areas/Tax/Tax_News/IRS_Notices_Cause_Tax_Woes_for_Thousands_of_Foreign_Students.html)
106 [Tax Woes for Thousands of Foreign Students.html](http://www.nacubo.org/Business_and_Policy_Areas/Tax/Tax_News/IRS_Notices_Cause_Tax_Woes_for_Thousands_of_Foreign_Students.html)

107 4. <https://www.dfa.cornell.edu/tax/taxreporting/1042s>

108 5. February 26 email from Dean Knuth:

109 <https://drive.google.com/file/d/0B7DwvY87TOUwUTVjaGduUIBtRGc/view?usp=sharing>
110 [g](https://drive.google.com/file/d/0B7DwvY87TOUwUTVjaGduUIBtRGc/view?usp=sharing)

111 6. February 22 notice CP22A to Iian Smythe (partially redacted):

112 <https://drive.google.com/file/d/0B7DwvY87TOUwV05XS0xqc2IMU1E/view?usp=sharing>
113 [ng](https://drive.google.com/file/d/0B7DwvY87TOUwV05XS0xqc2IMU1E/view?usp=sharing)

114 7. February 17 letter 5532C to Iian Smythe (partially redacted):

115 <https://drive.google.com/file/d/0B7DwvY87TOUwNVZ0czkxajhodjQ/view?usp=sharing>

116 8. February 26 email from Bill Allen:

117 <https://drive.google.com/file/d/0B7DwvY87TOUwT0w0QmpUc3l3N2M/view?usp=sharing>
118 [ing](https://drive.google.com/file/d/0B7DwvY87TOUwT0w0QmpUc3l3N2M/view?usp=sharing)

119 9. March 4 letter from Lori Kanelis to Iian Smythe (partially redacted):

120 <https://drive.google.com/file/d/0B7DwvY87TOUwVWVhrYTBzY01ieFU/view?usp=sharing>
121 [ng](https://drive.google.com/file/d/0B7DwvY87TOUwVWVhrYTBzY01ieFU/view?usp=sharing)

122 10. August 17 email from Iian Smythe to ISSO:

123 <https://drive.google.com/file/d/0B7DwvY87TOUwamLYMXEwWUdZNVE/view?usp=sharing>
124 [haring](https://drive.google.com/file/d/0B7DwvY87TOUwamLYMXEwWUdZNVE/view?usp=sharing)
125