





Withholding. Contact Tax Services for guidance when making payments to foreign entities.

- Payments to foreign persons or entities are generally subject to 30% withholding tax. Scholarships or fellowships paid to foreign students or scholars are subject to 30% withholding unless the student or scholar is eligible for a reduced withholding rate. Payments to foreign employees (student and state) are subject to a different set of taxation rules which subject the employee to a higher rate of withholding and in some cases an exemption from FICA/Medicare taxation.
- Prior to making a payment to any foreign entity, campuses are required to follow Minnesota State's nonresident alien procedures. For more information please go to the Tax Services web site at:

<https://www.minnstate.edu/system/finance/taxinformation/nonresident/index.html>