

Terms of this tax treaty between the U.S. and Canada do not apply to money received from a U.S. source. The student from Canada is exempt from taxation on payments from abroad for maintenance, study, or training.

However, under the terms of the tax treaty, students from Canada are allowed to fill out from W-4, Employees Withholding Allowance Certificate, as if they were residents of the U.S. Therefore, unlike residents of many other foreign countries, this allows the student from Canada to claim more than withholding from taxes for more than one allowance.

A student from Canada may take an additional allowance on line 5 of form W-4 for his/her spouse and children. Students from Canada are entitled to the same standard deduction as residents; therefore, they are not required to write an additional amount on line 6.

Follow the instructions on the worksheet for Form W-4 to claim these deductions.