

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

However, under the terms of the tax treaty, students from India 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 Indian student to claim more than withholding from taxes for more than one allowance.

A student from India may take an additional allowance on line 5 of form W-4 for his/her spouse **if** 1) the spouse has no gross income, 2) is not claimed as a dependent by another U.S. taxpayer, and 3) the couple does not file a joint income tax return. An allowance for each child who lives with the student in the U.S. and is a resident of the U.S., Canada or Mexico can also be added to line 5.

Indian students 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.