

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

However, under the terms of the tax treaty, students from Mexico are allowed to fill out form 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 Mexican student to claim more than one allowance.

A student from Mexico 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 Mexico can also be added to line 5. Mexican students are entitled to the same standard deduction as residents.

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