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02/19/2022

RE: Withholding Taxes on J-1 Exchange Visitors

To Whom It May Concern:

The J-1 alien's employer must withhold on his or her wages following the special rules in Chapter 9 of Publication 15, (Circular E), Employer's Tax Guide. According to those same rules, the J-1 visa holder should file a Form W-4, Employee's Withholding Allowance Certificate.

A J-1 alien who is a nonresident alien for tax purposes and is paid wages in exchange for personal services performed within the United States is exempt from paying U.S. Social Security and Medicare taxes on such wages under Section 3121(b)(19) of the Internal Revenue Code, as long as the employment is authorized by USCIS and the services are performed to carry out the purposes for which the J-1 visa was issued to them.

In conclusion, the J-1 alien's employer must withhold his or her wages for Federal and State income taxes, however, shall not withhold his or her wage for U.S. Social Security and Medicare taxes.

Please adjust your records to reflect this, and do not hesitate to contact me at the address listed above with additional questions.

Sincerely,

A handwritten signature in black ink that reads 'Kevin'.

Kevin H. Star
IRS Enrolled Agent