

Do I need to report my Germany income in the US?

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You want to know whether you report your income as a student working in Germany on your United States (U.S.) income tax return.

You must report your income as a student working in Germany on your U.S. income tax return. Assuming that you are a U.S. citizen, your worldwide income is generally subject to U.S. income tax, regardless of where you are living or working, therefore, you are subject to U.S. tax on your wages and salaries from Germany. The applicable treaty articles for your Germany wages and salaries are not exceptions to the savings clause of the United States-Germany Income Tax Treaty. The applicable treaty articles are Article 15 (Dependent Personal Services) and Article 20 (Visiting Professors and Teachers; Students and Trainees).

U.S. treaties contain saving clauses that provide that the treaties do not affect the U.S. taxation of its own citizens and residents. A savings clause “preserves” or “saves” the right of each country to tax its own citizens and residents as if no tax treaty were in effect. As a result, U.S. citizens and residents generally cannot use the treaty to reduce their U.S. tax liability. However, most treaties provide exceptions to saving clauses that allow certain provisions of the treaty to be claimed by U.S. citizens and residents.

The savings clause is located in Paragraph 4 of Article 1 (Personal Scope) of the treaty. The exceptions to the savings clause is located in paragraph 5 of Article 1 of the treaty. The exceptions to the savings clause do not include Article 15 or Article 20.

You may research the complete income tax treaties at <http://www.irs.gov/businesses/international/article/0,,id=96739,00.html>.

Copies of IRS Revenue Rulings, Revenue Procedures and other official IRS guidance may also be found at: <http://www.irs.gov/newsroom/article/0,,id=98257,00.html>.

References: Publication 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad, Publication 901, U.S. Tax Treaties, and Publication 4732, Federal Tax Information for U.S. Taxpayers Living Abroad.

IRS forms and publications may be accessed on our web site at the following address: www.irs.gov or ordered through our toll-free forms line at: 800-829-3676
Expect delivery within 10 business days.

Other useful toll-free numbers include:

800-829-1040 IRS Tax Help Line for Individuals

800-829-4933 Business and Specialty Tax Help Line

800-829-1954 Refund Hotline

866-562-5227 Disaster Relief Toll-Free Number, Monday

through Friday, 7 am to 10:00 pm local time

Here's a tip for navigating the IRS web site. Use the "search" button at the right side of the web page. Enter key words or phrases for your topic in the entry box.

For security reasons and to protect taxpayer privacy, the IRS does not address taxpayer account-related issues for which personal, identifying information would be needed through e-mail.

Our basic Electronic Tax Law Assistance service is designed to assist the general public in complying with their Federal tax obligations by helping them with questions they have about the tax law and procedural issues. Our goal is to provide complete and accurate responses to as many taxpayers as possible.

If you have additional questions, you may contact us either by phone at 1-800-829-1040 or by email through our web site www.irs.gov.