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# Individual Taxpayer Identification Number (ITIN)



December 2008

# Introduction

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**Revisions to Internal Revenue Code 6109 created the process for issuing an IRS Individual Taxpayer Identification Number to individuals who require a Taxpayer Identification Number for federal tax purposes but do not qualify for a Social Security Number.**



# Objectives

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**At the end of this session, you will be able to:**

- **Define an ITIN and explain its purpose**
- **Determine an individual's eligibility for an ITIN**
- **Identify and explain the special rules that apply to dependents and spouses**
- **Determine where to submit Form W-7/W-7SP**



# Objectives (Cont'd.)

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- **Determine what documentation needs to be attached to the ITIN application**
- **Identify resources for more information**

# What is an ITIN?

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## An ITIN is:

- A tax processing number, issued by the IRS, for certain resident and non-resident aliens, their spouses, and their dependents;
- A nine-digit number in the same format as the SSN (9XX-8X-XXXX), begins with a “9” and the 4<sup>th</sup> and 5<sup>th</sup> digits range from “70” to “88”; and



# What is an ITIN? (Cont'd.)

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- **Only available to individuals who need a taxpayer identification number for valid tax purposes and who do not have, and are not eligible to obtain, an SSN from the Social Security Administration.**



# What is an ITIN? (Cont'd.)

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- **If you become eligible for a Social Security Number take the following steps.**
- **Make proper application for a SSN and upon receipt advise the ITIN Unit in writing of your new SSN. The new SSN will become the primary number and must be used for all future filing purposes. The IRS will void the ITIN. All prior information under the ITIN will be associated with the new SSN.**



# Example

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**Carlos Rodriguez is married and a resident alien with a SSN. His spouse is an undocumented alien and does not qualify for a SSN. His spouse must apply for an ITIN using Form W-7/W-7SP in order for Mr. Rodriguez to be able to file jointly with her on his U.S. federal tax return.**





# Purpose of ITINs

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**ITINs are used for federal tax purposes only and provide a means to efficiently process and account for tax returns and payments.**



# An ITIN does NOT...

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- Entitle the recipient to Social Security benefits or Earned Income Tax Credit
- Change the individual's immigration status
- Give the individual the right to work in the U.S.
- Serve as identification outside the tax system.



# Who Needs an ITIN?

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**Any U.S. resident or non-resident alien individual who:**

- **is required to file a U.S. federal income tax return or filing a tax return to claim excess tax withholdings.**
- **meets an exception to having to file a U.S. federal income tax return, but requires an ITIN for federal reporting purposes**



# Who Needs an ITIN? (Cont)

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- can be claimed as an exemption on a U.S. federal income tax return
- does not have and cannot obtain a SSN



# Who is Eligible for an ITIN?

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**Individuals who are most likely candidates for an ITIN are:**

- **Non-resident aliens who are required to file a U.S. federal income tax return to claim a tax treaty benefit.**
- **Non-resident aliens who are required to file a U.S. federal income tax return.**



# Who is Eligible for an ITIN? (Cont)

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- **Non-resident or resident alien who elects to file a joint U.S. federal income tax return with a spouse who is a U.S. citizen or resident**



# Who is Eligible for an ITIN? (Cont.)

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- **A U.S. resident alien (based on substantial presence) who files a U.S. federal income tax return.**
- **An individual being claimed as a dependent of a U.S. citizen/resident on his or her U.S. federal income tax return.**



# Who is Eligible for an ITIN? (Cont'd.)

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- **A nonresident alien student, professor, or researcher required to file a U.S. federal income tax return and not eligible for an SSN.**





# Who is Not Eligible for an ITIN?

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- U.S. Citizens**
- Aliens with work visas**
- Permanent legal resident of the U.S.  
(Green card holder, also known as  
Permanent Resident Card)**
- Any individual with a valid SSN**
- Applicant not meeting the criteria for  
residency and/or ID documentation**



# How to Apply for an ITIN

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- **EACH person who requires an ITIN must file a separate Form W-7 or W-7SP and provide their own supporting identification documentation.**



# How to Apply for an ITIN?

## (Cont'd.)

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- The Form W-7/W-7SP must be attached to a U.S. federal income tax return or to the documentation which proves meeting the exception criteria.
- The applicant's name must be listed on the return as it appears on the Form W-7/W-7SP.



# ITIN Documentation

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**Documents substantiating proof of identity and foreign status must be:**

- **Original**
- **Certified copies, or**
- **Notarized copies (foreign notaries must have an Apostille to authenticate the notarized document according to the Hague Convention)\***



# Acceptable Documentation for ITIN

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- **An original valid (unexpired) passport (or a certified copy of a valid passport) is the only stand-alone document or**
- **Two or more documents from the list of acceptable documents must be submitted.**



# Acceptable Documentation for ITIN (Cont'd.)

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- **At least one document must contain a \*photograph and another document must support claim of foreign status and identity.**
- **See Publications 1915, 4327 or Form W-7/W-7SP Instructions for a list of acceptable documents at [www.irs.gov](http://www.irs.gov).**

*\* Not required for minors under 14 years old.*



# If Documents are in a Foreign Language...

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- **Provide certified translation**
- **Attach certified translation and document in foreign language to the ITIN application**



# When to Attach Federal Tax Return to Form W-7/W-7SP

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Unless one of the four exceptions is met, a completed federal tax return is required to be attached to Form W-7/W-7SP.

1. Passive income – treaty benefits or third party withholding
2. Other income - treaty benefits
3. Third-party reporting – mortgage interest
4. Disposition by foreign person of US real property interest

For additional information on exceptions, see Pub. 1915 or Form W-7/7SP Instructions.





# How to Submit an ITIN Application

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- **Complete Form W-7/W-7SP.**
- **Attach a completed federal tax return and required identification documentation.**
  - **May have several Forms W-7/W-7SP with one tax return.**
  - **May have several returns (delinquent returns) with one or more W-7/W-7SPs.**



# Where to Submit an ITIN Application

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**By Mail: Internal Revenue Service  
ITIN Operation  
P.O. Box 149342  
Austin, TX 78714-9342**

**In Person: Visit an IRS Taxpayer Assistance Center**

**Through an Acceptance Agent: To obtain a list of agents, visit the IRS website at [www.IRS.gov](http://www.IRS.gov).**



# Processing ITIN Application

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- **IRS in Austin will record the newly assigned ITIN/s to the return, forward the return/s for processing, and send the ITIN on IRS letterhead to the applicant.**
- **Allow 4-6 weeks for processing of return and receipt of ITIN letter.**
- **If you change your street or mailing address you should complete Form 8822 and send directly to the IRS address in the form's instructions.**



# Rules for Dependents

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**Only residents of the following countries may claim exemption for their dependents on a U.S. federal income tax return:**

- **United States**
  - **Canada**
  - **India**
  - **Mexico**
  - **Republic of Korea (South Korea)**
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# Resident Alien Rules for Dependents

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**For residents of Canada or Mexico,  
the dependent:**

- **Is not required to live in the U.S.**
- **Must meet all the other dependency tests**



# Nonresident Rules for Exemptions

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**Nonresident aliens who are residents of Republic of Korea (South Korea) may:**

- **Claim a dependency exemption if the dependent lived with the nonresident alien in the U.S. any part of the year and met the other four dependency tests.**



# Nonresident Rules for Exemptions (Cont'd.)

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- **Claim a spousal exemption if the spouse lived with the alien in the U.S. any part of the year.**

# Non-resident Rules for Dependents

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**Students and business apprentices from India may be able to claim an exemption if their dependent:**

- **Was not admitted to the U.S. on an F-2, J-2, or M-2 Visa.**
- **Meets the same rules that apply to U.S. citizens.**





# Special Rules for Spouses

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**Generally, a nonresident alien engaged in a trade or business in the U.S. can only claim their own personal exemption. There are exceptions for the following countries:**

- **Canada**
- **India**
- **Mexico**
- **Republic of Korea (South Korea)**



# Special Rules for Spouses Mexico & Canada

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**A nonresident who is a resident of Mexico or Canada can claim a spousal exemption if:**

- **The spouse does not have gross income for U.S. tax purposes, and**
- **Cannot be claimed as a dependent on another U.S. federal tax return**

**Note: The spouse is not required to live in the U.S.**



# Special Rules for Spouses

## *Japan & Republic of Korea (South Korea)*

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**A nonresident alien who is a resident of Republic of Korea (South Korea) can claim the spousal exemption for their spouse if the spouse lived in the U.S. at some time during that tax year.**



# Special Rules for Spouses India

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**Students and apprentices from India can claim an exemption for their spouse if:**

- **The spouse does not have gross income for U.S. federal tax purposes, and**
- **Cannot be claimed as a dependent on another U.S. federal tax return.**



# Completing Form W-7

**Reason you are submitting Form W-7.** Read the instructions for the box you check. **Caution:** If you check box **b, c, d, e, f, or g, you must file a tax return with Form W-7 unless you meet one of the exceptions** (see instructions).

- a  Nonresident alien required to obtain ITIN to claim tax treaty benefit
- b  Nonresident alien filing a U.S. tax return
- c  U.S. resident alien (based on days present in the United States) filing a U.S. tax return
- d  Dependent of U.S. citizen/resident alien } Enter name and SSN/ITIN of U.S. citizen/resident alien (see instructions) ▶ .....
- e  Spouse of U.S. citizen/resident alien } .....
- f  Nonresident alien student, professor, or researcher filing a U.S. tax return or claiming an exception
- g  Dependent/spouse of a nonresident alien holding a U.S. visa
- h  Other (see instructions) ▶ .....
- Additional information for a and f: Enter treaty country ▶ ..... and treaty article number ▶ .....

- **You must check only one box to indicate the reason you are completing Form W-7/W-7(SP). See Publication 1915 for more information.**



# Completing Form W-7 (cont'd)

<b>Name</b> (see instructions) Name at birth if different . . . ▶	1a First name	Middle name	Last name
	1b First name	Middle name	Last name

- **Enter your legal name as it appears on your documents. If you do not use this name on your United States tax returns, the processing of the U.S. tax return may be delayed until discrepancies are resolved.**



# Completing Form W-7 (cont'd)

Applicant's mailing address	2	Street address, apartment number, or rural route number. If you have a P.O. box, see page 4.		
		City or town, state or province, and country. Include ZIP code or postal code where appropriate.		
Foreign (non U.S.) address (if different from above) (see instructions)	3	Street address, apartment number, or rural route number. Do not use a P.O. box number.		
		City or town, state or province, and country. Include ZIP code or postal code where appropriate.		
4	Date of birth (month / day / year)	Country of birth	City and state or province (optional)	<input type="checkbox"/> ...

- **The Applicant's mailing address would be your local Mankato address.**
- **Enter your complete foreign address (non-U.S.) including street, city/town, country, and foreign postal code. If you do not have a permanent residence, due to relocation to the U.S., enter only the name of the foreign country where you last resided.**



# Completing Form W-7 (cont'd)

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<b>Birth information</b>	4 Date of birth (month / day / year) / /	Country of birth	City and state or province (optional)	5 <input type="checkbox"/> Male <input type="checkbox"/> Female
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- **Enter your date of birth in the month/day/year format ( i. e. June 7, 19XX would be entered as 06/07/199XX) and your country of birth. You must identify the country in which you where born.**







# Completing Form W-7 (cont'd)

Under penalties of perjury, I (applicant/delegate/acceptance agent) declare that I have examined this application, including accompanying documentation and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I authorize the IRS to disclose to my acceptance agent returns or return information necessary to resolve matters regarding the assignment of my IRS individual taxpayer identification number (ITIN), including any previously assigned taxpayer identifying number.

Signature of applicant (if delegate, see instructions)	Date (month / day / year)	Phone number
▶	/ /	( )
Name of delegate, if applicable (type or print)	Delegate's relationship to applicant ▶	<input type="checkbox"/> Parent <input type="checkbox"/> Court-appointed guardian
		<input type="checkbox"/> Power of Attorney

- **To complete the form you must sign, date the form (Month/Day/Year), and write in your telephone number.**



# Summary

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- **Form W-7/W-7SP is used to apply for an IRS Individual Taxpayer Identification Number.**
- **The ITIN will be in the format of the Social Security Number (SSN) and begin with the number “9”. The 4<sup>th</sup> and 5<sup>th</sup> numbers will range from “70-88”.**



# Summary (Cont'd.)

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- **The ITIN is intended for federal tax purposes only and does not change the individuals immigration status or authorize them to work in the U.S.**
- **Any alien, nonresident or resident, who is required to file a U.S. federal tax return or can be claimed as a dependent on a tax return and who does not qualify for an SSN, must apply for an ITIN.**
- **Only residents of the U.S., Canada, India, Mexico or Republic of Korea (South Korea) may claim an exemption for their spouses and their dependents if the special rules are met.**



# Summary (Cont'd.)

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- **The ITIN does not entitle the applicant to claim EITC nor entitle them to Social Security benefits.**
- **An individual with an ITIN does not qualify for EITC.**
- **Children with an ITIN do not qualify for EITC; however, they may qualify for the Child Tax Credit.**



# IRS Reference Materials

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- **Form W-7, Application for IRS Individual Taxpayer Identification Number and**
- **W-7SP, Solicitud de Numero de Identificacion Personal del Contribuyente del Servicio de Impuestos Internos**
- **Publication 1915, Understanding Your IRS Individual Taxpayer Identification Number**
- **Publication 1915SP, Entendiendo Su IRS Numero de Identificacion Personal del Contribuyente**



# IRS Reference Materials (Cont'd.)

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- **Publication 519, *U.S. Tax Guide for Aliens***
- **Publication 4327, *ITIN – Facilitating Participation in the Tax System/ Facilitando La Participacion en el Sistema Tributario***



# IRS Web Site Addresses

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- [www.irs.gov](http://www.irs.gov)
- <http://win.web.irs.gov/spec.htm>
- <http://www.web.irs.gov/itin.htm>

