



Understanding Your IRS

Individual
Taxpayer
Identification
Number
ITIN



TAXPAYER ASSISTANCE

IRS assistance is available to help you prepare your Form W-7.

In the United States, call:
1-800-829-1040 (*toll-free*)

Overseas help can be obtained from the following IRS offices:

<u>Location</u>	<u>Telephone Number</u>
Bonn, Germany	49-228-339-2119
London, England	44-171-408-8076 or 8077
Mexico City, Mexico.....	525-209-9100 Ext. 3557
Paris, France.....	33-1-4312-2555
Rome, Italy	39-06-4674-2560
Singapore	65-476-9413
Tokyo, Japan.....	81-3-3224-5466

Additionally, you may call the IRS Office located in Puerto Rico at 787-759-5100

Additionally, keep in mind that the Internal Revenue Service conducts an overseas taxpayer assistance program during the tax filing season (January - mid-June). To find out if IRS personnel will be in your area, please contact the consular office at the nearest U.S. Embassy.

GENERAL INFORMATION

What is an ITIN?

An Individual Taxpayer Identification Number, or ITIN, is a tax processing number for certain resident and non-resident aliens, their spouses, and their dependents. The ITIN is only available for individuals that cannot get a Social Security Number (SSN). It is a 9-digit number, beginning with the number “9”, formatted like an SSN (nnn-nn-nnnn).

What is the purpose of an ITIN?

ITINs are only issued for *federal tax purposes*, in order to identify and process individual returns.

The individual must enter his/her ITIN in the space for the SSN when completing the tax return (1040, 1040A, 1040EZ, 1040NR, 1040NR EZ).

The issuance of an ITIN *does not*:

- entitle the recipient to Social Security benefits or the Earned Income Tax Credit (EITC);
- create an inference regarding the individual’s immigration status;
- give the individual the right to work in the U.S.

How do I know if I need an ITIN?

If you must file a U.S. tax return or you are listed on a tax return as a spouse or a dependent and you do not have, and cannot obtain, a valid Social Security Number, you must apply for an ITIN. If you are eligible for an SSN, you should get one. Internal Revenue Regulations require including a valid Tax Identification Number (SSN or ITIN) for each person listed on the tax return. The inclusion of the number will enhance the processing of the return and expedite the issuance of a refund. The IRS will no longer accept “SSA205c”, “applied for”, “NRA”, blanks or previously issued IRS temporary numbers.

See charts on following page.

How do I apply for an ITIN?

To obtain an ITIN, you must complete IRS Form W-7, Application for IRS Individual Taxpayer Identification Number. You may complete and sign a Form W-7 for a minor dependent. The Form W-7 requires documentation substantiating foreign/alien status and true identity for each individual. If you, your spouse and/or dependents need ITINs, you may submit separate Forms W-7 and documentation at the same time. You may either mail the Form W-7 and the documentations to the

REASON	CRITERIA
Treaty Benefits	Required to file U.S. Tax Return Claiming Treaty Benefit
Internal Revenue Code Section 1441 Regulations	Required for completion of withholding documents
Nonresident Alien	Files Form 1040NR/1040NR-EZ
Dependent of U.S. Person	Exemption claimed on Form 1040/1040A/1040EZ (Undocumented alien).
Spouse of U.S. Person	Exemption claimed on Form 1040/1040A/1040EZ. Must provide name and SSN/ITIN of U.S. person.

How do I know if I need an ITIN?

IF:	THEN:
You are a citizen of the United States,	You are eligible for a SSN.
You are born in the U.S. and do not have diplomatic immunity,	You are eligible for a SSN.
You have entered the U.S. on a work VISA,	You are eligible for a SSN.
You are entitled to a federally funded benefit (stipend/fellowship/grant),	You are eligible for a SSN.
You are on a non-work VISA,	You are eligible for an ITIN.
You are born in the U.S. and have diplomatic immunity and have a federal tax filing purpose,	You are eligible for an ITIN.
You have applied for and were denied a SSN and have a federal tax filing purpose,	You are eligible for an ITIN.



Philadelphia Service Center, present the Form W-7 at IRS *taxpayer assistance centers*, or process your application through an Acceptance Agent authorized by the IRS. For overseas help, you may contact one of the IRS offices listed on the inside cover of this publication.

Where Can I get a Form W-7?

Call 1-800-TAX-FORM (continental U.S. only). Bulk quantities may also be ordered through this number.

- You may use a personal computer to download the Form W-7 from the IRS bulletin board, (accessible at modem number 703-321-8020) or by visiting our World Wide Web site at <http://www.irs.ustreas.gov>.
- Visit the nearest IRS office
- Tax fax service: 1-703-368-9694
- IRS Kiosks

Where do I file my Form W-7?

At IRS Taxpayer Assistance Center (formerly known as "walk-in offices"), Addresses can be obtained from your local telephone book or by calling 1-800-829-1040.

- At certain IRS offices abroad
- With Certifying Acceptance Agents, (a list is available on <http://www.irs.gov>) or,
- Mail to: Philadelphia Internal Revenue Service Center (PIRSC)

ITIN UNIT
P.O. Box 447
Bensalem, PA 19020
DPN280

What are Acceptance Agents?

Acceptance Agents are entities (colleges, financial institutions, accounting firms, etc.) who are authorized by the IRS to assist applicants in obtaining ITINs. They review the applicant's documentation and forward the completed Form W-7 to IRS for processing. A list of Acceptance Agents is available through Customer Service at your nearest IRS office, and are also listed on our World Wide Web site at:

http://www.irs.ustreas.gov/prod/ind_info/agents.html



Will I have to pay to get an ITIN?

The IRS does not require the payment of any fees for the issuance of an ITIN. However, if the services of an Acceptance Agent are secured, fees may apply.

When should I apply for my ITIN?

You should apply for an ITIN before you file your return. Apply for an ITIN far enough in advance of filing your tax return to allow for the processing and issuance of the ITIN (four to six weeks). The



Form W-7 should not be attached to your Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR EZ.

How long does it take to get an ITIN?

This will vary according to your local mail system. In general, it takes approximately four to six weeks to receive the ITIN in the mail. Applications mailed from abroad may take considerably longer. The IRS will not excuse the late filing of a tax return if the reason you are late is because you did not apply for an ITIN. If you have not received a response within the referenced time period, you may call 1-800-829-1040 (toll-free) to request the status of your application.

I am an undocumented alien. Can I get an ITIN?

If you are required to file a U.S. federal income tax return or qualify to be listed on another individual's tax return as a spouse or dependent, you must have either a valid Social Security Number or an ITIN. If you are an undocumented alien and cannot get a SSN, you must get an ITIN. Remember, having an ITIN does not:

- give you the right to work in the U.S.,
- change your immigration status or,
- entitle you to Earned Income Tax Credit or Social Security benefits.

Is the Form W-7 available in any foreign language?

Yes, this form is available in Spanish as Form W-7SP, *Solicitud de Numero de Identificacion Personal del Contribuyente del Servicio de Impuestos Internos*.

Who can sign the Form W-7?

The applicant, with the following exceptions, must sign the Form W-7:

See the following questions:

If I am unable to sign Form W-7, how is the application handled?

If an applicant cannot sign their name due to an inability to write, they must sign their mark in the presence of wit-

nesses (usually two). The witnesses' signatures are also required in the space provided.

If the ITIN applicant is a child, who may sign the Form W-7?

If the applicant is a minor under 14 years of age, a delegate (parent or guardian) must sign for him or her. The guardian box must be checked and the relationship indicated.

To be consistent with the requirement that minor children (14 years of age and older) sign their own tax returns to report income, ITIN applicants 14 years of age and older must sign their own Form W-7. The applicant may appoint an authorized agent to sign. The authorized agent must print his or her name in the space provided for the name of the delegate and must attach Form 2848, Power of Attorney and Declaration of Representative.

Can a spouse sign for the other spouse?

If the applicant is married, the spouse may sign for the husband/wife, and the guardian box should be checked.

Do dependents and/or spouses have to be present when a Form W-7 is presented for review at a taxpayer assistance center?

Neither dependents nor spouses are required to be present at the time the Form W-7 and supporting documentation is reviewed. In fact, anyone can bring in an application for an ITIN to a taxpayer assistance center, even friends and relatives. However, the form should be properly completed and signed as specified above. All documentation presented will be returned.



DOCUMENTATION ISSUE

What are the documentation requirements when applying for an ITIN?

1. Original
2. Considered as original:
 - a. Copies certified by the issuing agency
 - b. Copies certified by the Department of State
 - c. Copies notarized/certified by an military Judge Advocate General (JAG) office
3. Notarized by a U.S. (not foreign) notary public with the following limitations:
4. Certified/notarized by Foreign notaries authorized un-

der the Hague Convention with an Apostille attached.

What information should be on the Form W-7?

Form W-7 must include the following information:

- reason for applying
- applicant's full name at birth
- applicant's address
- applicant's country of citizenship
- mailing address, if different from residence
- applicant's date and place of birth
- the signature of the applicant, or if the applicant is a minor, the signature of the parent, legal guardian or delegate.

See IRS Publication 501 for who qualifies to be claimed as a dependent.

What are examples of acceptable forms of documentation for ITIN applicants?

See the instructions for Form W-7.

DEPENDENCY/EXEMPTION ISSUES

What are the special rules for dependents?

Only residents of the United States, Canada, Mexico, Japan, The Republic of Korea, India and U.S. nationals may claim exemptions for their dependents (See IRS Publication 519). Residents of Canada or Mexico can claim exemptions for children and other dependents on the same terms as U.S. citizens.

See IRS **Publication 501**, Exemptions, Standard Deduction and Filing Information, to see who may qualify as a dependent under the five dependency tests:

- a) Relationship Test
- b) Joint Return Test
- c) Citizen or Resident Test
- d) Income Test
- e) Support Test

For residents of Japan and Korea, the individual must qualify as a dependent under the dependency tests and **must** have lived with you in the United States at some time during the year.

EMPLOYMENT ISSUES

Which aliens are eligible to receive Social Security Numbers?

Certain foreign nationals by virtue of their nonimmigrant status are authorized to work in the U.S. Some of these

individuals must apply to the Immigration and Naturalization (INS) for an Employment Authorization Document (EAD). Any nonresident alien holding an EAD, or who is authorized to work in the U.S., is eligible to get an SSN.

Are ITINs valid for work purposes? No.

What student visas qualify for employment?



Students on J-1 and F-1 visas are authorized to work in the U.S. and are eligible for SSNs. Students (F-1) may be employed on campus (up to 20 hours a week) or off campus with a written authorization from the university, or with INS approval. Students (F-1) under economic hardship may be employed on or off campus with an EAD. A Vocational Student (M-1) may be employed for practical training following completion of studies for a maximum of six months. He or she must receive an EAD from INS. A participant in an International Cultural Exchange Program (Q-1 Visa) may be employed and compensated only by the petitioning employer or agency through whom the status was obtained. INS authorizes employment on Form I-797a; an EAD is not required. Exchange Visitors (J-1) employed by a U.S. employer may obtain a SSN; (but Exchange Visitors (J-1) who are not employed by a U.S. employer need to apply for an ITIN. Non-immigrants in these statuses generally have a U.S. filing requirement for individual income tax returns if their income is effectively connected with a U.S. trade or business.)

Students (F-1) under economic hardship may be employed on or off campus with an EAD. A Vocational Student (M-1) may be employed for practical training following completion of studies for a maximum of six months. He or she must receive an EAD from INS. A participant in an International Cultural Exchange Program (Q-1 Visa) may be employed and compensated only by the petitioning employer or agency through whom the status was obtained. INS authorizes employment on Form I-797a; an EAD is not required. Exchange Visitors (J-1) employed by a U.S. employer may obtain a SSN; (but Exchange Visitors (J-1) who are not employed by a U.S. employer need to apply for an ITIN. Non-immigrants in these statuses generally have a U.S. filing requirement for individual income tax returns if their income is effectively connected with a U.S. trade or business.)

What foreign students qualify for ITINs?

The employment rules for foreign students in the United States are set forth in the appropriate INS laws and regulations. Information on these laws and regulations can be obtained from the nearest INS office or the Foreign Students' Office of the appropriate university or learning institution. Generally, foreign students may apply for an SSN. However, if they are denied an SSN, they should apply for an ITIN. Those foreign students that perform services not covered by INS employment laws and regulations do not qualify for an SSN and should apply for an ITIN.

TAX QUESTIONS

What are the rules of Earned Income Tax Credit?

A taxpayer using an ITIN cannot claim EITC. To claim EITC, the claimant must file a return as a citizen or resi-

dent of the U.S. on Form 1040. In addition, the claimant, spouse and qualifying child (ren) listed on the return must have valid "work related" Social Security Numbers. If you are married, you must file your return using the Married Filing Joint status. For the exception to this rule, see Publication 501, "married persons living apart".

What happens to a return claiming a Child Care Credit if the filer is physically out of the country and a foreign care provider has no SSN or ITIN because the foreign provider has no U.S. filing requirement?

Because the provider has no U.S. filing requirement, there is no requirement for them to obtain an ITIN. In fact, if they applied they would probably be denied. Without a TIN reported for the provider, the taxpayer may receive a letter denying the Child Care Credit. If the taxpayer receives the letter, they can reply and the credit may be allowed. The Service will be issuing procedures to allow the Child Care Credit when child care costs are paid outside the U.S. using the address of the care provider as the deciding factor.

What do I do if I am required to file and I don't have my ITIN yet?

You may prepare IRS Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return. Procedures will differ based on your anticipated tax liability. If no estimated tax is due, the Form 4868 and the Form W-7 with supporting documentation attached, should be sent to the Philadelphia Service Center ITIN Unit at:

IRS PSC-ITIN Unit
PO Box 447
DPN280
Bensalem, PA 19020

If you have no anticipated tax liability, the extension request should not have any notation in the box designated for the SSN even if you had a previously issued temporary IRS Number (IRSN). However, the IRSN should appear in Box 6f of the Form W-7.

If you have an anticipated tax liability and a previously issued IRSN, the IRSN should appear in the box designated for the SSN. If you have no IRSN, "ITIN Applied For" should appear in the appropriate box. A photocopy of the completed Form W-7 should be attached to the extension request with "COPY, DO NOT PROCESS" written across the face of the W-7. The Form 4868 and a check in full payment of anticipated liability should be mailed to your normal filing location. The Form W-7 and

supporting documentation should be mailed separately to the above address, or may be presented at a local taxpayer assistance center.

Can an ITIN be used to file a delinquent or amended return for prior tax years?



It is required for persons who do not have and cannot get Social Security Numbers to furnish their ITIN on **any tax return filed after December 31, 1996**. A tax return includes income, estate, or gift returns (timely or delinquent), amended returns and refund claims. Furnishing an ITIN on a return does not eliminate your need to satisfy the TIN based eligibility standards for claiming specific exemptions, credits, etc., on that delinquent or amended return.

Are ITINs valid for dependents if I file a delinquent tax return?

ITINs will be accepted for dependents on current and delinquent returns. Dependents can be claimed only when the dependency tests are met.

My refund was held up because I did not have a valid identification number or because an incorrect TIN was used. How can I get the refund released?

Once the ITINs are applied for, received, and associated with the tax return, the refunds will be released after the processing of the return is completed. If there are other reasons for the refund freeze, those conditions must be satisfied prior to release.

What steps do I have to take when I have an ITIN and become eligible for an SSN?

Make proper application for the SSN and, when received, advise the IRS (ITIN Unit) of your new SSN. Use the new SSN for all filing purposes.

If I had a temporary IRS Number (IRSN), what will happen to my records under that number now that I have an ITIN?

Accounts established under prior temporary numbers will be associated with the ITIN when it is assigned.

If I get an ITIN and I am later issued an SSN, will my tax records be merged?

YES, provided you inform the IRS of your new SSN and change of status.

What do I do if I think I once had an SSN, but I'm not sure?

Check with the Social Security Administration before applying for an ITIN.

What do I do if I think I once had an IRS temporary number?

If you think you once had a number, but are unsure or cannot recall the number, indicate on Form W-7 that you might have previously had such a number and the name under which you think the number was issued. IRS will perform research to locate your number as part of the processing of your Form W-7.





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