

U N D E R S T A N D I N G Y O U R

•IRS•

• I N D I V I D U A L • T A X P A Y E R • I D E N T I F I C A T I O N • N U M B E R •



• 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>Phone</u>
Bonn, Germany	49-228-339-2119
London, England	44-171-408-8076 or 8077
Mexico City, Mexico	525-209-9100 Ext. 3590
Paris, France	33-1-4312-2555
Rome, Italy	396-4674-2560
Santiago, Chile	562-330-3424
Singapore	65-476-9413
Sydney, Australia	6129-373-9194
Tokyo, Japan	81-3-3224-5466

You may also call the ITIN office directly in Philadelphia, Pennsylvania, at:

215-516-ITIN (215-516-4846)

This is not a toll-free call.

Additionally, keep in mind that the Internal Revenue Service conducts an overseas taxpayer assistance program during the tax filing season (January to 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 ITIN, or Individual Taxpayer Identification Number, is a tax processing number that became available on July 1, 1996, for certain nonresident and resident aliens, their spouses, and dependents. The ITIN is only available to individuals who 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). The temporary IRS Number previously assigned is no longer valid.

What is the purpose of an ITIN?

ITINs are only used for federal income tax purposes.

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.

When completing the tax return (1040, 1040A, 1040EZ, 1040NR, 1040NR EZ), the individual will enter their ITIN in the space for the SSN.

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. As of January 1, 1997, the IRS will no longer accept "SSA205c," "applied for," "NRA," blanks, or previously issued IRS temporary numbers. For all U.S. tax returns filed after December 31, 1996, including your ITIN on the return will ensure prompt processing and receipt of any refund. New Internal Revenue Regulations require including a valid Tax Identification Number (TIN) on all U.S. federal income tax returns. Each person listed on the return must have a valid TIN (either an SSN or an ITIN). If a return requesting a refund is filed without an SSN or ITIN for

the primary filer and spouse, the refund will be delayed until they obtain the identification number. If a dependent SSN/ITIN is missing, the exemptions will be denied and refunds will be adjusted accordingly. If you are eligible for an SSN, you should get one. If you were previously issued a temporary IRS Number, you must now apply for an ITIN.

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. Nevertheless other dependents and spouses must complete and sign their own Forms W-7. 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 documentation, along with the Form W-7, to the Philadelphia Service Center, present it at IRS walk-in offices, or process your application through an Acceptance Agent authorized by the IRS.

How 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.

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.

Will I have to pay 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.

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

To be consistent with the requirement that minor children (age 14 and over) sign their own tax returns to report income, ITIN applicants age 14 and over must sign their own Forms W-7.

How long does it take to get an ITIN?

This will vary according to your local mail system. In general, it takes approximately six to eight 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.

You may call (215) 516-4846 after 30 days if the IRS has not acknowledged receipt of the Form W-7. *This is not a toll-free number!*

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 (six to eight weeks). The Form W-7 should not be attached to your Form 1040, 1040A, 1040 EZ, 1040 NR, or 1040NR EZ.

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 an 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 the 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 Número de Identificación Personal del Contribuyente del Servicio de Impuestos Internos.*

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

If you are able to visit an IRS office and establish your identity, you can place your "mark" on the application in lieu of a signature. If you are unable to visit an IRS office, you may follow local practice by making your "mark" on the Form W-7 before witnesses (usually two), who must sign the Form W-7 as witnesses to your mark.

Do dependents and/or spouses have to be present when a Form W-7 is presented for review at a walk-in site?

Neither dependents nor spouses are required to be present at the time the Form W-7 and supporting documentation are reviewed. In fact, anyone can bring in an application for an ITIN to a walk-in site, even friends and relatives. All documentation will be returned to those representing the applicant.

•DOCUMENTATION ISSUES•

What are the documentation requirements when applying for an ITIN?



If you are a nonresident alien, you must establish both identity and foreign status. If one document, such as a passport, can validate both criteria then that one document is acceptable. If an adult is applying for a minor dependent, the documentation must establish the

relationship between the dependent and the adult

(e.g., a birth certificate, adoption papers, etc.). These documents must state that the individual claimed as a dependent is related to the adult making the application. Also, if you are applying for a dependent, documentation must prove that the dependent lives in the U.S., Canada or Mexico. Examples of such documentation include: school records, doctor's records, letters from clergy, U.S. baptismal certificate, day care records, or a birth certificate that shows the dependent's relationship to the taxpayer, but proof of continued existence (i.e., current school or medical records) is needed.

There are three basic types of documentation used in support of Form W-7:

1. Original,
2. Considered as original:
 - copies certified by the issuing agency
 - copies certified by the Department of State
 - copies notarized/certified by a military Judge Advocate General (JAG) office
3. Notarized by a U.S. (not foreign) notary public with the following limitations:
WITHIN THE LEGAL AUTHORITY OF THE NOTARY PUBLIC.

In certain states, notaries cannot notarize birth, death or marriage certificates. Other state imposed restrictions may also apply.

What information should be on the Form W-7?

Form W-7 must include the following information:

- father's and mother's full names (mother's name at birth, not her married name)
- date and place of birth of the applicant
- applicant's full name at 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 identification 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 and Korea may claim exemptions for their dependents. 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.

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•

What aliens are eligible to receive Social Security Numbers?

Certain foreign nationals by virtue of their visa status are authorized to work in the U.S. with no restrictions as to the work location or type of employment. Although these individuals may have the right to work, some must apply to the Immigration and Naturalization Service (INS) for an Employment Authorization Document (EAD). Any nonresident alien holding an EAD is eligible to get an SSN.

Are ITINs valid for work purposes?

No.

What student visas qualify for employment?



Students on J1, F1, M1, and Q1 visas are authorized to work in the U.S. and are eligible for SSNs. Exchange Visitors (J1) may be employed on campus (up to 20 hours a week) or off campus with written authorization from the university. No INS approval or EAD is required. Students (F1) under economic hardship may be employed on campus (up to 20 hours a week) or off campus with an EAD. A Vocational Student (M1) 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 (Q1 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. These visa types only have a U.S. filing requirement for individual income tax returns if the income is effectively connected with a U.S. trade or business and the amount of income is more than the personal exemption amount.

•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 resident of the U.S. on Form 1040. In addition, the claimant and all secondary individuals listed on the return (spouse, children, etc.) must have valid "work related" Social Security Numbers.

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
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 7g 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 Form 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.

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 my 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. How can I get the refund released?

Refund freezes based solely on invalid TINs can be released with the presentation of an ITIN or SSN. 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.

If a refund is delayed because an incorrect TIN was used, can an ITIN be applied for, received and used to release the refund?

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.

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.



Publication 1915 (Rev. 2/98)
Catalog Number 22533M