IRM PROCEDURAL UPDATE

DATE: 08/18/2014

NUMBER: WI-03-0814-1263

SUBJECT: Remarks and Comments Field; Exception 2d Gambling

AFFECTED IRM(s)/SUBSECTION(s): 3.21.263

CHANGE(s):

IRM 3.21.263.5.2.3.8(1) revised procedure to include an "Exception" for processing "Family Pack ID".

1. Listed below are additional stripping guidelines for the Clerical Unit.

If ...	Then ...
Original supporting identification documentation or copies certified by the issuing agency are attached,	Remove envelope(s) containing the documents and Form 14433 if the application (all applications in a Family Pack) status is Assigned, Rejected (Not R 06), or Suspended for other than QID or W-2 name mismatch issue. Compare the envelope address to Form W-7 and ensure the address is correct. Forward the unsealed envelope containing the original/certified ID copies to sorting. **EXCEPTION:** If the envelope is labeled "Family Pack ID", complete the local tax examiner action sheet to return the envelope to the tax examiner. **NOTE:** Applications in suspense status due to QID or Form W-2 name mis-match issue are identified by the attachment of Form 14433 to the outside of the envelope. Envelopes containing documents for applications suspended for QID or Form W-2 name mismatch issue will remain with the application(s) during the suspense period.

Form 9856, Attachment Alert is present,	Detach for routing to Document Retention (Files).
An addressed envelope containing a completed Form 14413 with original or certified copies of ID is present,	Remove envelope containing the original/certified copies of ID and Form 14413. Compare the envelope address to Form W-7. Forward the unsealed envelope to sorting.
A completed Form 14415 is present and attached to an addressed envelope containing an original passport,	Remove envelope containing the original passport. Place completed Form 14415 inside envelope with original passport. Compare the envelope address to Form W-7. Forward the unsealed envelope containing the original passport with Form 14415 to sorting.
Loose Income Substantiating Document(s) are received after the tax return has been released to the pipeline,	Route document(s) to Document Retention (Files).
Check copies for applications with assigned ITIN for the Primary is annotated, **NOTE:** Do not detach if Primary is in Suspense or Reject Status.	o Return should have a dollar ($) sign on upper left corner. If missing, annotate. o Detach for routing to the Accounting Function only if the Primary has been assigned and there is an Accounting DLN on the remittance. If no Accounting DLN, attach copy to the back of tax return.
Discovered Remittance (Live negotiable check)	Bring remittance and all related forms to a lead/manager. The lead/manager will complete the appropriate remittance paperwork and then place in designated remittance collection box for processing and routing by the remittance coordinator.
Form W-7 edited as W-7A are present,	Detach for routing to the Adoption Taxpayer Identification Number (ATIN) Unit in Austin at Stop 6182.
Any correspondence flagged for referral is present,	Detach for routing to appropriate areas
A merge action request (i.e., ITIN to ITIN, IRSN to ITIN, or ITIN to SSN) is identified on the stripping cart,	Detach and place in the designated box for merge action requests with a cover sheet.
A state return (including a	o Detach the state return. These

portion) is still attached, behind the 1040,	returns will be sent to the appropriate state for processing. o If there is only one copy of Form W-2, Detach from state return and attach to federal. o Follow Discovered Remittance procedures for live checks.
Form 8822,	Detach and route to Entity for processing (using the Austin Campus Routing Guide)
Form 13350 (Registration for e-services) is attached, **NOTE:** An ITIN or "ITIN Reject" must be edited on Form 13350.	Detach and refer to lead, unless the application is in Suspended status, then it will remain attached. Leads will ensure all Form 13350 are in a designated central location to be retrieved daily by 2:00 p.m. CST by the Electronic Tax Administration (ETA) function. If forms are not retrieved, route to Austin Campus, Mail Stop 1265 -AUSPC, Attn. **#**▮▮▮▮.**#**
Any application contains documents (Form W-7, CP 566, etc.) with different DLNs,	Place the Status sheet for the most current application on top and related sheets behind it.
All Form W-7 applications associated to the same tax return(s) have a final status (Assigned or Rejected) and Form 3471 is attached to the back of the tax return(s) that require Form 3471. See IRM 3.21.263.5.10.6 # **REMINDER:** Returns not to be processed are stapled to the back of Forms W-7.	Ensure RPD is edited on Line 4 of each 3471 prior to separating the tax returns. If the Tax Examiner actions were not completed, pull from the batch, complete Tax Examiner Action Sheet, and place on your desk for pick-up and correction. **NOTE:** Refile the Family Pack if any applications are still in Suspense status. Form 3471s attached to tax returns being filed to the Suspense wall should not have any annotation on Line 4. Forward any Form W-7(s) in final status with all attachments (copies of ID, etc.) to Document Retention (Files).
Any form that has a daily flag (as determined by local management).	Give to your lead for handling.

IRM 3.21.263.5.3.4.2.4(1) reformatted "Note" to remove the phrase "for example" and quotation marks in the examples of entries in RTS remark screen.

1. If you have received original supporting identification documentation with the application, it is to support an entry on Form W-7. After you have completed entering all application information into RTS and the account is assigned, rejected, or suspended for other than questionable ID (S 02), Form W-2 name mis-match (S 50), you must return all original supporting identification documentation and certified copies from the issuing agency to the applicant.

    NOTE: When applicants suspended for S 02 status request (by Form 4442 or correspondence) the return of their supporting ID, review the ID for questionable traits (see IRM 3.21.263.5.3.4.4). Copy both sides of all ID showing information on both sides and return the ID to the applicant. Update the Remarks Screen to show:
    - Actions taken with entries such as *returned driver license and birth certificate per Form 4442*, etc.
    - Whether ID is valid/invalid
    - Any questionable characteristics identified (make entries such as *MX VC has different fonts*, *no hologram*, etc.)

IRM 3.21.263.5.3.5.2(9) revised editing instructions for exception 2d "Gambling Income/Winnings."

9. **Exception 2, Wages, Salary, Compensation, Honoraria payments; Scholarships, Fellowships, Grants; Gambling Winnings:** related statements may include Form 1042-S. See the table below.

    CAUTION: Information Statement(s) are generally prepared once a TIN has been supplied. Do not consider for exception documentation requirements.

If...	And...	Then submit...
2(a) Wages, Salary, Compensation and Honoraria Payments	Claiming tax treaty benefits and: o are either exempt or subject to reduced rate of withholding of tax on their wages, salary,	o A letter of employment from the payer of income **or** o A copy of employment contract **or** o A letter requesting applicant's presence for a speaking

	compensation, and honoraria payments **AND**
	
	  o submitting Form 8233 to payer of income
		engagement, etc.
		
		NOTE: Request can be future dates within the current year**.**
		With each submission, the taxpayer MUST also submit the following:
		
		  o Information on Form W-7 / Form W-7SP that supports claiming a tax treaty benefit (require treaty country and article number), **and**
		  o Copy of completed withholding agent's portion of Form 8233 **and**
		  o SSA denial letter (not required if present in U.S. and receiving Honoraria Payments. A letter from the Authorized School Official is acceptable).
		
		REMINDER: If SSA denial is included in the letter, enter the letter under both "Letter from Education Institute" and "SSA Reject Letter".

2(b) Scholarships, Fellowships and Grants from Student and Exchange Visitor Program (SEVP) approved colleges/universities/institutions **CAUTION:** These procedures apply only to Student and Exchange Visitor Program (SEVP) approved institutions for non-resident alien students, exchange visitors, spouses, and their dependents classified under section 101(a)(15)(F), (M) or (J) of the Immigration and Nationality Act {8 U.S.C. 1101(a)(15)(F), (M) or (J)} A certification letter is required for each Form W-7 application: primary, associated secondary (spouse) and dependent(s).	Claiming tax treaty benefits, exempt or subject to reduced rate of tax	Certification letter for supporting identification documents. The certification letter must: o Be on original, official college, university or institution letterhead with a verifiable address o Provide applicant's full name and Student Exchange Visitor's Information System (SEVIS) number o Certify the applicant's registration in the SEVIS o Certify that the student presented an unexpired passport, visa or other identification documents for review o List the identification documents provided to verify identity and foreign status o Be signed and dated by a SEVIS official, Principal Designated School Official (PDSO), Designated School Official (DSO),

			Responsible Officer (RO) or Alternate Responsible Officer (ARO) of a certified school exchange program with a verifiable contact telephone number
			o Attach copies of documents used to verify the applicant's identity and foreign status from the approved list of documents as presented in the Form W-7 instructions (passport must include copy of valid visa issued by U.S. Department of State)
			o Attach a copy of DS-2019, Certificate of Eligibility for Exchange Visitor Status (J-1 status) and/or copy of the I-20, Certificate of Eligibility for Non-Immigrant Student Status
			o Form W-7 must include the treaty country and article number that supports claiming a tax

		treaty benefit
		NOTE: Reason for applying "a "and "h" **MUST** have a treaty country and article number. Reason for applying "a" and "f" **CAN** have a tax treaty and article but these applicants do **NOT** have to claim treaty benefits.
		o Include a letter from DSO or RO stating that the applicant will not be securing employment in the U.S. or receiving any type of income from personal services
		CAUTION: Students on F-1, J-1 or M-1 visa will not have to apply for a SSN. They are permitted to provide a letter from their DSO or RO stating that they will not be securing employment in the U.S.
		NOTE: See Exhibit 3.21.263-44 for an example of a SEVP certification letter from a SEVP institution. This letter may include statements from the DSO/RO stating

		applicant will not be securing employment in the U.S. **REMINDER:** If the SSA denial letter is included in this letter, enter this letter under both "Letter from Education Institute" and "SSA Reject Letter".

2(b) cont. Scholarships, Fellowships and Grants from Non-SEVP colleges/universities/institutions	Claiming tax treaty benefits, exempt or subject to reduced rate of tax, and submitting Form W-8 BEN to the withholding agent,	Letter/official notification from the educational institution awarding the non-compensatory scholarship, fellowship, grant, **or** Copy of the contract with the college, university or educational institution **along with**:
		
		  o Copy of passport showing a valid visa issued by U.S. Department of State, **and**
		  o Treaty country and article number on Form W-7 that supports claiming a tax treaty benefit, **and**
		  o Copy of W-8 BEN submitted to the withholding agent, **and**
		  o SSA denial letter
		
		NOTE: Students on a F-1, J-1, or M-1 visa will not have to apply for a SSN. They are permitted to provide a letter form their DSO or RO stating that they will not be securing

		employment in the U.S. or receiving any type of income from personal services. **REMINDER:** If SSA denial is included in the letter, enter the letter under both "Letter from Education Institute" and "SSA Reject Letter".
2(c) Scholarships, Fellowships and Grants from non-SEVP colleges/universities/institutions	Individuals (that is, foreign students, scholars, professors, researchers, or any other individual) that are subject to IRS information reporting and/or withholding requirements during the current year and **not claiming benefits of a tax treaty**	Letter/official notification from the educational institution awarding the non-compensatory scholarship, fellowship, grant, **or** copy of the contract with the college, university or educational institution **along with:** o Copy of passport showing a valid visa issued by U.S. Department of State, **and** o Letter from the DSO or RO stating that this income is non-compensatory and subject to IRS information reporting/withholding requirements, **and** o SSA Denial Letter. **NOTE:** Students on a F-1, J-1, or M-1 visa will not have to apply for an SSN. They will be permitted to provide a letter from their DSO or RO stating that they will not be securing

		employment in the U.S. or receiving any type of income from personal services. **REMINDER:** If SSA denial is included in the letter, enter the letter under both "Letter from Education Institute" and "SSA Reject Letter".
2(c) Scholarships, Fellowships and Grants from SEVP approved colleges/universities/institutions **CAUTION:** These procedures apply only to Student and Exchange Visitor Program (SEVP) approved institutions for non-resident alien students and exchange visitors and their dependents classified under section 101(a)(15)(F), (M) or (J) of the Immigration and Nationality Act {8 U.S.C.1101(a)(15)(F),(M), or (J)}. A certification letter is required for each Form W-7 application: primary, associated secondary (spouse) and dependent(s). **NOTE:** SEVP approved institutions are listed on the Department of Homeland Security web site.	Individuals (that is, foreign students, scholars, professors, researchers, or any other individual) that are subject to IRS information reporting and/or withholding requirements during the current year and **not claiming benefits of a tax treaty,**	Certification letter for supporting identification documents. The certification letter must: o Be on original, official college, university or institution letterhead with verifiable address o Provide applicant's full name and SEVIS number o Certify the applicant's registration in the Student Visitor's Information System (SEVIS) o Certify the authenticity of the passport, visa, or other identification document reviewed o List the identification documents provided to verify identity and foreign status o Be signed and dated by a SEVIS

		official: Principal Designated School Official (PDSO), Designated School Official (DSO), Responsible Officer (RO) or Alternate Responsible Officer (ARO) of a certified school exchange program with a verifiable contact telephone number o Attach copies of documents used to verify identity and foreign status from the approved list of documents as listed in Form W-7 instructions (passport must include copy of valid visa issued by U.S. Department of State) o Attach a copy of DS-2019, Certificate of eligibility Visitor Status (J-1 status) and/or copy of the I-20, Certificate of Eligibility for Non-immigrant Student Status o Include letter from DSO or RO stating that they will not be

		securing employment in the U.S. or receiving any type of income from personal services **NOTE:** Students on F-1, J-1, or M-1 visa will not have to apply for a SSN. They are permitted to provide a letter from their DSO or RO stating that they will not be securing employment in the U.S. or receiving any type of income from personal services. **REMINDER:** See Exhibit 3.21.263-44 for an example of a SEVP certification letter from a SEVP institution.

2(d) Gambling Income/Winnings	Non-resident alien visiting the United States who:
	
	    o Has gambling winnings,
	    o Is claiming the benefits of a tax treaty for an exempt or
		Form W-7 through the services of an appropriate gaming official serving as an IRS ITIN Acceptance Agent.
		
		NOTE: If applicant does not secure the services of a gaming official, they may still file Form 1040NR at the end of the tax year with

| | | reduced rate of federal tax withholding on that income, and | a Form W-7 and copy of Form 1042-S displaying the amount of tax withheld. The Form 1040NR return should also display the tax treaty article number and country under which they are claiming the treaty benefits. |
| | | o Will be utilizing the services of a gaming official as an IRS ITIN Acceptance Agent, | **EXCEPTION:** If Form W-7 is
-From the applicant, and
- No tax return is attached, and
- Reason for applying is "a" and "h", then edit reason for applying from "a" and "h" to "b" only for R17 to generate. |

IRM 3.21.263.5.3.5.17(13) reformatted Remarks field entry to remove the quotation marks and replace it with "such as."

13. Document invalid Form(s) 8821 and the name of the appointee in the *Remarks* field (make entries such as *invalid 8821 for John Taxpayer*).

IRM 3.21.263.5.4.1(6) replaced "for example" with "such as" throughout.

6. Process rejected Form W-7 primary or secondary applicants as follows:

If Primary or Secondary applicant...	Then perfect Form W-7 by...	Process the return (both balance due and refund) by...	Update Remarks Screen by...
Rejects for not validating their identity,	Writing the unsatisfied identity suspense codes in the bottom	Flagging the return (in a manner determined by local management) for Clerical to send the return with the Form W-7 to Document Retention. The	Adding statements about the return with entries such as *Return to*

	center of Form W-7	return will **NOT** be processed. **EXCEPTION:** If either primary or secondary has a valid TIN and income, the return will be routed to the pipeline for processing. Write "N/A" in bottom center of Form W-7.	*Files*, etc.
Validates their identity but rejects because they are **NOT** eligible for an ITIN	Write "N/A" in bottom center of Form W-7	o Write "ITIN REJECT" in the TIN box o Write the DOB next to the TIN box **NOTE:** If applicable, complete Form 3471 and attach to the back of the return facing out. See IRM 3.21.263.5.10.6 # **REMINDER:** Only route secondary applicants if their Schedule SE is attached.	Adding statements about the return with entries such as *2013 return to Entity for IRSN*, etc.
Applicant rejects for **NOT** satisfying S 50	Writing "S 50" at bottom center of Form W-7, and	Flagging the return (in a manner determined by local management) for Clerical to send the return with the Form W-7 to Document Retention. The return will **NOT** be processed. **EXCEPTION:** If either primary or secondary has a valid TIN and income, the return will be routed to the pipeline for processing. Write "N/A" in bottom center of Form W-	Adding statements about the return with entries such as *2013 return to Files,* etc.

		7.	

IRM 3.21.263.5.9.7(1) reformatted instruction to replace "for example" in RTS remarks field with "such as" and delete quotation marks.

1. A designated team in the ITIN Operation maintains original documents that can not be immediately returned to the applicant (e.g., undeliverable, loose documentation etc.). Inquiries regarding missing documents are also routed to them for research via designated baskets placed throughout the ITIN Operation.

If...	Then...
Documents are not found in existing local files	o Original documentation may be attached to the initial application; request the application from Files to review. **NOTE:** Form 2275 may be used for this purpose. Update the Remarks Screen or Comments Field with a history item to show search for the ID was initiated; make entries such as *F2275 to Files for W-7 to look for ID.*, o Designated Tax Examiners will document "MDR" and the current date (e.g., 01/01/2011 MDR//), in the RTS (either the Remarks Screen or Comments Field) and document the results of the search on the MDR. Refer to Figure 3.21.263-21 for an example of a MDR. o If Files advises the document(s) can not be located, issue a local Missing Document Letter to the taxpayer along with Form 5646, *Claim for Damage, Injury, or Death.* . Update the Remarks Screen or Comment Field with history items clearly indicating the ID was not found, such as *ID not found, Notice 1051 to advise TP with Form 5646.* . Address the envelope, insert Notice 1051 and Form 5646, and place the envelope in the outgoing mail basket to Clerical.
Documents are in existing local files	Update address on RTS and send ID to applicant with Notice 1051. Update the Remarks or

and a valid applicant address is available,	Comment Screen with a history item clearly indicating the ID was returned to the applicant, such as *Sent Notice 1051 w/passport and driver license back to TP*. Address the envelope, insert Notice 1051 and ID, and place the envelope in the outgoing mail basket to Clerical.
Documents are in existing local files, but a valid applicant address is **not** available,	Designated employees will maintain a file by postmark (month and year) and alphabetical order of applicants name, DOB, Country, Type of Documents/ Doc Codes for one year. After one year, one final attempt is made to identify a better address. If a better address is still not available documents will be classified. **NOTE:** Passports should be maintained in a separate locked file in order by country. Each envelope should contain name, DOB, type of documents/doc codes. If a better address is not found after six months, the passport should be mailed with electronic Form 14482, Return of Passport to Embassy, to the issuing country embassy. See Exhibit 3.21.263-6 for the address of the embassy. Access Form 14482 by accessing Form 14482 and completing the form. See Figure 3.21.263-22 for a picture of this electronic Form 14482.

MISSING DOCUMENT REQUEST

TODAY'S DATE: _____   DATE OF BIRTH: _____

APPLICANT'S NAME: _____

NAME ON DOCUMENT: _____
(IF DIFFERENT)

ADDRESS: _____
_____
_____

TELEPHONE NUMBER: _____

TYPE OF DOCUMENT: _____
_____

RESULTS

☐ FOUND – DOCUMENTS RETURNED: _____
(DATE)

☐ NOT FOUND – LOST DOCUMENT LTR SENT: _____
(DATE)

SUBMITTED BY: _____ _____
(NAME)   (BADGE #)

PROCESSED BY: _____ _____
(NAME)   (BADGE #)

Figure 3.21.263-21
Missing Document Request

Text Only Link

Form **14482**
(April 2013)

Department of the Treasury - Internal Revenue Service

Return of Passport to Embassy

Date

ITIN Office
PO Box 149342
Austin, Texas 78714-9342

The Honorable Consul
Embassy of

We are returning the accompanying passport of   , for your disposal as you deem appropriate. The owner of this passport submitted it to us, as documentation for obtaining an Individual Taxpayer Identification Number.

However, when we mailed the passport back to the applicant, the US Postal Service returned it to us undeliverable. We have tried for over six months to get a better address for the document to be delivered, to no avail. We had hoped that during that period of time the owner would have contacted us for the document, but we did not get a response.

If you have any questions, please contact the ITIN Department between the hours of 8:00A.M. and 6:00 P.M. EST, Monday thru Friday, at 512-433-4800. If you prefer, you may write us at the above address. Thank you very much for your cooperation.

Catalog Number 62627T   www.irs.gov   Form **14482** (4-2013)

Figure 3.21.263-22
Return of Passport to Embassy

IRM 3.21.263.5.10.4(10) reformatted instruction to remove quotation marks from "UND" in RTS remarks field and replace it with "entries such as UND".

10. The resolution of undeliverable mail inventory that is from system generated notices is based on the type of notice that was issued and the current RTS Status. Refer to the table below.

If ...	And ...	Then ...
CP 565 - Assignment Notice	A better address is found,	Make the address correction on RTS by accessing the *W-7 Application View Screen*, and selecting "Current Mailing Address Change" as the reason for change. **REMINDER: Overlay the original batch number** on the *W-7 Preliminary Application Data Screen* with the new batch number **CAUTION:** If you find the applicant is part of a family pack, do not update the address of the other W-7 applicants unless you have a notice for each applicant. **NOTE:** Classify the undeliverable mail by editing a large letter "C" in red ink on the notice. Clerical will strip the batches and properly dispose of the classified waste.
	A better address is **not found**,	Classify the undeliverable mail by editing a large letter "C" in red ink on the notice. **NOTE:** Clerical will strip the batches and properly dispose of the classified waste.
CP 566 - Suspense Notice	Current application status is	No further action is necessary the application has already been worked

NOTE: Although the undeliverable mail is a suspense notice, be sure to check the current status of the application on RTS. If the Form W-7 is present, verify the address was input correctly. **NOTE:** CP 566s are batched in DLN order and that order should be maintained throughout the batch. The W-7 and tax returns from the Suspense Wall will be associated with the undeliverable correspondence when available.	Assign,	from Suspense status and the applicant has been notified of the ITIN assignment. Classify the undeliverable mail. If the associated Suspense applications are present, verify the ITIN has been edited on the Status Sheet. Change the status to Assigned. Verify the ITIN has been edited on all tax returns. Attach Form 3471, Edit Sheet and update the RPD if applicable. Refer to IRM 3.21.263.5.10.6 #
	Current application status is still Suspense and a better address is found,	Make the address correction on RTS by accessing the W-7 Application View Screen, and selecting "Update Documentation" as the reason for change. Update the Remarks Screen with information such as "UND BAF" to indicate a better address was found. **REMINDER: Overlay the original batch number** on the *W-7 Preliminary Application Data Screen* with the new batch number **CAUTION:** If you find the applicant is part of a family pack, check the address of the other W-7 applicants. If the same as the address on the undeliverable mail, also correct the address on their application. If this is part of a family pack and some applications are still in suspense status, attach a Clerical Action Sheet to the family pack to refile on the suspense wall.

		NOTE: Classify the undeliverable mail by editing a large "C" in red ink on the notice.
	Current application is still in Suspense status and a better address is **not found**,	On the *W-7 Application View Screen*, select "Update Documentation" as the reason for change, enter "Undeliverable" in the Comments field and click submit. If the Primary or Secondary applicant was suspended for validation of their identity or for S 50, the return will be archived and **NOT** processed. Write the suspense codes generated for identity validation or S 50 at the bottom center of the Form W-7. Flag the return (in a manner determined by local management) for Clerical to send the return to Files attached to the Form W-7. The return will **NOT** be processed. **EXCEPTION:** If either the Primary or Secondary has a valid TIN and income, leave the return in the application package for Clerical to send for processing. Edit "N/A" on the bottom center of the Form W-7. **REMINDER: Overlay the original batch number** on the *W-7 Preliminary Application Data Screen* with the new batch number **NOTE:** Classify the undeliverable mail by editing

		a large letter "C" in red ink on the notice. Case will remain on the Suspense Wall until the systemic R 99.
	Current application status is Reject and a better address is found,	Make the address correction on RTS by accessing the *W-7 Application View Screen*, and selecting "Current Mailing Address Change" as the reason for change. Classify the document by editing with a large red "C". **REMINDER: Overlay the original batch number** on the *W-7 Preliminary Application Data Screen* with the new batch number **NOTE:** This process will not generate a notice to the taxpayer because of the current status, however this will assist in identifying a subsequent duplicate application submission.
	Current application status is Reject and a better address is **not found**,	No further action is necessary. A reject letter will have already been issued to this same address and the Suspense Case already pulled from the wall. Classify the document by editing it with a large red "C".
CP 567 - Reject Notice **CAUTION:** If you find the applicant is part of a family pack, do not update the address of the other W-7 applicants unless you have a notice for each applicant.	A better address is found,	Make the address correction on RTS by accessing the *W-7 Application View Screen*, and selecting "Current Mailing Address Change" as the reason for change. **CAUTION:** If application is in R 44, select "Correspondence Received (R-Status)." Input to Remarks entries such as

		UND: not correspondence but better address found. **REMINDER: Overlay the original batch number** on the *W-7 Preliminary Application Data Screen* with the new batch number. **NOTE:** This process will not generate a notice to the taxpayer because of the current status, however this will assist in identifying a subsequent duplicate application submission. **NOTE:** If CP 567 is one year or older from the application date, send the local letter (excluding reject codes 11, 14, 15, 26) and return all applicant documentation. For the excluded codes, classify the undeliverable document by editing "C" in red ink. For original documents, refer to (11) and (12 below.
	A better address is **not found**,	Take no action. Classify the undeliverable document by editing it with a large red "C". For original documents, refer to (11) and (12) below.
CP 574 -Hard Reject Notice	A better address is found,	Staple the CP 574 to the back of the W-7 packet. Print the better address on a new envelope. Insert Form(s) W-7 and Form(s) 1040. Update the address on RTS by selecting *Current Mailing Address Change* from the drop down box. Overlay the original batch number on the *W-7 Preliminary Application Data Screen* with the new batch number located on the

		folder you are currently working **(Critical)**.
		NOTE: If the CP 574 is one year or older send the local letter and return all applicant documentation.
		Staple the CP 574 to the back of the Form W-7. Flag the entire W-7 application package for filing in the specially designated area.
	A better address is **not found**,	Enter "UNDL NBA" and the received date in the comments field on RTS. Select "Correspondence Received-HR" from the drop down menu on the *W-7 Application View Screen* and follow procedures for W-7 Application Edit Screen. Refer to IRM 3.21.263.8.4.4.
		REMINDER: Overlay the batch number on the *Preliminary W-7 Application Data Screen* with the current (new) batch number.
		R 44 should generate as one of the Final Status Codes. Edit the DLN on the top right corner and annotate "R 44" on the top left corner of Form W-7 to alert Clerical not to process as a Hard Reject. Classify the document by editing it with a large red "C."
		NOTE: If CP 574 is one year or older from the application date take no action. Classify the undeliverable CP 574 by editing with a large red "C".

		For original identification documents, refer to (11) and (12) below.

IRM 3.21.263.5.10.4(12) revised "Note" and added hyper link to document code exhibit.

12. When instructions in paragraph (10) above have been exhausted and a new or better address cannot be found, maintain the documentation files as follows:
    a. Place documents in the appropriate envelope (non G-48).
    b. Write addressee's name (last, first) across the top of the envelope.

       NOTE: Place the ID for all members of a family pack in one envelope. Write "Family Pack ID" on the envelope. .

    c. Underline the name control.
    d. Write date of birth and document code type, DLN and TIN (if available).

       NOTE: If document does not have an assigned document code, (see Exhibit 3.21.263-12), write the type of document (e.g., Marriage License, Baptismal Record etc.).

       NOTE: Do not dummy a Form W-7 for loose documents. Route loose documents to the designated team as MDRs.

    e. Write your SEID.
    f. Write a status update in comments i.e., no better address.
    g. Give envelope to clerical unit for filing.

IRM 3.21.263.5.10.5(5) IRM 3.21.263.5.10.5(8) IRM 3.21.263.5.10.5(9) reformatted instruction to replace Form 4939 with CP 566, removed quotation marks from RTS remark filed entry and deleted editing instruction for Form W-7.

5. Once the application has been located in RTS,
    a. Review the *W-7 History Screen* to determine the initial reason(s) the application was placed in a Suspense Status. Refer to IRM 3.21.263.8.4.2.
    b. Select *Correspondence Received (S -Status)* on the *W-7 Application View Screen, Reason for Change drop-down box* and enter the received date of the notice in the *Comments* field. Refer to IRM 3.21.263.8.4.3.

    c. Follow procedures for W-7 Application Edit Screen.

        REMINDER: You must overlay the batch number with the current (new) batch number. See IRM 3.21.263.8.4.4.

        NOTE: If taxpayer response does not satisfy the suspense condition, capture in the RTS Remarks field any remaining issues with the application. Make entries such as *S 03, No ID certification* or *school ID received but no report card or transcript,* etc.

        REMINDER: See IRM 3.21.263.4 to ensure complete processing. Also review the Remarks Screen for reasons why the case suspended. For example, "SEVP letter not signed."

        CAUTION: If the applicant requests an address change, work as shown below in IRM 3.21.263.5.10.5 (6).

    d. Accept a parent's signature as valid unless it can be determined by documentation in hand (i.e., tax return, birth certificate) that the signatory is not the parent.
    e. Once the edit is completed on RTS the application will either Assign or Reject.

8. If applicant is responding to CP 566 S-50 and does not substantiate the wages are his, the identity of the return filer is not established. Staple these returns to the back of the Form W-7 and documentation. Send the Form W-7 with attachments to Files for filing under the Form W-7 DLN. Do **NOT** send the return for processing. Update the Remarks Screen with notes indicating the tax return and issue such as "" *2010 return to Files, ID not confirmed* etc.

9. Refer to IRM 3.21.263.5.4.1 for information on editing associated tax returns(s). Circle out the former status and update the status sheet with the ITIN in the top center or "R" in the left corner to alert Clerical of the new status.

IRM 3.21.263.5.10.8(5) IRM 3.21.263.5.10.8(8) IRM 3.21.263.5.10.8(12) reformatted to remove quotation marks from RTS remarks field entry and add "such as".

5. Once the application is located in RTS, use the *W-7 Application View Screen* to compare the information provided to the information on file and to request a specific edit action. Select the appropriate *Reason for Change* based on the type of correspondence you are working and the specific action requested.

EXAMPLE: You are working notice correspondence inventory (excluding CP 565). The current status is Reject and the correspondence is a CP 567 response. You would select "Correspondence Received-R Status" as your *Reason for Change*.

EXAMPLE: You are working unsolicited correspondence (white mail) inventory and have a complete request for an address change (the ITIN, taxpayer full name, both old and new address, and taxpayer signature are all present. The old address must match the RTS address. A taxpayer signature is not required if the applicant uses an IRS generated notice to inform of the address update.). You would select "Current Mailing Address Change Only" as your *Reason for Change*.

REMINDER: If the address change request is missing any of the above 5 elements, Form 8822 is required. Update the Remarks Screen with the requested address change and notate the missing requirement, with entries such as *address change request not signed.*. After completing all required ITIN actions, forward the correspondence to Entity on Form 1725 to request Form 8822 from the taxpayer.

NOTE: If a new Form W-7 is attached, case will not assign. See "Caution" in paragraph 3 above.

Use the *W-7 History Screen* to verify the last action taken or notice issued.

8. If the CP 566 suspense code S 50 response does not substantiate the income, the return will **NOT** be processed. Examples of insufficient responses to S 50 include:
    - Files another Form W-7 for exception processing, for example, exception 1b with bank documentation
    - Files Form 1040X
    - Files Form W-2C or Form 4852 completed in pen and ink and showing the name of the employee on the Form W-2 or Form 4852 as the employer and the name of the ITIN applicant as the employee on the Form W-2C or Form 4852

If the above criteria are present, the return will **NOT** be processed. Update the Remarks Screen with the reason the Form W-2 was not substantiated with entries such as **new W-7 but no corrected W-2.** "new W-7 but no corrected W-2".

EXCEPTION: If applicant can validate identity and income, process the return.

12. If new supporting ID documentation is questionable or Remarks Field shows the previous application had questionable ID, review and compare new documentation to the information in the Remarks Field. If new documentation is questionable, select "No, FDC referral" from the Documentation Screen. Make entries to the Remarks Screen such as *birth certificate still questionable.* . If new documentation appears valid, continue processing.

IRM 3.21.263.8.3.2.2(1) revised "Remarks" instruction to include a "Note" and removed quotation marks from marriage license example and replaced it with" such as". Also deleted "Note" from "Other" column instructions and deleted "valid or invalid" from "Has the exception document been verified" column instruction.

1. Use the table below to input the reason for submitting the Form W-7 from the Form W-7 reason box area.

W-7 Application Input Screen Content	Instruction
Remarks	The remarks field is used to enter information not captured on any other ITIN RTS field during initial input or during editing. See Exhibit 3.21.263-49 for a listing of common RTS acronyms and meanings. Begin all entries in this field with the date in MMDDYY format and end the entry with two slashes (//). For example, "013115 Remarks //" **NOTE:** If instructions state the actual text for an entry to the Remarks Screen and the text is in quotation marks, input the text exactly as shown. Reasons for inputting Remarks include: o Exception document is incomplete or invalid (for example, LLC EIN missing, 2a missing Form 8233, etc.) o SEVP documentation incomplete, for example, SEVP letter is not

	dated or signed
	o Exception one pay document is self-generated (for example, from Amazon). See IRM 3.21.263.5.3.4.3
	o Driver's License annotated "Not for ID Purposes" - IRM 3.21.263.5.3.4.2
	o MDR inquiries -IRM 3.21.263.5.9.7
	o Form 8821 (TIA) - IRM 3.21.263.5.3.5.17
	o 1040 PR / SS tax return attached - IRM 3.21.263.8.3.1
	o Questionable Documents - IRM 3.21.263.5.3.4.4 #
	o Suspense Inventory unresolved conditions - IRM 3.21.263.5.10.5
	o For additional original documents provided beyond the requirement that are on the list of thirteen, enter the corresponding document code in remarks. For example, enter "16" for U.S. Driver's License.
	o For additional original documents provided beyond the requirement that are not on the list of thirteen, enter the document type in remarks. Make entries such as *marriage license received,* etc.

Reason for submitting W-7
 	
IRM 3.21.263.5.3.5.2
	Choose one of the following check boxes:
	
	  a. Nonresident alien required to obtain ITIN to claim tax treaty benefit
	  b. Nonresident alien filing a U.S. tax return and not eligible for a SSN
	  c. U.S. resident alien (based on days present in the United States) filing a U.S. tax return and not eligible for a SSN
	  d. Dependent of U.S. citizen/resident alien
	  e. Spouse of U.S. citizen/resident alien
	  f. Nonresident alien student,

	professor, or researcher filing a U.S. tax return and not eligible for a SSN g. Dependent/spouse of a nonresident alien visa holder h. Other **CAUTION:** When "h" is selected and no other reason is also selected, a warning message will display: "Verify that no other reason for applying is required and ensure that Exception 3 or 4 is annotated in the write-in area". **NOTE:** If Military Overseas is annotated, refer to "Exception" field below. Enter the *Reason for Submitting W-7* as listed by the applicant. **EXCEPTION:** If applicant provides a valid tax return but failed to check a reason box for applying or checked the incorrect box, correct the reason for applying by editing Form W-7 and enter on RTS. When in doubt, see your Lead. If reason "g" is selected and applicant is from Canada or Mexico neither a passport or visa is required as long as the COB, COC, and foreign address match.
Other	Enter the other reasons for submitting a W-7 Application If you make an entry in this field, you must make a corresponding selection from the Exception drop-down box that directly follows. For example, if the written entry was "To obtain a drivers License", select "Not valid for federal tax purposes" from the Exception drop-down

	box.

Exception	Choose one of the following from the drop down box:
	
	   o Exception 1. Passive income (Treaty benefits or third party withholding)
	   o Exception 2. Other income (wages, salary, compensation) - treaty benefits or foreign student receiving scholarship or fellowship).
	   o Exception 3. Third party reporting (mortgage interest).
	   o Exception 4. FIRPTA (Disposition by foreign person of U.S. real property interest).
	   o Exception 5. T.D. 9363.
	   o Military Overseas- Application is for a Spouse/Dependents of military personnel on a foreign base. Tax return and date of entry are not required.
	   o EIN - Effectively Connected Income (ECI) - Foreign individual with U.S. source (U.S. mailing address) business income seeking ITIN for EIN.
	   o EIN - Non-effectively Connected Income (NECI) - Foreign individual with Non - U.S. source (foreign mailing address) business income seeking ITIN for EIN.
	   o Deceased/Decedent-Valid selection for decedents and KITA.
	   o Not valid for federal tax purposes.
	
	This drop-down box is located next to Reason for Submitting W-7 "Other" write - in box.
	
	If the applicant checked box "d" or "e" and documentation shows the application originated from a U.S. military installation

	outside of the U.S., select "Military Overseas" (do not select Reason "h"). If request is for an EIN, select as appropriate either EIN -NECI (R 22) or EIN -ECI (R 23). **NOTE:** Slovakia and Slovak Republic are the same country.
Has the exception documentation been verified? **NOTE:** Only applies to exception criteria.	Choose the appropriate check box, Select "yes" when any of the required exception documentation has been provided for the exception being claimed. If multiple documents are attached, only one has to be valid. Select "no" when none of the required exception documentation has been provided. Select "no" when invalid exception documentation is attached.
Treaty Country	Select if Reason "a" is claimed. Choose the appropriate treaty country from the drop down box. **NOTE:** Slovakia and Slovak are the same country.
Treaty Article	Enter the Treaty Article Number.
First name of U.S. citizen/resident alien **NOTE:** If the primary is not an applicant, once you enter the name for one application, the system will auto-populate the first, middle and last name of the U.S. citizen/resident alien along with their SSN/ITIN when the reason for submitting the W-7 is (d),"	Enter the first name of U.S. citizen/resident alien if reason box "d" or "e" is selected. Otherwise, leave blank If the application is a part of a Family Pack that includes an application for the primary taxpayer (Reason "c"), enter the name and ITIN of the primary taxpayer **exactly** as listed on RTS. If the primary taxpayer is not applying for

Dependent of U.S. citizen/resident" **and** the application is part of a family pack.	an ITIN, enter these fields using the name and TIN listed on the tax return. In both cases, this information must also be edited on Form W-7 if missing or incomplete.
Middle name of U.S. citizen/resident alien	Enter the middle name of U.S. citizen/resident alien

See *First Name of U.S. citizen/resident alien* above |
| Last name of U.S. citizen/resident alien

 NOTE: do not enter suffixes if present | Enter the last name of the U.S. citizen/resident alien.

See *First Name of U.S. citizen/resident alien* above |
| SSN/ITIN of U.S. citizen/resident alien | Enter the SSN/ITIN of U.S. citizen/resident alien.

 NOTE: Do not enter IRSNs in this field.

See *First Name of U.S. citizen/resident alien* above |