

IRM PROCEDURAL UPDATE

DATE: 08/04/2014

NUMBER: WI-03-0814-1206

SUBJECT: Reason for Filing Boxes b, c, and f and Flagging Applications for Potential Merge Actions

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

CHANGE(s):

IRM 3.21.263.5.3.5.2(6) reason box "b" changed "1040NR" to "1040", deleted instructions for changing reason box "c" to "b.", and deleted instructions to change reason box "f."

6. The table below list the *Reasons for Submitting Form W-7* as outlined on the application and identifies requirements.

Reason Box	Description	When to Edit Reason Box	Return Required	Requirements
a	Nonresident alien required to obtain ITIN to claim tax treaty benefits This is an applicant that has a need for an ITIN other than filing a tax return	<ul style="list-style-type: none">○ If this box is the only one checked by the applicant, either check box "h" if Exception "1" or "2" documentation is attached or circle this box and check the correct reason. That determination depends on whether	No	<ul style="list-style-type: none">○ Used with box "h"○ Treaty country and article number must be present○ Exception number 1 or 2○ Valid exception documentation. See Exception Tables below.

		<p>or not a tax return is attached.</p> <p>CAUTION: If a return is attached, do NOT process as SEVIS regardless of the documentation provided.</p> <p>NOTE: If return was attached, give the case to your lead to re-batch as "with return."</p>		
b	<p>Nonresident alien individual who is required to file a U.S. tax return or who is filing a tax return only to claim a refund</p> <p>This is a Non-resident alien filing a U.S. tax return.</p>	<p>Change to reason "c" when:</p> <ul style="list-style-type: none"> ○ Form 1040 series ○ U.S. mailing address 	Yes	<ul style="list-style-type: none"> ○ Form 1040 series return is submitted. ○ Complete foreign address is required.
c	<p>U.S. resident alien (based on ""days present in the United States) filing a U.S. tax return</p> <p>This is a foreign individual filing a tax return that is living in the U.S.</p>	<p>Change to reason "h" when:</p> <ul style="list-style-type: none"> ○ No tax return is attached AND ○ Exception documentation is attached. Write in the 	Yes	<ul style="list-style-type: none"> ○ Form 1040 series return is submitted ○ Date of entry (DOE) required on Line 6d ○ Applicant's mailing address must be in

		exception number. If exception "1" or "2", also check box "a" or "f."		the U.S.
d	<p>Dependent of U.S. citizen/resident alien</p> <p>Dependent listed on a domestic Form 1040 series return</p>	Change to reason "g" ONLY when a Form 1040NR is attached.	Yes	<ul style="list-style-type: none"> ○ Form 1040 series return is submitted unless "Military Overseas" is selected ○ Applicant must be listed on tax return as a dependent. ○ Date of entry required on Line 6d (unless resident of Canada, India or Mexico or "Military Overseas") ○ Name and TIN (SSN, ITIN) of U.S. person (must be primary or secondary taxpayer) must be entered to right of box "e" and must be valid.
e	<p>Spouse of a U.S. citizen/resident</p> <p>This is a spouse</p>	The only time this is changed is when the tax return attached is	Yes	<ul style="list-style-type: none"> ○ Generally 1040 series return is submitted

	<p>listed on a domestic 1040 Series return.</p>	<p>a Form 1040NR.</p> <p>When a Form 1040NR is attached, change this to a "g".</p>		<p>unless "Military Overseas"</p> <ul style="list-style-type: none"> ○ Applicant must be claimed as an exemption on U.S. citizen / resident return or filing a joint return with a spouse who is a U.S. citizen or resident. ○ Applicant not required to live in the U.S. if they elect to report worldwide income. ○ Name and TIN (SSN, ITIN) of U.S. person (primary) must be entered to right of box "e" and must be valid.
f	<p>Non resident alien student, professor or researcher filing a U.S. tax return or claiming an exception</p> <p>This is a foreign individual who is a bona fide</p>		<p>Yes (if filing a tax return)</p> <p>No (if filing exception "2").</p>	<ul style="list-style-type: none"> ○ A tax return is not required if box "h" is checked and applicant claims exception 2 and provides supporting exception

	<p>student, professor or researcher coming temporarily to the U.S. solely to attend classes at a recognized institution of education, teach, or perform research.</p> <p>REMINDER: Dependents can claim Reason for Filing Box "f" if claiming exception 2b SEVP. See IRM 3.21.263.5.3.5.2 under exception 2b SEVP.</p>			<p>documentation.</p> <p>NOTE: Applicants do NOT have to claim treaty benefits under exception 2 reasons "f" & "h".</p> <ul style="list-style-type: none"> ○ Line 6a country of citizenship required. ○ Line 6c Type of U.S. visa required. ○ Line 6d Date of Entry required. ○ Line 6g College, university or company information required ○ Treaty country and article number required ONLY if the applicant is claiming the benefits of a tax treaty. ○ A U.S. visa is required unless the foreign address, country of birth AND the country
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				<p>of citizenship is Canada or Mexico.</p> <ul style="list-style-type: none"> o A valid passport is required unless the foreign address, country of birth AND the country of citizenship is Canada or Mexico. o Either a SSA reject letter, Form 8233 or a letter from the Designated School Official (DSO) stating that applicant will not be employed in U.S. must be attached as supporting documentation. <p>NOTE: the letter from the DSO may include SSA denial information. See IRM 3.21.263.8.3 .2.3 "Document Type".</p>
g	Dependent/spous	If a domestic 1040	Yes	o Line 6d DOE

	<p>e of a nonresident alien holding a U.S. visa</p> <p>These are the dependents and spouses of individuals filing a Form 1040NR tax return.</p>	<p>Series return is attached, change this to either "d" or "e".</p>		<p>is required.</p> <ul style="list-style-type: none"> o Generally, a valid U.S. visa (visa type, visa number, visa expiration date) is required for dependent or spouse. Note the visa information is often contained in the passport. o A U.S. visa is required unless the foreign address, country of birth AND the country of citizenship is Canada or Mexico. o A valid passport is required unless the foreign address, country of birth AND the country of citizenship is Canada or Mexico.
h	<p>Other/additional information</p> <p>If the reason for the ITIN is not</p>	<p>Box "a" or "f" must be checked if applicant is claiming a tax treaty. Box "h" can</p>	No	<ul style="list-style-type: none"> o Exception criteria is specified here o If boxes "a"

	<p>described in box "h," determine if exception "1" or "2" applies and check box "a". If exception 2 criteria is attached, check box "f" if applicable.</p> <p>Box "h" can be checked alone with exceptions 1, 2, 3, 4, or 5.</p>	<p>be the only box checked if exceptions "1", "2", "3", "4", or "5" are written and supporting documentation is attached.</p>		<p>through "g" are not checked, the reason for applying may be outlined here.</p> <p>NOTE: Applicants requesting an EIN (Form SS-4) are not eligible for an ITIN.</p>
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IRM 3.21.263.5.7(3) revised instructions for flagging applications when merge actions are needed.

3. The ITIN Unit may identify a merge condition during initial processing or while working subsequent correspondence from the applicant. Flag for the lead (in a manner determined by local management) and request a merge.