IRM PROCEDURAL UPDATE

DATE: 11/04/2014

NUMBER: WI-03-1114-1563

SUBJECT: Reason for Applying

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

CHANGE(s):

IRM 3.21.263.5.3.5.2(5) changed current "Exception" to "Caution" and added new "Exception" for U.S. military overseas dependents and spouses.

5. Accept the Reason for Applying as listed by the applicant on Form W-7.

    CAUTION: If applicant failed to check a reason box for applying and review of the application indicates the applicant is applying for specific reason boxes, select the reason for applying by editing Form W-7 and enter on RTS. When in doubt, see your Lead.

    EXCEPTION: If

    - o no tax return is attached, **AND**
    - o applicant checked reason for applying box "d" or "e" **AND**
    - o applicant is military overseas, **THEN** edit box "h" and enter to RTS.

    REMINDER: Reasons for applying should never result in erroneous automatic ITIN assignment.

IRM 3.21.263.8.3.2.2.(1) "Reason for submitting W-7 IRM 3.21.263.5.3.5.2" revised "Exception" to select "" appropriate reason from RTS when applicant fails to check the box on Form W-7. Exception revised instructions for the military overseas applicants.

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 actual date that you are entering the remarks in MMDDYY format and end the entry with two slashes (//). For example, if today is 013115, begin the entry with "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" - 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. **NOTE:** Enter the document type and document code (if applicable) for any additional valid and current original or copy of ID that is certified by the issuing agency.
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, select 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: - Exception 1. Passive income (Treaty benefits or third party withholding) - Exception 2. Other income (wages, salary, compensation) - treaty benefits or foreign student receiving scholarship or fellowship). - Exception 3. Third party reporting (mortgage interest). - 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".
	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	Choose the appropriate check box, Select "yes" when any of the required exception documentation has been provided for the exception being claimed.

exception criteria.	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)," Dependent of U.S. citizen/resident" **and** the application is part of a family pack.	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 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.	Enter the SSN/ITIN of U.S.

citizen/resident alien	citizen/resident alien.
	NOTE: Do not enter IRSNs in this field.
	See *First Name of U.S. citizen/resident alien* above