



News Release

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IRS Strengthens Integrity of ITIN System; Revised Application Procedures in Effect for Upcoming Filing Season

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WASHINGTON — The Internal Revenue Service announced today updated procedures to strengthen the Individual Taxpayer Identification Number (ITIN) program requirements. The new modifications and documentation standards further protect the integrity of the ITIN application and refund processes while helping minimize burden for applicants.

The changes build on previously announced interim procedures. During the last several months, the IRS gathered feedback from stakeholders and interested groups on how to best safeguard the integrity of and improve procedures for this important tax identification number.

ITINs play a critical role in the tax administration process and assist with the collection of taxes from foreign nationals, resident and nonresident aliens and others who have filing or payment obligations under U.S. law. Designed specifically for tax administration purposes, ITINs are only issued to people who are not eligible to obtain a Social Security Number.

"Our review allowed us to evaluate the program and gather feedback to make needed adjustments," said IRS Acting Commissioner Steven Miller. "We believe the final rules balance the need for greater integrity for the ITIN and refund processes while minimizing the impact on taxpayers."

The IRS will maintain its new, stronger standard for issuing ITINs. ITIN applications will continue to require original documentation or copies certified by the issuing agency. In addition, the IRS finalized its earlier decision to no longer accept notarized copies of documents for ITINs. Most of the interim guidelines have been made permanent. Those requirements that changed will provide additional flexibility for people seeking ITINs while continuing the stronger protections.

A key change is that, for the first time, new ITINs will expire after five years. This change will help ensure ITINs are being used for legitimate tax purposes. Taxpayers who still need an ITIN will be able to reapply at the end of the expiration period. This step will provide additional safeguards to the ITIN program to help ensure only people with legitimate tax purposes are using the numbers. In addition, the IRS will explore options, through engagement with interested groups, for deactivating or refreshing the information relating to previously issued ITINs.

As part of its review process, the IRS heard from stakeholders that it is difficult in some instances for individuals to be without documents such as passports for extended periods. As a result, the IRS determined that trusted outlets other than its centralized ITIN processing site need to be available to review original documentation. As part of this recognition, while original documents or copies certified by the issuing agency are still required for most applicants, there will be more options and flexibility for people applying for an ITIN. These options provide alternatives to mailing in passports and other original documents.

Certifying Acceptance Agents (CAAs) – an important intermediary in the ITIN application process – will be able to engage in the ITIN process by reviewing original documents or copies certified by the issuing agency, but will be subject to new safeguards. CAAs will be required to certify to the IRS that they have verified the authenticity of the documents supporting the ITIN application. For certain ITIN applicants, this provides an option where they will not need to mail original documents such as passports.

With respect to dependent children, in order to adequately substantiate identity and foreign status and protect important child tax credits, ITIN applications submitted to IRS by a CAA will continue to be required to include original documentation. For children under six, one of the documents can include original medical records. For school-age children, the documentation can include original, current year school records such as a report card.

CAAs will now need to meet new requirements and will face stronger due diligence standards to verify the accuracy of supporting documentation. For the first time, only those covered under Circular 230 are eligible to serve as a CAA. Exceptions are made for CAA applicants from financial institutions, gaming facilities, Low-Income Taxpayer Clinics and Volunteer Income Tax Assistance (VITA) Centers. CAAs will be required to take formal forensic training to help them identify legitimate identification documents. The IRS also plans greater oversight and compliance activities with CAAs to safeguard the ITIN process.

In addition to direct submission of documents to the IRS ITIN centralized site or use of CAAs, ITIN applicants will have several other avenues for verification of their documents. These options include some key IRS Taxpayer Assistance Centers (TACs), U.S. Tax Attachés in London, Paris, Beijing and Frankfurt, and at the Low-Income Taxpayer Clinics and Volunteer Income Tax Assistance (VITA) Centers that have CAAs. The procedure announced Oct. 2, 2012 for foreign students at educational institutions to be certified through the Student Exchange Visitors Program (SEVP) remains.

The finalized procedures are effective Jan. 1, 2013, in time for the 2013 tax-filing season when many ITIN applications are submitted along with a taxpayer's income tax return. Later in January, participating IRS Taxpayer Assistance Centers will be available to review and certify passports and national identification cards in person for primary, secondary and dependent applicants. The first set of TACs that will review and certify documents for ITINs are located in areas where past ITIN activity has been prevalent. Additional details on participating IRS locations and other rules will be available soon on IRS.gov.

As announced previously, some categories of applicants are not impacted by these documentation changes, including:

- Spouses and dependents of U.S. military personnel who need ITINs.
- Nonresident aliens applying for ITINs for claiming tax treaty benefits.

The IRS also stressed that it will continually monitor and work with interested stakeholders on the ITIN process and intends to make appropriate adjustments to ensure the process works in a fair, balanced fashion that meets the needs of taxpayers and tax administration. Individuals or organizations that want to comment on these procedures can do so by submitting an email to ITINProgramOffice@irs.gov.

More details on the permanent procedures and other important information for ITIN applicants are available on IRS.gov.