

## IRM PROCEDURAL UPDATE

**DATE:** 02/09/2016

**NUMBER:** WI-03-0216-0291

**SUBJECT:** Form 1040-PR and Form 1040-SS Processing

**AFFECTED IRM(s)/SUBSECTION(s):** 3.21.263.8.3.1

**CHANGE(s):**

**IRM 3.21.263.8.3.1(3) "Tax Return Attached?" and "Tax Return Type?" revised 1040-SS procedures.**

3. The content of the *Preliminary W-7 Application Data Screen* includes the following:

<b>Preliminary W-7 Application Data Screen Content</b>	<b>Description</b>	<b>Comment</b>
Batch Number	Enter the batch number. This is an 11 digit number that is located on the Batch Cover Sheet. The elements of the batch number include the following: <ul style="list-style-type: none"><li>○ Julian Date = Batch Creation Date</li><li>○ Campus Location (NN 20 = Austin Submissions Processing Center)</li><li>○ Cart Number (NNN)</li><li>○ Slot Number (NN)</li><li>○ List Year (N)</li></ul>	If the batch number is not entered, or is entered incorrectly, the system will display and error message.
IRS Received Date	Enter the received date	If the IRS received

	<p>as stamped on Form W-7 in MMDDYYYY format.</p> <p>MM values = 1 to 12</p> <p>DD values = 1 to 31</p> <p><b>CAUTION:</b> Once the application is submitted, this field can not be changed.</p> <p><b>NOTE:</b> If an incorrect received date was entered, record the correct date in the "Remarks Screen". See IRM 3.21.263.8.3.2.2.</p>	<p>date is missing from the Form W-7, use the received date stamped on the tax return or other associated application(s). If no IRS received date stamp is found, choose the earliest of these 3 dates and enter as the received date:</p> <ul style="list-style-type: none"> <li>a. Postmark date on envelope</li> <li>b. Signature Date</li> <li>c. Today's date minus 10 days.</li> </ul>
W-7 Year	<p>Refers to the Form W-7 revision year. Select the year of the Form W-7 from the drop-down box. If the Form W-7 year is before 2002, select "Other Year".</p> <p><b>NOTE:</b> If more than one revision year is present on Form W-7, select the latest year.</p>	<p>The <i>W-7 Application Input (Other Year) Screen</i> will generate if "Other Year" is selected from this drop down box and all of the other required information for the <i>Preliminary W-7 Application Data Screen</i> is entered and passes system validations. This screen has limited fields for entry which include the following:</p> <ul style="list-style-type: none"> <li>○ Remarks</li> <li>○ Applicant Legal Name</li> <li>○ Applicant Name at Birth</li> <li>○ Applicant Mailing Address</li> <li>○ Applicant Foreign</li> </ul>

		<p>Address</p> <p><b>NOTE:</b> Once these fields are entered the application will be rejected (R 25).</p>
Single or Family Pack?	<p>Refers to the input of either a single Form W-7 application or a group of related applications that are associated with a tax return and determined to be a Family Pack. Select one of the following from the drop down box:</p> <ul style="list-style-type: none"> <li>○ Single</li> <li>○ Family Pack</li> </ul> <p><b>NOTE:</b> Do <b>NOT</b> treat as a "Family Pack" when a combination of boxes <b>b</b> and <b>g</b> are checked on the application.</p>	<p>See IRM 3.21.263.5.3.3 for more information on Family Packs.</p>
Is this the first W-7 in Family Pack?	<p>Select the appropriate radio button <b>Yes</b> or <b>No</b> in response to the question.</p>	<p>Selection is based on the application that is being entered.</p>
DLN of First W-7 in Family Pack	<p>The DLN is a 14 digit number that is assigned to each application once it has been processed through the RTS. The elements of the DLN are as follows:</p> <ul style="list-style-type: none"> <li>○ FLC: 20 (Austin)</li> <li>○ Tax Class: 2</li> <li>○ Doc Code: 94 = W-7 (English)</li> </ul>	<p>This field is available only if the response to the preceding question is "No".</p> <p>The system will auto-populate the DLN of the next Form W-7 in the family pack after the first Form W-7</p>

	<ul style="list-style-type: none"> <li>○ Doc Code: 92 = W-7 (Spanish)</li> <li>○ Julian Date: XXX-Batch Creation Date</li> <li>○ Block Series: 000-299 without return and 300-999 with return</li> <li>○ Serial#: XX (00-49)</li> <li>○ List Year: X</li> </ul>	application has been submitted.
Notice/Correspondence Language	<p>Select one of the following from the drop down box based on the type of Form W-7 in hand:</p> <ul style="list-style-type: none"> <li>○ English</li> <li>○ Spanish</li> </ul>	This field determines the language of any ITIN notices issued to the applicant.
Dependent Mailing and Foreign Addresses Same As Primary	This field is enabled for Family Pack applications. Select the appropriate radio button <b>Yes</b> or <b>No</b> based on the information on Form W-7.	If the address information for the dependent is the same as the primary (or first application in the Family Pack), selecting "yes" will allow the dependent address fields to auto-populate.
Submission Source	<p>This field identifies the originator of Form W-7. Select one of the following from the drop down box:</p> <ul style="list-style-type: none"> <li>○ Applicant Direct</li> <li>○ Acceptance Agent</li> <li>○ Certified Acceptance Agent</li> <li>○ IRS Office</li> </ul> <p><b>NOTE:</b> Choose IRS office when:</p>	<p>The Submission Source determines who receives ITIN related correspondence/ notices:</p> <ul style="list-style-type: none"> <li>○ If "Applicant Direct" is selected, the system will generate correspondence to the applicant using the mailing</li> </ul>

	<p>FA-DAS is attached, <b>OR</b></p> <p>Form W-7 "FOR IRS USE ONLY BOX" shows IRS employee number, <b>AND</b></p> <p>TAC received date stamp is present.</p> <p><b>OR</b></p> <p>IRS tax attaché received date stamp is present. See IRM 3.21.263.5.3.5.1.</p>	<p>address for Form W-7.</p> <p>If the application is submitted by a "Delegate", the submission source will be treated as Applicant Direct.</p> <ul style="list-style-type: none"> <li>○ If "Acceptance Agent" is selected, enter the EIN in the AA EIN field. If the EIN is invalid, follow the RTS response: <i>"The AA EIN is not found. Please input a valid AA EIN or change the submission source to Applicant Direct."</i> If RTS determines the AA is a CAA, change the submission source to "Certified Acceptance Agent".</li> </ul> <p>The field "AA/CAA Office Code" is required when an AA/CAA EIN is present. Follow the RTS response <i>"The AA/CAA Office Code found in</i></p>
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		<p><i>the manual input box is not valid. Please enter a valid code or select 'Not Found' from the AA/CAA Office Code drop down".</i></p> <p><b>NOTE:</b> Refer to Form W-7(COA) to determine if the application is a CAA submission. If no Form W-7(COA) is attached, review the bottom of the Form W-7 to determine if submitter is a CAA or AA.-</p>
Tax Return Attached?	<p>Select one of the following from the drop down box:</p> <ul style="list-style-type: none"> <li>○ Yes, but attached to the Single</li> <li>○ Yes, but attached to the Family Pack</li> <li>○ No</li> </ul> <p><b>CAUTION:</b> Form 1040NR with entries on any line (for example only line 22 is completed) should be considered a valid return. Do not reject.</p>	<p>Select <b>"Yes"</b> if box "c" applies, and multiple returns are attached for the applicant and the date of entry matches at least one of the tax return periods.</p> <p>Select <b>"No"</b> when any of the following conditions apply:</p> <ul style="list-style-type: none"> <li>○ A tax return is not present, or</li> <li>○ Box "c" applies and date of</li> </ul>

		<p>entry is after the tax period of attached tax return listing the applicant. Enter in Remarks "DOE after year of tax return"</p> <p>○ Form 1040-PR or 1040-SS is attached as these applicants qualify for a SSN. Enter "Form 1040-PR or 1040-SS" in the Remarks Screen. Flag the case for the lead to override and change the R 17 to R 07</p> <p><b>EXCEPTION:</b> If the non-resident alien is:</p> <ul style="list-style-type: none"> <li>- Claiming self-employment income</li> <li>- Not filing Form 1040</li> <li>- A resident (current mailing address) of: <ul style="list-style-type: none"> <li>* American Samoa</li> <li>* Commonwealth of Northern Marianna Islands</li> <li>* Guam</li> <li>* Puerto Rico</li> </ul> </li> </ul>
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		<p>(residents can file 1040-SS or 1040-PR in Spanish)</p> <p>* U.S. Virgin Islands</p> <p>- COB and COC is <b>NOT</b> the country of the current mailing address</p> <p>- SSA denial letter is attached, select <b>yes</b> as these applicants qualify for an ITIN.</p>
Does Applicant Name Match Tax Return?	Radio button selections are <b>Yes</b> or <b>No</b> .	<p>Select "Yes" to confirm that the applicant is listed on the tax return or at least one tax return if multiple returns are present.</p> <p>Select "No":</p> <ul style="list-style-type: none"> <li>○ When the applicant is not listed on at least one attached tax return</li> <li>○ You can not confirm that the person on an attached tax return is the same person on the Form W-7.</li> </ul> <p><b>EXCEPTION:</b> Military</p>



		<p>overseas spouse and dependent applications may be submitted with box "d" or "e" checked. See IRM 3.21.263.4.6. "Military" may or may not be written on the dotted line next to box "h". Input as "d" or "e" and select Military Overseas from the Exception Dropdown box.</p>
W-2 Attached?	Radio button selections are <b>Yes</b> or <b>No</b> .	<p>Select "Yes" or "No:" as appropriate.</p> <p>Select "yes" if any of the following proof of income is present on an attached return:</p> <ul style="list-style-type: none"> <li>○ Form W-2</li> <li>○ Form W-2C</li> <li>○ Form 4852</li> <li>○ ATS-IDRS W-2 print</li> <li>○ Pay stub ( a single pay period with year-to-date totals is acceptable)</li> <li>○ Bank statement showing income is being deposited into taxpayer's</li> </ul>

		<p>account</p> <p>Select "no" if the income documents listed above are not present.</p>
Is the Name on the W-2 the Same on the Tax Return?	Radio button selections are <b>Yes</b> or <b>No</b> .	<p>Select "Yes" if:</p> <ul style="list-style-type: none"> <li>○ The income document name (on the Form W-2, W-2C, Form 4852, pay stub, or bank statements as described above) matches the name of the primary or secondary filer on an attached tax return</li> <li>○ Valid ID in the name that matches the income document is attached.</li> </ul> <p>Select "No" if:</p> <ul style="list-style-type: none"> <li>○ The name on the income document described above differs, is altered, or has been whited-out.</li> </ul>
Tax Return Type	Select one of the	If Form 1040-PR or

	<p>following from the drop down box for the earliest tax return year on which the applicant is claimed:</p> <ul style="list-style-type: none"> <li>○ 1040</li> <li>○ 1040A</li> <li>○ 1040EZ</li> <li>○ 1040NR</li> <li>○ 1040NR-EZ</li> <li>○ 1040X</li> </ul> <p><b>NOTE:</b> If both Form 1040 series and 1040X for the same tax year are received, select "1040X." Attach the Form 1040X to the top of the Form 1040 series.</p>	<p>1040-SS is attached and is a valid return for the applicant (see the <b>Exception in Tax Return Attached?</b> above), select 1040.</p>
Tax Return Year	<p>Enter the tax return year. If multiple tax returns are attached enter the earliest tax year for the applicant.</p> <p><b>EXAMPLE:</b> Single Form W-7 applicant has returns attached for 2012 and 2013. Enter 2012.</p> <p><b>CAUTION:</b> The tax year for individual members of a Family Pack may be different.</p> <p><b>EXAMPLE:</b> Tax returns are attached for 2011, 2012. and 2013. Primary applicant is listed on all returns. Enter 2011 for the</p>	<p>Enter any year from the previous 12 years up to the present year. If tax return is earlier than 12 years , input the earliest year RTS will accept.</p>

	primary. A dependent is listed only on the 2012 and 2013 return. Enter 2012 for the dependent.	
Is the Tax Return Valid?	Select the appropriate radio button <b>Yes</b> or <b>No</b> .	<ul style="list-style-type: none"> <li>○ Select <b>No</b> if the return does not have any information to establish a tax reporting or filing requirement (no tax liability).</li> <li>○ Select "Yes" even when you have a family pack and multiple returns are attached (at least one must be valid) but the dependent W-7 applicant is only listed on an invalid return. See IRM 3.21.263.5.3.2 for more information on valid tax returns.</li> </ul>
Invalid Tax Return Reason	<p>If the answer to the preceding question is <b>No</b>, the system will enable the drop down box below. Select one of the following:</p> <ul style="list-style-type: none"> <li>○ Cannot Calculate Tax Liability (HR 1), The return (including schedules and</li> </ul>	Be careful when reviewing Form 1040NR. If any entries are present (i.e., Line 22), the return is valid.

	<p>attachments) has no numbers present or has all zeroes on all lines.</p> <ul style="list-style-type: none"> <li>○ Tax Return Not Signed (HR 2).</li> </ul> <p><b>NOTE:</b> An unsigned tax return is not an invalid return. Do <b>NOT</b> use this selection for unsigned returns but send the unsigned returns to processing.</p>	
Number of Additional Tax Returns Attached	<p>Select one of the following from the drop down box:</p> <ul style="list-style-type: none"> <li>○ 0</li> <li>○ 1</li> <li>○ 2</li> <li>○ 3</li> <li>○ 4</li> <li>○ 5</li> <li>○ 6</li> <li>○ 7</li> <li>○ 8</li> <li>○ 9</li> <li>○ 10</li> </ul>	Pertains to additional tax returns that list the applicant.
Number of W-7 Associated to the Tax Return(s)	<p>Select one of the following from the drop down box based on the number of Form W-7 in hand that are associated to the tax return(s):</p> <ul style="list-style-type: none"> <li>○ 1</li> <li>○ 2</li> <li>○ 3</li> </ul>	Select the number of Forms W-7 in hand associated to the tax return.

	<ul style="list-style-type: none"> <li>○ 4</li> <li>○ 5</li> <li>○ 6</li> <li>○ 7</li> <li>○ 8</li> <li>○ 9</li> <li>○ 10</li> </ul>	
IRS Office Employee Badge Number	This field will be enabled when the submission source of the application is "IRS Office".	<p>Enter the IRS employee badge number from Line 2 of the <i>For IRS Use Only</i> Box on Form W-7. The badge number represents the IRS employee (TAC or revenue officer) who received the application and reviewed the documentation.</p> <p>Format consists of two boxes with seven spaces:</p> <p>two in the first box and five in the second box with a dash in between. If the ID number from the TAC employee or revenue officer is greater than seven digits, enter the last seven digits. If the TAC employee omitted their badge number but additional information on the application, such as a TAC stamp and information in the <i>For IRS Use Only</i> box clearly indicates that the application was received from a TAC,</p>

		enter the number as all zeros.
Next	Click on this button to process the information on the W-7 Preliminary Application Data Screen.	<p>If the information on this screen was entered correctly, the system will direct you to the W-7 Application Data Screen to continue entering the application.</p> <p>If the information on this screen was not entered correctly the system will prompt you to reenter the required information.</p>
Cancel	Click the Cancel button and the following warning message will appear: "You will lose data on the current screen, would you like to continue?"	<p>Click the Okay button and the system will direct you back to the ITIN Home Screen or,</p> <p>Click the Cancel button and the system will return you back to the current screen.</p>