IRM PROCEDURAL UPDATE

DATE: 11/03/2015

NUMBER: WI-03-1115-1606

SUBJECT: Forms 8822 From Entity and Incorrect IRS Received Date Entered to RTS

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

CHANGE(s):

IRM 3.21.263.5.10.8(8) revised to include when new address is already on IDRS for Entity responses.

8. If Form 8822 is received for an account in assigned status and taxpayer requests CP 565 re-issuance, take the following steps:
   - Complete and attach Form 1725 to send the Form 8822 and correspondence to Entity
   - Notate on Form 1725 for Entity to return the Form 8822 and correspondence once the Form 8822 is processed
   - Update the Remarks Screen with the new address and actions taken.

     NOTE: If Form 8822 is returned from Entity notated that the address was changed or that the new address is already on IDRS, update the RTS address. If Form 8822 shows the address was **NOT** changed, update the Remarks Screen to indicate actions taken by Entity. Classify the Form 8822 and correspondence with a large "C" in red ink.

IRM 3.21.263.8.3.1(3) "IRS Received Date" added to record the correct date in the "Remarks" section if the incorrect date was entered.

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

Preliminary W-7 Application Data Screen Content	Description	Comment
Batch Number	Enter the batch number. This is an 11 digit number that is located on the Batch	If the batch number is not entered, or is entered incorrectly, the system will

	Cover Sheet. The elements of the batch number include the following:
	
	  o Julian Date = Batch Creation Date
	  o Campus Location (NN 20 = Austin Submissions Processing Center)
	  o Cart Number (NNN)
	  o Slot Number (NN)
	  o List Year (N)
		display and error message.

IRS Received Date	Enter the received date as stamped on Form W-7 in MMDDYYYY format.
	
	MM values = 1 to 12
	
	DD values = 1 to 31
	
	CAUTION: Once the application is submitted, this field can not be changed.
	
	NOTE: If an incorrect received date was entered, record the correct received date in the "Remarks" section. See IRM IRM 3.21.263.8.3.2.2.
		If the IRS received 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:
		
		  a. Postmark date on envelope
		  b. Signature Date
		  c. Today's date minus 10 days.

W-7 Year	Refers to the Form W-7 revision year. Select the year of the Form W-7 from the drop-down	The *W-7 Application Input (Other Year) Screen* will generate if "Other Year" is

	box. If the Form W-7 year is before 2002, select "Other Year". **NOTE:** If more than one revision year is present on Form W-7, select the latest year.	selected from this drop down box and all of the other required information for the *Preliminary W-7 Application Data Screen* is entered and passes system validations. This screen has limited fields for entry which include the following: o Remarks o Applicant Legal Name o Applicant Name at Birth o Applicant Mailing Address o Applicant Foreign Address **NOTE:** Once these fields are entered the application will be rejected (R 25).
Single or Family Pack?	Refers to the input of either a single Form W-7 application or a group of related applications that are associated with a return and determined to be a Family Pack. Select one of the following from the drop down box: o Single o Family Pack **NOTE:** Do not treat as Family Pack when	See IRM 3.21.263.5.3.3 for more information on Family Pack.

	combination of boxes "b" and **g** are checked on the application.	
Is this the first W-7 in Family Pack?	Select the appropriate radio button **Yes** or **No** in response to the question.	Selection is based on the application that is being entered.
DLN of First W-7 in Family Pack	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: o FLC: 20 (Austin) o Tax Class: 2 o Doc Code: 94 = W-7 (English) o Doc Code: 92 = W-7 (Spanish) o Julian Date: XXX-Batch Creation Date o Block Series: 000-299 without return and 300-999 with return o Serial#: XX (00-49) o List Year: X	This field is available only if the response to the preceding question is "No". The system will auto-populate the DLN of the next Form W-7 in the family pack after the first Form W-7 application has been submitted.
Notice/Correspondence Language	Select one of the following from the drop down box based on the type of Form W-7 in hand: o English o Spanish	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	If the address information for the dependent is the same as the primary

	Yes or No based on the information on Form W-7.	(or first application in the Family Pack), selecting "yes" will allow the dependent address fields to auto-populate.

Submission Source	This field identifies the originator of Form W-7. Select one of the following from the drop down box:
	
	  o Applicant Direct
	  o Acceptance Agent
	  o Certified Acceptance Agent
	  o IRS Office
	
	NOTE: Choose IRS office when:
	
	FA-DAS is attached, **OR**
	
	Form W-7 "FOR IRS USE ONLY BOX" shows IRS employee number, **AND**
	
	TAC received date stamp is present.
	
	OR
	
	IRS tax attaché received date stamp is present. See IRM 3.21.263.5.3.5.1.
		The Submission Source determines who receives ITIN related correspondence/ notices:
		
		  o If "Applicant Direct" is selected, the system will generate correspondence to the applicant using the mailing address for Form W-7.
		
		If the application is submitted by a "Delegate", the submission source will be treated as Applicant Direct.
		  o If "Acceptance Agent" is selected, enter the EIN in the AA EIN field. If the EIN is invalid, follow the RTS response: *"The AA EIN is not found.*

		Please input a valid AA EIN or change the submission source to Applicant Direct. ". If RTS determines the AA is a CAA, change the submission source to "Certified Acceptance Agent".
		The field "AA/CAA Office Code" is required when an AA/CAA EIN is present. Follow the RTS response *"The AA/CAA Office Code found in the manual input box is not valid. Please enter a valid code or select 'Not Found' from the AA/CAA Office Code drop down"*.
		NOTE: 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.-
Tax Return Attached?	Select one of the following from the drop down box: o Yes, but attached to the Single o Yes, but attached to the Family Pack o No **CAUTION:** Form 1040NR with entries on any line (for example only line 22 is completed) should be considered a valid return. Do not reject.	Select "**Yes**" 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. Select "**No**" when any of the following conditions apply: o A tax return is not present, or o Box "c" applies and date of entry is after the tax period of attached tax return listing the applicant. Enter in Remarks, "DOE after year of tax return"

		o Form 1040PR is attached as these applicants qualify for a SSN. Enter "Form 1040PR" in the Remarks Screen. Flag the case for the lead to override and change the R 17 to R 07 **EXCEPTION:** If the non-resident alien is: - a resident of Puerto Rico (. current mailing address is Puerto Rico) - COB and COC is NOT Puerto Rico - SSA denial letter is attached, select " yes." as these applicants qualify for an ITIN.
Does Applicant Name Match Tax Return?	Radio button selections are **Yes** or **No**.	Select "Yes" to confirm that the applicant is listed on the tax return or at least one tax return if

		multiple returns are present.
		.
		Select" No":-
		o When the applicant is not listed on at least one attached tax return
		o You can not confirm that the person on an attached tax return is the same person on the Form W-7.
		EXCEPTION: Military overseas spouse and dependent applications may be submitted with box "d" or "e" checked. See also 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 field.

W-2 Attached?	Radio button selections are **Yes** or **No.**	Select "Yes" or "No:" as appropriate. Select "yes" if any of the following proof of income is present on an attached return: o Form W-2 o Form W-2C o Form 4852 o ATS-IDRS W-2 print o Pay stub (a single pay period with year-to-date totals is acceptable) o Bank statement showing income is being deposited into taxpayer's account Select "no" if the income documents listed above are not present.
Is the name on the W-2 the Same on the Tax Return?	Radio button selections are **Yes** or **No.**	Select "Yes" if: o 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 o Valid ID in the name that matches the income document is attached. Select "No" if: o The income document (described above) name differs, is altered, or has been whited-out.
Tax Return Type	Select one of the following from the drop down box for the earliest tax return year on which the applicant is claimed: o 1040 o 1040A o 1040EZ o 1040NR o 1040NR-EZ o 1040X	If Form 1040PR is attached and is a valid return for the applicant (see the **Exception** in **Tax Return Attached?** above), select 1040.
Tax Return Year	Enter the tax return year. If multiple tax returns are attached enter the earliest tax year for the applicant.	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.
	EXAMPLE: Single Form W-7 applicant has returns attached for 2012 and 2013. Enter 2012. **CAUTION:** The tax year for individual members of a Family Pack may be different. **EXAMPLE:** Tax returns are attached for 2011, 2012 and 2013. Primary applicant is listed on all returns. Enter 2011 for the 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 **Yes** or **No**.	Select "No" only if the return does not have any information to establish a tax reporting or filing requirement (no tax liability). Otherwise, select "Yes". 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.
Invalid Tax Return Reason	If the answer to the preceding question is **No**, the system will enable the drop down	Be careful when reviewing Form 1040NR. If any entries are present

	box below. Select one of the following:
	
	    o Tax return not signed
	
	     NOTE: This is no longer a valid selection.
	
	    o Cannot calculate tax liability on the tax return (no numbers present or zeros on all lines). Note: Tax return includes schedules and attachments.)
		(i.e., Line 22), the return is valid.

Number of Additional Tax Returns Attached	Select one of the following from the drop down box:
	
	    o 0
	    o 1
	    o 2
	    o 3
	    o 4
	    o 5
	    o 6
	    o 7
	    o 8
	    o 9
	    o 10
		Pertains to additional tax returns that list the applicant.

Number of W-7 Associated to the Tax Return(s)	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):
	
	    o 1
	    o 2
	    o 3
		Select the number of Forms W-7 in hand associated to the tax return.

	o 4 o 5 o 6 o 7 o 8 o 9 o 10	
IRS Office Employee Badge Number	This field will be enabled when the submission source of the application is "IRS Office".	Enter the IRS employee badge number from Line 2 of the *For IRS Use Only Box* on Form W-7. The badge number represents the IRS employee (TAC or Revenue Officer) who received the application and reviewed the documentation. Format consists of two boxes with seven spaces: 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 *For IRS Use Only* box clearly indicates that the application

		was received from a TAC, enter the number as all zeros.
Next	Click on this button to process the information on the W-7 Preliminary Application Data Screen.	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.

If the information on this screen was not entered correctly the system will prompt you to reenter the required information. |
| 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?" | Click the Okay button and the system will direct you back to the ITIN Home Screen or,

Click the Cancel button and the system will return you back to the current screen. |

IRM 3.21.263.8.3.2.2(1) "Remarks" added to record the correct received date when the incorrect date was entered.

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 exact words shown within the quotation marks. It is not necessary to input the actual quotation marks. . Reasons for inputting Remarks include: - Incorrect received date was entered. Record the correct received date with entries such as *Correct received date is 02-24-15.* - Exception document is incomplete or invalid (for example, LLC EIN missing, 2a missing Form 8233.) - SEVP documentation incomplete, for example, SEVP letter is not dated or signed - Exception one pay document is self-generated (for example, from Amazon). See IRM 3.21.263.5.3.4.3 - U.S. Driver's license marked "Driver's Privilege Card" or "Permit" and not a valid driver license - - MDR inquiries - IRM 3.21.263.5.9.8 - Form 8821 (TIA) - IRM 3.21.263.5.3.5.17 1040 PR / SS tax return attached - IRM 3.21.263.8.3.1 - Questionable Documents - IRM

	3.21.263.5.3.4.4 # ○ Suspense Inventory unresolved conditions - IRM 3.21.263.5.10.5 ○ 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. ○ Original ID is provided by a CAA for a primary or secondary applicant. ○ 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.* **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 c. U.S. resident alien (based on days present in the United States) filing a U.S. tax return 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 or claiming an exception. **NOTE:** Box "f" with return requires input of exception

<table>
<tr><td></td><td>documentation Form 8233 or SSA Reject Letter or DSO Letter. See IRM 3.21.263.8.3.2.3

   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. Note that reason box **h** can be the only box checked for any of the exceptions. See also the drop down choices for "Exception" below.

     NOTE: If applicant is "Military Overseas" (see IRM 3.21.263.4.6), refer to" Exception" field below.

Enter the *Reason for Submitting W-7* as listed by the applicant.

If no reason box is checked or multiple boxes are checked, make no entry for S 13 to generate.

EXCEPTION: The following combinations are valid combinations and should be entered as shown:
"a" and **"h"** as well as
"f" and **"h"**.

REMINDER: 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.</td></tr>
<tr><td>Other</td><td>Enter the other reasons for submitting a</td></tr>
</table>

	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). ○ Exception 5. T.D. Form 9363. ○ Military Overseas- Application is for a Spouse/Dependents of military personnel on a foreign base. Tax return and date of entry are not required. ○ EIN - Effectively Connected Income (ECI) - Foreign individual with U.S. source (U.S. mailing address) business income seeking ITIN for EIN. ○ EIN - Non-effectively Connected Income (NECI) - Foreign individual with Non - U.S. source (foreign mailing address) business income seeking ITIN for EIN. ○ Deceased/Decedent-Valid selection for decedents and KITA. ○ Not valid for federal tax purposes. **NOTE:** Choose this when Reason for Applying box "h" is

	checked with no other boxes checked and no exception designated.
	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". See IRM 3.21.263.4.6.
	If request is for an EIN, select as appropriate either EIN -NECI (R 22) or EIN -ECI (R 23).
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.
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,	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

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.	**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. 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