

## IRM PROCEDURAL UPDATE

DATE: 11/25/2015

NUMBER: WI-03-1115-1705

SUBJECT: Blank W-7, Routing Returns to Entity or Pipeline, Updating Comments Field, Form 4442

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

CHANGE(s):

**IRM 3.21.263.4.8.3(2) perfected definitions of HR 1 and HR 2.**

2. The following table describes the Hard Reject reason codes that are displayed on the ITIN-RTS when a Hard Reject condition is identified.

Hard Reject Reason Codes	Definition
HR 1	The attached U.S. federal tax return was not valid (can not calculate tax liability)
HR 2	The attached U.S. federal tax return was not signed.  <b>NOTE:</b> An unsigned tax return is not an invalid return. HR 2 is no longer used for an unsigned return as the return is sent for processing.

**IRM 3.21.263.4.9(1) deleted 4939 text and CP 569.**

1. The table below lists the types of ITIN notices and forms that are issued to applicants. Some are systemically generated while others are manually prepared by ITIN Operation employees.

Notice	Title	Description
CP 565 A /CP 565 A-SP  (systemic)	Original Assignment Notice	This notice advises the applicant of their assigned ITIN.  <b>NOTE:</b> Since December 2003, applicants are advised of their ITIN on watermarked security paper; issuance of the ITIN card was

		discontinued.
CP 565 B / CP 565 B- SP  (systemic)	Reissue Assignment Notice	This notice advises the applicant of their previously assigned ITIN.
CP 566 / CP 566 - SP  (systemic)	Suspense Notice	This notice advises the applicant their application is suspended and not processable based on the information they provided and additional information must be submitted.
CP 567 / CP 567- SP  (systemic)	Reject Notice	This notice advises the applicant their application is rejected based on the information they provided and a new Form W-7 must be submitted with the appropriate supporting identification and/or exception documentation.
CP 574 / CP 574- SP  (manual)	Hard Reject Notice	This notice advises the applicant their application is being rejected, because the federal tax return did not reflect a filing requirement.
Form 14413  (manual)	Application for IRS Individual Taxpayer Identification Number: Reject	This form is used in lieu of a CP 567 reject notice for applicants who meet the exception to the new document standards. See IRM 3.21.263.8.3.4 and Exhibit 3.21.263-52.
Form 14415  (manual)	Application for IRS Individual Taxpayer Identification Number: Suspense	This form is used in lieu of CP 566 suspense notice for applicants who meet the exception to the new document standards. See IRM 3.21.263.8.3.4 and Exhibit 3.21.263-53.
Form 14433  (manual)	Return of Original Documents (EN/SP)	This form is used to return original supporting identification documentation to the applicant upon initial processing of the Form W-7. See IRM 3.21.263.5.3.4.2.4 and Exhibit 3.21.263-51.
Form 14692  (manual)	Individual Taxpayer Identification Number (ITIN)	This form is used to respond to applicants regarding missing document requests (MDR). See IRM 3.21.263.5.9.8 and Form 14692.

	Application- Original Document Inquiry	
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**IRM 3.21.263.5.2.3.7(4) 'Rejected' deleted instructions to attach returns to the back of Form W-7 to send to files, revised instructions for editing check copies and (6) deleted table and put all information as text in (6).**

- Follow the table below after the Final W-7 Status Sheet is printed and associated to the Form W-

If Final Status Page is...	Then...
Assigned	<p>An ITIN is assigned;</p> <ul style="list-style-type: none"> <li>o Ensure that each assigned Form W-7 or CP 566 has a final status sheet printed for it.</li> <li>o Ensure that the ITIN is edited on all tax return(s), external CP notices, items for internal routing such as Form 2848 Power of Attorney and Form 3949, Information Report Referral), etc., in the applicable TIN area(s), and on check copies <b>prior</b> to separating from Form W-7s.</li> </ul> <p><b>NOTE:</b> Identical copies of tax returns should be annotated "COPY" and attached to the original tax return.</p> <p><b>CAUTION:</b> All persons listed on the tax return must have either a TIN (i.e., ITIN, SSN) or "ITIN Reject" edited next to their name (excludes suspense status applications). If neither is present check to see if a Form W-7 is attached for that individual and if found, edit the appropriate information. If Form W-7 does not exist for that individual, the Tax Examiner should have edited "No Form W-7" next to the name. All Form W-7 / tax return annotations should have been completed by the Tax Examiner. If Tax Examiner actions were not completed and annotated properly, pull from the batch, complete Tax Examiner Action Sheet, and place on your desk for pick up and correction.</p> <ul style="list-style-type: none"> <li>o If return is a prior year or CY with a processable</li> </ul>

	<p>date of 04-23 or after, ensure Form 3471E is attached with RPD edited on line 4. See IRM 3.21.263.5.10.6 for RPD criteria.</p> <ul style="list-style-type: none"> <li>○ Detach applicant's envelope, if present, and attach to the tax return without a double date stamp. If multiple tax returns are present, ensure the envelope is attached to the oldest tax return year.</li> </ul> <p><b>CAUTION:</b> Attach any proof of income (Form W-2, paystubs, bank statements, etc.) to the applicable tax return year.</p> <ul style="list-style-type: none"> <li>○ Detach Forms 3870, Request for Adjustment, and the related tax return. Mail the Form 3870 and tax return to:</li> <p style="margin-left: 20px;">Internal Revenue Service ASFR Operations POB 9013 Stop 650 1040 Waverly Ave Holtsville, NY 11742</p> <li>○ Detach the check copy if it includes an Accounting DLN and an ITIN and route to the Accounting Function.</li> <li>○ Detach Form 3949 and route to the area indicated in lines 9-14 per the Austin Mail Routing Guide.</li> <li>○ If working correspondence with several associated DLNs, attach the final status sheet to the first DLN and letter. File the remaining family status sheets directly behind the first DLN.</li> <li>○ Forward Form W-7 with all attachments (copies of ID, etc.) to Document Retention (Files).</li> </ul>
Suspended	<p>The application is in suspense status;</p> <ul style="list-style-type: none"> <li>○ <b>Do not</b> detach tax return(s) unless final TIN disposition is noted for all parties listed if part of a Family Pack. Keep all Form W-7 associated with the Family Pack with the suspended case regardless of their current status. Maintain in DLN sequential order for filing on ITIN suspense wall.</li> <li>○ Staple Form 3471 to the back of each tax return attached to suspense cases. Staple so that Form 3471E faces upward when the tax return is turned over.</li> <li>○ Leave any check copies attached to the application until the primary ITIN is either</li> </ul>

	<p>assigned or rejected.</p> <p>For applications flagged as questionable ID, leave the envelope with the application.</p> <p>Prepare folders for the suspense wall as follows:</p> <ul style="list-style-type: none"> <li>○ Write the DLN on Form 10194?, <i>Program and Sequence Batch Identification Card</i>,</li> </ul> <p><b>NOTE:</b> The question mark (?) represents an alpha character for each color associated to the <i>Program and Sequence Batch Identification Card</i>. These colors assist the clerical unit in controlling work based on what color representing a specific time frame. (e.g., Form 10194D is a green card that represents all applications placed on the suspense wall which correspond with a Thursday Julian Date).</p> <ul style="list-style-type: none"> <li>○ Staple Form 10194? to the brown folder (Doc 6982).</li> <li>○ Place applications with all associated documents in the folder including original identification documents.</li> </ul> <p><b>CAUTION:</b> Family packs will remain stapled together, even if only one application in the pack is suspended. All family pack applications, associated to a valid tax return, will be stapled to the tax return in DLN order with suspended applications first followed by assigned and rejected applications. If multiple tax returns are in the family pack and some have either a Form W-7 disposition other than suspense status (i.e., ITIN Reject, No Form W-7) or an assigned ITIN for all listed parties on the return, pull and forward that return for processing. Otherwise, Clerical will be responsible for assuring that the integrity of the family pack stays intact. Form W-7 are staggered in ascending order with the tops of each Form W-7 showing. Form 1040 are staggered in descending order with the bottom of the Form 1040 visible.</p>
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	<p><b>NOTE:</b> Folders flagged for 65 day purge must have the purge date computed as 65 days from the date of suspense status. Mark the flags with the purge date and place the folders so that the flags are visible.</p>
Rejected	<p>The application is in reject status</p> <p><b>NOTE:</b> Until further notice, sort all R 98 cases in DLN order to await replies.</p> <ul style="list-style-type: none"> <li>○ Ensure that every rejected Form W-7 or CP 566 has a final status sheet printed.</li> <li>○ Ensure that "ITIN Reject" is edited on all tax return(s), Forms 2848 and check copies in the applicable TIN area(s), <b>prior</b> to separating from Form W-7s.</li> </ul> <p><b>NOTE:</b> When rejecting a primary, or a secondary (with Schedule SE) applicant, the applicant's DOB should be edited in the upper right margin of the return if the return is to be processed and requires routing to Entity for IRSN assignment.</p> <p><b>CAUTION:</b> All persons listed on the tax return must have either a TIN (i.e., ITIN, SSN) or "ITIN Reject" edited next to their name (excludes suspense status applications). If neither is present, check to see if a Form W-7 is attached for that individual. If Form W-7 does not exist for that individual, the Tax Examiner should have edited "No Form W-7" next to the name. All Form W-7 / tax return annotations should have been completed by the Tax Examiner. If Tax Examiner actions were not completed and annotated properly, pull from the batch, complete Tax Examiner Action Sheet, and place on your desk for pick up and correction.</p> <p><b>REMINDER:</b> Check copies with accounting DLNs should have the following edited to them:</p> <ul style="list-style-type: none"> <li>- a TIN, or</li> <li>- "ITIN Reject-Return to Entity" and the ITIN DLN.</li> </ul> <ul style="list-style-type: none"> <li>○ Detach applicant's envelope, if present, and attach to the tax return without a double date</li> </ul>

	<p>stamp. If multiple tax returns are present, ensure the envelope or a copy of it is attached to each tax return that does not have an IRS received date.</p> <ul style="list-style-type: none"> <li>○ A Suspense Duplicate is a confirmed duplicate Form W-7 received in the ITIN Operation where the original application is already in Suspense status. This duplicate application is assigned a status of Reject. A Clerical Action Sheet (CAS) annotated with the DLN of the related Suspense case will be attached. Keep all of the documents in the pack intact and associated the related status sheet. Place in the Suspense Duplicate basket to be associated with the suspended application on the wall.</li> </ul> <p><b>CAUTION:</b> Original supporting identification documentation must stay attached to the Suspense Duplicate application even if in an envelope.</p> <ul style="list-style-type: none"> <li>○ Forward Form 3949 as indicated in lines 9 through 14 per the Austin Mail Routing Guide.</li> <li>○ Forward Form W-7 with all attachments (such as copies of ID) to Document Retention (Files).</li> <li>○ Forward returns with DOB edited next to the primary or secondary applicant's TIN box to Entity.</li> </ul>
Hard Reject (CP 574)	<p>The application is in Hard Reject status:</p> <ul style="list-style-type: none"> <li>○ Form W-7, documents, and the tax return will be in an envelope prepared by the Tax Examiner.</li> <li>○ The Final Status Sheet will indicate "Hard Reject" and all applications in this status will have a CP 574 Notice. Associate each notice to the correct Form W-7 and place on top of the notice.</li> <li>○ Since these applications are returned to the applicant, nothing should be written (DLN, status indicators- R 17 etc.) on Form W-7 or the tax return. Date stamps should be circled out. These actions should have been completed by the Tax Examiner. If Tax Examiner actions were not completed and annotated properly, pull from the batch, complete Tax Examiner Action Sheet, and place on your desk for pick up and correction.</li> <li>○ Return CP 574, Form W-7 and tax returns to the envelope (Family packs will be placed in one</li> </ul>

	<p>envelope for Hard Reject Applications).</p> <ul style="list-style-type: none"> <li>○ Take the status sheet (nothing attached) and put in DLN order with the other Status Sheets in the batch.</li> </ul>
OFAC	<p>The application is in OFAC status</p> <ul style="list-style-type: none"> <li>○ Pull the application and tax return from the batch. If family pack, include all applications, documents and tax returns in the family pack. Clerks should not strip OFAC applications. Refer OFAC application(s) to your lead/manager to be forwarded to designated OFAC Status Coordinator</li> <li>○ Do not remove supporting documents that have been placed in an envelope by the Tax Examiner.</li> <li>○ Attach an OFAC cover sheet with a paper or binder clip. Do <b>NOT</b> staple this cover sheet.</li> <li>○ Refer to IRM 3.21.263.5.2.3.14 for further processing information.</li> </ul>
Pending	<p>The application is in pending status;</p> <ul style="list-style-type: none"> <li>○ When printing the final status sheets, sometimes the first page printed is a list of pending Forms W-7. Place listing on top of the batch folder and give to the lead to return to the tax examiner's team lead.</li> <li>○ Pending status applications are incomplete and must be worked by the Technical Unit before a batch can be completed.</li> </ul>

5. Cases in R 99 status are pulled daily from the Suspense wall and placed on a cart for stripping. Sign out one batch at a time by listing your SEID, the time and your team number. Process final status Reject R 99 pages as follows:
  - Annotate "R 99" in red ink in the top left corner of the application on the **Status Sheet**. Circle out any other status codes present.

**NOTE:** the status screen previously showed the Suspense Status

- Stamp or annotate "ITIN Reject" in the TIN area of any attached return next to the applicant's name. If the applicant is the Primary and/or the secondary (only if Schedule SE attached is for the secondary), write the D.O.B. along the right side of the return in the MM/DD/YYYY format.
- If Form 2848 or Form 8821 is not edited with the "ITIN", "ITIN Reject" or "No W-7" in the TIN area, edit before stripping.

- Attach Form 3471E (Edit Sheet) only to R 99 applications from rejected dependents where the return requires a RPD. Edit the R 99 report date as the RPD onto Line 4 of Form 3471E only for returns being sent to processing.

**NOTE:** See IRM 3.21.263.5.10.6

- Gather all of the envelopes and place the tax returns on top followed by :

- Copies of remittances, then
- Form W-7, then
- Form W-7 with tax returns going to Files, then
- State returns

- Count all Forms W-7
- Return batch to the R 99 stripping cart. Enter your completed time and the count of your batch in the cart inventory log.

6. For R 99 cases, when the primary or secondary applicant rejects for not satisfying all suspense conditions, then:

- Edit the return for all applicants in R 99 status by writing "ITIN REJECT" in the TIN box and the DOB next to the TIN box of the primary/secondary with no TIN
- Route the return to Entity for IRSN(s).

**NOTE:** If the primary or secondary rejects and neither has a valid TIN, route the return to Entity. If the secondary is the only Form W-7 rejected, route to Entity **ONLY** if their Schedule SE is attached. If they have no Schedule SE, route the return to the Pipeline for processing

**EXCEPTION:** If either primary or secondary has a valid TIN, route the return to the pipeline for processing.

**IRM 3.21.263.5.3.2(1) added instructions for when blank Form W-7 is received with tax return.**

1. Applicants must provide supporting identification documentation that proves their identity and foreign status along with proof of their U.S. tax reporting or filing requirement.

**NOTE:** If a totally blank Form W-7 is received with a tax return (such as Form 1040 or 1040X) proving the U.S. tax reporting or filing requirement, classify the Form W-7 with a large red "X" and attach to the back of the tax return for routing to the appropriate area per the Document Routing Guide. Classify **ONLY** when:

- Form W-7 is completely blank, and
- Form W-7 is not signed, and
- No ID is attached, and
- No other additional documentation or attachments are present.

**IRM 3.21.263.5.4.1(6) (7), (8), and (12): deleted paragraph (6) and table, revised new paragraph (6) editing and processing of tax return, deleted portions of (8) and moved to (7), and revised instructions for editing check copies for rejected W-7 applicants in (12).**

**6. Document the tax return as follows:**

- o Write the ITIN(s) on the tax return in the space allocated for the primary, secondary and dependent taxpayer's SSN. Ensure that the ITIN is written on **each** tax return where the applicant is listed.
- o Underline in red ink the name control (first four letters of the last name) for any ITIN newly assigned (primary, secondary, and dependent)

**CAUTION:** Complete Form 3471E when required for returns being sent to processing. Enter the RPD date on line 4. See IRM 3.21.263.5.10.6 to determine when Form 3471E is required and for instructions on computing the RPD.

- o Ensure that a TIN status is indicated for **each** person listed on the tax return prior to release. If no SSN or ITIN processing information is available for a person shown on a tax return, write "No W-7" in the SSN box. This also applies to the spouse when filing status "3" is indicated. If the Form W-7 rejects, the applicant will need to reapply. Write or stamp "ITIN REJECT" in the TIN box for the primary, secondary, or dependent as applicable.

**#**



[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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- Write the DOB next to the TIN box for any primary/secondary applicant needing an IRSN.

**REMINDER:** If the secondary is the only spouse rejected, edit the DOB for the return to be routed to Entity **ONLY** if their schedule SE is attached. If they have no Schedule SE, the return will be routed to the Pipeline for processing.

- If either primary or secondary has a valid TIN, the return will be routed to the Pipeline for processing.
- If applicable, complete Form 3471E and attach to the back of the return with Form 3471E facing out. See IRM 3.21.263.5.10.6.
- Update the Remarks Screen with the disposition of the return with entries such as *2014 return to Entity for IRSN* or *2014 return to the Pipeline*.
- If Form W-7 Hard Rejects because "one cannot calculate tax liability on the tax return", circle out all IRS received dates on the tax return

before sending it back to the taxpayer. Prepare the envelope to return Form W-7, documentation and all tax returns to the primary on the tax return.

- Staple multiple copies of the exact same tax return for the same tax year together with the earliest received date return on top (do not stagger). Only edit the top tax return with the ITIN, or "ITIN Reject", or "No W-7".
- Use **only** red erasable ink on the tax returns. Write in block letters that are easily legible. **Do not use white out, erasures** etc. in the primary and secondary taxpayer SSN boxes on the return. If something has already been written in the primary or secondary boxes or white out has been used, circle out this information and write the ITIN to the left of the SSN box. If something has already been written in the dependent SSN box and there is no room to enter the information to the left of the box, use white out tape **only** in this area. Be careful not to cover other return information such as the relationship or check box. If the dependent is listed on a continuation sheet that is attached to the return, enter the appropriate ITIN information on that sheet.
- If no received date is present on the return but is present on the Form W-7, write the same received date as on the Form W-7 on the tax return(s).

**CAUTION:** Always write the received date as "MM-DD-YY" to the right of Line 6d on the front of the return.

- If no received date is present on the Form W-7 or return, determine and write the received date on the return in the following priority order:
  - postmark date on the envelope
  - signature date
  - today's date minus 10 days

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7. If Form W-7 suspends, do not write anything on the tax return(s) for the applicant.
8. The normal Assessment ASED for a tax return is three years from the due date of the return or three years from the return received date, whichever is later. The normal RSED is:
  - Three years from the return due date (RDD), or
  - Three years from the return received date, or
  - Two years from the date the tax was paid, whichever is later.

9. If today's date is within 90 days of a return ASED or RSED, look in the upper left margin of the tax return for the Statute Unit clearance stamp. The following stamped information indicates the return has been cleared by Statute:

- o "Cleared for Assessment"
- o "Cleared by Statute"
- o "Delinquent Return" and the date of clearance on the return.

An employee number and date will also be present for all three categories. If a Statute Unit stamp is not present, note "T-R-A Statute" in the Remarks screen and take the following actions:

- o If assigned (both primary and secondary, if applicable), note ITIN(s) on the tax return. These returns will be referred to Statute even if dependent Form W-7s are still pending.

**CAUTION:** Complete Form 3471E when required (all applicants are in final status) for returns ready to be sent to processing. Enter the RPD on line 4. See IRM 3.21.263.5.10.6 to determine when Form 3471E is required and for instructions on computing the RPD.

- o If rejected (primary or secondary, if applicable), write "ITIN Reject" on the tax return. These returns will be referred to Entity even if dependent Form W-7s are still pending.
- o If suspended, leave the return with the application for filing on the suspense shelves.
- o Flag the entire family pack (Form W-7s/Form W-7SP, Statute return with all other tax returns, etc.) for assigned or rejected primary and secondary applicants for Lead action.

10. **OFAC STATUS:** The application has been identified by OFAC and requires special handling. Edit the DLN in the upper right corner of Form W-7. Edit the tax return, if applicable, with any assigned ITINs.:

**NOTE:** Do not write OFAC on the tax return

**CAUTION:** Once the OFAC Status is displayed on the *Temporary W-7 Status*, never attempt to navigate back into the application to make changes. Allow the OFAC Status to be set as the Final Status.

The table below explains how to handle Family Packs that include W-7 Applications in OFAC Status.

If ...	Then ...
The W-7 with the OFAC status is the primary taxpayer or first application in the Family Pack	Continue to enter the entire family pack. The remaining or dependent applications will S 25. If final status is not S 25, pull for Lead to override.
The W-7 with the OFAC	Continue to enter the remaining family

status is one of the dependents in the Family Pack	pack.
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**NOTE:** All OFAC applications must be referred to your Lead, Manager, or designee to be forwarded to the designated OFAC Status Coordinator. OFAC Status W-7 applications, including individual and Family Packs, should be turned sideways in the batch for easy identification by the clerical staff. On a daily basis, the Lead, Manager, or designee will gather all identified OFAC status applications and hand deliver them to the OFAC status coordinator.

**11. Pending Status:** The RTS has not been able to process the application to set a final status to the application you are currently working. The RTS will save all the data you have input. You will be able to immediately attempt to correct the pending condition by clicking the *Resubmit* button. If you are unable to clear the pending status, annotate pending in the upper left corner of the application, annotate the DLN in the upper right hand corner and turn sideways in the batch to alert you that this application still needs to be worked. You will be able to continue entering additional applications by clicking on the *Enter Another W-7 Application* button.

**CAUTION:** Before returning the batch to the cart try to ensure that all pending applications are completed to final status. If the entire batch is in pending status, replace on cart and advise work leader that this batch must be worked for final status. If a pending application is accidentally left in batch Clerical will bring back to TE for final status assignment.

**12. Check copy:** Follow the instructions below for processing check copies:

If...	Then...
Assigned,	<ol style="list-style-type: none"> <li>1. Write the primary ITIN and name control on the front of the check copy.</li> <li>2. <b>IF</b> the name on the check copy is not that of the primary taxpayer, write the primary taxpayer's name on the check copy.</li> </ol>
Suspended,	<p>Do not edit or write anything on the check copy until the account is in final status (assigned or rejected). If the check copy has no remittance DLN written as shown in the example below, do <b>NOT</b> edit the check.</p> <p><b>EXAMPLE:</b> 20009-XXX-XXXXX-X; 07009-XXX-XXXXXX-X.</p>
Rejected,	<p>If the primary or secondary applicant rejects and:</p> <ul style="list-style-type: none"> <li>o Neither has a valid TIN, write "ITIN Reject-Return to Entity" and the ITIN DLN on the check copy.</li> <li>o Either has a valid TIN, write that TIN on the check</li> </ul>

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**IRM 3.21.263.5.5(8) revised to change example date to MMDDYY and to update Comments Field while performing the revoke action.**

8. While performing the revoke action, update the Comments Field to show why the ITIN was revoked. Use wording such as Form 4442 dated MM-DD-YY from employee 5801XXXX says merged to XXX-XX-XXXX. Attach the documentation used to ask for the revocation to Form 9856, Attachment Alert, showing the original DLN of the ITIN application.

**CAUTION:** If the Form 4442 is being routed to another area such as Entity, route Form 4442 to that appropriate area and do not complete Form 9856 for filing. If the Form W-7 DLN is older than 7 years from the current date and is not being routed to another area, mark the documentation with a red "C" for classified waste.

**IRM 3.21.263.5.10.5(8) (9) and (10): removed references for unique processing of S 50 responses from the table and paragraphs and deleted instructions to attach some tax returns to the Form W-7 for routing to Files.**

8. If this is in response to the CP 566 suspense notice status S 50, review the response to determine if the taxpayer has verified that the income claimed on the Form W-2 is theirs and that they need an ITIN to file a tax return.  
Submitted documents from the taxpayer to support the income should be one of the following:
  - Corrected Form W-2 in the primary or secondary taxpayer's name, **OR**
  - Pay stub in the name that matches the name of the primary or secondary filer on an attached tax return and same tax return year (a single pay period with year-to-date totals is acceptable), **OR**
  - Bank statements showing this income being deposited into the taxpayer's account, **OR**
  - Two (2) pieces of acceptable ID (as defined by Form W-7) in the Form W-2 name; one of the ID must have a photo. See also IRM 3.21.263.5.3.4.2 and IRM 3.21.263.5.3.4.4 #

**CAUTION:** This list of acceptable income documents is **NOT** all inclusive. If the applicant provides another type of evidence that the income shown on the Form W-2 was actually earned by the same person submitting the Form W-7 application (even if the names are different), then the income is substantiated and the need for an ITIN to file a tax return is proven. Resolve the S 50 suspense condition.

**NOTE:** Documents that do **NOT** satisfy status S 50 include:

- Another Form W-7 for exception processing such as exception 1b with bank documents
- Form 1040X
- Form W-2C or Form 4852 completed in pen and ink and showing the name of the employee on the Form W-2 as the employer and the name of the ITIN applicant as the employee on the Form W-2C or Form 4852.

**REMINDER:** Original supporting ID or copies certified by the issuing agency must be retained until the ITIN is assigned or rejected. See also IRM 3.21.263.5.3.4.2.4.

If CP 566 response...	Then...
Resolves all suspense conditions,	<ul style="list-style-type: none"><li>○ Attach the documents to the tax return or Form W-7 if applicable</li><li>○ Continue processing the Form W-7</li></ul>
Does <b>NOT</b> resolve all suspense conditions,	<ul style="list-style-type: none"><li>○ Attach the documents to the tax return or Form W-7 if applicable</li><li>○ Continue processing the Form W-7.</li></ul>

- When working CP 566 responses from primary or secondary applicants, prepare the return for IRSN assignment when all suspense conditions are NOT resolved. See IRM 3.21.263.5.4.1.

**REMINDER:** If either the primary or secondary has a valid TIN and income, the return will be sent to the Pipeline for processing. See IRM 3.21.263.5.4.1.

- Refer to IRM 3.21.263.5.4.1 for information on editing associated tax returns(s). Circle out the former status and update the status sheet with the ITIN in the top center or "R" in the left corner to alert Clerical of the new status.

**IRM 3.21.263.5.10.8(9) revised processing for Form 1040X for previously rejected applications, removed statement that return will not be processed, and instructed to route to Entity or the Pipeline as applicable.**

- If primary or secondary applicant files Form 1040X and
  - RTS shows applicant was previously rejected **AND**
  - Preliminary W-7 Applicant Data Screen shows same tax year previously submitted, **AND**
  - Applicant does NOT satisfy all unresolved suspense conditions on the rejected application, applicant does not qualify for an ITIN. Edit "ITIN

REJECT" for primary/secondary. See IRM 3.21.263.5.4.1. Edit the DOB beside the primary and secondary applicant TIN if applicable and route the Form 1040X to the pipeline or Entity as applicable.

**EXCEPTION:** If applicant satisfies all unresolved suspense conditions on the rejected application, update RTS to resolve the suspense conditions. Edit the TIN on the 1040X for routing to the Pipeline.

**IRM 3.21.263.5.10.8(18) added examples of actions outside the scope of ITIN and a "Reminder" of situations when RTS does not allow updates and Form 4442 required.**

18. The following types of correspondence should be referred to the Lead:

- Form 4442 requests for more than one applicant.
- Form 4442 Name and Date of Birth Changes (unsubstantiated).
- Merge/Revoke actions.
- Actions outside the scope of ITIN such as a request for penalty abatement or for a letter with the assigned ITIN when RTS does not allow a CP 565 to be issued.

**REMINDER:** RTS does not allow updates for applications assigned on the database used prior to RTS deployment in 2007. Incorrectly recorded IRS received dates can not be corrected and may prevent RTS updates.

**NOTE:** If the request includes both actions appropriate for ITIN and actions that are out of scope, resolve only the ITIN issues (indicate completion with a check mark) and highlight the remaining issues to be addressed. The Lead will return to the originator per the Austin Campus Document Routing Guide or complete Form 4442 for referral to the appropriate area.

- Applicants not located in RTS (Annotate "Not in RTS").
- Any correspondence with an IRS Form (non ITIN related) attached.

**IRM 3.21.263.8.3.7(4) added a "Reminder" to update the Comments Field at the same time you perform the revoke action.**

4. Access the **Revoke ITIN Screen** by selecting *Revoke ITIN* from the *Reason for Change* drop down box and click the *Edit* button on the *W-7 Application View Screen*. IRM 3.21.263.8.4.3 and Exhibit 3.21.263-38.

**REMINDER:** Update the Comments Field at the same time that you perform the revoke action. See IRM 3.21.263.5.5.