

 Fact Sheet

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Updated ITIN Procedure Changes Announced

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The Internal Revenue Service has announced 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 process and strengthen the refund process while helping minimize burden for applicants.

ITINs play a key role in the tax administration process and assist with the collection of taxes from foreign nationals, nonresident aliens, and resident aliens 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.

The updated procedures take effect Jan. 1, 2013 and build on interim procedures announced June 22, 2012 and Oct. 2, 2012 to safeguard the integrity of the tax identification number system, while improving the refund process. Based on an extensive review and feedback from a variety of stakeholders, updated procedures are being put in place that will strengthen controls over the ITIN process while providing applicants flexibility to accurately follow the application process. The interim procedures announced earlier this year remain in effect through 2012.

While these updated procedures are effective at the beginning of calendar year 2013, the IRS remains interested in hearing from stakeholders and invites comments. The IRS intends that these procedures will continue to evolve over time as we gain increased experience. Comments may be sent to: ITINProgramOffice@irs.gov

The IRS will maintain its stronger standard for issuing ITINs. Under the procedures, ITIN applications will continue to require original documentation or copies certified by the issuing agency. To protect the integrity of the application process, notarized copies of documents or copies with an apostille are not acceptable for obtaining ITINs. Though most of the interim guidelines have been made permanent, others have been modified following feedback from key groups. The changes will provide additional flexibility for people seeking ITINs while continuing the stronger protections.

Final procedures are outlined below.

Individual Applicants

For those who are applying directly to the IRS for an ITIN, original documents or copies certified by the issuing agency are required. The IRS will continue to accept only original identification documents or certified copies of these documents from the issuing agency with the Form W-7 and federal tax return attached. The documentation list includes passports, national I.D. cards, visas issued by U.S. Department of State, U.S. or foreign military identification card, civil birth certificates, medical and school records, U.S. state or foreign driver's licenses, U.S. state identification card, foreign voter's registration card and U.S. Citizenship and Immigration Services photo identification. A full list of acceptable documents is available through the ITIN page on IRS.gov.

Additional Options for Applicants

The IRS heard from stakeholders that it was difficult in some instances for individuals to be without documents such as passports for extended periods of time. As a result, the IRS determined that other outlets will be available to review original documentation. As part of this effort, 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 passports and other original documents to the IRS.

The Certifying Acceptance Agent (CAA) program will remain but will be modified. CAAs will be required to review original identification documents or copies certified by the issuing agency from applicants, spouses, and dependents. CAAs will be able to certify and then forward proof to the IRS that they have verified the authenticity of the documents supporting the ITIN application for applicants and spouses. This means they will not need to mail original documents such as passports to the IRS, a step previously required under the interim procedures. However, ITIN applications for dependents submitted to the IRS by CAAs will continue to require original documents or copies certified by the issuing agency. There will also be new requirements for the CAA program that are described later in this document.

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

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 will be available soon on IRS.gov.

Document Standards for Dependent Children

To adequately substantiate identity and foreign status and assist in ensuring the integrity of important child tax credits, dependent ITIN applications submitted directly to the IRS will continue to require original documents or copies certified by the issuing agency. TACs in key locations will be able to certify passports and national identification cards for dependents in person. Dependent ITIN applications submitted to the IRS by CAAs will continue to require attachment of original documents or copies certified by the issuing agency. 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.

ITINs Will Have An Expiration Date

For the first time, new ITINs will be issued for a five-year period rather than an indefinite period. This change will help ensure that ITINs are being used for legitimate tax purposes. Taxpayers who still need an ITIN will need to reapply at the end of the expiration period.

In addition, the IRS will engage with interested groups on options to deactivate or refresh information underlying previously issued ITINs. This step will provide additional safeguards to the ITIN program and help ensure only people with legitimate tax purposes are using the numbers.

Some Groups Not Affected by Changes

As announced in June 2012, some categories of applicants are not impacted by these documentation changes, including:

Military spouses and dependents without an SSN who need an ITIN (Military spouses use box “e” on Form W-7 and dependents use box “d”). Exceptions to the new document standards will be made for military family members satisfying the documentation requirements by providing a copy of the spouse or parent’s U.S. military identification, or applying from an overseas APO/FPO address.

Nonresident aliens applying for ITINs for the purpose of claiming tax treaty benefits (use boxes “a” and “h” on Form W-7). Nonresident alien applicants generally need ITINs for reasons besides filing a U.S. tax return. This is necessary for nonresident aliens who may be subject to third-party withholding for various income, such as certain gaming winnings or pension income, or need an ITIN for information reporting purposes. While existing documentation standards will be maintained only for these applicants, scrutiny of the documents will be heightened. ITIN applications of this category that are accompanied by a U.S. tax return will be subject to the new document standards.

The Oct. 2, 2012 procedures put into place for the following groups will remain in effect:

Student and Exchange Visitor Program (SEVP) participants. SEVP participants already provide documentation to the Department of Homeland Security under the requirements of that program. Individuals studying under the SEVP will be required to apply through a university, college or other SEVP-approved institution. These are individuals admitted to the U.S. under an F, J or M visa who receive taxable scholarship, fellowship or other grants reportable by the school on [Form W-2](#) or [Form 1042-S](#). These procedures cover applications for the primary applicant, their spouse and dependents.

Noncitizens with approved Tax Year 2011 extensions to file their tax returns. These are noncitizens who requested an extension of time to file a 2011 federal income tax return for resident and nonresident aliens and choose to not submit originals documents or copies.

Certifying Acceptance Agent Program Remains with Additional Safeguards

Certifying Acceptance Agents, or CAAs, play an important role in the ITIN process. They serve a unique role in ensuring accurate documents are used for ITIN applications, while allowing taxpayers to retain those documents. As a reflection of this important role, the IRS has put in place new higher standards for CAAs to protect the integrity of the ITIN application and tax refund processes.

CAAs will now face stronger due diligence standards to verify the accuracy of supporting documentation. In addition, 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, LITC, and VITA programs. Most CAAs will be required to take additional training and will have strengthened oversight from the IRS through the application and compliance process. Highlights of these changes include:

New Coverage Through Circular 230: Because CAAs play a critical role, for the first time they must be practitioners covered under the professional standards of Circular 230. This includes individuals who are attorneys, admitted to practice before the bar, Certified Public Accountants (CPAs), Enrolled Agents (EAs), and registered tax return preparers. In addition, CAAs cannot be under suspension or disbarment from practice before IRS.

Changes to the Certification Process: For primary and secondary applicants, CAAs will again be allowed to certify using Form 14194 that they have reviewed the original documentation or a certified copy from the issuing agency of those documents, either through face-to-face or video electronic interviews. They will have to attach, and send to the IRS, copies of all documentation reviewed. For dependents, CAAs will be required to submit the original documents or copies certified by the issuing agency.

New Training Requirement: CAAs will be required to successfully complete a forensic document identification training course. This will help them review and assess legitimate identification documents to help safeguard the ITIN application process.

Application and Approval Process to be a CAA: The application and renewal processes remain unchanged. CAAs are still required to submit new and renewed applications using Form 13551 during the next annual open season, scheduled from May 1 until Aug. 31, 2013.

Expanded Oversight: The IRS also plans greater oversight and compliance activities with CAAs to protect the ITIN process. This will include additional on-site compliance checks and stronger penalties for non-compliance.

Tax Return Compliance

In addition to the changes in the ITIN application process, the IRS is enhancing compliance activities relating to certain credits, including the child tax credit. The changes will improve the ability of the IRS to review returns claiming this credit, including those returns utilizing ITINs for dependents. For example, additional residency information will be required on Schedule 8812, Child Tax Credit, to ensure eligibility criteria for the credit are met. Information derived from the ITIN process will be better utilized in the refund verification process. In addition, new pre-refund screening filters will be in place for filing season 2013 to flag returns for audit that claim questionable refundable credits. Increased compliance resources will also be deployed to address questionable returns in this area. As part of these overall efforts, ITIN holders may be asked to revalidate their ITIN status as part of certain audits to help ensure the numbers are used appropriately.

Table: Options for ITIN Applicant’s Submission of Documentation

Applications Submitted to:	Criteria for Document Certification	Applicants Covered
IRS ITIN Operations (Austin)	<ul style="list-style-type: none"> • Direct applicant submission by mail • Original or copies certified by issuing agency • Certify all approved document types 	<ul style="list-style-type: none"> • Primary • Secondary • Dependents
Participating IRS Taxpayer Assistance Centers (TACs)	<ul style="list-style-type: none"> • In person submission for each applicant • Original or copies certified by issuing agency • Certify passport and national identification cards only 	<ul style="list-style-type: none"> • Primary • Secondary • Dependents

	<ul style="list-style-type: none"> All other original documentation is mailed with W-7 application 	
IRS Tax Attachés (London, Paris, Beijing, Frankfurt)	<ul style="list-style-type: none"> In person submission for each applicant Original or copies certified by issuing agency Certify all approved document types 	<ul style="list-style-type: none"> Primary Secondary Dependents
Certifying Acceptance Agents (CAA) including LITC and VITA CAAs	<ul style="list-style-type: none"> In person submission for each applicant Original or copies certified by issuing agency Certify all approved document types Dependent's original documentation is mailed with W-7 application 	<ul style="list-style-type: none"> Primary Secondary
Educational Institutions (Colleges, Universities)	<ul style="list-style-type: none"> Follow SEVP approved process issued 10/2/2012 	<ul style="list-style-type: none"> Primary Secondary Dependents