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**TaxForum** | 2019

Individual Taxpayer Identification  
Number (ITIN) –

“Who, What, Where, and How of ITINs”



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# Objectives

Following this presentation, you will be able to:

- Describe tax reform changes that impact ITIN holders
- Understand the W-7 application process for ITIN renewals
- Understand common errors that may delay the processing of W-7 applications
- Identify the role of a Certifying Acceptance Agent (CAA)



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# Agenda

- ITIN Overview
- Tax Reform
- Who Should and Should Not Renew an ITIN
- ITIN Renewal Process
- Common Errors that Cause Delays
- Role Certifying Acceptance Agents (CAAs)



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# ITIN Overview

What is an ITIN?

- Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the Internal Revenue Service to those not eligible for Social Security Numbers (SSNs) and have a filing or reporting requirement
- ITINs are not intended for use outside of the federal tax system
- Helps individuals comply with the U.S. tax laws, and provides a means to efficiently process and account for tax returns and payments
- Issued regardless of immigration status



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# Tax Reform

## **Tax Cuts and Jobs Act (TCJA) of 2017**

- Suspended the deduction for personal exemptions for tax years 2018 through 2025
- Most spouses and dependents residing outside of the U.S. don't need to apply for or renew ITINs this year.



# Who Should Renew?

Taxpayers should renew their ITINs now if:

- They expect to file a U.S. federal tax return in 2020
  - Middle digits “70” through “82” have expired
  - Middle digits “83,” “84,” “85,” “86,” and “87” will expire December 31, 2019
  - Spouses and dependents residing inside the U.S. should renew their ITINs if they’ll be included on a return in 2020
- They receive Notice CP-48, *You must renew your Individual Taxpayer Identification Number (ITIN) to file your U.S. tax return*



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# Who Should Not Renew?

Taxpayers should not renew their ITINs now if:

- They don't expect to file, or be included on, a U.S. federal tax return in 2020
- Their ITINs are only used for the filing of information returns by third parties
- The middle digits of their ITINs aren't "83," "84," "85," "86," or "87"
- They became a U.S. citizen or legal resident alien and have an SSN



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## Who Should Not Renew? (cont.)

- Spouses and dependents outside the U.S. who would've been claimed for a personal exemption should not to renew their ITINs this year, unless:
  - They are filing their own tax return, or
  - They qualify for an allowable tax benefit, e.g. a dependent **parent** who qualifies the primary taxpayer to claim Head of Household (HOH) filing status (must attach a federal tax return to their W-7 renewal application)





# How To Renew

- Complete Form W-7, *Application for IRS Individual Taxpayer Identification Number*
  - Attach original documents or certified copies verifying identity and foreign status
  - A tax return isn't required, unless the applicant is a spouse or dependent outside of the U.S. who is claiming an allowable tax benefit
- Submit by mail to the IRS, through a Certifying Acceptance Agent (CAA) or by appointment at designated IRS Taxpayer Assistance Centers (TACs)



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# Common Errors that Cause Delays

- Reason for submitting Form W-7 box is not checked
- Reason for submitting Form W-7 box is incorrect
- Not submitting the required original identification documents or certified copies with Form
- Not submitting the required documents for proof of U.S. residency for dependents
- Submitting a federal tax return with an expired ITIN



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# Certifying Acceptance Agent (CAA)

- Facilitate the ITIN application process by:
  - Verifying the foreign status and identity of applicants
  - Completing and submitting Form W-7 with required documents and tax return
- CAAs receive copies of ITIN notices & direct phone line to the ITIN Operation
- Application procedures available at <https://www.irs.gov/itinagents>



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# Resource Information

- ITIN Homepage:  
<https://www.irs.gov/ITIN>
- ITIN Expiration Frequently Asked Questions (FAQs):  
<https://www.irs.gov/individuals/itin-expiration-faqs>
- How to Become an Acceptance Agent  
<https://www.irs.gov/itinagents>