

Individual Taxpayer Identification Numbers



Some Immigrant Workers Need an ITIN to File a Tax Return and to Claim the Child Tax Credit (CTC)

What is an Individual Taxpayer Identification Number?

An Individual Taxpayer Identification Number (ITIN) is issued by the IRS to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain, a Social Security number (SSN) issued by the Social Security Administration (SSA). Such individuals include immigrants in the U.S. who are not yet able to obtain a valid SSN, as well as nonresident aliens who are listed on a U.S. tax return. For example, immigrants in the U.S. who have applied to the U.S. government to obtain legal status to work or reside in the U.S. would need an ITIN to file a tax return while waiting for a decision. The U.S. considers filing tax returns an indication that an immigrant applying for legal status is seeking to comply with his or her tax responsibilities.

What is the purpose of an ITIN? Can it be used to help some workers claim the CTC?

The ITIN is used in place of an SSN on a tax return to identify a taxpayer who has no SSN, or to identify a spouse or dependent without an SSN who is listed on the tax return. ITINs may be obtained by immigrant workers to file tax returns and to claim a person as a dependent who has no SSN, such as dependents living in Mexico or Canada. Eligibility rules for the CTC require that the taxpayer and the qualifying child claimed for the CTC have either an SSN or an ITIN. However, the qualifying child claimed for the CTC must be either a U.S. citizen or a resident alien living in the U.S. (children living in Mexico or Canada may not be claimed for the CTC even if they have an ITIN). To file a tax return, taxpayers enter their ITIN in the space for the SSN on the tax return and on Form 8812 "Additional Child Tax Credit." An increasing number of banks accept ITINs as identification to open bank accounts, which can speed the receipt of a worker's tax refund by having it deposited directly in the account.

An ITIN does not:

- entitle an individual to Social Security benefits;
- enable a taxpayer to claim the EIC or permit a child with an ITIN to be claimed for the EIC — a valid SSN and authorization to legally work in the U.S. are required for the EIC;
- cause any adjustment to the individual's immigration status;
- mean that the individual is an undocumented worker;
- give the individual the right to work in the U.S. Any individual who is eligible to be legally employed in the U.S. must have an SSN. A worker with an ITIN should not provide it to an employer in place of an SSN, since this would indicate to the employer and to the Social Security Administration that the worker is not authorized to work.

How do taxpayers get an ITIN?

Individuals who wish to file a tax return but who cannot obtain a valid SSN must complete IRS Form W-7, "Application for IRS Individual Taxpayer Identification Number." *The Form W-7 must be attached to the completed tax return for which the ITIN is needed.* The tax return, Form W-7 and supporting documents verifying identity and foreign status must be submitted together to the IRS. Form W-7 describes which documents are acceptable. Parents or guardians may complete and sign a Form W-7 for a dependent under age 14, and must check the parent or guardian's box in the signature area of the application. Other dependents and spouses must complete and sign their own Forms W-7.

The Form W-7 and the required supporting documentation must be *mailed with the tax return* to the IRS Service Center in Austin, Texas (the address is on the Form W-7). This office can be reached at (215) 516-4846. While original documents may be sent, there is considerable risk they could be lost. To avoid such problems, applicants have several alternatives: (1) They can send certified or notarized copies of their documents to the IRS, or (2) they can bring their application to an IRS walk-in office where staff can help individuals prepare W-7 forms and determine which documents are required, (*call 1-800-829-1040 to find the nearest office*) or (3) they can get help from an Acceptance Agent authorized by the IRS. Upon approving the application for the ITIN, the IRS will process the tax return and send a letter to the taxpayer containing the ITIN number(s) for use on subsequent tax returns.

The Form W-7 may be obtained free by calling the IRS at 1-800-TAX-FORM or at the IRS website: www.irs.gov/formspubs.

What are Acceptance Agents?

Acceptance Agents are authorized by the IRS to assist applicants in completing applications for ITINs. Some Acceptance Agents are authorized by the IRS to certify that they have reviewed and verified the documents applicants submit. Once the documents are certified, the applicant is not required to send originals or notarized copies of documents to the IRS. However, some Acceptance Agents do not prepare tax returns. The completed and signed Form W-7 may be taken to a VITA site or commercial tax preparer and submitted with the tax return. Acceptance Agents may be found at colleges, financial institutions, accounting firms, nonprofit agencies and some Low-Income Taxpayer Clinics. Commercial tax preparers who are Acceptance Agents often charge a fee, typically about \$35, but sometimes more, for completing the Form W-7. (If an individual applies for an ITIN directly with the IRS, there is no fee.)

The IRS website, www.irs.gov, updates lists of Acceptance Agents by state. Search the website for "Acceptance Agents" to find the correct link. For more information on becoming an Acceptance Agent, see IRS Form 13551, Application to Participate in the IRS Acceptance Agent Program.

Please note:

There is a moratorium effective January 1st through April 30, 2010 on all **NEW** Forms 13551, *Application to Participate in the IRS Acceptance Agent Program*. During this moratorium, the IRS will not accept or process Forms 13551, *Application to Participate in the IRS Acceptance Agent Program*. **ONLY AMENDMENTS** to existing approved agreements will be accepted during the moratorium. The ITIN Program will resume accepting applications during the new 2010 Acceptance Agent Open Season, effective May 1st through August 31, 2010.

For more information about the Acceptance Agent Program, contact:

Sharon Bradley
Internal Revenue Service
Wage and Investment Division
ITIN Program Office
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E-mail: Sharon.Bradley@irs.gov

For more information on ITINs, you may also obtain IRS Publication 1915, "Understanding Your IRS Individual Taxpayer Identification Number" at www.irs.gov/formspubs.