



## The Facts About the Individual Tax Identification Number (ITIN)

The Individual Tax Identification Number (ITIN) is a tax processing number issued by the Internal Revenue Service (IRS) to ensure that people – including unauthorized immigrants – pay taxes even if they do not have a Social Security number and regardless of their immigration status.<sup>1</sup>

ITINs allow the IRS to bring in billions of dollars the federal government otherwise would have no way of collecting. This fact sheet explains what ITINs are, who has them, and the purposes for which they are used.

### What is an ITIN?

- **It was created for tax purposes.** The ITIN program was created by the IRS in July 1996 so that foreign nationals and other individuals who are not eligible for a Social Security number (SSN) can pay the taxes they are legally required to pay.<sup>2</sup>
- **ITINs are not SSNs.** The ITIN is a nine-digit number that always begins with the number 9 and has a 7 or 8 in the fourth digit, for example 9XX-7X-XXXX.<sup>3</sup>
- **Many immigrants have ITINs.** People who do not have a lawful status in the United States may obtain an ITIN. In addition, the following people are lawfully in the country and must pay taxes but **may not** be eligible for a SSN and may obtain an ITIN:
  - A non-resident foreign national who owns or invests in a U.S. business and receives taxable income from that U.S. business, but lives in another country.
  - A foreign national student who qualifies as a resident of the United States (based on days present in the United States).
  - A dependent or spouse of a U.S. citizen or lawful permanent resident.
  - A dependent or spouse of a foreign national on a temporary visa.<sup>4</sup>

### ITINs do NOT provide legal status or work authorization.

- An ITIN does not provide legal immigration status and cannot be used to prove legal presence in the United States.<sup>5</sup>
- An ITIN does not provide work authorization and cannot be used to prove work authorization on an I-9 form.<sup>6</sup>

## **ITIN holders pay taxes.**

- **ITINs let more people pay into the system, which builds the tax base.** According to the IRS, in 2015, 4.35 million people paid over 13.7 billion in net taxes using an ITIN.<sup>7</sup>
- **ITIN holders are not eligible for all of the tax benefits and public benefits that U.S. citizens and other taxpayers can receive.** For example, an ITIN holder is **not** eligible for Social Security benefits or the Earned Income Tax Credit (EITC).<sup>8</sup> However, if that person becomes eligible for Social Security in the future (for example, by becoming a lawful permanent resident), the earnings reported with an ITIN may be counted toward the amount he or she is eligible to receive.<sup>9</sup>
- **Some ITIN holders are eligible for the Child Tax Credit (CTC).** According to the tax bill passed in December 2017, the CTC tax credit may be worth as much as \$2,000 per qualifying child, depending upon the applicant's income. Because ITIN holders are eligible for the CTC, over 4 million U.S. citizen children benefit from the tax credit; however, if a child does not have a SSN they are no longer eligible for the tax credit.<sup>10</sup>

## **What other purposes can an ITIN serve?**

- **Opening an interest-bearing bank account.** Individuals who do not have a SSN but do have an ITIN can open interest-bearing accounts.<sup>11</sup>
- **Securing a driver's license.** Some states have allowed the ITIN to be used instead of a SSN in order to receive a driver's license, driver's permit, or state identification card.<sup>12</sup>
- **Providing proof of residency.**<sup>13</sup> At some point in the future an immigrant may need to prove how long he or she has been in the United States and having a tax return filed using an ITIN is one way to show that.

## **Is the ITIN a way for the government to track unauthorized immigrants?**

- **The ITIN is not an immigration-enforcement tool.** The application process is designed to facilitate tax payment, and the fact the IRS does not share applicants' private information with immigration enforcement agencies is key to tax compliance.
- **Taxpayer privacy is an important cornerstone of the U.S. tax system.** Because applicants provide the IRS with a great amount of personal information, privacy is highly critical to the success of the program. Section 6103 of the Internal Revenue Code states that the IRS is not authorized to release taxpayer information to other government agencies except for providing information to the Treasury Department for investigations that pertain to tax administration, or under a court order related to a non-tax criminal investigation. Expanding information-sharing beyond this would require a new law—an issue that arises often during legislative debates.<sup>14</sup>

## How does one apply for an ITIN?

- Applicants must fill out a W-7 application form and submit it to the IRS along with a completed tax return. Individuals do not need to apply in person.<sup>15</sup> When the application is approved, ITINs are sent to applicants through the mail.
- Applicants are required to submit original documents verifying identity and “foreign status.” The IRS has issued a list of 13 documents that will be accepted for this purpose. Those documents will be returned to the applicant within 60 days of receipt and processing of the W-7 form.<sup>16</sup>
- There are IRS Acceptance Agents and Taxpayer Assistance Centers available to help persons apply.<sup>17</sup>

In 2015, Congress enacted legislation to clarify the 2012 guidance from the IRS stating that all ITINs issued after December 31, 2012 will have to be revalidated every five years. Additionally, if a person obtains an ITIN but does not use it for three consecutive years, it will expire, and will need to be revalidated.<sup>18</sup>

## Endnotes

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1. Internal Revenue Service, "Taxpayer Identification Number," last modified December 28, 2015, <https://www.irs.gov/Individuals/International-Taxpayers/Taxpayer-Identification-Numbers-TIN>.
2. Government Accountability Office, "Internal Revenue Service: Individual Taxpayer Identification Numbers Can Be Improperly Obtained and Used," March 10, 2004, <http://www.gao.gov/assets/120/110663.html>.
3. Internal Revenue Service, "General ITIN Information," last modified October 27, 2015, <https://www.irs.gov/Individuals/General-ITIN-Information>.
4. Ibid.
5. Internal Revenue Service, "Immigration and Taxation," accessed January 25, 2016, <https://www.irs.gov/pub/irs-utl/20-Immigration%20and%20Taxation.pdf>.
6. Internal Revenue Service, "General ITIN Information," last modified October 27, 2015, <https://www.irs.gov/Individuals/General-ITIN-Information>.
7. National Taxpayer Advocate, "Annual Report to Congress, Volume 1," Internal Revenue Service, 2015, pp. 199-200. [https://taxpayeradvocate.irs.gov/Media/Default/Documents/2015ARC/ARC15\\_Volume1.pdf](https://taxpayeradvocate.irs.gov/Media/Default/Documents/2015ARC/ARC15_Volume1.pdf).
8. Internal Revenue Service, "General ITIN Information," last modified October 27, 2015, <https://www.irs.gov/Individuals/General-ITIN-Information>.
9. Internal Revenue Service, "Earned Income Tax Credit & Other Refundable Credits," last modified October 19, 2015, <https://www.eitc.irs.gov/Tax-Preparer-Toolkit/faqs/basicquals>.
10. Internal Revenue Service, "Ten Facts About the Childcare Tax Credit," last modified May 29, 2015, <https://www.irs.gov/uac/Ten-Facts-about-the-Child-Tax-Credit>; Internal Revenue Service, "Immigration and Taxation," accessed January 25, 2016, <https://www.irs.gov/pub/irs-utl/20-Immigration%20and%20Taxation.pdf>; Lydia De Pillis, "Changes to the Child Tax Credit: What it Means for Families," CNN Money, December 16, 2017, <http://money.cnn.com/2017/12/16/news/economy/child-tax-credit/index.html>; H.R. 1, 115th Cong. (2017) (enacted).
11. Internal Revenue Service, "Instructions for Form W-7 Notices," Accessed January 25, 2016, <https://www.irs.gov/instructions/iw7/ar02.html>.
12. National Conference of State Legislatures, "States Offering Driver's Licenses to Immigrants," July 8, 2015, <http://www.ncsl.org/research/immigration/states-offering-driver-s-licenses-to-immigrants.aspx>.
13. Internal Revenue Service, "Immigration and Taxation," accessed January 25, 2016, <https://www.irs.gov/pub/irs-utl/20-Immigration%20and%20Taxation.pdf>.
14. 26 U.S. Code § 6103.
15. Internal Revenue Service, "General Instructions," accessed January 26, 2016, <https://www.irs.gov/instructions/iw7/ch01.html>.
16. Internal Revenue Service, "ITIN Updated Procedures Frequently Asked Questions," last modified January 5, 2016, <https://www.irs.gov/Individuals/ITIN-Updated-Procedures-Frequently-Asked-Questions>.
17. Internal Revenue Service, "ITIN Updated Procedures Frequently Asked Questions," last modified January 5, 2016, <https://www.irs.gov/Individuals/ITIN-Updated-Procedures-Frequently-Asked-Questions>.
18. Ibid.