

Important Changes to U.S. Individual Tax Identification Numbers

Individual Tax Identification Numbers (ITINs) are used by those who are not eligible for a U.S. social security number and need to obtain a U.S. tax identification number. Commonly the ITIN is needed to file a U.S. tax return and to comply with U.S. tax withholding requirements.

Starting in 2016, the IRS is requiring ITINs to be renewed. ITINs will fall into one of two groups for the renewal process.

1. **Unused ITINs** - ITINs not used on a federal income tax return in the last three years (covering 2013, 2014, or 2015) will no longer be valid to use on a tax return as of January 1, 2017.
 - ITIN holders in this group who need to file a tax return in 2017 will need to renew their ITINs. The renewal period begins October 1, 2016.
2. **Expiring ITINs**. ITINs issued before 2013 will begin expiring based on their date of issuance, and taxpayers will need to renew ITINs on a rolling basis.
 - The first ITINs that will expire under this schedule are those with middle digits of 78 and 79 (Example: 9XX-78-XXXX). The renewal period for these ITINs begins October 1, 2016. The IRS will mail letters to this group of taxpayers starting in August 2016 to inform them of the need to renew their ITINs if they need to file a tax return and explain steps they need to take.
 - The schedule for expiration and renewal of ITINs that do not have middle digits of 78 and 79 will be announced at a future date.

How to Renew an ITIN

Only ITIN holders who need to file a tax return need to renew their ITINs. Others do not need to take any action.

- Starting October 1, 2016, ITIN holders can begin renewing ITINs that are no longer in effect because of three years of nonuse or that have a middle digit of 78 or 79.
- To renew an ITIN, taxpayers must complete a Form W-7, Application for IRS Individual Taxpayer Identification Number. Follow the form instructions and include all information along with the original identification documents or certified copies by the agency that issued them and mail to the IRS address listed on the form.
 - To reduce burden on taxpayers, the IRS will not require individuals renewing an ITIN to attach a tax return when submitting their Form W-7.
 - Taxpayers are reminded to use the newest version of the Form W-7 available at the time of renewal which will be posted in September (Use version "Rev. 9-2016").
 - ITINs that are only used on information returns filed with the IRS by third parties do not need to be renewed.

If you have any questions on the changes to ITINs or related matters, please contact us.