In a News Release, IRS announced that it is now accepting renewal applications for the Individual Taxpayer Identification Numbers (ITINs) set to expire at the end of 2017. IRS urged taxpayers affected by changes to the ITIN program to submit their renewal applications as soon as possible to avoid an anticipated rush.

Background. Any individual filing a U.S. tax return is required to state his or her taxpayer identification number on that return. Generally, a taxpayer identification number is the individual's Social Security number (SSN). However, in the case of individuals who are not eligible to be issued an SSN, but who still have a tax filing obligation, IRS issues ITINs for use in connection with the individual's tax filing requirements. (Reg. § 301.6109-1(d)(3)(i))

The Protecting Americans from Tax Hikes (PATH) Act (P.L. 114-113), enacted late in 2015, made a number of changes to the ITIN program, including providing that ITINs that have not been used on a federal tax return at least once in the last three consecutive years will expire Dec. 31, 2017, and ITINs with middle digits 70, 71, 72 or 80 will also expire at the end of the year. (Code Sec. 6109(i)(3)(B)(ii)) Affected taxpayers who expect to file a tax return in 2018 must submit a renewal application.

ITINs with middle digits of 78 and 79 already expired last year. Taxpayers with these ITIN numbers can renew at any time.

IRS is accepting ITIN renewal applications. In the News Release, IRS reminded taxpayers that they can now begin submitting ITIN renewal applications. Taxpayers whose ITIN is expiring and who need to file a tax return in 2018 must submit a renewal application. While Federal returns that are submitted in 2018 with an expired ITIN will be processed, exemptions and/or certain tax credits will be disallowed. Taxpayers will receive a notice in the mail advising them of the change to their tax return and their need to renew their ITIN. Once the ITIN is renewed, any applicable exemptions and credits will be restored and any refunds will be issued.

In the News Release, IRS also advised that an ITIN with the middle digits 70, 71, 72, or 80 (For example: 9NN-70-NNNN; NNN-71-NNNN; 9NN-72-NNNN; 9NN-80-NNNN) need to be renewed even if the taxpayer has used it in the last three years. IRS will begin sending the CP-48 Notice (You must renew your Individual Taxpayer Identification Number (ITIN) to file your U.S. tax return) later this summer to affected taxpayers. The CP-48 Notice explains the steps to take to renew the ITIN if it will be included on a U.S. tax return filed in 2018. Taxpayers who receive the notice after taking action to renew their ITIN do not need to take further action unless another family member is affected (see below).

Taxpayers with an ITIN with middle digits 70, 71, 72 or 80 have the option to renew ITINs for their entire family at the same time. Those who have received a renewal letter from IRS can choose to renew the family's ITINs together even if family members have an ITIN with middle digits other than 70, 71, 72 or 80. Family members include the tax filer, spouse and any dependents claimed on the tax return.

How to renew. To renew an ITIN, a taxpayer must complete a Form W-7 (Application for IRS Individual Taxpayer Identification Number) and submit all required documentation. Taxpayers submitting a Form W-7 to renew their ITIN aren't required to attach a federal tax return. However,
taxpayers must still note a reason for needing an ITIN on the Form W-7. IRS began accepting ITIN renewals on June 21.

The application package can be submitted in three ways:

1. Via mail, along with original identification documents or copies certified by the agency that issued them, to the address listed on the Form W-7 instructions. IRS will review the identification documents and return them within 60 days;
2. By working with a Certified Acceptance Agent (CAA), who is authorized by IRS to help taxpayers apply for an ITIN. CAAs review all documentation for a taxpayer and certify that the application is correct before submitting it to IRS for processing. CAAs can also certify passports and birth certificates for dependents, saving taxpayers from having to mail original documents to IRS; and
3. By making an appointment at a designated IRS Taxpayer Assistance Center in lieu of mailing original identification documents to IRS.

Common errors. IRS advised that several common errors can slow down and hold up some ITIN renewal applications. The mistakes generally center on missing information and/or insufficient supporting documentation. IRS urges any applicant to check over their form carefully before sending it to IRS.

IRS also reminded taxpayers that it no longer accepts passports that do not have a date of entry into the U.S. as a stand-alone identification document for dependents from a country other than Canada or Mexico, or dependents of U.S. military personnel overseas. The dependent's passport must have a date of entry stamp, otherwise the following additional documents to prove U.S. residency are required: U.S. medical records for dependents under age 6; U.S. school records for dependents under age 18; and U.S. school records (if a student), rental statements, bank statements or utility bills listing the applicant's name and U.S. address, if over age 18.

IRS is also recruiting CAAs. To increase the availability of ITIN services nationwide, particularly in communities with high ITIN usage, IRS is actively recruiting CAAs, and applications are now accepted year-round.

References: For the ITIN program, see FTC 2d/FIN ¶ S-1582.1 et seq.; United States Tax Reporter ¶ 61,094.