ITIN Renewals

Cross References
• Notice 2016-48

The IRS issues Individual Taxpayer Identification Numbers (ITINs) to individuals who are required to have a U.S. taxpayer identification number for U.S. tax purposes, but who do not have and are not eligible to obtain a Social Security Number from the Social Security Administration. Under the Protecting Americans from Tax Hikes Act of 2015 (PATH Act), ITINs are now subject to expiration.

ITINs that need to be renewed beginning in 2017. Prior to the PATH Act, a taxpayer applied for and received an ITIN only once. The ITIN remained in effect unless the taxpayer applied for and received a Social Security Number. Under the PATH Act, certain ITINs will no longer be in effect unless they are renewed.

Any ITIN that is not used on a federal tax return for three consecutive tax years, either as the ITIN of an individual who files the return or as the ITIN of a dependent included on a return, will expire on December 31 of the third consecutive tax year of non-use. This rule applies to all ITINs regardless of when the ITIN was issued.

ITINs issued before 2013. Under the PATH Act, for ITINs issued before 2013, ITINs will no longer be in effect according to the following schedule, unless the ITIN has already expired due to non-use for three consecutive years:
• ITINs issued before 2008 will remain in effect until January 1, 2017.
• ITINs issued in 2008 will remain in effect until January 1, 2018.
• ITINs issued in 2009 or 2010 will remain in effect until January 1, 2019.
• ITINs issued in 2011 or 2012 will remain in effect until January 1, 2020.

How to Renew an ITIN
ITINs that have expired due to non-use may be renewed anytime starting October 1, 2016 by filing a Form W-7 and required documentation. These individuals may renew their ITIN without having to attach a tax return to the Form W-7. Follow the Form W-7 instructions. Alternatively, individuals may choose to wait to submit their Form W-7 when they file their tax return.

ITINs issued before 2013 and currently in use. ITINs issued before 2013 that have been used on a tax return in the last three consecutive years are set to expire based on the schedule listed above. To simplify the renewal process, the IRS will administer the renewal of ITINs on a schedule that is different than the schedule listed above under the PATH Act. The IRS will administer the renewal of ITINs based upon the fourth and fifth digits (middle digits) in the ITIN. ITINs that contain the middle digits of 78 or 79 will no longer be in effect beginning January 1, 2017. The expiration and renewal schedules of ITINs with middle digits other than 78 or 79 will be announced in future guidance.
The IRS will send a Letter 5821 to individuals holding ITINs with the middle digits of 78 or 79 if the ITIN was used for a taxpayer or a dependent on a U.S. income tax return in any of the last three consecutive tax years informing them that they may submit a Form W-7 with original or certified documents to renew their ITINs. Form W-7 with required documentation may be submitted by the taxpayer starting October 1, 2016. Include a copy of Letter 5821 with Form W-7.

ITINs with middle digits other than 78 or 79 that have been in use within the last three consecutive tax years should not be renewed and require no immediate action from the ITIN holder. The IRS will provide information about the expiration schedule and renewal process for the remaining ITINs issued before 2013 in future guidance.

What if an ITIN is not renewed? Returns filed by individuals who have not renewed their ITIN will be accepted by the IRS. However, there may be a delay in processing these returns, and certain credits, such as the Child Tax Credit and the American Opportunity Tax Credit, may not be allowed unless the ITIN is renewed.

Individuals who have become eligible for an SSN. Individuals with expired ITINs who have become eligible for a Social Security Number should not renew the ITIN. Instead, write a letter to the IRS explaining that they now have an SSN and that they want all their tax records combined under their SSN.

Use of ITIN solely on an information return. An individual whose expired ITIN is used only on information returns filed and furnished by third parties, such as Forms 1099, is not required to renew the ITIN. ITINs may continue to be used for information return purposes regardless of whether they have expired for individual income tax return filing purposes. If the individual is later required to file a tax return, however, the individual’s ITIN will have to be renewed at that time. Additionally, the third parties who file and furnish information returns with an expired payee ITIN will not be subject to information return penalties solely because the ITIN is expired.

ITIN Renewals continued