
ITIN Program Changes -Implementation of the PATH Act
(edited transcript)

[Applause]

Brenda Hales

Well, thank you so much for that warm introduction. Good morning, everyone. I am excited to –

see so many of you out on this very last day of the Tax Forum. As she mentioned, my name is Brenda Hales and I am here from the ITIN Policy Section. Our office has oversight for the IRS ITIN Program. So, welcome to the 2017 Tax Forum presentation on Individual Taxpayer Identification Number – also referred to as ITIN – Program Changes; Implementation of the Protecting Americans from Tax Hikes, or in other words, PATH, Act.

Today, I'll be sharing some information with you with regard to Section 203 of the PATH Act as well as some 2017 ITIN policy changes that impact the filing of Form W7 applications. Now there are a number of things that we want to accomplish today, and our hope –

is by the end of the presentation that you will be able to identify the mandates in Section 203 of the PATH Act, describe how IRS is implementing the PATH Act, understand the process for ITIN renewals, understand the impact of a return file with an expired ITIN, and last but not least, be able to describe 2017 ITIN Program changes. Now before I review today's agenda, I do want to take a moment and an opportunity to thank those of you who are already partnering with the IRS On the ITIN Program. The services that you provide are invaluable to not only your clients but also to the IRS. You ensure that clients meet their tax obligations and responsibilities –

and you facilitate that by assisting in the completion of W7 applications and ensuring that they're accurate, and as well, ensuring that the required documentation is attached. That, in turn, helps the IRS to process those ITIN applications a lot faster. So, again, we say thanks.

Now on today, we have a robust agenda. During today's presentation, we'll cover the requirements for expiration of ITINs, in other words, what does the PATH Act mandate with regard to ITINs. Then we'll look at how the IRS is implementing those expiration requirements. We'll tell you what taxpayers need to know in order to renew and when they should renew. On processing year 2017 information, we'll –

discuss what ITIN holders need to know if they'll be filing a tax return for 2017. Now I realize that a number of them have already filed by the tax filing deadline, but we also have a significant number that still need to file by the extension deadline. Then we'll talk about what's changed in 2017 regarding ITIN policy. Finally, we'll tell you where you can find additional information about ITINs.

So, let's talk a little bit about this PATH Act. Again, that's the Protecting Americans from Tax Hikes Act. While the PATH Act was enacted on December 18th of 2015 and it modified Section 6109 of the Internal Revenue Code and made significant changes to the ITIN Program.

Now those of you that are familiar with Section 6109 of the Internal Revenue Code know that that is the section that allows IRS to issue taxpayer identification numbers. Now, generally for most of us, a taxpayer identification number is a Social Security Number, but there is still a portion of taxpayers that have federal tax responsibilities but they are not eligible for a Social Security Number and thus the ITIN. So, what is an ITIN? It is a tax processing number that is issued by the IRS. It is very similar to a Social Security Number in that it contains nine digits, the first of which always starts with the number nine. There are distinct middle digit ranges for ITINs. Those ranges are 50 to 65, -

70 to 88, 90 to 92, or 94 to 99. Again, we issue ITINs solely for tax purposes to assist those individuals who have a U.S. federal tax filing or reporting requirement but who are not eligible to obtain a Social Security Number from the Social Security Administration. Now, what happens if a ITIN holder is issued a Social Security Number? Well, in that case, they should notify the IRS immediately. The reason for that is that we, in turn, would need to associate that ITIN that they were previously assigned with their new SSN number. So, in effect, they would have one tax account.

So, let's talk a little bit more about what the PATH Act –

mandated specifically as it relates to ITINs. So, the PATH Act mandated that all ITINs that were not present on a federal tax return for three consecutive tax years would expire regardless of the issuance date. In addition, it also mandated the expirations of all ITINs that were issued prior to 2013, based on the year of assignment, and in accordance with a three-year schedule that is laid out in the legislation. It included authority concerning expired or revoked ITINs and it mandated that IRS distinguish ITINs issued solely for the purpose of tax treaty benefits.

Now there were some additional mandates for the PATH Act which we will take a moment and consider.

The PATH Act also required the Treasury Inspector General for Tax Administration, commonly referred to as TIGTA, conduct an audit of the ITIN Program every two years. Another thing that the PATH Act did is that it solidified the documentation requirements for the ITIN Program. Applicants are now required to provide either the original documents or certified copies of those documents from the issuing agency. Those documents have to prove the applicant's identity, foreign status, and residency in order for that applicant to obtain an ITIN. Those applicants who reside outside the U.S. can submit W7 applications by mail or in person to an IRS employee or a designee of the Secretary at a U.S.

diplomatic mission or consular post.

The PATH Act also requires that IRS have a program for training and approval of community-based certified acceptance agents or CAAs. Now the program of training that the IRS currently have is called the Acceptance Agent Mandatory Training. That particular training is housed on our website at IRS.gov. Now the PATH Act also mandated that we have a means to approve those acceptance agents. So, of course, we have an application process. That's done by way of our Form 13551, which is the official application to participate in the IRS Acceptance Agent Program. So, we'll talk a little bit more about the Acceptance Agent Program –

and how you can become a part of such a program toward the latter part of this presentation. Finally, the PATH Act requires IRS conduct an ITIN study. So, those are all the things that the PATH Act actually mandated.

Now that we know what it mandated, let's look at how IRS is implementing the ITIN provisions of the PATH Act. Now if you recalled, I discussed two critical points about the ITIN expiration as it relates to the PATH Act. We talked about the group that have not been listed on a tax return in the last three consecutive tax years. For purposes of this presentation, we're going to refer to them as our none use category. Then we also talked about that group that were issued ITINs prior to 2013 that the PATH Act said that we needed to expire –

them based on the date that their ITIN was issued and based on a three-year schedule that laid out in the legislation. Well, due to budget and resource limitations, the IRS has decided to deactivate ITINs that were issued before 2013 based on middle digits rather than the year that they were assigned. So, we're still deactivating ITINs for those individuals who have one and have not used it on a tax return in the last three years, but other than expiring them based on the issuance date, we are expiring them based on middle digits. So, you may

ask, "Well, why by middle digits?" Well, for one, deactivation by middle digits is a more manageable process and we have found that it is less burdensome on taxpayers because it's based on their actual ITIN rather than the date that the ITIN was issued.

Let's be honest. How many people would actually remember the date that the ITIN was issued? For those of us that have a Social Security Number, how many of you remember when that was issued? Show of hands. Very few.

Now most people typically remember certain things like they may remember the date that they were born, their birthday. They may remember the birth of their children. They may even remember when they got married if they still like their spouses. But it's going to be very difficult for someone to try to remember the date that their ITIN was issued. So, this alternative method of expiration that the IRS uses, it makes the most of our capacity to process renewal applications and it also ensures effective communication with those taxpayers who will need to renew. Now the first group of ITINs expired

January 1, 2017. Now this included those ITINs that were in the designated middle digit range of 78 and 79. The next group of ITINs – and this is very important for you here today – will expire on January 1, 2018. That's January 1, 2018. This will include those ITINs with middle digit 70, 71, 72, and 80. Again, that's 70, 71, 72, and 80. Now as we progress with the mandated ITIN expirations, we'll continue to announce when certain middle digits are going to expire. So, what I would encourage you to do is continue to –

monitor our website at IRS.gov for those announcements.

So, let's talk a little bit about ITIN renewals. How do I renew this ITIN? Well, individuals with expired ITINs will need to take action to renew their ITIN if they still need to file a tax return in 2017. Remember, I mentioned before, although a number of taxpayers have already filed, we still have a significant number that need to file by the extended due date which will be by October of this year. So, those still need to renew their ITIN. Also, those whose ITINs will expire in 2018 – again, that's those that are in the middle digit range of 70, 71, 72, and 80 – they will also need to take action to renew their ITIN. Now –

we are strongly encouraging that particular group to go ahead and take the action to renew their ITIN now. They do not have to wait until the latter part of the year and they certainly do not have to wait until the start of the filing season in January. Renewing your ITIN now as opposed to during peak season will help avoid processing delays, which could essentially add additional weeks to the number of time – the amount of time it takes to process your application. So, to renew an ITIN, taxpayers should complete the latest version of Form W7, which is the application for Individual Taxpayer Identification Number. Now our last revision of that form was actually September of 2016. Once again, it's available on our website which is –

IRS.gov. Now I know a number of you have already been a part of the program and you've been assisting individuals with W7s for quite some time. You probably have a stockpile of Form W7s at your respective offices. But we are asking that you please use the latest revision of this form. That's very important, because the form has been updated to accommodate not only those individuals that are seeking an ITIN for the first time, but it will also accommodate those individuals that need to renew their ITIN. What you will be doing on the form is there are new boxes that are added in the upper right-hand portion of Form W7, one that says, "I'm applying for the first time," and another box essentially says that, "I'm renewing an existing ITIN." So, -

you would need to check the appropriate box. Then under the reason for submitting Form W7, you would need to check the appropriate box there as well.

Now let me say this, that the reason for submitting Form W7, even though you are going to be submitting it in many cases to renew, we don't want you to put, "I'm renewing," as your reason for submitting Form W7. There are specific reasons that you would need to check based on what your tax situation is. For example, if you are a non-resident alien filing a U.S. tax return, then you would check the requisite box that is box B. If you are a U.S. resident alien based on a green card or loan for permanent residence or based on the substantial presence test, then you would check box C. If you have dependents that are related to a U.S. citizen or resident alien, you would check box D.

If you have a spouse of a U.S. citizen or resident alien, you would check Box E as appropriate.

Now ITIN's used on third-party information returns such as a Form 1099 do not need to be renewed. Again, we only need people to renew if they're actually going to be submitting a tax return. Those that use the ITIN solely for information purposes can continue to use that ITIN, even once we've expired it, for that purpose. If they subsequently have a need to submit a federal tax return, then they would be able to renew their ITIN at that time. Now, similar to last year, we're also offering a family option. Basically, all family members that are associated with a single tax return can renew their ITINs –

at the same time if at least one of those family members' ITIN is expiring. Family members include generally the taxpayers, the spouse, primary taxpayer, spouse or secondary taxpayer or dependents claimed on the tax return. Now also similar to last year, if the taxpayer is renewing an existing ITIN, they can submit their Form W7 application without attaching a tax return. Once again, I'm emphasizing that individuals do not have to wait until January to renew their ITIN. They can, in effect, renew it now.

So, let's talk a little bit about how to renew, continuing on with this theme of ITIN renewal. Well, taxpayers have several options to submit a Form W7 application for –

renewal. Now, of course, there's always U.S. standard mail. They can renew their application simply by submitting Form W7 and the required documents by mail. But, now bear in mind, if they choose the mail option, they will have to send their original documents or copies certified by the issuing agency along with the W7 application. Now the processing time for these applications is seven weeks. It's 9 to 11 weeks, however, if you submit the application during our peak processing periods which are typically January through April or if you're submitting the application from abroad. Original or certified copies of documents from the issuing agency that are submitted with an ITIN application are returned by the IRS. For the most part, we return those documents within 60 days –

and lately, we've been returning them a lot sooner than the 60 days. Now one of the things that I really want to note here is that oftentimes where issues arise is when the individual has submitted the ITIN application and after submitting the application they subsequently move. Now when that happens, before we get a chance to return that documentation, that presents a problem. What happens is generally the U.S. Postal Service will return the documents back to the IRS, comes back as undeliverable, and we retain that information. So, of course, I know you're dying to know, how long do we retain that information? Well, if it is a passport since those, of course, are extremely sensitive documents, we retain that six months. Thereafter, those –

documents are turned over to their respective embassies. If it is anything other than a passport, we hold onto it for at least a year, but thereafter, those documents are classified or destroyed. So, again, it's very important that if your clients have not received their original documents that were sent with a W7 application within 60 days that they start to inquire. They can inquire about calling just our general toll-free line which is 800-829-1040 or, if you are a participant in our CAA Program, which we'll discuss a little later, you'll get a direct number so you can call and check on the status of that as well.

Now, an alternative to mailing Form W7 is to use an authorized Certified Acceptance Agent or CAA. Now CAAs are an important –

intermediary in the ITIN application process. They facilitate the application process. One key way they do that is that we have given CAAs the authority to authenticate documents for those individuals that are seeking ITINs. So, why is that important? Well, it's important because it allows those same individuals to retain their original documents as opposed to submitting that to the IRS. CAAs can charge a fee for their service. The IRS does not regulate those particular fees, but CAAs, for the most part, do enter into an agreement with the IRS. So, there are some guidelines that they are expected to adhere to. Again, I'll share some information with you a little later about how to become a Certified Acceptance Agent. So, we've talked about the mail option. We've –

talked about the CAA option for getting these renewal applications in.

There's one final option that remains and that is for the taxpayer to visit a local IRS office commonly referred to as Taxpayer Assistance Centers or TAC. Now we have over 300 designated TAC locations that offer ITIN services. These particular locations are able to authenticate documents for those individuals that are seeking an ITIN. For dependents, they can authenticate the passport, birth certificate, and national identification cards. For all applicants, they can authenticate all documents that are acceptable in the ITIN Program. Now in order to use the services of a TAC office, an appointment –

is required. They can schedule an appointment by calling 1-844-545-5640. That's 1-844-545-5640. Now how many people are going to remember that number after you've stepped out of this room? Show of hands. That's what I thought. So, again, you can go to our website, IRS.gov. You'll find that information there and as well, you'll find the listing of the TAC offices in your respective areas that actually offer this ITIN service.

Now let's talk about processing Year 2017 information. Now IRS is currently processing Year 2017 tax returns or 2017 information, I should say, and –

will continue to receive returns from extension filers. Now for those returns that are submitted, using expired ITINs, the IRS will accept those returns. So, for those individuals whose ITIN has already expired – and of course that would be those that were in the non-use category last year and those that were in the middle digit range of 78 and 79, their ITINs have already expired. So, if, by chance, they submit a tax return during the course of this year and they have not renewed that ITIN and they put that expired ITIN on the tax return, the IRS will accept the return, but what's going to happen is that there is going to be somewhat of a delay in processing the return. Essentially, what happens is we accept the return whether it's submitted by paper or whether or not is e-file.

We process the return. Any credits, particularly the child tax credit and the American Opportunity Tax Credit, those specifically, and exemptions that are tied to an expired ITIN will be removed or disallowed at the time of processing. Thereafter, the IRS will send a notification or math error notice to the taxpayer informing them that we have, in effect, processed the tax return and we have adjusted it accordingly due to the expired ITIN. That same notification encourages the taxpayer at that time to go ahead and renew their ITIN. It directs them to Form W7.

Now once that taxpayer has renewed their ITIN, then the IRS will automatically restore those previously disallowed –

exemptions and/or credits without any additional action on the part of the taxpayer. So, traditionally, where you may have been accustomed to having to submit an amended tax return in order to make subsequent changes to a tax return that was initially filed, you will not have to do that in this instance. But again, what's important here is that that individual taxpayer renew that ITIN.

Now one other thing to mention is when the return is actually adjusted, because of the expired ITINs, you know, there are some consequences for the taxpayer. A couple of them is if they were expecting a refund, generally once that adjustment is made, they could get less of a refund or, in some case, they could even find themselves in a balance due situation. So, again, -

I encourage you to encourage your clients and taxpayers to renew their ITIN and, better yet, renew it timely.

Now here's an important point to take note of. The statute, the PATH Act, specifically states that the ITIN of a taxpayer who has not filed a tax return for three consecutive taxable years will expire. So, if an ITIN applicant applies for an ITIN in 2017 with a 2013 tax return, but they did not file a tax return for tax years 2014, 2015, or 2016, even though they're applying for an ITIN in 2017, did you know that in effect that same ITIN that they're applying for in 2017 could expire at the end of the year? Again, the reason would be for -

non-use. It has not been used on a tax return in the last three years, which we would be, this year, looking at '14, '15, and '16. So, that's an important point to note.

So, let's recap. As I mentioned, the IRS will process a return filed with an expired ITIN. It's going to create delays. There are going to be adjustments to the returns in terms of the amount of refund as well as any balance due. Once we process that return, we're going to issue a math there on notification. Taxpayer's going to get that notification. They're going to be encouraged to renew their ITIN at that point. Once they renew the ITIN, the IRS is automatically going to restore any previously disallowed credits and/or exemptions. Also, remember that ITINs used only on information returns and furnished by third parties such as Form -

1099s do not have to be renewed. They will continue to be valid for that purpose. If the taxpayer subsequently has a need to file a tax return, then they should renew at that time. An individual with an expired ITIN who has or becomes eligible for a Social Security Number should immediately notify the IRS so we will be able to associate that assigned ITIN with their new Social Security Number. They can do so by either calling our toll-free line at 800-829-1040, or they can even send a written correspondence to that effect.

Now let's look at some ITIN policy changes as it relates to the Certified Acceptance Agent Program. Here are just a few reminders of the latest changes to the CAA Program, some of which may be familiar to some of you. First, -

CAAs now have expanded authority with regard to authenticating documents for dependents. Those of you that are familiar with the program may be aware that some time ago we discontinued your ability to authenticate documents for dependents. We have now opened that up with the limited capacity to allow you to authenticate the passport and the birth certificates only for dependents. You must continue to submit original or certified copies of documents from the issuing agency for all other dependent documents. Again, you only have the authority to authenticate the passport and the birth certificate for dependents. That's only if you are a Certified Acceptance Agent. You can – that deserves a round of applause, right?

You can continue to authenticate all documents for the primary and secondary taxpayers. Additionally, there is a form, W7 COA, which stands for Certificate of Accuracy that must be attached to each Form W7 that you submit. The purpose of the W7 COA is basically you, as the Certified Acceptance Agent, attesting that you have viewed the documentation, the original, or certified copy from the issuing agency; document was presented to you. You had it in your hand and you are attesting that that information was authentic.

CAAs are still required to conduct an interview with each applicant. Now that interview has to be face to face, but the face to face can be either in person or using video technology means such as –

Skype or FaceTime since we're in this new technology age now. But let me caution you that if you are using the video conferencing technology means that you, as the CAA, must actually have the original identification documents in your possession at the time that you conduct the interview. The reason that that's important is because that's the only way that you will actually be able to see the security features that are indicated on those documents.

Now some other policy changes as it relates to Certified Acceptance Agent, the PATH Act added rules regarding the issuances of ITINs in the new section 6109 I. The new rules require ITIN applicants residing outside the United States to either mail their Form W7 application into the IRS or to a designee at a U.S. diplomatic –

mission or consular post. Documentation that proves the individual's identity, foreign status residency must also accompany that same W7 application. IRS will allow ITIN applicants who reside outside the United States to continue to use the services of CAAs if they so choose. They can also still mail their application or visit a local Taxpayer Assistance Center if they are in the vicinity of one.

Now to increase the availability of ITIN service nationwide, particularly in communities with high ITIN usage, the IRS is actively recruiting Certified Acceptance Agents. So, if you are an individual tax preparer, if you are a business entity, if you are a community outreach partner, -

we encourage you – if you are volunteers, we encourage you to sign up for the Certified Acceptance Agent Program. It's quite a bit of information on our website, again, at IRS.gov. One of the questions that you may have and that we're commonly asked, many people say, "Well, I'm already doing W7 applications. So, why should I become a CAA?" Well, there are number of benefits to being a CAA. The most important benefit, I think, is the benefit that you're giving your client because, again, as a CAA, you are authorized to authenticate certain documents. That alone is a tremendous benefit to your respective clients and that that allows them to retain their original documents. But there are some additional benefits. One is that you will be given a special telephone number just for you that –

you can contact the ITIN unit in Austin and inquire about the status of any W7 application that you have submitted. So, that allows you to effectively facilitate that process for your client and to check on what's going on with their W7 application. Additionally, as a CAA, you will also receive notification from the IRS of not only the ITIN assignment but also any correspondence that's sent to your client or taxpayer, you will get a duplicate copy of that notice. The only difference is that your copy will have the client's name as well as yours on it as the CAA. But that allows you, again, to follow the status of an application that you submitted and be able to effectively communicate with your clients when they come back to you and say, "Well, what's going on with my ITIN application," or –

when they get a letter and then they come in to you and they say, "Well, I received a letter; now what should I do," you will receive that same letter so you'll be able to inform them. So, again, it is a plus, plus, and a plus to be a CAA and we encourage you to do so on today. I'll be more than happy to talk to you about it after this presentation. So, after all of that, do we have anyone that's interested in becoming a CAA? Show your hands. Great, great, great. So, I look forward to talking to you directly after this presentation. I also have one of my colleagues here. He will be able to assist as well.

So, how do you become a CAA? Well, there is an official application process. There is a form, 13551, which is the official application to participate in the IRS Acceptance Agent Program. So, you would need to complete that application. In addition to –

completing the application, there is also a training requirement. There are two trainings that you would be taking that are necessary before you'll be approved as a CAA. One of the trainings is the Acceptance Agent mandatory training. That particular training is IRS sponsored and it is housed on our website. So, it's free of charge. You would just go in and view that training material. At the very end, there is a certificate of completion that you would print down and in effect sign and date and attach to your application. Now that's the

first training. Another required training is the forensic training. Now the forensic training is not IRS sponsored. It's actually offered by third-party vendors. That particular training, those vendors will charge you a fee for, but that training is essential and it is important. The reason that it's important is because it's going to equip you –

as the CAA with the necessary skill sets that you'll need to be able to identify security features in these documents that you are authenticating. So, again, you have to take the AA mandatory training as well as the forensic document training. Once you finish the forensic document training, that respective vendor will mail you an original certificate of completion. You, in turn, should attach that as well as the AA mandatory training certificate to your Form 13551 and submit it to the IRS.

Now many of you already are electronic return originators and you already have an e-FIN. Show of hands how many people e-file. Great, great. So, that's going to actually save you a step, because you've already gone through the suitability process as a part of your e-file application. So, those of you otherwise that have a professional –

certification such as an attorney, a CPA, or an enrolled agent, you would simply need to attach a copy of that information to the application. Those of you that don't possess any of those, we still encourage you to become a Certified Acceptance Agent. You would only need to just attach fingerprint cards to the application in addition to your training certificates. So, you'll mail that in. The process takes about 120 days. So, I strongly encourage you, if you are interested to, don't delay; start the process today so you will be well-positioned in time for the start of the filing season.

Now let's talk about some additional ITIN policy changes around dependents. There are new documentation requirements when applying for or renewing an ITIN for certain dependents.

Effective October 1 of 2016, only a passport with a U.S. entry date, I should say, is acceptable as a standalone identification document for some dependents. Now those of you that have been familiar with the program for quite some time know that for the most part since the inception of the program in 1996, passport has always been able to be used for any ITIN applicant as a standalone document. In other words, if you provide a passport, then you don't have to provide any of the other documents that we accept. Well, the change is that for dependents, if the passport, only if that passport does not have a date of entry entered on it, then there will be some additional supplemental requirements. Now this new policy does not apply – again, it does not apply – to dependents –

who are residents of Mexico, Canada, or dependents of U.S. military personnel stationed overseas. But if you are not in those respective categories, then it will apply to you. So, this

will apply to those individuals that you are selecting box D on Form W7 – and box D is specifically for dependents of U.S. resident aliens or U.S. citizens.

Now there are some additional documents as I mentioned before. Those documents are kind of age specific. So, basically, if the applicant is under the age of six, then we will accept a U.S. medical record or U.S. school record. If that applicant is under the age of 18 but at least age 6, then we will accept a –

U.S. school record. Now mind you, this is in addition to the passport that doesn't have a date of entry. If the applicant is age 18 or over, then they can provide a U.S. school record, a rental or lease agreement, or even a mortgage statement or something that lists them on there or, as well, a bank statement. Again, it's important that their name and U.S. address appear on the document.

So, today, we've covered everything you ever wanted to know about ITINs, right? We've talked about ITINs. We've talked about the renewal process for ITINs. We've talked about Acceptance Agent application process and how you can become an Acceptance Agent. Now what's on the screen currently is some helpful information –

on ITINs that's located on the IRS website. We actually have an ITIN homepage that has a lot of this information on it. We also have an expiration frequently asked questions and information on how to become an Acceptance Agent. All of this information, right at your fingertips. Whether you're currently serving clients or you're thinking about becoming a CAA in the future, this will definitely get you headed in the right direction. So, again, I invite you to visit our website at [IRS.gov](https://www.irs.gov).

So, I do want to thank you for your attendance on the day, as I'm watching the clock. We've covered a lot of material here in a short amount of time. I do have a little bit of time to entertain one or two questions. If you want, you can step to the mic. But when our time –

expires, I am going to direct you outside to meet me at the table. I will throw one question out there myself, because this is one that we're commonly asked with regard to renewals is, "When the individual renews, do they retain the same ITIN number?" The answer is yes. When an individual renews an ITIN, they will retain the same ITIN number. They will not be given a different number. With that, I will go to – I see someone standing at the mic to my left.

[Applause]

Audience

My question is renewing the CAA. Do we have to redo the forensic training and everything or –

| Brenda
Yes.

| Audience
We have to redo all of that when we renew it?

| Brenda
Yes. Thank you for your question. She's asking with respect to the approved CAAs. When you apply to become a CAA, your agreement with the IRS is valid for four years. It expires on –

December 31st of that fourth year. At the end of that renewal period, you will need to renew if you want to continue to become a CAA. At the time of renewal, you will need to submit another 13551, indicating that you are renewing, and you will also need to satisfy the training requirements once again. So, that includes the mandatory training as well as the forensic training. But again, that's only every four years.

| Audience
What about fingerprint cards? Do we need to resubmit that as well?

| Brenda
Same as well.

| Audience
Okay.

| Brenda
Thank you for your question.

| Audience
I helped one of my clients fill out a renewal and then she mailed it in. But the people that she was also renewing in her family live in Mexico and are not planning to move to the United States and don't spend any time in the United States. She's just claiming them as dependents. Is that right?

| Brenda
Well, current –

tax law does allow you to claim dependents that actually reside in Mexico.

| Audience

So, you were saying for children six and – that would be in school, that we'd need to send a United States school record. Well, if they don't have any United States school records, can you send Mexico school records?

Brenda

Yes, you can. Now let me clarify that. I think what you're doing is intermingling the basic requirement for an ITIN. There are 13 acceptable documents, some of which we accept as it relates to dependents – birth certificates, school records, medical records. Those do not have to be U.S. documents. But as it relates to this new policy, if you have an individual that has submitted a passport without a date of entry, those individuals will subsequently be asked to provide supplemental documentation. That supplemental documentation does have to be U.S. related.

Audience

Those would people that weren't –

in Mexico or Canada?

Formatted: Spanish (Mexico)

Brenda

Right. Those that are in Mexico, Canada, or dependents of U.S. military personnel are exempt from that new policy.

[Crosstalk]

Audience

Don't have to have – thank you. I was afraid I screwed it up.

Brenda

Thank you for your question. I see our time is lapsing. Again, I don't want to infringe on our next presenter. So, again, I thank you for your time. I thank you for your attendance on today. I would love to meet you out in the lobby if you have additional questions or need further clarification. Thank you, again, for your attendance.

Glossary

CAA – A Certified Acceptance Agent is an IRS- approved Acceptance Agent certify identification documents for ITIN Application purposes.

ITIN- An Individual Taxpayer Identification Number (ITIN) is a 9-digit tax processing number issued by the Internal Revenue Service.

PATH Act - The Protecting Americans from Tax Hikes Act, enacted in 2015, contains several changes to the tax law that affect individuals, families, businesses and help safeguard against tax fraud.

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