



INDIVIDUAL TAX IDENTIFICATION NUMBER (ITIN)

ISSUE BRIEF

LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

Individuals who are required to file a tax return, statement, or other document, must do so with a Tax Identification Number (TIN).¹ In 1996, the Internal Revenue Service (IRS) created the Individual Tax Identification Number (ITIN) to help taxpayers who need a TIN to comply with the law, but who are also ineligible for a Social Security Number (SSN).² The ITIN is a tax processing number issued by the IRS to individuals who are required to pay taxes, but who do not have a SSN, and who are not eligible to obtain one.³

This Issue Brief explains the basics of ITINs, their purpose, and to whom they are issued.

ITIN BASICS AND PURPOSE

- ITINs are used to help individuals comply with the U.S. tax laws, and to provide a means to efficiently process and account for tax returns and payments for those not eligible for SSNs.⁴
- The ITIN is a nine-digit number that is formatted like an SSN.⁵
- ITINs are issued regardless of immigration status, because both resident and nonresident noncitizens may have a U.S. filing or reporting requirement under the Internal Revenue Code.⁶
 - Whether an individual is a resident for tax purposes is determined by the Substantial Presence Test, which determines how long an individual has been in U.S.⁷
- An ITIN does not authorize work in the U.S. and does not change an individual's immigration status.⁸
- ITINs do not serve any purpose other than federal tax reporting and are not valid for identification outside the federal tax system; applicants are not subject to the

¹ National Taxpayer Advocate, *2016 Annual Report to Congress Volume 1* 240, (2016).

² *Id.*

³ Internal Revenue Service, *Individual Taxpayer Identification Number*, < <https://www.irs.gov/individuals/individual-taxpayer-identification-number> > (Last visited July 11, 2022).

⁴ *Id.*

⁵ Internal Revenue Service, *Pub. 4757 (Rev. 10-2021): Individual Taxpayer Identification Number (ITIN)* 5 (2021).

⁶ Internal Revenue Service, *Individual Taxpayer Identification Number*, < <https://www.irs.gov/individuals/individual-taxpayer-identification-number> > (Last visited July 11, 2022).

⁷ Internal Revenue Service, *Pub. 4757 (Rev. 10-2021): Individual Taxpayer Identification Number (ITIN)* 14 (2021).

⁸ Internal Revenue Service, *Individual Taxpayer Identification Number*, < <https://www.irs.gov/individuals/individual-taxpayer-identification-number> > (Last visited July 11, 2022).

same rigorous document verification standards as an SSN or via/passport applicants.⁹

- The IRS recently revised its ITIN application process to ensure that ITINs are being used for their intended tax administration purposes.¹⁰

ITIN ELIGIBILITY

- Individuals eligible for an ITIN do not have an SSN, are not eligible to obtain one, and are required to furnish a federal tax identification number or file a federal tax return. They are also one of the below.¹¹
 - A nonresident noncitizen who is required to file a U.S. tax return
 - A U.S. resident noncitizen who is (based on days present in the United States) filing a U.S. tax return
 - A dependent or spouse of a U.S. citizen/resident noncitizen
 - A dependent or spouse of a nonresident noncitizen visa holder
 - A nonresident noncitizen claiming a tax treaty benefit
 - A nonresident noncitizen student, professor, or researcher filing a U.S. tax return
- Individuals *not* eligible for an ITIN are listed below.¹²
 - U.S. citizens
 - Noncitizens with visas permitting them to work in the U.S.
 - (they qualify for an SSN)
 - Permanent legal resident of the U.S.
 - (green card holder, otherwise known as Permanent Resident Card)
 - Any individual with a valid SSN
 - Applicant not meeting eligibility criteria for proof of identity and foreign status
- The steps for applying for an ITIN are listed below.¹³
 - File a current [Form W-7](#) and provide supporting documentation that establishes identity and connection to a foreign country; and
 - Attach a federal income tax return to the Form W-7; or
 - Qualify under an Exception to the federal tax filing requirements.

ITIN DEMOGRAPHICS

- About 4.6 million individuals annually require an ITIN to comply with their tax filing and payment obligations.¹⁴

⁹ Internal Revenue Service, *Individual Taxpayer Identification Number*, <<https://www.irs.gov/individuals/individual-taxpayer-identification-number>> (Last visited July 11, 2022).

¹⁰ Internal Revenue Service, *Revised Application Standards for ITINs*, <<https://www.irs.gov/individuals/revised-application-standards-for-itins>> (Last visited July 11, 2022).

¹¹ Internal Revenue Service, *Individual Taxpayer Identification Number*, <<https://www.irs.gov/individuals/individual-taxpayer-identification-number>> (Last visited July 11, 2022).

¹² Internal Revenue Service, [Pub. 4757 \(Rev. 10-2021\): Individual Taxpayer Identification Number \(ITIN\)](#) 16 (2021).

¹³ Internal Revenue Service, *Revised Application Standards for ITINs*, <<https://www.irs.gov/individuals/revised-application-standards-for-itins>> (Last visited July 11, 2022).

¹⁴ National Taxpayer Advocate, [2016 Annual Report to Congress Volume 1](#) 238, (2016).

- In 2011, the IRS assigned 1.7 million ITINs, of which about 270,000 were to non-resident noncitizens.¹⁵
- From January to August 2012, the countries of origin for ITIN foreign national applicants were: Mexico (72 percent); Other (8 percent); Guatemala (7 percent); Honduras (5 percent); El Salvador (3 percent); India (3 percent); and Canada (2 percent).¹⁶
- From January to August 2012, dependents residing in Mexico accounted for 53.5 percent of all ITIN applications.¹⁷
- In 2014, dependents comprised 44 percent of ITIN applicants, and spouses accounted for 13 percent.¹⁸
- In 2015, 4.4 million ITIN filers paid \$23.6 billion in taxes.¹⁹

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¹⁵ National Taxpayer Advocate, [2012 Annual Report to Congress Volume One](#) 157, (2012).

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ National Taxpayer Advocate, [2015 Annual Report to Congress Volume 1](#) 199, (2015).

¹⁹ *Id.*