

## Timeline for renewing an ITIN

- Expires on 12/31 of the tax year.
- You can renew before or after the ITIN expires.
- It is quicker to renew before expiration.
- Once your ITIN has expired, you must renew before filing a return **for any year**.

PROSPER TAX HELP

Like I said, an ITIN renewal does not need to be done with a tax return. So many people whose numbers were set to expire at the end of 2019 renewed their ITINs in advance this summer to avoid a delay during the filing season.

And whether you renew it before it expires or well after it's expired, the process is the same. The fact that the ITIN is "expired" doesn't impact the process. The only difference is that renewing your ITIN in advance makes your tax return process go like normal, whereas a tax return submitted with a renewal takes much longer to be processed by the IRS. More on that soon.

If one person has to renew, others in the tax household can renew ITIN at same time even if not up for renewal. However, if you file as single and your number is not yet up for renewal, you have to wait until your number is set to expire.

Note: you only renew an ITIN if there is a reason to file a return or claim that person on a return. If your number expires and you don't need to file a return, you don't need to renew your ITIN.

On a related note, expiration does not affect ITINs used for bank accounts, mortgages, loans, drivers licenses, health records, etc. As I said before, once you have an ITIN, the number assigned to you never changes. The validity of the number only impacts the tax process.

## What numbers are expired?

**Middle digits 70 – 87 have expired.** (e.g. 9xx-86-xxxx)

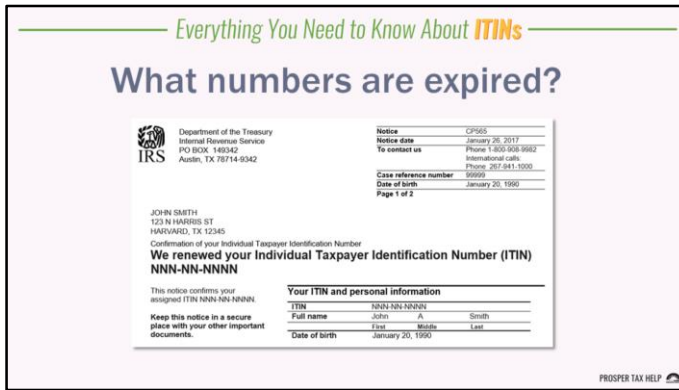
- Expired 12/31/16: Middle digits 78, 79
- Expired 12/31/17: Middle digits 70, 71, 72, 80
- Expired 12/31/18: Middle digits 73, 74, 75, 76, 77, 81, 82
- Expired 12/31/19: Middle digits 83, 84, 85, 86, 87

PROSPER TAX HELP 

IRS publicizes which numbers expire – the system is based on the middle digits. So since 2016, above are all the middle digit combinations that have expired each year. Many of these numbers have been renewed. But if someone hasn't filed since the number expired, they would need to renew this year in order to file a return for any year.

The IRS sends a letter in July to taxpayers with those middle digits that are set to expire that year. It sends the letter to the last address on file and lets the taxpayer know someone in their family needs to renew.

Now if someone hasn't filed in the last 3 years, it's possible that their address on file is not up-to-date and they wouldn't receive a letter from the IRS notifying them that their ITIN is going to expire.



IRS publicizes which numbers expire – the system is based on the middle digits.

IRS sends taxpayer a letter in second half of year (at address on file) notifying taxpayer to renew. Can renew before expire on December 31<sup>st</sup> or can renew with tax return during regular filing season once has expired.

If someone not filed in the last three years, likely not up-to-date address on file and not receive the letter that going to expire

**We did a great job last year of catching expired ITINs; let's keep it up!**

## Quiz Question

Maria is single and has not filed a tax return for several years. Her ITIN is 943-87-1101 and she tells you she only wants to file a return for 2017.

**What do you tell her?**

## Answer

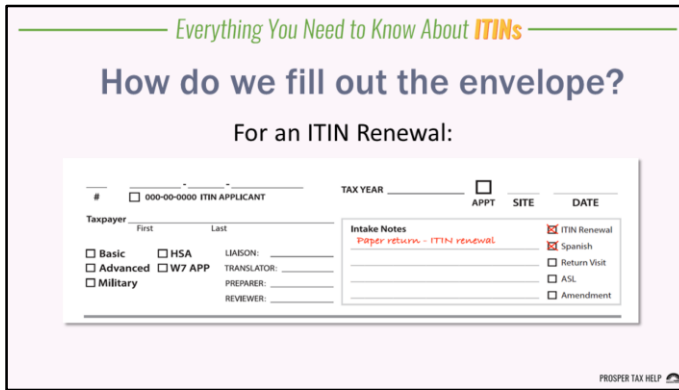
You first confirm she has not yet renewed her ITIN. Assuming she has not, you tell her she will need to renew her ITIN in order to file a tax return for any year.



If someone needs to apply for an ITIN, it's straightforward. The person will not have an ITIN and SSN and need to file a return (or be claimed on a return.) You'll confirm the person does not have and is not eligible for a SSN and then follow the steps for an ITIN application. More on that to come.

How do we know if someone needs to renew their ITIN? Check their ITIN card or letter. If the middle digits are any of the ones previously mentioned, ask the person if he has renewed his ITIN already. If not, he'll need to renew in order to file a tax return for any year. The reason why we ask if they've already renewed is because sometimes the taxpayer will have renewed their ITIN and received the renewal letter but left it at home and instead brought the old card or letter.

We will have these yellow, half-page laminated materials at intake at the sites. They are to help you remember which numbers need to be renewed. It isn't always easy to know if someone's ITIN is expired because of not filing for several years, but some people may already know. Otherwise, you can ask them the question as it appears on this document. And we have this document in English and Spanish to aid you in your conversations with clients.



Both ITIN applications and renewals include some extra and different steps in the tax preparation process.

However, **only ITIN applications require the W7 certification**. This is an internal certification we created that volunteers can get and is a supplement to Basic or Advanced. So you would still designate Basic or Advanced (and even HSA if relevant) and only select W7 also if the return contains an ITIN application.

The reason only applications require the W7 certification is because the software generates a form for W7 applications that you need to attend the training in order to know how to complete. When doing a renewal, you don't need to complete this form. Therefore, the additional certification is not required.

For renewals, you will only check "ITIN renewal" and "Spanish" on the processing envelope.

## How do we fill out the envelope?

For an ITIN Application:

#  000-00-0000 ITIN APPLICANT

TAX YEAR \_\_\_\_\_  APPT SITE DATE

Taxpayer First Last

Basic  HSA  W7 APP

Advanced  Military

LIABSON: \_\_\_\_\_  
TRANSLATOR: \_\_\_\_\_  
PREPARER: \_\_\_\_\_  
REVIEWER: \_\_\_\_\_

Intake Notes  
*Paper returns - ITIN application*

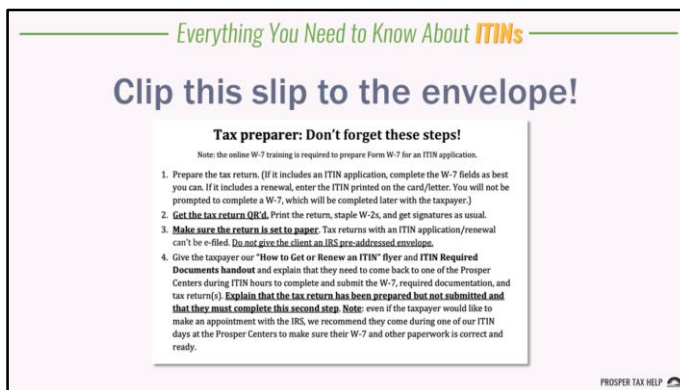
ITIN Renewal  Spanish  
 Return Visit  ASL  
 Amendment

PROSPER TAX HELP

For an ITIN application, you would select “W7 Applicant” to indicate the W7 certification is needed. You would likely also select Spanish.

You only mark the X under the field for the SSN if the primary taxpayer is applying for an ITIN. This is because we normally put the SSN or ITIN in that field and this explains why there would be no number there. ITIN applicants will end up submitting their tax return without an ITIN and the IRS processes and issues the number after the tax return is submitted.





Once you identify a return contains an application and/or renewal, paperclip the yellow, laminated half-page document to the processing envelope and put it in the queue. This is really important to signify to the preparer that the return contains an application or renewal AND to make sure the preparer knows how to handle the return.

The back side of the half-page handout lists all the important steps to follow with ITIN applications and renewals:

- Prepare the return using the existing ITIN number if it's a renewal. If it's an application, the preparer needs to have taken the W7 certification to know what number to enter instead and how to complete the W7 form that generates in the software.
- Set the return to paper and get it QR'd. Print the return, staple W-2s, and get signatures.
- Once you've completed the return, this is where the steps change. The client is not mailing in the return like they normally would for a paper return. **Do not give the client a pre-addressed envelope.**
- Give the client the tax return, the handout on our ITIN days, and the document listing which original documents are required for ITIN applications/renewals. The client should come and see us during ITIN hours. More to come on this.

## Quiz Question

You're preparing a return for Alex. His ITIN has expired and he has not yet renewed it. You explain the renewal process to him. He says he'd prefer to E-file today to get his refund sooner and then renew his ITIN after that. **What do you tell him?**

## Answer

Alex must renew his ITIN in order to file for any year. If he submits a return without a renewal, he will not get the refund he is expecting.