



**THE TAX
INSTITUTE**
AT H&R BLOCK

Individual Taxpayer Identification Number

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About Alex

- I am from Costa Rica
- 13 Years Tax Professional
- Senior Tax Specialist
- H&R Block tax professionals must complete at least 18 hours of continuing education annually are required to train on systems, policies and procedures up to an additional 35 hours of education annually.
- The tax law is challenging, and I love to learn.
- I enjoy helping people understand their tax situation.
- Education Includes:
 - Business Administration Degree from Costa Rica
 - Accounting Associates Degree
 - Associate of Science Degree, Computer programming

Did you know that?

- H&R Block served more than 23.2 million taxpayers in 2015.
- We have been preparing America's taxes since 1955.

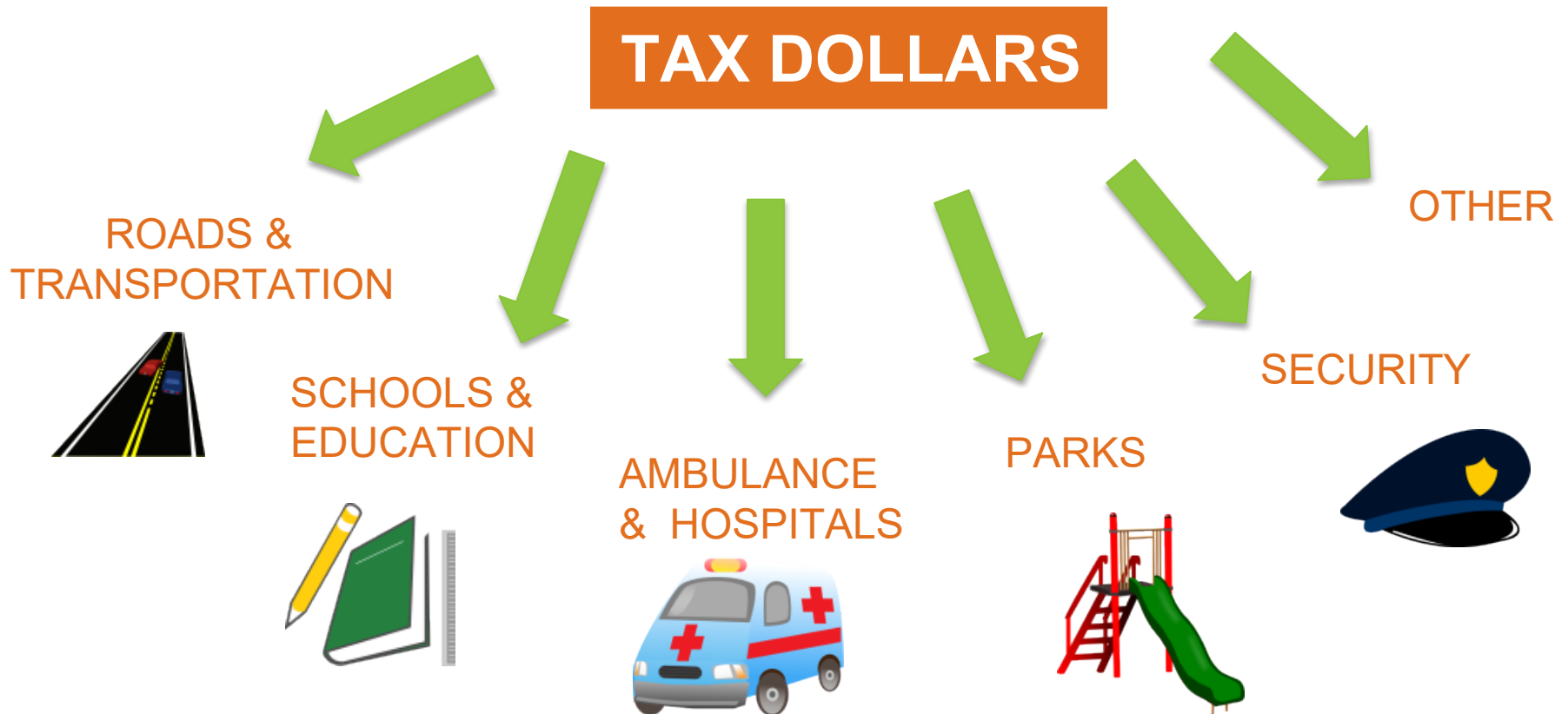
***“We look at your life through tax...
and find ways to help.”***



Who needs to pay taxes?

- Anyone who has taxable income
- Examples
 - Wages, self-employment income
 - Interest
 - Sale of real property located in the U.S.

Why do we need to PAY TAXES?



Paying taxes is an **obligation**, not an option, regardless of your immigration status.

Why should I file taxes?

- It's the law
- You may get a refund
- Penalties for non-compliance may apply
- A history of compliance may be helpful for immigration status change

What is your STATUS?

FOR IMMIGRATION PURPOSES:

< **US Citizen**

U.S. BORN or naturalized citizens

< **Immigrant**

FOREIGN-BORN individual who lives in the country as a lawful permanent resident (green card holder)

< **Non-Immigrant**

FOREIGN-BORN individual with a legal non-resident status (like a student, teacher or trainee on a visa)

< **Undocumented Immigrant**

FOREIGN-BORN individual without a legal status

FOR TAX PURPOSES:

US Citizen

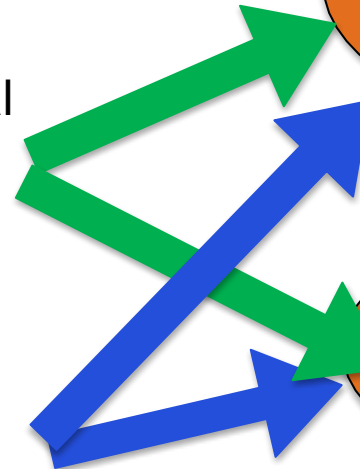
All tax benefits

Resident

Most tax benefits

Nonresident

Limited tax benefits



Are you a **RESIDENT** for tax purposes?

Must meet at least **ONE** of these tests:

**GREEN CARD
TEST**

OR

**SUBSTANTIAL PRESENCE
TEST**

You have a **Green Card**
(U.S. Permanent Residence)



You have been in the U.S.:

at least **31 days in 2018** →

1 month

AND at least **183 days** →
in a three year period

About 6 months

You can be a **U.S. resident for tax purposes**
regardless of your **immigration status**.



Do you have a TAX ID NUMBER?



< **Social Security Number**

For U.S. Citizens, permanent residents, and temporary residents with a valid work permit

DID YOU KNOW?

You **can't** use an ITIN as a work permit.

< **Individual Taxpayer Identification Number (ITIN)**

For those that don't qualify for a Social Security Number and need to file (or be included in) a tax return.



You Need an ITIN if

You are a nonresident alien who:

- Has a return filing requirement
- U.S. resident alien (based on days present in the U.S) filing a tax return
- Is a spouse of a U.S. resident alien/citizen and you want to file a joint return
- Is a nonresident dependent

You are a resident alien who:

- Does not qualify for an SSN

Benefits of Having an ITIN

- Unique taxpayer identification
- Allows you to file any required tax returns
- Allows you to claim a tax refund
- Allows a nonresident alien spouse to file a joint return with a U.S. resident/citizen
- May help you qualify for the Child Tax Credit

What an ITIN can't do

- Can't be used as an identification for non-tax purposes
- Does not change immigration or work status
- Does not qualify you for the Earned Income Credit
- Does not qualify you for Social Security benefits

Additional Benefits

A record of you filing taxes can help provide benefits for the future. With an ITIN you can:

- Open a bank account and even apply for a mortgage loan
- Build a good case for immigration
- Demonstrate eligibility for financial aid (grants) for your child's education
- In some states, ITINs can be used as proof of identification to obtain a driver's license.
Wisconsin will not allow this if you are illegal

TAXES AND IMMIGRATION PROCEDURES

A record of filing taxes can support that you **live in the U.S.**, which could simplify immigration procedures like residency and/or citizenship application.



DID YOU KNOW?

The IRS does NOT share information with immigration authorities.



Applying for an ITIN

- Use Form W-7
- Generally must file Form W-7 with a tax return
- Documentation must be attached
- All forms and documents sent to an address that is different than the regular filing address
- Generally takes 6 weeks (8-10 during tax season)
- After ITIN number is received; the state return can be filed

ITIN Application – Identification Requirement

When the Form W-7 is filed with a tax return

- Must prove identity and foreign status
- Passport can be used to prove both
- Documents must be unexpired
- One identification document must have a photograph

ITIN Application – For Dependent

- You must also provide documentation of your relationship with that person
- You must provide a civil birth certificate for a dependent (unless a passport is submitted)
- Supporting documentation for dependent can include:
 - ✓ Medical records—these documents will be accepted for dependents under 6 years of age.
 - ✓ School records—these documents are valid for dependents under the age of 14 (under age 18 if a student) and are considered current if they are for a school term no older than 12 months from the date of the ITIN application (e.g., January 2017–December 2017 for a January 2018
 - ✓ application).

ITIN Application – Accepted Documents

Types of Identification Document with Photos

- Passport* (proves both ID and foreign status)
- National Identification Card
- U.S. Driver's License
- Foreign Driver's License
- U.S. Military Identification Card
- U.S. State Identification Card

Accepted Documents (continued)

Type of Identification Documents that Prove Foreign Status

- Civil Birth Certificate
- Foreign Voter's Registration Card
- Foreign Military Identification Card
- Visa issued by the U.S. Department of State
- U.S. Citizenship & Immigration Services Photo ID
- Medical Records (valid only for dependents under age 14, or under 18 if a student)
- School Records (valid only for dependents under age 14, or under age 18 if a student)

*A passport can serve as both identification and proof of foreign status

Completing and submitting your application to the IRS

	Direct Mail to IRS by Applicant	Certifying Acceptance Agent
Who submits the W-7 and tax return?	Client	CAA
Who receives the ITIN notification?	Client	CAA and client
Who answers IRS questions?	Client	CAA
Original documents submitted with W-7?	Yes	No for primary and secondary applicants. Yes for dependents.

Completing and submitting your application to the IRS

- Based on new guidance, ITIN applications must be accompanied by original documents or copies of original documents certified by the issuing agency.
- A Certifying Acceptance Agent can help prepare Form W-7 and submit the application and return. Using a Certifying Acceptance Agent means that original documents of the primary and secondary ITIN applicants do not have to be sent to the IRS. H&R Block also participates in the Certifying Acceptance Agent Program.
- ITIN applicants also have the option of applying through participating Taxpayer Assistance Centers and certain IRS Tax Attaché offices located abroad.

Process for Applying for an ITIN without a CAA

- Clients are responsible for mailing their own ITIN application packets
- Client will sign Form W-7
- Tax professionals can assist clients with completing the tax return and the ITIN application
- Clients will have to gather supporting documentation to mail in with the application
- Clients will mail application and supporting documentation to the IRS
- Clients will receive ITIN authorization letter from the IRS

Process for Applying for an ITIN with a CAA

- CAAs will mail the client's ITIN application packet
- Client and CAA will sign Form W-7
- Tax professionals can assist clients with completing the tax return and the ITIN application
- Clients will have to gather supporting documentation and the CAA will make copies of the supporting documents for the primary and/or secondary applicants, and complete Form W-7(COA)s to mail in with the application
- Even when applying for an ITIN with a CAA, ITIN applications for dependents must still be accompanied by original documents or copies of original documents certified by the issuing agency
- Client and CAA will receive ITIN authorization letter from the IRS

Expiring ITINs

- ITINs that have not been used on a Federal tax return at least once in the last three consecutive years will expire Dec 31, 2018. In addition, ITINs with middle digits 73, 74, 75, 76, 77, 81 or 82 will also expire at the end of the year.
- These affected taxpayers who expect to file a tax return in 2019 must submit a renewal application as soon as possible (Example: (9XX-**73**-XXXX)).
 - All expired ITINs must be renewed before being used on a U.S. tax return.
 - ITINS with middle digits 70,71,72,78,79 or 80 have previously expired. Can be renewed anytime.

Expiring ITINs

- Spouses or dependents residing inside the United States should renew their ITINs. However, spouses and dependents residing outside the United States do not need to renew their ITINs unless they anticipate being claimed for a tax benefit (for example, after they move to the United States) or if they file their own tax return. That's because the deduction for personal exemptions is suspended for tax years 2018 through 2025 by the Tax Cuts and Jobs Act. Consequently, spouses or dependents outside the United States who would have been claimed for this personal exemption benefit and no other benefit do not need to renew their ITINs this year.
- Taxpayers with an ITIN that has middle digits 73, 74, 75, 76, 77, 81 or 82, as well as all previously expired ITINs, have the option to renew ITINs for their entire family at the same time. Those who have received a renewal letter from the IRS can choose to renew the family's ITINs together, even if family members have an ITIN with middle digits that have not been identified for expiration. Family members include the tax filer, spouse and any dependents claimed on the tax return.

Renewing ITINs

To renew an ITIN, a taxpayer must complete a [Form W-7](#) and submit all required documentation. Taxpayers submitting a Form W-7 to renew their ITIN are not required to attach a federal tax return.

However, taxpayers must still note a reason for needing an ITIN

How can H&R Block help?

Let us take a **Second Look®** at your tax returns for free

- If we do a Second Look on your prior year returns, you can get rid of that nagging worry that your return may be incorrect
- If we find it's correct, we'll support your return with our H&R Block guarantee
- If we find mistakes, we'll help you get it right.

We can help clients and non-clients with an IRS/taxing authority notice or provide audit representation through our **Audit Services**

- Two levels of assistance:
 - Help in understanding correspondence and advice on what to do
- Communicate directly with the tax authority on the client's behalf and/or representing the client at an audit

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We are a bilingual office and we can help with your taxes

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