

Social Security Numbers and Individual Taxpayer Identification Numbers, Who Needs them?

In order to legally work and then file your Federal Tax Return you, your spouse and any dependents you intend to claim as exemptions must have either a valid Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN). While all military members will normally have a SSN, if a military member has recently changed his/her legal name as a result of marriage, divorce or any other legal reason, they must immediately notify the Social Security Administration of their name change by completing either a Social Security Administration Application for a Social Security Card SS-5 (<http://www.ssa.gov/online/ss-5.pdf>) or SS-5-FS (<http://www.ssa.gov/online/ss-5fs.pdf>).

Note: Only use form (SS-5-FS) if you are living outside the United States or are applying for a number or card on behalf of a child who is living outside the United States. Additionally, U.S. citizens, newborn children born to U.S. citizens, aliens with U.S. Green Cards and resident aliens with permission from the U.S. Immigration and Naturalization Service to work in the U.S., will need a SSN. People who fall into any of these categories but do not have a valid SSN must also apply for a SSN.

Taxpayer Identification Numbers (ITIN) Application Process.

Do not apply for an ITIN if you or any of your family members have, or are eligible to obtain, a US Social Security Number SSN. ITIN's are issued by the IRS for federal tax purposes only. Once you and/or the Social Security Administration have determined that an individual is ineligible for a SSN they must apply for an ITIN using IRS Form W-7, "Application for IRS Individual Taxpayer Identification Number." Copies can be acquired by downloading it, with all instructions, from the IRS website @ <http://www.irs.gov/pub/irs-pdf/fw7.pdf>. While in many cases the request for an ITIN is made at the same time a Federal Tax return is filed, it can be completed anytime all the required documentation is available. Normally takes approximately 4-6 weeks to complete the process and get an ITIN assigned. Irrespective of when the application is made, the process involves filling out as much of the application as you can and then personally taking it down to the IRS District Office in Salinas (or any other IRS Office) with originals of all required documentation as noted in the instructions. The IRS will then provide assistance in helping you complete the application and mailing it off to be processed. Before going to the IRS office, carefully review the instructions provided with the application to insure you have all the required documentation available.

It is particularly beneficial to have this process completed and the ITIN assigned before the tax season starts. By having the ITIN assigned before you file your tax return, the VITA Tax Center will be able to electronically file your return and you will receive any tax refund due within 7-10 days. If the ITIN application is made at the same time you file your Federal and State tax return(s), your tax return(s) and any refunds due will be delayed for at least the advertised 4-6 weeks until the ITIN is assigned. Tax returns, both Federal and State, cannot be electronically filed without either a SSN or ITIN so they are NOT electronically filed forcing you to file hard copies of both. This hard copy method of filing a return is known as being "paper filed" and is considerably slower than filing electronically. When an ITIN application is made during the tax season there is a good chance the processing time for both the ITIN and tax return will be longer than 4-6 weeks. The reason for this extended delay is because the tax return is put on hold until after the ITIN is assigned. Then, once the ITIN is assigned and it is added to the tax return, the tax return(s) is processed. The IRS is strongly encouraging everyone to file electronically whenever possible and has publically announced that paper returns will be processed only after all electronically filed returns.