



IRS releases Notice 2016-48 to address recent changes to the ITIN program

Global information reporting update

On August 4, the IRS released [Notice 2016-48](#), which contains changes to the Individual Taxpayer Identification Number (ITIN) program as required by the Protecting Americans from Tax Hikes (PATH) Act enacted by Congress in December 2015. Under the PATH Act, certain ITINs will not be valid for use on a tax return unless renewed.

- *Unused ITINs* – An ITIN that has not been used on a federal tax return at least once in the last three years (i.e. 2013, 2014, or 2015) will no longer be valid to use on a tax return as of January 1, 2017.
- *Expiring ITINs* – ITINs issued prior to 2013 will begin expiring this year and will need to be renewed on a rolling basis, regardless of whether they have been used in the past three years. ITINs with middle digits of 78 and 79 (e.g., 9XX-78-XXXX or 9XX-79-XXXX) will be the first to expire, and the IRS will mail notifications to holders of such ITINs beginning in August. The IRS will announce the timeline for expiration and renewal of other ITINs at a future date.

Failure to renew an expired ITIN before filing a tax return in 2017 could result in refund delays as well as ineligibility for certain tax credits (e.g., Child Tax Credit, American Opportunity Tax Credit) until the ITIN is renewed. ITIN holders who do not need to file a tax return next year do not need to take any immediate action.

An individual whose expired ITIN is used only on information returns filed and furnished by third parties, such as Forms 1099 or Form 1042-S, is not required to renew the ITIN. ITINs may continue to be used for information return purposes regardless of whether they have expired for individual income tax return filing purposes. If the individual is later required to file a tax return, however, the individual's ITIN will have to be renewed at that time.

Renewal Process

A taxpayer may renew an unused or expiring ITIN beginning on October 1, 2016 by completing the newest version of the Form W-7, Application for IRS Individual Taxpayer Identification Number, which will be released in September. For renewal purposes, a taxpayer is not required to attach a tax return when submitting a Form W-7 but must include all the information and documentation required by the instructions like an original or certified passport to establish their

residency. The Form W-7 renewal package may be submitted by mail, via a Certified Acceptance Agent, like Deloitte Tax, or through an appointment with the IRS Taxpayer Assistance Center. Once renewed, an ITIN will remain in effect unless it is not used on a tax return for three consecutive years.

Additionally, an individual with an ITIN middle digit of 78 or 79 may renew the ITINs of his/her spouse as well any dependents claimed on his/her tax return at the same time instead of renewing such family members' ITINs separately over several years. Note that, beginning on October 1, 2016, the IRS will not accept passports that do not include a date of entry into the U.S. as stand-alone identification for dependents from countries other than Canada or Mexico or dependents of military members overseas. In such cases, applicants must submit, in addition to the passport, (1) U.S. medical records for dependents under age six or U.S. school records for dependents under age 18, or (2) a rental or bank statement or a utility bill listing the applicant's name and U.S. address for dependents aged 18 and over.

For more information please [click here](#) or contact:

[Denise Hintzke](#)

Managing Director, Global
FATCA Tax Leader
Deloitte Tax LLP
+1 212 436 4792

[Anne Mericle](#)

Senior Manager,
Global FATCA PMO
Deloitte Tax LLP
+1 212 436 3908

[Susan Schultz](#)

Managing Director, FATCA
Global Delivery Center (GDC)
Operations Leader
+1 612 397 4604

[Susan Segar](#)

Managing Director, Global
Information Reporting
Deloitte Tax LLP
+1 703 885 6328

Americas

[Matthew Cahill](#)

Partner, Global Information Reporting
Deloitte Tax LLP
+1 212 436 3420

[Steve Chapman](#)

Partner, Global Information Reporting
Deloitte Tax LLP
+1 212 436 2339

[David Charlton](#)

Principal, Global Information Reporting
Deloitte Tax LLP
+1 617 437 2118

[James Dockeray](#)

FATCA Leader, Caribbean/Bermuda
Deloitte & Touche Ltd.
+1 441 299 1399

[Patty Florness](#)

Partner, Global Information Reporting
Deloitte Tax LLP
+1 212 436 7413

[Andrea Garcia Castelao](#)

Senior Manager, Global Information
Reporting-CRS
Deloitte Tax LLP
+1 212 436 3785

[Anthony Martirano](#)

Managing Director, Global Information
Reporting
Deloitte Tax LLP
+1 973 602 6986

[Dennis Metzler](#)

FATCA Leader, Canada
Deloitte & Touche LLP
+ 1 416 601 6144

[Michael Shepard](#)

Principal, Deloitte Transactions and
Business Analytics LLP
+1 215 299 5260

[Kristen Starling](#)

Managing Director, Global Information
Reporting
Deloitte Tax LLP
+1 212 436 4281

[Greg Thomas](#)

Principal, Global Information Reporting
Deloitte Tax LLP
+1 415 783 5211

[Jon Watts](#)

Managing Director, FATCA Enterprise
Risk Services Leader, US
Deloitte & Touche LLP
+1 212 436 6561

Asia-Pacific

[Anna Bleazard](#)

FATCA FAS Leader, Asia-Pacific
Deloitte & Touche Financial Advisory
Services Pte Ltd.
+65 6216 3277

[Alison Noble](#)

FATCA Leader, Australia
Deloitte Tax Services Pty Ltd
+61 3 9671 6716

[Michael Velten](#)

FATCA Leader, Asia-Pacific
Deloitte & Touche LLP
+65 6531 5039

Europe, Middle East & Africa

[Brandi Caruso](#)

FATCA Leader, Switzerland
Deloitte AG
+41 58 279 6397

[Eric Centi](#)

FATCA/CRS Tax Partner, Luxembourg
Deloitte LLP
+352 45145 2162

[Claire Dawson](#)

FATCA Tax Leader, Middle East
Deloitte LLP
+971 4 5064900

[Humphry Hatton](#)

FATCA Co-Leader, Middle East
Deloitte LLP
+971 4 5064730

[Umair Hameed](#)

FATCA FAS Leader, Middle East
Deloitte Corporate Finance Ltd
+971 4 5064878

[Tom Shave](#)

FATCA/CRS Tax Partner, EMEA
Deloitte Tax LLP
+44 20 7303 4758

[Chris Tragheim](#)

FATCA Tax Leader, EMEA
Deloitte LLP
+ 44 20 7303 2848

[Markus Weber](#)

Financial Services Industry Tax Leader,
Switzerland
Deloitte AG
+41 58 279 7527

[David C. Wright](#)

FATCA/CRS Tax Partner, EMEA
Deloitte LLP
+44 20 7303 4641

This alert contains general information only and Deloitte is not, by means of this alert, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This alert is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this alert.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a detailed description of DTTL and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2016 Deloitte Development LLC. All rights reserved.