

# FACTS ABOUT THE Individual Taxpayer Identification Number (ITIN)

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## What is an ITIN?

An Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the U.S. Internal Revenue Service (IRS). The IRS issues ITINs to individuals who are not eligible to obtain a Social Security number (SSN). These taxpayers include unauthorized immigrants as well as lawfully present individuals, such as certain survivors of domestic violence, Cuban and Haitian entrants, and spouses and children of individuals with employment visas. In 2010, 3.02 million ITIN federal tax returns were filed.

## Why does the federal government issue ITINs?

Federal law requires individuals with U.S. income, regardless of their immigration status, to pay U.S. taxes. The IRS provides ITINs to individuals ineligible for an SSN in order to improve compliance with tax laws.

## What is an ITIN used for?

ITINs are for paying federal taxes and opening an interest-bearing bank account. An ITIN does not authorize an individual to work in the U.S. or provide eligibility for Social Security benefits.

## Do ITIN filers pay taxes?

- YES! In 2010, ITIN tax returns accounted for over \$9 billion in payroll tax payments (Social Security and Medicare) and \$870.07 million in income tax.
- By 2007, the Social Security Trust Fund had received up to \$240 billion from ITIN filers—up to 10.7 percent of the trust fund's total assets of \$2.24 trillion. The cumulative contribution is higher now.
- ITIN contributions have helped to forestall the solvency crisis in the Social Security Trust Fund.

## Why do undocumented immigrants pay taxes?

They are required to do so by law. Also, immigrants want to file their taxes because they see it as an opportunity to contribute and to prove their economic contribution to the U.S. and to document their residency.

## What are the recent changes to the ITIN?

In June 2012, the IRS announced an interim policy change that restricts the type of documentation that new ITIN applicants may use to establish their identity. This change places additional burdens on eligible individuals.

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