

Preparing Returns with ITIN Applicants in TaxSlayer

Before beginning, review these documents on CTC Resources if applicable:

- [About ITINs](#)
- [Which ITIN Numbers Need to be Renewed?](#)
- [ITINs: Who is Eligible to Apply or Renew?](#)
- [Preparing Returns with ITIN Renewals in TaxSlayer](#)
- [Tax Credit Eligibility & ITIN Filers](#)
- [Restricting CTC/COD in a Tax Return When Ineligible](#)
- [Quality Reviewing & Finalizing Paper Returns for ITIN Applicants](#)
- [ITIN FAQ](#)

Inform the taxpayer that:

- The return will be completed but cannot be e-filed. It must be a **Paper** return.
- They will be referred for an appointment to complete the ITIN application and should not mail the tax return before their appointment.
- After the ITIN appointment, the tax return and the application documents will be mailed to the IRS.

Remember these basics:

- Use **000-00-0001** as the SSN of the ITIN applicant. If the tax return is filing status MFJ with both spouses applying for ITINs, use **00-000-0002** for the second spouse.
- **Form W-7**, *Application for IRS Individual Taxpayer Identification Number* is added to the tax return for an ITIN applicant but the form does not need to be completed accurately during preparation or quality review. Any placeholder information added to **Form W-7** during preparation will be replaced with accurate information during the taxpayer's ITIN appointment.
- Tax returns with ITIN applicants are always **Paper** returns.

Preparing the Return in TaxSlayer

1. Prepare the return in TaxSlayer using the tax documents presented by the client.

- a. Use **000-00-0001** as the SSN of the ITIN applicant. If the tax return is filing status MFJ with both spouses applying for ITINs, use **00-000-0002** for the second spouse.
 - b. Complete **Form W-7, Application for IRS Individual Taxpayer Identification Number** to the best of your ability, entering any information needed to proceed with return preparation. Recall that any placeholder information added to **Form W-7** will be replaced with accurate information during the taxpayer's ITIN appointment.
2. Carefully consider the steps 3 and 4 before continuing.
3. **Does the applicant qualify for an ITIN?** Recent tax law changes have impacted the eligibility of certain individuals to be issued an ITIN.
 - a. If the ITIN applicant falls into one of the two groups below, use the table in [ITINs: Who is Eligible to Apply or Renew?](#) to determine whether the inclusion of the applicant results in a qualifying tax benefit.
 - Spouses living outside the US
 - Dependents, regardless of where they live
 - b. After your review, if the applicant is eligible for an ITIN continue, preparation of the return. If the applicant is not eligible, remove the ITIN applicant from the tax return.
4. **Is the taxpayer eligible for certain tax credits?** Eligibility for certain tax credits can depend on the date an ITIN will be issued, the tax year is being prepared, and the status of any dependents. See [Tax Credit Eligibility & ITIN Filers](#) for more information.
 - a. Earned Income Tax Credit (EITC): Verify that no EIC has been included on the tax return. ITIN applicants/holders are not eligible for EIC. A dependent ITIN applicant on the tax return of valid SSN holders is not a qualifying child for EIC.
 - b. Child Tax Credit (CTC)/Credit for Other Dependents (COD): If you are preparing a prior year tax return, the taxpayer(s) and any dependents must both have had a valid SSN/ ITIN by the original due date of the return (including extensions) in order to be eligible for the CTC or COD. You may need to manually remove the CTC/COD from the tax return. See [Restricting CTC/COD in a Tax Return When Ineligible](#).
5. Make a note in TaxSlayer to document any decisions or changes.
6. Continue preparation of the tax return.
7. In the **E-File** screen, set the Return Type to **Paper**.

8. Complete the **E-File** and **Submission** screens as usual in order to prepare the return to be Quality Reviewed.

For information on quality reviewing and closing an ITIN-applicant tax return, see [Quality Reviewing & Finalizing Paper Returns for ITIN Applicants](#).