

Financial Services Manual (FIN)

FIN 425–03: Nonresident Taxpayer Identification Numbers

Effective: 5/1/1996

Revised: 7/1/2022

Purpose

To describe the policy regarding taxpayer identification numbers for nonresidents who receive payment from ASU

Sources

Internal Revenue Service

University policy

Background

The Internal Revenue Service (IRS) requires that a taxpayer identification number be provided on IRS forms and information returns filed with the IRS. Such forms and returns include:

1. Form 8233, “Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual”
and
2. Form 1042S, “Foreign Person’s U.S. Source Income Subject to Withholding.”

The IRS will reject an exemption claim if the form does not show a valid taxpayer identification number.

There are two types of taxpayer identification numbers, the Social Security Number (SSN) and the Individual Taxpayer Identification Number (ITIN). An SSN is the preferred number to get and utilize for all tax documents, however an ITIN is an alternative number available for those who do not qualify to receive a SSN. Information related to the process of, and the eligibility for, receiving a SSN can be found at <https://www.ssa.gov/people/immigrants/>.

If the Social Security Administration rejects the application for a social security number, or if the nonresident knows they are not eligible for a social security number, they may apply to the IRS for an individual taxpayer identification number (ITIN).

An ITIN is issued by the IRS to individuals who are required to have a U.S. taxpayer identification number but who are not eligible to obtain a social security number. An ITIN is a nine-digit number, beginning with the number “9,” formatted like a SSN (###-##-###). The ITIN is for tax purposes only. It does not entitle the individual to social security benefits and creates no inference regarding the individual’s immigration status or right to work in the U.S.

For guidance on applying for the ITIN, see IRS Form W-7 in Appendix 4 of the [ASU Foreign Visitor Tax Guide](#).

Policy

All nonresidents in the United States who are receiving taxable payments from ASU must have either a valid SSN or ITIN to claim the benefits of a tax treaty. Taxable payments made to a nonresident without a valid SSN or ITIN will be subject to tax withholding by the university regardless of tax treaty provisions.

Additional Information

For additional guidance on nonresident alien tax issues, see the [ASU Foreign Visitor Tax Guide](#) issued by Financial Services.

Cross-Reference

For more information on submitting IRS Form 8233, see [FIN 425-04](#), “Nonresident Independent Contractors.”