

IMPORTANT INFORMATION FROM THE IRS ABOUT EMPLOYEE IDENTIFICATION NUMBERS

The Internal Revenue Service has established new requirements for individuals and businesses applying for Employer Identification Numbers (EIN).

The Internal Revenue Service revised Form SS-4, Application for Employer Identification Number (EIN), to clearly identify the applicant's true owner. Effective January 2010, all mail, fax, phone, and electronic EIN applications must disclose the name and taxpayer identification number of the true "responsible party" for the entity requesting an EIN.

For more information regarding these new guidelines, please see the following links:

[Revised Form SS-4, Application for Employer Identification Number, requires identification of responsible party](#)

[Updating Incorrect Business Entity Information](#)

[Change in Application for Employer Identification Number,target id:219210, target content type:Article](#)

[Use of Nominees in the EIN Application Process](#)

The following is an overview of the information included in the above links:

- Form SS-4, Application for Employer Identification Number, has been revised and applicants must disclose the name and taxpayer identification number of the true "responsible party" for the entity requesting an EIN.
- For an EIN applicant that is publically traded or is registered with the Securities and Exchange Commission, the "responsible party" is the principal officer, general partner, grantor, owner of a disregarded entity, owner, or trust or, depending on the business entity of the applicant.
- For all other entities, the "responsible party" is the person who can control, manage, or direct the entity and the disposition of the entity's funds and assets.
- A nominee is an entity with delegated authority to act in name only and can never be the "responsible party" for the Form SS-4 application.
- The SS-4 must be signed by an individual with the authority to legally bind the entity; therefore, it cannot be signed by a nominee.
- Entities that used nominees on their applications in the past should consider updating the information shown on the original application.
- There is no form available for updating information on previous applications; instead the entity should send a letter to IRS. Information on how to do this is included in the "Updating Incorrect Business Entity Information" link.
- Third party designees filing online applications must retain a complete copy of the paper Form SS-4, signed by the responsible party, and a signed authorization statement, for each EIN application filed with the IRS.
- Using nominees in the EIN application process prevents the IRS from gathering appropriate information on entity ownership and may also facilitate tax non-compliance

by entities and their owners. Clearly identifying an entity's true owner makes it difficult for taxpayers to conceal their income and assets.