

ITIN Vs. SSN: Key Differences

Between Two Legal US ID Numbers

Meta Description: Explore the detailed concept of [ITIN Vs. SSN](#), including their purposes, eligibility, and uses in the US, in this concise comparison guide.

In the United States, two crucial identification numbers play pivotal roles in our lives: the Social Security Number (SSN) and the Individual Taxpayer Identification Number (ITIN).

While both serve as essential tools for identification, especially in taxation and employment, they cater to different groups and have distinct purposes. The SSN is primarily for U.S. citizens and certain residents, aiding in social services and tax reporting. On the other hand, the ITIN is assigned to individuals who need to comply with U.S. tax laws but don't qualify for an SSN.

Understanding the distinctions between ITIN and SSN is not just a matter of bureaucratic knowledge but a necessity for anyone navigating the U.S. tax system, employment, or access to services.

So let's start with this comprehensive guide, where you will get all your answers related to [ITIN vs. SSN](#).

What Is an ITIN?

Individual taxpayer identification numbers (ITINs) were first made available by the Internal Revenue Service (IRS) in 1996. Their main purpose is to help foreigners who, for whatever reason, don't qualify for a social security number.

ITINs are tax identification numbers that are utilized for tax processing purposes. They are issued by the Internal Revenue Service (IRS) of the United States. ITINs are 9-digit numbers that look like this: XXX-XX-XXXX, where the first number is always a 9. It allows individuals who aren't eligible for a Social Security Number (SSN) to file income tax returns.

Unlike the SSN, an ITIN doesn't authorize work in the U.S. or provide eligibility for Social Security benefits but serves primarily for tax filing purposes. Foreign nationals, nonresident aliens, and their spouses or dependents who are required to file tax returns in the United States but do not qualify for an SSN are typically issued an ITIN.

Eligibility Criteria for Obtaining an ITIN

To obtain an ITIN, you must belong to one of the following categories:

- Non-U.S. residents who are required to file a U.S. tax return.
- U.S. residents who are not eligible for an SSN due to various reasons, such as their immigration status.
- Dependents or spouses of U.S. citizens or resident aliens.
- Dependents or spouses of non-resident alien visa holders.

Key Uses of ITIN in the US

ITIN is a crucial tool for individuals who need to comply with U.S. tax laws but aren't eligible for an SSN, facilitating their participation in the U.S. financial system. Take a look below to learn the key uses of an ITIN for an individual:

- **Tax Filing:** The primary use of an ITIN is to file federal tax returns.
- **Banking:** Some banks may allow you to use an ITIN to open a checking or savings account.
- **Credit:** It can help build a credit history if you're not eligible for an SSN.

To learn more, you can always browse our blog under the title: “[The Hands-On Guide For Obtaining an ITIN.](#)”

What Is an SSN?

In the United States, a Social Security Number (SSN) is a unique nine-digit identification number issued by the Social Security Administration (SSA). The Social Security Number (SSN) was created in 1936 as part of the Social Security Act in the United States. At first, it was used solely for tracking the earnings of workers and their contributions to the Social Security program.

SSNs serve as both a taxpayer identification number and a means of personal identification for citizens and those authorized to work in the United States. It is used to verify an individual's identity for purposes such as obtaining credit, opening bank accounts, applying for loans or government benefits, and filing tax returns.

The SSN is considered confidential and should be kept private to prevent identity theft and fraud. The government uses Social Security Numbers to keep track of people's jobs and wages, as well as to see if they are eligible for benefits like Medicare and Social Security.

Eligibility Criteria for Obtaining an SSN

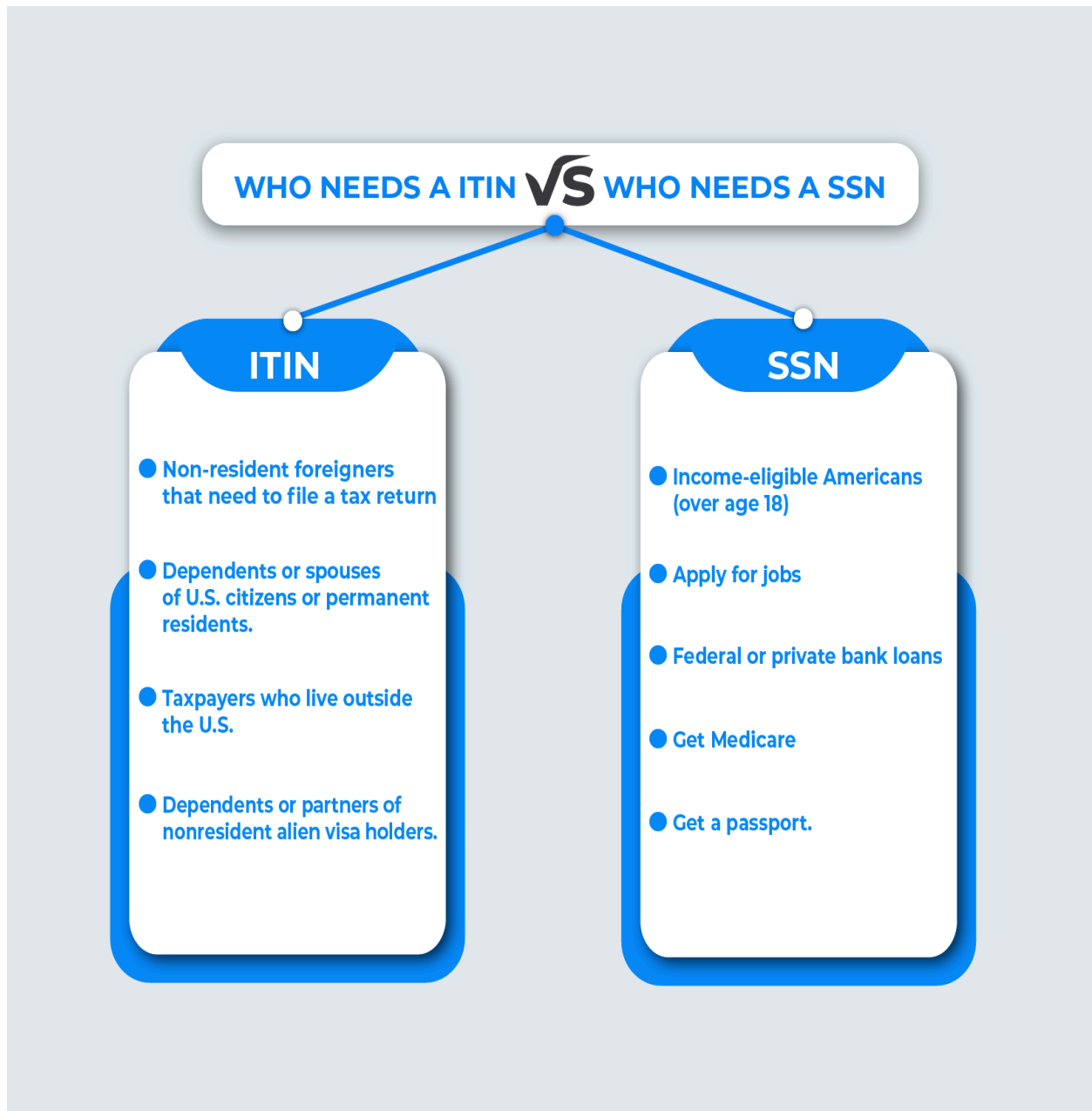
To get an SSN, you must be either a U.S. citizen or have permission to work in the U.S. from the Department of Homeland Security. This includes permanent residents (people with green cards) and temporary workers on specific visas.

Key Uses of SSN in the US

To comprehend better, the key uses of an SSN are given below:

- **Employment:** Employers need your SSN for wage reporting on tax returns.
- **Taxation:** You need an SSN to file your taxes.
- **Social Services:** It's used to apply for government benefits, like unemployment benefits.

- **Banking:** Banks require an SSN to open an account, get a loan, or apply for a credit card.
- **Education:** Colleges may ask for an SSN for financial aid and other services.



ITIN vs. SSN: What's the Actual Difference

Now, that you know the initial concept, let's explore a concise comparison of ITIN and SSN regarding eligibility, application, and impact on taxation, helping clarify their distinct purposes and requirements.

Eligibility

SSN: Permanent residents, U.S. citizens, and temporary (working) residents are primarily eligible to obtain an SSN.

ITIN: Individuals who are required to have a U.S. taxpayer identification number but do not have an SSN or are ineligible to obtain one, are eligible to obtain an ITIN. Non-resident aliens, their spouses, and dependents are included in this category.

Purpose and Applications

SSN is used for a wide range of purposes, from taxation, and employment, to access government services. It's essential for anyone who works and lives in the U.S.

ITIN is used specifically for tax filing purposes, allowing individuals who don't qualify for an SSN to comply with U.S. tax laws.

Renewal Process

SSN does not require renewal. Once issued, your SSN remains yours for life.

ITIN may need to be renewed if it has not been used on a federal tax return at least once in the last three consecutive tax years or if it has expired.

Application Process

SSN

- Complete Form SS-5 (Application for a Social Security Card).
- Gather required documents proving identity, age, and U.S. citizenship or lawful alien status.
- Submit the application and documents in person at a Social Security office or by mail.

ITIN

- Complete Form W-7 (IRS Application for Individual Taxpayer Identification Number).
- Attach a federal tax return to the application (unless you qualify for an exception).
- Provide original or certified copies of documents proving identity and foreign status.
- Submit the application and documents to the IRS, through a Certified Acceptance Agent (CAA).

A short note here, Business Globalizer is an IRS Certified Acceptance Agent (CAA). So, you can obtain a hassle-free ITIN from us.

Tax Filing Status and Requirements

SSN holders are required to file taxes if they meet the IRS income thresholds, using their SSN as their tax identification number.

ITIN holders must also file taxes if they earn U.S.-based income, using the ITIN to file their tax returns.

Tax Benefits

- SSN provides eligibility for full benefits, including income tax returns, social security benefits, and the ability to be claimed as a dependent or spouse for tax purposes.
- ITIN holders can file taxes and claim tax benefits for income earned in the U.S., but they are not eligible for all of the benefits provided to SSN holders, like social security benefits.

Differences Between ITIN and SSN: Comparison Table

FEATURES	ITIN	SSN
What is it?	An Individual Taxpayer Identification Number	A Social Security Number
Eligibility Criteria	Non-resident aliens, their spouses, and dependents are not eligible for an SSN.	Citizens, permanent residents, and temporary (working) residents of the United States.
Purpose	Used specifically for tax filing purposes, allowing those not eligible for an SSN to comply with U.S. tax laws.	Used for taxation, employment, and access to government services. Essential for working and living in the U.S.
Renewal Process	May need renewal if not used on a federal tax return for three consecutive years or if expired.	Does not require renewal. Once issued, it remains valid for life.
Length	It begins with the number 9 and is nine digits long. For example: 9XX-XX-XXXX .	Begins with one of the three-digit prefixes and is nine digits long. For example: XXX-XX-XXXX
Application process	Complete Form W-7, attach a federal tax return (unless exempt), provide identity and	Complete Form SS-5, provide required documents for identity, age, and status, and

	foreign status documents, and submit to the IRS.	submit in person or by mail.
Tax Filing Status and Requirements	Required to file taxes for U.S.-based income, using ITIN as identification.	Required to file taxes if income meets IRS thresholds, using SSN as identification.
Tax Benefits	Can file taxes and claim some benefits for income earned in the U.S., but not eligible for social security benefits or all taxpayer benefits.	Eligible for full tax benefits, including returns, social security benefits, and dependent/spouse claims.

The ITIN and SSN serve different purposes: SSN is for U.S. work-eligible individuals, while ITIN is for non-citizens and foreign entities like companies and LLCs doing business in the U.S. Although both are used for tax purposes, only SSN holders can access full government services and benefits, unlike ITIN holders.

SSN or ITIN: Which One to Go For?

Whether you should apply for an **SSN or ITIN** depends on your own situation and whether you meet the eligibility requirements for each.

If you are a U.S. citizen or a legal permanent resident (someone with a green card), you can usually get an SSN. Most people who are allowed to work in the United States are also given an SSN. An SSN is a unique number that is used for tax purposes and other things. It can be used to get a job, open a bank account, apply for credit, and other things.

If you can't get an SSN but need to file a federal tax return or give the IRS information about your money, you may need to apply for an ITIN. A taxpayer identification number

that can only be used for tax purposes. It can't be used to get a job, get a driver's license, or do anything else that isn't related to taxes.

It's important to keep in mind that you should only apply for an ITIN or SSN if you need one. Fraud can happen if you apply for either number without a good reason. This may result in penalties and additional legal complications. If you aren't sure which number is right for you, you can talk to a tax expert or any business consultant.

FAQ

1. What Does ITIN Mean?

Answer: ITIN stands for Individual Taxpayer Identification Number. It is a tax processing number issued by the IRS to individuals who are required to have a U.S. taxpayer identification number but do not have or are not eligible for a Social Security Number (SSN).

2. Isn't an Individual Taxpayer Identification Number the Same as an SSN?

Answer: No, an Individual Taxpayer Identification Number (ITIN) is not the same as a Social Security Number (SSN). Individuals who need a U.S. taxpayer identification number but do not qualify for an SSN are issued an ITIN, whereas U.S. citizens and eligible residents are issued an SSN for tax reporting and access to government services.

3. Can I use my ITIN as my Social Security Number?

Answer: An ITIN can be used instead of an SSN when filing a federal tax return. But this is only for people who don't have an SSN or can't get one. Also, ITINs can't be used instead of SSNs as proof of identification for things other than taxes.

4. Can I Open My Bank Account Without an ITIN or SSN?

Answer: It is possible to open a bank account in the US without an ITIN or SSN, but it can be difficult. Banks are required by law to verify the identity of their customers, and an ITIN or SSN is the most common way to do so. However, some banks may accept other forms of identification, such as a passport or driver's license, from your home country.

5. Can I Work with an ITIN Number?

Answer: An ITIN (Individual Taxpayer Identification Number) is not a work authorization and does not grant you the legal right to work in the United States. It is only for tax purposes.

6. Who needs an ITIN if they can get an SSN?

Answer: Individuals eligible for an SSN should not apply for an ITIN. ITINs are specifically for those who cannot obtain an SSN but need to file U.S. tax returns or have other tax purposes.

7. Can an ITIN become an SSN?

Answer: No, an ITIN cannot directly become an SSN. However, if an individual's status changes in a way that they become eligible for an SSN (e.g., through obtaining a work visa), they must apply for an SSN and stop using the ITIN.

8. Do ITIN and SSN offer the same rights and privileges?

Answer: No, ITIN and SSN do not offer the same rights and privileges. An SSN is required for employment in the U.S., eligibility for Social Security benefits, and other government services. An ITIN is primarily used for tax filing purposes and does not authorize work or provide Social Security benefits.

Final Thoughts

In conclusion, understanding the key distinctions in the [ITIN vs. SSN](#) comparison is crucial for anyone navigating the U.S. tax system or seeking employment and benefits.

Choosing the right identification number, whether it be an ITIN for non-citizens engaged in U.S. business or an SSN for those eligible to work and live in the U.S., significantly impacts your ability to comply with tax obligations and access services. Remember, your individual circumstances will guide you to the appropriate choice, ensuring you fulfill legal requirements while maximizing your benefits.

