
Illegal Immigrant

Posted by great1 - 2008/01/12 13:04

Do illigals need to get an ITIN if they want to pay income taxes? If they file will they be exported because they are here illegal?

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Re:Illegal Immigrant

Posted by Sumo - 2008/01/13 23:24

If you're referring to a Tax Identification Number "TIN", it is only required if you are a business. In order to file and pay taxes, individuals need a social security number. If an individual wants to pay taxes, they can, but they would have to have a SSN. You do not have to be a legal resident or citizen to pay taxes. There may or may not be a method for filing taxes without a social security number.

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Re:Illegal Immigrant

Posted by Jackie - 2008/03/05 00:07

Can I change the scenario a bit. So lets say there's a foreign investor (an individual) who buys property in the U.S. and then later sells it for a profit. How would they report that? Do they even have to report it? Do they pay taxes it on?

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Re:Illegal Immigrant

Posted by steve - 2008/03/05 01:02

Great question. When you sell property, real estate agents obtain a copy of your driver's license or passport. The purpose is to determine if they need to withhold taxes from the sale of the property under Foreign Investment in Real Property Tax Act of 1980 (FIRPTA).

If the seller is entitled to a refund, s/he must file a tax return showing the actual gain/loss.

See the link below for more details.

<http://www.irs.gov/businesses/small/international/article/0,,id=105000,00.html>

Post edited by: steve, at: 2008/03/05 01:04

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Re:Illegal Immigrant

Posted by Tia A. - 2008/03/05 18:36

So how do they assign tax liability or refund. The foreign investor would not have a social security number? Do they issue him one, or some other temporary number? How does that work exactly? A bit confused?

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Re:Illegal Immigrant

Posted by Tia A. - 2008/03/05 18:37

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Re:Illegal Immigrant

Posted by steve - 2008/03/05 21:41

The non-resident obtains an ITIN and employer's withhold taxes. If the non-resident sells property, the real estate agent is required to withhold federal taxes and remit them to the U.S. Treasury. If so real estate agent is used, the non-resident (taxpayer) is required to voluntarily withhold taxes and remit them.

Re:Illegal Immigrant

Posted by Lex - 2008/03/28 17:21

what if the illegal immigrant has not filed taxes and he goes to get an ITIN...will they then deport him? or will they give him an ITIN b/c they want him to pay taxes.

Re:Illegal Immigrant

Posted by Lex - 2008/04/19 06:12

i found out that this country allows illegals to reside here and pay taxes. I think the only way they get deported is if they commit a crime.

Most illegals are scared to file taxes because they are worried they will get deported.

Re:Illegal Immigrant

Posted by 1000Attorneys.com - 2008/07/03 18:20

In 1997, the IRS began issuing Individual Taxpayer Identification Numbers (ITIN) to foreigners who weren't eligible for a Social Security numbers to encourage them to file an income-tax return, regardless of immigration status. As of December 2004, the IRS had issued eight million such numbers.

Many hard-working, tax-paying immigrants want a shot at the American dream of homeownership. The contributions of hard-working, tax-paying immigrants to our country are often overlooked. According to the 2000 census, 12.4% of America's labor force consists of immigrant workers. 60,000 immigrants are currently on active duty in the US military - 37,000 of whom are non-citizens.

The growth of many ITIN mortgage programs shows how lenders and banks have adapted to the economic reality of both legal and illegal immigrants, many of whom aren't deported by the Immigration and Naturalization Service. Although it's illegal to hire them, few employers are prosecuted, and the IRS accepts their tax payments. Moreover, many households with an undocumented immigrant also may include a legal permanent resident or U.S. citizen, such as a child born in the U.S.

What is an ITIN?

An Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the Internal Revenue Service. It is a nine-digit number that always begins with the number 9 and has a 7 or 8 in the fourth digit, example 9XX-7X-XXXX.

The IRS issues ITIN's to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain a Social Security Number (SSN) from the Social Security Administration (SSA).

ITIN's are issued regardless of immigration status because both resident and nonresident aliens may have U.S. tax return and payment responsibilities under the Internal Revenue Code.

Individuals must have a filing requirement and file a valid federal income tax return to receive an ITIN, unless they meet an exception.

Many lenders and banks are staying out of the immigration side of the ITIN controversy and concentrating on business strategy. For example, Second Federal Savings & Loan, based in the Chicago area, has offered ITIN mortgages for several years, but has renewed its focus in the last 18 months. "With margins narrowing, we got squeezed," says president and CEO Mark Doyle. "We looked at our alternatives. One glaring opportunity was in the ITIN market." It

proved to be a solid bet: Today, the bank's \$70 million ITIN portfolio is "performing well" with no foreclosures, he says, though he declined to provide profit figures. Many housing authorities also use ITIN, instead of a Social Security number, which illegal immigrants generally cannot obtain.

The criteria being used by many lending institutions includes the following to qualify for an ITIN loan:

- Two years of work experience in same field of work
- Copy of ITIN Card (matching ITIN used for tax returns)
- Employer's name and contact information
- Copy of two months' pay stubs
- One year of rental history with no late payments
- Two lines of credit with no late payments which can include non-traditional credit such as utility bills and rental stubs
- Two months of bank statements for all accounts

Regardless of your position on immigration, it is the service and product of homeownership that we provide in our industry that many immigrants long for when they arrive in this country. There is now a mechanism in place that is helping these immigrants achieve this dream and there seems to be a lot of support behind it.

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Re:Illegal Immigrant

Posted by LK311 - 2008/07/04 08:45

Wow, that is one heck of a history lesson. Thanks that was interesting. Any idea on what the impact of the current mortgage crisis is having on these type of loans, if banks even are doing them anymore? rates of default, etc..

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Re:Illegal Immigrant

Posted by Jackie - 2008/07/15 02:09

wanted to add to the thread. I found an article which discusses how hard it has become for an illegal to get into college. Some states are making it harder for illegal immigrants to attend college by denying in-state tuition benefits or banning undocumented students.

In the past two years, Arizona, Colorado, Georgia and Oklahoma have refused in-state tuition benefits to students who entered the USA illegally with their parents but grew up and went to school in the state. That represents a reversal from earlier this decade, when 10 states passed laws allowing in-state rates for such students.

This summer, South Carolina became the first state to bar undocumented students from all public colleges and universities.

http://www.usatoday.com/news/education/2008-07-06-Illegaled_N.htm
