

# Woven Red Author Services

## Note for Canadians

As at Feb 9, 2015: A friend recently signed up for an Amazon author account. After too many phone calls to the IRS and Amazon, she discovered that an **ITIN is no longer needed for Canadians**. After ticking a box to say you have a foreign tax ID number, you may enter your SIN, and you're good to go!

I don't know about other countries. But please investigate.

## What is an ITIN or TIN?

An International Taxpayer Identification Number (ITIN or TIN) is an identification number used by the Internal Revenue Service (IRS) in the administration of the US tax laws.

## ITIN vs EIN

An EIN or Employer Identification Number is for Small Businesses and the Self-Employed. To determine if you should be applying for an EIN instead of an ITIN, check out this [quickie reference chart](#). Lots more information about Self-employed status is available [here](#). An EIN can be a lot easier and quicker to get. But from my brief reading, an EIN appears to be meant for resident Americans. Whichever you chose, you now have a starting place for your decision-making.

## Why Should You Get an ITIN?

To avoid a 30% withholding tax on book sales made on through an American publisher (e.g. HarperCollins, Simon & Schuster) or distributor (e.g. Amazon, Smashwords). You will also need an ITIN to complete any W-8 BEN forms which may come your way.

## When Should You Get an ITIN?

Preferably before you have any book sales. Then you won't have to complete an American tax return, with accompanying ITIN application, to get a refund of the withheld amount. Life is so much simpler when the papers are in order.

## Before We Begin, a Caveat

I am not a lawyer or an Acceptance Agent. These instructions are based on my personal experience and the procedures as I knew them in January 2013. Your experience may differ. Anything I say here is superseded by the information on the IRS website's [ITIN Pages](#).

From time to time, I come across information that leads me to update this article. All such updates are noted as they occur. If you have updates you'd like share with others struggling through this process, please [contact me](#).

## IRS Guide

A comprehensive PDF guide issued by the IRS is available at [IRS Publication for ITIN](#). I recommend you read it.

## How Do You Get an ITIN?

The IRS revamped their process in January 2013. Three forms must be completed and sent to the IRS offices currently located in Texas.

1. A completed W-7 Application Form accompanied by
2. Documentation proving your identity, and
3. A signed letter from the withholding agent (e.g. publisher or distributor), on official letterhead, showing that an ITIN is required to pay you.

You can use an Acceptance Agent, a person who's had IRS training, at a cost of \$250 or so, but it's not a requirement. If you follow instructions carefully, you shouldn't need an Agent. If you want use an Acceptance Agent, you can find a list of them [here](#).

### 1) Form W-7: Application for IRS Individual Taxpayer Identification Number

You'll need a [PDF version of the W-7](#) (rev Aug2013) and the [complete instructions for the W-7](#).

It's fairly straightforward if you follow the instructions, except for item H and the Tax Treaty number. Item H is the reason you are requesting exemption from filing a US tax return. Here's a snippet of my W-7 form showing the reason and the Tax Treaty number for Canada.

<input checked="" type="checkbox"/> Other (see instructions) ▶ <b>Exception 1(d)-Royalty Income</b>
Additional information for a and f: Enter treaty country ▶ <b>Canada</b> and treaty article number ▶ <b>TIAS 11087</b>

If you're reading this article from a country other than Canada, you can find your Tax Treaty number in Table 3, starting on the second last page at, [Tax Treaty Numbers](#).

If you'd rather read a printed booklet, there's a pdf available at [Tax Treaty PDF version](#).

*Don't forget to date and sign the W-7 after you've printed it.*

### 2) Proving Your Identity

A list of acceptable forms of identification is provided in the instructions linked above. The easiest way to use is a valid passport, which is what I did. If you don't have a passport, the instructions state which other documents, used in combination, are acceptable.

You can submit your actual passport (not the best idea), have your passport certified at a US Consulate or

Embassy (if you don't mind standing in line), or submit a certified copy of your passport.

A certified copy is NOT the same as a notarized copy. Notarized copies are no longer accepted by the IRS.

To get a certified copy of a Canadian passport, you need to have two things:

1. A letter requesting a certified copy of your passport
2. A completed PPTC 516 Request for Certified True Copy of Canadian Travel Document
3. Both are available at [Request a Certified Copy of a Canadian Passport](#).

Take, or mail, both forms to your nearest Passport Canada Office. You can either pick up the copy and the original or have both mailed back to you. You will have to leave your passport with them, but you'll get a receipt for it. The Passport Canada staff will also let you know when the copy will be ready for pickup or delivery.

For the Passport Canada Office nearest you, go to [Passport Canada locations](#).

If you're reading this article from another country, please refer to your passport office procedures to get a certified copy.

### 3) A signed letter from the withholding agent

The withholding agent is the publisher of your book, e.g. Penguin, Harlequin or [Kindle Direct Publishing \(KDP\)](#).

If you're working with a traditional/online publisher, get the letter from them.

As at Sept 17, 2014: If you're using KDP to self-publish for distribution on Amazon, they address this issue in their Help Documents. In the Tax Interview section under [Do You have a U.S. Tax Identification Number?](#), you're directed to their [Contact Us page](#) where you can request an ITIN letter. They will mail you an official letter (on letterhead with a live signature) for submission to the IRS along with your other documents. Please note that you have to be logged in to your Amazon account to get to their Contact Us page.

A blank sample letter is available in the IRS guide linked above.

## Sending Your Completed Forms to the IRS

You should now have your three pieces of paper ready to go.

1. A completed and signed W-7 form with the correct Tax Treaty number,
2. A certified copy of your passport, and
3. A dated letter addressed to you from your publisher or Amazon Digital Services.

Only US embassies in Beijing, Frankfurt, London, and Paris can process a W-7 on site. So fold the three papers into an envelope, affix sufficient postage (two regular stamps in Canada) and send it to:

**Internal Revenue Service  
ITIN Operation  
Mail Stop 6090-AUSC  
3651 S. Interregional, Hwy 35  
Austin, TX 78741-0000  
USA**

The IRS will return the certified copy of your passport under separate cover from the ITIN certificate.

It took three months almost to the day to get my ITIN certificate in the mail. It's expected to take less time out of tax season (January 15 through April 30).

## Using your ITIN

Once you get your ITIN certificate, you can record the information at your various author accounts.

The number has the format 123-45-6789. Some websites want the hyphens, others don't. If you fail with one format, just try the other.

The Legal Entity Name is the full name as shown on the ITIN certificate.

You might have trouble getting some distributors to match your ITIN record to the IRS records. After spending an hour and a half on the phone with the IRS, I was told that my ITIN record (confirmed three times during the conversation) was missing from the main IRS database. Apparently, there are two databases. The reason given was because I hadn't filed a US tax return. However, using an ITIN exempts you from filing a US tax return (see my snippet above). To solve the problem, the very helpful gal at the IRS sent a request to have my ITIN record re-activated on the main IRS database. That seems to have fixed things. So, if this happens to you, request a re-activation.

One last warning. You will be expected to report earnings and pay income taxes in Canada or wherever you live. Honesty is always the best policy.

## Did You Spot Some Old Information?

I try to keep this information up to date, but things do slip by me. If you spot an error or old information, please let me know via my [Contact form](#).

## More Articles

More articles of use to fiction writers can be found at [Articles for Writers](#).

## Need Help with Word? Want to Format Your Book?

To get the most out of Microsoft Word, check out Joan's 12-lesson course at [Mastering Word for Fiction Writers: How to Use Word to Create and Edit Your Manuscript, Prepare Your eBook and Design Your Print Book](#).