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U.S. Employer Identification Number Guide

The Employer Identification Number (EIN), also known as the Federal Employer Identification Number (FEIN) or the Federal Tax Identification Number (FTIN), is a unique nine-digit number (for example, 12-3456789) assigned by the Internal Revenue Service (IRS) to business entities operating in the United States for the purposes of identification. EIN just like a Social Security Number (SSN) for your personal identification number. The EIN number allows you to communicate with the Internal Revenue Service (IRS) in the dealing of all the tax matters of your company. You may also need EIN for bank account opening, business license application or other reasons.

The EIN is issued by the Internal Revenue Service (IRS) upon application. You can apply for EIN via website, fax or mail. Expedited service is not available. To complete the application, you should prepare the Form SS-4 and submit it with your company's registration document to IRS.

EIN does not expire. Once an EIN has been issued to an entity, it will be permanent federal taxpayer identification number for that entity. IRS cannot cancel your EIN, unless you require to close the EIN account.

This guide will answer the frequent questions about EIN (for example, who needs EIN, how to apply for EIN) and thus help you better understand this unique tax identification number.

1. Who Needs an EIN

According to the IRS, your business requires an EIN under any of the following circumstances:

- (1) You have employees.
- (2) Your business is taxed as a corporation, partnership or limited liability company. The owner of the single-member LLC may not need to obtain an EIN unless the business has one or more employees or has an excise tax liability. It should use the name and Taxpayer Identification Number (e.g. SSN) of the single member owner for federal tax purposes. However, if a single-member LLC, whose taxable income and loss will be reported by the single member owner needs an EIN to open a bank account or if state tax law requires the single-member LLC to have a federal EIN, then the LLC should apply for and obtain an EIN.
- (3) You need to file employment taxes, excise taxes, or alcohol, tobacco, or firearm tax returns.
- (4) You withhold taxes on income paid to a non-resident alien.
- (5) Your business has a Keogh plan.
- (6) Your business is involved with trusts, estates, real estate mortgage investment conduits, non-profit organizations, farmers' cooperatives or plan administrators.

Even if your business doesn't fall into any of the above categories, you may still be required to get an EIN if you want to open a business bank account, apply for business licenses or apply for a loan from a bank or financial institutions.

Please note that businesses may need a new EIN when their ownership or structure has changed.

2. How to Apply for an EIN

All EIN applications (mail, fax, electronic) must disclose the name and Taxpayer Identification Number (SSN, ITIN, or EIN unless you are a foreigner) of the true principal officer, general partner, grantor, owner or trustor. This individual or entity, which the IRS will call the “responsible party,” controls, manages, or directs the applicant entity and the disposition of its funds and assets. Unless the applicant is a government entity, the responsible party must be an individual (i.e., a natural person), not an entity.

Please note effective May 21, 2012, to ensure fair and equitable treatment for all taxpayers, the Internal Revenue Service will limit Employer Identification Number (EIN) issuance to one per responsible party per day. This limitation is applicable to all requests for EINs whether online or by fax or mail.

(1) Apply Online

The Internet EIN application is the preferred method for customers to apply for and obtain an EIN. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately. However the online application process is only available for the entities whose principal business, office or agency, or legal residence (in the case of an individual), is located in the United States or U.S. Territories and the person applying online must have a valid U.S. Taxpayer Identification Number (SSN, ITIN, EIN).

(2) Apply by Fax

Taxpayers can fax the completed Form SS-4 application to the appropriate fax number, after ensuring that the Form SS-4 contains all of the required information. If it is determined that the entity needs an EIN, one will be assigned using the appropriate procedures for the entity type.

(3) Apply by Mail

The processing timeframe for an EIN application received by mail is four to five weeks. Ensure that the Form SS-4 contains all of the required information. If it is determined that the entity needs an EIN, one will be assigned using the appropriate procedures for the entity type and mailed to the taxpayer.

3. What Documents Are Required for EIN Application

For the purpose of applying the EIN with IRS, the following materials should be prepared and provided:

- (1) The company's registration document (for example, certificate of formation) and registered address;
- (2) Passport copy of the responsible person of the company;
- (3) Responsible party's U.S. Taxpayer Identification Number (SSN, ITIN, or EIN), if apply online;
- (4) Signed application form SS-4, if apply by fax or mail.

The documents mentioned above, should be certified or notarized by Kaizen, local notary at the place of the shareholder and manager, lawyer, CPA, or bank manager.

4. How Long Will It Take to Get an EIN

If you apply online, you can get an EIN immediately. If you prefer, you can fax a completed Form SS-4 to the service centre for your state, and you will obtain an EIN within three weeks. If you apply by mail, send your completed Form SS-4 at least four to five weeks before you need your EIN to file a return or make a deposit.

If you do not have your EIN by the time a return is due, write "Applied for" and the date you applied in the space shown for the number. Do not use your social security number.

If you do not have your EIN by the time a deposit is due, send your payment to the service centre address for your state. Make your check or money order payable to Internal Revenue Service and show your name (as shown on the SS-4), address, kind of tax, period covered, and the date you applied for your EIN.

5. Close EIN Account

The IRS cannot cancel your EIN. Once an EIN has been assigned to a business entity, it becomes the permanent Federal taxpayer identification number for that entity. Regardless of whether the EIN is ever used to file Federal tax returns, the EIN is never reused or reassigned to another business entity. The EIN will still belong to the business entity and can be used at a later date, should the need arise. If you receive an EIN but later determine you do not need the number (for example, the new business never started up or the business will be dissolved), the IRS can close your business account.

You can send IRS a letter that includes the complete legal name of the entity, the EIN, the business address and the reason you wish to close your account. You must file the appropriate tax return(s) and pay all tax dues before closing your account.

6. Application Service Fees

Our service fee for handling the EIN application is USD300. We will email the EIN to you upon receipt from IRS. Kaizen U.S. office is a professional CPA firm, offers complete compliance services and business support, such as bookkeeping, financial statement audit, filing tax return, making payroll, etc. Please consult with Kaizen for more details.

If you need assistance or wish to obtain more information, please visit our official website at www.kaizencpa.com or contact us through the following methods:

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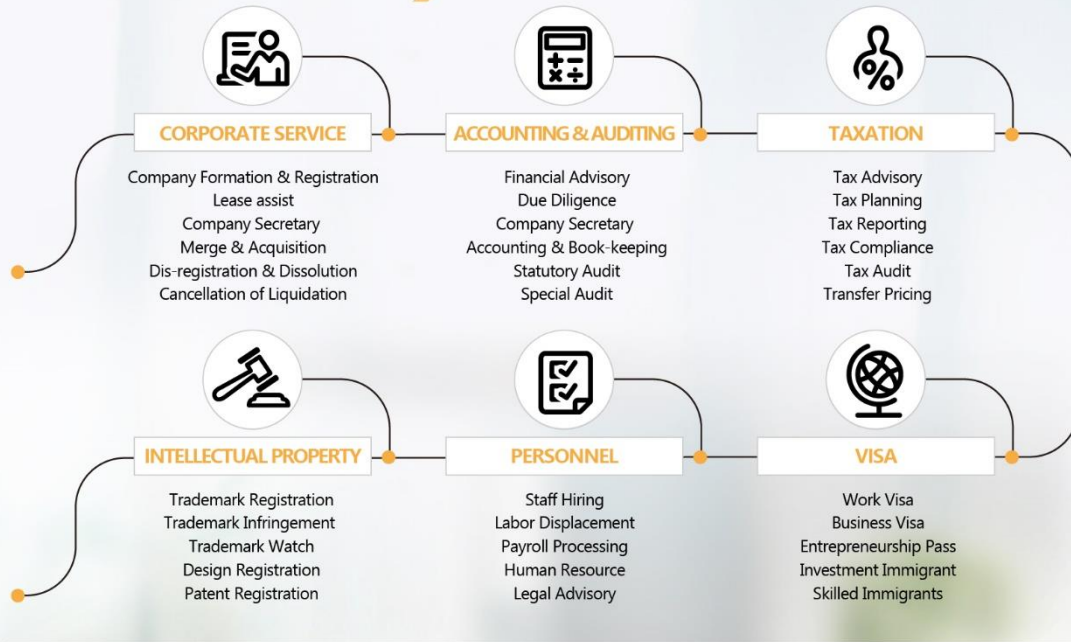
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