

Why The IRS requires an EIN

Description

Think of an Employer Identification Number (EIN) as something similar to a Social Security Number (SSN). Much like your SSN identifies who you are to the government, your EIN identifies your company to the IRS. Many business owners and entrepreneurs use EINs instead of SSNs when conducting business activities that might otherwise require an SSN.

In short, the IRS requires an EIN in order to identify your business and track the activities with which it has been engaged. Your business needs an EIN if it meets any of the following criteria:

- Your business has employees.
- Your business is a partnership or corporation.
- You plan to withhold income taxes in addition to paid wages to a nonresident of the United States.
- You are involved in various organizations that can be found on the IRS website.

Please note that the above is not an exhaustive list! You might also need an EIN to open a business bank account or credit card, for example, or even to apply for necessary business permits. EINs are also great because they help you maintain your privacy by allowing you to engage in business without exposing your SSN.

EIN Application Online

The great news is that you can apply for an EIN online for free! All you have to do is visit [the IRS website](#) and follow the instructions that are contained within. Don't be tricked into thinking that you need to pay someone to apply for an EIN when you can complete the process for free!

If you need an EIN for your business, consider taking the time to [apply for EIN online](#) today! You must be the company's owner, principal officer, general partner, grantor, or trustor and have your personal information handy when moving through the application process.

Looking to apply for a tax ID number? Start a business? Visit [GovDocFiling.com](#) for more.

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